THE ECONOMIST

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

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Europe's Poker Game

THE international situation has become alarmingly worse in the course of the past week. The Italians and Germans, followed by the Portuguese, have withdrawn from participation in the control of Spanish coasts and frontiers; and the two former are intending to veto the Anglo-French proposals for filling the gap.

The proposals of England and France were that these two countries should themselves patrol the Spanish coasts hitherto patrolled by Germany and Italy, but with independent observers on board their ships. It seems fair and obvious, if Germany and Italy abandon the patrol but remain in the London Committee to exercise a veto on all other proposals, that the other non-intervention Powers should be able to go ahead, in any way they see fit, to ensure the observance of non-intervention to which all the Powers are still committed. If, now, the British and French Governments give in once more, they will end non-intervention itself. And that will force them to take some important decisions. For they will either have to protect their citizens who may be engaged in supporting the Spanish Government, or retreat into inglorious isolation and hand Spain over to GENERAL FRANCO, the bailiff of Germany and Italy. This week even high Tory circles have perceived the peril in allowing matters to drift to this conclusion.

Something, however, has been gained; for it is an advantage that some of the cards in the European poker game have at last been displayed to public view. MR CHAMBERLAIN has admitted we are on the brink of war. SIGNOR MUSSOLINI has admitted that Italy is at war already. And HERR HITLER has admitted that Spain's iron ore resources are one of the prizes that Germany hopes to win.

MR CHAMBERLAIN, speaking in the House of Commons on Friday of last week, compared the present conditions in Europe to those in the high mountains "when an incautious move or even a sudden loud exclamation may start an avalanche"; and, at this altitude of discourse, he offered his hearers cold comfort by asking them to keep cool heads. In the same speech he put his finger on the conflict of ideologies as the deadliest threat to the peace of Europe now latent in the war in Spain. In an article, commenting on MR CHAMBERLAIN'S speech and reputed to be from SIGNOR MUSSOLINI'S pen, which was published in the *Popolo d'Italia* next day, the head of the Italian State enthusiastically pleaded guilty to the charge which had been made in general terms by the PRIME MINISTER of the United Kingdom.

> In this great fight which has brought face to face two types of civilisation and two conceptions of the world. Fascist Italy (declared her Duce) has not been neutral but has fought; and victory will also be hers.

In another paragraph he told his readers that the crisis would be definitely solved when the crushing of the last resistance of the Basques had been followed by the capture of Madrid; and on Thursday he categorically declared that Italy would withdraw no "volunteers" from Spain. This statement was accompanied by the staggering allegation that British succour of Spanish women and children was the equivalent of military aid to the "Reds," whereas Germany and Italy had all along been seeking to isolate the contest.

As for HERR HITLER, he told his followers, in a speech delivered at Würzburg last Sunday, that he had now finished once and for all with the system of collective international action since Britain and France would not join Germany in a naval demonstration.

> The experience we had in London taught us a lesson which we shall not forget. . . . We have given collective methods a fair chance. . . . Only a fool makes the same mistake twice. . . . We shall look after our own safety, and thank God we are strong enough to do so.

Thus also did the FÜHRER'S predecessor twenty-five years ago delude himself that an armed Germany could disregard the rest of the world. The really revealing sentence, however, of the Würzburg speech was one in which HITLER declared that Germany was trying to buy iron-ore all over the world and that she would welcome a Nationalist regime in Spain in order to be able to trade " normally " with that country.

But in each player's hand there is still a card which has not yet been revealed. That card is the policy of each of the Governments of the four Great Powers of Western and Central Europe about the European balance of power. In the House of Commons last week MR CHAMBERLAIN said that the Spanish policy of His Majesty's Government in the United Kingdom had " been consistently directed to one aim and one aim only—namely, to maintain the peace of Europe by confining war to Spain." And he added that it was for this purpose that, in conjunction with France, we had worked to set up and since then to maintain the Non-intervention Committee. This explicit admission that the primary purpose of the so-called Non-intervention Committee is not to secure non-intervention, but to prevent a clash of arms between other Powers anywhere except in the Spanish arena, does make it rather clearer where the British Government stands. Yet one capital point is still obscure. When the PRIME MINISTER tells us that our only aim is to maintain the peace of Europe by confining war to Spain, does he mean that the Government are indifferent to the effect of the outcome of the European war in Spain upon the European balance of power?

That question is crucial. During the last few days it has become distinctly more likely that GENERAL FRANCO may be carried to victory by German and Italian arms. And while it is one thing for GENERAL FRANCO to defeat the legitimate Government of his country in an exclusively Spanish war, it is quite another thing for Germany and Italy effectively to conquer Spain by means of their military aid to the insurgents. If GENERAL FRANCO wins the war in this second sense—and there is no other way in which his victory is now conceivable—then what we have to expect is a permanent Italo-German occupation and control of the Peninsula. It is wilful blindness to go on deluding ourselves with the notion that GENERAL FRANCO will have to pay off his foreign mercenaries as a condition precedent to an application for a loan from the City of London, GENERAL FRANCO will not particularly want to have recourse to the London money market, and will not be free to gratify his wish even if he were to harbour it. By the time they have made him win, his German and Italian victory-makers will have GENERAL FRANCO very firmly pinioned. It is idle to argue that, when the war is over, GENERAL FRANCO will not much want to keep his foreign guests and that the " volunteers " themselves will not much want to stay. It is neither FRANCO nor the " volunteers," but the DUCE and the FÜHRER, who will have the last word. The German and Italian dictators will not be willing to bring their young men home because they will not be able to offer them there " a land fit for heroes." And FRANCO will not be able to dismiss them—partly because he will simply not be allowed, and partly because, if he could and did, he would immediately forfeit the fruits of victory.

What we have to face, then, is the prospect of an outcome of the war in Spain which will leave the Peninsula under the permanent military, political and economic control of Germany and Italy. Is it really no aim of His Majesty's Government to try to prevent this? Is that the meaning of the remark with which MR EDEN wound up the debate on June 25th?

> I do not say peace at any price; but if Mr Lloyd George says peace at *almost* any price, I shall scarcely quarrel with him.

Is this as much as to say that France and Belgium are the only foreign countries on whose account we are prepared to take up arms? Germany and Italy, then, may conquer and hold Spain—and after Spain, all Europe save France and Belgium—with the foreknowledge that we shall not resist. Where—if at all—does this British retreat stop? Are we to stand by with our arms folded until Germany has seized the Faroes, Japan the Dutch East Indies, and Italy, say, the Channel Islands? Germany and Italy have put their cards on the table. It is high time that we too showed our hand.

British Agriculture

COMPARED with MR WALTER ELLIOT'S hectic heyday at the Ministry of Agriculture, there has been a lull during the past year or eighteen months in Parliamentary or public discussions of the agricultural problem. In part, this has no doubt been a reflection of the restored solvency of the farmer. Recently, however, there has been a revival of interest. Within a few weeks, the House of Commons has had two full-dress debates on agriculture, and more are promised before the end of the session.

From the speeches made and the proposals put forward on these occasions it is clear that the Ministry of Agriculture under MR MORRISON is a rather different place from what it was under MR ELLIOT three years ago, though the change is due to circumstances rather than to personalities. Three years ago MR ELLIOT'S favourite instruments were the quota on imports and the Marketing Board, elected by and responsible to the producers alone. Both these methods appear to have fallen into disuse, at least so far as new departures of policy are concerned, though the old quotas are not abandoned nor the existing Marketing Boards dissolved.

The change in attitude to the quota can be clearly seen in the virtual refusal of the Government to apply it to eggs, in spite of the serious plight of the poultry keeper and the heavy political pressure he can exert. It seems that in the Ministry's opinion experience of the existing quotas has not been such as to encourage the belief that they are a universal remedy. The eclipse of the Marketing Board device is similarly to be attributed to the lessons of recent years. The bacon scheme has broken down, and though the Milk Board, the other large scheme, is still functioning an authoritative Commission has severely criticised its composition and working and proposed the transfer of its major functions to a new body which is not to be elected by the producers. This same device of an independent, rather than a producer-elected, controlling body has been adopted for the more recent schemes of re-organisation, and the opinion clearly seems to have been formed in authoritative circles that the principles of the Agricultural Marketing Acts have not been an unqualified success.

The lessons thus drawn from experience are, without doubt, salutary. Judged by any test save only that narrow and temporary interests of the farmers themselves, neither the import quota nor the producer-elected Marketing Board is a suitable solution for the peculiar problems of British agriculture. The broad criticism that can be urged against the policy which seemed to be developing three or four years ago is that it ignores the central fact of British agriculture—that in this island there are thirteen consumers of food for every one producer. This does not, of course, mean that the British farmer must at all times be left without any assistance to face the full force of foreign competition. There are good reasons of self-interest, as well as more purely eleemosynary motives, which justify an industrial community in paying a stiff price to maintain a healthy domestic agriculture. Moreover there is the factor that a large domestic food supply buttresses security in time of war. For all these reasons the taxpayer, ratepayer and consumer of Britain have for many years been contributing to the support of domestic agriculture.

In arranging this support, however, two principles ought to be observed. Nothing should be done to raise the price of food to the urban masses. And nothing should be done so to impoverish our foreign customers that they will retaliate on our export trades, which employ more people than our home agriculture. It is when they are judged by these tests that the quota and the producer-controlled Marketing Board display their weaknesses. If direct assistance to the farmers is to be given without infringing the two imperatives, experience has proved that the guaranteed price, implemented by public money, is the best device. This is the method of the Wheat Act of 1932 (though the funds are raised by an inequitable levy on consumers) which has worked better than any of the schemes of the last few years, and it is the method to which the Government appear to be returning. This does not, of course, mean that measures of organisation are not desirable in production or in marketing. Indeed, there is the strongest case for Marketing Boards, provided only that they are not first handed over entirely to the producers and then given powers of dictation over prices. Even more can be done indirectly for the farmer by helping him to increase his technical efficiency.

Judged by these criteria, the new policy which is taking shape shows up favourably. Additional assistance is to be given by guaranteed prices at the cost of the Exchequer; the Government are believed to be on the point of deciding that the producer-controlled Milk Board shall be substantially replaced by an independent body; and subsidies are to be given to improve fertilisation, drainage and the health of livestock.

It is difficult, however, to convert approval of technical devices into praise for the objectives of the new policy. There is the confusing factor of preparation for war. The Government have rightly refused to place agriculture at once upon a war basis; but there is a strong war bias in their programme. In peacetime no branch of agriculture is more worthy of encouragement than stockbreeding. This island is economically and climatically suited to it and it has the advantage of encouraging a substantial import trade in feeding stuffs. But in wartime the advantage becomes a disadvantage, since the feeding stuffs, though of less value, are of greater bulk than the meat. Conversely with cereals; they are not the best crop for peacetime; but for war purposes a large home production is desirable. The emphasis of policy is therefore visibly shifting from livestock to cereals and grass. It may be essential on strategic grounds; but it is retrograde if judged from the economic, or even the technical, angle.

We are thus, in our agricultural policy, paying some tribute to the danger of war, though not sufficient tribute to ensure our safety. To go the whole way would involve a very costly revolution in agricultural practice; to go no way at all is dangerous. The dilemma suggests the enquiry whether sufficient attention has been paid to the more direct method of meeting the danger, by the storage of food supplies and feeding stuffs. That would enable British agriculture to follow its peacetime bent while insuring a certain minimum of safety. That it is technically feasible can be confidently asserted. That it has been insufficiently considered is, in view of the fact that it falls clearly within the competence of no Department of State, only too likely. It is a matter which should receive the renewed and most urgent consideration of the Government, lest, by our present course, strategy should defy economics, and economics weaken strategy.

The Franc Crisis

FRANCE has been suffering two distinct crises during the last three weeks: one political and one financial. Of the two, the former has been more frequent in French history and is easier to circumvent, as it was on this occasion. The latter has steadily become more and more familiar in French public life during the last five years; and it has proved more difficult to evade or solve.

When little more than a year ago M. BLUM formed his Popular Front Government with the support of the Radicals, Socialists and Communists, it was hoped that it would be a more stable Government than any of those quick-come and quick-go Cabinets between 1932 and 1936, whose expectation of life varied with the variations in their composition from among the manifold Parliamentary groups. But two forces were working against M. BLUM. First, his overdue but ambitious social reform programme raised costs and prices, and thus, even before the devaluation last September, made the employers and rentiers remove their disposable capital abroad. Secondly, his programme, and the devaluation which it rendered inevitable, was conducted with a badly unbalanced Budget, a mounting mass of Government short-term borrowing, and a sagging revenue. During the last year prices and profitability in France have alike risen; but the stay-out strike of the capitalists, perturbed by the social reforms and the mounting Budgetary deficits, instead of diminishing has intensified. French capital abroad is said to have increased by about £1,000 millions, most of it at short term, during the last two years; and much of this has emigrated during the last twelve months.

Thus, despite devaluation last autumn, which carried the franc from about Frs. 75 to the £1 to about Frs. 110, the Budget deficit has continued; the annual service of the National Debt has increased, because no fall in the rate of interest could occur after devaluation, since instead of repatriation of capital the capital flight persisted; and, finally costs have steeply risen. This awkward and paradoxical situation faced M. BLUM with a quandary. Either he had to risk a split in the Popular Front by reversing part of the social reform programme; or he had to tread the path of autarky towards a completely socialised French State, with economic and currency controls like those of DR SCHACHT. That is why he demanded the now famous " pause " from his supporters, and, at the same time, urgently advocated freer international trade. For he hoped to give the capitalists confidence, hold his Popular Front together in the meantime and, finally, increase trade and turnover sufficiently to offset the higher costs, enlarge public revenue, and expand industrial profitability. Then, with this prospect in sight, the entrepreneurs and smaller capitalists, and the bankers who had advised them to withdraw their funds from the country, would repatriate their " panic money " from abroad; and this, in turn, would lower interest-rates, reduce the annual service of the Debt, which now absorbs half the ordinary

Budget receipts, and enable the Government to balance the Budget.

In the event, M. BLUM and M. VINCENT-AURIOL ignored one vital consideration. They thought balancing the Budget could safely be left to the last, while the Treasury simply met its needs out of short-term borrowing. In fact, the French rentiers would not repatriate their capital as long as they saw the Budget unbalanced, the Treasury borrowing from the Bank of France or the public every few months, and both the Debt and its annual cost mounting up—even if they had liked the political and social complexion of M. BLUM'S Government, which they did not. From such circumstances to more gold exports, more purchases of foreign currencies and securities, and more forward sales of francs, was a short step. The French Exchange Fund, furnished with Frs.10,000 millions out of the writing-up profit on the gold stock at the Bank last September, had to look for new resources; two of its three controllers resigned just before the fall of M. BLUM'S Government; and the red light was as plain to small capitalists as to professional bear speculators. Frs.7,800 millions worth of gold left the Bank of France during the crisis of the last few weeks alone. The gold reserve fell to the minimum regarded as safe for a war-chest; and the Bank of France could not lend any more to the Government without a new convention. The Treasury's cash was down to Frs.20 millions at the end of last week.

M. CHAUTEMPS has fortunately been able to form a Government which contains most of the former Ministers, includes M. BLUM as Vice-Premier, and replaces M. VINCENT-AURIOL by M. BONNET, who arrived back last Monday from his six-months' special mission in Washington. On Tuesday, the Bourse was officially closed, dealings in francs suspended both in Paris and London, and a moratorium for commercial debts declared. These measures enabled M. BONNET and the Cabinet to work out the necessary decrees and the Emergency Powers Bill without a raging, tearing financial panic at their doors. In the early hours of Wednesday the new Government obtained a vote of 374 to 206 in favour of a one-clause Bill empowering the Government to rule by decree until the end of August, provided only that they do not institute exchange-control. On Wednesday afternoon, the Senate—having extracted, in addition, an undertaking not to raise compulsory loans or make forced conversions of rentes—passed the Bill by 167 to 82. That same evening it was decided to abrogate the law fixing a gold content to the franc, and to let its exchange value slide. A new convention was at the same time made with the Bank of France for an immediate advance of Frs.15,000 millions to the Treasury. On Thursday, therefore, the markets reopened in a better mood than for some time past. The franc immediately fell to 119-129 to the £1.

M. BONNET, on assuming office, exposed the full nakedness of the financial land. The future of the Exchange Fund is discussed in a Financial Note on page 23. The Treasury cash position and outlook is roughly as follows. The ordinary budget deficit for the year to December 31, 1937, may be estimated at 8-9,000 millions, though by new taxation and other means it may be possible to reduce it to 6,000 millions. Extraordinary expenditure, including the railway deficit, public works, re-armament, etc., may be placed at 16-17,000 millions by December 31st, but there may be some duplication between these and the previous figures. Maturities during the next six months, including the sterling credit of 4,000 millions, may be about 7,000 millions. All said and done, at least 25,000 millions of cash may be required.

The Bank of France is to lend a further 15,000 millions, though as this sum can only be repaid out of the profit on the revaluation of the Bank's gold, the operation implies a permanent depreciation of the franc to at least Frs. 128.50 to the pound, in order to yield this profit. The remaining 10,000 millions will have to come from additional revenue and internal issues of Treasury bills. Thus the French fiscal outlook remains clouded; and the value of the franc is dependent entirely upon the fiscal outlook, the restoration of confidence and the return of French capital from abroad.

In default of repatriation of French capital—and this can scarcely be expected while the franc has no gold bottom set to it—the process of clearing France's financial stable is likely to take some months, during which co-operation between the Central Bank and Treasury authorities in London, Paris and Washington will certainly be imperative. In this connection, SIR JOHN SIMON announced in the Commons on Wednesday that the French Government had informed him that the decision to allow the franc to slide was not taken to secure competitive exchange advantage, and that they would co-operate to the full with the British and American authorities in still rendering the Tripartite Agreement of last September effective. In order to prevent a chaotic demoralisation of the exchanges, SIR JOHN SIMON announced on Thursday that the British and American authorities have agreed to aid the French authorities.

M. CHAUTEMPS has been lucky enough to be able to form a Government which is still Left-inclined, but has to its own Left the Communists, and to its immediate Right, the moderates of the Centre and Left Centre. He can count on all the Radicals and Socialists, the Communists (who must support this Government in case one farther to the Right is formed), and—what M. BLUM lacked, and what caused the fall of his Government—the support of the overwhelmingly Radical Senate. He can bargain to Left and to Right of his Radical and Socialist phalanx, and can play off one extreme against the other; but he cannot exactly reverse the social reforms. He must now impose economy decrees, new indirect taxes, higher railway fares (to reduce the subsidy from the State Budget), and measures to secure payment of direct taxes and to prevent speculation.

Two questions remain: At what level, no gold content being now set to it, is the franc likely to settle down? And, secondly, to what extent is the financial redressment in France likely to provoke disturbances in domestic or foreign politics? As to the first, it is to be expected that, as there is no exchange control, the British and American authorities, as much in their own interest as in that of France, will keep movements in the franc exchange as regular as possible. And as there is not likely now to be a persistent capital flight, the rate being free to go to lower levels and most of the disposable liquid capital being outside France already, it is scarcely likely that the franc will fall in value below 150 to the £1, or rise above 125. To this extent, the redressment may follow the lines it took in 1926-27, when it fell to a low point of 190 and then steadily recovered, regularly, month by month, to 124.

As to the second question, M. BONNET has declared that neither France's defences, nor the working-class people's standards of living, must be compromised. He has obtained the right to draw up his economic decrees and rule by them. And, despite fears to the contrary, the French people and Parties have seen two sudden devaluations inside nine months without going into a panic. In the light of these events, we think that France may now be in sight of a healthier economic and financial redressment than she has been able to envisage at any time in the last six years. All depends on the men she can find to carry the task through to completion. Those who have, at long last, begun it are an impressive team; and, for the sake of ourselves and Europe as much as of France, we wish them well.

London's Capital Market

THIS week the long and gradual decline of 3½ per cent. War Loan has reached 100; and the 2½ per cent. Old Consols, which were 82¼ at their lowest last year and 84⅜ at the beginning of this, have now reached 74⅝. This marking-down process in the gilt-edged market has lasted for nine months; and it has raised the yield on medium- and long-term Government paper from just under 3 per cent. at the best to 3½ per cent. to-day. While the latter rate is still very low compared with the familiar post-war yield of 5 per cent. and more, the dullness in the gilt-edged market which began last year as an isolated phenomenon has now been communicated to the industrial debenture and equity market. Re-armament finance by borrowing, the gold scare, and the National Defence Contribution during the last three months have had an unsettling influence on the long-term capital market; and uncertainty has spread as the economists have canvassed the possibilities of a recession in business next year.

As we pointed out in the corresponding article at the end of the first quarter of the current year (April 3rd, page 5), the London long-term market is in an anomalous state. New issues of capital on foreign account can only be made after such close scrutiny by a special committee as to amount to an embargo on foreign lending. Home municipalities and public boards have to "queue up" at the Bank of England if they want new capital. Only domestic industrial borrowers of new capital can raise it as and when they choose. In the first six months of this year the Government have returned to the market with an issue of £100 millions, home corporations and public boards have only borrowed about a half of what they issued in the first half of 1936, but the other domestic borrowers of new long-term capital have carried their quota to a new "high," unsurpassed since 1929. Even so, if we exclude British Government borrowing, the total of new borrowings by public offer is fully 20 per cent. less than it was in the first half of 1936, while new issues by all methods, again exclusive of Government borrowing, are about equal, though this screens a fall in domestic borrowing and an increase in borrowing for the Empire.

The Government have not borrowed as much as the recent £100 millions of 2½ per cent. Defence Loan at 99½ in any first half-year since 1932; the extra £6½ millions shown in Table II below represents the outstanding balance of United Kingdom 2¾ per cent. Land Stock, permission to deal in which was granted during the last six months. Among home corporations and public boards appears the L.C.C. issue on June 26th of £10 millions 3½ per cent. Consolidated Stock at 100½; and the only other significant issues in this category during the three months since our last article on this subject appeared have been those of the Leeds Corporation (£4 millions 3½ per cent. at 101) and West Riding C.C. (£1 million 3½ per cent. at 100½).

New borrowing for the Empire included, during the quarter now ended, £1 million of 4½ per cent. debentures for the Steel Corporation of Bengal; £2 millions of 4 per cent. debentures for Sydney Metropolitan Water; and £1·1 millions for Lake George Gold Mines, £3 millions for West Rand Investment Trust, and £2·9 millions for N'changa Copper, all in ordinary shares and all by Stock Exchange introduction. There was no net new borrowing for foreign concerns. Thus, the British Government, a few large domestic and Imperial corporations or public utilities, and one or two large-scale industrial concerns make up virtually the total of £141.8 millions of new borrowing by direct public offer in the quarter just ended, or £173.7 millions including that raised by "permission to deal."

The process of conversion to lower rates of interest is still going on, but has greatly slowed down in the first half of 1937, as Table III shows. Of the £43·7 millions of capital issues purely for conversion purposes, £21·3 millions is accounted for by the Rhodesian Railways conversion of their 4½ per cent. debenture stock last February.

A table on page 50 shows the new borrowing by industrial categories, from which it appears that gold mines, breweries, investment trusts, iron, coal and steel

TABLE I

TOTAL BORROWING BY DIRECT PUBLIC OFFER
First Half of Each Year
(Million £)

First Half of Year	British				Empire	Foreign	Total Issues	*Index 1928 = 100*
	Government	Home Corporations*	Others	*Total Home*				
1928	85·2	10·0	89·3	*184·5*	40·2	20·1	244·8	*100*
1929	1·6	7·8	96·0	*105·4*	50·0	19·0	174·4	*71*
1930	40·0	33·0	33·6	*106·6*	37·2	25·9	169·7	*69*
1931	10·2	6·2	28·2	*44·6*	35·6	9·0	89·2	*37*
1932	103·2	27·0	16·1	*146·3*	17·4	Nil	163·7	*66*
1933	61·4	17·0	22·8	*101·2*	8·6	1·0	110·8	*45*
1934	42·9	12·0	23·3	*78·2*	17·6	1·1	96·9	*40*
1935	2·5	15·4	42·3	*60·2*	5·0	0·1	65·3	*27*
1936	*Dr 0·1*	45·9	44·3	*90·1*	8·7	0·5	99·3	*40*
1937	98·5	24·6	47·8	*170·9*	13·9	Nil	184·8	*75*

* Including county and public board loans.

TABLE II

TOTAL BORROWING, INCLUDING "PERMISSION TO DEAL"
First Half of Each Year
(Million £)

First Half of Year	British				Empire	Foreign	Total Issues	*Index 1935 = 100*
	Government	Home Corporations*	Others	*Total Home*				
1935	2·5	16·3	108·2	*127·0*	12·2	1·4	140·7	*100*
1936	*Dr 0·1*	47·0	109·8	*156·7*	12·4	4·8	173·9	*124*
1937	105·0	24·9	112·9	*242·8*	44·5	1·2	288·5	*205*

* Including county and public board loans.

TABLE III

CONVERSION ISSUES (OLD BASIS)
First Half of Each Year
(Million £)

	1932	1933	1934	1935	1936	1937
British Government	116·4	Nil	105·0	Nil	Nil	Nil
Other Conversions	12·3	75·9	62·5	101·0	84·3	43·7
Total	128·7	75·9	167·5	101·0	84·3	43·7

TABLE IV

TOTAL COMPANY ISSUES BY PROSPECTUS (OLD BASIS)
First Half of Each Year
(Million £)

	1930	1931	1932	1933	1934	1935	1936	1937
Deb.	8·1	20·3	2·1	13·4	5·2	12·2	9·9	11·5
Pref.	13·8	5·8	8·0	5·8	8·8	19·9	9·6	12·7
Ord.	18·1	14·5	3·1	5·3	19·5	15·3	33·9	35·5
Total	40·0	40·6	13·2	24·5	33·5	47·4	53·4	59·7

TABLE V

TOTAL COMPANY ISSUES (NEW BASIS)
First Half of Each Year
(Million £)

	1935	1936	1937
Debentures	26·0	14·6	16·9
Preference	29·4	21·1	19·2
Ordinary	64·9	87·6	119·0
Total	120·3	123·3	155·1

companies, shipping concerns, and electric light and power undertakings accounted for increased borrowing compared with the first half of last year. "Manufacturing and miscellaneous," which took two-sevenths of all the new capital in the first half of 1936, took only one-ninth in the half-year just ended, and only a seventh if we exclude all the British Government's new borrowing. Thus, the new borrowing is tending to become less widespread over all industry, more institutional, more confined to a few basic industries or services. Some may see in this another sign that recovery of profitability is slowing down in the secondary industries and those dependent on the basic industries and services.

It is interesting to note in Table IV that the new issue boom in preference shares seems to have died out. In the total of £59·7 millions of new capital (calculated on our "old basis") raised for companies in the last half-year by prospectus, the proportions falling to debentures, preference and ordinary shares remain roughly what they were in the first half of last year, when the ordinary share made a remarkable re-entry into the lists. Again, the great bulk of new company issues is in ordinary shares. If we take the calculation on the "new basis" as in Table V, the amount of new company issues in preference shares has fallen absolutely and proportionately, while the ordinary share's come-back is even more striking. This may indicate a growing awareness of investment risks on the part of company-owners and promoters; it may also argue an unwillingness of investors to invest to-day without a bigger share of the issuing concern's equity; but a feature of our figures in recent months has also been the number of issues of new capital as bonus ordinary shares to existing shareholders. It is at any rate clear that British industry's equity cup is filling up.

It is impossible to deduce from our figures any great signs of encouragement for British business prospects. The London capital market has been dull in the first half of 1937, and most dull in the second quarter. The range of industrial newcomers has dwindled to a few big corporations, concerns, or services; and public endeavour has already largely usurped the sphere of private business men, despite the authorities' measures to restrict foreign lending and corporation issues.

Germany's Mineral Resources

Herr Hitler, in his address of September 9, 1936, declared that in four years Germany would be independent of foreign countries for all materials she could produce at home. How far this programme is realisable depends, very largely, on the extent of her mineral resources. This article accordingly reviews Germany's mineral and metal resources.

Under post-war territorial re-arrangements, Germany lost to Poland three-fifths of her Silesian lead and zinc deposits and four-fifths of her Silesian coal reserves; she ceded to France the potash mines of Alsace and the iron ores of Lorraine. Of the twenty minerals listed by the League of Nations as essential raw materials, Germany now produces only seven in any appreciable quantity from domestic sources. Her share in the world's output of these materials is shown below:—

GERMANY'S SHARE OF WORLD PRODUCTION

	1932–34 Per cent.	1935 Per cent.
Coal	20·30	22·13
Iron ore	2·86	4·31
Copper ore (metal content)	2·74	1·85
Lead ore (metal content)	4·38	4·34
Zinc ore (metal content)	8·63	9·00
Graphite	23·40	16·72
Potash salts (K_2O content)	61·79	65·46

Ever since 1933, Germany has been vigorously mobilising her mining and metallurgical industries. She has fostered high-cost mineral enterprises by subsidies, developed new mines, encouraged the extraction of low-grade domestic ores, enlarged her smelting facilities and carried out research into new methods of ore dressing and smelting.

The ultimate basis of Germany's activity is her vast coal resources. On an annual output of 150 million tons of coal and 150 million tons of lignite, her estimated coal reserves would last 500 years and her lignite reserves 400 years. But her production of crude petroleum and its related fuels falls far short of her domestic needs. The output capacity of all her coal-oil plants, completed and under construction, totals only 940,000 tons, and her production of synthetic petroleum will shortly reach one million metric tons. But her imports of mineral oils continue to rise:—

	(Metric tons)
1934	2,811,492
1935	3,461,658
1936	3,841,094

Another source of weakness, in Germany's present position, is her meagre supplies of iron-ore. Her probable reserves are about 721 million tons, while her proven reserves have been put at 346 million metric tons, with an average iron content of 34 per cent. Her *per capita* consumption of the metal—based on the weight of steel products concerned—has increased from 19.19 kg. in 1929 to 24.33 kg. in 1935, thanks to the rising output of armament, machinery and rolling stock industries. The shortage of iron ore supplies has lately become serious. Other countries are able to pay cash for their purchases, but Germany has to arrange complicated and cumbersome barter transactions. Her imports of Swedish ores declined from 666,649 tons last December to 549,777 tons in February rising again to 742,898 tons in March and 808,483 tons in April, while shipments from France in the latter months were 419,463 tons and 560,240 tons respectively. Imports from Spanish Morocco have greatly increased.

Nevertheless shortage is holding back her armament programme, and her plans for the construction of the necessary machinery for producing synthetic rubber, artificial silk and plastics under the four-year plan. Partly for this reason Germany is using ever larger amounts of scrap in her steel production. Last year her consumption of steel scrap totalled 9,400,000 tons. A recent order of the Board of Control for Scrap Iron prohibits any increase in the price of scrap suitable for use in the Siemens-Martin electric and blast furnaces of Western Germany. The Eastern German market for scrap is virtually monopolised by the buying cartel of the Steel Industry in that region, and at the same time imports of scrap from Belgium and the Netherlands have increased considerably.

A third category of resources in which Germany is notably deficient is ferro-alloy minerals. She possesses only trifling deposits of high grade manganese ores though she has large reserves of manganiferous iron ores in Siegerland and of ferroginous-manganese ores in the Taunus area. In 1934, out of the 584,000 tons of manganese ores used in the production of 16 million tons of steel, some 359,000 tons came from domestic sources and 225,000 tons were imported. In 1935 her imports totalled 394,256 tons, but in 1936 they fell to only 229,634 tons, as a result of currency and other difficulties. Her imports of other ferro-alloy materials have greatly increased in recent years. She purchased 47,704 tons of chromite and 3,776 tons of wolfram ore in 1933, but in 1936 the corresponding figures were 123,375 tons and 8,726 tons. Imports of nickel increased from 1,968 tons in 1933 to 5,929 tons in 1935 and 3,392 tons in 1936, and those of antimony ore trebled between 1933 and 1936.

Finally, though it is doubtful whether, in any circumstances, Germany's domestic ores could satisfy more than a quarter of her requirements of copper or half of her requirements of lead, she is fast becoming self-sufficient in zinc and aluminium, and she leads the world in the production of metallic magnesium. The Vereinigte Aluminumwerke have evolved special processes for the production of aluminium from clay, in case Germany's bauxite imports are cut off. Furthermore, the existing aluminium plants could be used, without drastic alterations, for the production of magnesium from domestic carnallite and dolomite.

The extent of Germany's mineral and metal production in recent years is shown below:—

GERMANY'S MINERAL AND METAL PRODUCTION

	Unit	1929	1932	1935
Iron ore	(000 metric tons)	6,374	1,340	6,044
Pig iron	(000 metric tons)	13,239	3,932	12,846
Steel	(000 metric tons)	16,023	5,624	16,144
Copper ore (metal content)	(metric tons)	28,983	30,741	29,625
Zinc ore (metal content)	(metric tons)	142,467	75,275	140,922
Lead ore (metal content)	(metric tons)	60,464	50,950	60,659
Aluminium	(metric tons)	33,000	19,000	69,661
Potash (crude)	(000 metric tons)	13,316	6,416	11,673
Potash (K_2O content)	(000 metric tons)	1,788	871	1,597
Graphite	(metric tons)	21,349	20,808	21,663
Pyrites (sulphur content)	(metric tons)	149,983	77,259	108,543

In autarkic countries, the chemical industries are called upon to bear a double burden. They must share largely in the industrial effort for preparedness against war, and they must undertake the extensive production of domestic substitutes to replace foreign goods. The I. G. Farbenindustrie plays a major rôle in the execution of the four-year plan in Germany. This chemical combine employed 170,900 workers last year, an increase of 22,600 compared with 1935. The parent company alone employs 110,000 persons, against 63,600 four years ago, and its factories are valued at Rm. 432 millions. Germany's consumption of electric power for the manufacture of electrolytic and electrothermal products in 1934 was 5,000 million kilowatt hours, equivalent to nearly 25 per cent. of the total world consumption for that purpose. The value of the products manufactured totalled Rm. 400 millions.

Under almost every heading, a remarkable increase is shown since Germany began her re-armament. Her imports remain, in most cases, at a high level, but for the reasons discussed in this article, they have not uniformly increased in 1936. The following figures for a somewhat detailed list of products show that in some cases, imports were actually lower in 1936 than in 1935.

IMPORTS OF METALS, ORES, ETC., INTO GERMANY

(Metric tons)

Items	1935	1936
Iron ore	14,061,077	18,496,340
Pyrites	1,018,565	1,042,764
Manganese ore	394,256	229,634
Tungsten ore	7,881	8,726
Nickel	6,079	3,392
Nickel ore	29,013	17,651
Chrome ore	95,440	123,375
Antimony	2,109	2,105
Copper	153,365	127,549
Copper ore	400,538	482,471
Copper, brass and bronze scrap	62,666	67,567
Lead (pig and scrap)	54,464	68,895
Lead ore	83,982	99,297
Spelter	75,948	72,769
Zinc ore	117,240	120,642
Zinc Sheets	7,274	5,129
Tin (metal, alloys and scrap)	11,824	9,176
Tinned plates	9,229	5,817
Tin ore	1,232	1,563
Bauxite	505,485	981,161
Aluminium, crude	15,247	4,258
Aluminium scrap	2,821	1,910
Mercury and alloys	869	688
Platinum metals (kg.)	2,643·2	16,356·8
Graphite	12,756	12,893

In a succeeding article we propose to discuss some of the measures which are being taken to stimulate increased mineral and metal production in Germany.

Notes of the Week

Politics in the Doldrums.—No one expected that Labour would wrest from the Government the seats which have been contested in by-elections during the past few weeks. Few can have expected, however—least of all the leaders of Labour themselves—that poll after poll would show so marked a decline in the Opposition vote. The climax came on Tuesday, when the Labour vote at Ilford fell from 25,241 (in 1935) to 16,214. It is true that the Conservative vote was 17,675 less than two years ago, but the Ilford seat was won with a big majority, and the Government can easily afford the maximum of apathy among its supporters so long as the Labour party can offer no effective challenge. Labour adherents have been uneasy for a long time. Mr Shinwell has advocated greater audacity in the House, and his scheme for organising Labour members in expert committees has been blessed by his leaders. Mr Morrison has been sent out to evangelise the constituencies, but he takes with him no more than the gospel which has been so singularly ineffective in recent encounters at the hustings. The energy he has been able to inspire into London municipal Labour politics, he is now asked to infuse throughout the country.

* * *

The Labour Party, composed of trade unions, constituency parties, and Socialist societies, has been dominated at its conferences by the block vote of the unions, which amounts to 1,900,000 against the 419,000 and 45,000 of the other two groups. Elections to the Executive have been decided by the whole vote of the conference, and the constituency parties have complained that their representatives have not necessarily been their choice at all. Recent self-searchings among the leaders have given new heed to these complaints, and the executive intend to propose that in future their members should be elected separately by the various sections of the conference—the unions, the Socialist societies, the local parties and the women. The trade union grip on the party will thus be lessened, though it will still remain by far the most powerful force in the councils of Labour. Similar introspection has led to proposals for amending the constitutions of the mining and transport unions but it would be folly to attribute the electoral failures of Labour and the urgent restlessness of its extremer members to defects in organisation. The close result at St. Ives, where Mr Isaac Foot, the Liberal candidate, was only beaten by 210 votes, in a 25,000 poll, shows that another opposition programme than that of Labour can command considerable electoral support. Indeed, the Liberal vote has been the only one that has been maintained in recent by-elections. Something more than the hunting of Marxist heresy is urgently needed if the ground lost by Labour in 1931 is ever to be regained. There is indeed general apathy in our politics. The unprovocative policies of Earl Baldwin and the danger of war have conspired with the technicalities of modern programmes and the lack of leadership everywhere to dishearten electors.

* * *

The American Strikes.—There has been a sudden change in the outlook for the American steel strike, which has now been in progress for a month. A week ago it had to be recorded that "both the local Governors and the President have sided with labour." But at the end of the week public opinion, sick of violence and blaming most of it on the Committee for Industrial Organisation, made itself felt in decisive fashion. The Governors of Ohio and Pennsylvania were forced to reverse their positions. The State troops, instead of being used to keep the mills closed, were used to protect those workers who wished to resume their employment. All but one of the affected steel mills re-opened. The

strikers' position was not improved by an outrage at Johnstown, Pennsylvania, where the water supply for the huge Cambria works was dynamited. The President has declared " a plague on both your houses," which is a retraction of his previous guarded support for the strikers. In short, the C.I.O., for the first time in its career, is within measurable distance of resounding defeat. As a rebuke to violence this will be welcome. But in the longer run it will hardly prove to have been desirable to encourage by victory precisely the most obdurate and reactionary section of the employers.

* * *

Congress at Berlin.—Not infrequently international conferences have spoken with the tongues of angels, while those responsible for national policies have seemed in league with the powers of darkness to upset plans for political and economic peace. Yet none of the disarmament and economic conferences of the past decade has come together with such sad irony as the congress in Berlin of the International Chamber of Commerce. The object of their meetings is to examine the prospects of freer commerce and less restricted economic relations among nations. The memoranda which have been prepared for the Congress (two of which were discussed in last week's issue of *The Economist* on pages 727 and 736) are uniformly in agreement about the demerits and dangers of autarky. This week the visiting speakers have united on various topics to condemn policies which not only curtail the international movement of goods and capital, but also limit the purchasing-power of the offending nations themselves. The attempt to erect closed economies has been cried down in speeches and documents. But the scene of the Congress is Berlin where, in General Goering's words, " self-sufficiency is looked upon as a national necessity, for independence, honour and prestige." Dr Schacht wanted freer trade—but in a one-way street leading towards Germany. The voices of the critics are raised in the very place where autarky is the ark of the covenant itself, and where, in Dr Schacht's phrase, the " gifts of God " are being conjured up at great cost with colossal mechanical and chemical ingenuity only because divine providence and human rapacity have reserved them for non-German nations. The Four-Year Plan is sign and symbol of the facts which the optimists at Berlin must face. General Goering and Dr Schacht have been frank. To them there are higher considerations than possible systems of world economic freedom. Only if the International Chamber were able to convince their hosts that German interests, too, would be best served by the reconstruction of international trade and the liberation of economic paths, could freer trade become general. But that should stimulate other nations to show its advantages in as wide a field as possible.

* * *

M. Van Zeeland's Hopes.—While the International Chamber of Commerce was measuring the gap between the experts' aspirations and the facts of German policy at Berlin, M. Van Zeeland, the economist-Prime Minister of Belgium, whose desire for a saner system in world economic affairs is well known, was deriving hope and encouragement from his conversations in the United States. In New York on Tuesday he stated his objective and the obstacles which would have to be overcome before they could be realised. He pointed out that the threat of imminent war, so far from being a reason for despair, was a stimulus to act swiftly for economic disarmament. This was our last chance. Trade had revived since the depression years, but its revival had been largely national, and world commerce still languished. Industry had recovered, but much of the recovery had been due to the artificial and dangerous stimulation of rearmament. Quotas and indirect protectionism in all its forms still choked the channels of world business. Countries had shared by no means equally in economic recovery, and over all brooded the menacing instability of international politics. Yet the prospect was not so gloomy as might be concluded, because in the United States he had found two things: a sincere desire to free world trade and a determination to assist in the halting of the armaments race to death. With the encouragement of these ambitions and the comforting words and advice of President Roosevelt, M. Van Zeeland was ready to return to Europe to try again to turn the tide of disaster. Recent correspondence in *The Times* between Sir Arthur Salter and Mr Amery has shown the pitfalls which lie before any attempt to make American co-operation in world economic affairs more effective; but it has shown, too, how important it is for the United States, a creditor choked with gold, no less than for Europe, that such co-operation should be achieved. M. Van Zeeland's hopes add new spirit to what might have become a lost cause. We must still overcome the growth of autarky in all European countries; the intransigence of Imperial Preference; and the threat of war. M. Van Zeeland has played his part well in the States, and his hosts have shown a generous willingness to help. The next step lies with the British Government and the Dominions. Theirs will be in large measure the responsibility of taking or losing what may prove to be the last chance of order, stability and peace in world economic affairs.

* * *

Progress in the Air.—The Air Force pageant at Hendon last Saturday was the most impressive of these annual events, mainly because of the fly-past of 250 machines of all kinds. Their Majesties, and the vast watching crowds, saw the first aerial review of such a kind in this country. The heavy bombers in the middle, light bombers and fighters on either side of them, and scouts and single-seater fighters on each flank took five minutes to fly past; and the scene recalled the arrival of the air armada in Mr H. G. Wells' " The Shape of Things to Come." No one could have failed to imagine what dire shapes might come from such an armada in a war; and the exhibition of aerial bombing of a port conveyed its moral at the end of the day. There were happily no accidents, despite the breath-taking contortions of machines as fast as projectiles at very low altitudes; and the standards of constructional and mechanical efficiency, as well as of the pilots' skill, were evidently of the highest. Further testimony of this was given on Wednesday when an R.A.F. machine regained the altitude record by climbing to a height of 10 miles. On Monday and Tuesday the British aircraft manufacturers held their exhibition at Hatfield aerodrome, where the latest commercial and Service types were on view. Here, more than at Hendon last Saturday, the extraordinarily rapid progress in aircraft design and performance during the last three or four years was manifest. Streamlining, lay-out of fuselages and control cabins, variable-pitch propellers, adjustable wing-flaps for slow landings and variable gliding-angles, were the chief features.

* * *

Progress in aircraft, engines, and control-systems is making greater demands on the pilot's skill; and the flying of a large modern commercial machine or bomber in all weathers is now an intensely exacting and complicated task. Therewith, the importance of the length and thoroughness of training, in all conditions, has increased greatly. The days of flying by sense, and in fair weather only, have gone by. The rapid developments of instruments and apparatus now render equally extensive improvements in the ground equipment of our aerodromes—still very deficient—urgently necessary, for the Air Force as well as for commercial airlines. Visitors to Hendon could not be expected to realise that Air Force pilots do not obtain as much experience in long-distance flying, in continuous contact with ground stations, as the commercial pilots, simply owing to lack of ground equipment in this country. In this connection, the inauguration of the air mail service to South Africa by the Imperial Airways " C " class of flying boats at Southampton on Tuesday has an other than commercial significance; though the carriage of mails at the ordinary 1½d. rate by these machines is a boon in itself. By the time that the new Empire air mail services are in regular operation, we shall possess a corps of commercial pilots in this country as experienced and as numerous as that which post-war Germany carefully and laboriously built up for herself.

* * *

Fascist Marchers.—It was clearly expedient that the proposed Fascist march through the Jewish quarters of East London on Sunday, July 4th, should be prohibited. The choice of route was provocative and breaches of the peace would have been inevitable. It is equally clear, however, that to forbid the Fascists to march anywhere in London—as certain anti-Fascists demanded—would be an unwarrantable interference with freedom of political expression; and we are glad that Sir Samuel Hoare this week refused to countenance such a demand. It may be that the alternative route for next Sunday's march through North London is also through dangerous territory, and that clashes may possibly ensue between the marchers and resentful working people, though it is unlikely unless there is deliberate incitement from anti-Fascist elements. Nevertheless, to counter Fascist provocation by methods of repression would be to reduce the defence of democratic liberties to absurdity. The Public Order Act, under which the ban on the East End march was proclaimed, is potentially a dangerous measure. It should be used only sparingly in emergencies, and always impartially. To use it as an engine of anti-Fascist sentiment and agitation would be contrary to the principles of British law and to the interests of the very democratic structure which Sir Oswald Mosley and his cohorts wish to supersede. The existence of extremist parties which base their policies on undemocratic tenets is a grave embarrassment in a democratic state. In the last resort the peace must be preserved against their methods and activities. Sir Oswald may march, but he must not presume on the freedom which the law permits him. The police must watch both his progress through St. Pancras on Sunday and any interference with it with a wary though tolerant eye. The essence of freedom is equality of treatment.

* * *

The Marriage Bill.—Mr A. P. Herbert, M.P., author of " Holy Deadlock," has tilted against giants all his life. He has never spared the Mother of Parliaments herself in his forays for liberty; and in the august rôle of senior burgess for the University of Oxford he has won a signal triumph in the very House against which he has directed so many assaults. His Marriage Bill, which aims at securing the amendment of the divorce laws according to the recommendations of a Royal Commission a quarter of a century ago, survived the manifold vicissitudes of a Private Member's Bill, and with no more than a belated time-table concession from the Government, was duly passed and handed on to the Lords. It extends the grounds of divorce to include desertion, cruelty and insanity; and Mr Herbert and his supporters believe that its effect will be to alleviate the misery of people condemned through no fault of their own to irremediably unhappy marriages, and to reduce the wretched shifts and contrivances which the present law involves. This week, on its second reading in the Upper House, Lord Fitzalan attacked the Bill because it ignored the sacramental character of marriage. The Archbishop of Canterbury stated that divorce was incompatible with Christian principles, and refused to vote for the Bill, though he conceded to it the virtue of honesty. Lord Atkin described a number of cases in the courts and showed the unhappiness which comes of ruined but indeterminate marriages. Like Lord Reading, he disliked the proposal in the Bill to make divorce impossible until five years after marriage. The bishops were divided: St. Albans followed Canterbury in refusing to support the Bill; but York, tentatively, and Durham, strongly, commended it. " The marriage union is made for man, not man for the marriage union," said Dr Henson; and this view was supported by the Bishop of Birmingham. Dr Barnes welcomed the Bill because it was in accordance with the Christian spirit. He denied that the English Church had ever opposed divorce or remarriage on reasonable grounds in the past; and he maintained that a more humane and logical law would raise rather than lower the institution and status of marriage. So far the discussion had been largely of ethical and religious implications. Lord Dawson added the experience of medicine to the accumulated testimony of the law and the church. To those who opposed the Bill he declared that the only logical alternative was to abolish divorce altogether. Given divorce, then the Bill must be accepted, because it was humane, reasonable, consistent and in accord with the present age. The Bill was read in the Lords a second time; and although the debates in both Houses have shown that a major source of difficulty is the still existing confusion between the laws of the State and the laws of the Church, Mr Herbert is soon likely to see his crusade at least partially successful with the passage of the measure into law.

* * *

King Carol's Visit to Poland.—The international significance of the visit to Poland which King Carol of Rumania has been paying this last week-end has been somewhat obscured by an acute but merely incidental controversy over the resting-place of the late Marshal Pilsudsky's coffin. The real issue is the choice which Rumania has to make between two policies which are in practice mutually exclusive. At present Rumania's foreign policy is governed by the statute of the Little Entente, which binds the three states concerned to collective action in the event of an attack by Hungary upon any one of them, and also obliges them, in a general way, to keep their respective foreign policies in line with one another. It has always been a moot point whether the parties to this agreement would be prepared to take up arms in one another's support if the aggressor were to be, not Hungary but some Great Power: e.g. if Germany or Poland were to attack Czechoslovakia, or Italy to attack Jugoslavia, or Russia to attack Rumania. Obviously in such an event the solidarity of the Little Entente would be subjected to a serious strain. It is one thing, however, to be uncertain how far one is going to carry a policy to which one is definitely committed within certain limits. It is another thing to embark on a second policy which may be intrinsically contrary to the first. And that is what Rumania might possibly find herself committed to if she were to go all the way in falling in with the policy of Poland. The Polish Government's idea seems to be to establish a zone of insulation between Germany and Russia which would extend without a break all the way from the Baltic to the Black Sea and would thus make it physically impossible for the two Powers to come to blows with one another—at any rate on land. On the Polish sector of the intervening zone, this policy might possibly be made to work without complications, since Poland



herself is the only country situated in this part of the perilous no-man's land. But if Rumania were to join hands with Poland in carrying out this policy of insulation, the effect, on the Rumanian sector, would be to insulate Russia not only from Germany but from Czechoslovakia as well. And President Benes would then find himself in the position of a man boxed up inside a lion's den, *tête-à-tête* with the lion.

* * *

The Agreement between Iraq and Iran.—On Tuesday an agreement was initialled at Baghdad in settlement of the frontier dispute between Iraq and Iran, and it is pleasant to be able to record at least one piece of international good news in a chronicle that reads for the most part like the tidings brought by Job's messengers. The dispute is of old standing, for Iraq has inherited it from the Ottoman Empire and the history of it extends over at least a hundred years. The essence of it has been that Iraq, as the heir of Turkey, has claimed and exercised jurisdiction over the whole breadth (up to the Iranian shore) of the Shatt-el-Arab, which is the common estuary of the Tigris and Euphrates. The Iranian Government has protested that the international frontier between the two states ought to be deemed to run down the median line (*Jalweg*) of the waterway; and the strong point in the Iranian case is that this is the usual international practice. On the other hand, the Iraqi Government has submitted that theirs is a special case, since the Shatt constitutes Iraq's sole channel of communication with the sea, whereas Iran has a long sea-coast on the Persian Gulf, which makes the Shatt of less vital importance to Iran than it possesses for Iraq. It is true that, in selecting a terminal port for their trans-Iranian railway, the Iranian Government have not chosen Muhammarah, on the Shatt, but Khar Musa on the open coast of the Gulf. It will be seen that either party has plenty to say for itself, and, in fact, the controversy has dragged on in spite of the pre-war efforts of the British and Russian Governments and the post-war efforts of the League of Nations to find a solution. It is all the more satisfactory that the two disputants should now have arrived at a direct settlement between themselves; and this good news has a two-fold importance. It not only eliminates a perpetual cause of friction between two neighbours; it also clears the way for the signature of a Middle Eastern Pact, which has long been in view, between Iraq, Iran, Afghanistan and Turkey. This new pact will correspond in the Middle East to the Balkan Pact and the Little Entente Statute in South-Eastern Europe—Turkey supplying the link between the Middle Eastern Pact and the Balkan Pact that is established between the Balkan Entente and the Little Entente by the common membership of Rumania and Jugoslavia.

* * *

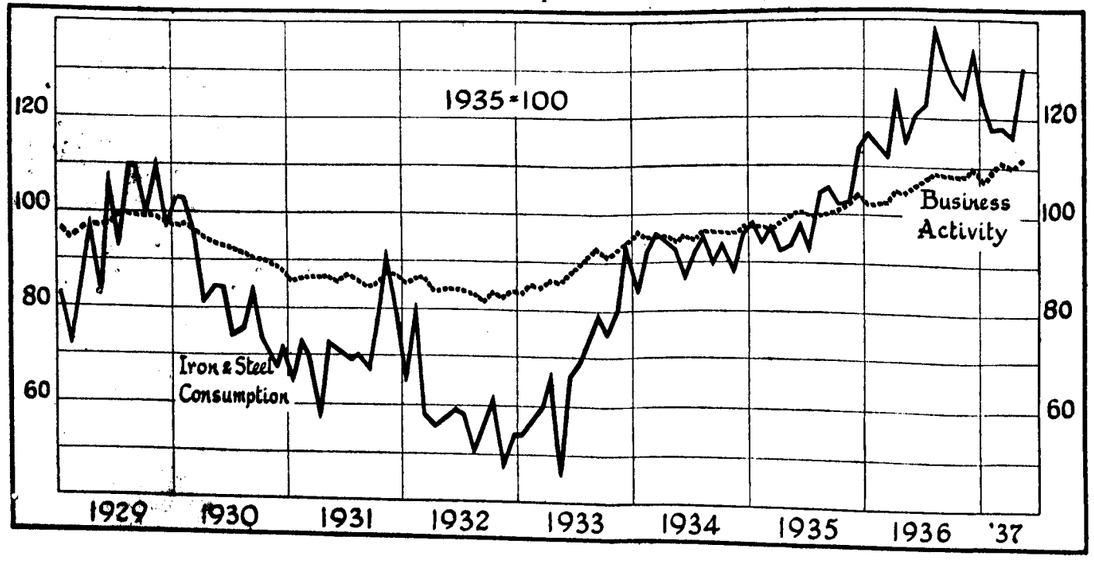
Steel in Depression and Recovery.—It is a matter of common knowledge that the capital and durable consumers' goods industries are subject to more violent fluctuations in activity than the trades producing goods for immediate consumption. During a period of declining business activity, renewals of plant and machinery are deferred and there is no incentive to expenditure on extensions to existing productive capacity. On the other hand, a revival of business activity is usually accompanied by a marked increase in expenditure on capital equipment, the incentive being provided by rising profits and cheap money. As iron and steel is the basis of the capital equipment industries, the demand for its products is subject to wide fluctuations during periods of depression and recovery. This tendency is illustrated by the chart below, which is based on our indices of general business activity and iron and steel consumption, published in the monthly Trade Supplement to *The Economist*. In the absence of data, no allowance could be made in our index of iron and steel consumption for changes in stocks. Nevertheless, the chart shows that the demand for iron and steel fell more than general business activity during 1930-32 and has since experienced a remarkable recovery. The downward trend of the index since the autumn of last year is probably due to the using up of stocks as a result of the scarcity of new supplies and, consequently, does not necessarily indicate an absolute decline in iron and steel consumption.

* * *

Industrial News.—Intense activity in the iron and steel and metal-using industries remains the feature of the latest industrial news. In view of the shortage of iron and steel materials the Government's failure to remove the obstacles in the way of imports is causing much irritation. For example, the import duty on sheets and plates exceeding in value £16 per ton is £5 6s. 8d. As plates and sheets are the raw materials of many trades, it is not surprising that a number of consumers, hampered by the shortage of supplies, consider the maintenance of these duties oppressive and iniquitous. The plight of Sheffield and Birmingham manufacturers is becoming serious; and if the situation is aggravated, the prices of many more finished products

BUSINESS ACTIVITY AND IRON AND STEEL CONSUMPTION

Based on *The Economist's* indices published in the Trade Supplement



than motor-cars will rise sharply in the immediate future. The effects of this development on civil industry will be grave and widespread. The answer of Mr Oliver Stanley in the House of Commons last Tuesday, when he replied to a plea for the suspension of the quota and duty by Colonel Baldwin-Webb that he was not in a position to make a statement on the matter, was thoroughly unsatisfactory. Demand for coal remains at a high level, despite the seasonal decline in household requirements. Current production is about 8 per cent. above last year's level. South Wales, in particular, is experiencing a marked improvement and, as our Cardiff correspondent points out on page 52 the collieries have been compelled to apply for further supplementary allocations. New business in cotton textiles remains limited, but in view of the substantial volume of orders on hand, production continues undiminished. Reports from other trades are generally encouraging.

* * *

Rising Retail Trade.—The increase in employment and wages and in industrial profits is reflected in a steady expansion of the value of retail trade. The statistics for May, published in this week's *Board of Trade Journal*, show that the value of retail sales in that month exceeded that of the corresponding month last year by no less than 13.2 per cent. To some extent the sharp rise in May was due to increased spending during the Coronation festivities and to the concentration of food purchases on a smaller number of selling days than a year ago. The improvement last month was most marked in the North-East and least in Central and West End London, where trade suffered from the bus strike. Sales in the first four months of the current retail year (February-May) showed an increase of 9.2 per cent. over those during the corresponding period a year ago. So far there is no evidence of hesitancy in retail trade. Stocks are showing an upward trend, but the increase over the year, at 4.1 per cent. (at cost), was smaller than the expansion of sales. While retail turnover is now entering a period of seasonal decline, present indications suggest that sales are likely to be maintained well above last year's level during the next few months.

* * *

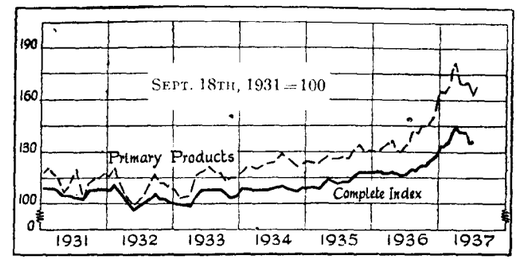
Wholesale Prices Rally.—There was a slight recovery in wholesale prices during the past fortnight after the previous sharp decline. Wheat, cotton and metals were all higher. *The Economist's* complete British index number is practically unchanged, but primary products have risen by 1.4 per cent. in England and 1.9 per cent. in the United States. The Irving Fisher complete American index number is also one per cent. higher. In France wholesale prices have risen by 1.3 per cent.

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	Primary Products: British (sterling)	Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933								
July 26th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	138·7	162·4	113·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·8	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·9	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	113·0	...	95·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	...	97·4
June 30th	139·5	165·9	176·8	165·7	134·6*	121·4*	...	97·4*

* These figures refer to June 23rd.
† Monthly averages.

We publish below a chart showing the course of *The Economist's* complete index of British wholesale prices, as well as of our index of the prices of primary products in this country from 1931 onwards:—



As a result of the past fortnight's recovery primary products are now higher than they were at the New Year.

The Economist INDEX
(1927 = 100)

	Sept. 18, 1931	June 2, 1937	June 14, 1937	June 30, 1937
Cereals and meat	64·5	93·6	92·0	91·2
Other foods	62·2	68·6	67·7	67·5
Textiles	43·7	73·2	70·5	70·7
Minerals	67·4	110·0	104·9	106·5
Miscellaneous	65·8	86·7	86·3	86·1
Complete index	60·4	86·2	84·2	84·3
1913 = 100	83·1	118·5	115·8	116·0
1924 = 100	52·2	74·5	72·7	72·8

In the cereals and meat group a general rise in wheat, flour, maize and meat was off-set by declines in oats and barley and a sharp seasonal drop in potatoes. Tea and coco-oil are cheaper than a fortnight ago, but there has been a slight recovery in American cotton, English wool and jute. Metal prices have rallied, but leather is cheaper and rubber prices continue to sag.

* * *

The Institute of Actuaries.—Outside the offices of insurance companies, and societies and of the Government Actuary's Department, actuaries used to be a race of men apart, little known by their fellows. But those days are passing. To an extent which is still comparatively small but is steadily increasing actuaries are engaged in other financial businesses and in industry. Even further back in the past are the days when the chief officers of insurance companies and societies had personal knowledge of so many of the comparatively limited number of members of the Institute of Actuaries that they could, from personal knowledge, find candi-

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THE REVENUE

I.—AN ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM, in the undermentioned periods of the Year ending March 31, 1938, as compared with the corresponding periods of the preceding year.

	Quarter from April 1 to June 30, 1937, compared with the corresponding Quarter of the preceding Year				Period from April 1, 1937, to June 30, 1937, compared with the corresponding Period of the previous year			
	Quarter ending June 30, 1936	Quarter ending June 30, 1937	Increase	Decrease	Period ending June 30, 1936	Period ending June 30, 1937	Increase	Decrease
Ordinary Revenue	£	£	£	£	£	£	£	£
Inland Revenue—								
Income Tax	10,595,000	12,810,000	2,215,000	...				
Sur-tax	4,160,000	4,910,000	750,000	...				
Estate, etc., Duties	20,850,000	24,100,000	3,250,000	...				
Stamps	3,890,000	4,440,000	550,000	...				
Other Inland Revenue Duties	90,000	90,000	...	...				
Total Inland Revenue	39,585,000	46,350,000	6,765,000	...				
Customs and Excise—								
Customs	49,820,000	54,722,000	4,902,000	...				
Excise	25,100,000	26,700,000	1,600,000	...				
Total Customs and Excise	74,920,000	81,422,000	6,502,000	...				
Motor Vehicle Duties	4,620,000*	4,683,000	63,000	...				
Post Office (Net receipt)	3,850,000	4,430,000	580,000	...		(See preceding columns)		
Crown Lands	290,000	260,000	...	30,000				
Receipts from Sundry Loans	369,380	361,911	...	7,469				
Miscellaneous Receipts	1,756,276	1,306,412	...	449,864				
Total Ordinary Revenue	125,390,656	138,813,323	13,910,000	487,333				
			£13,422,667 Net Increase					
Self-Balancing Revenue	14,700,000	16,420,000	1,720,000	...				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)								
Total	140,090,656	155,233,323	15,630,000	487,333				
			£15,142,667 Net Increase					

* Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue figures for purpose of comparison.

II.—AN ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the period ending June 30, 1937, as compared with the corresponding period of the preceding year.

RECEIPTS	Period ending June 30, 1936	Period ending June 30, 1937
	£	£
Ordinary Revenue, as shown in Account I	125,390,656	138,813,323
Self-Balancing Revenue as shown in Account I	14,700,000	16,420,000
Total Revenue	140,090,656	155,233,323
Money Raised by Creation of Debt—		
(a) For Capital Expenditure Issues—		
Under the Post Office and Telegraph (Money) Act, 1935	2,900,000	3,400,000
(b) For other Issues—		
By Treasury Bills	920,293,000	793,326,000
By National Savings Certificates	6,150,000	5,850,000
By 2½ per Cent. Funding Loan, 1956–61	71,650,000	...
By 2½ per Cent. National Defence Bonds	...	68,185,000
(c) Ways and Means Advances	460,820,000	405,730,000
Repayments—		
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	33,328	34,611
In respect of Issues under Section 26 of the Tithe Act, 1936	...	75,000
	1,601,936,984	1,431,833,934
Balances in Exchequer on April 1st :—	1936 £	1937 £
Bank of England	2,119,161	2,016,573
Bank of Ireland	611,217	683,749
	2,730,378	2,700,322
	1,604,667,362	1,434,534,256

ISSUES	Period ending June 30, 1936	Period ending June 30, 1937
	£	£
Ordinary Expenditure		
Interest and Management of National Debt	73,379,372	75,915,096
Payments to Northern Ireland Exchequer	1,241,985	1,580,593
Other Consolidated Fund Services	693,065	857,357
Total	75,314,422	78,353,046
Supply Services—		
Army, Navy and Air Votes	37,450,000	46,300,000
Civil and Revenue Votes (excluding Post Office and Broadcasting)	84,791,000‡	84,374,950
Total Supply Services (excluding Post Office and Broadcasting)	122,241,000	130,674,950
Total Ordinary Expenditure	197,555,422	209,027,996
Self-Balancing Expenditure		
Post Office Vote and Vote for Broadcasting	14,700,000	16,420,000
Total Expenditure	212,255,422	225,447,996
Issues to meet Capital Expenditure—		
Under the Post Office and Telegraph (Money) Act 1935	2,900,000	3,400,000
Redemption of Debt—		
Treasury Bills paid off	918,125,000	829,655,000
Principal of National Savings Certificates paid off	7,000,000	7,200,000
Principal of Treasury Bonds paid off	42,000,000	...
Other Debt under the War Loan Acts, 1914 to 1919	...	32,500
	417,885,000	361,850,000
Ways and Means Advances Repaid	1,417,561	1,444,836†
New Sinking Fund (1928)	255,460	...
Issues under Section 1 (1) of the North Atlantic Shipping Act, 1934	448,117	...
Issues under Section 4 (3) of the British Shipping (Assistance) Act, 1935	...	2,907,000
Issues under Section 26 (1) of the Tithe Act, 1936	...	9,400
Old Sinking Fund, 1907–08—		
Issues under Section 9 of the Finance Act, 1908	1,602,286,560	1,431,946,732
	June 30, 1936 £	June 30, 1937 £
Balances in Exchequer—		
Bank of England	2,044,511	1,957,069
Bank of Ireland	336,291	630,455
	2,380,802	2,587,524
	1,604,667,362	1,434,534,258

Treasury, June 30, 1937.

Mem.—Floating Debt, outstanding March 31, 1937 ..... £698,130,000

	1936 June 30 £	1937 June 30 £
Ways and Means Advances outstanding :—		
Advances by Bank of England	26,750,000	49,250,000
Advances by Public Departments	35,240,000	18,165,000
Treasury Bills outstanding	765,265,000	638,230,000*
Total Floating Debt outstanding	827,255,000	705,645,000
Net Increase		7,515,000

* Includes £13,000 the proceeds of which were not carried to the Exchequer within the period of the account.

† Authority is being sought in the Finance Bill to meet the amount of the Statutory Sinking Funds in 1937 by borrowing.

‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Expenditure figures for purpose of comparison.

dates to fill vacancies. Some years ago the Students' Society compiled and maintained a Register which recorded personal particulars of actuarial students and of qualified actuaries of less than ten years' standing, this being the portion of the Institute membership of chief interest to the Society. This organisation has been found useful and will be included in a new Actuaries' Appointments Board. The new Appointments Board of the Institute of Actuaries is of interest, as the constitution of the Board has been adopted by a professional body. The Board includes the President and the Vice-Presidents of the Institute. It is hoped that the Board will be of assistance to all who need the services of an actuary and particularly to those who, not being engaged in insurance, are likely to find greater difficulty than insurance officials in getting into touch with actuaries who may be eminently suitable for the appointment contemplated.

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Census of Production: Clay and Building Materials.—Further preliminary reports of the Fifth Census of Production, 1935, have now been published. Details about the scope of the Census were given in *The Economist* of February 27th, page 463. Some of the new statistics giving for each trade the gross value of production, the net output (gross value less the costs of fuel, materials and work given out), the number of persons employed, and net output per employee, are reproduced in the following table:—

Trade		Gross Output	Net Output	Average No. of Persons Employed	Net Output per Employee
		Thous. £	Thous. £		£
Brick and fireclay	1930	21,697	15,343	75,635	203
	1934	25,662	18,095	84,466	214
	1935	27,666	19,722	91,198	216
China and earthenware	1930	13,895	9,027	67,693	133
	1934	13,472	8,829	65,492	135
	1935	14,079	9,288	67,775	137
Glass	1930	13,713	8,299	39,571	210
	1934	16,166	9,911	43,525	228
	1935	17,056	10,521	45,869	229
Cement	1930	8,202	4,727	10,989	430
	1934	7,872	4,592	10,136	453
	1935	9,676	5,805	10,389	559
Building materials	1930	14,293	7,711	30,628	252
	1934	12,121	6,363	26,588	239
	1935	15,045	8,197	30,561	268
Total	1930	71,800	45,101	224,516	201
	1934	75,293	47,790	230,207	208
	1935	83,522	53,533	245,792	218

As most of these trades are lowly capitalised, though in each technical methods vary, the net output per employee is low. Indeed, for china and earthenware it is quite the smallest for any large industry. Cement stands at the other extreme. This industry is highly cartellised and is submitted to continuous and drastic rationalisation, with the result that net output per employee rose to £453 in 1934 and £559 in 1935.

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Co-operative Food Prices.—The delegates to the quarterly meeting of the Co-operative Wholesale Society at the end of this month will emphasise the economic effect of quotas, restrictions, and Government marketing schemes on the price of foodstuffs. The sales of the C.W.S. for the three months ended April 10th were £27,745,796, an increase of 10½ per cent. over the corresponding period of 1936. Had wholesale prices remained as they were last year this increase would have been very much smaller. According to the Society's index, wholesale food prices have advanced by 9¼ per cent. The turnover of grocery and provisions was £20,626,193, an increase of £2,101,471, but, in view of the rise in prices this substantial improvement must, in the opinion of the directors, be "read with reserve." Supplies from the Society's own factories were valued at £9,971,016, rather more than one-third of the total trade. Thus nearly two-thirds of the federation's business consists in merchandising the goods of other manufacturers. The effect of rising prices can be discerned in the following comparisons:—

	Percentage increase in value	Percentage increase (+) or decrease (−) in quantity
Flour	24½	−4½
Lard	8⅜	−6¼
Butter	1¼	−0⅜
Soap	6¼	−0½
Tea	21¾	+9⅜
Margarine	7¼	+0¾
Biscuits	17	+9⅛

The marked increase in the value of trade during the three months ended April 10th, compared with the same period of last year, thus conceals the fact that the volume of trade has been very little, if at all, greater.

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While the grocery trade, valued at over £20,000,000, shows an advance of 11 per cent., compared with the corresponding three months of last year, drapery and furnishing have improved by only 2⅞ and 3⅝ per cent. respectively. Men's wear was responsible for a turnover of £888,773 and, for the first time, the London department had a larger turnover than the Manchester headquarters—a reflection of the continued progress of co-operation in the southern area. The sales of boots and shoes totalled £699,830, of which £513,624 were in the output of the Society's own seven boot works. This represented a production of 1,455,737 pairs of shoes. The exports, mainly to national co-operative organisations and to the British Dominions where the C.W.S. has established its own depots, amounted to £116,700, an increase of 61 per cent. The English C.W.S. contemplates the expenditure, this year, of £2,000,000 in buildings for productive works. Land and buildings have been purchased for productive developments in London, Manchester, Northampton, Darlington, Crewe, Derby and Southampton. In the latter port an imported meat department is to be installed. Evidence of the growing inclination towards political activity is shown by the directors' recommendation that donations should be made of £1,000 to the Co-operative Party, £500 to the Women's Co-operative Guild, £150 to the Men's Co-operative Guild and £100 to the National Council of Labour Colleges. To the fund raised by the National Council of Labour in connection with the Spanish conflict the C.W.S. has given 200 guineas, and goods to the value of £1,000 have been given to the similar fund raised by the International Co-operative Alliance.

TRADING ABROAD

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From Our Special Correspondents

United States

A New Party in the Making

Washington, June 20.—Throughout his presidency Mr Roosevelt has been a liberal confronted by an unliberal Congress. The New Deal has been legislated by this Congress piecemeal, each measure winning support because of a particular and urgent need, and not until this year have the separate parts fallen into a recognisable whole. Now the pattern is simple and clear. The New Deal means centralised government, not centralisation for its own sake, but for four general objectives, the betterment of the living standards of the working population, the conservation of soil and power resources through national and regional planning, the maintenance of a balance between industry and agriculture, and the exercise of national control to combat the fluctuations of the business cycle. Most of the particular objectives could not be reached through the Supreme Court as it was ruling before the last election. Administrative machinery could not deal with these problems effectively since it was not designed for so large a task. So this year the President asked Congress to weaken the Supreme Court and strengthen the executive; and at the same time he proposed control over hours and wages and a division of the country into seven planning regions for purposes of flood control, soil conservation and power development.

The Supreme Court combated the demand for its reform by a series of liberal rulings, the most noteworthy of which validated the Wagner Labour Relations Act and the Social Security legislation. Justice Van Devanter resigned, giving the President further assurance of a liberal majority. At this stage the President was under the strongest political pressure to drop the Supreme Court fight, heal the breach in his own party, and be content with the triumphs already won. But he would not yield. He announced the continuance of the Court fight, and he assured Congress that he wanted action on all the legislation recommended, and wanted it this session.

This is a new Roosevelt; a fighter no longer obsessed with the problem of slipping single pieces of legislation through a conservative Congress. What he is shaping is a national programme, as fundamental as anything in American history. He appears to be preparing to wage a national campaign for it. He has ceased to be the leader of a two-winged Democratic Party, responsible for its unity and success. He is leader now of a school of political thought, which he will carry to the country at the earliest opportunity, and which may split the party. That opportunity comes next year, when the entire House of Representatives and a third of the Senate will be elected.

It now appears that this congressional mid-term election may be the first fought on real issues, instead of traditional party lines, since before the Civil War. The Democratic Party, of course, will still be nominally intact, and its machinery will be used to nominate those who support the now completed programme and to defeat those who are opposed to it. But it is a new party that is in the making, and by 1940 it may include the La Follette progressives, the Lewis labour millions, and be opposed by the united conservatives of the Democratic South and the industrial East. That, certainly, is the prospect opened by the single announcement that the President refused to drop his Court fight. If the breach in the Democratic party is not to be healed, a new party must take its place.

Democracy from Above

The cry against this programme is high-pitched. This is a "revolution in government." Mr Roosevelt is charged with seizing power not far removed from that of Hitler and Mussolini. General Hugh Johnson, still personally loyal to the President, writes charitably that it is all the work of Tom Corcoran and Ben Cohen, two of the leading brain-trusters, and they are doing it without the President knowing quite what is happening. Because Fascist Government is centralised, the Roosevelt programme must be Fascist. And it is in this key that next year's campaign will be fought.

An observer of these developments must recognise that there is a peculiar inversion in the American way of doing things. Revolutionary changes are not made on local political forums, resulting in the election of Congressmen imbued with the new doctrines, until they gather in Washington in such numbers that they can enact the changes into law. The process is reversed; the laws are enacted or proposed first, and finally they reach the local forums, for discussion and ultimate ratification or veto. Congress enacts the new idea, the country then experiences it and decides what it wants to do about it.

That was the process in the case of the National Recovery Administration. Congress—and the business community—concocted something the voters had never dreamed of. After a sad season of test, the N.R.A. was discredited, before even the Supreme Court mercifully vetoed it. That was the process with labour legislation. The nation did not turn union-minded; it was presented with a new doctrine of unionism and now is finding out what that doctrine entails. So, too, with social security. It was hurried through Congress, and the country still has to pass judgment on the way the social insurances are collected and financed. And this, certainly, is the chief virtue of the wages and hours bill; that Congress, if it passes the bill, will be doing little more than starting the education of the nation about both the principle and the method of government control of wages and hours.

In a country the size of the United States, this inversion of the older democratic process, however undesirable, is probably inevitable. That it leads to endless confusion goes without saying. Criticism of legislation does not count. Congress plunges ahead, enacting laws which every legislator must know will have to be rewritten, session after session. But in the long run it probably is the only way a country like the United States can change its governmental habits. And if the electorate can express itself next year on the new ideas, the process cannot be called unhealthy.

Government and Labour

New York, June 22. — When the Governor of Michigan decreed a banking holiday in February, 1933, in order to halt the disastrous withdrawals from banks, he set a style which was quickly followed by other governors; the banking crisis quickly marched to its climax. Now the United States is in the throes of another type of disturbing epidemic, this time of labour troubles, and the Governor of Pennsylvania on June 20th called out troops to maintain peace; the step was followed the next day by similar action by the Governor of Ohio. The President is reported agreeable to this move, and has himself appealed to the steel company executives, in effect, not to try to break the strikes. Just as the banks were prevented from trying to continue operations when trouble seemed imminent, so now the steel companies are being restrained.

The parallelism cannot, however, be pressed very far. Restraint in the present instance is confined to two towns. The steel companies, unlike most of the banks in 1933, desire to go ahead, and appear to be supported by a substantial proportion of their workmen. Only tiny segments of economic activity are directly affected in the present case. But the direct intervention of government force is a noteworthy development in the unfolding drama of the efforts to organise American working men. And it is nearly unique in this country that the companies are being prohibited from trying to operate in the face of a strike; in the previously most noteworthy case, President Cleveland in 1892 used the United States army to assure that the railroads, then affected by a strike, would operate.

Whether this development will bring an early climax in the labour situation only an oracle can know, but it constitutes a move which will inevitably be the source of very intensive controversy for a considerable time. Many employers feel more strongly than ever that the Government is against them, while there are signs of jubilation from labour. Public opinion does not appear to have crystallised. Many feel that overzealous groups within the labour movement are hurting their own cause; and in the motor industry a prominent labour leader has warned his followers that much better discipline is needed. But some of the steel industry executives appear extremely uncompromising, if not obstructive.

Meanwhile, mediation efforts are more widespread. The President's steel mediation board is active, and the intervention of States governments in the strikes makes them strive even more for settlement. The National Labour Relations Board is active in a large number of cases, if not those in the newspaper headlines; it reports the settlement of twenty-three threatened strikes in April, the holding of twenty-nine elections during that month, and the "closing" of cases involving 50,000 workers.

Changing Monetary Position

The banking figures continue to reflect the marked change which has come over the American monetary situation during the last few months. Demand deposits are lower than they were six months ago, and the total earning assets of the banks are lower than a year ago. Bank cash has risen persistently to a new high level. A larger proportion is, of course, now required as reserves, and a lesser proportion is excess than was the case prior to the increases in requirements earlier in the year. Inter-bank balances have fallen abruptly since the year-end. Total investments have also fallen sharply while loans have risen. The following table summarises the developments in the weekly reporting member banks in 101 leading cities:—

Millions of dollars

Average for Month	Total Loans and Investments	Total Investments	Total Reserves	Demand Deposits	Balances due to Domestic Banks
June, 1936	22,373	13,838	4,389	14,563	5,503
September, 1936	22,520	13,892	4,995	14,962	5,890
December, 1936	22,760	13,730	5,264	15,544	6,155
March, 1937	22,610	13,324	5,205	15,429	5,679
June, 1937 (3 weeks)	22,315	12,961	5,308	15,340	5,073

These developments are in marked contrast with those of the three preceding years, when the earning assets and the demand deposits of the banks were rising rapidly. In banking terms the change can be traced directly to the increases in reserve requirements. As the result of these, bankers' balances were extinguished in substantial volume as banks called their funds home to meet the higher needs. Likewise as a result, the banks sold Government securities heavily, partly to obtain needed funds, and partly because they feared a fall in the price of these securities. While loans have risen, they have not done so sufficiently to offset these declines. Demand deposits have not fallen so rapidly as earning assets because of the steady inflow of gold. But this explanation in banking terms does not, of course, set forth the significance which those who think in quantitative monetary terms attach to the development. The abrupt halt which has occurred in banking expansion is, in those terms, a development carrying important implications to business and prices.

The expansion of the public debt was the chief cause of the rapid banking expansion of the preceding several years. Bank purchases of Government securities increased both assets and liabilities at an unusually rapid pace. There is considerable evidence that the expansion of the public debt outside of Government agencies is at an end. While a Budget deficit of $418 millions is anticipated officially—and, in the opinion of many, will be exceeded—during the fiscal year ending June 30, 1938, Government departments are expected to absorb more than $1,250 millions of Government securities during that period. Reserves to be accumulated under the Social Security Act account for the preponderant part of this. Government securities to be issued for the purchase of gold must be taken into account in addition to those issued for budgetary purposes but even so, it does not appear likely that the banks will have the opportunity to acquire any substantial volume of Government issues. If banking expansion is to occur henceforth, therefore, it will have to be largely on the basis of non-Governmental borrowings. Any expansion, furthermore, must be considered in the light of the express belief of the Federal Reserve authorities that bank deposits are sufficiently large.

France

The Programme of M. Bonnet

Paris, June 30.—The Chamber has voted by 374 votes against 206 emergency powers until August 31st to the Chautemps Cabinet, in order to carry out a vast programme of financial and economic recovery. The country has now heard the truth. The situation is not desperate but is at least grave. The outflow of gold amounted to 5,200 million francs between June 1st and June 22nd, and to 2,500 millions between June 22nd and June 28th. The gold of the Equalisation Fund has been exhausted; and the Treasury is empty. Treasury needs until the end of the year are as follows:—

	(Millions of francs)
Ordinary Budget deficit	8,000
Extraordinary Budget	8,500
Advances to undertakings	9,000
September repayment of Auriol Bonds	807
October repayment of 4½ per cent. 1934 Bonds	5,400
December repayment of the English Loan	4,400

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M. Bonnet has proposed that 20,000 million francs should be raised by additional taxes and economies. But measures will first be taken to adjust the external financial position. The lower limit of the franc exchange will be abolished and the franc allowed to find its own level, after the English model. This suggestion is causing some anxiety in France, where the central power is not as strong as in Great Britain. The Equalisation Fund will be maintained and the Tripartite Agreement observed.

Then the balancing of the Budget will be undertaken. Some 10,000 million francs will be obtained from the Bank of France as an advance on the yield of additional taxes. New public expenditure will be prohibited. Direct and indirect taxes, and the charges of public utilities and the railways, will be increased in order to balance the Budget by stages; and the extraordinary Budget will contain nothing but military expenditure. M. Reynaud has suggested that the needs of the Treasury in 1938 might reach 50,000 million francs, but M. Bonnet protested that they would not exceed 30,000 millions, once the taxes had been increased and the economies and reorganisations realised.

Prospects of Recovery

It may be that the "floating franc" will end in stabilisation on a lower level than now, and it seems that the whole increase in taxation and the modifications in social reforms, notably in the 40-hours week, demanded by M. Bonnet, have not yet been entirely accepted. After deflation, reflation and devaluation, France begins a new experiment. The lessons of the two preceding experiences seem to be that no merely financial expedient will lift the country out of the crisis, and that great sacrifices by all citizens are necessary.

The new deflation, which is based on the fact that financial independence, military security, social reform and business revival cannot be secured without monetary stability and without the collaboration of labour and capital, should, however, be quite different from the earlier one. Business revival has already begun, as is shown by the index of production, the rise in prices and the diminution of unemployment. The deflation of public expenditure will be compensated by franc inflation. Moreover, this deflation comes after considerable social progress, and will be carried out by a Popular Front Government, the Vice-President of which is M. Blum.

Nothing suggests that the masses and their leaders will not loyally support M. Chautemps in his policy. There have been none of the threats of the last crisis, and there is a common front in face of the foreign danger. The Socialist Congress at Marseilles on July 10th will show the Government what the position is.

Rising Prices and Imports

The new crisis of the franc has already caused a rise in wholesale prices from 530 (June 19th) to 537 (June 26th); food products have risen from 523 to 529, and industrial products from 536 to 545. This advance in prices added to the increase in taxation will lead to new claims for higher wages. The consumption of coal in May was 6,168,000 tons or 241,000 tons less than in April, but 458,000 more than in May, 1936. Monthly production has fallen to the lowest level for ten years; it was 3,473,000 tons in 20·3 working days in May, against 3,991,000 tons in 22·8 days in April and 3,921,000 tons in 22·1 days in May, 1936. Daily production declined from 117,500 tons in May, 1936, and 175,000 tons in April, 1937, to 171,000 tons in May, 1937. Consumption has risen by 458,000 tons and production has fallen, so that imports rose in May by 720,000 tons to 2,610,000 tons against 2,554,000 tons in April. Coal imports have cost 113 per cent. more than in the same month of 1936, in spite of an increase of mining employment of 15,230.

Fiscal receipts in May were 2,300 million francs, an increase of 310 millions compared with May, 1936, and a deficit of 133 millions compared with the estimates For the first five months of 1937, receipts were 32 million francs below the estimates and 902 millions above the 1936 receipts for the same period. Indirect taxes have yielded 799 millions more, estate duties 20 millions more, and direct taxes 80 millions more.

Germany

Germany and Collective Security

Berlin, June 30.—The International Chamber of Commerce met in Berlin this week, and was welcomed by a vigorous political speech by General Göring. The main interest of the foreign delegates, and in particular of the British, seems indeed to be political, the Congress being, as Germans put it, "in the constellation" of Spain, of Russian and French affairs, and of collective security or insecurity.

Those delegates who enquire on the spot about Germany's attitude towards these international problems will probably depart little wiser than they came. The experience of resident observers on the spot is that they hear everything on all sides of nearly every question; and can correctly quote authoritative Germans in quite contrary senses.

The recent development of German foreign policy has been more than usually erratic. The proposed visit of Herr von Neurath to London was welcomed in Berlin. The attacks on British diplomacy and the disparagement of British ways, which had till then been most pronounced, almost ceased. It even seemed that some mild kind of co-operation was again in favour. Yet all this was reversed quite unreasonably by the mere "Leipzig" incident, which was only a trifle after the more serious "Deutschland" affair had been settled.

Apparently the only explanation of the sudden return to anti-British demonstrations was that, while the "Deutschland" affair had been liquidated by retaliatory demonstration and national pride had been soothed, the "Leipzig" affair could not be so handled; and it was mainly British opposition that prevented any action which would have propitiated Germany. The weakness of German policy is, as it was before the war, a propensity to demonstrate without regard for permanent diplomatic interests.

The new anti-British attitude, and with it the withdrawal from collective security which Herr Hitler, not for the first time, announced at Würzburg, are cases in point. Collective security has never been consistently handled by Germany. It has repeatedly been proclaimed that this international system is radically and in principle wrong. Yet Germany herself has repeatedly announced her readiness to participate. Instances are her willingness to return on conditions to the League of Nations after she had demonstratively left it and Herr Hitler's last speech, the note of which was "we were nevertheless, against our better judgment, ready to participate if only the other wicked parties . . . ."

This ambiguous attitude towards collective security is inherent in German policy; and it appears clearly in concrete cases. The international policy towards Spain which the Reich desires, is itself a collective security policy, the German thesis being that all Europe ought to combine against the attempt of one Spanish faction to involve Europe in war. In the same way, Russia is here represented as intent on involving Europe in war, and Germany daily summons Europe to unite against her.

This German attitude is just as much "collective" as the attitude of the temporarily reprobated League of Nations against Italy in Abyssinia, or against any other peacebreaker. Collective action is sound when it subserves a German aim and unsound when it subserves other nations' aims. This attitude is, of course, natural enough. But it can hardly be exalted, as Germans exalt it, to the dignity of a principle permanently underlying international policy.

Food Stocks

Cereal crops are reported to have suffered local damage in June. The consumption of bread cereals has fallen off because of various official economy measures. The stock available is sufficient for the remainder of the crop year; but in the case of wheat the mills are being in the main supplied by means of imports. Producers' prices for wheat in the crop year 1937-38 remain unchanged; for rye, as announced in March, they are raised by Rm. 20 a ton.

The compulsory admixture of maize flour with wheaten flour will henceforth be imposed on millers instead of as hitherto only on bakers; maize flour, and later potato meal, will also be mixed with rye flour; and the veto against distillation will be extended from wheat and rye to cereals of all sorts. The consumption of bread is to be reduced by forbidding its retail sale until the day after baking.

Owing to unfavourable weather, the outlook for home-grown fruit is bad. The measures of recent years to foster the cultivation of oil plants will be continued in the new crop year. Some of the fixed prices, which since the grower has a right to sell his produce, are also guaranteed prices, will be raised.

Paying for the Boom

The financing of the industrial boom by the State is again a subject of discussion, with special reference to foreign comments on the so-called "German Miracle." The official explanation is that a sufficient national surplus of money was provided by the boom itself, owing to the increase in income from work, the fall in outlay on unemployment relief, and the rise in savings, all of which were in turn reflected in the great increase in the yield of taxation. Among data to illustrate this process, displayed at the Berlin Exhibition "Gebt mir vier Jahre Zeit," are the following: Between 1933 and 1936 income from employment rose from Rm. 26,342 millions to Rm. 34,540 millions; the cost of unemployment relief fell from Rm. 2,256 millions to Rm. 865 millions; savings bank deposits rose from Rm. 12,110 millions to Rm. 14,590 millions; and the yield of public taxes rose from Rm. to 10,581 millions to Rm. 15,437 millions. The official Reichs-Kredit Bank declares that "present German policy aims at checking the investment of new short-term credit and attracting all the resources which are made available by the liquefaction of business and by savings activity."

The official index of industrial activity shows that the number of employed in May was 8.8 per cent. higher than in May, 1936; and the number of hours worked was 11.9 per cent. higher. Compared with April, 1937, the average daily working-time declined. Among important industries, only textiles show a set-back.

Retail sales in March and April were 13 per cent. higher than in the same months of 1936. A new law regulating retail trade will soon appear, under which political reliability will be required from intending shopkeepers.

Coal production in the first five months of 1937 totalled 73,860,000 tons, against 63,210,000 tons in the corresponding period of 1936. Ingot steel output in May was 1,608,200 tons; in the first five months of the year it was 7,888,100 tons, against 7,678,000 tons in the same months of 1936. The domestic supply of pig iron has increased.

At the Hamburg-America Company's annual meeting an earlier statement that no attempt will be made to compete in the North Atlantic with large and speedy ships was confirmed. The company expects to earn a net profit this year. The ageing of Hamburg-America tonnage was complained of, only one new ship having been completed since 1933. The company's present building programme is for 70,000 tons, and is larger than that of any other German company, but is nevertheless considered insufficient. A mild protest was made against priority in building ships for foreign concerns. There has for some time been considerable construction of vessels on foreign account in German yards which has been a source of grievance when shipbuilding is fully occupied.

Belgium

Freer Trade Disillusionment

Louvain, June 22.—Belgium has marked the mission of M. van Zeeland with interest, without expecting too much. This country is anxious to abate policies of protection, since it lives by exports and has suffered more than any other country from the effects of increased import duties and quota systems. Belgium was deceived by the futile negotiations for trade disarmament in 1930 and the abortive agreements of Oslo and of Lausanne.

In the export trade Belgium's position has improved during the last six months. Despite all the hindrances to international trade, foreign markets are more abundant, and Belgium export industries are active. The value of Belgium exports has doubled since the devaluation of 1935. Expressed in gold the increase has been 45 per cent. Only in 1930 was the value of exports comparable to the present figure.

The surplus of imports has declined. For the first four months of 1937 imports reached a value of 9,300 million francs while exports were valued at 8,500 millions. For Belgium this is very satisfactory because her balance of payments includes large invisible exports.

Repayment of Foreign Debt

According to an article published in the *Bulletin of the National Bank of Belgium*, the balance of international payments in the years 1935 and 1936 was active, as appears from the following table:—

Balance of Payments of Belgium

(In millions of francs)

	1935	1936
Assets		
Exports of goods	16,100	19,950
Tourist receipts	1,200	1,000
Revenue from abroad	1,600	2,000
Wages earned abroad	300	350
Surplus of the Congo's trade balance	1,175	1,375
Transit trade	500	600
Net freights registered	200	260
Miscellaneous items	50	50
Total	21,125	25,585
Liabilities		
Imports	17,450	21,500
Interests and dividends paid abroad	750	750
Tourist payments	125	150
Commissions, royalties, etc.	100	100
Total	18,425	22,500
Surplus of assets	*2,700*	*3,085*

There was thus a surplus on the balance of payments in 1935 and 1936 of about 3,000 million francs, or about £20 millions. With this surplus Belgium has repaid an important portion of her foreign debts. The repayments may be estimated at 2,000 million francs. On the other hand the public has bought a quantity of foreign stocks.

The repayment of the flight capital which has come to Belgium was another use for the surplus on the balance of payments. After the collapse of the gold *bloc*, Dutch and Swiss funds are withdrawn. French capital has generally remained either in the banks or at the disposal of the Stock Exchange. In brief, while there was formerly 3,000 million francs of liquid capital held in Belgium, there remains now only about 1,500 millions.

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Improved Production and Earnings

The industrial situation is favourable. The present index of basic industrial production is still 8 per cent. below the level of 1929, but has made an advance of no less than 37 per cent. compared with 1934. Metallurgical output has increased during the last few months throughout the whole country. This prosperity is not only obvious in the metallurgical industry which is fully employed; an improvement has also been experienced in building, which had previously been stagnant.

Unemployment is still going down. Indeed it may be said that it has virtually disappeared, and that the 80,000 wholly unemployed, still registered in the official lists, are really unemployable because they lack the necessary skill. In many trades there is an actual shortage of hands. The improved situation has led to an increase in wages. For fifteen years wages have been automatically adjusted to the cost of living; and therefore an appropriate increase has recently taken place. And it has been possible during the past twelve months to give rises outside the agreements. Miners received two such increases, once in January, 1937, and again in June. Metal workers received an advance of 5 per cent. in June. Expressed in purchasing power, the wages of miners and metal workers are now 10 per cent. above the level of 1929, which was the peak of prosperity.

The wages bill in the first quarter of 1937 was 40 per cent. higher than the sum paid out in wages during the first quarter of 1935, before the devaluation. Meanwhile the cost of living has risen 15 per cent. Real wages have increased 22 per cent. on account of the increase in hour wages and many unemployed have found a job again.

The social situation is satisfactory in Belgium, and since June, 1936, no serious strike has broken out throughout the country. Nevertheless the position is still uncertain because of the labour unrest which is being felt all over the world. The proximity of France provides an obvious danger of infection. Labour troubles may spread.

Sweden

The Travels of Mr Sandler

Stockholm, June 20.—The Swedish Foreign Minister has now returned from his latest goodwill tour to the Baltic countries. His travels began with Brussels and the Hague in early spring, closely followed by a visit to London—in answer to Mr Eden's visit to Stockholm in 1934—and to Paris, after an unexpected invitation from the French Government. When the visits to London and Paris aroused some alarm in the German Press, Mr Sandler had to pay an official call on Herr von Neurath in Berlin. This in its turn made it necessary to promise Moscow an official visit. The trip to the Baltic capitals coincided by pure chance with Lord Plymouth's tour from Finland to Lithuania, and thus gave rise to rumours of British efforts to form a Scandinavian-Baltic *bloc* as a political counterbalance to the Third Reich. Mr Sandler's list of visits is not yet exhausted. After a visit to Moscow, announced to take place on July 8th, a trip to Warsaw is projected, which will probably lead to a visit to Prague.

These endless visits by the Foreign Minister of a small country, whose only wish is to keep out of the diplomatic game, have in some countries caused curiosity and in others less harmless suspicion. Though nobody in this country would attribute to Mr Sandler the intention of working for any kind of political *bloc* in the Baltic, the necessity of these visits is not quite obvious, and there is a growing feeling in Swedish political and business quarters that it is not quite compatible with the traditional line of Sweden's foreign policy.

Prices Steady

The economic situation in Sweden has not been much affected by the general fall in the price of raw materials or by the gold panic, except for a slight setback on the Stock Exchange. In spite of the decline of commodity prices in London, Professor Silverstolpe's index of Swedish wholesale prices recorded a new advance in May from 141 to 142 (1913 = 100). That the international break in commodity prices had such little effect in Sweden may be explained by the fact that three important components of the Swedish price index, i.e. coal, pulp and wool, have not been affected by the recent fall in quotations.

Industrial production continues to expand and the index of industrial production rose during April from 116 to 118, with steel and iron production chiefly responsible. Market reports for the chief staple articles continue to be satisfactory. Of this year's export quota for timber only 150,000 standards remain unsold. Demand for pulp is growing and prices are stiffening. Paper sales are brisk and prices rising. The iron and steel industry is working at full capacity. The lockout in the building industry at one moment threatened to check the present boom, but the conflict was happily brought to an end at the beginning of June, and a new three years' agreement was reached. The situation in the Swedish labour market is quieter than it has been for many years. Unemployment has further decreased and the number of unemployed officially registered has dropped in April from 28,000 to 22,000 compared with 47,000 in April 1936. The shortage of skilled labour and the seasonal shortage of agricultural workers remain.

Rising Imports from Britain

Imports in the first five months of the current year have increased in value by about 29 per cent. compared with the corresponding period in 1936. Foreign trade and trade with Great Britain (for four months only) are shown in the following table:—

Foreign Trade

(In million kronor)

	1936 January–May	1937 January–May
Imports	634·2	819·4
Exports	531·4	671·6
Import surplus	102·8	147·8

Trade with the United Kingdom

(In million kronor)

	1936 January–April	1937 January–April
Exports to U.K.	96·8	108·7
Imports from U.K.	92·3	112·2

As the above table shows, Swedish trade with the United Kingdom has for the first four months of this year shown a balance in favour of Great Britain of Kr. 4.5 millions, compared with a balance in favour of Sweden of exactly the same amount in the corresponding period of 1936. It is the first time since the trade agreement of 1933 that Swedish-British trade has shown a surplus of Swedish imports from Great Britain over exports.

The easiness in the Swedish money market continues and the joint-stock banks' cash and holdings at the Bank of Sweden amounted at the turn of May to Kr. 728 millions. Bank deposits steadily increased and reached a total of Kr. 4,057 millions, which is Kr. 124 millions more than at the turn of the year. The new banking law, obliging joint-stock banks to keep cash reserves of a minimum of 25 per cent. of their total sight and one month deposits, and to immobilize a certain amount of these reserves at the Bank of Sweden, has now been adopted by the Riksdag as a preventive measure, whose application will be decided upon by the Bank of Sweden. As the inflation danger has lost its acuteness since the fall in commodity prices, the question of lowering the sterling rate, which was advocated by certain Swedish economists, and which was also laid down by the Minister of Finance as the most effective measure for checking a price inflation, has for the moment lost its relevance. Forward selling of foreign currencies has therefore fallen to normal proportions and speculative buying of Swedish currency for foreign account has practically ceased.

Argentina

The Presidential Election

Buenos Aires, June 19.—Elections for the Presidency of the Republic will take place on September 5 next. The general satisfaction caused by the return of prosperity has distracted attention from politics. In the City of Buenos Aires there have so far been no popular demonstrations or excitement. Nor is there any sign of that interruption of business usually associated with a general election. The official candidate is Doctor Roberto Ortíz, the Minister of Finance, who will represent the *Concordancia* or Government coalition, composed of National Democrats (Conservatives), Anti-Personalist Radicals and a few Independent Socialists. He will be opposed by Doctor Marcelo de Alvear, who was President of the Republic from 1922 to 1928, on behalf of the Radicals, and by Doctor Nicolas Repetto for the Socialists.

Doctor Ortiz is resigning his post in the Cabinet, and will be succeeded by Doctor Carlos Alberto Acevedo, at present Vice-President of the Banco de la Nación Argentina. Doctor Ramón Castillo, Minister of the Interior, is also resigning to stand as the *Concordancia* candidate for the Vice-Presidency. The Ministry of the Interior will be temporarily in the hands of the Minister of Public Works, Señor Alvarado.

The extraordinary recovery of Argentine foreign trade continues. During the first five months of this year the value of exports was more than twice that of the same period of 1936. The following table shows that every branch of the export trade recorded improvement, though cereals and linseed were the predominant factor in the advance:—

(January to May inclusive—in Pesos)

Products	1936	1937	Per cent. Increase in 1937
Pastoral	279,968,829	345,814,894	23·5
Agricultural	312,359,840	872,182,561	179·2
Forest	14,947,023	17,941,465	20·0
Mining	3,888,425	7,506,252	93·0
Hunting, fishing	1,745,222	2,099,975	20·3
Miscellaneous	8,563,855	8,731,583	2·0
Total	621,473,194	1,254,276,730	101·8

The import trade is responding only slowly to the expansion of exports. Thus the export surplus has more than quadrupled compared with last year. Foreign trade during the first four months of 1936 and 1937 was as follows:—

(In Pesos)

Year	Imports	Exports	Export surplus
1936	377,038,505	517,344,052	140,305,547
1937	438,468,232	1,074,558,537	636,090,305

While exports increased by 107.7 per cent., imports rose by only 16.3 per cent. By far the biggest increases in imports were in the value of iron and steel which rose by 14,269,188 pesos; the value of machinery and vehicles rose 13,644,207 pesos. These are the goods which respond first to trade recovery. Textiles, on the other hand, by far the largest item among imports, only increased in value by 5,560,241 pesos; this is due to the long lapse of time between orders for the goods and their actual sale to the public. The increase in Argentine imports has so far benefited the exporters of the United States more than those of other countries, because the former country specialises in ready-made articles such as motor cars, agricultural machinery and wireless sets. There is reason to expect that other countries including Great Britain will enjoy their share of Argentine orders later.

Sharp Rise in Railway Receipts

The receipts of the Argentine railways are an eloquent testimony of recovery. From July 1, 1936, to June 12, 1937, the receipts of the Central Argentine Railway were 125 million pesos compared with 100 million pesos in the same period of the preceding years. Buenos Aires Great Southern receipts rose from 109 million to 122 million pesos; Buenos Aires Pacific from 72 million to 79 million; and Buenos Aires Western from 38 million to 41 million.

The revival of railway receipts indirectly caused the recent partial strike on the Córdoba Central Railway. Under the award of the President of the Republic of October 23, 1934, which was accepted by the companies and the railwaymen, it was agreed that wages should be cut until such time as the surplus of receipts over expenses should reach a certain level. This level has been attained by other companies, but not by the Córdoba Central, which has been the most distressed company of all. The men of the latter company meeting their fellow-workers of other companies whose wage-cuts had been restored in Buenos Aires, Rosario de Santa Fé, and elsewhere, saw no reason for their own less happy lot.

The strike, which was unauthorised by the railwaymen's own leaders, was called off after the strikers' representatives had been interviewed by the Minister of Public Works. The Government is about to issue a decree restoring the cuts. In the meantime efforts are being made in several political quarters, Opposition as well as Government, to persuade Congress to approve the purchase of the Central Córdoba Railway by the State without delay.

The increase of world demand for Argentine products has modified the position of the Argentine meat trade. The packing companies are now paying stockbreeders 29 centavos a kilo liveweight for special chilled beef compared with 27 centavos a few weeks ago. The subsidy paid by the Government has been reduced accordingly. The Ministry of Agriculture stated that the main cause of this was the rise in the price of meat and by-products in foreign markets and especially in Great Britain (which is practically the only consumer of chilled beef).

Exchange Control Profits

On June 8, the Ministry of Finance published details of the Government's exchange profits on the difference between the buying and selling rate of exchange since the beginning of the present system of exchange control on November 28, 1933, until the end of 1936. These are given below together with amounts spent:—

(In Pesos)

Year	Profits	Expenditure
1933	6,104,900	528,300
1934	113,109,900	34,701,700
1935	118,044,400	64,482,000
1936	88,425,200	33,699,500
Total	325,684,400	133,411,500

Exchange control, originally created to remedy an adverse balance of payments, has thus now become a source of revenue. Possibly more important than this, it enables the Government to put a discriminating tax on any article from any country by means of the 20 per cent. surcharge imposed on goods entering the country without prior permits.

The weather during the last six weeks has been unusually dry, and lately unseasonably warm. Maize shelling has been favoured, but some alarm has been felt for the coming crops. In the last few days, however, rain has fallen fairly generally, and was especially heavy in the semi-arid sheep-breeding regions of Southern Argentina.

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Letters to the Editor

The Investment Outlook

TO THE EDITOR OF THE ECONOMIST

SIR,—In your issue of June 26th you were good enough to comment, in a note headed as above, on a circular issued by us entitled " The Slump Obsession."

On three points, however, you criticised this pamphlet—its lack of any reference (1) to the building boom and its future possibilities, (2) the upward revision of yields as a limiting factor to market recovery, and (3) the effects of rising costs in industry.

As to (1), we may call your attention to an article in *The Economist* of September 26, 1936, which stated that: " It is clear, therefore, that the social objective of housing policy, though within sight, is by no means yet realised; and that its continued prosecution should in itself be able to maintain a high level of building activity for some little time yet. For instance, if the building of middle-class houses by private enterprise fell from its present rate of about 250,000 a year to 150,000, the completion of the present slum-clearance and overcrowding programmes in a little over two years would be sufficient to maintain the total rate of building at its present figure of 300,000 a year for that period."

If in two years' time building activity should begin to slacken, it is surely not too optimistic to hope that international trade revival, already on the way, as shown in your Trade Supplement of June 26th, will by that time fill the gap.

(2) The upward revision of yields is already, as we say in the House, " in the price." It has brought values down to a level that gives investors a good yield on current rates of dividend, which are likely, not to say certain, to be improved on in many cases.

(3) Rising costs in industry mean increased purchasing power to wage earners and producers of materials, and consequently a wider market for industry which will enable it to sell a larger number of articles with a possibly lower profit per article, the larger output more than counterbalancing the increased costs.

Yours truly,
Authors of
" THE SLUMP OBSESSION."

[Our correspondent's first point may we hope be realised. But even if revival in the export trades were to offset a recession in other industries, the corresponding share groups would be affected in different measure. Similarly, rising costs in the constructional industries may, indeed, assist the consumption trades, but the filtration of increased purchasing power to the capital goods industries is a much slower process. Several points raised by our correspondents are discussed in a leading article on page 24.—ED. *Econ.*]

N.D.C. : New and Old

TO THE EDITOR OF THE ECONOMIST

SIR,—*The Economist* circulates among those who devise our taxes, and doubtless influences their minds. This must be my excuse for a second letter about your proposal to make a surcharge on high profits.

In your reply to my criticism, you make the somewhat surprising comment that such a levy can be " much more easily justified than most of our existing taxes," and you proceed to justify it on grounds both of *ability* to pay and of *equity*.

One type of concern that might attract your suggested tax occurs to me whose *ability* to pay is by no means certain. I refer to firms, not uncommon in the Midlands, producing a specialist line of products, controlled by one or two enterprising people, under whose direction growth from small beginnings has been rapid. In these cases it sometimes happens that profits are high, but all the financial resources available are required for development, and the finding of hard cash for additional taxes would be a real embarrassment.

In connection with *equity*, you suggest that, although some high profits are the result of legitimate causes, just as many are the result of " good fortune or lack of scruples." You may be right, but statistical evidence to prove such an assertion would be more convincing.

On the subject of goodwill I am afraid that your " goodwill which represents development expenditure incurred in the past is legitimately included in capital, while goodwill which is merely the capitalisation of the expectation of excessive profits in the future is not," leads us nowhere. In the first place, as, alas! is sometimes the case, an elaborate publicity campaign may be a failure; the cost of this can definitely be classed as " development expenditure," but it certainly is not an addition to a company's "goodwill."

Secondly the use of the word " excessive " is unsatisfactory because it is so indefinite. If you define as " excessive profits " all those which exceed an arbitrary percentage on the tangible assets, you are ruling out goodwill altogether. If, on the other hand, you allow for the goodwill which you regard as legitimately included in capital, I doubt if many companies will be found to show a profit which can reasonably be regarded as " excessive."

In conclusion, may I submit that, before you advise your readers to demand a tax on " high profits," you should explain how legitimate " high profits " can be distinguished from windfalls, and that you should give some concrete example of industries or firms falling within your definition, and some estimate of their importance.

Birmingham. L. J. CADBURY.

Books and Publications

Perfidious Albion

" THE desire for isolation, the knowledge that it is impossible—these are the two poles between which the needle of British policy continues to waver." Mr Seton Watson's words, inspired by his preliminary survey of foreign policy from Wolsey to Castlereagh, suffice to show the relevance of this vast and erudite study of British policy in the nineteenth century* to the problems of our own time.

The major theme is policy between 1822 and the 'seventies. It embraces the sage legacy of Castlereagh; the new modes of Canning; the weakness of Wellington; the assertiveness of Palmerston with " his rich harvest of autumnal indiscretions "; the principled embarrassments of Gladstone; and the " Imperial sense " of Disraeli. Mr Seton Watson shows how *rapprochement* with France a hundred years ago brought the first moves towards an *entente cordiale;* and how this western front was broken by the problems of Egypt and the Near East, and by the British *chimera* of " splendid isolation."

Of what went before this special period and has come after Mr Seton Watson reveals only the outlines. Yet, no matter what century he is discussing, the lessons of his story remain the same. Britain has never been able to hold aloof from the affairs of Europe since the Protector " once more joined us to the Continent." The balance of power in Europe has affected too directly the safety of our shores and trade; and

> " next to a sure instinct for discouraging the rise of any omnipotent rival, British policy may be said to have thrown its weight from time to time into the European scales in order to secure virtual immunity for her overseas designs."

Moreover, and this has never varied—until to-day perhaps, when strength in the air has entered into the equation of security—naval power has been the focus of British policy,

> as a bulwark against invasion, as a protection to trade and as a screen behind which colonial expansion could be concluded.

To the quest for the balance of power, for colonies and naval strength there have been certain necessary corollaries. Trade and strategy in the Low Countries and in the Mediterranean have been important since the days of Elizabeth. And there has been surprisingly little change through the centuries. The unification of Germany and Italy, the cutting of the Suez Canal, the experiment of the League and the achievements of applied science in industry, transport and warfare have simply given new reasons for old policies. Britain's " hybrid position " as part of Europe and of the outside world has led her to pursue naval ambitions, and only to seek military allies when all else has failed.

She has regarded the addition of naval to military power by any European state as the great affront; but consistently she has sought peace in Europe where she has had no ambitions in modern times.

> If there is one fact which emerges from the speeches and actions of all foreign secretaries from Pitt to Grey it is the paramount importance attached to peace as the foremost British interest.

These considerations have kept Britain in Europe. Her repeated attempts to break away, and to repudiate any responsibility for Continental affairs, have created the legend of perfidious Albion, never to be relied upon and with no sense of responsibility beyond her own immediate interests. This wavering from pole to pole in policy has been dictated not only by the desire of an Imperial island to be free from entanglements, but also by the Parliamentary character of British government. Castlereagh wrote to Alexander of Russia:—

> " The only chance we had of making the nation feel the wisdom of such a course was to be free, at the moment, to urge the policy of so acting, *not because we had no choice, but as having a choice.*"

And Grey might have echoed these sentences in August, 1914.

The consistency of British policy in Europe has thus been largely negative, and British statesmen have been ever undecided about the twin problems of alliance and intervention which loom again so large to-day. At one time we may say with Disraeli that

> " So long as the power and advice of England are felt in the councils of Europe, peace will be maintained."

But at another we may refuse with Canning to be associated in a system of Congresses, with Gladstone to step in while France and Prussia fight, or with more recent figures to undertake the responsibilities which the Covenant imposes. Non-intervention and neutrality have been our objectives, but we have often fallen short of these marks; and isolation has always been at war in our counsels with Imperialism and trade on the one hand and collective security on the other. We have fought revolutionary France and intervened in Bolshevik Russia. We have striven with Napoleon and Imperial Germany. Yet we believe in neither intervention nor war.

Thus Mr Seton Watson has written a book for our times. But never once has he strayed from the sober path of history. The range and lucidity, documentation, learning and acumen of his study are remarkable. He has produced a volume which rivals the Cambridge History of Foreign Policy in solid worth and the narrative of Mr J. A. Spender in incisive brilliance.

Readers may question some details of his interpretation, may wish to defend Palmerston or to cry down Gladstone, or to analyse economic developments and material motives more closely. But none can deny the authenticity and authority of this book—or the new content which he gives us in 1937 for Wellington's prophetic phrase:—

> " There is no country in Europe in the affairs of which foreigners can interfere with so little advantage as Spain."

* " Britain in Europe, 1789 to 1914." By R. W. Seton Watson. Cambridge. 716 pages. 30s.

Shorter Notices

" A History of the English People." By E. Halévy. Pelican Books. Penguin Books, Ltd. 256 pages. 6d.

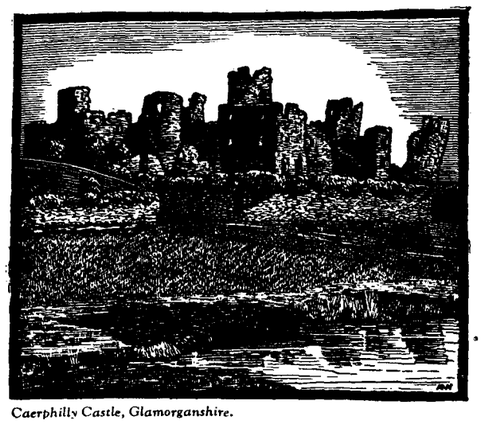
The producers of the now well-known Penguin Books have embarked on a most praiseworthy project in their serial publication of the best comprehensive history of England in the nineteenth century. M. Halévy's great work on the people and institutions of modern England needs no advertisement at this stage, but it has hitherto suffered from the single defect of being out of the reach of the modest purse. Now anyone with a few sixpences will be able to read this unrivalled study as the Pelican produces it volume by volume. The first volume, now published, deals with English political institutions in 1815, and in its production augurs well, not only for this particular project, but also for the whole of this new Pelican series.

" State and National Power over Commerce." By F. D. G. Ribble. Columbia University. Humphrey Milford. 260 pages. 15s.

This book traces the development in administrative practice of the powers over commerce accorded to States and to the Federal Government in the American Constitution. It is an excellent piece of historical writing based on case evidence and illumined with constitutional lore. Written primarily for the constitutional lawyer, it will appeal no less to the economic historian and the intelligent politician. Contemporary problems of inter-State commerce provide a significant comment, amply considered by Mr Ribble on the way in which law has been forged by social, economic and political forces during the past 150 years.

" Jordans' Company Law and Practice." By S. Borrie. Jordan and Sons. 530 pages. 12s. 6d.

The eighteenth appearance of Jordans' well-known alphabetical guide needs no recommendation beyond its acknowledged worth. It has been brought up to date with the usual care, and since there have been no modifications of the Companies Act since the previous edition, no extensive revision has been necessary. The amendment of the Winding Up Rules has, however, been noted, and for a very modest expenditure the lawyer and the layman can place the whole of company law at their immediate disposal.



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MONEY AND BANKING

The Exchange Equalisation Account

THE decision to increase the Exchange Equalisation Account by £200 millions to the vast total of £575 millions, announced by the Chancellor of the Exchequer on Friday of last week, has in one sense come as a surprise. But those who had been closely watching the recent trend of events realised that such an increase might become necessary. In particular, the transfer, last December, of £65 millions of gold to the Bank of England showed that the Exchange Equalisation Account was then nearing the limit of its resources. The subsequent flight of capital from France in the shape of gold, and the official gold purchases in the London bullion market during April and May, must clearly have left the Exchange Account once more nearly full of gold.

During the course of the debate on the financial resolution for the enlargement of the Account, Sir John Simon, after five complete years of the Account's life, was able to promise to lift the veil of secrecy from its past operations. He promised that henceforward, every December 31st and June 30th, the state of the Account on the preceding September 30th and March 31st would be published. That this limited information can be safely made available is evidence of the present strength of sterling and the adequacy of our gold reserves. It is to be hoped that past figures may be made available, if only to show the extent of our recovery since the dark days of 1931-32 and to aid us in our study of past and present monetary and exchange trends. For this long-awaited satisfaction of legitimate inquiries, we give much thanks. Meanwhile we agree that it would be most undesirable to publish information without this intervening delay of three months. Such information would indicate the immediate strength or weakness of other currencies than sterling, and if the pound is immune from speculative attacks, other currencies are not.

Sir John Simon followed up his promise by revealing the position on March 31st last. The country's total stock of monetary gold was then as follows:—

	Fine ounces	£ millions*
In Bank of England	73,842,000	516·9
In Exchange Equalisation Account	26,674,000	186·7
Total	100,516,000	703·6

* Valued at 140s. per fine ounce.

At the round figure nearest to the current market price, our total stocks of monetary gold then stood at the record peak of £703.6 millions sterling. This is ample to cover our existing short-term obligations to foreigners; but, according to the Chancellor, the Treasury does not consider it excessive.

The present statutory size of the Account is generally regarded as £375 millions, *plus* or *minus* accrued profits or losses; and Mr Neville Chamberlain, in each of his budget speeches, has stated that the Account continued to "show a profit." Then if the Account last March only held £186.7 millions of gold *plus* a trifling amount of foreign currency, how does it come to need enlargement? And how is it possible to reconcile the apparent margin of £188.3 millions of sterling assets, which presumably are re-lent to the Government, with the fact that last March the floating assets of *all* Government departments were only £198 millions? Did all the other departments only hold £10 millions between them? Or does the Exchange Account hold long-term Government stock?

The key to this riddle probably lies in the Bank of England's gold purchases. Between September, 1931, and March 30th, 1937, the Bank bought £180 millions of gold, valued at 84s. 11½d. per fine ounce. The bulk of this gold was bought during the year ended March 30th, 1937, when the market price of gold was over 140s. per ounce. Taking the average cost of the Bank's purchases over the whole period at, say, 135s. per ounce, the Bank must have paid £285 millions for its gold. This gold had to be written down to £180 millions, at a loss to the Bank of £105 millions. By statute the Exchange Account has had to make good this loss to the Bank.

In reply to a recent question by Sir Arthur Salter in the Commons, Mr Chamberlain said that his statement that the Account showed a profit up to a particular date naturally took into account both the accountancy gains and losses incurred on transfers of gold to and from the Bank, and also the accountancy profits on re-valuation at the market price of amounts thus transferred. This answer of the ex-Chancellor is very obscure, but his successor's subsequent revelations compel at least one conclusion: the Account debits itself with the recompense it pays to the Bank, but simultaneously credits itself with the profit that will ultimately arise from the re-valuation of the Bank's gold. That profit must at the moment be a matter of guess-work, for we do not know what the final price of gold will be. It is certain to be well above 84s. 11½d. per ounce.

In simpler terms, the Account regards the recompense paid to the Bank not as a loss to itself but as a loan for an indefinite period. The effect on the Account's immediate resources, however, is the same: for the loan is not realisable until we return to gold. Therefore, so far as its total available resources are concerned it looks as if the Account last March stood, not at £375 millions, but at approximately £270 millions. This left it with only £90 millions of sterling assets.

This last figure, incidentally, left £110 millions of floating assets for the other Government departments. This agrees approximately with the total amount of floating assets existing before the Exchange Equalisation Account was instituted.

Granted that last March the Account held only £90 millions of sterling assets, this margin must by now have been nearly exhausted through purchases of gold on the London bullion market during the gold scare, and through gold transfers from France during the recent renewed flight of capital. This is the *prima facie* case for the enlargement of the Account.

Further justification of course is needed for a proposal to raise, by short-term borrowing from the banking system, money up to a limit of £200 millions for the main purpose of buying gold. The first answer is that there will always be an asset against such new borrowing in the form of the gold itself. Also to the extent that the gold comes from the monetary reserves of another country, and is sent here in order to cover an influx of funds from that country, then the borrowing of this money to pay for the gold does not greatly reduce the banks' powers to lend or invest elsewhere; for the banks simultaneously gain, directly or indirectly, the use of the funds coming from abroad. This is the real contrast between this kind of borrowing and borrowing to cover unproductive Government expenditure.

It is true that such an influx of gold and capital increases the banks' liabilities and earning assets, while leaving their cash unchanged. To that extent the banks' power to lend elsewhere is curtailed. We have, however, already learned and applied the remedy of diverting just enough of the new gold to the Bank of England to ease the banks' cash position. This process is, of course, mildly inflationary; but it is much less inflationary than would be the influx of the whole of the foreign gold into the Bank of England, as would happen if the Exchange Account ceased to exist or became full to overflowing.

We have used the term "foreign country"; but for the time being there is only one—France. France is today being forced to yet another metamorphosis of her financial and monetary system, of which we have yet to have the full details. The one certainty is that the British authorities are willing and pledged to give all legitimate help within their power. In particular, if France still has gold to give, we must be able to take it so as to preserve the stability of the exchanges at either their present or their new level. This is one strong argument for the enlargement of the Exchange Equalisation Account.

There remains the obvious duty of aiding the United States by taking up our share of the newly-mined or dishoarded gold coming on to the market. We have already expressed the opinion (*The Economist*, May 22 and June 12) that an early reduction in the price of gold is not a practicable policy and that we should continue to buy gold at its present price without limit—that is, for the present we should play for time. Obviously, we cannot expect the United States to bear the sole brunt of this burden, but we must take our share. The Bank of England cannot take new gold without an inflation of the credit base. Therefore the Exchange Account must take it, only pressing on to the Bank a sufficiency of the new gold to offset the effect on the banking system of the Government's borrowings to finance the Exchange Account's gold purchases. Thus we are brought back to the need of enlarging the Exchange Equalisation account. It is a necessary step, which should promote international monetary stability, enable us to help France, and allow us to play our full part in the Tripartite Monetary Agreement.

Financial Notes

The Franc's New Value.—On Tuesday, the Paris Bourse was closed, pending the passing of the Government's new financial legislation, and all dealings in francs were suspended. The franc had closed at Frs. 110 11/16 on Monday, and the British authorities made arrangements to cover at that rate all franc positions maturing during the suspension of dealings. On Thursday, following the divorce of the franc from even an elastic gold value, Paris reopened, and franc dealings were resumed. After starting at Frs. 119 (with a three months' forward discount of 5 francs), sterling rose to Frs. 129. At this stage the Control intervened and brought the rate back to Frs. 128.92. Meanwhile, it became apparent that prior to the closing of the Paris market, many French operators had sold practically every franc in their possession. These francs had to be replaced, and so a buying movement developed late Thursday afternoon. In consequence, the Control turned a seller of francs. Simultaneously, the Banque de France fixed the day's price of gold at a level corresponding to an exchange rate of Frs. 128.75. The franc may now be allowed to find its own level, even if the result is a slight under-valuation of the franc. The French currency, it must be remembered, is now at the mercy of French fiscal developments and more particularly of future movements of capital into and out of France. Furthermore, it is now admitted that the French Exchange Fund has exhausted its reserves of gold and *devisen*. The expectation is that it may be replenished by the transfer of, say, Frs. 5,000 millions from the Banque de France. Unless the British and French authorities are prepared to buy francs instead of gold—and this is most unlikely—some such step appears likely. Incidentally, if the intention is for the Banque de France to recover its new loan of 15 milliards to the Government by means of a revaluation of its gold, this implies that the franc must permanently depreciate at least to Frs. 128.50 to the £.

Other Exchange Movements.—The franc's vicissitudes naturally reacted upon the whole foreign exchange market, if only because the transfer of funds from France to foreign centres has for the moment ended abruptly. In the absence of French demand, spot dollars weakened against sterling from $4.93 to $4.94½. Spot belgas followed the dollar, but forward belgas have gone from a premium to a discount. Guilders and Swiss francs weakened against both sterling and the dollar. A demand for dollars developed against both currencies, and as the respective Controls are only buyers, and not sellers of dollars, this demand had to be satisfied in London. Forward guilders remained at a premium, but forward Swiss francs have imitated the belga, going from a premium to a discount.

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The Money Market.—The half-year passed fairly easily. There was a fair squeeze for money on Wednesday, and up to 2½ per cent. was paid to those lenders who had money available, but there was not much borrowing at the Bank. The secret of this relative case was that most of this week's maturing Treasury bills fell due in June, while payments for the new bills only became due in July. Thus the pressure for funds fell on the Treasury and not on the market.

	June 10, 1937	June 17, 1937	June 24, 1937	July 1, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½–⅝
Short loan rate:—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½	½	½	½–⅝
Discount rates:—				
Treasury bills	11/16	11/16	11/16	½–⅝
Three months' bank bills	11/16–¾	11/16–¾	11/16–¾	⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

On July 1st more normal conditions prevailed and some banks resumed buying August and September Treasury bills at ½ per cent. after having held off for most of June. Discount rates, which became firmer during June, have now relapsed to their previous minimum levels.

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The Bank Return.—French hoarding and withdrawals by the British public over the end of the month have raised the note circulation to a new high record.

BANK OF ENGLAND

	July 1, 1936	June 9, 1937.	June 16, 1937	June 23, 1937	June 30, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	222·1	321·3	321·3	326·4	326·4
Note circulation	439·6	476·5	479·8	483·7	488·4
Banking Department:—					
Reserve	42·4	45·6	42·4	43·6	38·9
Public deposits.....	9·9	10·7	10·0	15·5	10·8
Bankers' deposits.....	111·7	107·4	102·3	95·0	140·5
Other deposits	39·8	36·8	37·1	37·2	40·2
Government securities	110·4	101·2	101·3	98·0	140·6
Discounts and advances	10·6	4·8	3·7	3·8	6·3
Other securities	15·9	21·1	19·9	20·2	23·7
Proportion	*26·3%*	*29·4%*	*28·3%*	*29·5%*	*20·3%*

The wide movements in Government securities and bankers' deposits are due to the incidence of the banking half-year. As explained in the previous Note, Treasury bill payments and maturities are arranged so as to thrust the brunt of June 30th upon the Treasury rather than the discount market. Hence the big increase in Government securities and the very limited increase in discounts and advances.

THE STOCK EXCHANGE

Investment Stocktaking

THE turn of the half-year finds War Loan below par for the first time since 1933. Ordinary shares, after the buffetings of the past six months, are 14 per cent. lower. Such is the context for the investor's mid-summer stock-taking. For the first half-year since 1931 he will find himself without capital profits. And if he was an unrepentant bull of gilt-edged during 1936, a fall of 9 per cent. in War Loan since the end of 1935 may now convince him that ultra-low interest rates belong to the past. Will the bullish purchasers of industrials at the peak prices recorded last November be forced, eventually, to admit the same excess of enthusiasm?

In the periodic reviews of the investment outlook in these columns, we have for some time adopted a cautious attitude regarding ordinary share prices. But during the past six months the market itself appears to have questioned the foundations of prosperity. It is true that the optimists still find abundant reason on their side. They cite *The Economist* index of business activity, now at a record high level; they point out that our industrial profits figures show an increase of 14½ per cent. for the first five months of the year, compared with 11½ per cent. for the same period of 1936. They welcome the expansion of overseas trade as a means of broadening the base of prosperity and absorbing the shock of any fall in building activity. Cheap money, it is said, remains the keystone of policy, while the replenishment of the Exchange Equalisation Account is tantamount to a guarantee against any further deflationary gold scares. Finally, the suggestions that anti-slump measures should be prepared now are dismissed as morbid economics.

This school in effect claims that our present recovery is essentially different from all previous bull markets, and denies that a "boom" (in the usual opprobrious sense) exists. But can the market's behaviour during the past six months be interpreted to fit this thesis? The setback may be explained away as the result of a succession of unfortunate events, fortuitous and unrelated. Thus, the first attack came in the gilt-edged market, which proved vulnerable to re-armament finance and rising commodity prices. Yet, if these influences had been ephemeral, would the gilt-edged apologists have failed so completely to persuade the market that long-term interest rates depend solely upon the Treasury's dictates?

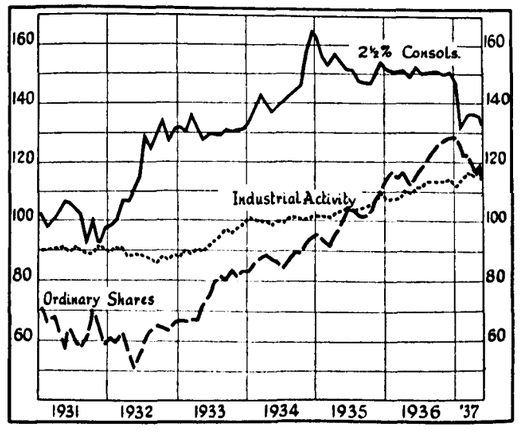
There followed the first of the gold scares, which checked the boom in commodities and commodity shares, and brought rout in the Kaffir market. It may be argued that the scare was unreasoning, and that its recurrence is unlikely. But it disclosed fundamental weakness in the Kaffir market, among international stocks, and finally in domestic industrials. For a time, the market threatened to degenerate into a ragged retreat, and only the grant of co-operative support to "deserving" weak positions restricted the range of casualties. After an uneasy spell of consolidation, blow rained upon blow. N.D.C. wrought consternation in a highly sensitive market, out of real proportion to its fiscal terrors, and it was followed by a more severe gold scare, attended by heavy selling in London and Johannesburg.

Such are the broad influences which have affected the speculative markets. They have been heightened, of course, by the prolonged reaction in Wall Street and by the growing anxieties of the French economic position. They are all extraneous, in the sense that they do not arise directly out of the present economic situation in this country. But history shows that the check to long bull markets often appears fortuitous at the time. There may be no visible cracks in the market situation until the tremors in some other economic hemisphere reveal its weaknesses. It is, therefore, significant that the market now lacks most of its former resilience. Much was hoped from the substitution of a new N.D.C. for the old, but the market's performance was disappointing. Nor has the alleviation of the gold problem this week brought more than transient encouragement.

The industrial markets, in short, are now appreciably more sensitive to bad news than to good. The first chart below, which sketches the course of gilt-edged and industrial securities against the background of business activity since 1931, suggests several reasons for the change in sentiment. The optimists rightly point to the high level of industrial activity, but the purchaser of ordinary shares, who expects advancing industrial activity and equity earnings, requires progressive prosperity.

SECURITY VALUES AND INDUSTRIAL ACTIVITY, 1931-1937

Actuaries' Index of 2½% Consols; *Financial News* index of ordinary shares; *The Economist* index of business activity. 1928=100 throughout.



His concern is not that industrial activity may decline in the near future—of that there is no present sign—but rather that the curve may have reached a high plateau. When production in many industries is straining capacity to the full, and costs of materials and labour are rising, the discounting of prospective profits should be tempered; the low yields on industrials which were appropriate to the recovery phase should be increased to more normal returns.

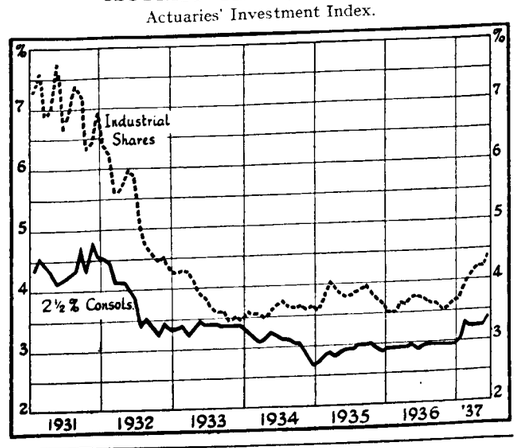
Comparison of the yields on Old Consols and industrial shares since 1934 shows that, so far, the rise in ordinary share yields merely counter-balances the rise in gilt-edged rates. Actually, the over-all average of 4.39 per cent. on the mixed bag of industrials comprised in the Actuaries' Investment Index covers a wide spread of ordinary share yields. To-day, a 4½ per cent. yield applies exclusively to such typical stable industrials as Imperial Chemical Industries and Imperial Tobacco. At the other end of the scale may be found the warning lights—London Brick yielding 7½ per cent. and Richard Thomas a few shillings less. Among the intermediate groups, the investor may distinguish coal and cement shares yielding about 5 per cent., marginal railway preferences in the 5¼-5½ per cent. range, and shares affected by rising costs (like motor issues) or by a limited market to yield up to 6 per cent. or more.

It is impossible, then, to define some "correct" margin between industrial and gilt-edged yields as a basis for investment policy. A "normal" industrial yield is merely an abstraction which merges individual investment differences. But examination of the course of security prices and yields during the first half of the year, which appears on this page, suggests that the recent market adjustment is not yet completed. Some shares are still valued in the expectation of larger dividends this year or next. But if the market's recent behaviour holds, these will be fruits already discounted, rather than the inspiration for a new advance in share prices. And if due allowance is made for the rattling of sabres (themselves manufactured from ploughshares) the cautionary moral should be underlined for the conservative investor.

Does this conclusion rule out all further prospect of capital appreciation for the speculative investor? An affirmative answer would deny the possibility that the market may produce an Autumn rally, although it may not achieve impressive dimensions. More scope, probably, lies among commodity shares than among the general run of industrials. If we may adopt a cautious optimism regarding the commodity share outlook, the same reasoning would appear to apply to "commodity bonds," overseas rail stocks, overseas bank shares, and the shares of companies engaged primarily in the exporting or merchanting trades. The market, however, is probably right in concentrating its interest in this group upon the leading shipping and overseas bank issues.

SECURITY YIELDS, 1931-1937

Actuaries' Investment Index.



Investors, of course, will be grateful for the assistance of a reviving export trade in maintaining the present basis of prosperity. But recovery has been largely based on two domestic pillars—the building boom and re-armament. Even if an eventual decline in these industries were broadly compensated by recovery in the export trades, particular industries and shares would still be adversely affected. The market's present attitude towards building material shares and certain steel issues thus appears to be wise. Investors, therefore, must balance their books in a more sceptical frame of mind than at any time since recovery began. Profits are still rising; industrial activity is at a record level; and the threat to gold has been removed for the time being. But while there is still a plethora of short-term credit, long-term rates are tending to rise, and their effect upon fixed-interest securities and the more stable industrial shares has probably not been completed. The technical position of the markets—perhaps even the Kaffir market—should be strong enough to meet any immediate internal shocks, but no market can remain immune from the possibility of unfavourable political developments abroad. The new half-year, if all goes well, should see greater stability in the market, but mere stability will not attract the speculative buyer on an appreciable scale. Successful investment at an advanced stage of the recovery cycle involves the greatest selectivity. If the investor finds choice too difficult, he must seek peace of mind in a deposit account until the outlook is clearer.

SECURITY PRICES IN FIRST HALF OF 1937

Description	Prices in 1937 Jan. 1 to June 30 Highest	Prices in 1937 Jan. 1 to June 30 Lowest	Price Dec. 31, 1936	Price June 30, 1937	Rise or Fall in Half-year	Yield, allowing for Accrued Interest and Redemption where necessary Dec. 31, 1936	Yield, allowing for Accrued Interest and Redemption where necessary June 30, 1937
British Govt. Stocks						£ s. d.	£ s. d.
2½% Consols	84 18/32	73 7/32	84 1/2	74 1/2	−10	2 19 2	3 7 2
5% Conversion, 1944-64	117 1/2	111 18/32	117 1/2	112	− 5½	2 15 0	3 1 0
3% Funding, 1959-69	101 5/8	92 5/8	101 1/2	93	− 8½	2 18 6	3 8 6
4% Fndg. Loan, 1960-90	116 3/8	109	116 1/2	109 1/2	− 6½	3 1 3	3 10 6
2½% Conversion 1944-49	101 1/8	94 4/8	101 1/2	95 1/2	− 6	2 8 0	2 19 0
3½% War Loan	105 18/32	99 8/32	105 3/8	99 3/4	− 5⅝	3 1 3	3 10 6
3% Local Loans	96 18/32	85	96 1/8	85 1/2	−11⅛	3 2 0	3 10 2
India and Dominion							
Canada 3½% 1950-55	103	98 1/2	103	99	− 4	3 0 0	3 6 0
India 3½%	98 3/8	87	98 1/8	89 1/2	− 9	3 11 0	3 18 3
Australia 5%, 1945-75	109 5/8	105	110	105	− 5	3 13 6	4 5 1
N. Zealand 3½%, 1949-54	101 1/8	95 1/2	103	97	− 6	3 7 0	3 17 0
Foreign Governments							
Argentine 4% "Roca"	99 1/2	96 6/8	97 1/2	99	+ 1½	4 5 0	4 0 10
Austrian 4½%, 1934-59	90	84 1/2	87	86	− 1	5 10 3	5 13 0
Brazil Funding 5% "A"	89	84	81	89	+ 7	6 3 5	5 12 0
China 5% (1913) Reorg.	101 1/4	93 1/4	95	101 1/2	+ 6½	5 7 6	4 19 6
French 4% Rentes	18	13 1/2	17 1/2	14 1/2	− 3	5 8 7	5 14 0
German 7%	65	53	55	63	+ 8	12 14 6	11 2 3
Japanese 6%, 1924	94 6/8	83 1/8	88 1/2	94	+ 5½	7 5 6	6 16 3
Other Fixed Interest.							
Cent. Elect. 5%, 1950-70	120 1/2	111	120	114	− 6	3 6 0	3 14 0
Pt. of Lond. 5%, 1950-70	121	113 1/2	121	117	− 4	3 2 3	3 7 2
Met. Water Board 3% B	99 1/2	86	99	88 1/2	−10½	3 0 9	3 8 0
Imperial Chem. 7% Pref.	35/1½	29/9	35/–	33/6x	−10d	4 0 0	4 3 9
Gas Lt. & Coke 3% Deb.	86 1/2	75	84 1/2	81 1/2	− 3	3 11 0	3 14 1
Shell Trspt. 7% 2nd Pref.	34/10½	29/9	34/–	33/3	−9d	4 2 0	4 4 0
British Railways							
L.M.S. 4% Deb. Stk.	108	99 5/8	107 1/4	102	− 5½	3 14 5	3 18 6
Gt. Westn. 5% Guar. Stk.	133 1/8	116 1/2	133 1/2	126	− 7	3 16 4	4 0 8
L.M.S. 4% Pf. Stk. 1923	82 1/4	71	81 1/2	77	− 4½	4 18 2	5 3 11
L.N.E.R. 4%2nd Pf. Stk.	29 1/2	21	29	26	− 3	Nil	1 18 6
L.M. & S. Ord. Stk.	35 1/2	27 1/2	34	33 1/2	− ½	Nil	3 14 8
Gt. Western Ord. Stk.	65 1/2	55 1/2	65	62 1/2	− 2½	4 12 3	4 16 0
L. & N.E.R. Pf. Ord. Stk.	12 1/8	9	12	10	− 2	Nil	Nil
London Transport C. Stk.	99 1/2	78 6/8	98	79	−19	4 1 8	5 1 3
Southern Pref. Ord. Stk.	98 1/2	87 1/2	96	92	− 4	5 4 2	5 8 8
Overseas Railways							
Canadian Pacific ($25)	18	12 1/2	15	12 1/2	− 2½	Nil	Nil
Buenos A. Gt. Sthn. Ord.	35 1/2	24 1/2	31 1/2	25 1/2	− 6	Nil	Nil
Buenos A. West Ord.	31 1/2	20	30 1/2	23	− 7½	Nil	Nil
Cent. Arg. 4½% N.C. Pref.	75 1/2	67	71 1/2	70	− 1½	4 17 11	6 8 7h
6% Cum. Pref.	101 1/2	88 1/2	91	98 1/2	+ 7½	Nil	Nil
Banks							
Barclays "B" (£1)	80/10½	71/6	79/–	76/6	−2/6	3 10 6	3 13 0
Lloyds £5, with £1 paid	69/–	59/9	65/–	61/6	−3/6	3 13 9	3 16 0
Midland £1, fully paid	94/6	81/–	94/6	91/–	−3/6	3 7 9	3 10 0
Nat. Prov. £20 with £4 pd	16 1/2	14 18/32	16 1/2	15	− 1½	3 15 6	4 0 0
Westminster £4 with £1pd	101/4½	90/9	99/6	93/6	−6/–	3 12 0	3 16 0
Constructional Industries							
Associated Cement (£1)	110/3	87/6	108/9	90/–	−18/9	4 1 0	5 0 0
British Oxygen (£1)	6 18/32	4 8/32	6	4 7/8	(s)	2 10 0	3 2 0
General Electric (£1)	94/9	78/6	94/6	79/–x	−12/0	3 2 6	8 0 0
Guest, Keen, etc. (£1)	37/3	30/10½	35/3	33/9	−1/6	2 17 0†	3 11 0†
London Brick (£1)	76/3	58/6	71/3	60/–	−11/3	6 6 0	7 10 0
Murex (£1)	5 18/32	4 1/2	9 1/8	4 18/32	(s)	2 12 0	4 12 0
Stewarts and Lloyds (£1)	43/4½	35/–	43/–	38/9	−4/3	2 6 0	3 17 5
Thomas (Richard) (6/8)	17/–	11/4½	16/9	13/6x	−2/7	5 13 0	7 8 0
Turner and Newall (£1)	112/6	87/6	112/–x	92/–x	−20/–	3 2 6	3 16 0
United Steel Cos. (£1)	34/6	27/10½	31/9	30/–	−1/9	4 14 0	5 0 0
Vickers (10/–)	39/1½	26/9	34/6	28/–	−6/6	2 7 0	3 11 0
Consumption Trades							
Brit. Amer. Tobacco (£1)	6 18/32	5 18/32	6 11/32	6 3/8	− 1/32	3 1 0†	3 4 0†
Distillers (£1)	124/9	102/9	124/–	114/–	−10/–	3 5 0	3 10 0
Guinness ("A") (£1)	143/–	118/9	142/6	132/6	−10/–	4 0 0	4 7 0
Harrods (£1)	91/10½	82/6	85/–	85/–	....	3 17 6	4 6 6
Imperial Tobacco (£1)	9 1/8	7 1/8	9 1/8	7 3/8	− 1½	2 13 6†	3 6 0†
Marks & Spencer (A) (5/–)	90/7½	66/3	87/6	70/–	(s)	2 7 6	2 17 0
Tate and Lyle (£1)	91/6	83/3	88/–	88/1½	+1½d	4 1 0	4 2 6
Unilever (£1)	46/10½	37/9	44/4½	40/–	−4/4½	3 0 0	3 12 0
Woolworth (F. W.) (5/–)	96/3	73/6	88/9	74/4½	−14/4½	2 15 3c	4 3 0
Textiles							
Bradford Dyers (£1)	12/6	7/6	8/9	7/9	−1/–	Nil	Nil
British Celanese (10/–)	11/4½	6/10½	9/3	7/3	−2/–	Nil	Nil
Coats (J. & P.) (£1)	55/–	44/6	53/–	46/10½	−6/1½	3 15 0	4 5 3
Courtaulds (£1)	58/4	50/9	57/6	51/9	−5/9	2 12 0†	4 1 0
Motors, etc.							
Austin (5/–)	50/4½	38/9	47/–	43/9	−3/3	5 6 0	5 14 0
Dunlop Rubber (£1)	38/6	32/–	35/–	32/3	−2/9	4 9 9	5 12 0
Ford (£1)	33/9	25/9	33/1½	26/10½	−7/–	3 0 6	4 9 3
Leyland (£1)	126/3	85/–	122/6	96/3	−26/3	2 16 0	4 2 0
Rolls Royce (£1)	135/–	98/9	180/–	106/3	(s)	2 17 0	4 4 0
Standard (£1)	176/3	123/9	150/–	131/3	−21/3	3 6 6	3 16 0
General Industrials							
Cables & Wrs. 5½% Pref.	114	101	101	111½	+10½	5 8 0	4 18 6
Crompton Parkinson (5/–)	78/–	55/6	75/–x	57/6	−17/6	0 16 6	1 1 0
Imperial Chemical (£1)	41/10½	36/4½	42/–	37/–	−5/–	3 16 0	4 6 0
International Nickel	$75 3/8	$54 1/8	$65 1/8	$57 1/8	−$7 1/8	2 9 3	3 10 0
P. and O. Deferred (£1)	37/4½	28/10½	30/–	32/–	+2/–	2 13 3	2 10 0
United Molasses (6/8)	34/9	24/–	25/–x	28/9	+3/9	3 14 0	3 11 6
Plantations							
Rubber Trust (£1)	48/9	36/3	43/6	38/–	−5/6	2 5 6	4 0 0
Anglo-Dutch (£1)	53/3	35/6	43/6	38/–	−5/6	1 16 0	4 0 0
Consolid. Tea, etc. (£10)	25 1/2	20 1/8	19 1/2	20	+ ½	5 5 0	5 0 0
Oil							
Anglo-Iranian Oil (£1)	132/–	103/–	98/9	121/3x	+24/0	3 0 9	4 2 0
Burmah Oil (£1)	120/7½	104/4½	107/–	118/9	+11/9	4 2 0	4 15 0
Shell (£1)	147/–	106/3	128/9	108/–	(s)	2 14 0†	3 14 0†
Mining							
Ashanti Goldfields (4/–)	81/10½	53/9	82/6	60/–	−22/6	4 0 0	6 6 9
Crown Mines (10/–)	16 18/32	11 1/2	16 1/2	12 1/2x	− 3½	6 0 0	7 16 0
"Johnnies" (£1)	96/6	60/11½	88/–	68/9	−19/9	4 11 0	5 16 0
Randfontein (£1)	76/6	43/11½	75/6	50/–x	−23/3	6 13 0	9 10 0
Sub-Nigel (10/–)	14 1/8	8 1/8	13 1/8x	9 1/4x	− 4⅛	6 16 0	9 15 0
Anglo-Amer. Cpn. (10/–)	5 1/8	3	4 1/8	3 1/8	− 1⅛	3 6 9	4 12 6
Union Corp. (12/6) f.p.	225/–	135/–	200/–	152/6	−47/6	4 0 0	5 11 0
West Witwatersrand (£1)	19 18/32	7 1/8	18 1/8	8 1/8	− 9⅞	Nil	Nil
Wiluna Gold (£1)	35/6	18/1½	36/3	18/9	−17/6	5 10 4	Nil
Rhokana (£1)	19	11 1/2	13	12 1/8	− ⅛	1 6 9	2 7 6
Roan Antelope (5/–)	89/3	57/6	75/6	63/9	−11/9	1 19 0	2 7 9
Malayan Tin (5/–)	50/7½	37/1½	48/–x	41/3	−6/9	8 6 0	9 14 0

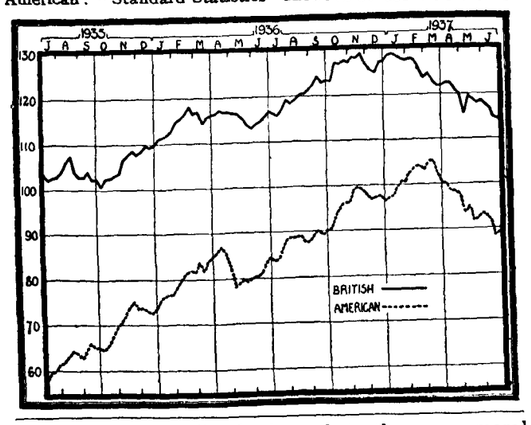
x Ex-dividend. † Free of Income Tax. (c) Based on a dividend of 50 per cent. (s) Comparison affected by bonus share distribution. (g) Worked on a 3½ per cent. basis. (h) Worked on a 4½% basis.

Investment Notes

Course of Share Values—June has been a disappointing month in the London market, and scarcely less disappointing for New York. But whereas Wall Street has lately made efforts to hoist itself clear of the resistance levels of last autumn, London has been unable to respond to its few minor blessings. The new N.D.C., for instance, produced no more than transient relief, while the further "incidents" in the Spanish civil war caused considerable uneasiness which was not wholly appeased. Even the announcement of the £200 millions expansion of the Exchange Equalisation Account attracted buyers for no more than a few hours. London is technically ripe for response to favourable news, but buyers still remain aloof. This lack of initiative is perhaps the most chastening portent in the investment

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES DURING THE PAST TWO YEARS
(1928 = 100)

British: "Financial News" Index of 30 Ordinary Shares
American: "Standard Statistics" Index of 50 Common Stocks



outlook. In the gilt-edged market, the same moral must be drawn, for the results of recent trustee issues reveal no check to the steady rise in long-term interest rates. Further, the increase in the Exchange Fund can be interpreted as a bearish influence on gilt-edged in the long run. But if tonic talk has had no effect in London, it can hardly be claimed that it is much more successful in New York. The fight to a finish between the C.I.O. and the steel "independents" has set a discouraging background for the market, and its link with the unhappy condition of the European Bourses was closer than usual last month. Yet the volume of trading, as in London, remained quite sub-normal. Both markets saw the half-year out in a state of rather uneasy calm, but Wall Street, as befits its prospects, was slightly the more progressive.

OFFER TO NEW READERS

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

To The Publisher, Economist Newspaper Ltd.,
8 Bouverie Street, E.C.4.

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

Name .....

Address .....

.....

The prevailing tendency of the ordinary share markets is reflected in the Actuaries' index of 177 industrial shares, which on Tuesday last stood at 82·6, against 85·2 five weeks ago, and 83·1 a year ago. The respective yields are 4·39, 4·22 and 3·76 per cent. We give below the usual monthly indices of fixed interest securities, and a selection of the separate share indices :—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Year Ago (June 30, 1936)	Month ago (May 25, 1937)	This week (June 29, 1937)	Year ago (June 30, 1936)	Month ago (May 25, 1937)	This week (June 29, 1937)
Fixed Interest						
2½% Consols	152·7	135·9	133·2	2·92	3·28	3·35
Misc. industrial deb. (20)	125·7	121·7	121·7	3·92	4·08	4·08
Misc. industrial pref. (47)	121·6	118·9	118·1	4·22	4·37	4·39
Ordinary						
Building materials (5) ...	101·6	96·7	93·6	4·75	5·60	5·76
Coal (7).....	98·9	116·8	121·8	3·43	3·65	3·66
Cotton (6)	36·5	49·8	46·7	2·22	2·28	2·34
Elec. light and power (16)	134·6	125·5	116·8	3·79	4·26	4·58
Oil (5)	82·6	97·9	93·7	3·09	5·30	6·19
Stores and catering (17).	87·4	80·3	75·6	3·58	3·83	4·01
Brew. and distilleries (21)	146·2	148·1	144·2	3·99	4·29	4·40

It will be seen that several of the component industrial groups show fairly severe falls during the month; and only coal shares have achieved an improvement. Industrial debentures continue to resist the stiffening of interest rates.

* * *

Hungarian Debt Agreement.—The task of the Hungarian Government in seeking a general and lasting settlement of Hungary's foreign debt has met with initial success this week. Negotiations which have been proceeding in London for some time have culminated in an agreement covering the 7½ per cent. League Loan of 1924 and the 1930 and 1931 Treasury bills. The League Loan is the only Hungarian long-term issue on which payments in foreign exchange have been made during the depression. In 1933 the coupons were paid in full, but in the following year the rate was reduced to 55 per cent. and since 1935 only 50 per cent. of the nominal interest has been transferred in sterling. Under the new agreement concluded with the League Loans Committee, the Hungarian Government undertakes, as from February 17, 1938, to meet 60 per cent. of the nominal interest. Further, a sinking fund of 1 per cent. per annum will commence on August 2, 1940. As a result, the bonds are now quoted at 59½ against 58½ a week ago. Hungary's willingness and ability to enter the new contract reflects credit on her financial administration. But she has not made these concessions without obtaining an important *quid pro quo;* for all partly-paid coupons are to be considered fully discharged by the payments already made upon them. This concession would mean that the pengö Treasury bills and balances at present deposited in respect of the untransferred portion of the service will be returned to the Government. The acceptance of these terms by the League Loans Committee, however, will doubtless be confirmed by the bondholders. For while it is within Hungary's capacity to transfer, say, 75 to 80 per cent. of the League Loan service, account must also be taken of the country's heavy foreign indebtedness. Holders of other long-term loans (except Government loans which have received pengö Treasury bills only) have received full interest up to a maximum of 5 per cent. in pengös. Four years ago these "coupon pengös" could be converted into sterling or dollars at parity rates. Owing to intensified exchange control, the rates have steadily fallen, and holders can now get only about 25 per cent. in foreign exchange. Negotiations for a revised agreement on these loans are at present in progress, and it would seem in the Hungarian Government's interest to resist any temptation to rest on its oars. Hungary's foreign creditors have in the past accepted treatment according to Hungary's capacity of transfer; their future treatment should, therefore, reflect a fair measure of economic recovery experienced in Hungary.

ODEON
THEATRES LIMITED

(Incorporated under the Companies Act, 1929.)

SHARE CAPITAL - £6,000,000

Authorised	Divided into	Issued or to be issued
£4,000,000	**in 4,000,000 6 per Cent. Cumulative Preference Shares of £1 each...**	**£1,465,000**
£2,000,000	**in 8,000,000 Ordinary Shares of 5s. each ... ...**	**850,000**
		£2,315,000
£6,000,000		

DEBENTURE STOCK AUTHORISED AND NOW BEING ISSUED:
5 per Cent. First Mortgage Debenture Stock £1,800,000

The Subscription List will open and close on WEDNESDAY, the 7th day of JULY, 1937, for an

ISSUE OF

£1,800,000 5 PER CENT. FIRST MORTGAGE DEBENTURE STOCK AT £99 PER CENT.
(Interest payable 1st January and 1st July)

and 180,000 ORDINARY SHARES OF 5s. EACH AT PAR

The Debenture Stock is to be constituted by a Trust Deed in favour of Eagle Star Insurance Company Limited as Trustee, and secured by a first specific charge on 86 Cinema Theatre Properties, valued by Messrs. Harris and Gillow and Messrs. Goddard and Smith at the sum of £3,648,450. In addition, the Stock will be further secured by a floating charge on the whole of the undertaking and remaining assets of the Company, including any uncalled capital, but the Company reserves the right to create first specific mortgages or charges to secure Debenture Stock or otherwise on any properties not covered by the said first specific charge, together with further floating charges on the undertaking and assets of the Company (including uncalled capital), such floating charges to rank pari passu with the said floating charge. The charges for securing the present issue will rank subject only to certain existing mortgages and debentures which will be redeemed out of the proceeds of this issue.

DIRECTORS:

OSCAR DEUTSCH (Director of Cinema Companies), Chairman and Managing Director.
HON. PETER RUDYARD AITKEN (Director, Aitken English Company Limited).
GEORGE ARCHIBALD, J.P. (Director and Secretary, United Artists Corporation Limited).
FREDERICK STANLEY BATES (Director of Cinema Companies).
SYDNEY ALFRED BENNETT (Joint General Manager, Eagle Star Insurance Company Limited).
WILLIAM GEORGE ELCOCK (Director of Cinema Companies).
MAURICE SILVERSTONE (Chairman and Managing Director, United Artists Corporation Limited).
EDWARD COLEMAN SIMMONS, Solicitor.

The Company owns 86 Cinema Theatres in London District, Scotland, Wales and the Provinces, 15 being Freehold (one being subject to a perpetual rent charge), two are part Freehold and part Leasehold, and 69 are Leasehold, 60 of which have over 90 years unexpired. In selecting the sites of the theatres, 61 of which have been erected during the last five years, special regard has been paid to the requirements of the districts, particularly the new suburbs of London and the large provincial towns. In the majority of cases car parks are provided.

Profits, after charging all working expenses, depreciation and amortisation of leaseholds and after charging remuneration of Directors on the basis of their agreements with the Company, have, during the past three years, been as follows :—

	No. OF THEATRES OPEN FOR WHOLE YEAR.	FOR PART YEAR.	
52 weeks ended 5th January, 1935 ...	32 ...	13 ...	**£71,883**
52 weeks ended 4th January, 1936 ...	45 ...	18 ...	**£139,528**
52 weeks ended 2nd January, 1937 ...	60 ...	26 ...	**£225,509**

The Company has also acquired a controlling share interest in London & Southern Super Cinemas Limited, which, with its subsidiaries, owns or controls 10 Cinema Theatres, and also in Entertainments & General Investment Corporation Limited, which, with its subsidiaries, owns, controls or manages 54 Cinema Theatres. In addition, the Company has entered into management agreements with Companies owning 71 other Odeon Theatres (some of which are in course of erection), including ODEON ALHAMBRA, LEICESTER SQUARE, LONDON.

THE COMPANY WILL NOT ENGAGE IN FILM PRODUCTION, EITHER BY ITSELF OR ANY SUBSIDIARY COMPANY.

The total estimated profit in a full year is £460,000. On this basis the service of the Debenture Stock now being issued, after making allowance for income tax, would be covered over 3½ times and, after provision therefor and for the dividend on the 1,465,000 issued Preference Shares, there would remain available for reserves and dividend on the 3,400,000 Ordinary Shares issued and being issued for a full year the sum of £246,100, equivalent to nearly 29 per cent. on such Ordinary Shares.

Copies of the full Prospectus, on the terms of which alone applications will be considered, and Forms of Application can be obtained from the

BANKERS TO THE ISSUE:

NATIONAL PROVINCIAL BANK LIMITED, 15, Bishopsgate, London, E.C.2, and Branches.
COUTTS & CO., 440, Strand, London, W.C.2, or 15, Lombard Street, London, E.C.3, and Branches.

BROKERS:

JOSEPH SEBAG & CO., 22, Old Broad Street, London, E.C.2, and Stock Exchange, London.
MURRAY & CO., 5, Waterloo Street, and Stock Exchange, Birmingham;

and from

PHILIP HILL and PARTNERS LIMITED, 55/56, Pall Mall, London, S.W.1

Foreign Bond Movements.—The foreign bond market during June showed few outstanding features, but while the rest of the market was reactionary, the index of foreign bond prices calculated by the Municipal and General Securities Company has advanced slightly from 116.2 to 116.6 (average January-June, 1934 = 100). Movements in the component indices are shown below:—

Average January-June, 1934 = 100

	Europe	Near & Far East	Egypt	South and Central America			Complete Index	*Undefaulted Bonds*	*Defaulted Bonds*
				States	Provinces	Total			
1936	(32)	(31)	(4)	(36)	(11)	(47)	(114)	(60)	(54)
May...	96·1	106·5	99·2	101·3	88·6	98·1	99·8	*104·3*	*95·0*
June...	96·3	104·4	99·4	100·2	89·2	97·5	99·1	*102·8*	*95·1*
July...	94·7	110·6	100·9	99·1	89·2	96·7	99·8	*104·4*	*95·0*
August	95·1	113·2	100·7	99·3	89·8	97·0	100·7	*105·7*	*95·3*
Sept....	94·7	110·7	99·9	98·8	89·0	96·4	99·7	*104·3*	*94·8*
Oct....	95·2	111·7	99·7	105·3	93·0	102·3	102·5	*104·3*	*100·6*
	(31)						(113)	(59)	
Nov....	95·4	110·6	99·6	107·2	101·0	105·7	103·9	*104·6*	*103·2*
Dec....	97·7	114·0	99·7	120·2	110·0	117·8	110·3	*105·8*	*115·3*
1937				(35)		(46)	(112)	(58)	
Jan....	103·6	116·2	100·6	128·5	131·7	129·3	117·0	*107·3*	*128·5*
	(30)						(111)	(57)	
Feb....	102·9	120·0	99·6	131·8	131·8	131·8	119·0	*108·1*	*131·4*
	(29)						(110)	(56)	
Mar....	100·3	120·8	97·8	126·2	120·1	124·7	115·7	*106·7*	*126·0*
April..	100·9	120·2	97·1	124·7	122·7	124·3	115·4	*106·6*	*125·4*
May ...	101·6	123·1	98·3	124·3	120·7	123·4	116·3	*108·0*	*125·3*
June...	101·3	125·5	98·1	124·8	118·2	123·2	116·6	*109·0*	*125·1*

Note: Figures in brackets show number of bonds.

The feature of the month (although it is not reflected in the European index owing to weakness in other centres) was the rise in Hungarian issues, in anticipation of this week's debt agreement (discussed in the preceding Note). Most of the Chinese bonds closed higher, but their effect on the total index was broadly compensated by comparable fall in South African Provincial issues, the majority of which are in default.



'RESULTS'

deals with Advertising principle and method: it covers 25 years of working in Advertising, mostly successful.

'Results' will be sent on request to Heads of Businesses and responsible Executives who will surely encounter much that is of interest, and some degree of help, in its 72 practical pages.

LAURANCE HOLMAN
Advertising Service
11 Bedford Sq. W.C.1
Founded 1916
Museum 4303 (3 lines)

About 'RESULTS'
the new work on ADVERTISING
by Laurance Holman
reprinted from 'SHELF APPEAL'
(*August* 1936 *issue*)

WHENEVER advertising men congregate, the talk has a habit of turning to the merits and demerits of the different advertising agencies. Someone then is sure to raise a laugh by dismissing them flippantly according to their rumoured characteristics. For instance, one is too arty, another too research-minded, another is too stodgy, another too imitative, uninspired, mean, generous, etc. Few agencies can escape such derogatory remarks. But an almost striking and solitary exception is that small, highly individual, compact agency in Bedford Square known as the Laurance Holman Advertising Service, whose founder recently felt such a literary urge that he published last month a little book entitled *Results*. This book makes good reading, because while it unquestionably does a lot of selling for the agency, it is crammed full of interesting selling and merchandising facts and a wealth of common sense.

Although Holman makes a comfortable livelihood out of his business, he is no out-and-out money-maker, and is frequently credited with having advised more clients to reduce their advertising expenditure than increase it. In these days when accounts change from agency to agency with startling regularity, Holman is in the strong enviable position of having lost fewer accounts than any other agency in the country.

HOLMAN ADVERTISING

Company Notes

Imperial Airways Issue—Extraordinary confusion has resulted from the Imperial Airways issue this week. We referred in the last issue of *The Economist* to the dubious policy of fixing a price of 30s. for the new ordinary shares without conceding specific rights of allotment to existing shareholders. On Monday, the First Conversion Investment Trust obtained a concession during the hearing of an injunction in the Courts. By this settlement, the directors of Imperial Airways undertook to grant existing shareholders the right to apply for one new share for every share held up to 6 p.m. on Wednesday, and this closing time was subsequently extended to noon on Friday. This solution appeared satisfactory to existing shareholders, but it has caused no little trouble in the market. The Stock Exchange Committee on Tuesday morning posted a notice under Rule 114, stating that the new issue constituted a right, and that claims could be made under Rule 114. It is, of course, well established that "pink forms" granting unspecified preferential allotment cannot be claimed from sellers, unlike new issue rights. The decision of the Committee was plainly inevitable, but—equally inevitably—it conflicted with the previous valuation of the shares, which assumed that the new issue carried only preferential allotment, without specific rights. The shares thus closed at 41s. 3d. on Monday, and opened on Tuesday at 36s. 3d. ex rights.

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Several highly complicated issues arise from the affair. It is widely held in the market that its handling was unnecessarily brusque to existing shareholders. It is instructive to examine the position of an investor who bought his shares at, say, 55s., on the assumption that rights would be granted in the new issue, watched the shares fall to under 40s. on the report that no rights would be given, and then sold them. He now finds that he must satisfy the claims of the buyer—who was not, of course, registered on June 18th—for the rights. Similarly, the new buyer—or rather his broker—is put to the inconvenience of claiming rights for which no provisional allotment letters are in issue. In the short period which has been allowed for tracing sellers, brokers have been frequently compelled to protect their clients by lodging applications pending later signature by the buyer. Some shareholders, paradoxically, will be worse off as a result of the concession of rights, if they have no opportunity or no wish to apply for new shares. If the issue had been arranged on rights terms from the start, these investors would have received a saleable interest; but they must now apply for the new shares if they wish to obtain any benefit from the concession. Meanwhile, the benefit has shrunk to small dimensions. The net effect of the unfortunate arrangement is that Imperial Airways shares have lost a substantial part of their market price overnight. On the long view, there may be some reason for adopting a more cautious valuation for the shares, in view of the vast expansion in the company's scale of operation. But an arbitrary reduction in share values arising from technical mischances of this sort serves nobody's advantage.

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Union Cold Storage Accounts.—The public holds £10,403,582 of the preference capital of this concern. Its subsidiaries hold £596,418 of the 10 per cent. preference stock, and the £1,000,000 ordinary capital is in private hands. Its accounts are among the least informative holding company documents. Interests in subsidiaries (though partly qualified by the auditors) account for over £9 millions, out of total assets of £17¼ millions. During the past four years, disclosed profits have not varied by more than a few hundred pounds, while the ordinary capital receives 10 per cent. for the thirty-fifth successive year. In short, there is no sign in the accounts of any reduction in earnings, the fear of which led the directors to seek a reduction in the preference dividends

three years ago. The following analysis of recent profits must be regarded as an example of holding company accounting, rather than a record of group earnings:—

	1934	1935	1936
	£	£	£
Profit	962,125	964,049	964,895
Depreciation†	125,000	125,000	125,000
Fees and interest	14,619	14,494	8,988
Preference dividends	720,000	720,000	720,000
Ordinary stock:—			
Earned	*102,506*	*104,555*	*110,907*
Paid	100,000	100,000	100,000
Earned (%)	*10·3*	*10·6*	*11·5*
Paid (%)	10	10	10
Carried forward	206,103	210,658	221,564

† Reserve also increased in each year by transfers other than from profit and loss account.

Preference shareholders, therefore, must content themselves with the knowledge that disclosed profits are less than the aggregate net earnings of the group. Yet the impact of the Anglo-Argentine trade agreement can hardly have left total profits unaffected. The balance sheet refers to "considerable claims for taxation" which are in dispute, against which substantial free reserves are available. The auditors sign their report "subject to the adequacy" of these amounts. It must be confessed that this qualification adds a further feature to accounts which are already by no means simple to interpret. Although the preference shareholders may in theory be placed on the footing of outside interests, their preponderant financial stake in Union Cold Storage surely entitles them to some fuller indication of the group's real earnings. They may, however, console themselves that N.D.C., to which the company is particularly vulnerable, falls on the ordinary stockholders to the extent of nearly 4¼ per cent.

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Bleachers' Association Meeting.—Increased profits are nowadays attributed to trade expansion; laggard profits are usually explained by rising costs. To ascribe the improvement in Bleachers' earnings almost entirely to economies in production costs is not only unusual, but also creditable to a management which has fought adversity so long. But while shareholders may feel gratified with the payment of part of the preference arrears and with the knowledge that most of last year's improvement arose from greater efficiency, they will hardly conclude that immediate prospects are roseate. Sir Alan Sykes' interesting explanation of the absence of an increased volume of turnover shows that the recovery in the cotton industry is irregularly distributed. He pointed out that the general improvement about which so much had been heard had primarily benefited spinning. Between 1930 and 1936 production of cotton yarn rose by 30 per cent., but in the same period the production of cotton piece-goods—the raw material of the Association—increased only by about 1 per cent. Apart from a larger demand for yarn from the woollen and worsted and hosiery and lace trades, exports had risen by 10 per cent. between 1930-36—due largely to last year's recovery. But total exports of bleached cotton piece-goods fell by 30 per cent. in the same period, the greatest improvement being recorded by countries—particularly British colonies—in which import quotas operate. The outlook for the textile finishing industry in an autarkic world is still clouded.

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Metal Box Progress—This concern is favoured by a strong upward secular trend, apart from the general stimulus of recovery. Its latest profits are, accordingly, of a highly satisfactory character. Total income has jumped from £346,817 to £446,133, while the amount earned for the ordinary capital has increased from £176,827 to £233,600. The 15 per cent. dividend on the ordinary shares (against 12½ per cent. for the year to



TRUST OF RUBBER AND TIN SHARES

The great improvement in the organization of the Rubber and Tin Industries during the last decade is attracting the attention of discriminating investors. Production is rationally controlled and consumption increasing, owing in part to a rapidly widening demand for these commodities.

For the first time investors have the opportunity to purchase units at the convenient price of about 2/- each, representing a wide-spread interest in outstanding Rubber and Tin producing companies, which have been selected by experts for inclusion in the approved list.

The portfolio of the Trust covers 85 rubber companies and 20 tin companies, in which approximate proportion the funds of the Trust will be invested initially. The Managers are permitted under the Trust Deed to vary the investments within the approved list.

A fully descriptive Booklet, the basis of all transactions, can be obtained from the Trustee, MARTINS BANK LTD., from any stock-broker or bank, or direct from the Managers:

SPECIALISED UNIT TRUSTS LTD.

KING'S HOUSE, KING STREET, LONDON, E.C.2.

Telephone: METropolitan 6531. *Telegrams:* Brigenfix, Cent. London.

March 1936) is in fact covered by earnings of 28 per cent., and the reserve appropriation is doubled, from £50,000 to £100,000, with funds to spare. The report is comprehensive, not only for its financial information—it includes a consolidated balance sheet showing satisfactory group strength—but also for the detailed description of the year's work. Since the new money raised last year was not fully productive, the latest trading results must be regarded as distinctly satisfactory. Further expansion on the decisive but scientific lines adopted in the past is apparently envisaged, and the directors are offering one new ordinary share at £3 for every £10 ordinary stock held. The undertaking appears to have achieved satisfactory progress at home and abroad, and the £1 ordinary stock units, at 3¼ cum dividend and rights, may be regarded as sound long-term holding, with a yield (4.8 per cent.) to match their promise.

* * *

Patons and Baldwins.—Further progress is shown in the latest report of this woollen spinning concern. Total profits have increased from £566,508 to £610,959, being struck, as usual, after provision for exchange losses. Since the usual allocations are little changed, the amount earned for the equity is increased from £327,490 to £374,188, but the rate earned on the ordinary capital (after the issue last July) is slightly reduced. Nevertheless, the 12½ per cent., tax free, dividend is comfortably covered by earnings. An analysis of the recent profits record is given below:—

	Years ended April 30		
	1935	1936	1937
	£	£	£
Profit*	378,983	566,508	610,959
Depreciation	114,484	127,911	126,952
Interest and fees	20,850	20,600	20,225
Preference dividend	78,188	70,507	69,594
Ordinary stock (tax free):—			
Earned	*165,531*	*327,490*	*374,188*
Paid	159,929	199,911	239,894
Earned (%)	*10·4*	*20·5*	*19·5*
Paid (%)	10	12½	12½
Reserve	Nil	125,000	125,000
Carry forward	61,330	63,909	73,203

* After provision for exchange losses.

A year ago the chairman observed that the results for 1936-37 would be satisfactory, provided that wool values were maintained. This factor, of course, primarily determines the swing of the company's profits, quite apart from the level of its manufacturing activity. And since stocks stand at the high figure of £3,569,208, having advanced from £3,148,881 a year ago, a cautionary distribution policy appears justified. In addition, the company last year had £385,000 set aside as a stock reserve, while its general reserve and carry-forward amount to almost £1,000,000, apart from a capital reserve of £479,787 arising from last year's new issue premiums. The company, therefore, is well prepared to meet falling wool prices, while the current quotation of the ordinary stock of 63s. offers the yield of about 5½ per cent. gross. This price appears to take due account of the stock risk.

* * *

Palestine Electric Progress.—The profits of the Palestine Electric Corporation show but little sign of the disturbed political conditions of the past year in Palestine. The rate of increase in gross revenues, in new consumers and in units sold was not so large as in 1935, but the company deserves credit for its further progress, and for maintaining a satisfactory service throughout its large area. The latest profits are analysed below:—

	1934	1935	1936
	£P.	£P.	£P.
Income	363,900	488,443	577,365
Power house and other expenses	170,358	248,011	340,557
Income tax and contingencies	25,000	40,000	25,000
Interest (net)	28,031	9,517	*Cr. 5,400*
Preference dividends & redemption	...	33,480	39,000
Ordinary and "A" ordinary shares (tax free):—			
Earned	*140,511*	*157,435*	*178,208*
Paid	70,322	115,322	130,321
Earned (%)	*15·0*	*10·2*	*10·3*
Paid (%)	7½	7½	7½
General reserve	70,000	50,000	50,000
Carried forward	34,240	26,353	24,240

The 7½ per cent. tax free dividend which is paid for the third successive year is covered by earnings of more than 10 per cent. and an allocation of £50,000 is again made to general reserve. The capital outlay during recent years has been heavy, and no less than £P2,931,958 has been spent on the Corporation's two concessions. But the rapid expansion in units sold from 11·6 millions in 1932 to 65·5 millions in 1936 has justified the expansion programme, and the issue of further share capital which is envisaged in the report will enable the undertaking to meet the growing demand on its power network. The £1 ordinary shares are quoted on the London market at 38s. 9d. to yield £5 7s. per cent. They are not free from political risk, but the technical position of the Corporation is progressive.

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✸

Zinc Corporation.—The 1936 report of the Zinc Corporation shows a substantial increase in gross revenue which is not fully reflected in net profits. The increase in gross profits arose mainly from higher metal prices, although the zinc ore was of higher grade, and the percentage extraction of other products was increased. The quantity of ore treated was slightly below the 1935 total. Interest and dividends produced an increased sum; but naturally there was no repetition of the non-recurring profit of £23,100 credited in 1935. Mining expenditure was charged with the full increase in wages granted towards the end of the previous year. Average costs thus rose to 28s. 3d. per ton, compared with 24s. 10d. for 1935. Dividends paid for the year total 50 per cent. on the preference shares and 60 per cent. on the ordinary, as compared with 42½ per cent. and 45 per cent. respectively for 1935. The financial results of the past three years are presented below in sterling:—

	1934	1935	1936
	£	£	£
Gross value of output	768,860	1,042,940	1,207,690
Gross mining profit	85,950	292,910	354,910
Interest, dividends, etc.	64,960	90,580	78,520
Proportion of taxes, office expenses, etc.	19,690	59,490	64,000
Net profit	131,230	324,000	369,440
Fixed 20% Pref. dividends	49,140	49,140	49,140
Participating dividends	67,410	202,230	269,650
Mine development and plant	40,000	50,000	50,000
Carried forward	51,490	54,710	55,360

Appreciable changes are shown in the company's portfolio. Gilt-edged securities now stand at £144,800 against £344,900, while holdings in associated companies amount to £487,000 compared with £363,680. This expansion doubtless reflects the transfer of the company's southern leases to the New Broken Hill Consolidated. Cash on December 31st stood at £246,590, against £141,540 a year earlier, an increase which will meet the heavy development programme. A net expansion of 100,000 tons is reported in the lead lode to 3,100,000 tons. Both the preference and the ordinary yield approximately 6 per cent.

* * *

Other Company Results.—The recent spate of company reports is tending to diminish, and our usual analysis of profit and loss accounts, on page 51, includes about 40 further companies. The reports are discussed on the same page under the heading "Shorter Company Comments."

* * *

Company Meetings of the Week.—Reports of company meetings will be found from page 38 onwards in this issue. Reviewing the year's results at the *National Bank of New Zealand* meeting, Sir Austin Harris emphasised the need for a more equitable method of assessing banks for income tax. The Earl of Selborne, addressing *Bank of British West Africa* proprietors, explained that the increased purchasing power of farmers was attributable to a conjunction of good crops and higher produce prices. At the *Trust Company of London and Scotland* meeting, the chairman remarked that the rise in net revenue, though partly due to larger investments, was also helped by increased revenue from investments previously held. Sir Alan Sykes' survey at the *Bleachers' Association* meeting is discussed on page 29. In his address to the shareholders of *George Newnes*, Sir Frank Newnes described the various progressive features during the past year. Interests were more widespread, while advertising revenue continued to expand. Two of the newer publications had fully established themselves. At the *Barclay Perkins and Company* meeting, Lieut.-Col. R. W. Barclay referred to the company's policy of keeping its licensed houses in good repair. The chairman explained to the *Hovis, Limited,* meeting that a conservative distribution was justified by new taxation and by the desirability of keeping resources in hand to meet sudden turns in the wheat market. Mr John Ismay, at the *John Ismay and Sons* meeting, pointed out that despite greatly increased sales of lamps, trading profit was not much higher, owing to keen competition. In reviewing the various interests of the *Globe Telegraph and Trust Company*, the Earl of Midleton stressed the satisfactory yield received from their holdings in American utilities. At the *African and European Investment* meeting, Mr R. W. Townsend referred to the important holding in Amalgamated Collieries of South Africa. Discussing the future of gold at the *Gold Fields Australian Development* meeting Mr John A. Agnew reaffirmed his earlier view that, if international trade were to be revived, a common measure of value was necessary. There was, he declared, no prospect of agreement on the basis of any common measure other than gold. Captain H. B. Jameson, at the *East Rand Consolidated* meeting, referred to developments at the Vlakfontein and the Zonnestraal farms. It was pointed out to *Gordon (Malay) Rubber Estates* shareholders that a proportion of output was sold in liquid latex form, giving a higher return which more than compensated for the higher cost. Mr F. E. Maguire, at the *Sabrang Rubber Estate* meeting, reported that good progress had been made in rejuvenating the property. Lord Hirst emphasised at the *General Electric* meeting that the re-armament programme had played but a small part in last year's progress, but that export business had, in fact, closely approached the record figures of 1929-30. Attention was drawn by Mr Vincent Yorke, at the *Mexican Railway* meeting, to the remarkable increase of 22 per cent. in gross receipts in the first four months of this year, while expenses had not risen to nearly the same extent. *Ohlsson's Cape Breweries* shareholders were informed by Mr W. I. Buxton that opportunities had been taken to buy new properties and to assist licensees to improve their premises. At the *Great Boulder Proprietary Gold Mines* meeting, Mr Claude de Bernales referred to the improved labour situation as a result of the new award by the Arbitration Court.

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THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: JULY 6 ACCOUNT: JULY 8

FOR a short space on Monday, it appeared that the expansion of the Exchange Equalisation Account's resources had given the market that confident lead which, for so long, it has been incapable of producing on its own account. Yet optimism again proved short-lived. The initial effects were quickly lost amid pre-occupation with the French crisis, and a further period of stagnation ensued while Paris remained closed. Prices in all sections crumbled once more, although Thursday again showed the market struggling—this time with some slight success—to stop the rot.

Gilt-edged opened with an all-round fall which brought War Loan below par for the first time since 1933, with Conversion 3½'s closely in step. Old Consols, curiously enough, found a few buyers, and also managed to resist the further fall in War Loan on Tuesday and in Local Loans on Wednesday. A late recovery in gilt-edged on Wednesday was maintained, after more than one false start, on Thursday. A demand for recent investment scrips was held to explain part of the fall in gilt-edged, and the L.C.C. scrip, in particular, was appreciably better at $\frac{8}{16}$ discount at Wednesday's close.

Chinese bonds continued firm in the foreign market, with the railway issues in the lead. Japanese bonds, however, were affected by the Amur River incident. An early rise in Brazilian issues was well maintained. French rentes were on a nominal basis for a time, and German issues were affected by the political situation.

Home rails opened without any enthusiasm, and quotations were hardly affected later in the week. Transport "C" stock fell to 79 on persistent selling, further stimulated by the traffic loss. Cordoba debentures improved in the overseas rail market, but Argentine issues were otherwise dull.

The week-end scribes failed to arouse enthusiasm in the industrial market. Coal shares opened with some support for Wm. Cory, but failed to hold their modest gains. Steel shares enjoyed a small turnover from the first, and quotations registered minor losses on succeeding days. A sharp advance in Cable and Wireless "A" was not held. Motor shares began well, but support soon dwindled. Interest in Parnall Aircraft revived on the circular to shareholders, but here also initial gains soon evaporated. Electrical equipment shares could boast little more than a firm tone, and reduced support was followed by lower quotations. Breweries at first were inclined to go better, but were overcome by general neglect. Distillers, which reached 115s. 7½d. at one time, closed no better than 110s. on Thursday's dividend announcement of 22½ per cent., against 20 per cent. Paton and Baldwins rallied a little on the report (discussed on page 30), but among the industrial leaders falls extended to Woolworth, Courtaulds, British Oxygen, Turner and Newall, and Imperial Chemical Industries. Tobacco shares were neglected, shedding small amounts. Shipping shares were the only relieving feature in the mid-week market.

Oil shares were again disappointing this week. The market of course, was sensitive to the French situation, and safeguards had already been taken against selling of Paris favourites like Royal Dutch and Shell after the Bourse re-opened on Thursday. Trinidad issues remained dull, and a small investment demand for Anglo-Iranian and Burmah Oil kept these two issues steadier than the rest. Conditions in the rubber market remained dismal, with limited business, both on behalf of professional operators and the public. Anglo-Dutch in particular reacted sharply on the 7 per cent. dividend. Tea shares attracted the minimum of attention.

A feeling of greater assurance at the opening was not held in the Kaffir market, and the market was soon concerned with new problems arising from the French crisis and the closing of the Paris Bourse. There was a slight recovery tendency in mid-week, although it was largely limited to the investment Kaffirs, like Crown Mines and Sub Nigel. The Far West Rand issues were again depressed after a false promise at the opening, and were no better than steady at the close on Wednesday. Diamond shares opened dull, and were later affected by Paris selling, but copper shares tended slightly to improve.

"FINANCIAL NEWS" MARKET INDICATORS

	June 24	June 25	June 28	June 29	June 30	July 1
Approximate total of bargains recorded in S.E. List	6,895	8,390	8,095	7,880	6,435	6,620
Corresponding day 1936.	*8,796*	*8,082*	*10,181*	*9,257*	*8,562*	*8,822*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	110·0	110·9	111·0	110·3	109·9	110·1
Index of 20 Fixed Interest Securities (1928=100)	128·0	128·0	127·8	127·7	127·6	127·5

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·8 (Jan. 4).
Lowest 1937: Ordinary Shares 109·5 (June 15); Fixed Interest 126·8 (Feb. 28).

OVERSEAS STOCK EXCHANGES

NEW YORK

WALL STREET'S mood has been inconsistent, but on balance a slight improvement in sentiment occurred, and the market has refused to pay much attention to disturbing news. At the outset, there was considerable selling, particularly in steel, rail and motor shares, with small general losses, due primarily to the truculent attitude of Germany and Italy, and also to symptoms of continued aggressiveness on the part of the Administration. On Tuesday, however, the market chose to ignore the fresh outburst of violence in the steel strikes, which had previously become less serious; nor did it pay any attention to the French crisis—no doubt because only the expected had happened. The volume of business remained small, but the tone was stronger, and small gains were common. U.S. Steel went ahead on the preferred dividend announcement. In mid-week, the brighter atmosphere persisted, steel and rail issues leading a recovery. *Iron Age* estimates steel mill activity at 76½ per cent. of capacity against 75 per cent. a week ago.

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

	1936		1937		Beginning of Year 1937	June 16, 1937	June 23, 1937	June 30, 1937
	Lowest Apr. 29	Highest Nov. 10	Lowest June 16	Highest Mar. 10				
347 Industrials	112·7	145·9	130·2	155·7	143·2	130·2	132·7	132·2
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	52·2	51·5	49·8
40 Utilities	91·2	111·0(e)	89·3	116·4(i)	111·7	89·3	90·4	90·6
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	110·4	112·3	111·7
Average yield*.....	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (g)	3·53%	4·46%	4·36%	4·38%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (i) January 13th.

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

Highest*	Lowest†	June 23	June 24	June 25	June 26	June 28	June 29	June 30
180·3	147·4	150·9	152·2	151·1	149·8	147·6	147·7	150·1

* March 6th † June 16th.

TOTAL DEALINGS IN NEW YORK

	June 24	June 25	June 26*	June 28	June 29	June 30
Stock Exchange—						
Shares (No. Thous.)	550	570	290	730	550	690
Bonds (Thous. $) ...	6,260	6,780	4 820	8,700	7,580	8,320
Curb—						
Shares (Thous.).....	153	175	74	179	193	191

* Two-hour session.

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	June 23, 1937 (Close)	June 30, 1937 Close)	July 1, 1937 (Latest)
1. *Rails & Transport*			
Atchison	79½	76⅝	77
Balt. and Ohio	27⅛	26½	26⅝
B.M.T.	21⅛	20⅜	20½
Can. Pacific	12⅝	12⅝	12⅝
Ches. and Ohio	52⅞	52	53
Gt. Nthn. Rly. Pf....	50½	48½	49⅝
Illinois Central	23	22½	23
N.Y. Central	38½	36⅜	36½
Nor. Pac.	29⅜	27⅜	28½
Pennsylvania R.R...	45	36	36½
Southern Pac.....	45	43⅜	43½
Southern Rly.....	31⅛	28⅜	29½
Union Pac.....	129⅜	123	122½
Greyhound Cp. New	14½	14½	14⅜
2. *Utilities and Communications*			
Am. Waterworks ...	16⅞	17	17⅜
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison...	2⅜	2½	2⅜
Col. Gas & Electric	33	33½	33⅜
Elec. Bond & Share	11½	11½	11½
Nat. Pwr. and Lt....	15⅜	15⅝	15⅝
North American	9⅜	9½	9½
Pac. Gas & Electric	23	22⅝	23½
Pac. Lighting	29	29½	29
Pub. Service N.J....	41⅜	41	41½
Stan. Gas & Elec. ...	38⅜	38	39½
United Corp.	7	6⅜	6⅝
United Gas Imp. xd	4¼	4½	4⅜
Am. Tel. & Tel.....	12	12	12⅛
Int. Tel. and Tel....	165	166½	166
Western Union	10⅜	10⅛	10⅝
Radio	45	44⅜	46½
Radio B. Pref. New	8⅛	8⅛	8⅛
	64	66¼	66½
3. *Extractive and Metal Industries*			
Am. Rolling Mills ...	34⅛	34⅜	34⅞
Beth. Steel xd	83	84	85⅜
Beth. Steel Pref xd...	112	114½	114⅜
Republic Steel	35	35½	36
U.S. Steel	98⅛	99⅜	101
U.S. Steel Pref.	132½	132	133⅜
Alaska Juneau xd....	11⅛	11⅜	11⅛
American Metal.....	45	44½	46⅜
American Smelting	84½	83⅜	84⅜
Anaconda	51⅜	52⅜	53⅛
Bohn Aluminium ...	38⅛	38	38
Cerro de Pasco	63	64⅛	66
Int. Nickel	57⅛	57⅜	58⅛
Kennecott xd.....	56⅜	56⅜	57⅜
Patiño Mines	15⅛	15⅛	15⅜
Texas Gulf Sulph.....	34⅛	35	34⅛
U.S. Smelt xd.....	83½	84	83⅜
Vanadium Corp.....	25⅜	26⅛	26⅜
Atlantic Refining xd	28⅛	28⅜	27⅝
Phillips Petroleum...	54	54⅛	55
Shell Union.....	27	28⅛	28
Shell Union Pref.....	104⅛	104⅛	...
Socony Vacuum.....	19⅛	19⅜	19⅛
Stand. Oil Calif.....	40⅜	40⅝	40⅜
Stand. Oil N.J.....	66	65⅜	66⅛
Texas Corp xd.....	57⅛	58⅜	59⅛
4. *Manufacturing*			
Briggs	40⅛	40⅜	40⅜
Chrysler	100⅜	97⅛	98⅛
Electric Autolite	37⅜	36⅛	36⅜
General Motors ...	50⅜	49⅛	49⅜
Hudson Motor Car	14⅜	14⅜	14⅜
Murray Corp.....	11	10⅜	10⅛
Nash Kelvinator..	...	17	17
Packard Motor Car	8⅜	8⅛	8⅛
Bendix Aviation...	19⅜	18⅜	18⅝
Boeing Airplane...	30½	29¼	29⅜
Douglas Aircraft ..	58½	57	57⅜
United Aircraft ...	26⅜	26⅜	27⅛
Air Reduction	67⅜	69⅜	69⅜
Allied Chem'l. xd..	217	217⅛	224
Col. Carbon	114	115½	119
Comm. Solvents...	13⅜	13⅜	13½
Dupont	154	153	153⅜
Union Carbide	98⅛	99½	99⅜
U.S. Ind. Alcohol	28⅜	30	...
Allis Chalmers	59⅛	60½	61⅛
General Electric...	52⅜xd	52⅝	52⅞
Westinghouse.....	139⅜	143	142⅜
American Can. xd.	94½	96	96
Addressograph.....	29⅛	28⅜	29
Caterpillar	89½	90	90
Cont. Can. xd.....	50⅜	52	53½
Ingersoll Rand	127⅜	124	...
Intntl. Harvester	107⅛	105⅞	106½
Johns Manville ...	125⅛	126½	126
Am. Radiator.....	19⅜	19½	19⅜
Corn Products	60⅛	61⅛	62⅛
J. I. Case and Co.	161⅛	160	...
Gliddden	43	41½	...
Gen. Am. Transpt.	65	62½	...
Allied Mills.....	21⅜	20⅜	...
Celanese of Americ	37⅜	36⅜	37½
Ind. Rayon New..	36⅜x	35	36
Colgate Palmolive	19⅜	19	19½
Eastman Kodakxd	169⅜	172½	172½
Gillette xd	14⅜	14⅛	14½
United Air Lines..	17⅜	15⅝	16⅛
Lambert Co.	18⅞	18½	18⅜
Loews xd.....	76	75⅛	76⅜
20th Century Fox..	34⅛	32	32⅜
5. *Retail Trade and Food*			
Montgomery Ward	55	54⅜	55½
J. C. Penney Co..	87	85⅛	...
Sears Roebuck xd..	87⅜	88	88⅜
United Drug	11½	11	11
Walgreen xd.....	25⅛	25⅛	25½
Woolworth	45⅜	45⅝	45⅞
Borden.....	22⅜	23⅜	23⅜
Gen. Foods.....	37⅜	36⅞	37
Kroger Grocery ...	20⅛	20⅜	20⅜
Nat. Biscuit xd ...	23⅜	23½	23½
Nat. Dairy	20⅜	18⅝	19
Standard Brands..	11⅜	11⅜	12
Am. Tobacco B....	77	76⅞	77
Liggett Myers B...	96	96	96½
Lorillard	(20¼)	20⅜	20⅜
Reynolds Tob. B.x	49⅜	49⅛	49⅜
National Distillers	29	28½	28⅜
Schenley Distillers	(40)	38⅜	39
6. *Finance*			
Commercial Credit	59⅜	58½	59½
Atlas Corp.	15⅜	15⅜	15⅜
Com. Invest. Trust	64⅜	64⅛	64½

PARIS

A month of crisis culminated in the closing of the Bourse for an "indefinite" period (actually June 29–30th). Until the bear speculators overwhelmed the Bourse on the tottering of the Blum Government, there was little tendency to discount a crisis. The market was restrained by the conviction that a drastic action must be enforced to meet the financial situation. The failure of the Blum Government to obtain its powers brought no immediate disturbance, for the Bourse was by then convinced of the task to be faced, whatever the complexion of the Government. A gloomy setting had already been staged on fears for the future of gold. Attention was then turned increasingly to home affairs, fraught with the certainty of new taxation. Internationals alone attracted support at this stage, but rentes recovered a little when stabilisation was optimistically canvassed. The Bourse marked time before M. Blum's resignation, and in the event behaved with surprising calm. Speculative buyers were attracted to many sections, including rentes, in the belief that the new Chautemps Government would devalue, and it was found necessary to raise cover margins. The closure of the Bourse on M. Bonnet's arrival, however, found the market nervous in the extreme.

	June 2, 1937	June 15, 1937	June 28, 1937
3% Perp. Rentes	62·75	61·55	69·60
4% Rentes 1917...	62·40	60·60	68·15
Banque de France	6,600	5,945	6,325
Crédit Lyonnais ...	1,450	1,340	1,400
Suez Canal	23,640	25,860	25,505
Chargeurs Réunis	399	367	395
Rio Tinto	2,385	2,245	2,282

	June 2, 1937	June 15, 1937	June 28, 1937
Royal Dutch	52,250	52,200	53,340
Wagons Lits	100½	86½	92
Mexican Eagle	113	113½	107½
"Chartered"	197½	192	200½
Ford	73⅜	66	70
De Beers	2,195	2,064	1,933
"Johnnies"	366	367	390

BERLIN

The volume of trading in shares declined in June. The market was irregular and predominantly weak, but average quotations fell little below the end May level. Standard industrials were neglected, although chemicals were periodically active. Leading shipping shares gained on relatively favourable annual reports, and potash issues recovered after their heavy declines of the spring, though they lost part of their gains later. Firm markets developed in certain specialities, including Bemberg rayon, Stoehr wool, Harpener coal, and certain inactive real-estate companies. Copper issues were weak, and Steel Trust, Mannesmann, and some other heavy industrial shares closed lower. Commercial banks were steady, but Reichsbank, after a sharp advance in mid-[illegible]e, closed weak. Reichsmark bonds at first continued their [illegible]e and touched the year's highest point, but later reacted slightly, and the German section of Young Loan moved in accord. The turnover in dollar bonds was small. The official shares index (1924–26 = 100) for May was 111·80, against 110·57 for April, and for mark bonds 98·80, against 98·47.

	June 2, 1937	June 15, 1937	June 30, 1937
Reichsbank	216·25	212·00	211·75
D.D. Bank	118·50	118·50	118·00
Dresdner	105·00	105·00	105·00
I.G. Farbenindustrie	167·60	166·75	165·10
Norddeutscher Lloyd (New)	18·75	19·00	20·40

	June 2, 1937	June 15, 1937	June 30 1937
A. E. G.	43·25	125·50c	127·00c
Siemens & Halske	220·25	216·50	216·50
Vereinigte Stahlwerke (New)	122·25	121·90	119·90
Hamburg-Amer. ("Hapag New")	18·25	18·75	19·50

(c) New issue.

AMSTERDAM

Though keeping throughout a wary eye on foreign events, the Bourse was sufficiently encouraged by the domestic situation to put prices slightly higher, although trading often betrayed limited investment interest. Most of the news from France exerted a depressing influence, but the constitution of the new Cabinet was well received, and prices went ahead late in the month on considerable French buying. The market was as sensitive as ever to Wall Street's moods during the first part of the month and shared its anxiety regarding the future of gold. A good impression was created by the increase in the British Exchange Equalisation Fund. The strength of sugar shares was one of the few features in the first fortnight, but interest in rubber issues revived somewhat later.

	June 2, 1937	June 15, 1937	June 30, 1937
2½% Dutch Loan	81	81⅛	81⅜
5½% German* ...	32½	24½	25
Unilever N.V. ...	150½	158½	159½
Philips Lamps ...	326½	319½	321½
Netherland Ship Union	126½	124½	125½

	June 2, 1937	June 15, 1937	June 30, 1937
Steel Common	72⅞	68⅛	70⅜
A. K. U.	68⅛	64⅛	65⅞
Ford Motor	243	257	257
Deli Batavia Tob.	243	238½	224½
Royal Dutch	424½	419½	422½
Handels Ams.	506½	510½	517½

* With transfer certificate.

CANADA

The Canadian stock markets recently have been dull and irregular, and there is no indication yet that the downward trend which began in March after a year's uninterrupted

(*Continued on page 36*)

HAVE YOU TRIED

RE-FORMED

SHELL

All Shell is now made by the 're-forming' process which re-arranges the molecular structure of the petrol. The result is even smoother running, better pick-up, and an absence of 'pinking'.

YOU CAN BE SURE OF SHELL

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Lowest	Prices, Year 1937 Jan. 1 to June 30, inclusive Highest	Lowest	Name of Security	Price, June 23, 1937	Price, June 30, 1937	Rise or Fall	Yield June 30, 1937 £ s. d.
				British Funds				
87½	82⅝	84 13/16	73⅞	Consols 2½%	74½	74½	...	3 7 2
116¼	112¾	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	108½	106¼x	−¼	3 11 0
102 7/16	100	101 3/16	94⅞	Conversn. 2½% 1944–49	95¼	95¼	−¼	2 19 0
105¼	103 1/16	103 1/16	97¾	Do. 3%, 1948–53	98½	98	−½	3 3 0
108 5/16	104¾	106 11/16	99⅝	Do. 3½% after 1961	100½	99⅞	−⅝	3 10 6
111 11/16	107	108	105	Do. 4½% 1940–44	105¼	105½	+¼	2 11 0
121½	116¼	117¼	111 11/16	Do. 5% 1944–64	112½	112	−½	3 1 0
95 11/16	92¼	92¼	84⅞	Funding 2½% 1956–61	85¼	85¼	−¼	3 8 0
...	...	93⅞	89⅞	Funding 2¾% 1953–57	90½	90	−½	3 8 0
104¼	101	101⅝	92⅞	Funding 3% 1959–69	93½	93	−½	3 8 6
119¼	115¾	116⅝	109	Funding 4% 1960–90	109½	109¼	...	3 10 6
117 3/16	113¾	114⅝	107⅝	Victory Bonds 4%	108½	108¼	−¼	3 12 0
108 3/16	104½	105 13/16	99⅝	War Ln 3½% after 1952	100⅜	99¾	−⅝	3 10 6
98¼	94⅝	96 13/16	85	Local Loans 3%	86¼	85½	−¾	3 10 2
103¼	101½	101⅞	99¼	Austria 3% 1933–53	101	101	...	3 0 0
76¼	70¼	72	62	India 2½%	63	63	...	3 19 3
89¼	83¼	85¼	74⅝	Do. 3%	76	75½	−½	3 19 6
100	96	98¾	87	Do. 3½%	90	89½	−½	3 18 3
120⅝	116	119¼	112½	Do. 4½% 1958–68	113	113½	...	3 11 3
107	104	105⅜	103½	U.K. & Arg. 4%A (1947)	103½	103½	...	3 11 6
				Dom. & Col. Govts.				
113⅝	109¼	109⅞	105	Australia 5% 1945–75	106	105	−1	4 5 1
106¾	102¼	104¼	101	Canada 4% 1940–60	104	104	...	2 16 3
118⅝	114	116¼	112⅝	Gold Coast 4½% 1956	113	113	...	3 10 1
120	117	117¼	115½	Nigeria 5% 1950–60	116	116	...	3 8 3
114¼	108	109¾	104	N. Zealand 5% 1946	105	105	...	4 6 5
109¾	106¾	107⅜	104	Queensland 5% 1940–60	104	104	...	3 11 5
117¼	113¾	114	110½	S. Africa 5% 1945–75	111	111	...	3 8 2
				Foreign Governments				
...	...	103	97	Argentine 4½% Str. Bds	102	102	...	4 9 0
102	90	105	98	Austria 7% 1957	104	105	+1	6 16 0
93	82	90	84½	Do. 4½% 1934–59	86	86	...	5 13 0
72½	71½	73	68¾	B. Aires (Prov.) 3½%	71	72	+1	4 18 0
97¾	95½	100½	96	Belgian 4% red. by 1970	100	100	...	4 0 0
27¼	14	28½	24½	Bulgaria 7½% Loan	27½	27½	...	9 1 10m
88¾	65½	89	84	Brazil 5% Fund. 1914	88	89	+1	5 12 0
28½	16	28	23½	Chili 6% (1929)	25½	25½	...	2 7 0v
84½	66	94½	81½	China 5% (1912)	94	94	...	5 6 0f
95½	80	101¾	93½	Do. 5% (1913)	101½	101½	...	4 19 6f
112	95½	105½	103½	Czechoslovakia 8%	105½	105½	...	7 10 0
110	98	100	92½	Danish 3%	97	97	...	3 1 10
70	57	72¾	51½	Danzig 6½%	64	62½	−1½	10 8 0
106½	102	105½	101	Egypt Unified 4%	102	102	...	3 18 5
25¼	17½	18	13½	French 4% (British)	14½	14½	...	5 14 0
69¾	53	65	53	German 7% Dawes Ln.	62	63	+1	11 2 3
46	34	49½	35	Do. 5½% (Young Ln.)	45	46	+1	11 19 3
40	29	36½	30	Greek 6% Stab. Ln.	32½	32½	...	7 13 0w
45½	35½	44¾	38	Do. 7% Refugee	40½	39½	−1	7 12 0w
52	39½	60	47½	Hungary 7½%	58½	60	+1½	5 16 8h
90½	79½	88¾	77½	Japanese 5½% 1936–65	88	88	...	6 8 8
97¾	83	94¾	83½	Do. 6% (1924) red 1959	93	94	+1	6 16 3
144¼	105	120	110½	Norwegian 4% 1911	115	115	...	3 9 0
53½	41	61	54	Peru 7½% 1922	59½	59½	...	...
93¼	60	83	56	Poland 7%	60	57	−3	12 5 9
15½	8⅝	20½	18	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116¼	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113	113	...	4 4 10
92½	79	95¼	91	Do. C. Certs. (3% Max.)	95	95	...	3 3 2
				Corporation Stocks.				
27⅜	22	25	22	Berlin 6% 1932–57	25	25	...	...
119¼	116	118	111	B'mgham 5% 1946–56	115	114	−1	3 3 8
120	117	119	113½	Bristol 5% 1948–58	114½	116	+1½	3 9 0
84	64	82	64	Danzig 7% 1935–45	75	72½	−2½	9 13 3f
121½	117½	119¼	116	E. London 5% 1960–70	116½	116½	...	3 18 0
106¼	103	103¾	100⅞	Johannbg. 5½% 1937–52	101	101	...	5 9 3f
97½	93½	95¼	83½	L.C.C. 3%	84½	84	−½	3 11 5
106¼	85½	103½	97½	Seine (Dpt of) 4½% 1952	100	100	...	4 10 0

Prices, Year 1937 Jan. 1 to June 30, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, June 23, 1937	Price, June 30, 1937	Rise or Fall	Yield June 30, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	114	114	...	3 14 0
				London Passenger Transport Board—				
129¾	110½	2¼	2¼	4½% "A" 1985–2023	116½	116½	...	3 14 0
135	121½	2½	2½	5% "A" 1985–2023	126½	126½	...	3 15 0
109	104	2¼	2¼	4½% "T.F.A." 1942–72	106	106	...	3 3 5
125	115	2½	2½	5% "B" 1965–2023	117½	117½	...	3 19 0
99¾	78¾	2½(b)	1½(a)	"C" 1956 or after	81	79	−2	5 1 3
99½	86	1½	1½	Met. Wat. Bd. "B" 3%	89	88½	−½	3 8 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 7 2
				British Railways				
65½	55½	½(a)	2¾(b)	G. Western Ord. Stk.	61½	62½	+1½	4 16 0
6½	4½	Nil	Nil	L. & N.E'st'n Def. Stk.	5	5	...	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	10	10	...	Nil
100½	89½	4⅛(c)	5(c)	Do. 5% Pref. 1955	96	96	...	5 7 2
29½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	25	26	+1	1 18 6
79½	64½	3½(c)	4(c)	Do. 4% 1st Pref. Stk.	70	72½	+2½	5 10 4
35¼	27½	Nil(c)	1½(c)	L.M.S. Ord. Stk.	33	33½	+½	3 14 8
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	76½	77	+½	5 3 11
92½	80	2(a)	2(b)	4% Pref. Stk.	86	87	+1	4 12 0
27½	21¾	Nil(c)	2½(c)	Southern Def. Stk.	22	22	...	2 5 6
96½	87½	1(a)	4(b)	Do. 5% Pref. Ord. Stk.	92	92	...	5 8 8
125⅜	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 5 10
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	18	17	−1	Nil
17½	10	Nil	Nil	B.A. & Pacific Ord. Stk.	10½	11	+½	Nil
35½	24½	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25	25½	+½	Nil
31½	20	Nil	Nil	B.A. Western Ord. Stk.	21½	23	+1½	Nil
34½	24½	Nil	Nil	C. Argentine Ord. Stk.	25	25½	+½	Nil
15	3½	Nil	Nil	C. Uruguay Monte V.	5	4	−1	Nil
18	12½	Nil	Nil	Can. Pacific Com. ($25)	12½	12½	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	86½	87½	+1	2 5 9
37	35	2(c)	2(c)	Costa Rica Ord. Stk.	36	36	...	5 11 1
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	12	12	...	Nil
46	24	Nil	Nil	Do. 6% Cum. Pref. Stk	24½	25	+½	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
96	86	†2(a)	†3(b)	San Paulo Ord. Stk.	88½	89½	+1	5 11 9†
28/9	20/7½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5½	2½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to June 30, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, June 23, 1937	Price, June 30, 1937	Rise or Fall	Yield June 30, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0d
376	334½	6(a)	6(b)	Bank of England Stk.	342½	339½	−3	3 10 9
80/10½	71/6	7(a)	7(b)	Barclay B. (£1)	76/6	76/6	...	3 13 0
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	42/6	42/6	...	2 13 6
10⅜	9⅝	3½(a)	4½(b)	Bk. of Australasia (£5)	9⅝	9⅝	...	4 1 0
£49½	£44⅝	8(c)	8(c)	Bk. of Montreal ($100)	£47	£46½	−½	3 11 0d
29⅝	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	28	28	...	3 2 0
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	95/-	...	6 6 4
17	15½	7(a)	7(b)	Chtd. of India (£5)	15½	15½	...	4 10 0
15/9	14/4½	3½(b)	3½(a)(o)	Comcl. Bk. of Aus. 10/-	15/-	15/-	...	3 9 3
94/-	84/-	8½(a)	8½(b)	District A £5, £1 pd.	87/6	86/3	−1/3	3 18 0
58/-	51/-	5(a)	5(b)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	95/-	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10 11/16	18(c)	18(c)	Hambros £10, £2½ paid	11	11	...	4 1 9
£121¾	£109 11/16	2½(a)	3(b)	Hong. and S. ($125)	£120	£120	...	4 11 8
69/-	59/9	6(a)	6(b)	Lloyds £5, with £1 pd.	61/6	61/6	...	3 16 0
10 1/16	8⅞	7(a)	7(b)	Martins £20, £2½ pd.	9½	9½	...	3 15 0
94/6	81/-	8(a)	8(b)	Midland £1, fully pd.	91/-	91/-	...	3 10 0
44½	39	4(a)	11(b)	Nat. of Egypt £10	41	41	...	3 13 3
47½	39	9(a)	9(b)	Nat. of India £25, £12½ pd.	43	42½	−½	5 6 0
16½	14 11/16	7½(a)	7½(b)	Nat. Prov. £20, £4 pd.	15½	15	−½	4 0 0
496	468	8½(a)	8½(b)	Royal Bk. of Scotland	475	475	...	3 11 9
16½	14 1/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15½x	15	−½	4 13 4
101/4½	90/9	9(a)	9(b)	Westminster £4, £1 pd.	93/-	93/6	+6d	3 16 0
				Discount Cos.				
94/6	75/-	9(a)	10(b)	Alexanders £2, £1 pd.	82/6	81/3	−1/3	4 14 0
6⅜	5½	5(a)	5(b)	National A £2½ fly. pd.	6	6¼	+¼	4 1 0
16 3/16	14½	9(a)	17(b)	" B £7½, £2½ pd.	14½	14½	...	4 11 9
54/9	45/-	(t)	6½(b)	Union £1 of stock	50/-	50/-	...	4 0 0t
				Insurance				
32	27½	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	−½	3 6 0
15 13/16	13⅞	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	14½	14½	...	2 16 0†
10 13/16	9⅞	20(a)	20(b)	Com. Un. £1, fully pd.	10½	10½	...	3 16 0
6 1/16	5½	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd	5¾	5¾	...	3 0 0
35⅜	30½	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	31	31	...	3 4 6
14	11¾	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd.	12½	12¾	+¼	2 11 0
21½	18⅝	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22½	19	†25(a)	†26½(b)	Pearl (£1), fully paid	19½	20	+½	2 11 0†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16½	16½	...	3 14 6
37⅜	33½	†93⅜(c)	†95½(c)	Prudential £1 A	34	33½	−½	2 18 6†
114/-	103/9	†43⅜(c)	†50(c)	Do. £1, with 4s. paid	110/-	110/-	...	1 15 0†
11 11/16	9 1/16	11(a)	19(b)	Royal Exchange (£1)	10½	10½	...	2 19 6
9⅝	8 13/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	9	8¾	−¼	3 14 0
19½	16⅞	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	17	17	...	3 14 0
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	85/-	85/-	...	3 2 0
8⅞	7½	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	8½	8½	...	2 4 0
21	19⅝	†17½(a)	†30(b)	Yorkshire £1, fully pd.	19½	19½	...	2 9 0†
				Investment Trusts				
311½	280	3½(a)	8½(b)	Anglo-American, Deb.	285	282	−3	4 5 1
80	73	2½(c)	3(c)	Anglo-Celtic Ord.	74½	74½	...	4 0 6
9/8½	5 9	1(c)	Nil(c)	Atlas Electric, etc. £1	6/3	5/9	−6d	Nil
18/1½	12/6	3(c)	7½(c)	Brit. Assets Trust 5/-	13/3	12/6	−9d	3 0 0
258	235½	6(b)	4(a)	Debenture Corp. Stk.	236½x	236½x	...	4 4 6
91	86½	1½(a)	2½(b)	For. Amer. etc., Def.	86½	86½	...	4 12 6
154½	147	2½(a)	4(b)	Guardian Investment	149½	148½	−1	4 7 7
305	275	3½(a)	7½(b)	Indus. and Gen. Ord.	280	275	−5	4 0 0
336	293	5(a)	8(b)	Invest. Trust Def.	297	297	...	4 7 7
23/3	19/3	2½(a)	6(b)	Lake View Invest. 10/-	20/6	19/9	−9d	4 5 9
303	278	3½(a)	8(b)	Mercantile Investment.	283	280	−3	4 2 2
181½	173	3(a)	4½(b)	Merchants Trust Ord.	177½	174½	−3	4 6 0
302	288	5(a)	7(b)	Metropolitan Trust	294	294	...	4 1 6
7/9	6/9	1½(c)	2½(c)	Scottish Investment (5/-)	6/9	6/9	...	1 18 0
252½	242½	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	239½	6½(b)	8(a)	Trustees Corp. Ord.	243½	239½	−4	4 6 0
253	228½	3(a)	7(b)	United States Debenture	232½	228½	−4	3 10 0
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	16/6	16/6	...	2 17 6
37	30	Nil	Nil	Australian Estates, etc.	30½	30½	...	Nil
45/-	29/7½	6½(c)	10(c)	Brit. S. Africa 15/- fy. pd	32/-	33/6	+1/6	4 9 0
30/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	25/-	25/-	...	8 0 0
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	1 12 0
48/7½	43/6	†2½(a)	†8½(b)	Daily Mail & General £1	44/6	44/-	−6d	5 2 0†
9⅝	8½	†3½(b)	3½(a)	Dalgety £20 £5 pd.	8½	8½	...	4 18 6
30/6	25/-	3½(a)	5(b)	Forestal Land £1	26/-	25/6	−6d	6 18 0
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	34/6	35/6	+1/-	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	28/9	28/9	...	4 3 6
14½	10½	Nil	Nil	Peruvian Corp. Pref. Stk.	11	10½	−½	Nil
18/4½	18/-	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/3	...	6 14 0
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	45/-	46/3	+1/3	4 6 0
				Breweries, &c.				
102/6	88/9	17½(b)	5(a)	Ansell's Brewery £1	91/3	90/-	−1/3	2 15 0k
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/-x	33/-x	...	4 16 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	133/6	132/-	−1/6	3 14 6†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	90/6	90/6	...	4 8 0
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	71/-	71/-	...	4 0 0
22/4½	18/3	5(c)	6(c)	City of London Def. 5/-	18/9	18/9	...	1 12 3
94/6	86/6	6(a)	14(b)	Courage Ord. £1	91/-	90/-	−1/-	4 8 0
124/9	102/9	12½(b)	7½(a)	Distillers Co. Ord. £1	113/-	114/-	+1/-	3 10 0
143/-	118/9	17(b)	12(a)	Guinness (A) Ord. Stk. £	130/-	132/6	+2/6	4 7 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	119/-	119/-	...	4 12 6
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/-	...	4 16 0
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/3	101/3	...	4 12 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	69/6	69/6	...	4 19 0
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	80/-	80/-	...	4 10 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	105/-x	105/-x	...	4 5 9†
72/9	57/6	4(b)	Nil(a)	S. African Dist. Ord. £1	59/-	60/6	+1/6	1 6 9
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	42/9	43/-	+3d	4 12 6
27/6	21/3	5(c)	6(c)	Walker (P) & R. Cain £1	24/6	24/9	+3d	4 16 0
88/-	72/-	12(b)	6(a)	Watney Combe Def. £1	82/-	82/-	...	4 7 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/-	30/7½	+7½d	7 6 0
4/4½	2/9	Nil	Nil	Amal. Anthracite £1	3/-	3/-	...	Nil
55/6	45/7½	4(a)	8(b)	Babcock Wilcox £1	48/9	48/9	...	4 2 0
18/4½	9/-	7½(c)	10(c)	Baldwins 4/-	9/9	9/9	...	4 1 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
60/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 8 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	35/-	35/6	+6d	4 5 0†
48/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6x	42/6x	...	3 15 0†
17/7½	11/10½	8½(c)	5(c)	Cammell Laird 5/-	12/6	12/9	+3d	1 19 0
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	26/6	26/6	...	5 5 0
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/-	13/6	+6d	3 14 0
85/6	76/6	5(a)	15(b)	Cory, William, Ord. £1	84/-	84/-	...	4 14 6
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	50/-	50/7½	+7½d	2 7 0
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	73/9	73/-	−9d	3 18 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	32/3	33/9	+1/6	3 11 0†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 8¾% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (t) Interim dividend of 7½% on smaller capital. Final of 6½% on larger capital. Yield worked on a 10% dividend basis. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (y) Yield basis 45% of face value.

Prices, Year 1937 Jan. 1 to June 30, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 23, 1937	Price, June 30, 1937	Rise or Fall	Yield June 30, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	3¾(a)	10(b)	Hadfields 10/-	31/6	32/-	+6d	4 6 0
12/3	6/1½	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/6	6/6	...	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	33/9	35/-	+1/3	4 6 0
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	33/9	35/-	+1/3	2 17 0
17/8½	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/3	17/6	+3d	2 5 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	14/3	14/-	−3d	3 8 0
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/9	26/6	+9d	5 5 6
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	22/6	22/6	...	5 11 0
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	48/9	48/9	...	4 2 1
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/3	41/3	...	5 16 6
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	47/6	47/6	...	5 1 0
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	26/3	26/3	...	4 11 5
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	46/3	47/6	+1/3	4 4 3
60/-	52/3	†6(b)	†3(a)	Staveley Coal, &c. £1	55/-	56/3	+1/3	3 4 6†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	38/9	38/9	...	3 17 5
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	28/9	30/-	+1/3	5 0 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/3x	13/6x	+3d	7 8 0
28/1½	21/7½	Nil	Nil	Thornycroft, John, £1	22/6	22/6	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-x	8/-x	...	3 2 6
$129½	$76½	Nil	Nil	U. States Steel $100	$96½	$98½	+$2	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	29/-	30/-	+1/-	5 0 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	27/9	28/-	+3d	3 11 0
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	30/-	30/-	...	5 0 0
49/4½	40/10½	6(c)	10½(c)	WeardaleSteel&c. Df. £1	42/6	42/6	...	5 0 0
156/3	135/-	12½(a)	22½(b)	Whitehead Iron & Stl. £1	140/-	140/-	...	5 0 0
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	65/-	65/-	...	4 12 6
				Textiles				
12/1½	7/3	Nil	Nil	Bleachers £1	8/3	7/6	−9d	Nil
12/6	7/6	Nil	Nil	Bradford Dyers (£1)	8/3	7/9	−6d	Nil
11/4½	6/10½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/-	7/3	+3d	Nil
15/6	10/9	Nil	Nil	Calico Printers £1	11/6	11/3	−3d	Nil
55/-	45/6	10(c)	10(c)	Coats, J. and P. (£1)	46/10½	46/10½	...	4 5 3
58/4	50/9	†2½(a)	7(b)	Courtaulds £1	51/6	51/9	+3d	4 1 0p
49/-	42/1½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	42/6	−7½d	4 14 0
14/6	9/-	Nil	Nil	Fine Cotton Spinners £1	9/6	9/3	−3d	Nil
38/3	33/-	3(a)	5½(b)	Linen Thread Stk. (£1)	35/-	35/-	...	4 16 0
69/3	62/3	†12½(c)	†12½(c)	Patons & Baldwins £1	63/9	62/6	−1/3	4 3 4†
23/9	16/6	2½(b)	2(a)	Whitworth & Mitchell £1	20/-	18/9	−1/3	4 16 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	47/-	47/-	...	4 5 0
95/-	91/10½	5(a)	15(b)	British Insulated (£1)	92/6	92/6	...	4 6 7
99/9	88/6	5(a)	15(b)	Callenders (£1)	90/-	90/-	...	4 8 9
78/-	55,6	6¼(b)	6(a)	Crompton Parkinson 5/-	57/6	57/[illegible]	...	1 1 0
87/6	30/-	Nil	Nil	English Electric £1	32/6	3[illegible]	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	78/6x	79/-x	+6d	4 8 0
23/-	18/6	3¾(a)	15(b)	Henleys (W. T.) (5/-)	19/6	19/6	...	4 13 0z
54/6	41/3	5(a)	5(b)	Johnson & Phillips £1	42/-	42/-	...	4 15 6
85/-	81/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	3 18 6
				Electric Light, &c.				
$32	$18	40cts.	50cts.	Brazil Trac., no par	$23⅞	$23⅞	...	...
78/-	67/-	6(a)	9(b)	Bournemouth & Poole	68/9	67/6	−1/3	4 8 0
81/6	25/6	2(a)	4(b)	British Power & Light £1	26/6	26/-	−6d	4 12 0
38/9	32/6	3½(a)	4(b)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	3(a)	7½(b)	County of London £1	46/6	46/6	...	4 10 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	40/-	40/-	...	4 10 0
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	33/6	33/6	...	4 7 0
51/3	44/3	3(a)	(g)9½(b)	Metro. Electric £1	45/-	45/-	...	4 9 0
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/6	36/-	−6d	4 7 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	31/6	31/6	...	4 8 0
56/6	45,9	4(a)	6(b)	North Metropolitan £1	46/3	46/3	...	4 6 0
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	36/-	36/-	...	4 8 0
45/9	38/3	3(a)	5(b)	Yorkshire Electric	40/6	39/-	−1/6	4 2 0
				Gas				
27/-	23/3	5¾(a)	5¾(b)	Gas Light & Coke £1	25/6	25/3	−3d	4 9 3
163¼	147½	4(a)	6(b)	Imp. Continental Stk.	150	150½	+½	6 13 0
26/9	23/-	2½(a)	2½(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 7 6
120	107	2½(a)	3(b)	S. Metropolitan Stk.	108½	108½	...	5 1 5
				Motors and Cycle				
52/3	40/7½	†5 5/16(b)	†2 1/16(a)	Assocd. Equipmt. Ord. £1	42/6	42/6	...	3 11 0†
50/4½	38/9	50(c)	50(c)	Austin 5/-	44/4½	43/9	−7½d	5 14 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	21/9	22/-	+3d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	31/3	32/6	+1/3	5 0 0
38/9	25/9	5(c)	6(c)	Ford Motors £1	26/10½	26/10½	...	4 9 3
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	3/-	3/-	...	2 10 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	67/6	+1/3	4 8 0
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	95/-	96/3	+1/3	4 2 0
43/9	36/6	†15(c)	45(c)	Morris Motors 5/- Ord.	37/6	37/-	−6d	6 2 0
15/3	9/9	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/-	73/-	...	6 3 0
6½	4 11/16	7½(a)	15(b)	Rolls-Royce £1	5 1/16	5 1/16	...	4 4 0
30/7½	23/1½	15(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	130/-	131/3	+1/3	3 16 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/9	...	Nil
10½	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	9	...	2 4 9
8/7½	6/-	Nil	Nil	Cunard £1	6/9	6/9	...	Nil
31/6	25/9	3(c)	Nil(c)	Furness, Withy £1	28/-	28/-	...	Nil
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	31/6	32/-	+6d	2 10 0
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/-	24/3	+3d	4 2 0
58/3	35/6	3(a)	4(b)	Anglo-Dutch £1	39/6	38/-	−1/6	3 14 0
53/9	38/3	5(c)	9(c)	Bah Lias £1	38/9	40/-	+1/3	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	26/3x	27/6x	+1/3	4 6 9
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	36/3x	36/3x	...	4 8 3
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	37/6x	37/6x	...	4 5 0
36/6	26/10½	Nil(c)	5(c)	Linggi Plantations £1	27/6	27/6	...	3 11 6
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	4/9	5/-	+3d	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/-	38/-	...	4 0 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/9x	4/10½x	+1½d	4 2 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	38/6	40/6	+2/-	4 18 0
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	38/9	38/9	...	6 8 9
132/-	103/-	5(a)	20(b)	Anglo-Iranian £1	120/-x	121/3x	+1/3	4 2 0
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	37/6x	38/-x	+6d	4 19 0
32/3	17/9	Nil	Nil	Attock £1	28/1½	28/1½	...	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/1½	3/3	+1½d	Nil
120/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	117/6	118/9	+1/3	4 15 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	46/3	45/7½	−7½d	5 14 0
32/4½	17/6	10d psc	11d psc	Mexican Eagle (Mex. $4)	18/-	18/-	...	4 16 0
11/6	5/7½	Nil(c)	3½(c)	Phœnix Oil £1	5/9	6/3	+6d	11 0 0
£52½	£42⅞	5(a)	11½(b)	Royal Dutch (fl. 100)	£46⅞	£46⅞	...	2 18 0
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	107/6	108/-	+6d	3 14 0†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	127/6	131/3	+3/9	4 4 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	48/1½	47/6	−7½d	6 4 0
				Miscellaneous				
26/3	23/6	5(c)	5(c)	Aerated Bread £1	24/4½	24/4½	...	4 2 0
35/-	31/9	8(c)	9(c)	Allied Newspapers £1	32/3	32/3	...	5 12 0
20/3	17/4½	Nil(c)	5(c)	Amal. Dental Def. £1	18/3	18/-	−3d	5 11 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	27/6	27/6	...	5 1 9
22/4½	20/3	6(b)	5(a)	Amal. Press (10/-)	20/6x	20/9x	+3d	5 6 6
18/1½	12/6	7½(b)	7(a)	Assocd. Brit. Picture 5/-	15/-	14/6	−6d	4 18 0
24/3	21/3	26¼(c)	26¼(c)	Assocd. Newsprs. Df. 5/-	22/-x	22/-x	...	6 0 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	90/-	90/-	...	5 0 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	80/-	77/6	−2/6	3 17 5
78/7½c	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/-	65/-	...	4 18 0

Prices, Year 1937 Jan. 1 to June 30, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 23, 1937	Price, June 30, 1937	Rise or Fall	Yield June 30, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	50/7½	50/7½	...	2 17 6
86/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/-	30/-	...	5 0 0
27/-	20/-	4(c)	5(c)	Bovril Deferred £1	21/3	21/3	...	4 14 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	20/3	20/-	−3d	9 0 0
64/6	45/-	15(b)	7½(a)	Bristol Aeroplane 10/-	47/6	48/9	+1/3	4 12 0
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	50/-	50/-	...	4 0 0
39/4½	35/4½	2¾(a)	5(b)	British Match £1	38/-	38/-	...	3 18 6
6 11/16	5 15/16	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6⅛	6 3/32	+1/16	3 4 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	97/6	97/6	...	3 2 0
30½	21	Nil	Nil	Cable & Wir. Holding { A. Ord.	24	24¾	+¾	Nil
114	01	5½(c)	5½(c)	Cable & Wir. Holding { 5½% Pf.	111½	111½	...	4 18 6
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8⅜	8 7/16	+1/16	4 3 0r
23/1½	15/-	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	15/6	15/6	...	9 12 0
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	21/3	20/6	−9d	4 18 6
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	50/-	51/3	+1/3	3 18 0
38/6	32/-	8(c)	9(c)	Dunlop £1	32/3	33/3	+1/-	5 8 0
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	50/-	50/-	...	6 0 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	19/6	19/9	+3d	5 0 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	32/6	33/-	+6d	5 6 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	18/3	19/-	+9d	5 4 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	55/-	56/3	+1/3	3 11 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/-	7/-	+1/-	Nil
48/7½	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	45/-	46/3	+1/3	3 18 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros. Def. (£1)	138/9	140/-	+1/3	2 17 0
91/10½	82/6	5(a)	13½(b)	Harrods £1	85/-	85/-	...	4 6 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/3	...	Nil
62/6	35/-	7(c)	8(c)	Imperial Airways £1	40/-	35/-xr	...	4 11 3
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	37/-	36/6	−6d	4 7 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	16/6	17/-	+6d	Nil
9 3/16	7⅝	†7½(a)	†17½(b)	Imperial Tobacco £1	7 7/16	7 7/16	...	3 6 0†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$57½	$58¼	+¾	3 8 8n
22/3	16/3	18(b)	8(a)	International Tea 5/-	16/9	16/9	...	7 14 0
76/3	58/6	22½(c)	22½(c)	London Brick £1	58/9	60/-	+1/3	7 10 0
6 11/16	5⅝	8½(a)	14½(b)	Lyons (J.) Ord. £1	6¼	6¼	...	3 11 6
90/7½	66/3	15(a)	25(b)	Marks & Spencer 'A' 5/-	68/9	70/-	+1/3	2 17 0
10/6	5,6	5(c)	7½(c)	Millars' Timber (4/-)	5/6x	5/9x	+3d	5 6 0
5 11/16	4¼	15(b)	7½(a)	Murex £1 Ord.	4 13/16	4 13/16	...	4 12 0
46/4½	40 6	2½(a)	9¾(b)	Phillips (Godfrey) £1	42/-	42/-	...	5 13 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	43/-	43/-	...	4 11 6
67/-	44/4½	22½(b)	12½(a)	Prices Trust Ord. (5/-)	52/-	51/3	−9d	4 7 6
67/-	60/-	3⅓(a)	11⅔(b)	Radiation Ord. £1	62/6	62/6	...	4 16 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	110/-	108/9	−1/3	4 2 0
18/9	13/6	†5(a)	†8⅓(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	10/6	6¼(c)	2½(c)	Smthfld. & Arg. Meat £1	14/3	14/6	+3d	3 7 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	45 6	15(c)	15(c)	Do. Deferred £1	46/3	46/3	...	6 9 9
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	88/1½	88/1½	...	4 2 6
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	61/3	61/3	...	3 5 3
77/6	67/6	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	65/-	63/9	−1/3	4 12 6w
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	82/6	82/6	...	4 17 0
112/6	87/6	13¾(b)	3¾(a)	Turner & Newall £1	88/9x	92/-x	+1/3	3 16 0
46/10½	37/9	3½(a)	4(b)	Unilever £1	40/-	40/-	...	3 12 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	54/6	55/-	+6d	4 11 6
34/9	24/-	10(b)	6½(a)	United Molasses 6/8	28/9	30/-	+1/3	3 9 0
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South) Ord. £1	8¾	8¾	...	4 10 6
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	42/6	42/-	−6d	5 17 0
45/-	38/-	3(a)	6(b)	Wiggins, Teape Ord. £1	38/6	38/-	−6d	4 15 3
96/3	73/6	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	76/3	74/4½	−1/10½	4 3 0
				Mines				
81/10½	53/9	85(c)	95(c)	Ashanti Goldfields (4/-)	56/3	60/-	+3/9	6 6 9
24/3	15/9	(e)6(b)	e 7½(a)	Burma Corp. (Rs. 9)	17/6	17/6	...	5 6 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	4/9	4/9	...	Nil
123/9	64/9	20(c)	6½(a)	Cons. Glds. of S. Af. £1	70/-	72/6	+2/6	5 10 0
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	31/3	37/6	+6/3	8 0 0
16 11/16	11½	95(b)	95(a)	Crown Mines 10/-	11⅞x	12¼x	+⅜	7 16 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	63/9	68/9	+5/-	5 16 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	47/6x	50/-x	+2/6	9 10 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	12	12⅜	+⅜	2 7 6
32½	17 3/16	Nil	Nil	Rio Tinto £5	19½	19	−½	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	63/9	63/9	...	2 7 9
14⅝	8½	90(b)	90(a)	Sub Nigel (10/-)	9x	9¼x	+¼	9 15 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	142/6	152/6	+10/-	5 11 0
19 11/16	7½	Nil	Nil	W. Witwatersrand 10/-	8⅝	8¼	+⅛	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	18/9	...	Nil

UNIT TRUSTS. Latest prices, supplied by managers and Unit Trusts Association.

Name and Group	June 30, 1937	Compared June 23
Municipal and Gen		
1st British	47/3-48/3	+3d
2nd British	29/9-30/6	+3d
3rd British	24/6-25/3	...
4th British	21/--21/9	+3d
For. Govt. Bond	22/3-23/-	+6d
Limited Invest.	22/9-23/6x	+3d
Mid. & Sthn. Inv.	21/3-22/-	...
Scot. & N.C. Inv.	21/3-22/-	...
Bank – Insurance		
Bank – Insur. Uts.	19/9-20/9	...
Insurance Units	21/3-22/3	...
Bank Units	18/9-19/9	−3d
Invest. Trust Units	16/9-17/9	...
Scot. B.I.I.T. Unts	17/3-18/3	...
British Empire		
British Empire "A"	22/4½ bid	...
Do. "B"	10/4½ bid	+3d
Do. Cum.	17/10½ bid	+1½d
Do. Comp.	18/10½-19/10½	+1½d
Do. First Unit	21/6-22/-	+3d
National		
National "A"	33/- bid	+1½d
Do. "B"	22/9 bid	+3d
Do. "C"	19/6-20/6	...
Do. "D"	20/--21/-x	+3d
Do. Inv. Group	15/9-16/9	+1½d
Amalgamated Certs	22/3-23/3	+6d
Century	19/4½-20/4½	+1½d
Commercial	21/4½ bid	+1½d
Gilt-edged	18/3-18/9x	...
Scottish	18/9-19/9	+3d
Universal	20/10½-21/10½	+1½d
First Provincial		
First Prov. "A"	21/3-22/3	...
" "B"	17/6-18/6	+3d
Do. Reserves	17/9-18/9	+3d
British General		
Capital Securities	10/3-10/6	...
British General "A"	21/3-22/3x	...
British General "B"	20/7½ bid	+1½d
British General "C"	19/7½-20/7½	+1½d
First Recovery	7/6-8/1½	...

Name and Group	June 30, 1937	Compared June 23
Rubber & Tin	1/9½-1/11	...
Key tone		
Keystone	18/6-19/6	+1½d
Do. 2nd	16/6-17/6	+1½d
Do. Flexible	18/1½-19/1½	+1½d
Gold Prod. Dep. Rec	22/- xbid	+1/9
Do. 2nd Series	16/3-17/3x	+1/-
Do. 3rd Series	12/6-13/6x	+7½d
Rand Certificates	18/3x bid	+1/6
Oil Certificates	27/1½ bid	+6d
"15 Moorgate"		
Hundred	20/9-21/9	+3d
Investors Flexible	16/9-17/9	...
Do. Gas & Elec.	13/4½-14/4½	...
Do. General	19/1½-20/1½	+4½d
Do. 2nd General	17/--18/-	+1½d
Do. Gold	14/4½-15/4½	+1/-
Prov. Investors	17/--18/-	...
Security First	18/10½-19/10½	+3d
F.T.M.		
Aviation & Univer.	9/6-10/-	...
Domestic	8/9-9/3	...
Protected		
Protected 1st	22/6-23/6	+3d
Do. 2nd	20/--21/-x	...
Do. 3rd	15/3-16/3	+3d
Allied		
British Indus. 1st	20/9-21/9	...
Do. 2nd Series	18/3-19/3x	+3d
Do. 3rd Series	19/3-20/3	+3d
Do. 4th Series	20/3-21/3	...
Elec. Industries	18/6-19/6	...
Metals and Minerals	15/9-16/9	+6d
Selective		
Selective "A"	17/10½-18/10½	+3d
Do. "B"	18/4½-19/4½	+3d
British Transport	17/6-18/6	...
Bank Insce. & Fin.	17/9-18/9	...
Brewery Trust Unts	16/6-17/6	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 13⅓ annas per share of Rs. 9. Taken at 16 annas to one rupee. † Free of Income Tax. (v) Yield worked on a 35% basis. (p) Yield worked on a basis of £10 5s. 7d. per cent. less tax. (w) Yield worked on a 12½% basis. (t) Special Jubilee bonus. (s) Last year's dividend equal to 18¾% on increased capital on which yield is worked.

(*Continued from page 33*)

advance has been halted. Trading remains slack and collateral borrowings on the Montreal Stock Exchange totalled only $37 millions for May, compared with $41 millions for April. Although prices have moved irregularly, they now stand considerably higher than the low point reached at the end of April. Hopes of recovery ahead are still meagre, and investors continue to display great caution. Towards the middle of the month there was an average loss of 1½ points on the Montreal Exchange for the leading industrial and utility stocks, due to the depression in Wall Street and to anxiety about the French situation. Advances have been confined to oil companies operating in Alberta, which have risen on favourable drilling developments. The mining market has been thoroughly reactionary and gold stocks have fallen. A short burst of cheerfulness in Toronto was followed at the end of the month by a recession. The bond market shows its usual summer torpor, but high-grade government and corporation bonds remain firm. The "Investors'" Index of the Bureau of Statistics, which stood at 130·4 on May 14th, rose to 134·0 by May 30th, but has since fallen to 131·2. The average for the week ending June 10th was 131·8, against 113·8 for the corresponding week of 1936.

	Price, June 2, 1937	Price, June 30, 1937	June 30, 1937 Eng. Equiv.†
			£
Bell Telephone ...	166½	168	169 ⅛
Canadian Car and Foundry	16½	15⅝	15 ⅜
Do., prefd.	25	25	25¼
Power Corporation	22	18	18 ⅛
Dome Mines	39	39½	39⅞
Hollinger	11¼	11	11⅛
McIntyre.....	33⅜	34¼	34⅜
Bank of Canada...	58	58	58 ⅞
Bank of Montreal	234	225	227½
Bank of Nova Scotia	326	325	328¼
Royal Bank of Canada.....	204½	200	202
Canadian Bank of Commerce	197	185	186⅞
Canadian Pacific Ry.	13½	12½	12⅝
Cockshutt Plow ...	16⅜	16⅛	16⅛
Dominion Glass ...	111	105	106 ⅛
International Petroleum	34⅜	33⅞	34 ⅛
Brazil Traction ...	24½	23⅝	23¾
British Columbia Power "A"	35	34	34 ⅛
Do., "B".....	7	7½	7 ⅜
Canada Cement ...	16⅜	15	15¼
International Nickel	59½	58	58 ⅜
Massey Harris Com.	12	11	11⅛
Montreal Light	29½	29⅞	30 ⅛
Ogilvie Flour Mills	240	240½	242 ½
Quebec Power	17	18	18 ⅛
Shawinigan Water	26⅜	26⅞	27
Steel Co. of Canada	79	78½	79 ⅛

†$4·95 to £

CAPITAL ISSUES

THE new issue market has been somewhat more active this week. The largest issue—and certainly the most confusing—was of 1,000,000 £1 ordinary shares in *Imperial Airways* at 30s. The circumstances of this issue, and the future investment position of the shares are discussed on page 28. The *Mercantile Estate and Property Company* has offered £1 ordinary shares at par through Charterhouse Investment Trust. The Trust has also acquired £300,000 of 4 per cent. debenture stock, which has been placed privately at 96 per cent. The leasehold properties acquired consist of certain modern office premises in the City, and a furnished flat and shop property in the West End. On the basis of the first year's estimated revenues, the ordinary shares should earn 6 per cent. and over 7½ per cent. when the properties are fully let. The *Union Cinemas Subsidiary Properties* issue of 6 per cent. participating preference shares at par ranks after a 5 per cent. mortgage securing £638,042. The Company derives its income from leases of 17 properties to Union Cinemas (which provides for maintenance) at annual rentals totalling £89,262. On the basis of the parent Company's profits, the preference shares, which participate up to 8 per cent., appear well covered. The *Dorchester Hotel* 4½ per cent. debenture stock issued at 97 is offered in conversion of the existing 6 per cent. debentures. The profits of the undertaking show a considerable expansion during 1936, and on the present earnings basis the debentures are satisfactorily covered. Statements for information only have been published by *Associated Gas and Water Undertakings, Polberro Tin, Aveling-Barford,* and *Ambrose Wilson.*

TOTALS OF CAPITAL ISSUES DURING WEEK

Net Sales of National Savings Certificates, eleven days, June 30, 1937, *Dr. £50,000*

	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	2,060,000	...	2,543,500
To Shareholders only	2,116,163	470,536	2,242,378
By Stock Exchange Introduction	1,085,000	...	1,285,500
By Permission to Deal.....	432,201	...	2,145,131

Total Capital Raised—	Including Conversions	Excluding Conversions
	£	£
1937 (New Basis)...	343,255,299	296,661,603
1937 (Old Basis) ...	233,754,883	189,593,122
1936 (New Basis) ...	265,375,145	180,191,953
1936 (Old Basis) ...	186,910,302	102,614,361
January 1 to date (Old Basis)—		
1935	170,082,888	69,112,346
1934	272,487,065	105,048,246
1928	...	259,282,485

Total offered for Subscription—	Including Conversions	Excluding Conversions
	£	£
Whole Year (New Basis)—		
1936 ...	642,017,245	494,139,765
1935 ...	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936 ...	402,470,003	255,570,993
1935 ...	548,351,393	236,147,637
1934 ...	410,980,300	169,108,700
1933 ...	467,921,500	244,780,500
1928 ...	683,000,058	389,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom	British Empire (excluding United Kingdom)	Foreign Countries	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	249,850,564	45,637,579	1,193,460	296,661,603
1937 (Old Basis)	175,604,086	13,989,036	Nil	189,593,122

Nature of Borrowing (Excluding Conversions)

	Debentures	Preference	Ordinary	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis).....	151,115,985	19,939,146	125,606,472	296,661,603
1937 (Old Basis)	137,477,067	13,432,231	38,683,824	189,593,122
1936 (New Basis).....	66,146,097	22,372,004	91,673,852	180,191,953
1936 (Old Basis)	56,563,024	10,592,932	35,458,405	102,614,361
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982 500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Imperial Airways.—Issue of 1,000,000 £1 ordinary shares at 30s. Receive half of profits after 10 per cent. dividend; special dividend fund maintained from March, 1938. Government annual payment, £1,650,000, reducible to £1,350,000; includes £900,000 for mails; reviewed triennially. Profit balance, years to March 31: 1934, £97,397; 1935, £168,932; 1936, £181,273—after obsolescence £191,336, £192,960, £199,328, and subsidy, £524,494, £494,495 and £389,390, respectively. Total assets, £1,639,890. Existing holders have preferential right to take one new share for one held.

Union Cinemas Subsidiary Properties.—Issue at par of 300,000 6 per cent. cumulative participating £1 preference shares. Receive also up to further 2 per cent. after 6 per cent. on ordinary. Owns 17 cinemas, leased to Union Cinemas, Ltd., for £89,262; valued at £1,105,440; subject to a 5 or 5½ per cent. mortgage for £638,042. Available for dividends, £49,110 (after £31,902 5 per cent. mortgage interest). Union Cinemas (whose earnings for rents are estimated at £220,000 to £270,000) take 1,000,000 4s. ordinary shares at 4s. 7½d. Lists closed 9.5 a.m., June 29th. Oversubscribed.

Dorchester Hotel.—Issue of £550,000 4½ per cent. first mortgage debenture stock at 97. Redeemable at par, 1970, or from 1938 by drawings, or from 1947 on notice at 102½; no prior charge can be created without consent. Proceeds to redeem existing 6 per cent. debentures. Profits, before interest, after maintenance: 1934, £53,541; 1935, £57,327; 1936, £75,100. Debenture service requires £26,125. Net assets, £1,090,771. Now under management of directors; formerly managed by Gordon Hotels.

BY OFFER FOR SALE

Mercantile Estate and Property Company.—Offer for sale of 210,000 £1 ordinary shares at 20s. Property investment company; acquisitions valued at £632,750. Aggregate income, £84,314; estimated net income, £39,000 first year, leaving £30,850 available for debenture interest (taking £12,000) and over 6 per cent. for ordinary, or 7½ per cent. when fully let. Purchase price, £600,000 payable by £300,000 4 per cent. first mortgage debenture stock and 300,000 ordinary shares. Charterhouse Investment Trust buy all stock at 95 and ordinary shares offered at 19s. (or 95⅛ and 19s. 3d., respectively, including expenses).

FORTHCOMING ISSUE

Odeon Theatres Ltd.—Lists will open and close on Wednesday next, July 7th, for an issue of £1,800,000 5 per cent. first mortgage debenture stock at £99 per cent. and 180,000 5s. ordinary shares at par. The prospectus will show that the company owns 86 cinemas, of which 61 have been erected during the last five years, valued at £3,648,450. The debenture stock will be secured by a first charge on the properties, and a floating charge on the remaining assets. Estimated profits in a full year, £460,000 covering debenture service 3¼ times, and 29 per cent. earnings on the ordinary capital after preference dividends. Recent profits, approximate calendar years: 1934, £71,883; 1935, £139,528; 1936, £225,509.

BY STOCK EXCHANGE INTRODUCTION

Aveling-Barford, Ltd.—Issued capital, 640,000 5s. ordinary and 160,000 5½ per cent. cumulative £1 preference shares. Makers of power-driven rollers. Properties, plant, etc., valued at £239,951. Profits, after depreciation, years to March 31, 1935, £7,946; 1936, £39,237; 1937, £38,292. Messrs Cohen, Laming, Hoare take 110,000 preference shares at par. Total assets, £399,667 (stock, £195,006).

Ambrose Wilson, Ltd.—Issued capital, 300,000 4s. ordinary shares; also 200,000 5½ per cent. cumulative £1 preference shares, of which 160,000 taken by Charterhouse Investment Trust at par, less 5 per cent., and 40,000 bought at 19s. Proceeds for redemptions and repayments. Mail order business. Net assets, £251,001. Profits, after depreciation: 1933, £42,097; 1934, £55,473; 13½ months to February 15, 1936, £46,044; year to February 15, 1937, £64,545.

Polberro Tin, Ltd.—Issued capital, 640,000 2s. 6d. shares (remainder of 800,000 authorised under option at par to vendors till 1940). Acquires licence to develop Royal Polberro Consols mine in Cornwall (closed since 1880); also plant, etc. Estimated: mill output, 45,000 tons annually; tin concentrate, 683 tons (70 per cent. content); all-in costs, 27s.; smelting charges, £12; depreciation, £2,500. Estimated net profit on that basis (tin at £200), £23,174. Purchase price, 160,000 shares and option on same number at par. Vendors acquire plant, etc., for £11,000; licence for £5,000.

Associated Gas and Water Undertakings.—Particulars of issue of 250,000 4 per cent. redeemable cumulative £1 preference shares. Rank with other preference shares. Redeemable 1952 at 2½ per cent. premium. Snell and Swaffield place issue at par for 3d. commission.

ISSUES TO SHAREHOLDERS ONLY

Associated Gas and Water Undertakings.—Issue of 250,000 4 per cent. cumulative £1 preference shares at par; also 250,000 £1 ordinary shares at 20s. 6d.

Emerald Rubber and Coconut.—Issue of 26,873 new £1 ordinary shares at 30s. to shareholders as at July 2nd (one new for seven held).

Forward Trust.—Issue of 200,000 10s. ordinary shares at 35s. to shareholders as at June 11th (one new for five held). To rank from May 1, 1937.

Lamson Investments.—Issue of 200,000 5s. ordinary shares at par.

Low Temperature Carbonisation.—Issue of 3,187,500 2s. shares at 3s. 3d. to stockholders as at June 10th (one share for four ordinary stock units).

Odhams (Watford).—Issue of 150,000 5½ per cent. cumulative £1 preference shares at 21s.

Seager, Evans and Company.—Issue of 95,500 £1 ordinary shares at £2 to ordinary stockholders registered June 16th (one share for every £4 ordinary stock held). To rank for any final dividend for year to July 31, 1937.

Trent Motor Traction.—Issue of 75,040 new £1 ordinary shares at par to ordinary shareholders registered June 21st (one new for five held). To rank from July 1, 1937.

Aplin and Barrett.—Issue of 50,000 6 per cent. cumulative preference shares of £1 at 24s. To rank from July 1, 1937.

Metal Box.—Issue of 109,266 £1 ordinary shares at £3 (one new for ten held).

Davy and United Engineering.—To complete extensions, existing holders will be offered additional shares in the proportion of 18 new to 100 old, at 23s.

CONVERSIONS AND REPAYMENTS

Four per Cent. Victory Bonds.—Bonds amounting to £3,502,200 have been drawn for repayment at par on September 1st.

The Perak River Hydro-Electric Power Company, Ltd.—The directors will redeem the £400,000 4 per cent. prior lien debenture stock on July 21, 1937, at par.

Barclay Perkins and Company, Ltd.—The £470,536 5 per cent. mortgage debenture stock, 1937-77, is to be repaid at 102 on January 1, 1938. The company has created £750.000 4 per cent. mortgage debenture stock, the 5 per cent. stockholders having the right to convert into an equal amount of 4 per cent. stock and 7s. 6d. per cent. cash.

UNIT TRUSTS

Trust of Rubber and Tin Shares.—Managers, Specialised Unit Trusts, Ltd. Flexible and cumulative; 5 years' life; portfolio covers 85 rubber (85 per cent. of fund) and 20 tin companies (40 per cent. of fund). Maximum, 5 per cent. of fund or 5 per cent. of any class of any one company. Minimum initial purchase: 250 units: price, about 2s. Price rounded to 1d. Service charge (including trustees'), initial 5 per cent. plus ¼ per cent. half-yearly. Voting rights exercised by managers.

RESULT OF ISSUE

London County Stock.—Underwriters to recent issue of £10,000,000 3½ per cent. consolidated stock, 1952-62, had to take up 89·1 per cent.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	June 23, 1937	June 30, 1937
Allied Newspapers Ord. 20/–	33/–	33/–	1/0–6d dis	1/0–6d dis
Do. 6½% 1st Pref. 20/–	27/6	27/6	1/0–1/6 pm	1/0–1/6 pm
Australia 3½% 1950–52	96½	21½	1¼–1⅜ dis	1⅜–1⅜ dis
Cork Manufacturing Ord. 5/–	11/–	11/–	10/3–10/9	9/10½–10/4½
Do. 6% Pref. 5/–	5/9	5/9	5/9–6/3	5/6–6/0
County of London Electric 4% Pref. £1	20/6	5/–	4½d dis–1½d pm	4½d dis–1½d pm
3½% Debs.	94½	20	¼ dis–par	¼ dis–par
Do.	...	...	102½–102⅝	102⅜–103⅛
Devenish (J. A.) 4% Deb.	2/–	2/–	...	1/4½–1/7½
Finch (B.) and Co. Ord. 2/–	10/–	10/–	...	9/3–9/9
Do. 6% Pref. 10/–	...	...	...	23/0–23/9
First Conv. Invest. Trust £1	103	103	¼–½ dis	102½–103
Imperial Cold Storage 5% Debs.	100½	5	...	⅜–½ dis
L.C.C. 3½% 1956–62	101	26	¼ dis–par	¼ dis–par
Leeds 3½% 1957–60	20/–	10/–	6d dis–par	7½d–11d dis
Lewis (J.) Properties 4½% Pref. £1	£1	£1	...	19/6–20/6
Mercantile Estate Ord. £1	100	30	1⅛–1 dis	1⅛–1⅜ dis
Met. Water Sydney 4% Debs.	99½	49½	3⅜–3½ dis	3⅜–3⅝ dis
National Defence 2½% Loan	5/9	5/9	5/9–6/3	6/0–6/6
Oldham Paper Ord. 4/–	10/–	10/–	9/7½–10/1½	9/7½–10/1½
Do. 6% Pref. 10/–	20/–	10/–	3d–6d pm	3d–6d pm
Scottish Power 4% Pref. £1	5/–	5/–	4/7½–4/10½	4/9–5/0
Spurling Motor Bodies 4/–	£100	20	3⅛–3⅜ pm	2⅜–3⅛ pm
Steel Corporation of Bengal 4½% Deb.	1/–	1/–	1/0–1/3	1/1⅛–1/4½
Trianco Ord. 1/–	10/–	5/–	1/3–9d dis	1/3–9d dis
Do. do. Pfd. Pref. 10/–	20/–	5/–	9d–3d dis	9d–3d dis
United Kingdom Gas 4% Pref. 20/–	100½	70½	⅛–¼ pm	⅛–1⅛ pm
West Riding County Council 3½%				

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
TEA AND RUBBER				%	%
Anglo-Dutch Plantations	4%†	...	2%†	7	4
Bertam Consolidated Rubber	9%†	...	...	14	7⅛
Bogawantalawa District Tea	...	...	...	7	8
Braunston (Malay) Rubber	2½%*	July 23	Nil*	...	...
Central Johore Rubber	...	July 27	...	15	5
Craigielea Rubber	...	July 27	...	10	5
Escot Rubber	3%*	July 30	Nil*	...	...
Ipoh Rubber	5%*	...	Nil*	...	...
Java Para Rubber	...	...	...	10	2½
Jeram Rubber	...	July 31	...	6¾	5
Kawie (Java) Rubber	8½%†	...	...	12½	5
Kuala Pergau Rubber	...	...	...	5	Nil
Martapoera Rubber	...	July 20	...	6	2½
Merlimau Pegoh	12%†	...	...	15	7½
Pusing Rubber and Tin	...	July 17	...	12½	6
Taiping Rubber	3%*	July 12	Nil*	...	...
MINING					
Anglo-Transvaal Consolidated	50%*	...	Same	...	...
Luipaards Vlei Estate	25%*	Aug. 5	Same	...	...
North Kalgurli (1912)	37½%†	Aug. 10	...	75	62½
San Francisco Mines of Mexico	...	July 19	...	7½	Nil
Do. do.	12½%*	July 19	Nil*	...	...
South Kalgurli Consolidated	20%†	...	...	40	70(s)
Wankie Colliery	5%*	July 15	...	...	...
OTHER COMPANIES					
Ailsa Investment Trust	...	...	...	2½	1½
Aircraft Components	...	...	First	5	...
Alders (Tamworth)	5%*	July 15	4%*	...	...
Amalgamated Dental (Def.)	...	...	...	5	5
Aristoc	7½%*	July 20	Same	...	...
Avery (W. & T.)	10%†	...	Same	15	15
Bassett (George) and Company	15%†	...	133⅓%†	20	18⅔
Beira Works	...	July 31	...	1/5·4 p.s.	10d. p.s.
British Glues and Chemical	(c) 30%†	July 23	Same	(c) 50	50
British Plaster Board	...	...	...	5⅔	4⅔
Clyde and Mersey Investment	...	...	...	7½	5
Davy and United Engineering	...	...	Same	5	5
Downing (G. H.) and Company	3%†	...	...	10⅔	10
Duff Development	...	...	...	...	...
Great Northern Telegraph	21%*	July 1	Same	...	...
Greyhound Racing Trust	15%*	...	10%*	...	...
Guardian Investment	2½%*	...	Same	...	...
Hammond Lane Foundry	5%*	...	Same	...	...
Handley Page	50%	...	...	...	...
Hollis Brothers	...	...	...	7⅓	6
Jerusalem Electric	...	July 28	...	6	5
Lancashire and Yorkshire Waggon	...	...	...	7½	6
Lockhart (Alfred)	2½%*	...	Same	...	...
London Electric Wire	2½%*	June 30	Same	...	...
Lovell and Christmas	5%†	...	8%†	7	10
Melville Trust	...	...	...	2	Nil
Metal Box	(c) 10%†	...	9%†	(c) 15	12½
Metropolitan Electric Cable	...	...	...	5	5
Midland Woodworking	11½%†	...	...	17½	12½
Morrisons (Gowns)	...	...	...	15	Nil
Openshaw Brewery	5%*	...	Same	...	...
Second Great Northern Investment Trust	...	July 13	...	2	Nil
Silentbloc	9d. p.s.†	...	...	58¾	42½
Sterling Trust	2%*	July 31	Same	...	...
Swan, Hunter and Wigham Richardson	3%*	Aug. 31	2½%*	...	...
Tamplin and Sons' Brewery	6½%†	July 23	Same	10	10
Trustees Corporation	7%†	...	...	10	9
United Fruit	75c. p.s.	July 15	Same	...	...
United Kingdom Tobacco	4%†	...	Same	8	8
Vactric	5%*	Aug. 16	...	...	...
Williams and Williams	10%†	...	...	15	10

(c) Paid on a larger capital. (s) Included special dividend of 20 per cent.

BRITISH GLUES AND CHEMICALS.—Ordinary dividend, 10, compared with 7½ per cent.

MERLIMAU PEGOH.—Final ordinary dividend, 12 per cent., making 15 per cent. for year, against 7½ per cent.

WILLIAMS AND WILLIAMS.—Final ordinary dividend, 7½ per cent., plus 2½ per cent. bonus, making 15 against 10 per cent. for year on larger capital.

BRITISH PLASTER BOARD.—Final ordinary dividend, 30, making 50 per cent. for year, but on a larger capital.

AIRCRAFT COMPONENTS.—First ordinary dividend, 5 per cent.

METAL BOX COMPANY.—Final ordinary dividend of 10 per cent., making 15 per cent. for year on £1,092,873, against 12½ per cent. on £987,155.

BRITISH INDUSTRIES FIXED TRUSTS (Second Portfolio).—Income distribution of 4·0 pence per sub-unit, free of tax.

AMALGAMATED DENTAL.—Profit for 1936, £195,941, an increase of £5,222. Deferred ordinary dividend, 5 per cent. as before.

WHITE DRUMMOND
& COMPANY LTD.
(ESTABLISHED 1900)
CAPITAL ISSUES
9 CLOAK LANE, LONDON, E.C.4
TELEPHONE · CITY 5201

COMPANY MEETINGS

BLEACHERS' ASSOCIATION, LIMITED

IMPROVED MARGIN OF PROFIT

EXPORT TRADE DIFFICULT AND OUTLOOK UNCERTAIN

BENEFITS OF COLONIAL PREFERENCE

SIR ALAN SYKES'S REVIEW

The annual general meeting of Bleachers' Association, Limited, was held, on the 25th ultimo, at Manchester. Sir Alan Sykes, Bt. (the chairman), presided.

The chairman, in the course of his address, having dealt with the figures in the balance sheet, said: The trading profits available, after providing for income tax, central charges, and interest, and after charging £157,811 for repairs and maintenance, amount to £320,748. From the available profits there are deducted directors' fees amounting to £2,349, depreciation £140,000, and debenture interest £101,250, leaving a balance of the year's profits amounting to £77,149. The amount brought forward from the last account—£174,669—gives us a total available balance of £251,818.

Your directors have given the most careful consideration and a great deal of thought to the question of the disposal of the available profits from the past year's trading, and they have come to the conclusion that, in the circumstances, they are justified in recommending the payment of a dividend on the preference stock at the rate of 5½ per cent. per annum for six months in respect of arrears to December 31, 1933, and that the remainder of the available balance, amounting to £183,411, be carried forward to the next account.

We have sufficient profit in hand from the past year's trading to permit this distribution without depleting our resources in any way, and we feel that the recommendation which we make is a right and proper one in the circumstances. At the same time, I am bound to point out that trading conditions and the general outlook are such that it would be unwise to assume that we shall necessarily be able to make a similar recommendation next year. Of one thing you may be sure, and that is that your directors will continue to do all that they can to further the interests of the company as a whole.

The improvement in the margin of profit earned during the past year is not due to any material increase in the volume of our trade, but is almost entirely attributable to the economies which we have been able to effect in the cost of production, in spite of the tendency towards higher prices for commodities and higher rates of remuneration for our workpeople. I think the result is one for which the managing directors deserve our thanks, and I know that they would be the first to acknowledge the valuable assistance which they have received from our branch managers and our head office staff. I should like to take this opportunity of recording our thanks to all of them for the work which they have put in during the past year.

COTTON TRADE CONDITIONS

Those of you who depend on current reports for your knowledge of the condition of the cotton trade may be wondering why the accounts which have been presented to you do not reflect, to any great extent, that return of prosperity to the cotton trade of which, no doubt, you have read. Improvement there certainly has been, but it has not been uniform. It has been most marked in the spinning section of the industry, and, unfortunately, it is often assumed that the conditions which obtain in that section are typical of the cotton trade as a whole.

I make no excuse for dealing with this subject somewhat fully, as it is important that the matter should be placed in correct perspective, not only so that you as stockholders may be satisfied, but that the Government, who have under consideration ways and means of assisting the cotton industry to recover its export trade, should not be under any misapprehension as to the real position.

According to the figures published by the International Cotton Federation, the mill consumption of raw cotton in the United Kingdom increased by 28 per cent. between 1930 and 1935, and by 7 per cent. between 1935 and 1936—a total increase between 1930 and 1936 of 37 per cent.

The production of cotton yarn, recorded in the Census of Production, increased by 17 per cent. between 1930 and 1935, and the index prepared by the Joint Committee of Cotton Trade Organisations shows a further increase of 10 per cent. between 1935 and 1936—a total increase between 1930 and 1936 of nearly 30 per cent.

PIECE GOODS PRODUCTION

If now we look at the production of cotton piece goods, which I might call the raw material of our trade, we find, from the Census of Production, that between 1930 and 1935 there was an increase of only 1 per cent. in square yardage, and, as far as can be judged from the figures available, the production in 1936 was no greater, and probably slightly less, than in 1935.

With an increase of 1 per cent. or less in the production of cotton piece goods, it is clear that we must look elsewhere to account for the increase of 37 per cent. in the mill consumption of cotton and the increase of 30 per cent. in the production of yarn. Contrary to experience in the piece goods trade—where exports have shown a substantial decline between 1930 and 1935 and a continuation of that decline in 1936—exports of cotton yarn increased by 10 per cent. between 1930 and 1936, and of that increase more than 6 per cent. occurred last year. In addition to this, there has been a larger demand for cotton yarn from the woollen and worsted trade, as well as from the lace trade and the hosiery trade.

As our turnover is derived almost entirely from the processing of cotton piece goods you will readily appreciate the reason why our figures do not reflect an improvement comparable with that which has taken place in the spinning section of the industry.

IMPROVED COLONIAL TRADE

After referring to the decline in the total exports of bleached cotton piece goods, which had fallen by more than 30 per cent. since 1930, and particularly to the reduction in exports to India, China, Morocco, and Egypt, the chairman continued:—

But it is not altogether a picture of unrelieved gloom. In some directions we have established definite gains. Trade in bleached goods with the Dutch East Indies and with British Malaya has expanded slightly during the last year, and there has been a substantial increase in our exports to British West Africa. In Egypt also we have made better progress in 1936, although, as I said a few moments ago, the trade is little more than one-third of that which was done in 1930. There have been small gains in South Africa, United States of America, and Canada, but it is noticeable that the greatest improvement has occurred in those markets where imports have been regulated by quota. This has been particularly marked in the case of those of our own colonies where such arrangements have been in force.

Exports of bleached cotton piece goods from the United Kingdom to colonial markets where quotas are in operation were practically doubled between 1934 and 1935 as a result of those arrangements; and the exports for 1936 are almost three times as great as those of 1934. Much the same is true of cotton piece goods of all kinds, and, although the advance has been less spectacular, British trade with these particular markets in 1936 was twice as great in volume as in 1934.

This substantial improvement is a testimony to the value of the steps taken by the British Government to protect our trade with our colonies, and it is not inopportune that it should be stressed at the present time, when so much emphasis is laid upon the desirability of freeing international trade from many of the restrictions by which it is bound. The protection of our trade by the imposition of quotas was not in any way a cause of the contraction of international trade. Those arrangements were a necessary consequence of disturbances of a more deepseated character. They were protective measures designed to minimise the disastrous effect of these other disturbances upon our export trade, and, as they were the last and the least inimical of the protective measures necessary, they must be the last to be removed. Any modification of these essential provisions, which ultimately may be found possible, must be postponed until the conditions which necessitated their imposition have been corrected.

The chairman concluded with a reference to the uncertain outlook for the bleaching trade and to the rising tendency in costs of production, to meet which a moderate increase in prices had been decided upon. He expressed the hope that, at the next annual general meeting, he would be able to report a continuation of the slight improvement revealed by the accounts for the past year.

The resolution approving the report and accounts was moved by the chairman, seconded by Sir William Clare Lees, Bt., and carried.

The retiring directors were re-elected and Messrs Jones, Crewdson and Youatt and Messrs P. and J. Kevan were reappointed joint auditors.

The meeting terminated with a vote of thanks to Sir Alan Sykes for presiding, proposed by Mr E. R. Clark and seconded by Mr R. W. Bennett.

MEXICAN RAILWAY COMPANY, LIMITED

EFFECT OF FURTHER INCREASE IN COSTS

REMARKABLE IMPROVEMENT IN TRAFFICS IN CURRENT YEAR

The 144th ordinary general meeting of the Mexican Railway Company, Limited, was held, on the 30th ultimo, at Winchester House, E.C.

Mr Vincent W. Yorke, the chairman, commenced by expressing regret at the absence of the secretary, Mr C. Tennant, who had just undergone a severe operation, from which they all hoped he would make a speedy recovery. (Hear, hear.) He went on to express pleasure at the presence of Senor Aaron Saenz, a member of the board in Mexico.

Proceeding, he said:—I much regret that the forecast which I made to you at our last meeting has turned out to be correct, namely, that we would show an actual operating loss for the half-year. The loss when converted into sterling was as much as £5,954. Inasmuch as this was after showing an increase in gross traffic of 7 per cent., the working of the railway for the half-year can only be described as most disappointing.

Passenger and express traffic for the half-year show together a decrease of $75,000, the increase of $63,700 in passengers being more than wiped out by the decrease of $138,700 in express. This latter result is due to our having had to come to the assistance of the company which has held the contract for working of our express traffic for the last seventeen years.

INCREASE IN PASSENGERS

The increase in passengers, which consists wholly of second class passengers, reflects a greater amount of prosperity among the working classes. Of the total increase of $515,000 in freight traffic no less than $277,000 is attributable to fuel oil and must, I fear, be looked on as fortuitous. It has been mainly due to the breakdown of a bridge on the line of the National Railways in the Tampico district and the consequent diversion of this traffic during its repair. The increases in both foreign and national traffic show healthy and satisfactory growth.

Unfortunately the increases which I have mentioned, and which amount to 7 per cent. as compared with the corresponding half-year, are more than offset by an increase of 9.4 per cent. in expenses. This is accounted for to some extent, of course, by the extra work done to earn the increased receipts, but very largely by the payment for the seventh day, which was not in full force in the corresponding half-year.

REMARKABLE TRAFFIC INCREASE

I am glad to say that a very remarkable, I might almost call it a phenomenal, increase in gross receipts for the first four months of this year has put a far more healthy complexion on our affairs. The increase is no less than 22 per cent. and, though expenses have also increased, as must be to pay for the additional work performed, they have not increased in nearly the same proportion. The result has been that we can show in net receipts for the four months the figure of $410,800, worth to us at present rates of exchange about £23,000. So far as I can judge there is every probability of the high level of gross earnings which we have attained being maintained for some little time to come. The last week's traffic cabled to us was even higher than the average of the preceding weeks of this year and reached the figure of $50,000 per diem, an almost unprecedented figure in our history, and all indications that I have been able to study, both as regards foreign and local freight and tourist traffic, point in the same direction.

SITUATION IN MEXICO

I returned from Mexico a fortnight ago, after spending five weeks in the country, during which I spent every working day at the office in endeavouring to master some of the very difficult problems with which our management have to deal. I have known Mexico for the last thirty-seven years and never at any time have I seen prosperity approaching to that which exists to-day. On the other hand Mexico has always been a country of contradictions, and I have never in so short a space of time met so many really worried business men. Strikes were in the air in every direction, either impending or in existence. This condition of affairs, which has lasted for quite three years, has created a feeling of lack of confidence and lassitude among all business men and is, in spite of the great opportunities offering, discouraging the development of industry and the further investment of capital. It remains to be seen how long it will be before the Government will call a definite halt to the demands of the workers. If they do not do so it must undoubtedly lead to a serious increase in the cost of living, which in itself may bring an abrupt end to the present prosperity.

NEED FOR CAPITAL EXPENDITURE

As regards our own business I was at great pains to investigate the physical condition of our property and equipment, which is feeling the strain of dealing with the rapidly growing traffic. I estimated then that an expenditure of at least £300,000 would be required to put it into satisfactory condition. Since then we have been fortunate in acquiring a number of second-hand cars and coaches which, together with some new steel cars purchased have, I believe, remedied the car situation for a good many years to come. The total of our requirements now is about £240,000.

You may well ask where is such a large sum of money to come from, but I also made it my business to go minutely into the cash earnings of the business on the basis of the first four months of this year, and came to the conclusion that these are actually to-day at the rate of not less than £200,000 per annum.

We have for the last two years been charging to special renewals the large allocation of 10 per cent. of our gross receipts. Therefore, just as the gross receipts have increased so have our allocations to special renewals. This fund will, of course, be available for the purchase of locomotives and other requirements. It would, therefore, appear to me that if present conditions continue so long, it ought to be possible to put the whole property into really satisfactory order out of our own resources in very little more than a year's time.

The period I have mentioned is, I am glad to say, well within the period of the moratorium granted us by our debenture holders; and it would, therefore, follow that if the anticipations which I have been bold enough to hold out to you are realised, we might be in a position, when the moratorium ceases at the end of next year, to offer them at any rate the hopes of something tangible. I do not for a moment pretend that our position is satisfactory; in fact if a depression in trade came along to-morrow, and we were asked to continue the payment of wages at the present scale, we could not carry on at all, but it is very much better than it has been, and that being so I think you ought to know it.

The report and accounts were unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to:—

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THE ECONOMIST,
8 Bouverie Street,
Fleet Street,
London, E.C.4.

Telephone: Central 8631.

NATIONAL BANK OF NEW ZEALAND, LIMITED

SIR AUSTIN HARRIS REVIEWS A DIFFICULT YEAR

The sixty-fifth ordinary general meeting of the National Bank of New Zealand, Limited, was held, on the 30th ultimo, at 8 Moorgate, London.

Sir Austin E. Harris, K.B.E. (the chairman), in the course of his speech, said that the year had again been one of change and difficulty for the banks. Some of the changes and difficulties had weighed heavily with them, a sterling bank whose business was confined solely to New Zealand, and the board therefore considered that the result of the year's working was satisfactory. Moreover, they felt that, provided there was no further encroachment by Government measures on banking business, they should be able to participate in the returning prosperity of the Dominion. They had already paid an interim dividend at the rate of 4 per cent. per annum and proposed to make a final distribution at the same rate, leaving £112,797 to be carried forward as against £113,959 last year.

Last year he had referred to the somewhat sweeping legislative measures introduced by the Government during its first year of office, making changes which widely affected both the economic and social life of the Dominion, but he had also said that it was early to criticise those measures. During the year under review those measures—chief among them the Primary Products Marketing Act—had come into effect. In addition, the Government had passed the Mortgagors and Lessees Rehabilitation Act, which aimed at the reduction of moneys secured by mortgage to the value of the security.

NEED FOR MORE EQUITABLE BASIS OF TAXATION

In August next the Prime Minister intended to introduce a National Health and Superannuation Insurance Bill, and it was also understood that another measure to be introduced would deal with the revision of the basis of taxation. That latter was a matter of great importance and interest to the bank and in their opinion was overdue. On numerous occasions they had drawn attention to the inequity of the arbitrary method by which the banks were assessed for income tax. Their profits were calculated on a basis which bore no relation to their earning capacity, and it would be realised that in these days, when through the operation of the Marketing Act the banks had lost a large part of their exchange business, in addition to suffering a fall in interest rates and increased cost of labour—both enforced by legislation—their earning capacity must be impaired. The banks had, of course, represented their case to the committee which the Prime Minister had appointed to examine the whole question of taxation, and they were hopeful that they might be afforded some alleviation when the Bill came before the House.

The Government had ended the year with a surplus of £472,000, which, although satisfactory as the result of the year's working, had only been obtained by means of heavily increased taxation. Revenue was £31,147,000, as compared with £26,172,000 a year ago, and expenditure £30,675,000, as compared with £25,891,000. Of the increased revenue a little over £2,000,000 had come from income tax and £600,000 from the graded land tax, which was reintroduced in the last Budget.

During the year the Government had decided to exercise its option to redeem the £12,400 4 per cent. Loan due January, 1937-40, and had made an offer to convert it at par to either a 3½ per cent. Loan maturing 1953-57, or a 3 per cent. Loan due 1939-41. At the same time they had invited subscriptions for an additional £1,530,000 to purchase the assets of the Southland Electric Power Board, making £13,930,000 in all. Applications for conversion were received to the extent of £8,254,000, and cash subscriptions amounted to £2,715,000, leaving a shortage of nearly £3,000,000, which had been made up from "other sources"—probably Government Departments.

THE OUTLOOK

Prices were good to-day, and trade was active, and there was money in the pockets of the people, but one could not regard the lavish expenditure without some concern, for there would come again in its due course a period of reaction and lower prices, when trade would find it difficult, if not impossible, to bear the additional casts which were being imposed on it by legislation, and the minimum wages and shorter hours might become an economic impossibility. It was then that the policy of guaranteed prices would be put to the test; it might be a severe strain.

The report and accounts were unanimously adopted.

BANK OF BRITISH WEST AFRICA, LIMITED

DISTINCT ADVANCE TO BETTER TIMES

The forty-third annual general meeting of the Bank of British West Africa, Limited, was held, on the 29th ultimo, at 37 Gracechurch Street, London, The Rt. Hon. The Earl of Selborne, K.G., G.C.M.G. (the chairman), presiding.

The Chairman, in the course of his speech, said that a net profit of £90,635 was recorded, as compared with £85,298 in the previous year, and premises and furniture had been written down by £30,000, against £25,000 in 1936 and £15,000 in 1935. Last year the dividend was 5 per cent., and it was proposed to make the same distribution again, which would leave a balance of £55,608 to be carried forward; this was just a little higher than the amount brought in. An interim dividend of 2 per cent. was paid in December, and it was now recommended that the final dividend should be 3 per cent., making 5 per cent. for the year, less tax.

After the hard lean years through which the West African Colonies had passed it was a relief to experience in conjunction with satisfactory crops last year such a substantial rise in produce prices as greatly to increase the income of the farmers, upon whose prosperity the Colonies were so largely dependent. The expansion of trade which resulted from the enhanced spending power of the producers was very noticeable and Government revenues benefited appreciably. The improvement was specially marked in connection with cocoa, the price of which was more than doubled during the course of the season, and the rise was so unexpected and so rapid that all calculations were upset and a temporary shortage of currency developed.

It would be seen from the report and balance sheet and from the account he had given of the progress of their business in the past year that the record of the last two years marked a distinct advance to better times. Considering the acute nervous tension that existed in the politics of Europe and the extraordinarily complicated obstacles to trade which the wisdom of statesmen had put in the way of trade and commerce in almost every foreign country, the recovery of trade, not only in Great Britain and Ulster, but throughout the Empire, was really very remarkable and something for which we were devoutly thankful.

The report and accounts were unanimously adopted.

TRUST COMPANY OF LONDON AND SCOTLAND, LIMITED

RESUMPTION OF DIVIDEND

The eighth ordinary general meeting of this company was held, on the 28th ultimo, in London, Mr Alfred Shepherd (the chairman) presiding.

The Chairman, in the course of his speech, said:—The balance carried down is £29,456, against £24,417—an increase of £5,039, and, after making the various payments referred to in the report, there is a balance to be carried forward to next year of £16,692—an increase of £3,531.

A valuation of the company's investments shows a depreciation of 10.53 per cent., as against 19.03 per cent last year. While it is pleasing to find the valuation improving, the most reliable figures to indicate the progress of the company are those of the company's revenue. As you will see from this year's accounts, the net revenue is £29,456, as against £24,417—a rise which, although to some extent accounted for by the larger amount of investments, is also due to an increase in the revenue from investments held at the date of last balance-sheet.

It is with satisfaction that your board present to you this year's report, showing a satisfactory increase in net revenue and the elimination out of profits realised of the large sums which stood in the previous year's balance-sheet on account of losses on investments sold and preliminary expenses. The revenue has been such that after paying the dividends on the preference stock there is a balance, as shown in the report of £6,768, and out of this sum the directors recommend the payment of a dividend of 1½ per cent. upon the ordinary stock of the company, less income tax, leaving a surplus revenue for the year of £2,268, which has been added to the carry-forward.

It must be a gratification to all stockholders to see, after the unsatisfactory years during which the company has experienced diminishing revenue, that an improvement has taken place which justifies the board in recommending the resumption of ordinary dividends.

Unless unfortunate developments take place during the current year, the revenue should not be less than that of the year under review.

The report and accounts were unanimously adopted.

GEORGE NEWNES LIMITED

A GOOD YEAR AND DIVIDEND OF 15 PER CENT.

The fortieth annual general meeting of George Newnes Limited was held, on the 29th ultimo, at Tower House, Southampton Street, Strand, London, W.C.2.

Sir Frank Newnes, Bart., the chairman, presiding, congratulated the shareholders on another good year, the profits for the year being £145,853, as compared with the previous year's figures of £142,666. A dividend of 15 per cent. was declared. A sum of £22,759 was allocated to general reserve account, bringing that account up to the round figure of £140,000. After referring to other figures in the balance sheet and various other matters, the chairman continued:

I may remark here that in one respect the position of your company has become more advantageous and stronger in recent years; its interests have become more widespread by reason of a larger variety of publications, and also by the acquisition of the controlling interest in more subsidiaries than hitherto. This is all to the good. National Trade Press, Limited, a company all of whose ordinary shares were acquired in the previous year, has had a good year, and we have every reason to be satisfied with our investment in that company.

You will be interested to know that the "Strand Magazine," the oldest of your company's publications except "Tit-Bits," still easily holds the first place among British magazines, and that it shows an increased circulation on the previous year. The sales of the "Wide World Magazine" continue as steady as ever. The "Grand Magazine" figures are well maintained. Our old friend "Tit-Bits" is prosperous, and I can say the same for "John o' London's Weekly," which continues to do well. As I have told you in previous years, no other literary weekly has anything like its large circulation. The "Humorist" also continues to prosper; its steadily rising circulation is very gratifying, for it is an excellent paper. Two of our newer publications, "Practical Motorist" and "The Cyclist" have now well established themselves, and we anticipate for both of them a long and prosperous career. The various publications of the company and of its subsidiary companies are now so numerous that I can only refer to the chief of them. Among Leach's publications are the sixpenny monthly journals, "Modern Woman," "Modern Home," and "Miss Modern." They continue to do well. Among our women's weeklies, "Lady's Companion" fully maintains its position.

I wish to say a special word about "Woman's Own," one of our women's weekly journals. In its new and enlarged form, printed in photogravure and in colour, it stands out as a twopenny weekly of wonderful value. Although in its old form the publication was doing excellently, we had been planning and experimenting a super-weekly of this kind for a long time in view of the developments in the photogravure field. We finally decided to remodel "Woman's Own" so as to take full advantage of the technical advance in photogravure process, particularly in colour reproduction. In producing and launching this new style paper we have purposely incurred a large initial expenditure, which we feel sure is going to be fully justified. This new "Woman's Own" is a remarkable twopennyworth, with a wealth of colour pages both in the editorial and for advertisers at very attractive rates. It is enjoying remarkable sales.

"Home Notes" is the property of C. Arthur Pearson, Limited, and it has had an excellent year; it remains in the very first rank of women's papers. I can say what I said last year—it continues its successful career undiminished. Its circulation shows an increase on the previous year, and it is noteworthy that its advertising revenue has beaten all records in its long and prosperous life. Amongst other publications of C. Arthur Pearson, Limited, are "Pearson's Magazine," "Pearson's Weekly," "Home Gardening" and "The Smallholder," "Men Only," "Woman's Sphere," and a group of popular papers, including "Peg's Paper," and "Lucky Star," which show a gratifying increasing circulation.

Another of our subsidiary companies is Country Life, Limited, which has also had a good year. There is no falling-off in the fine reputation of "Country Life"; it still holds it proud position as the most beautifully produced paper in this country.

"Homes and Gardens" is another magnificently produced paper owned by Country Life, Limited, with a first-rate reputation and continued prosperity. "Amateur Gardening," owned by another of our subsidiaries, W. H. and L. Collingridge, is the widest read gardening paper in the country; its prosperity, too, is undiminished.

I am pleased to say that our advertising revenue continues to increase. For the year it is considerably higher than the previous year, and that was the highest for a good many years. All this speaks well for the estimation in which our publications are held by our advertising friends. The value to advertisers of monthly and weekly publications such as ours, with sound and solid circulations, cannot be over-stressed. They are all, in their own respective ways, specialised publications, and therefore make the most direct and telling appeal to a particular public an advertiser wishes to reach.

The directors again desire, and in no merely formal way, to express their warm appreciation of the valued work of the staff during the year.

GREAT BOULDER PROPRIETARY GOLD MINES, LIMITED

IMPROVED WORKING PROFIT

The forty-third ordinary general meeting of the company was held in London on Friday, June 25th.

The Chairman, Mr Claude de Bernales, said: The accounts reveal a sound financial position. The mine working profit of £117,301 17s. 2d. is £28,641 8s. 10d. higher than that for 1935. The net profit for the year is £87,065 19s. 9d., compared with £70,636 3s. 7d. for 1935. The footage developed during 1936 totalled 11,075 ft., as compared with 7,397½ ft. for 1935.

Diamond drilling was resumed, and 3,887 ft. of drilling was done during the year. The positive ore reserves plus ore broken in stopes at the end of the year amounted to 552,939 short tons valued at 7.3 dwt. per ton, after providing 145,096 tons of company's ore for mill requirements. This compares with 480,988 short tons valued at 6.3 dwt. per ton for the previous year.

At the end of the year there were estimated to be 284,020 tons of probable ore, value 6.88 dwt. per ton, making a grand total of positive and probable ore of 836,959 tons, value 7.2 dwt. per ton.

The total tonnage treated during 1936 was 192,591 short tons, as compared with 147,987 short tons in 1935.

Under the new award, granted by the Arbitration Court, freedom from labour unrest is now assured for three years. I think I am justified in saying that in no part of the world to-day is there such a sane, fair-minded, common-sense, understanding lot of men as are representative of Australian labour. There appears no reason why gold should be displaced from its world-wide accepted position as the yard measure of finance and commodities, and why gold should not finally be fixed at a sufficiently advanced price to permit of a settlement at a definite international exchange value of all national currencies.

The general outlook at the mine is better to-day than at any time since 1923. The mine's average grade of ore has advanced to 7 dwt. per ton, and our recovery has now reached approximately 84 per cent.

The outlook could not be more encouraging, and I look forward to the best of good news when next year I hope again to have the pleasure of addressing you.

The report and accounts were unanimously adopted.

EAST RAND CONSOLIDATED, LIMITED

ANOTHER SUBSIDIARY TO BE FORMED

The ordinary general meeting of this company was held, on the 29th ultimo, in London.

Captain H. B. Jameson (the chairman) said that properties stood in the balance sheet at £544,599, an increase of £7,280, which was accounted for by the acquisition of a half interest in the mineral rights of the farm Zonnestraal No. 50. The company's investments stood in the books at £543,017, and the market value at December 31st was £1,830,243.

With regard to Vlakfontein No. 65, he was very pleased to say that results so far obtained from the borehole being drilled on the boundary of that farm and the property owned by the Vlakfontein Gold Mining Company were most satisfactory. Application had been made for a lease of Vlakfontein No. 65 and a portion of Zonnestraal No. 50, and when this was granted a further subsidiary—West Vlakfontein Gold Mining Company, Limited—would be formed with a capital of £2,350,000.

On the Spaarwater Company's property the No. 1 shaft had been completed at 3,388 feet. Of real importance was the fact that the Nigel Reef had been proved at the depth anticipated by the technical advisers. Thirty-five per cent. of the footage sampled was payable at 9.3 dwts. over a stoping width of 29.4 in., and the development disclosures indicated the existence of pay shoots hitherto unknown. The 21st and 25th West Haulages from Sub Nigel were expected to connect at the beginning of next year with the five headings from the No. 1 shaft of Spaarwater, which would shortly be started.

The chairman concluded by referring to the satisfactory progress and the excellent prospects of the company.

The report was unanimously adopted.

GOLD FIELDS AUSTRALIAN DEVELOPMENT COMPANY, LIMITED

CONFIDENCE IN FUTURE OF GOLD

The fourth ordinary general meeting of Gold Fields Australian Development Company, Limited, was held, on the 30th ultimo, at the Hall of the Institute of Chartered Accountants, Moorgate Place, London.

Mr John A. Agnew (the chairman), in summarising the year's results, said:—These results on the whole have been distinctly favourable, though one could have wished for better success in our search for outside properties. Developments at the Moonlight have been most encouraging and one may fairly anticipate that further satisfactory additions will be made to the reserves during the current year. From Yellowdine, now that their cyanide plant has come into operation, we expect to receive very satisfactory returns on our investment whilst our interest in Comet should also prove remunerative. The search for new properties and the development of such as hold out a good promise of success has again proceeded without intermission throughout the year.

FUTURE OF GOLD

Though I hold very strong views on two matters that have engaged the attention, not only of people like ourselves interested in the development of the gold-mining industry, and not only of gold-mining companies, but of almost all sections of the community, I am a little in doubt as to the wisdom of adding still further to the multitudinous opinions that have been expressed recently in the Press and at public gatherings. I refer to the statements made that gold may no longer be taken as a basis of credit, or of currency, and to the further view that if it is it will be stabilised at a price considerably less than that which has prevailed for the last year or two.

Referring to the former, I do not think I can do better than repeat the remarks I made a little over three years ago when addressing shareholders in New Consolidated Gold Fields, Limited: "We are convinced that gold will continue to find eager purchasers, that for all purposes of this generation and the next its price in terms of sterling will not be appreciably inferior to the present level, and may be considerably higher, and that world recovery is ultimately only possible on the basis of a general return to a gold standard at revised parities.

"It seems clear that if international trade is to be revived, or even if it is to continue in any volume, one of the first conditions is the creation of a common measure of value which will afford, and be accepted as, an absolute basis of comparison between monetary units. We are witnessing to-day the paralysing effects of fluctuating foreign exchanges, and the whole world is beginning to realise that trade can never flourish in an atmosphere of such uncertainty.

ONLY ACCEPTABLE COMMON MEASURE

"Can it be seriously maintained that within any reasonable time which would interest this long-suffering generation international agreement can be reached upon any other common measure than the metal which has hitherto been universally accepted? I submit that if for a moment you forget all about rival theories and regard the problem purely as a practical and urgent one, the answer to that question cannot be in doubt.

"The plain fact is that the prospect of the measure of agreement which any substitute for gold presupposes is not even upon the horizon.

"No one, of course, maintains that what is sometimes referred to as 'the measuring rod of gold' is either foolproof or infallible.

"We believe further that as a result of the vast debts, national and international, that have been incurred during the last 20 years, a drastic revision of parities cannot be avoided.

"We look forward to the price of the metal, in terms of sterling, being permanently stabilised at a price not greatly, if at all, inferior to the present level.

"If these conclusions are correct it clearly follows that our policy is justified and that gold-mining under proper conditions will for many years to come contrast favourably with any other industry from the standpoints either of security or the margin of profit."

On the second point to which I have referred, as to whether gold should be reduced in price or not, it seems to me unthinkable that when the time comes for stabilisation to be effected on an agreed parity this will be at a price below that at which present stocks of gold are held by the United States and Great Britain. I express here my own personal views, though I believe they are shared in the main by my colleagues.

The report and accounts were unanimously adopted.

GENERAL ELECTRIC COMPANY, LIMITED

RECORD RESULTS

The annual general meeting of the General Electric Company, Limited, was held, on the 1st instant, at Magnet House, Kingsway, W.C.

The Rt. Hon. Lord Hirst, of Witton (chairman and managing director), who presided, said that the directors and staff had taken full advantage of the happy business conditions which prevailed during the year under review, and the result had, in consequence, exceeded the achievements of any previous year. Their trading results and income from investments amounted to £1,604,512, roughly £119,000 better than the previous year. As a result of more generous depreciation and greater contributions to the pension fund, the net profit showed an improvement of £73,000. They recommended in addition to their usual 10 per cent. dividend a bonus of 7½ per cent. for this year, as against 5 per cent. last year.

The Armament Programme had played no appreciable part in their activities during last year. In fact, the activity of their engineering works was mainly due to the requirements of industry as a whole. Moreover, what they had achieved was not due to any spectacular work. They had built and developed slowly and firmly on the foundations which they created years ago—research and development on the production side, and keen salesmanship and efficient service on the commercial side, nor had they just relied on home orders. Their export business showed a very satisfactory increase. They had not yet quite attained their top figure of 1929-30, but they were not far away from it—in volume they had certainly exceeded it, as prices were higher then. They had maintained, even slightly improved, their respective share in the total export of the British electrical industry. The bulk of their exports—79 per cent.—went to British territories overseas.

He was particularly happy to see that their export of wireless sets had increased. They, in common with the rest of the British wireless firms, had been lamentably weak on the export side, but the advance shown, coupled with the success of the current year, led him to hope that the G.E.C. and the British wireless industry would, before long, take their proper place in the wireless industry of the world.

HEAVY ENGINEERING

At home they had further strengthened their efforts on the heavy engineering side. He had referred last year to their success with the pumpless, air-cooled steel-clad mercury arc rectifiers, in which the G.E.C. had led the world. Already a number of installations were giving satisfactory service for municipal supply, electric traction and electrical undertakings. The re-equipment of steel works had involved a large amount of electrification. They had just completed satisfactorily the installation of a 20,000 h.p. rolling mill motor for Dorman, Long and Company, this machine forming one item of a scheme of a most comprehensive character for which their company had been responsible. Of even greater magnitude was the contract entrusted to them by Richard Thomas and Company in connection with the hot and cold strip and tinplate mill which that firm was building.

Railway electrification was ever making demands for motors and control gear capable of dealing with severer traffic conditions. The London Passenger Transport Board had just ordered from them no less than 800 motors, which would enable substantial improvement to be made in train acceleration, speed performance and passenger capacity. In the field of electrical communications a general improvement in industrial conditions, coupled with a stable yet progressive policy of successive Postmasters-General, had jointly contributed to further expansion, and had kept their telephone works engaged to their full capacity.

The Pirelli-General Cable Works, in which they held 50 per cent. of the capital, had been fully occupied during the year, and the pressure on all departments had necessitated considerable extensions to the works, which were now in progress.

They had again found it necessary to extend their research laboratories. The new electric discharge lamps, which were seen everywhere lighting the streets and which were the product of their laboratories, were finding many new applications.

Progress had been made in every one of their departments. They were to-day one of the leading electrical companies of the world, and engineers all over the world were interested in their progress.

The report was unanimously adopted.

GLOBE TELEGRAPH AND TRUST COMPANY, LIMITED

PROMISING OUTLOOK

The sixty-fourth annual general meeting of the Globe Telegraph and Trust Company, Limited, was held, on the 28th ultimo, at the Incorporated Accountants' Hall, London.

The Rt. Hon. The Earl of Midleton, K.P. (the chairman), said that their total income, less tax, had amounted to £231,959, as compared with £208,214, and after deducting expenses there remained £219,556, against £195,449—an increase of £24,107. The board proposed to pay a final dividend of 2½ per cent. net, making with the previous payments a total of 5½ per cent. net for the year, carrying forward £128,538. That compared with 4½ per cent. net in 1936, which, shareholders would agree, showed an encouraging result.

The company was still without any return on the holding in International Telephone and Telegraph Corporation, and the Postal Telegraph and Cable Corporation, and they were awaiting the result of the investigation of the latter company's affairs, which had been in the hands of a committee for some time past. The American Telephone and Telegraph Corporation had continued to pay regular quarterly dividends, and it was gratifying to see the Western Union Telegraph Company, which resumed payments the previous year, had now felt justified in making quarterly payments. The company's holdings in American Utilities gave a good yield, while among the companies that had resumed or increased dividends he might mention Telegraph Construction and Maintenance Company, Brazilian Traction and Shawinigan Water and Power. Beyond all that their main holding—Cable and Wireless—had made considerable improvement. In addition to paying the full 5½ per cent. on the preference stock, it had now reached a position to deal with the arrears.

While the present dividend of 5½ per cent. was equivalent to a gross dividend of £7 6s. 8d. per cent. at the present rate of tax, they might hope, in the absence of untoward developments in 1937, to increase the distribution in 1938. The value of their securities at the moment was well in excess of capital as in former years.

The report and accounts were unanimously adopted.

AFRICAN AND EUROPEAN INVESTMENT COMPANY, LIMITED

ANOTHER SUCCESSFUL YEAR

The thirty-second ordinary general meeting of the African and European Investment Company, Limited, was held, on the 25th ultimo, in Johannesburg.

Mr R. W. Townsend presided in the absence of the chairman, Mr Louis Marks, and, after referring with regret to the loss the company had sustained by the death of Mr H. D. Lewis, said that the gross profit was £889,201 for the year, compared with £680,971 for 1935 and £959,071 for 1934. This was the third annual meeting at which very satisfactory figures of profit has thus been submitted, the total for the past three years amounting to £2,271,061. The directors had applied no less than £426,432 in writing down the book cost of some of their investments, thus placing the company on a very sound and sure foundation. They had transferred £500,000 to general reserve; provided £325,000 for taxation; placed £35,000 to staff benefit fund; and paid £923,621 to the shareholders in dividends. The book cost of their quoted securities had increased to £1,843,178, and it was satisfactory to note that over 70 per cent. of the amount was represented by dividend-paying securities.

With regard to their coal interests, the outstanding feature of the year had been the formation of Amalgamated Collieries of South Africa, Limited. The board looked upon their interest in this concern as a very important one, and they were sure that it would prove to be a large contributor towards their income. They had increased their large interest in Vereeniging Estates, which had benefited from the general prosperity during the past few years and had done remarkably well.

The Chairman referred to the options taken in the Orange Free State and the South Western Transvaal and in the Ventersdorp and Lichtenberg areas. Referring to the company's interest in the Palmietkuil Gold Mining Company, he said that whilst no payable values had as yet been encountered, the reef values had been steady and consistent, and the company had every reason to anticipate that payable values would be made in due course as normal development proceeded.

After a reference to the company's interest in New Central Witwatersrand Areas, Limited, New Machavie Gold Mining Company, and other companies, the report and accounts were adopted.

JOHN ISMAY AND SONS, LIMITED

A SATISFACTORY REPORT

The fourth ordinary general meeting of John Ismay and Sons, Limited, was held, on the 25th ultimo, at the Sterling Works, High Road, Dagenham.

Mr John Ismay (chairman and managing director) presided.

The Secretary (Mr G. S. Rate) read the notice convening the meeting and the report of the auditors.

The Chairman said:—Gentlemen,—In presenting our report and accounts for the year ended March 31, 1937, I presume that I have your permission to take them as read. (Agreed.) In pursuance of the policy outlined at the last meeting we have disposed of some of our investments and strengthened the cash position, our intention being to restrict ourselves principally to the manufacture of the lamps and their components. Other lines we are leaving to the associated companies of the Ismay Industries group.

EXPANDING LAMP SALES

Our lamp sales have steadily expanded during the year. Sales both at home and abroad were very much greater than in the previous year, but, owing to the keenness of competition, the trading profit was only a few thousand pounds up. We are again extending the factory at Ilford, and our capacity during the coming year will be about 12 million lamps, an increase of approximately 50 per cent. The demand for our lamps is continuing, and we are now supplying many more Government departments and Corporations. Competition continues keen, but with the increased output we are justifiably confident as to the outlook for the current year. The gas-mantle side of the business has, I am pleased to say, continued satisfactory during the year.

The Chairman concluded by moving the adoption of the report and accounts and the payment of a dividend of 45 per cent. on the ordinary shares.

Mr. T. S. Cornwell seconded the resolution, and it was carried unanimously.

The retiring directors, Mr T. S. Cornwell and Mr Z. Dezsoe, were re-elected, the auditors, Messrs James Worley and Sons, were reappointed, and the proceedings then terminated.

BARCLAY, PERKINS AND COMPANY, LIMITED

SATISFACTORY INCREASE OF TRADE

The forty-second ordinary general meeting of Barclay, Perkins and Company, Limited, was held, on the 30th ultimo, at Southern House, London, Lieut.-Col. R. W. Barclay, the chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year amounted to £347,445, which, with the carry forward, gave them an available total of £409,198. Freehold and leasehold public and other houses, reversions and equities stood in the balance sheet at £3,501,723, an increase of £134,419. He desired to stress that that increase followed on an increase of more than £200,000 last year, and was due to the acquisition of new licences and the cost of purchasing the freehold interest of houses where they were leaseholders only.

Last year he mentioned the increased amount they were expending on repairs and alterations to public houses, and impressed on them the fact that that expenditure, though absolutely necessary to bring their houses to the highest standard that they had rightly adopted, did not always add proportionately to the profit-earning capacity of the houses. They had been acquiring or building new licences and purchasing freeholds of existing licensed properties.

They were in course of issuing £750,000 4 per cent. debenture stock, and from the proceeds intended to redeem the existing 5 per cent. stock amounting to some £470,000, the balance to replace a proportion of the cash they had invested in fixed assets and to provide for continued expansion.

The board vigorously pursued the policy of keeping the licensed houses in good repair, and the new public houses they had opened had come up to their expectations. Trade during the year had shown a satisfactory increase, but it was already apparent that costs were rising. He was glad to report that the volume of their export trade was higher and a good proportion of it was lager beer in addition to ales and stouts. In this country also their lager beer was enjoying increased sales.

The report was unanimously adopted.

OHLSSON'S CAPE BREWERIES, LIMITED

LARGELY INCREASED PROFIT

The ordinary general meeting of Ohlsson's Cape Breweries, Limited, was held, on the 1st instant, in London.

Mr W. D. Buxton (the Chairman) said that the accounts recorded the steady progress of the company's business. Trading conditions throughout the whole of the Union had continued to be favourable, and such opportunities as had presented themselves for the increase of the business by the purchase of new properties, or by the provision of financial assistance to licensees desirous of improving their premises, had been taken advantage of. That, in addition to the increased purchasing power of the public—which had resulted in a larger demand for the company's products—had enabled them to show an enhanced profit on trading and rentals for the year of £53,822.

Reference had been made a year ago to the prosperity which the Dominion was then experiencing, which had been maintained throughout the year, of which proof was afforded in the ability of the Union Government not only to reduce the public debt but to grant generous assistance to the agricultural interest, and in addition to set aside substantial sums for public works.

He thought they could face the future with confidence, and they had the opinion of the general manager and others that, as a consequence of expenditure on converting premises to comply with the South African Liquor Act, some of which had still to be met during the current year, no setback in the prosperity of the company as a result of the legislation was anticipated.

In allocating the profit earned they had continued the practice of previous years by transferring £70,000 to reserve for contingencies.

The net profit for the year was £188,977, and it was proposed to pay a final dividend of 5 per cent. and a bonus of 7½ per cent., both less tax, making, with the interim dividend already paid, a total distribution of 17½ per cent. for the year. The continuation of the policy of extending and modernising many of their licensed properties resulted in the increased value of such properties as revenue-producing assets, and the growth of the business was proof of the soundness of that policy, which had been followed by the board since the passing of the Liquor Act in South Africa nearly ten years ago.

The report was unanimously adopted.

HOVIS LIMITED

RECORD PROFITS

The thirty-ninth ordinary general meeting of Hovis, Limited, was held, on the 30th ultimo, at Caxton Hall, London.

Mr A. H. Dence, J.P. (the chairman), said that the directors were able to report that the business continued to progress and was strong, healthy and vigorous in all its departments. The balance sheet accounts and profit and loss account were in every way satisfactory and revealed a very strong position. There were but few companies that had shown in the past such a consistent record as their own over a long series of years, and in which, not only had profits been so steadily progressive, but also in which such regular and generous dividends had been maintained.

The net profit on trading, after making the usual provision for income tax, contingencies and other expenses, amounted to £190,269. That figure was a new record for the company. In considering the allocation of these profits, the directors had had to bear in mind the fact that the Chancellor was placing additional taxation on the profits of limited liability companies and until the full amount of such taxation was known they felt it incumbent upon them to exercise caution in their recommendations. Also it became necessary, when wheat was high in price as it still was at the present time, to conserve their resources to meet any sudden or unexpected turns in the market. They were therefore recommending the payment of the same dividend and bonus as last year. As soon, however, as the incidence of the new taxation was known and the board felt that they were justified in doing so, they would reconsider the position in the hope that they might be able to make a higher distribution at a later date. In addition to the dividend, the directors proposed to place £30,000 to the general reserve fund, £15,000 to the dividend equalisation reserve and £20,000 to the Hovis Pension Fund.

They were satisfied that the daily use of Hovis bread could do much to promote the good health of the people of the nation and they were all proud to be associated with the work of a company whose product they considered to be so vitally necessary to the national physique.

The report was unanimously adopted.

SABRANG RUBBER ESTATE, LIMITED

IMPROVED RESULTS—REPLANTING PROGRAMME

The seventeenth annual general meeting of the Sabrang Rubber Estate, Limited, was held, on the 25th ultimo, in the Council Chamber of the Rubber Growers' Association (Inc.), 19 Fenchurch Street, E.C.

Mr F. E. Maguire (the chairman), in the course of his speech, said:—We submit to you to-day the accounts for the year ended December 31st last, which show a profit of £12,038 2s. 7d., as compared with £5,354 2s. 7d. earned during 1935. The balance brought forward from the previous year was £12,662 11s. 4d., so that the total amount available is £24,700 13s. 11d., out of which we propose to transfer £7,500 to reserve and we recommend the payment of a dividend of 4 per cent., which will leave £7,200 13s. 11d. to be carried forward to the current year's accounts.

I do not want to dogmatise as to the actual economic life of a rubber tree, but we know that, like every other form of cultivation, the economic life must eventually come to an end and it is our duty to rejuvenate the property either by replanting existing areas or, when such a course again becomes permissible, by planting new areas.

We have already made substantial progress with this process of rejuvenation. During 1935 and 1936 we cut out and replanted 257 acres, and during 1937 we hope to replant a further 241 acres, of which 35 acres were in process of replanting at the close of last year.

All these replantings will consist of budded rubber from which we expect to get substantially higher yields than from ordinary seedling rubber.

The forward sales made on behalf of the company have from time to time been published in the Press. In total they amount, for 1937, to 141½ tons at an average price equivalent to 8.7d. per pound, landed terms, and for 1938 to 36 tons at the equvialent of 11.35d. per pound.

The report and accounts were unanimously adopted, and resolutions were also passed approving the conversion of the shares into stock and the adoption of new articles of association.

GORDON (MALAYA) RUBBER ESTATES, LIMITED

HIGHER DIVIDEND ON LARGER CAPITAL

The fourteenth annual general meeting of the Gordon (Malaya) Rubber Estates, Limited, was held, on the 29th ultimo, at 19 Fenchurch Street, London.

Sir Francis Voules, C.B.E. (the chairman), in the course of his speech, said: The average price realised for our crop was equivalent to 8.31d. per lb., London landed terms, as against 6.21d. per lb. for the previous year. As formerly, a proportion of the output was sold in liquid latex form, which, although increasing cost, gives us a higher return per lb., which more than compensates for the increase in production cost as compared with sheet rubber.

The f.o.b. cost of 4.2d. per lb., exclusive of depreciation, shows a slight increase when compared with the previous year's cost of 4.06d. per lb. This is mostly due to the higher cost of labour and the greater proportion of rubber sold in liquid latex form. As a result of the improved conditions resulting from the operations of the Regulation Scheme our profit for the year amounts to £16,897, or more than 2½ times the profit we earned in 1935. Your directors recommend that a dividend of 5 per cent. (less income-tax) be paid, absorbing £14,135, and leaving £9,517 to go forward.

The dividend of 5 per cent. is payable on the Ordinary capital at date—namely, £282,700, which includes the 257,000 Ordinary shares we issued in the early part of the current year for the purchase of our new estate in Negri Sembilan. You will therefore see that, whilst increasing our dividend from 2 per cent. to 5 per cent., we are paying this on a larger Ordinary share capital, which makes the increase rather more than appears at first sight. Your directors consider the results of the past year satisfactory.

As regards the current year, your estates have received assessments totalling 2,489,835 lb., of which 2,085,240 lb. should be exportable. Towards the end of last year we sold forward 546,560 lb. of this rubber at an average gross price of 8.44d. per lb. c.i.f., thus leaving 1,538,680 lb. for free sale.

As regards the industry itself, the outlook is most encouraging and I look forward with confidence to the future.

The report and accounts were adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the 11 days ended June 30, 1937, amounted to £11,537,000, against ordinary expenditure of £20,975,000. After allowing for an increase in Exchequer Balances of £72,095, the operations for the period, as shown below, increased the gross National Debt by £9,740,000, to approximately £7,982 millions.†

('000's omitted)

	£		£
Bank of England Advances	+ 47,000	Treasury Bills	− 43,050
2½% Nat. Defence Bonds	+ 6,900	Public Department Advances	− 3,960
P.O. & Teleg. (Money) Act	+ 2,900	National Savings Certificates	− 50
	+ 56,800		− 47,060

† Including £375 millions on account of Exchange Equalisation Fund, to be increased to £575 millions.

An analysis of the approximate position of the National Debt, as at June 30, 1937, appears below.

NATIONAL DEBT—(Million £)

	Aug. 1, 1914	Dec. 31, 1919	Dec. 31, 1938	Mar. 31, 1936	June 30, 1936†	Sept. 30, 1936†	Dec. 31, 1936†	Mar. 31, 1937†	June 30, 1937†
2½% and 2¾% Consols	573	300	300	300	300	300	300	300	300
4% Consols	...	...	401	401	401	401	401	401	401
2½% Conversion Loan	...	...	204	206	206	206	206	206	206
3% Conversion Loan	...	...	302	302	302	302	302	302	302
3½% Conversion Loan	...	...	739	739	739	739	739	739	739
4½% Conversion Loan	...	...	375	369	369	369	369	369	369
5% Conversion Loan	...	...	323	323	323	323	323	323	323
Term Annuities	30	20	12	12	12	12	12	12	12
Debts to Banks	15	15	14	14	14	14	14	14	14
3½% War Stock, 1932	...	63	1,914	1,913	1,913	1,913	1,913	1,913	1,913
Other War Issues	...	3,569	...	...	...	...	...	...	...
2½% Funding Loan	...	...	31	126	198	198	198	198	198
2½% Funding Loan	...	...	...	...	...	56	99	99	99
3% Funding Loan	...	...	149	147	147	147	147	147	147
4% Funding Loan‡	...	409	361	356	356	356	356	356	356
2½% N. Defence Bonds	...	...	...	...	...	...	...	...	68
4% Victory Bonds‡	...	360	204	201	201	201	201	201	201
Treasury Bonds§	20	323	229	172	130	130	130	103	103
Nat. Savings Certs.**	...	267	395	396	395	394	394	394	393
External Debt¶	...	1,357	1,037	1,036	1,036	1,036	1,036	1,033	1,033
Treasury Bills	15	1,107	866	763	765	853	766	675	638
Temporary Advances	1	243	64	19	62	11	85	23	67
	654	8,033	7,921	7,796	7,870	7,906	7,949	7,808	7,882
Other Cap. Liabilities	57	46	102	106	105	102	98	102	100
Total Liabilities	711	8,079	8,023	7,902	7,975	8,008	8,047	7,910	7,982

† Estimates. Totals do not allow for sinking fund allocations, for which £17 millions in all has been provided from March 31, 1936, to June 30, 1937. They exclude accrued interest on Savings Certificates, and the State's assets, and include holdings of Public Departments. ‡ After deducting transfers for Death Duties. § Exchequer Bonds, 1914 and 1919. ¶ Includes American debt. ** Includes Bonds.

The Quarterly Revenue Return for June 30, 1937, is printed in full on page 12, but for the convenience of readers, the usual *weekly* return for the week to June 26, 1937, is given below.

Revenue	Total Receipts into the Exchequer: April 1, 1936, to June 27, 1936	April 1, 1937, to June 26, 1937	Week ended June 27, 1936	Week ended June 26, 1937
	£	£	£	£
ORDINARY REVENUE				
Inland Revenue—				
Income Tax	10,192,000	11,612,000	14,000	9,000
Sur-tax	4,130,000	4,830,000	120,000	200,000
Estate, etc., Duties	19,510,000	22,800,000	1,860,000	2,420,000
Stamps	3,410,000	4,240,000	460,000	900,000
Other Inland Revenue Duties	90,000	90,000	10,000	...
Total Inland Revenue	37,332,000	43,572,000	2,464,000	3,529,000
Customs and Excise—				
Customs	48,837,000	53,196,000	4,064,000	4,865,000
Excise	24,682,000	26,343,000	482,000	543,000
Total Customs and Excise	73,519,000	79,539,000	4,546,000	5,408,000
Motor Vehicle Duties	4,620,000	4,683,000	...	...
Post Office (Net Receipt)	3,850,000	3,625,000	*Dr450,000*	*Dr3150000*
Crown Lands	290,000	290,000	40,000	30,000
Receipts from Sundry Loans	368,580	361,911	...	...
Miscellaneous Receipts	1,758,276	1,306,412	59,329	253,599
Total Ordinary Revenue	121,736,656	133,347,323	6,659,329	6,070,599
SELF-BALANCING REVENUE				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	14,700,000	15,525,000	1,550,000	3,950,000
Total	136,436,656	148,872,323	8,209,329	10,020,599

Expenditure	Total Issues out of the Exchequer to meet Payments from: April 1, 1936, to June 27, 1936	April 1, 1937, to June 26, 1937	Week ended June 27, 1936	Week ended June 26, 1937
	£	£	£	£
ORDINARY EXPENDITURE				
Interest and Management of National Debt	72,379,331	74,561,908	678,805	603,923
Payments to Northern Ireland Exchequer	1,241,985	1,580,593	248,465	486,863
Other Consolidated Fund Services	636,608	776,770	...	367,093
Total	74,257,924	76,919,271	927,270	1,457,879
Total Supply Services (excluding Post Office and Broadcasting)	116446000‡	122,197,950	‡8,878,500	9,605,850
Total Ordinary Expenditure	190,703,924	199,117,221	9,805,770	11,063,729
SELF-BALANCING EXPENDITURE				
Post Office Vote and Vote for Broadcasting	14,700,000	15,525,000	1,550,000	3,950,000
Total	205,403,924	214,642,221	11,355,770	15,013,729

‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate revenue from April 1, 1937, to June 30, 1937, is shown below:—

('000's omitted)

	£		£
Expenditure	209,028	Revenue	138,813
		Decreases in balances	113
		Gross borrowing	£71,556
		Less—	
		New Sinking Fund*	1,445
		Old S. Fund, 1907–8	9
		Net borrowing	70,102
	209,028		209,028

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

				Movement 11 days ended June 30, '37
	June 30, '36	Mar. 31, '37	June 30, '37	June 30, '37
Ways and Means Advances Outstanding:	£	£	£	£
Advances by Bank of England	26,750,000	...	49,250,000	+47000000
Advances by Public Departments	35,240,000	23,535,000	18,165,000	−3,960,000
Treasury Bills outstanding	765,265,000	674,595,000	638,230,000*	−43040000
Total Floating Debt	827,255,000	698,130,000	705,645,000	no change

* Includes £13,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £50,000,000 Treasury Bills were opened on June 25, 1937. The amount applied for was £66,890,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 1d about 76 per cent. and above in full; Saturday at £99 17s. 2d. and above in full. The average rate per cent. was 11s. 5·41d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,580,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
June 18, 1937	50,000,000	93,580,000	50,000,000	0 14 0·38
June 25, 1937	50,000,000	66,890,000	50,000,000	0 11 5·41

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended June 5, 1937	646,209	484,657
Week ended June 12, 1937	610,975	458,231
February, 1916, to June 12, 1937	1,296,105,790	1,018,517,180

At the end of April 1937, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,726,807.

The OCEAN
Accident & Guarantee Corporation, Limited
Head Office: 36–44 Moorgate, London, E.C.
FOR ALL CLASSES OF INSURANCE

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, JUNE 30, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	488,444,243	Other Government Securities	184,136,501
In Banking Department ...	37,962,382	Other Securities	4,839,349
		Silver Coin	9,050
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion.....	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	140,602,903
Rest	3,412,245	Other Securities :—	
Public Deposits*	10,784,997	Discounts and Advances ... £6,279,162	
Other Deposits :—		Securities £23,680,268	
Bankers £140,533,484			29,959,430
Other Accounts £40,154,585		Notes...	37,962,382
	180,688,069	Gold and Silver Coin	913,596
	209,438,311		209,438,311

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

Both Departments	Amount, June 30, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation.....	488,444,243	+ 4,724,871	+ 48,802,392
Public deposits	10,784,997	+ 4,673,994	+ 875,044
Bankers' deposits	140,533,484	+ 45,546,020	− 28,826,252
Other deposits	40,154,585	+ 2,969,024	− 388,624
Total outside liabilities	679,917,309	+ 48,565,921	+ 78,892,312
Capital and rest.....	17,965,245	+ 47,185	+ 29,027
Government debt and securities	335,751,504	+ 42,614,902	− 33,791,125
Discounts and advances	6,279,162	+ 2,523,020	+ 4,346,545
Other securities	28,519,617	+ 3,463,874	− 12,503,420
Silver coin in issue department.....	9,050	− 701	− 752,579
Coin and bullion (bank's reserves) ...	327,320,221	+ 12,011	+ 105,250,114
Reserves of notes and coin in banking department.....	38,875,978	+ 4,712,860	+ 3,552,278
Proportion of reserve to outside liabilities—			
(a) Banking Department only (" proportion ")	20·3%	+ 9·2%	+ 6·0%
(b) Gold stocks to deposits and notes (" reserve ratio ")	49·4%	+ 2·4%	+ 12·4%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
1937	£	£	£	£	£	£	%
June 9	521,261	476,541	10,687	107,429	36,776	Nil	2
„ 16	521,261	479,781	10,013	102,261	37,151	Nil	2
„ 23	526,407	483,719	15,459	94,987	37,186	5,145 in	2
„ 30	526,407	488,444	10,785	140,533	40,155	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio	Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the " Proportion "	
1937	£	£	£ %	£	£	£	£	%
June 9	195,103	4,885	322,154	51 1/8	101,203	4,833	21,074	45,613	29 1/8
„ 16	195,156	4,834	322,170	51 1/4	101,329	3,738	19,854	42,389	28 1/8
„ 23	195,112	4,878	327 308	51 3/8	98 028	3,756	20,178	43 589	29 1/8
„ 30	195,152	4,839	327,320	49 1/4	140,603	6,279	23,680	38,876	20 1/8

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to June 16	17,495,142	1,015,230	1,768,523	20,278,895
Week ended June 23	723,993	38,487	64,358	826,838
Week ended June 30	822,641	41,545	65,655	929,841
Total to date, 1937	19,041,776	1,095,262	1,898,536	22,035,574
Total to date, 1936	16,296,534	992,240	1,709,184	18,997,958
Increase or decrease in 1937	+ 2,745,242	+ 103,022	+ 189,352	+ 3,037,616
	− 16·8%	− 10·4%	− 11·1%	− 16·0%
Total for year 1936	35,039,356	2 039,620	3,537,596	40,616,574
Total for year 1935	32,443,575	1,867,112	3,228,064	37,559,731
Increase or decrease in 1936	+ 2,595,781	+ 172,508	+ 309,534	+ 3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL

(000's omitted)

	Week ended June 26		Month of May			Aggregate Totals January 1 to June 26	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			26	24			
BIRMINGHAM	£ 2,251	£ 2,016	£ 11,023	£ 10,275	% − 6·7	£ 65,034	£ 67,821
BRADFORD	988	1,074	3,991	4,397	+ 10·1	25,283	27,171
BRISTOL	1,250	1,171	5,653	4,959	− 12·2	32,146	32,715
DUBLIN	4,579	5,308	...	...	...	147,430	152,395
HULL	671	794	3,616	3,800	+ 5·0	20,707	23,486
LEEDS	922	793	3,910	3,972	+ 1·5	23,755	26,719
LEICESTER	619	639	3,204	3,049	− 4·8	18,686	19,388
LIVERPOOL	5,163	5,598	24,994	27,769	+ 11·1	152,443	183,414
MANCHESTER ...	9,585	10,504	43,384	45,969	+ 5·9	254,978	283,108
NEWCASTLE	1,021	1,025	5,816	6,488	+ 11·5	32,714	36,689
NOTTINGHAM	392	412	2,129	2,200	+ 3·3	12,857	13,435
SHEFFIELD	985	829	4,044	4,174	+ 3·2	24,872	27,798
	28,426	30,163	111,764	117,050	+ 4·7	810,905	894,139

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in *The Economist* for August 15. Roumania, in May 29. Denmark, International Settlements, in June 12. Lithuania, Hungary, in June 19. Argentina, Bulgaria, Czechoslovakia, Danzig, Estonia, Greece, Japan, Portugal, Turkey in June 26.

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

U.S.F.R. Banks Resources	July 2, 1936	June 30, 1937	June 17, 1937	June 24, 1937	July 1, 1937
Gold Certificates on hand and due from the Treasury	8,106,540	8,838,400	8,837,900	8,836,900	8,834,910
Total reserves	8,385,730	9,154,411	9,161,360	9,169,640	9,158,690
Total cash reserves	266,240	305,740	313,590	322,490	313,310
Total bills discounted	4,220	14,290	14,330	13,300	9,930
Bills bought in open market	3,080	5,820	5,090	4,280	3,800
Total bills on hand	7,300	20,110	19,420	17,580	13,730
Industrial advances	29,780	22,200	22,050	22,010	22,150
Total U.S. Govt. securities	2,430,230	2,526,290	2,526,290	2,526,240	2,526,190
Total bills and securities ...	2,467,490	2,568,600	2,567,760	2,565,830	2,562,070
Total resources	11,642,490	12,435,120	12,702,930	12,475,820	12,496,480
LIABILITIES					
Federal Reserve notes in actual circulation	4,046,090	4,200,960	4,177,800	4,162,830	4,206,480
Aggregate of excess member-bank reserves over requirements	2,670,000	930,000	750,000	810,000	870,000
Deposits—Member-bank reserve account	5,589,130	6,928,980	6,807,980	6,854,410	6,900,290
Government deposits	731,020	84,640	250,210	150,930	92,810
Total deposits	6,576 620	7,292,760	7,325,120	7,328,850	7,278,170
Capital paid in and surplus	302,980	305,540	305,580	305,550	305,650
Total liabilities	11,642,490	12,435,120	12,702,930	12,475,850	12,496,480
Ratio of total reserves to deposit and F.R. note liabilities combined	78·9%	79·6%	79·6%	79·8%	79·7%
U.S.F.R. BANKS AND TREASURY COMBINED RESOURCES					
Monetary Gold Stock	10,612,000	12,118,000	12,220,000	12,270,000	12,318,000
Treasury and National Bank Currency	2,498,000	2,547,000	2,548,000	2,550,000	2,551,000
LIABILITIES					
Money in Circulation	6,250,000	6,435,000	6,415,000	6,394,000	6,448,000
Treasury Cash and Deposits with Federal Reserve Banks.....	3,232,000	3,339,000	3,598,000	3,547,000	3,538,000

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	July 2, 1936	June 30, 1937	June 17, 1937	June 24, 1937	July 1, 1937
Total gold reserves	3,161,450	3,380,350	3,359,950	3,461,120	3,479,000
Total bills discounted	2,630	7,930	6,600	5,930	4,910
Bills bought in open market	1,090	2,040	1,760	1,550	1,540
Total U.S. Govt. securities	680,580	725,030	725,030	725,030	725,030
Total bills and securities ...	671,610	740,800	739,310	738,420	737,380
Deposits—Member-bank reserve account	2,342,710	2,982,930	2,975,040	3,023,150	3,064,440
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·1%	83·8%	83·5%	84·3%	84·3%

FEDERAL RESERVE REPORTING MEMBER BANKS.

In £'s (000,000's omitted)

	June 17, 1936	May 19, 1937	May 26, 1937	June 2, 1937	June 9, 1937	June 16, 1937
Loans, total†	8,538	9,500	9,529	9,571	9,647	9,741
Investments	14,121	12,667	12,653	12,587	12,567	12,832
Reserve with Federal Reserve Bank	3,937	5,349	5,385	5,278	5,367	5,280
Due from banks	2,201	1,781	1,796	1,766	1,751	1,774
Demand deposits	14,431	15,425	15,528	15,274	15,508	15,242
Time deposits	5,032	5,205	5,222	5,231	5,233	5,233
Government deposits	852	182	181	142	103	547
Due to banks	5,828	5,842	5,885	5,699	5,618	5,633

† In this item, comparison between May 20, 1937, onwards and preceding weeks is affected by a revision of the statement.

AUSTRALIAN COMMONWEALTH BANK.

In £'s (000's omitted)

ASSETS	June 29, 1936	May 31, 1937	June 7, 1937	June 14, 1937	June 21, 1937	June 28, 1937
Gold and English sterling ...	15,989	16,011	16,011	16,011	16,011	16,011
Other coin, bullion and cash	6,632	5,365	5,301	5,862	5,223	5,532
Money at short call—London	21,018	33,100	32,895	35,343	37,491	36,484
Short-term loans	5,474	4,435	3,695	3,966	3,877	2,567
Securities	75,769	76,591	76,591	76,591	76,591	76,591
Discounts and advances	8,128	9,518	9,617	9,443	9,383	9,328
LIABILITIES						
Notes issued	47,044	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold ...	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	70,387	83,366	82,001	84,561	86,501	86,784

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

ASSETS	June 22, 1936	May 31, 1937	June 7, 1937	June 14, 1937	June 21, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	23,389	22,527	20,909	21,124	21,177
Advances to State	...	4,873	4,985	5,132	5,106
Investments.....	2,014	2,906	2,906	2,906	2,906
LIABILITIES					
Bank notes.....	10,021	12,974	12,868	12,842	12,759
Demand liabilities :—					
Government.....	9,783	7,383	7,726	8,106	7,642
Other	7,271	11,104	9,578	9,576	10,161
Ratio of reserves to sight liabilities.....	96·7%	79·9%	78·6%	78·4%	78·5%

BANK OF CANADA.—In $'s (000's omitted)

ASSETS	June 24, 1936	June 9, 1937	June 16 1937	June 23, 1937
Reserve, of which	192,846	209,371	208,528	212,250
Gold coin and bullion	179,946	184,058	183,552	181,137
Investments.....	111,357	145,051	142,379	139,330
LIABILITIES				
Note circulation	94,455	131,391	131,870	131,247
Deposits : Dominion Government	18,558	21,841	22,715	18 770
Chartered banks	190,504	192,468	186,592	191,893
Ratio of reserves to notes and deposit liabilities	83·4%	80·4%	81·0%	81·9%

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

ASSETS	June 26, 1936	May 28, 1937	June 4, 1937	June 11, 1937	June 18, 1937	June 25, 1937
Gold coin and bullion	22,916	25,628	25,202	25,200	25,069	24,409
Bills discounted : Foreign ...	9,771	5,615	6,125	5,905	6,270	6,285
Investments.....	1,737	1,729	1,729	1,729	1,729	1,729
Other assets	11,911	12,978	12,658	12,806	12,405	11,599
LIABILITIES						
Notes in circulation	14,244	16,852	16,451	15,627	15,124	15,416
Deposits : Government	2,364	2,766	1,569	1,787	2,572	2,168
Bankers	24,103	18,134	18,758	20,207	18,873	18,526
Rati of cash reserves to liabilities to public	52·4%	59·7%	58·4%	59·0%	58·7%	58·8%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

ASSETS	June 26, 1936	June 11, 1937	June 18, 1937	June 25, 1937
Gold coin and bullion	44,42,17	44,41,56	44,41,56	44,41,57
Rupee coin	63,37,51	54,86,69	55,56,71	56,36,43
Balances abroad	15,82,86	23,21,57	22,72,67	22,82,16
Sterling securities*	68,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities* ...	23,40,31	27,37,25	27,37,25	27,37,23
Investments	5,97,09	7,06,54	7,22,81	7,36,31
LIABILITIES				
Note circulation	1,64,12,93	1,92,53,98	1,88,97,46	1,85,95,49
Deposits : Government	16,30,42	9,67,02	11,04,55	12,61,92
Banks	30,54,44	24,51,92	27,14,05	29,62,08
Ratio of gold and sterling to liabilities	56·5%	80·3%	60·1%	59·8%

* Held against notes.

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

ASSETS	June 26, 1936	June 3, 1937	June 10, 1937	June 17, 1937	June 24, 1937
Gold	53,998,768	57,359,030	57,359,076	57,359,105	54,859,163
Advances on Gold Coin	1,286,964	1,098,943	1,098,943	1,099,156	1,089,156
Commercial Bills.....	21,560,743†	8,895,936	8 604,873	9,860,187	10,632,791
Bills bought abroad ...	1,263,574	1,023,694	1,023,694	1,023,694	1,023,693
Advances on securities	4,488,104	4,649,251	4,443,745	4,919,825	4,789,093
Loans to State without interest : (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	536,468	19,979,738	19,979,739	19,979,739	21,379,738
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,622	5,641,622	5,641,622	5,641,368
Other assets (excluding forward exch.)	3,548,762	3,985,478	4,221,106	3,883,812	3,828,772
LIABILITIES					
Notes in circulation...	85,106,243	86,971,119	86 450,803	85,798,934	85,985,288
Public deposits	1,304,632	2,487,957	2 351,041	2.179,606	2,209,005
Private deposits	6,359,893	13,488.210	14,199 497	16,357,831	15,611,240
Other liabilities	2,819,303	2,686,406	2,572.557	2,630,770	2,648,243
Ratio of gold reserve to sight liabilities ..	58·1%	55·6%	55·6%	54·9%	52·8%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936.
† Includes fcs. 13,833,423,000 Treasury Bills.

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

ASSETS	June 15, 1936	May 31, 1937	June 7, 1937	June 15, 1937
Gold	70,200	68,605	68,777	68,825
Of which deposited abroad	24,551	19,359	19,359	19,359
Reserve in foreign currencies	5,371	5,854	5,528	5,699
Bills of exchange and cheques	4,187,933	5,055,370	4,796,934	4,567,887
Silver and other coin	201,852	172,131	179,194	233,053
Advances	42,415	50,039	40,695	49,065
Investments	530,130	414,235	414,234	414,225
Other assets	514,863	774,815	736,977	777,914
LIABILITIES				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,074,547	4,901,766	4,725,977	4,560,606
Other daily maturing obligations	677,648	803,863	678,222	715,534
Other liabilities	177,048	192,443	195,163	197,551
Cover of note circulation	1·85%	1·52%	1·57%	1·63%

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

ASSETS	June 25, 1936	May 27, 1937	June 3, 1937	June 10, 1937	June 17, 1937	June 24, 1937
Gold	5,762,158	3,590,977	3,591,946	3,613,113	3,648,473	3,688,204
Silver and other coin	61,481	51,361	50,230	49,042	50,894	50,724
Securities	1,401,689	1,341,362	1,336,999	1,354,229	1,370,123	1,390,977
Advances	78,426	35,379	42,788	37,292	34,092	32,965
LIABILITIES						
Notes in circulation ..	4 353,539	4,380,390	4,397,471	4,400,167	4,401,287	4,417,814
Deposits : Govt	13,234	117,142	179,554	146,581	139,795	165,425
Other	1,129,235	708,014	631,379	693,362	748,917	766,032

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

ASSETS	June 29, 1936	May 31, 1937	June 7, 1937	June 14, 1937	June 21, 1937	June 28, 1937
Gold	894,200	1,130,052	1,146,081	1,196,034	1,227,185	1,265,043
Silver	21,231	18,726	18,604	19,047	19,747	
Home bills discounted	45,841	18,736	18,214	17,881	18,169	18,043
Loans and advances in current account .	144,080	183,483	170,686	171,268	166,944	178,189
LIABILITIES						
Notes in circulation ..	767,067	835,954	823,981	812,570	804,631	820,562
Deposits	61,538	537,101	551,608	613,284	650,081	664,544

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

ASSETS	June 27, 1936	May 29, 1937	June 5, 1937	June 12, 1937	June 19, 1937	June 26, 1937
Gold and silver.....	107,530	126,350	125,690	124,560	124,310	124,640
Discounts, advances and other investments	72,180	76,880	74,620	76,850	76,960	76,260
Foreign bills	1,810	4,730	5,250	4,710	4,770	4,900
Other assets	10,340	78,300	83,220	82,080	78,870	77,860
LIABILITIES						
Notes in circulation	156,330	191,350	195,620	197,180	194,130	193,800
Deposits and bills payable ..	23,070	81,230	79,450	77,260	77,020	76,090

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

ASSETS	June 23, 1936	May 22, 1937	May 31, 1937	June 7, 1937	June 15, 1937	June 23, 1937
Gold	1,404,106	2,623,540	2,624,249	2,624,325	2,624,357	2,624,360
Of which held abroad	171,530	534,469	534,469	534,469	534,469	534,469
Discounts.....	79,021	12,580	12,192	11,759	11,273	11,373
Confederation Bills	56,800	13,500	13,500	13,150	12,450	11,550
Advances	68,332	30,091	30,129	30,857	30,957	30,027
Securities	45,899	15,893	15,876	15,876	15,715	14,917
LIABILITIES						
Notes in circulation ...	1,234,633	1,319,114	1,373,932	1,344,698	1,324,076	1,330,213
Deposits	354,946	1,355,967	1,300,907	1,329,081	1,353,022	1,360,252

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

ASSETS	June 22, 1936	May 31, 1937	June 7, 1937	June 15, 1937	June 22, 1937
Gold reserve	432,132	463,845	464,046	464,461	464,789
Government securities :					
Swedish	28,500	2,000	2,000	2,000	2,000
Foreign.....	76,090	31,692	30,590	30,591	30,896
Gold abroad not included in the gold reserve	76,735	69,116	69,086	69,024	68,975
Balances with foreign banks.....	191,271	266,015	284,701	253,763	210,829
Bills payable in Sweden.....	10,920	12,328	12,119	12,247	12,278
Bills payable abroad	216,570	576,361	576,361	612,526	655,924
Advances.....	25,200	26,150	26,125	26,560	26,620
LIABILITIES					
Notes in circulation.....	746,277	836,743	803,320	808,672	821,584
Deposits : Government.....	251,982	267,604	217,481	205,270	196,970
Banks	177,769	595,732	617,013	613,941	618,879
Other	16,222			12,208	12,117

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

ASSETS	June 22, 1936	May 31, 1937	June 7, 1937	June 15, 1937	June 22, 1937
Coin and bullion (gold reserve).....	118,866	118,843	118,843	118,843	118,843
Balance abroad and foreign bills	67,088	104,819	105,424	103,191	101,487
Funds provisionally placed in gold, not included in the gold reserve.....	76,248	75,913	75,921	75,921	75,921
Norwegian and foreign governments securities ..	40,676	72,339	73,072	76,239	79,556
Discounts and loans	185,951	185,348	184,240	181,499	180,252
LIABILITIES					
Notes in circulation	365,009	403,020	398,336	399,944	404,425
Deposits at sight.....	86,332	108,890	115,631	108,476	102,460

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

ASSETS	June 23, 1936	May 31, 1937	June 7, 1937	June 15, 1937	June 23, 1937
Cash reserve—					
Gold coin and bullion.....	242,606	242,924	242,933	242,948	242,962
Other foreign exchange	87,756	98,398	99,210	98,047	98,955
Bills discounted	217,466	192,268	190,748	191,333	189,398
Federal debt	624,444	620,152	620,152	620,152	620,122
LIABILITIES					
Notes in circulation	857,560	882,302	833,920	822,523	788,250
Deposits	314,892	258,716	309,980	317,536	352,981

† 5,976·28 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

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

ASSETS	June 20, 1936	May 20, 1937	May 31, 1937	June 10, 1937	June 20, 1937
Gold	370,101	410,971	412,471	414,491	416,008
Foreign exch. and balances	11,240	40,154	40,519	41,394	37,826
Bills discounted	642,412	526,880	520,830	500,347	489,633
Loans against securities	114,171	29,205	33,203	28,256	27,623
Treasury bonds discounted	46,790	23,027	25,509	36,716	32,187
Securities.....	108,724	134,559	134,630	134,682	134,688
LIABILITIES					
Notes in circulation.....	983,797	935,053	975,302	962,773	939,429
Sight liabilities	184,744	299,796	267,756	274,849	283,407

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

ASSETS	June 23, 1936	May 31, 1937	June 8, 1937	June 15, 1937	June 23, 1937
Gold reserve	519,973	603,021	603,007	602,987	602,955
Gold abroad not included in the gold reserve		208,673	177,033	156,693	116,383
Foreign correspondents.....	1,116,748	1,807,115	1,843,899	1,886,665	1,904,205
Foreign bills, bank notes, and coupons	90,598	91,661	95,189	95,526	91,483
Inland bills and other home loans.....	1,096,473	1,134,471	1,133,708	1,127,860	1,130,170
Finnish and foreign bonds	399,354	448,124	467,187	457,147	457,147
LIABILITIES					
Notes in circulation	1,421,258	1,899,607	1,875,965	1,859,000	1,824,222
Government deposits at sight	22,722	396,186	364,560	346,069	299,117
Other deposits at sight	632,173	671,067	776,660	816,702	855,254
Ratio of ordinary cover to liabilities at sight ...	74·36	73·03	73 86	74·37	76·11

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

ASSETS	June 22, 1936	May 24, 1937	May 31, 1937	June 7, 1937	June 14, 1937	June 21 1937
Gold coin and bullion	46,408	77,448	77,452	77,453	77,461	77,463
Silver coin	15,751	15,368	15,331	15,341	15,366	15,296
Foreign currency.....	8,048	44,159	42,231	42,848	42,298	40,978
Treas. notes and small change	11,852	9,749	9,392	9,834	9,506	8,714
Short-term bills	51,451	51,235	51,556	51,952	51,800	51,563
Loans against securities.....	60,597	67,788	70,494	70,266	69,766	70,905
LIABILITIES						
Notes in circulation	36,773	46,003	46,095	46,222	46,007	46,866
Deposits	20,582	21,183	21,198	21,174	21,206	21,396
Current accounts	87,503	113,130	116,324	116,443	115,530	114,243
Government accounts	44 594	76,799	74,263	73,360	75 151	74,678

‡ Gold francs up to and including September 28, 1936, only.

NATIONAL BANK OF EGYPT.—In £E (000's omitted)

Banking Department:—	May 31, 1936	Mar 31, 1937	Apr. 30, 1937	May 31, 1937
LIABILITIES				
Capital	2,925	2,925	2,925	2,925
Reserves	2,925	2,925	2,925	2,925
Government deposits	6,271	10,505	9,468	9,604
Other deposits	22,465	20,344	20,528	19,432
Other accounts	3,476	3,490	3,420	3,486
ASSETS				
Cash: Notes	971	1,147	1,121	1,289
Gold, silver, etc.	663	656	638	694
Money at call and short notice	1,472	1,706	1,024	1,058
Investments	27,702	26,281	26,025	25,491
Advances	3,296	3,976	3,531	3,119
Bills	1,301	1,969	1,763	1,350
Other accounts	2,656	4,454	5,165	5,370
Note Issue Department:—				
LIABILITIES				
Notes issued	21,500	22,300	22,000	21,400
ASSETS				
Gold	6,241	6,241	6,241	6,241
British Treasury Bills and bonds	6,044	6,844	6,544	5,944
British War Loan at par	7,715	7,715	7,715	7,715
Egyptian Government securities at market price	1,500	1,500	1,500	1,500

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	June 24, 1937	June 25, 1937	June 26, 1937	June 28, 1937	June 29, 1937	June 30, 1937	July 1, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	⅛	⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛
3 months' do.	⅛	⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛
4 months' do.	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼
6 months' do.	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼
Discount Treasury Bills—							
2 months'	⅛	⅛	⅛	⅛	⅛	⅛	⅛
3 months'	⅛	⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛	⅛–⅛
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–3	½–3
Short	½–1	½–1½	½–1½	½–1½	½–2½	½–2½	½–2½
Deposit allowances: Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	½	½	½	½	½	½	½

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
June 3	½–1	⅛	⅛–¼	¼–⅜	2–2½	2½–2¾	2¾ 3
„ 10	½–1	⅛–¼	⅛–¼	⅜	2–2½	2½–2¾	2¾–3
„ 17	½–1	⅛–¼	⅛–¼	⅜	2–2½	2½–2¾	2¾–3
„ 24	½–1	⅛	⅛–¼	⅜–½	2–2½	2½–2¾	2¾–3
July 1	½–2½	⅛	⅛–⅜	⅜–½	2–2½	2½–2¾	2¾–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	June 25, 1937	June 26, 1937	June 28, 1937	June 29, 1937	June 30, 1937	July 1, 1937
New York, $..	‡4·86⅝	4·93½–94⅛	4·93⅝–93⅞	4·93–93½	4·92½–93½	4·93–93⅞	4·93⅛–94⅛
Montreal, $ ...	4·86⅝	4·94½–94⅞	4·94–94⅝	4·93⅞–94⅛	4·93⅛–94⅜	4·94⅛–95	4·94⅛–95⅛
Paris Fr.	124·21	110⅜–111	110⅜–111	110⅜–⅝	Unquoted	Unquoted	129–129½
Brussels, Bel.	35·00(a)	29·23–26	29·21–24	29–20–23	29·21–24	29·22–34	29·31–40
Milan, L.....	92·46	93⅛–94 / 93·90½	93⅛–10 / 93·90½	93⅛–10 / 93·81½	93⅛–⅜ / 93·81½	93⅛–½ / 93·73½	93⅜–94½ / 93·82½
Zurich, Fr....	25·22½	21·54½–56	21·54–56½	21·54–55	21·51–55	21·51–55	21·54–62	21·58–62½
Athens, Dr....	375	540–555	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M...	193·23	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½
Madrid, Pt....	25·22½	70–100(l) / 59·50	70–100(l) / 59·50	70–100(l) / 59·50	70–100(l) / 59·50	70–100(l) / 59·50	70–100(l) / 59·50	70–100(l) / 59·50
Lisbon, Esc...	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm Fl.	12·107	8·97½–99	8·97½–98½	8·96½–97½	8·96–99	8·98–99½	8·98½–9·00½	
Berlin, Mk....	20·43	12·30–33	12·29–32	12·29–31	12·29–31	12·28–32	12·30–34	
Registered Marks	(c)	45½–50½	45½–50½	45½–50½	47½–52½	45–50	44½–49½	
Vienna, Sch...	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	
Bu'pest, Pen.	27·82	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25⅜	
Prague, Kc.	164½	141⅛–142	141⅛–⅛	141⅛–⅜	141⅛–⅜	141⅛–⅜	141⅛–142⅜	
Danzig, Gul.	25·00	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	
Warsaw, Zl....	43·38	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	25⅛–26⅜	
Riga, Lat. ...	25·22½	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25½	24⅝–25½	
Bucharest, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680	
Const'ple, Pst	110	616*	616*	616*	616*	616*	616*	
		624k	624k	624k	624k	622k	622k	
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221	
Kovno, Lit....	48·66	28⅜–29⅜	28⅜–29⅜	28⅜–29⅜	28⅜–29⅜	28⅜–29⅜	28⅜–29⅜	
Sofia, Lev. ...	673·66	390–420	390–420	390–420	390–420	390–420	390–420	
Tallinn, E. Kr.	18·159	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	
Oslo, Kr.....	18·159	19·85–95	19·85–95	19·85–95	19·35–45	19·85–95	19·85–95	
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	
Alex'dria, Pst.	97⅛	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	
Br. India Rup	† 18d.	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	
Hong Kong, $	† ...	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	
Kobe, Yen ...	†24.58d.	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛–14	
Shanghai, $...	† ...	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	
Singapore, $..	† 28d.	28⅛–⅜	28⅛–⅜	28⅛–⅜	28⅛–⅜	28⅛–⅜	28⅛–⅜	
Batavia, F....	12·11	8·93–98	8·92½–97½	8·93–97	8·93–98	8·95–99	8·96–9·00	
Rio, Mil.	†5.899d.	3 7/16–⅛f	3 7/16–⅛f	3 7/16–⅛f	3 7/16–⅛f	3 7/16–⅛f	3 7/16–⅛f	
B. Aires, $ ...	11·45	16·23–31g	16·25–30g	16·25–30g	16·27–33g	16·29–34g	16·30–38g	
		16·12k	16·12k	16·12k	16·12k	16·12k	16·12k	
Valparaiso, $	40	128e(l)	128e(l)	128e(l)	128e(l)	128e (l)	128e (l)	
M'video, $ ...	† 51d.	27⅞–28⅛ / 39⅞*b	27⅞–28⅛ / 39⅞*b	27⅞–28⅛ / 39⅞*b	27⅞–28⅛ / 39⅞*b	27⅞–28⅛ / 39⅞*b	27⅞–28⅛ / 39⅞*b	
Lima, Sol. ...	17·88	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	19–20	
Mexico, Pes.	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	
Manila, Pes...	†24·66d.	24–24 7/16	24–24 7/16	24–24 7/16	24–24 7/16	24–24 7/16	24⅛–⅜	
Moscow, Rbls.	...	26 3/16 m	26 3/16 m	25 13/16 m	25 13/16	25 13/16	25 13/16	
B'ngkok, Baht	†21·82d.	22 7/16–⅜	22 7/16–⅜	22 7/16–⅜	22 7/16–⅜	22 7/16–⅜	21⅞–⅜	

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅜ since dollar devaluation on February 1, 1934. § Par, 197·10 7/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (d) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (k) Average remittance rate for importers. Rate for payments to the Bank of England:—(d) For account Controller of Anglo-Italian debts; (f) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement. (l) Nominal. (m) Approximate. Dealings in Roubles at 4½ French francs to 1 Rouble.

II.—Forward Rates

(Closing quotations)

London on		June 25, 1937 Per £	June 26, 1937 Per £	June 28, 1937 Per £	June 29, 1937 Per £	June 30, 1937 Per £	July 1, 1937 Per £
New York, cent.	1 Month	(p) 1/16–⅛	(p) 1/16–⅛	(p) ⅛–3/16	(p) 3/16–¼	(p) ¼–5/16	(p) 3/16–¼
	2 „	1 1/16–⅛	1 1/16–⅛	⅛–¼	3/16–¼	1–¼	1–¼
	3 „	1 3/16–1 5/16	1⅛–1⅜	1 7/16–1 9/16	1⅜–1½	1⅜ 1½	1⅜–1½
Paris frs	1 Month	(d) 7⅞–8⅛	(d) 8·8½	(d) 6½–9½	(d) Un-quoted	(d) Un-quoted	(d) 1⅜–2
	2 „	8⅜–9⅛	9·9½	7 7½			2½–3½
	3 „	10·10½	10·10½	8·8½			3½–4½
Amsterdam c'nt	1 Month	(p) 1 3/16	(p) 1⅛–3/16	(p) 1⅛–3/16	(p) 1–1⅛	(p) ⅞–1	(p) 1–1⅛
	2 „	2–1⅛	2⅛–1⅜	2⅛–1⅜	2–1⅛	1⅜–1½	1⅜–1⅝
	3 „	2⅞–2⅜	3–2⅝	3–2⅝	2⅞–2⅛	2⅛–2	2⅜–1⅝
Brussels, cent	1 Month	(p) 1-par	(p) Par	(p) Par	(d) ⅛–1⅛	(d) ⅛–1½	(d) ⅛–1⅛
	2 „	1⅛–1	Par	1-par	⅛–1⅛	1–2	1–2
	3 „	2–1	Par	1⅛–⅛	⅛–1⅛	1⅛–2⅛	1⅛–2⅛
Geneva, cent.	1 Month	(p) ⅛-par	(p) Par	(p) Par	(d) ⅛–1⅛	(d) 1–2	(d) Par–1
	2 „	1⅛–1	1-par	1-par	⅛–1⅛	1⅛–2⅛	⅛–1⅛
	3 „	3–2	2·1	1⅛–⅛	⅛–1⅛	1⅛–2⅛	⅛–2⅛

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

OVERSEAS BANK RATES

	Changed	From %	To %
Albania	Apr. 1, 1937	6½	6
Amsterdam	Dec. 2, 1936	2½	2
Athens	Jan. 4, 1937	7	6
Batavia	Jan. 14, 1937	4	3
Belgrade	Feb. 1, 1935	6½	5
Berlin	Sept. 22, 1932	5	4
Brussels	May 14, 1935	2½	2
Bucharest	Dec. 15, 1934	6	4½
Budapest	Aug. 28, 1935	4½	4
Calcutta	Nov. 28, 1935	3½	3
Copenhagen	Nov. 19, 1936	3½	4
Danzig	Jan. 2, 1937	5	4
Helsingfors	Dec. 3, 1934	4½	4
Kovno	July 1, 1936	6	5½
Lisbon	May 5, 1936	5	4½
New York Fed. Reserve	Feb. 1, 1934	2	1½
Madrid	July 15, 1935	5½	5
Montreal	Mar. 11, 1935	...	2½
Oslo	Dec. 7, 1936	3½	4
Paris	June 14, 1937	4	6
Prague	Jan. 1, 1936	3½	3
Pretoria	May 15, 1933	4	3½
Tallinn	Oct. 1, 1935	4	4½
Riga	Nov. 1, 1936	5½	5(a) / 5½(b)
Rio de Janeiro	May 31, 1935	...	3½
Rome	May 18, 1936	5	4½
Sofia	Aug. 15, 1935	7	6
Stockholm	Dec. 1, 1933	3	2½
Swiss Bank places	Nov. 25, 1936	2	1½
Tokio	Apr. 7, 1936	3·65	3·285
Vienna	July 10, 1935	4	3½
Warsaw	Oct. 26, 1933	6	5
Wellington	Mar. 2, 1936	3½	2½
Irish	June 30, 1932	3½	3

Central Bank of Chile.—Discount rate for member banks, 4½%; discount rate for the public, 6%. (a) 5% applied to banks and credit institutions. (b) 5½% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

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

	July 1, 1936 %	July 2, 1937 %	July 9, 1937 %	June 16, 1937 %	June 23, 1937 %	June 30, 1937 %
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—	Selling Rates					
Members—eligible, 90 days	⅛	⅛	⅛	⅛	⅛	⅛
Non-mem.—eligible, 90 days	⅛	⅛	⅛	⅛	⅛	⅛
Commercial accept., 90 days	⅛	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	July 1, 1936	June 16, 1937	June 23, 1937	June 30, 1937
London—		Old par				
60 days	Dollars for £1	4·8666	5·01	4·9287	4·9350	4·92½
Cable		New par	5·0225	4·9387	4·9450	4·93½
Cheques		8·2397	5·0212	4·9375	4·9437	4·9362
Paris ..... cheques	Cents for 1 franc		6·63	6·63	4·4525	4·4575	4·14
Brussels „	Cents for 1 belga		23·54	16·925	16·88	16·885	16·835
Switzerland „	Cents for 1 franc		32·67	32·75	22·915	22 935	22·865
Italy „	Cents for 1 lira		8·91	7·88	5·2625	5 2625	5·26¼
Berlin „	Cents for 1 mark		40·33	40·35	40·08	40 10	40·08
Vienna „	Cts. for Austrn. shlg.		23·82	18·89	18·75	18·75	18·75
Madrid „	Cents for 1 peseta		32·67	13·735	...	...	...
Amsterdam „	Cents for 1 guilder		68·06	68·20	54 99	54·99	54·92
Copenhagen „	Cents for 1 kroner	45·37		22·44	22·05	22 075	22·045
Oslo „				25·24	24·82	24 85	24·81
Stockholm „				25·895	25·465	25·50	25·46
Athens „	Cents for 1 drachma	1·29½		0·94⅞	0·90½	0 90⅜	0·90⅝
Montreal „	Cents for Can. $1	169·31		99⅜	100	99 ⅜	99⅜
Yokohama „	Cents for 1 yen	84·40		*29·375	28·76	28·75	28·70
Shanghai „	Cents for 1 dollar	...		30·18	29·80	29·85	29·80
Calcutta „	Cents for 1 rupee	61·80		37·93	37·30	37·35	37·30
Buenos Aires „	Cents for 1 peso	...		33·49	30·55	30·45	30·62
Rio de Janeiro „	Cents for 1 milreis	11·96		8·47	8·33	8·33	8·32

SOUTH AFRICAN EXCHANGE RATES

(Buying Rates per £100 Sterling)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on:—					
Rhodesia	£100 5 0	£100 11 3	£101 1 3	£101 11 3	£102 1 3
South Africa	£100 17 6	£101 3 9	£101 13 9	£102 3 9	£102 13 9

(Selling Rates per £100 Sterling)

	Sight	Telegraphic
London on:—	£ s. d.	£ s. d.
Rhodesia	99 15 0	99 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Bank of London and South America, Ltd., issues the following details relative to quotations for certain of the South and Central American exchanges. All these exchanges, with the exception of that of Bolivia, are related to the United States dollar, and the approximate sterling rates may be obtained by applying the dollar-sterling exchange rate:—

*Bolivia.** Commercial Banks' "free" selling rate was 120 bolivianos per £ on May 20th.

*Colombia.** Sight selling rate 175·40 pesos per 100 United States dollars on June 3rd. This rate applies to holders of permits buying in the "open" market.

*Ecuador.** Official sight selling rate on New York was maintained up to June 4th at 10·50 sucres per United States dollar.

Guatemala. Sight rate on New York is maintained at 1 quetzal per United States dollar, but a commission of 1 per cent. is charged by the Banco Central for the sale of drafts.

*Nicaragua.** Sight selling rate on New York was officially fixed at 2 cordobas per United States dollar on March 19th, 1937.

Salvador. Sight selling rate on June 5th was 2·51 colones per United States dollar.

Venezuela. Sight selling rate on New York was officially fixed at 3·19 bolivares per United States dollar on April 27th, 1937.

* Exchange controls are operative in these countries.

OVERSEAS DOMINION RATES

Commonwealth of Australia and Dominion of New Zealand

	London on Australia and New Zealand*				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Australia	New Zealand	Australia (any Mail)	New Zealand (any Mail)	Australia	New Zealand	Australia (any Mail)	New Zealand
T.T.	...	...	125	124	125	124	125⅛	124⅛
	Air Mail / Ord. Mail	Air Mail / Ord. Mail			Air Mail / Ord. Mail			
Sight	126⅛ / 126⅜	125⅛ / 125⅜	125⅛	124⅛	124 13/16 / 124 15/16	123⅛	125 7/16	124 7/16
30 days	126⅜ / 126⅝	125⅜ / 125⅝	126	...	124⅛ / 124⅜	123¼	125 7/16	124 7/16
60 days	127⅛ / 127⅜	126⅜ / 126⅝	126⅞	...	124⅛ / 124⅜	123	125 7/16	124 7/16
90 days	127⅜ / 127⅝	126⅝ / 127	...	...	124	123⅜	122⅞	125 7/16 / 124 7/16

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

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended July 1, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports			Exports		
From	Bullion*	Coin†	To	Bullion*	Coin†
	£	£		£	£
British W. Africa	179,254	535	Finland	22,970	...
British S. Africa	2,616,013	...	Netherlands	...	12,000
Tanganyika	8,711	...	Belgium	1,353,860	...
Kenya	5,114	...	France	6,902	3,565
British India	34,626	...	Switzerland	560	2,000 / 2,825
Australia	187,309	179	Jugoslavia	76,325	...
New Zealand	31,055	...	U.S.A.	3,253,955	...
Germany	817,908	...	Other countries	230	475
Netherlands	2,822	...			
France	10,461,749	500			
Switzerland	861,805	...			
Venezuela	23,228	678,250			
Other countries	3,863	394			
Totals	15,243,257	1,214 / 678,644	Totals	4,714,802	14,000 / 6,865

IMPORTS AND EXPORTS OF SILVER

Imports			Exports		
From	Bullion*	Coin†	To	Bullion*	Coin†
	£	£		£	£
Fiji	...	17,060	Bengal	1,115	...
Germany	323	...	Fiji	...	1,145
Netherlands	...	443	Bermuda	1,880	3,500
Belgium	3,550	990	Norway	7,460	...
France	...	234	France	4,370	...
Switzerland	...	6	Switzerland	1,304	...
Japan	15,664	...	Portugal	...	13,215
Other countries	...	600 / 900	Saudi Arabia	17,810	...
			U.S.A.	...	1,083
			Argentina	1,962	...
			Other countries		
Totals	19,537	12,650 / 1,583	Totals	38,901	3,500 / 15,443

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

GOLD MOVEMENTS: BANK OF ENGLAND

1937 Arrivals	£	1937 Withdrawals	£
June 25	Nil	June 25	Nil
„ 26	Nil	„ 26	Nil
„ 28	Nil	„ 28	Nil
„ 29	Nil	„ 29	Nil
„ 30	Nil	„ 30	Nil
July 1	Nil	July 1	Nil
Total	Nil	Total	Nil

Movement, June 25 to July 1, 1937 (inclusive)	Nil
Movement during year 1936	£113,609,527 in
Movement during 1937 (January 1 to July 1, inclusive)	£12,745,963 in
Movement, April 29, 1925, to July 1, 1937 (inclusive)	£167,312,687 in
Movement, September 21, 1931 (gold standard suspended) to July 1, 1937 (inclusive)	£190,458,915 in

GOLD MARKET

Messrs Samuel Montagu and Company write on June 30, 1937:—

The Bank of England gold reserve against notes amounted to £326,406,625 on June 23rd, as compared with £321,261,366 on June 16th.

Conditions in the open market were comparatively quiet. At the daily fixings about £2,500,000 of bar gold changed hands during the week and offerings continued to be taken for shipment to America. Prices advanced slightly owing to the firmer tendency of the dollar in terms of sterling, but again ruled below dollar parity.

Measures to deal with the crisis of the franc were announced on June 29th, when the French Finance Minister stated that if the Government obtained the powers they desired the franc would be detached from the gold standard and allowed to find its own level. He said that he had been in communication with Mr Morgenthau and Mr Montagu Norman, and had received their assent to this proposal. The s.s. "Corfu," which sailed from Bombay, on June 26th carries gold to the value of about £135,000.

SILVER MARKET

The tone of the market improved during the week, and there was a slight advance in prices. The Indian Bazaars were less inclined to re-sell and gave some support, but American buying was only in evidence at the lower levels. China sales and speculative re-sales continued on a moderate scale. The market appears fairly steady at about the present level, and no wide movements are expected in the near future.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
June 24	140 4½	12 1·25	19⅝	19 11/16	June 23 45
„ 25	140 6½	12 1·07	19⅝	19⅝	to 1·07
„ 26	140 7½	12 0·99	19⅝	19 11/16	June 29 inclusive
„ 28	140 8	12 0·95	19 11/16	20	
„ 29	140 9	12 0·86	20	20	
„ 30	140 9	12 0·86	20	20⅛	
Average	140 7·42	12 1·00	19·927	19·979	
July 1	140 6	12 1·12	19 13/16	20	

The highest rate of exchange on New York recorded during the period from June 24th to June 30th was $4·94½ and the lowest $4·92½.

OTHER STATISTICS

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended June 25, 1937. (c) Week ended June 26, 1937.	Miles Open	Gross Receipts, week ended June 27, 1937 (£'000): Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (25 weeks) (£'000): Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937 3,738	237	201	108	309	546	4,770	4,919	2,815	7,734	12,540
	1936 3,746	226	194	90	284	510	4,584	4,736	2,534	7,270	11,854
(c) L. & N. Eastern	1937 6,320	381	334	215	549	930	7,490	8,460	6,297	14,757	22,247
	1936 6,333	378	317	197	514	892	7,173	8,092	5,907	13,999	21,172
L. M. & Scottish	1937 6,877	609	511	214	725	1,334	11,461	12234	6,653	18,887	30,348
	1936 6,898½	608	475	198	673	1,281	11,015	11890	6,179	18,069	29,084
Southern ...	1937 2,153	369	68	27	95	464	7,376	1,507	781	2,288	9,664
	1936 2,154	361	68	27	95	456	6,975	1,563	787	2,350	9,325
Total	1937 19088	1596	1114	564	1678	3,274	31,097	27120	16846	43,666	74,763
	1936 19131½	1573	1054	512	1566	3,139	29,747	26281	15407	41,688	71,435
(b) Belfast & Co. Down	1937 80	3·2	...	...	0·5	3·7	52·0	...	...	12·6	64·6
	1936 80	3·9	...	...	0·5	4·4	53·8	...	...	14·1	67·9
(b) Great Northern	1937 543	12·1	...	...	8·9	21·0	225·4	...	...	35·3	460·7
	1936 543	11·6	...	...	8·4	20·0	225·0	...	...	49·7	474·7
(b) Great Southern	1937 2,076	41·2	...	...	41·7	82·9	764·4	...	...	1034·3	1798·7
	1936 2,124	42·4	...	...	37·3	79·7	773·1	...	...	1045·7	1818·8



Comparisons with Corresponding Periods, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
First half-year, 1936, compared with first half-year, 1935: Gross increase or decrease.....	+ 263	+ 937	+ 534	+ 85
Second half-year, 1936, compared with second half-year, 1935: Gross increase or decrease.....	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936: 25 weeks to June 26, 1937.....	+ 650	+ 1,264	+ 1,075	+ 339
Weekly average first half 1937	+ 26	+ 50½	+ 43	+ 13½
Latest week 1937 compared with 1936.....	+ 36	+ 53	+ 38	+ 8

London Transport

	Takings (before pooling)	Compared with corresponding period of last year
Week ending June 26, 1937	£573,800	− £3,100
Aggregate 52 weeks to June 26, 1937.....	£28,732,000	+ £255,100

Overseas Railway Receipts

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	Gross Receipts for Week + or −	Gross Aggregate Receipts 1937	Gross Aggregate Receipts + or −
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	9	May 31	1,330	†5,07,900	+ 35,495	28,88,800	+ 1,44,164
Barsi Lt. Ry.....	9	31	202	†41,100	− 5,300	2,97,500	+ 3,800
Bengal & N. Western	10	June 10	2,111	†11,09,485	+ 146,819	85,85,467	+ 4,68,856
Bengal-Nagpur.....	10	10	3,268	‡25,01,000	+ 1,29,834	1,92,33,334	+ 16,88,754
Bombay, Bar. & C.I.	11	20	3,072	‡34,74,000	+ 3,71,000	3,00,53,000	+ 19,65,000
Madras & S. Mahr..	10	10	3,229	‡20,97,000	+ 29,724	1,59,73,000	+ 1,06,691
Rohilk'd & Kumaon	10	10	572	‡2,06,376	+ 7,105	16,98,747	+ 53,875
South Indian ...	10	10	2,532	‡15,00,670	− 1,26,572	1,10,55,485	+ 10,498
	‡ 10 days.			† 11 days.			
CANADIAN		1937		$	$	$	$
Canadian National	24	June 21	23566	3,756,980	+ 324,278	89,940,131	+ 9,064,429
Canadian Pacific. ..	24	21	17228	2,604,000	+ 111,000	63,157,000	+ 4,713,000
SOUTH AMERICAN		1937					
Antofagasta (Chili and Bolivia)	26	June 27	834	£13,680	− 2,040	427,230	+ 75,620
Argentine N.E.	52	26	753	‡167,200	+ 22,900	7,698,600	+ 644,800
				*£10,372	+ 1,914	465,116	+ 50,751
B.A. and Pacific	52	26	2,806	‡1,518,000	+ 511,000	82,417,300	+ 7,987,300
				*£94,169	+ 35,142	5,011,644	+ 639,221
B.A. Central	51	19	...	$163,000	+ 62,500	7,240,900	+ 1,798,200
B.A. Gt. Southern ..	52	26	5,084	‡1,909,000	+ 30,000	125,941,000	+ 12371000
				*£118,424	+ 8,283	7,662,301	+ 990,728
B.A. Western	52	26	1,930	‡781,000	+ 50,000	42,597,000	+ 2,693,000
				*£47,208	+ 5,532	2,587,485	+ 243,337
Central Argentine ...	52	26	3,700	‡2,174,350	+ 101,900	131,350,980	+ 27532930
				*£134,885	+ 13,405	7,964,968	+ 1,866,326
Central Uruguayan..	51	19	273	a£12,089	+ 1,832	638,817	+ 70,540
C. Urg. (East Ext.)	51	19	311	£13,492	+ 1,163	133,111	+ 26,225
C. Urg. (N. Ext.)	51	19	185	£2,449	+ 834	94,105	+ 18,085
C. Urg. (W. Ext.) ...	51	19	211	£754	+ 17	48,606	+ 4,361
Cordoba Central	52	26	1,218	‡607,000	+ 5,000	27 698,000	+ 2,800,000
				*£37,660	+ 2,370	1,674,930	212,310
Entre Rios	52	26	810	‡230,200	+ 30,900	11,118,800	+ 1,602,100
				*£14,280	+ 2,598	672,825	+ 113,783
G. Westn. of Brazil	26	26	1,082	£6,300	+ 200	191,500	− 15,400
Leopoldina	26	26	1,918	Ms1629000	+ 84,000	44,522,000	+ 6,707,000
				£21,652	+ 4,013	566,679	135,467
Leopoldina Termnl..	26	26	...	Ms.354,000	+ 38,000	9,022,000	+ 439,000
Nitrate	23	15	397	a£5,714	+ 3,746	80,419	+ 16,717
Paraguay Central ...	52	26	274	$4,052,000	+ 831,000	159,648,000	+ 33048000
Salvador	52	26	100	Col. 12,900	− 1,300	1,231,008	+ 246,072
San Paulo	25	20	153½	Ms3000000	+ 180,000	64,435,000	+ 3,602,000
				£39,875	+ 6,270	802,484	+ 79,032
United of Havana...	52	26	1,353	£18,186	+ 1,814	1,390,769	+ 166,247

* Converted at average official rate during week ended June 26, 16·12 pesos to £
a Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. a Converted at "controlled free" rate.
Converted at the "free" rate as a result of a decision of the High Court.

Other Overseas

Egyptian Delta Light Railways	11	1937 June 10	621	£ ‡£6,234	+ 616	£ 43,418	+ 3,828
Egyptian Markets ...	25	24	...	£1,193	− 163	43,870	− 368
Mexican Railway ...	25	21	483	$260,500	+ 115,100	7,641,200	+ 1,142,500
		‡ 10 days.					

Suez Canal Receipts

		1937		£	£	£	£
Suez Canal	25	June 20	...	‡258,300	− 50,800	5,429,500	− 31,700
		‡ 10 days.					

Tramways Weekly Gross Receipts

		1937					
Anglo-Argentine	25	June 24	325	$617,072	− 2,964	16,029,547	+ 265,438
B. Aires Lacroze	51	20	...	$58,809	− 2,316	3,436,553	− 153,506
Burnley, Colne and Nelson Jt. Trspt.	25	26	88	£5,134	+ 111	...	...
Calcutta Tramways.	25	26	...	Rs. 1,16,509	+ 2,651	25, 02,822	+ 1,34,649
Isle of Thanet Elec..	12	Mar. 24	...	£2,683	+ 91	35,951	− 1,023
Liverpool Corp.	12	June 19	...	£31,297	+ 1,543	376,614	+ 28,352
Madras Electric	22	23	...	‡Rs. 50,897	+ 3,502	5,64,415	+ 21,283
		‡ Fortnight.					

Monthly Traffics

Company	Months	Ending	Description	Receipts for Month 1937	Receipts for Month + or −	Receipts to Date 1937	Receipts to Date + or −
				$	$	$	$
Canadian National .	5	May 31	Gross	$16,870,826	+ 1,470,705	78,904,413	+ 8,182,750
			Net	$1,666,250	+ 732,699	6,232,761	+ 3,767,163
Canadian Pacific	5	May 31	Gross	$11,334,000	+ 612,000	55,371,000	+ 4,284,000
			Net	$1,574,000	+ 124,000	7,065,000	+ 1,450,000
International of Cen. America.....	5	May 31	Gross	$592,447	+ 55,571	2,787,690	+ 170,172
			Net	$309,070	+ 18,018	1,374,971	− 23,708
Midland of W. Australia.....	11	May 31	Gross	£11,590	− 359	144,239	− 5,172

The Capital Market

(*See Leading Article on page* 5)

Analysis of New Capital Applications
(Excluding Conversions)

	Total for First Half of Years: Old Basis 1936	Old Basis 1937	New Basis 1936	New Basis 1937
	£	£	£	£
British Government Loans ...	Dr.100,000	98,450,000	*Dr. 100,000*	*105,033,400*
Colonial Government Loans ...	Nil	Nil	*409,900*	*Nil*
Foreign Government Loans ...	Nil	Nil	*3,290,500*	*1,079,800*
British Corporation, County and Public Board Loans ...	45,898,400	24,563,800	*47,027,900*	*24,918,500*
Colonial Corporations and Public Boards	Nil	2,000,000	*Nil*	*2,000,000*
Foreign Corporations	Nil	Nil	*Nil*	*Nil*
British Railways	Nil	Nil	*Nil*	*Nil*
Colonial Railways	Nil	258,000	*Nil*	*258,000*
Foreign Railways	Nil	Nil	*326,000*	*96,000*
Australasian Mines	186,000	332,500	*418,900*	*2,052,600*
South African Mines	3,217,200	3,287,600	*3,738,100*	*8,202,600*
Other Mines	1,711,500	900,900	*2,845,300*	*12,286,100*
Exploration, Financial and Investment Trust	4,716,200	7,399,700	*9,107,200*	*19,868,300*
Breweries and Distilleries	421,400	1,838,500	*2,593,100*	*7,309,600*
Merchants, Importers, etc.	532,200	Nil	*532,200*	*Nil*
Stores and Trading	127,500	2,765,000	*4,080,900*	*4,539,600*
Estate and Land	591,300	398,300	*949,200*	*485,600*
Rubber	1,113,300	1,613,700	*1,227,400*	*2,150,000*
Oil	303,500	700,000	*675,900*	*748,500*
Iron, Coal, Steel and Engineering	11,052,100	13,888,600	*15,716,800*	*22,278,500*
Electric Light, Power and Telegraph	4,634,300	8,717,000	*5,019,100*	*10,079,500*
Tramway and Omnibus	83,400	331,000	*6,201,200*	*3,451,800*
Motor Traction and Manufacturing	1,139,500	839,000	*4,674,100*	*2,149,200*
Gas and Water	590,700	1,352,800	*5,274,400*	*4,377,000*
Hotels, Theatres and Entertainments	1,846,000	821,900	*3,097,100*	*1,195,600*
Patents and Proprietary Articles	275,800	1,518,700	*1,891,400*	*3,446,200*
Docks, Harbours and Shipping	62,500	751,100	*2,294,600*	*7,120,800*
Banks and Insurance	2,488,400	1,292,500	*2,488,400*	*10,887,100*
Manufactur'g and Miscellaneous	18,390,900	10,836,600	*50,152,400*	*33,080,700*
Total	99,272,100	184,857,200	*173,932,300*	*288,495,100*

The following table shows the principal issues made during the past half-year:—

Month of Issue	Name and Description	Nominal Amount	Issue Price	Price, June 30, 1937
	By Prospectus	£		
1937 January	London Electric Transport Finance, 2½% Guar. Deb., 1950-55	8,926,250	92½	89
February	Rhodesia Rlys. 4½% Deb. Stk.....	(t)21,315,000	98	93½
January	Thomas (Richard) 4% Deb.....	(s) 7,000,000	99½	94½
March	Midland Counties Elec. 4½% Pref. £1	1,000,000	20/6	21/9
May	British Govt. 2½% Defence, 1944-48	100,000,000	99½	96
May	Steel Corporation of Bengal 4½% Deb.	1,000,000	par	2½-3½ pm
May	Leeds 3½% 1957–60	4,000,000	101	101
May	Scottish Power 4% Cum. Pref. £1 ...	1,000,000	par	3d.-5d pm
May	Met. Water, Sydney 4% Deb., 1957	2,000,000	par	99
June	West Riding County 3½% 1957	1,000,000	100½	102
June	County of London Elec. 3½% Deb., 1952–72	500,000	94½	93½
June	4% Cum. Pref. £1	1,000,000	20/6	20/6
June	London County Council 3½% Stk., 1952–62	10,000,000	100½	99½
	To Shareholders only			
January	Thomas (Richard) 6/8 Shares	1,250,000	13/4	13/4
April	North Wales Power 10/- ord.	1,000,000	11/6	13/9
May	Metropolitan Electric Supply £1 ord.	350,000	37/6	44/9
June	Allied Newspapers 6½% Cum. Pref. £1	184,050	27/6	28/6
June	Do. £1 ord.	315,950	33/	32/3
	By Stock Exchange Introduction			
March	Lake George Gold 10/- Ord.	1,100,000	14/ †	12/6
February	West Rand Invest. Trust, 10/- Ord.	3,000,000	32/6†	15/-
April	N'changa Copper £1 ord.	2,900,002	55/ †	12 6
	By Permission to Deal			
March	U. Kingdom 2½% Irish Land Stk.	6,717,854	98†	97
January	Baldwins 4½% Pref. £1	1,500,000	20/7½†	19/-xd
March	Royal Mail Lines £1 ord.	4,000,000	26/ †	28 6

(s) £1,221,722 for conversion purposes. (t) All for conversion purposes. † Price at which dealings commenced.

Summary of Company Profit and Loss Accounts

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Prefce. Amount	Appropriation: Dividend Ordinary Amount	Appropriation: Dividend Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Banks											
Ottoman Bank	Dec. 31	29,784	78,365	108,149	...	75,000	3	...	33,149	75,242	3
P. and O. Banking.....	Mar. 31	56,014	102,481	158,495	...	100,524	5	5,000	52,971	107,110	5
Financial, Land, etc.											
Anglo-Ceylon & Gen. Estates	Mar. 31	30,946	54,410	85,356	...	48,000	8	...	37,356	50,661	7½
Atlas Electric, etc., Trust...	Mar. 31	17,210	181,719	198,929	161,000	...	...	...	37,929	165,199	Nil
Beira Works	Mar. 31	23,878	132,282	156,160	...	43,500	1/5·4d.	90,000	22,660	79,584	10d. ps
Lewis (John) Partnership	Apr. 30	114	35,989	36,103	34,396	...	...	...	1,707	31,302	Nil
Rhodesia Railways Trust ...	Mar. 31	285,290	115,857	401,147	...	100,289	5†	...	300,858	118,541	5†
Scottish Tea and Rubber Trust	May 31	5,046	7,830	12,876	...	7,294	6	...	5,582	6,511	5
Gas											
Gas Consolidation	May 31	1,749	24,746	26,495	7,563	15,353	5A, 5½B	...	3,579	18,121	5
Iron Coal and Steel											
Carlton Main Colliery.....	Mar. 31	46,464	112,235	158,699	6,000	81,437	5	18,435	52,827	113,411	4
Roberts (Charles) and Co....	Mar. 31	15,432	135,010	150,442	23,105	18,266	10	84,912	24,159	116,451	Nil
Stephenson, Clarke and Associated Companies ...	Mar. 31	61,118	211,710	272,828	61,509	94,297	10	50,000	67,022	204,107	10
Oil											
Dacia Romano Petroleum...	Dec. 31	*Dr141,334*	*Dr. 36,769*	*Dr178,103*	...	...	...	...	*Dr178103*	1,341	Nil
Lobitos Oilfields.....	Dec. 31	191,912	124,812	316,724	...	95,312	12½	7,000	214,412	42,597	7½
United British of Trinidad	Dec. 31	12,375	177,245	189,620	32,346	32,813	8¾	109,565	14,896	170,810	7½
Rubber											
Bukit Selangor	Mar. 31	7,170	12,958	20,128	...	11,655	5	1,000	7,473	7,621	2½
Daejan Samoedra	Mar. 31	1,585	9,957	11,542	...	8,625	7½	...	2,917	1,585	Nil
Java Para	Dec. 31	2,800	19,523	22,323	...	*12,000*	*10*	*7,000*	*3,323*	*3,408*	2½
Sarawak	Mar. 31	2,277	10,088	12,365	...	6,345	7	3,800	2,220	4,956	4
Selama (Malaya).....	Mar. 31	2,819	6,236	9,055	...	5,000	10	1,000	3,055	2,536	5
Travancore	Dec. 31	8,151	10,214	18,365	...	6,632	11	2,000	9,733	8,465	8
Way Halim (Sumatra)	Mar. 31	244	6,154	6,398	...	3,235	5	1,500	1,663	866	Nil
Shops and Stores											
Montague Burton	Mar. 31	223,521	679,448	902,969	152,500	111,232	7	415,169	224,068	685,117	7
Sangers, Ltd.	Mar. 31	100,338	150,426	250,764	29,394	101,840	25	...	119,530	146,040	25
Tea											
Badulipar	Dec. 31	8,478	12,543	21,021	2,649	7,485	8½	3,500	7,387	14,395	10
Jorehaut	Dec. 31	3,883	44,853	48,736	...	32,000	8	12,500	4,236	59,199	10
Nedeem	Dec. 31	5,272	38,280	43,552	10,835	12,892	6	16,000	3,825	40,802	5
Tingri	Dec. 31	3,924	12,177	16,101	...	10,778	8	1,000	4,323	19,240	10
Textile											
Patons and Baldwins	May 1	63,909	463,782	527,691	69,594	239,894	12½†	145,000	73,203	417,997	12½†
Trusts											
Dominion and General	Apr. 30	23,885	19,594	43,479	10,322	5,687	2½	2,003	25,467	18,211	2
Second Consolidated Trust ..	June 15	2,432	25,490	27,922	22,500	...	...	...	5,422	22,965	Nil
Sterling Securities Investmt.	May 31	420	4,924	5,344	...	1,617	3¾	2,750	977	1,417	2½
Other Companies											
Airscrew Company.....	Mar. 31	10,319	40,200	50,519	4,074	13,594	30	11,250	21,601	15,699	15
Benson (J. W.)	Mar. 31	143,807	34,145	177,952	16,667	12,500	7½	5,000	143,785	35,407	7½
Blackburn Aircraft	Mar. 31	...	120,480	120,480	8,260	35,625	12½	57,500	19,095	(a)	(a)
British Glues and Chemicals	Apr. 30	35,308	104,025	139,333	47,250	17,500	10	42,500	32,083	86,841	7½
Burgis and Colbourne	Apr. 28	2,613	8,871	11,484	4,200	3,750	12½	491	3,043	7,347	10
Clydesdale Supply	Mar. 31	933	19,382	20,315	5,288	3,000	8	8,049	3,978	(a)	(a)
London Palace (1921)	Mar. 25	309	*Dr. 2,988*	*Dr. 2,679*	...	...	...	...	*Dr. 2,679*	(a)	(a)
Lovell and Christmas.....	June 12	100,368	*111,803*	*212,171*	*45,000*	*52,500*	*7*	*15,200*	99,471	148,083	*10*
Metal Box Company	Mar. 31	30,696	285,642	316,338	52,041	125,894	15	100,000	38,403	223,123	12½
Metropolitan Electric Cable	Dec. 31	1,344	16,695	18,039	3,774	3,000	5†	10,000	1,265	13,114	5†
Morrisons (Gowns).....	Dec. 31	2,912	13,131	16,043	3,000	750	15	*10,000*	2,293	3,556	Nil
Reeves and Sons	Apr. 30	6,267	20,882	27,149	10,248	6,235	6	4,295	6,371	20,392	6
Santa Rosa Milling	Dec. 31	1,729	21,188	22,917	3,609	...	...	16,000	3,308	10,245	Nil
Union Cold Storage	Dec. 31	210,658	1,080,907	1,291,565	845,000	100,000	10	125,000	221,565	949,555	10

† Free of income tax. (a) No comparable figure.

Shorter Company Comments

COMPANY RESULTS OF THE WEEK.—An increase of over £20,000 is shown by ATLAS ELECTRIC AND GENERAL TRUST profits to £181,719, but the accounts of the Trust make no provision for a loss incurred by one of the subsidiaries. RHODESIA RAILWAYS TRUST are paying the same dividend of 5 per cent., tax free, and report that the approximate working results for the Rhodesia Railways (including the Mashonaland Railway) for the six months to end of March show a substantial increase in the surplus. A considerable rise, from £79,584 so £132,282, in the profits of BEIRA WORKS is an encouraging pointer to the results of Port of Beira Development. Although net profits are a trifle lower at £112,235, CARLTON MAIN COLLIERY have raised their dividend from 4 to 5 per cent., but have made no allocation to reserve. STEPHENSON CLARKE AND ASSOCIATED COMPANIES, with net earnings of £211,710 against £204,107, are maintaining their 10 per cent. dividend. CHARLES ROBERTS AND COMPANY are returning to the dividend list with a 10 per cent. distribution, net profits of £135,010 comparing with £116,451. The chairman's speech, incorporated with the report, draws attention to the generous expenditure on maintenance and depreciation. The profits of LOBITOS OILFIELDS are almost trebled, and are accompanied by an increase in dividend from 7½ to 12½ per cent. Earnings of UNITED BRITISH OILFIELDS, at £177,245, are, however, only slightly higher. Net production rose by 3 per cent., but the sales of refined products decreased. Among rubber companies, substantial improvements are recorded by BUKIT SELANGOR and JAVA PARA, but tea company results continue disappointing. Profits of JOREHAUT, for instance, declined from £59,199 to £44,853. SANGERS' profits of £150,426 are some £4,400 higher; £7,000 is set aside as a reserve for N.D.C. The AIRSCREW report states that turnover was 2½ times the amount recorded for the previous year, and the company doubles the dividend, with a payment of 30 per cent. Profits for the first year's trading of BLACKBURN AIRCRAFT amount to £120,480, after providing £20,000 for depreciation. BRITISH GLUES AND CHEMICALS' profits of £104,025 compare with £86,841, and the dividend is raised to 10 per cent. against 7½ per cent. The report, however, refers to the uncertain world outlook and the need for conserving resources. The report of LOVELL AND CHRISTMAS does not comment on the disappointing setback; net profits of £111,803 are 24 per cent. lower, and their dividend is reduced from 10 to 7 per cent.

Appointments and Personal

Vickers, Ltd., announce that General Sir Herbert A. Lawrence has resigned as from June 30th. Mr J. Reid Young has been appointed a director.

London Midland and Scottish Railway Company have appointed Viscount Runciman to their board.

Mr K. K. Peters, F.C.I.I., general manager of the Northern Assurance Company, Ltd., has been elected president of the Chartered Insurance Institute.

Sir George Beharrell, D.S.O., has been elected chairman of Dunlop Rubber Company, and Imperial Airways in succession to the late Sir Eric Geddes.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

The financial crisis in France has had remarkably little effect on the commodity markets, indicating the general improvement in their technical position after the decline during April–June. Although most consumers are still persisting in their attitude of reserve, those with ample stocks holding aloof and others covering only immediate requirements, any favourable development is quickly reflected in an advance of quotations, especially as there is no longer any fear of an early change in British and American gold buying policy.

For example, adverse crop reports from North America led to a sharp increase in wheat prices, December futures in Liverpool having risen from 8s. 5d. per cental on June 23rd to 9s. 5d. on June 30th. Moreover, this sharp recovery took place in the absence of a revival of European demand. Linseed and linseed oil were marked up in sympathy with wheat, although the yield of the American crop is still uncertain. Raw sugar quotations maintained their recent advance. Cotton was firmer, but raw jute, exceptionally, was easier in anticipation of a heavy crop. With the exception of copper, the principal non-ferrous metals were dearer. Rubber is unchanged on the week.

In the United States, the markets in primary products also showed an upward tendency. On Wednesday, Moody's index of staple commodity prices (December 31, 1931 = 100) stood at 204·6, against 201·7 a week ago, 206·2 a month ago and 169·0 last year.

COAL

SHEFFIELD.—Export demand is slackening (a) because current prices are considered too high, and (b) owing to the previous accumulation of stocks on fear of a strike. There is still difficulty in obtaining small doubles. The demand for industrial coal is well maintained. Soft coal is being crushed in order to meet the demand for smalls for coking and other purposes. Additional blast furnaces have increased the demand for furnace coke. All prices are very firm.

NEWCASTLE-ON-TYNE.—Whilst there is a certain dullness in the prompt position of the North-East coal trade due to a sharp seasonal decline in domestic consumption, the forward position is very firm, and there are no symptoms that prices can be discounted. Northumberland steam collieries continue to work regularly, prime brands being fully booked, but among the second classes prompt coal is available. The Durham market remains firm under a brisk home trade, and apart from second-class bunkers, which are offering more freely, there is little coal available.

GLASGOW.—While the collieries are still generally well booked on export account, prices in some directions have an easier tendency. This results mainly from the position of house coal in the home market, for the slowing down in demand there is diverting supplies to the shipping trade, and, of course, the larger aggregate coal output this year tends to increase available quantities of nuts. In addition, the shortage of steamers on occasion brings parcels on to the prompt market. Despite tonnage difficulties, however, shipments last week were, at 291,000 tons, the highest for nine months. Industrial demands remain brisk, and while Ireland is absorbing smaller tonnages of house coal, the needs of the public utility undertakings, notably the London power companies, account for the firmness of pearl nuts.

CARDIFF.—The South Wales coal market continues exceptionally firm. Prices are very strong for all classes, and disposals have been so active during the past few days that the collieries have exhausted their supplementary allocations for the June quarter and were compelled to apply for further additional supplies, chiefly for export. Shipments at the South Wales ports last week totalled 468,000 tons, compared with 431,800 tons the previous week, and 299,331 tons in the corresponding week last year. Stocks have been reduced to a minimum. Coke is also very firm and scarce, and patent fuel steady. A revised arrangement has been made for French pitwood under the barter agreement, and the price for the September quarter is likely to be fixed at 32s. 9d. per ton, c.i.f., which compares with 27s. 3d. for the June quarter.

MISCELLANEOUS

KRAMAT PULAI TIN.—Net profit for 1936 £135,071, against £136,942. Ordinary dividend, 80 against 85 per cent. To written off property, plant, etc., £29,888, against £25,039. Carry forward £9,311, against £9,127.

HOVIS, LTD.—Net profits advanced by £11,710 to £190,270 in the year to March 31, 1937. To depreciation £18,354, against £18,135. Ordinary dividend again 20 per cent. To reserves: General £30,000, as before; dividend equalisation £15,000, as before; pension fund £20,000, against £10,000. Carry forward £45,383.

AIRSCREW COMPANY, LTD.—Profit for year to March 31, 1937 £40,200. To taxation reserve £11,250. Ordinary dividend 30 per cent. for year. Carry forward £21,601.

SOUTH-EASTERN GAS OFFER.—The Corporation offers its shares as follows: For each £100 of North Middlesex 6 per cent. standard cons. ord. stock, 133⅓ ordinary £1 shares; for £100 of 5 per cent. preference stock of the Middlesex Company, 125 4 per cent. irredeemable cumulative. preference £1 shares; for £100 6 per cent. preference stock of the Middlesex Company, 150 4 per cent. irredeemable preference shares. Plus accrued dividend in each case.

UNIT TRUSTS ASSOCIATION.—From April 21 to June 1, 1937, the nine groups of Unit Trusts in the Unit Trusts Association bought securities to the extent of £625,890 for the creation of new units. During the same period their sales to the Stock Exchange amounted to only £90,248.

CHARLES ROBERTS AND COMPANY.—Profits for year to March 31, 1937, were £157,510, an increase of £27,559. Depreciation, £74,911, against £77,720; income-tax provision, £22,500, against £13,500. Old ordinary stock receives 10 per cent., and the new 1¾ per cent. Sum of £10,000 to debenture sinking fund, and carry-forward raised from £15,431 to £24,159.

CABLE AND WIRELESS (HOLDING), LTD.—The capital reduction of £23,596,899 has been confirmed by the Court.

BRITISH GLUES AND CHEMICALS.—Results for year to April 30, 1937, after crediting £5,000 no longer required, but after £20,000 to reserve for contingencies, amount to £89,026 against £86,841. Ordinary dividend raised from 7½ to 10 per cent. To writing down: Machinery, etc., £15,000 against £5,000; investments, £7,500; Taxation, £5,000. Carry-forward, £32,083.

UNITED STEEL DEAL.—An offer has been made by this company to acquire for cash all the shares of Sheffield Coal Company, at £1 per £1 preference and 13s. per 7s. ordinary shares.

BEIRA WORKS, LTD.—Net revenue for year to March 31, 1937, £303,578, an increase of £57,971. Ordinary dividend raised from 10d. to 1s. 5·4d. per share. To contingencies, £80,000 as before. Carry-forward £1,218 lower at £22,660. Traffic increased during the year by 25·2 per cent.

ATLAS ELECTRIC AND GENERAL TRUST.—After debenture interest, etc., balance of £181,719 for year to March 31, 1937, compared with £165,198. The 7 per cent. preference dividend for the year absorbs £161,000, leaving £37,929 to go forward.

LOBITOS OILFIELDS, LTD.—Total income for 1936, £215,668 against £76,322. Profit of £44,477 on sale of investments; a dividend of £92,000 against nil was received from a subsidiary. To writing off preliminary operating, £46,769; £30,000 for tax. Ordinary dividend, 12½ per cent. against 7½ per cent. Carry-forward raised from £191,912 to £214,412.

UNITED BRITISH OIL OF TRINIDAD.—Net profit for 1936, £67,680, compares with £64,689 after £109,565, against £101,746, to depreciation. Ordinary dividend, 8½, against 7½ per cent.

LOVELL AND CHRISTMAS, LTD.—Profit for year to June 12, 1937, was £143,204, against £205,623. Ordinary dividend reduced from 10 to 7 per cent. To: Benevolent fund, £4,000 against £6,000; sinking fund, £5,000, as before; tax reserve, £1,200 against £8,000; general reserve, £5,000 against £10,000. Carried forward, £99,471.

TRANSVAAL GOLD OUTPUT
STATISTICS FOR MAY 1937
(Revenue calculated on basis of £7 0s. 6d. per fine ounce)

Name of Mine and Group	Tons Milled	Output Fine ozs.	Net Estimated Value	Working Costs	Profit	Working Costs Per Ton
Anglo-American Corporation			£	£	£	s. d.
Brakpan Mines	140,000	...	248,297	137,585	110,652	...
Daggafontein Mines	129,000	...	273,273	141,033	132,240	...
Springs Mines	151,500	...	303,327	141,633	161,694	...
West Springs	92,500	...	116,436	75,063	41,373	...
Central Mining—Rand Mines						
City Deep	108,000	20,927	146,853	...	20,062	23 5·7
Cons. Main Reef	164,000	30,633	215,097	...	50,145	20 1·4
Crown Mines	357,000	85,476	601,014	...	260,173	19 1·1
Durban Roodpt. Deep	100,000	20,012	140,888	...	29,032	22 4·0
East Rand Prop.	208,000	45,804	322,962	...	92,962	22 0·3
Geldenhuis Deep	63,500	10,166	71,509	...	16,260	17 4·8
Modderfontein B.	90,000	15,304	107,908	...	45,208	13 11·2
Modderfontein East	110,500	22,296	156,515	...	55,077	18 4·3
New Modderfontein	195,000	39,133	275,176	...	126,188	15 3·4
Nourse Mines	83,000	16,826	118,255	...	23,504	22 10
Rose Deep	74,000	12,871	90,451	...	14,855	20 5·2
General Mining						
Van Ryn Gold	61,700	...	59,430	...	7,502	16 11
West Rand Cons.	171,000	...	240,255	...	98,592	16 10
Goldfields						
Simmer and Jack	99,000	20,507	144,060	...	43,323†	20 4·9
Robinson Deep	115,000	27,195	191,043	...	81,314	19 1
Sub-Nigel	56,500	40,859	286,958	...	190,757	34 0·5
Vogestruisbult‡	55,200	10,740	75,445	...	10,833	23 4·9
Luipaards Vlei	46,500	9,658	67,849	...	17,437	22 0·3
Johnnies Group						
East Champ D'or	12,500	...	20,059	...	3,523	26 7
Government Areas	207,000	...	441,531	...	255,108	18 3
Langlaagte Estate	96,000	...	109,946	...	22,199	18 6
New State Areas	119,000	...	254,627	...	146,009	18 6
Randfontein Estates	392,000	...	456,933	...	140,192	16 4
Van Ryn Deep	103,000	...	137,567	...	46,063	17 11
Witwatersrand	88,000	...	95,609	...	13,538	19 0
Johnnies Group Total	1,017,500	...	1,516,272	...	626,632	17 8
Union Corporation						
East Geduld	119,000	34,814	244,540	103,113	141,427	...
Geduld Prop.	109,000	27,259	192,096	77,982	114,114	...
Modder. Deep	48,000	6,653	46,981	38,870	8,111	...
Other Mines						
Glynn's Lydenburg*	8,600	2,680	18,773	...	5,160	31 7·9
New Kleinfontein	70,800	13,095	91,940	66,246	25,694	18 8·5
Transvaal Gold*	24,600	4,208	29,517	...	4,111	20 7·9
Witwatersrand Deep	45,500	7,936	55,644	48,600	7,044	...

* Revenue from gold based on a price of £7 per fine ounce. † Reduced profit due to decrease in tonnage milled and lower grade following dislocation as a result of strike and fire. ‡ The tonnage milled includes 15,600 tons from low grade surface dumps accumulated during the development period.

TRANSVAAL OUTPUT, EMPLOYMENT AND WORKING PROFIT.—Gold output, May, 1937: Witwatersrand, 946,183 fine ounces; outside districts, 24,067 fine ounces; total, 970,250 fine ounces. Value for purposes of declaration, £7 0s. 6d. Total output, April, 1937: 981,565 fine ounces. The number of natives employed at end of May was: Gold mines, 300,374; coalmines, 15,291; total, 315,665. Total estimated working profit for May, 1937: Witwatersrand, £2,607,316; outside districts £9,271; total, £2,616,587. Comparable figures for April, 1937: Witwatersrand, £2,642,288; outside districts, £9,310; total, £2,651,598.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that consumers' pressure for delivery is becoming accentuated with the approach of the holidays. Comparatively few new transactions are reported, as most of the steelmakers are pursuing a cautious policy in view of the already heavy commitments upon their books. Only in exceptional cases is it possible to place orders for delivery before the last quarter of the year.

Business in pig iron is held up as the majority of the manufacturers have sold their production as far forward as they consider advisable. A number of contract renewals have taken place, but almost invariably for lower tonnages than was provided for in the original arrangement. Small offerings of foreign pig iron which have been made at high prices have attracted few buyers.

In the semi-finished steel department the producing works are making great efforts to meet consumers' requirements, but production is much less than the market could absorb. As a consequence, there is still a certain amount of irregular working in the consuming industries.

Stringent conditions continue to rule in all departments of the finished steel market. The periods required for delivery appear to be expanding in spite of record production. There is a considerable amount of export inquiry, and as much attention as possible is being devoted to this side of the business in order to retain old connections in overseas markets.

MIDDLESBROUGH.—The iron market continues firm. Makers are sold out for early delivery, and the shortage of foundry pig iron is pronounced. Some of the foundries have been obliged to purchase Continental iron in order to enable them to cover their requirements. The new official price of No. 3 Cleveland foundry pig iron came into operation on July 1st, and is based on No. 3 quality at 101s. per ton, delivered locally. The market in East Coast hematite remains stringent, and output is fully absorbed. Business for shipment abroad is suspended owing to the strong home demand. Prices are based on mixed numbers East Coast hematite at 122s. 6d. per ton, delivered locally. Shipments of pig iron from the Tees during June are much below the quantity shipped during the previous month.

Production of manufactured steel, both for constructional and shipbuilding work continues to increase, and all manufacturers are doing their utmost to obtain bigger outputs. Railway material is in strong demand and sheet makers have extensive contracts on their books. The supply of semi-manufactured steel remains short of requirements.

Steel scrap is coming forward regularly in small quantities from the Continent and larger deliveries are expected from the United States. Prices are unaltered. The position regarding blast furnace coke is unchanged, with the price remaining at about 40s. per ton, delivered at the furnaces.

SHEFFIELD.—The condition of the iron and steel market remains unaltered, with demand at a high level, and supplies inadequate for consumers' needs. The shortage of foundry iron continues to cause a good deal of difficulty and there seems no prospect of early improvement. Basic pig iron is also very scarce, and full supplies of forge iron are not now procurable. Actual business is confined to occasional small parcels of which early delivery can be given and there is keen competition for these. Makers generally appear to have accepted contracts to their output capacity over the third quarter, and bookings are being made to the end of the year, until which time prices are established. Some imported iron is available, but the price does not accord with consumers' ideas. Good business is being done in East Coast hematite, although makers are showing rather less readiness to book new business. West Coast hematite is not readily obtainable. Finished iron business is quiet pending the announcement of the new prices. The heavy pressure for basic steel billets continues, and delay in delivery is handicapping re-rollers. For bright-drawn steel, wire rods and stainless steel sheets the demand is fully maintained. Most classes of steel scrap sell freely at the controlled prices. Efforts are being made to bring iron scrap within the control system, but they are opposed by a body of merchants which may make such an arrangement impossible. Negotiations, however, are continuing.

Production of steel ingots and castings in May, according to the official returns, amounted to 135,000 tons, bringing the total for the first five months of the year to a new record of 705,100 tons.

GLASGOW.—Clyde shipbuilders are all exceedingly busy at present. Work on hand will keep them fully employed for many months to come. Locomotive builders and carriage and wagon builders in Glasgow and the West of Scotland are also very fully employed and have booked further important contracts for overseas within the past week. Steelmakers are still finding it impossible, despite intense activity at the plants, to meet all the requirements of users. The situation has not improved in regard to supplies of finished materials. Owing to the continued shortage of their raw materials, re-rollers cannot keep all plant in operation and consequently are unable to keep to rolling programmes previously arranged to fulfil orders already booked. New business is only being accepted where definite delivery dates are not stipulated.

CARDIFF.—All branches of the South Wales iron and steel trade continue exceptionally active. Prices of pig iron, steel bars, tinplates and galvanised sheets are firm at the increased figures. Shipments of tinplates at Swansea last week totalled 11,384 tons, compared with 5,762 tons the previous week, and 4,664 tons in the corresponding week of 1936.

OTHER METALS

COPPER.—After showing a stronger tone at the end of last week, the market turned rather easier, the cash quotation at the close on Wednesday being £1 7s. 6d. down on the week. The backwardation, which amounted last week to 15s. per ton, has now narrowed to 7s. 6d. These fluctuations are attributable to outside influences. The improvement at the beginning of the period under review was traceable to the improved tone of Wall Street, the easing of the strike situation in the United States, and the announcement of the increase in the resources of the Exchange Equalisation Account. Subsequently, the French crisis had a somewhat depressing effect. It may be noted that the early rise in quotations was accompanied by a spate of bear covering, while, when prices subsequently gave way, offerings showed a sharp contraction. This may be taken as an indication that weak speculative positions must by now have been eliminated. No major weakness is therefore likely in the near future, while an improvement in the general outlook might be followed by a sharp rise. The maintenance of a higher price level would, however, be dependent upon the resumption of consumer buying, and in this respect the last few days have been somewhat disappointing.

Sales on the London Metal Exchange: 1,800 tons on Monday, against 1,650 tons last week; 1,800 tons on Tuesday, against 950 tons last week; 750 tons on Wednesday, against 2,300 tons last week. Domestic spot was quoted at 13·57½ cents per lb. in New York on Wednesday, against 13·57½ cents a week ago and 14·05 cents a month ago. Wednesday's official closing price for standard cash in London was £54 to £54 5s. per ton, compared with £55 7s. 6d. to £55 10s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 10,569 tons, showed a decrease of 198 tons, while stocks of rough copper, at 8,994 tons, were 493 tons smaller.

THE FINANCIAL CRISIS IN FRANCE

THE BANKER could hardly have chosen a more opportune moment than the present to publish a special survey of financial and economic conditions in France.

The July issue of THE BANKER (published to-day, price 2s. 6d. through a newsagent or bookseller; by post 2s. 9d.) is largely devoted to present conditions in France. M. Blum himself has contributed a foreword to this series of articles, while among other authorities who have written for THE BANKER on their respective subjects are "Pertinax," who reviews French foreign policy; M. Roger Auboin, who discusses French economic conditions and the Tripartite Monetary Agreement; M. Detoeuf, who describes the present state of French industry; M. Schwob, who analyses the French financial position; M. Sarraut, who deals with the French Colonial Empire; and M. Olivier, who discusses French communications by land, sea and air.

It is unlikely that so comprehensive a description of French economic and financial conditions has ever before appeared in print, the chief purpose of this issue being to explore ways of closer co-operation between France and Gt. Britain.

The special survey of Germany which was published in the February issue of THE BANKER met with a world wide response. Three very large printing orders were quickly exhausted and right up to the present time, orders which can no longer be executed are reaching us from every quarter of the globe. The obvious moral to be drawn is to place a definite order with a newsagent or bookseller to-day for the July issue of THE BANKER.

Orders for copies by post should be addressed to The Publisher:—

THE BANKER

20 Bishopsgate, London, E.C.2

LEAD AND SPELTER.—After fluctuating in sympathy with general movements of the market, both metals closed on Wednesday slightly higher on the week. An improvement in the international outlook might be expected to benefit lead and spelter; but the upward trend of production is likely to limit the volume of speculative interest.

World production of spelter, according to the American Bureau of Metal Statistics, reached 162,300 short tons in May, against 157,000 tons in the previous month. World lead output, excluding Spain, rose from 151,600 short tons in April to 158,500 short tons in May. These increases are satisfactory, and will help to normalise supplies on the two markets.

Sales of lead on the London Metal Exchange: 1,500 tons on Monday, against 1,300 tons last week; 1,950 tons on Tuesday, against 900 tons last week; 1,100 tons on Wednesday, against 1,050 tons last week. The New York quotation on Wednesday was 6·00 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £23 8s. 9d. per ton, compared with £22 18s. 9d. last week.

Sales of spelter on the London Metal Exchange: 1,900 tons on Monday, against 1,350 tons last week; 1,300 tons on Tuesday, against 350 tons last week; 1,350 tons on Wednesday, against 1,250 tons last week. Wednesday's quotation in East St. Louis was 6·75 cents per lb., against 6·75 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £21 13s. 9d. per ton, against £21 last week.

TIN.—Although, like copper, tin has fluctuated in accordance with outside influences, the cash price shows an improvement on the week, and the backwardation has narrowed to a mere 5s. per ton. The comparative strength of the market has been largely due to the publication of the May export figures. These showed that the seven restricting countries were 5,456 tons in arrears with their shipments, and that the accumulated arrears at the end of May amounted to no less than 24,296 tons. More than half of this total (14,145 tons) was attributable to Bolivia, the country on which the British tin-smelting industry is mainly dependent. Owing to the steps taken by the Government, a rising trend of production may be expected in Bolivia before long. But when this increase makes itself felt on the market, the summer period of seasonal slackness will probably have come to an end; the increase in Bolivian supplies will then be necessary to close the gap between production and the very satisfactory rate of consumption.

Sales of tin on the London Metal Exchange: 400 tons on Monday, against 305 tons last week; 250 tons on Tuesday, against 175 tons last week; 110 tons on Wednesday, against 245 tons last week. The New York quotation on Wednesday was 56·50 cents per lb., against 55·85 cents a week ago and 56·12½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £252 10s. to £253 per ton, compared with £247 15s. to £248 a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 3,181 tons, a decrease of 9 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £15 5s. to £15 5s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £68 per ton, ex warehouse, the same as last week. Chinese wolfram for "June–July" shipment was quoted at 63s. per unit, c.i.f., compared with 63s. to 64s. last week. Refined platinum was quoted on Wednesday at £10 15s. per ounce, the same as last week.

TEXTILES

COTTON.—Manchester.—Spinners and manufacturers in the Lancashire cotton industry remain very busy completing old contracts, but so far as fresh business is concerned the turnover continues within narrow limits. Now and again there have been indications of improving demand, but important transactions have been few and far between. Outside factors, such as the financial crisis in France, have had their effect upon traders, and in most quarters buyers have followed a policy of marking time.

On July 8th, the United States Government will publish the estimate of the area planted with cotton. The market is expecting a figure in the region of 35,000,000 acres, which will compare with the last crop of 30,028,000 acres. There have been signs of more stability in prices. The rise in prices on one or two days was due to short covering by operators owing to the fear that any change in the crop outlook is bound to be unsatisfactory. Recently, however, very favourable weather conditions have prevailed, but according to some advices there is now more danger of the yield being adversely affected by boll weevil damage.

American and Egyptian yarn quotations have been steady. Business has been small, but the mills are engaged to full capacity delivering against old contracts.

There has not been much activity in the cloth section. Most buyers have again operated with caution. For the most part sales have consisted of retail lots to meet urgent requirements. Manufacturers with wide looms remain very busy, but producers of narrow cloths are not in quite the same position, and unless there is a speedy revival of demand there will be more eagerness for fresh contracts. The cloth turnover for India has been on a small scale. Only miscellaneous transactions have been arranged for Java and Singapore. There has been a fair turnover for West Africa. Some of the contract dates extend into next year. Scattered sales have taken place for South America. There has not been much business passing for the Empire markets or the home trade.

COTTON PRICES

	1937				Corresponding Date	
	June 9	June 16	June 23	June 30	1935	1936
Raw Cotton—Mid. American ..... per lb.	d. 7·07	d. 6·98	d. 6·88	d. 6·94	d. 6 95	d. 7·16
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	10·90	10·05	10·10	9·85	8·08	9·47
Yarns—32's twist ..... per lb.	14½	14	13½	13⅝	10½	10½
„ 40's weft ..... per lb.	18	13	12½	12⅝	10⅝	11
60's twist (Egyptian) ..... per lb.	19⅝	19½	19½	19½	15	16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 20 7	s. d. 20 5	s. d. 20 3	s. d. 20 3	s. d. 17 6	s. d. 17 9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	28 1	27 10	27 8	27 8	24 3	25 2
38-in. ditto, 88 yds., 18 by 16, 10 lb.	11 6	11 6	11 6	11 6	10 5	10 4½
36-in. ditto, 37½ yds., 16 by 15, 8¼ lb.	10 6	10 6	10 6	10 6	9 3	9 4½

JUTE.—Dundee.—Raw jute prices are fluctuating, and the gradual decline of recent weeks has been followed by a sharp recovery. This week, however, weakness is again in evidence, and the uncertainty creates caution amongst buyers of all products of the industry. Spinners are not inclined to pay current prices for their raw material in view of the probability of a huge crop in the coming season. So far there is no news of the first forecast of the crop being issued this year, though a year ago this week the district returns were being received. It is estimated that the new crop will yield about 12 million bales, and there is sufficient jute from the past crop to satisfy the needs of the world, though the carry-over must be small, except in the hands of consumers, who are probably holding something like 5,500,000 bales. Conditions governing the new crop have been fairly satisfactory in most districts recently, though in some there has been too much rain. Speculative sellers are not so keen to offer new crop jute this season, whereas formerly they were usually inclined to discount old crop prices by 20s. to 40s. per ton.

Old crop Daisee–2/3 is quoted at £20 10s. for the full group, and Tossa–2/3 at £21, June/July, while new crop Daisee–2/3 might be bought at £19 5s, if a buyer were interested. Spinners, however, expect to purchase at much less than that limit before long, and are holding off. New crop Lightnings are quoted at £21 12s. 6d., and Hearts at £20 10s., August/September.

Jute yarns are very quiet, with common 8 lb. cops selling only occasionally at 2s. 3d. and 8 lb. spools at 2s. 4d. Twist rules slow at 4½d. for 3 ply 8 lb. and sacking yarns are firm at 2¾d. for 24 lb. weft and 3 11/16d. for 8 lb. chains, Rove is quieter and is now offered at £21 10s. for 48 lb. and £17 5s. for 200 lb., while the Rio yarns are well sold ahead and can only be bought at reduced prices for far forward delivery. Carpet yarns are firm at 3¾d. for 14 lb. warp.

Orders for jute cloth are usually for trifling lots for immediate delivery. Manufacturers are keen to secure further business, and they might shade the rates of 2 11/16d. for 10 oz. 40 in. and 2 5/16d. for 8 ozs. Linoleum hessians are quiet but steady, and heavy goods are of only occasional interest.

Calcutta goods have steadily declined and closed at 17s. 4d. for 10 oz. 40 in. and 14s. 11d. for 8 oz., June; 17s. 7d. and 14s. 6d., July/September, and 17s. 8d. and 14s. 6d., October/December. Liverpool twills are quoted at 46s. 1½d., and "B" twills at 40s. 6d., June; 46s. 9d. and 41s. 1½d., July/September, and 47s. 4½d. and 41s. 10½d., October/December.

GRAIN MARKETS

WHEAT.—After a relatively steady period, prices advanced sharply in mid-week in sympathy with Chicago and Winnipeg. Dry weather continues in Canada, and reports this week confirm the damage done by rust in the United States. Canadian authorities are taking a serious view of the drought, and abundant rainfall is now becoming urgently necessary. It is apparent that, even in the most favourable circumstances, there can be no great accumulation of world stocks this year.

On Wednesday last, "July" futures were quoted in Chicago at 118⅛ cents per bushel, against 113⅜ cents the week before and 110⅛ cents a month ago. Quotations in London, Wednesday: No. 1 and No. 2, Northern Manitoba, ex ship, not quoted; No. 3, 52s. per 496 lbs., as against 46s. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 931,000 quarters, against 1,331,000 quarters in the previous week and 986,000 quarters in the corresponding week a year ago.

FLOUR.—Prices have advanced in sympathy with wheat. Wednesday's *London quotations* (excluding quota payments) were: Straight run, delivered Home Counties, 41s. 6d. per 280 lbs., as against 40s. a week ago; delivered inner London, 41s., as against 39s. 6d. a week ago. Manitoba patents, ex store, 41s. to 42s. 6d., as against 37s. 6d. to 39s. a week ago. Australian, ex store, 33s. to 34s. 6d., as against 32s. 6d. to 33s. 6d. a week ago.

BARLEY.—Although demand continues quiet, imported feeding barley is a steady market. "July" futures were quoted at 66⅛ cents per bushel in Winnipeg on Wednesday, as against 65½ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, 36s. to 42s., against 36s. to 42s. last week. California, ex ship, 50s. 6d. to 53s., as against 50s. 6d. to 53s. a week ago. Chilean, brewing, ex ship, 44s. 9d. to 50s., as against 44s. 9d. to 50s. a week ago.

OATS.—On Wednesday, "July" futures were quoted at 42⅜ cents a bushel in Chicago, against 40⅛ cents a week ago and 43⅛ cents last month. Quotations in London, Wednesday: "English black," at farm, 27s. to 28s. per 336 lbs., as against 27s. to 28s. a week ago; "English White," at farm, 27s. to 28s., as against 27s. to 28s. a week ago; mixed Canadian feed (Vancouver), landed, 26s. 6d. per 320 lbs., as against 25s. 6d. a week ago.

MAIZE.—The Chicago market has firmed up this week on the resumption of Plate buying by the United States, and British markets have advanced in sympathy. "July" futures were quoted on Wednesday at 125 cents per bushel in Chicago, against 117⅞ cents a week ago and 122 cents last month. Quotations in London, Wednesday: "Plate," landed, 27s. 6d. per 480 lbs., as against 26s. 6d. a week ago; "Plate," ex ship, 26s. 6d., as against 25s. 6d. a week ago; "Plate," "June," 26s. 9d., as against 25s. 6d. a week ago; yellow maize meal, ex wharf, was quoted at £6 17s. 6d. to £7 per ton, as against £6 15s. to £6 17s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	July 1, 1936	Dec. 30, 1936	June 23, 1937	June 30, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb.	82⅞	84⅛	80⅜*	129	126⅛	138⅛
Chicago (No. 2, Winter)— Cents per 60 lb.	98⅛	101½	95⅛	135½	113⅛	118⅞

* June 30.

The visible supply of wheat in Canada amounts to 45,653,000 bushels, against 48,294,000 bushels last week, and 80,217,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to June 26	83,862	84,653	70,154	101,310
43 weeks to June 26	9,804,039	12,958,600	12,869,556	10,426,284
Average price of English wheat per cwt.	s. d. 5 6	s. d. 5 6	s. d. 6 8	s. d. 9 6

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts	Cwts.	Cwts.	s. d.	s. d.	s. d.
June 24, 1933	47,859	15,578	8,746	6 5	6 11	5 9
June 23, 1934	83,862	6,564	21,985	5 6	7 6	6 3
June 29, 1935	84,653	9,834	10,353	5 6	7 2	7 6
June 27, 1936	70,154	3,672	13,843	6 8	6 4	6 3
June 19, 1937.....	135,717	6,496	18,135	9 9	9 6	9 1
June 26, 1937	101,310	3,168	13,486	9 6	9 6	9 0

OTHER FOODS

BACON.—In response to a firm demand, quotations show an all-round advance. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 90s.; Canadian, 84s.; Danish, 91s.; against 86s., 79s., and 87s., last week. Arrivals in London last week included: Danish, 13,815 bales; Canadian, 6,754; Dutch, 2,440; Lithuanian, 1,083; and Polish, 2,965; as against 14,124, 7,216, 2,430, 1,038 and 3,324 bales, respectively, in the previous week.

BUTTER.—The market has had a quiet tone, and Colonial makes are again a shade cheaper. Quotations (per cwt.) on the London Provision Exchange on Monday were: New Zealand, finest salted, 109s.; Australian, choicest salted, 107s.; Danish, 115s.; compared with 110s., 108s., and 115s., respectively, a week ago.

CHEESE.—Cheese was a quiet market, with New Zealand the turn easier. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: Canadian, finest coloured, 78s. to 80s., and New Zealand, finest coloured, 71s. 6d. to 72s. 6d.; against 78s. to 80s. and 73s. to 73s. 6d., respectively, a week ago.

COCOA.—The spot quotations in New York on Wednesday was 7 5/16 cents per lb., as against 7⅛ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 34s. 9d. per 50 kilos., c.i.f. Continent, against 34s. 3d. for "October–December" a week ago. Last week's movements of cocoa in London were as follows: Landed, 1,236 bags; delivered, for home consumption, 4,219 bags; exported, 532 bags; stocks, 283,455 bags, against 166,282 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 39 cwt.; delivered for home consumption, 54 cwt.; exports, nil; stocks, 1,968 cwt., against 10,307 a year ago. Central and other South American: Landed, 578 cwt.; delivered for home consumption, 2,742 cwt.; exported, 368 cwt.; stocks, 114,250 cwt., against 121,116 last year. Other kinds: Landed, 380 cwt.; delivered, for home consumption, 3,095 cwt.; exported, 97 cwt.; stocks, 113,461 cwt., against 164,129 last year.

EGGS.—The market has had a firm tone, with prices higher for most selections. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 13s. 6d. to 14s. 3d. per 120, against 11s. 9d. to 12s. 3d. last week; while Danish (15½ lb.) made 9s. 3d. to 9s. 9d., as against 8s. 6d. to 9s. last week.

FRUIT.—At Covent Garden during the past week a good demand was maintained, according to *The Fruitgrower*. Although most attention was concentrated on soft fruits, prices of other lines were not adversely affected. Strawberries were in short supply, but owing to the competition of cherries and currants, prices showed little alteration. Gooseberries, in consistent demand, declined in price in response to heavier arrivals. Fair quantities of black and red currants arrived from home sources, while a few English raspberries realised 10d. to 1s. per lb. Larger consignments of oranges from South Africa and Brazil caused prices to ease, but lemons were firm. Grapefruit was more plentiful and was consequently cheaper. Apples and pears from Australasia, on the other hand, rose in price. Hothouse grapes and also melons declined, but English peaches and nectarines sold at higher rates.

MEAT.—At Smithfield this week, trade was generally steady, with imported beef a shade dearer. On Wednesday last, Argentine chilled hindquarters were quoted at 4s. 4d. to 4s. 8d. per 8 lbs., as compared with 4s. 2d. to 4s. 6d. a week ago. New Zealand frozen mutton was 3s. 4d. to 4s. per 8 lbs., against 3s. 4d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,596 tons, an increase of 946 tons on the corresponding week last year. Beef and veal accounted for 4,955 tons, mutton and lamb 2,596, and pork and bacon 667, as compared with 4,115, 2,696 and 436 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, Singapore white Muntok, August–October, was quoted at 4¼d. per lb. sellers, against 4⅛d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3d. per lb. sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 2 tons; stocks, 1,995, against 1,753 last year. White, landed, 9 tons; delivered, 31 tons; stocks, 11,825 tons, compared with 12,029 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. per cwt., ex warehouse, on Wednesday, as compared with 10s. per cwt. a week ago. "July–August," in singles to Continent and U.K., was quoted at 9s. per cwt., against 9s. for "June–July," last week. Movements in London last week were as follows: Landed, 217 tons; delivered, 56 tons; stocks, 1,815 tons, against 1,584 a year ago.

SUGAR.—The markets have been generally steady. The New York spot quotation was 3·45 cents on Wednesday, as compared with 3·45 cents per lb. last week and 3·35 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August" delivery at 6s. 7½d. to 6s. 8½d., against 6s. 7¾d. to 6s. 8¼d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 15,783 tons, against 3,537 in the previous week and 11,837 in the same week of 1936; deliveries, 16,129 tons, against 16,153 and 18,341 tons, respectively; stocks, 194,574 tons, against 194,920 and 134,201 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
June 25, 1936	12·20	12·26	12·98	10·26	9·95	11·21	12·18
May 27, 1937	14·76	15·25	16·11	13·24	12·17	14·03	15·10
June 3, „	14·26	14·42	15·25	12·83	11·99	13·56	14 48
„ 10, „	14·57	14·61	15·12	13·73	12·15	13·94	14·67
„ 17, „	14·67	14·62	15·06	13·11	12·45	13·70	14·51
„ 24, „	15·60	14·50	15·16	14·16	12·28	13·77	14·96

At this week's public auctions in Mincing Lane, 18,558 packages of Indian and 26,227 packages of Ceylon tea came up for disposal. Indian grades met a good demand. Prices for new season's Dooars and South Indian teas, although somewhat irregular, showed little change. Prices of Ceylon sorts were also generally unaltered, although fannings were slightly easier.

VEGETABLES.—Salads and greens have been in short supply at Covent Garden during the past week, and have consequently risen in price, says *The Fruitgrower*. Tomatoes and cucumbers remained in steady demand; asparagus enjoyed a good sale at improved prices, but peas were lower in response to an increase in supplies. Lettuce was in demand, while new carrots, turnips and broad beans sold well. Meanwhile, new potatoes have continued to increase in supply, and prices at the various London markets have consequently fallen. At the Borough, on Tuesday, Cornish, Lincolnshire and Bedfordshire were quoted at 10s. to 12s., while Jersey made 9s. to 11s. per cwt. Old crop potatoes sold slowly at lower prices, best siltland King Edward making 6s. 6d. to 7s. 6d. per cwt., ex market, against 9s. 6d. to 10s. 6d. a week earlier.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets have a much brighter tone, and there is more willingness to buy. The feature is the sharp advance in linseed oil, which had been depressed for the greater part of last month; over the week-end an increase of 20s. per ton for early delivery was registered. With stocks moderate and Continental prices rising, crushers were extremely reserved and business was small. A factor in the firmer market was the strength of grain prices (including linseed) caused by adverse reports concerning the new crops in North America. Meanwhile, shipments from Argentina continue at a fair level, including a substantial proportion destined for the United States, the yield of whose new crop is still very uncertain. The United States and Canada so far this year have taken about half a million tons from Argentina, or nearly three times the quantity at the corresponding date last year. Future imports depend on the yield of the domestic crop. India is shipping only modest quantities of the new crop, growers evidently having faith in the future of the market. The world's exportable surplus for the second half of the year is estimated, in round figures, at 800,000 tons, against over a million tons actually shipped in the remainder of last year. Cotton seed is firmer, and a fair trade is reported in the balance of the old Egyptian crop at rising prices. Business has also been done in new crop, up to £7 7s. 6d. having been conceded for September shipment and rather less for later dates. Trade in cotton oil, however, continues unsatisfactory. Oilcakes are steady and demand is about normal for the season.

RUBBER.—The market showed an improvement in the early part of the period under review, largely in consequence of the announcement that the resources of the Exchange Equalisation Account would be increased by £200 millions and of the improvement in the American strike situation. The franc crisis has since had a depressing effect and the gain has been lost. In view of the strength of the statistical position, however, and the liquidation of weak speculative positions, no major weakness is likely in the near future. The spot price in New York on Wednesday was 19¼ cents per lb., compared with 19 7/16 cents per lb. a week ago and 20 3/8 cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 9 7/16 d. per lb., as against 9 7/16 d. on the corresponding day last week. In forward positions business has been done at 9 3/8 d. to 9⅝d. for "August" shipments, as against 9 3/8 d. to 9⅝d. a week ago. Stocks in London and Liverpool at the end of last week totalled 43,403 tons, against 43,653 tons a week earlier. A year ago stocks amounted to 122,700 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, June 30th

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

CEREALS AND MEAT

	s. d.	s. d.
GRAIN, Etc.—		
Wheat—		
No. 2, N. Man. 496 lb.	...	
Eng. Gaz. av., per cwt.	9 6	
Barley, Eng. Gaz. av.	9 6	
Oats, ...	9 0	
Maize, La Plata, landed 480 lb.	27 6	
Flour, Lon. stan. ex mill, 280 lb.	39 9	
RiceNo.2 Burma,per cwt.	9 0	
MEAT—		
Beef, per 8 lbs.—		
English long sides	5 0	5 8
Argentine chilled hinds	4 4	4 8
Mutton, per 8 lbs.—		
English wethers	6 8	7 4
N.Z. frozen „	3 4	4 0
Lamb, per 8 lbs.—		
N.Z. frozen	4 8	5 4
Pork, English, per 8 lbs.	4 10	5 2

OTHER FOODS

BACON—		
English ..... per cwt.	90 0	
Irish	88 0	93 0
Danish	91 0	
Dutch	89 0	
HAMS—		
Canadian	98 0	100 0
United States	98 0	100 0
BUTTER—		
Australian	107 0	
New Zealand	109 0	
Danish	115 0	
CHEESE—		
Canadian ..... per cwt.	78 0	80 0
New Zealand	71 6	72 6
English Cheddars	...	
Dutch	50 0	57 0
COCOA—		
(Duty, British grown, 11/8; foreign, 14/- cwt.)		
Accra, f.f. ..... per cwt.	35 0	35 6
Trinidad	70 0	80 0
Grenada	60 0	65 0
COFFEE—		
(Duty, British grown, 4/8; foreign, 14/- cwt.)		
Santos supr. c. & f. cwt.	53 0	
Colombian, good	58 0	65 0
Costa Rica, med. to good	64 0	90 0
East Indian „ „ „	70 0	90 0
Kenya, medium	58 0	72 0
EGGS—		
English ..... per 120	13 6	14 3
Danish	9 3	9 9
FRUIT—Oranges—		
S. African ..... ¼ cases	10 6	19 6
Brazilian ..... boxes	10 0	17 0
Lemons, Malaga ... cases	...	
„ Sicilian ... boxes	23 0	28 0
Apples: Amer. (var.) bris.	...	
„ (var.) boxes	...	
„ Australian	9 0	15 0
Onions—		
Valencia, case	...	
Egyptian, bags	6 0	7 0
Grapes, Almeria, barrels	...	
Grapefruit, Brazilian	12 0	22 0
„ S. African	16 0	21 0
LARD—		
Irish, finest bladders	66 0	74 0
U.S. ..... per cwt.	64 0	65 6

	s. d.	s. d.
POTATOES—		
English King Edward per cwt.	6 6	7 6
Jersey new „	9 0	11 0
SPICES—		
Pepper, per lb.—		
Black Lampong	0 3	
White Muntock	0 6	
Cinnamon—1st sort, per lb.	0 8½	
Cloves—Zanzibar, per lb.	0 9½	
Ginger—per cwt.—		
African	60 0	
Jamaica, ord. to good	65 0	90 0
Mace ..... per lb.	1 10	2 4
Nutmegs, 65's	0 11½	
SUGAR—		
(Duty, 11/8 per cwt.)		
Centrifugals, 96°, prpt. shipm.,c.i.f.U.K./Cont.	6 8½	
B.W.I., crystallised	17 3	19 0
Java, white, c. & f. India Oct.-Dec.	Nominal.	
REFINED—London—		
Yellow Crystals	20 0	
Cubes	24 3	24 9
Crushed	22 6	
Granulated	20 4½	21 3
Home Grown	20 3	20 6
TEA—		
Indian—per lb.—		
Pekoe	...	
Broken Pekoe	1 2	1 2½
Orange Pekoe	...	
Broken Orange Pekoe	1 2	1 6½
Ceylon—per lb.—		
Pekoe	1 2	1 7
Broken Pekoe	1 2	1 5
Orange Pekoe	1 2	1 6½
Broken Orange	1 2½	1 7
TOBACCO—		
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)		
Virginia leaf—		
Common to fine	0 8	2 6
Rhodesian leaf	0 9	1 10
Nyasaland leaf	0 7	1 4
„ strips	0 9	1 6
East Indian leaf	0 7	1 10
„ strips	0 6	1 9

TEXTILES

	d.
COTTON—	
Mid-American ..... per lb.	6·94
Sakellaridis, f.g.f.	9·85
Yarns, 32's twist	13½
„ 60's twist	19½

	£ s.	£ s.
FLAX—		
Livonian ZK ..... per ton	84 0	86 0
Pernau HD	86 0	
Slanetz Medium...1st sort	90 0	94 0
HEMP—		
Italian P.C. ..... per ton	66 0	
Manilla, June-Aug. "J2"	34 10	
Sisal, African	25 0	28 10
JUTE—		
Native 1st mks ... per ton c.i.f. H.A.R.B.		
July-Aug.	£20/10/0	
Daisee 2/3 c.i.f. Dundee July-Aug.	£20/10/0	

	s. d.	s. d.
SILK—		
Canton ..... per lb.	6 0	8 0
Tussah	3 6	4 6
Japan	8 0	9 0
Italian—raw, fr. Milan	8 6	10 0

	d.
WOOL—	
English Southdown, greasy, per lb.	18
„ Lincoln hog, washed	17½
Queensland, scd. super cmbg.	30
N.S.W. greasy, super cmbg.	17½
N.Z., grsy., half-bred 50–56	18
Crossbred 40–44	15½
Tops—	
Merinos 70's average	38½
„ 64's „	37
Crossbred 48's	25
„ 46's	24½

MINERALS

	s. d.	s. d.
COAL—		
Welsh, best Ad'ty...ton	19 6	22 6
Durham, best gas, f.o.b. Tyne	23 0	24 0
Sheffield, best house, at pits	20 6	22 6
IRON AND STEEL—		
Pig,Cleveland No. 3, d/d. ton	101 0	
Bars, M'lbrough	237 6	
Steel rails, heavy	202 6	
Tin plates ..... per box	25 0	25 6

	£ s. d.	£ s. d.
METALS—		
Copper, Electrolytic, ton	61 0/0	63/0/0
Sheets (Strong)	93/0/0	
Standard	54 0/0	54/5/0
Lead, Eng. pig ... per ton	25/10/0	
Soft foreign	23/2/6	23/8/9
Spelter G.O.B.	21/13/9	
Tin—English ingots	253/0/0	
Standard cash	252/10/0	253/0/0

MISCELLANEOUS

	s. d.	s. d.
CHEMICALS—		
Acid, citric, per lb., less 5%	1 0	1 0½
Nitric	0 2½	0 3½
Oxalic, net	0 5	0 6
TartaricEnglish, less 5%	1 1	1 1½
Alcohol, Plain Ethyl	12 0	
	£ s.	£ s.
Alum, lump ..... per ton	8 10	8 15
Ammonia, carb. ..... ton	27 0	28 0
Sulphate		7 5
Arsenic, lump ... per ton	35 0	
Bleaching powder, per ton	8 15	9 0
	s. d.	s. d.
Borax, gran. ... per cwt.	13 6	
Do., powder	15 0	
Nitrate of soda ... per cwt.	7 9	
Potash—Chlorate, net	0 4	0 4½
Sulphate ..... per cwt.	9 9	10 0
Soda Bicarb. ... per cwt.	10 0	11 0
Crystals ..... per cwt.	5 0	5 3
Sulphate of Copper, per ton	22 0	

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/- per ton
1 and up to 4-ton loads 41/- per ton

	£ s. d.
COPRA—	
S.D.Straits c.i.f., per ton	16/2/6

	s. d.	s. d.
DRUGS—		
Camphor—		
Japan, refined ... per lb.	2 4	
Ipecacuanha ..... per lb.	6 9	7 0
HIDES—		
Wet salted—Australian per lb.	0 6½	0 7½
West Indian	0 4½	0 5½

	s. d.	s. d.
Cape	0 6½	0 6½
Dry and Drysalted Cape	0 9	0 9½
Market Hides, Manch'tr—		
Best heavy ox and heifer	0 7½	0 8½
Best cow	0 6½	0 7
Best calf	0 7	0 11½
INDIGO—		
Bengal, gd. red.-vio. to fine ..... per lb.	5 6	6 0
LEATHER—		
Sole Bends 8/14 lb.—		
per lb.	1 4	2 6
Bark Tanned Sole	2 6	3 8
Shoulders fm DS Hides	0 8	0 10
Do. Eng. or WS do.	0 10½	1 9
Bellies from DS do.	0 4½	0 6½
Do. Eng. or WS. do.	0 6½	0 9½
Dressing Hides	1 8	2 2
Ro. Eng. Calf, 20/30 lb.	5 0	6 0
Aust. Bends Avg. 7/1 lb.	1 3	1 8

	£ s. d.
VEGETABLE OILS—	
Linseed, naked, p. ton net	29 10/0
Rape, refined	37/0/0
Cotton-seed, crude	27/0/0
Coconut, crude	23/10/0
Palm	22/5/0
Oil Cakes, Linseed, Eng., per ton	8/17/6
Oil Seeds—Linseed—	
La Plata, p. ton, June	13/0/0
Calcutta—per ton	14/8/9
	s. d.
Turpentine, per cwt.	37 6

PETROLEUM PRODUCTS—		
Motor Spirit, No. 1, London	1 6½	
Petroleum, Amer. rfd. brl. London..per gall.	0 10½	
Fuel oil, in bulk, for contracts, ex instal. Thames—		
Furnace...per gall.	0 3½†	
Diesel.....per gall.	0 4½†	
ROSIN—		
American ..... per ton	19/15/0	22/5/0
RUBBER—	s. d.	s. d.
St. ribbed smoked sheet per lb.	0 9 7/16	
Fine hard Para per lb.	0 10	
SHELLAC—		
TN Orange ... per cwt.	48 0	51 0
SHELLS—	£ s.	£ s.
W. Aust. M.-o.-P. „	3 10	11 10
TALLOW—	s. d.	
London town...per cwt.	25 6	

	£ s. d.	£ s. d.
TIMBER—		
Swedish u/s 3 x 8 ... per std.	24 0 0	
„ 2½ x 7 ... „	23 10 0	
„ 2 x 4 ... „	21 0 0	
Can'dn Spruce, Dis.... „	24 10 0	
Pitchpine ..... per load	11 0 0	
Rio Deals ..... per std.	35 0 0	
Teak ..... per load	27 0 0	
Honduras Mahg. logs ... c. ft.	0 12 0	
African „ ... „	0 6 0	
Amer. Oak Boards ..... „	0 6 0	
„ Ash „ ..... „	0 6 0	
English Oak Planks ..... „	0 6 0	
„ Ash „ ..... „	0 7 0	

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	July 1, 1936	June 2, 1937	June 23, 1937	June 30, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 95⅛	Cents 110½	Cents 113⅜	Cents 118⅞
Maize, nearest future, Chicago, per bushel	68⅜	122⅜	117⅛	125
Oats, nearest future, Chicago, per bushel	30⅞	43⅛	40⅛	42⅛
Rye, nearest future, Chicago, per pushel	65⅛	98⅛	86⅜	91
Barley, nearest future, Chicago, per bushel	46⅛	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	6⅜	9⅜	9⅛	9⅛
„ Santos No. 4, cash per lb.	8⅜	11⅛	11⅛	11⅛
Cocoa, Accra, nearest future, per lb.	5·99	7·20	7·13	7·17

	July 1 1936	June 2, 1937	June 23, 1937	June 30, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·75	Cents 3·35	Cents 3·45	Cents 3·45
Cotton, middling, spot, per lb.				
Rubber, smoked sheet, spot, per lb.	12·50	13·25	12·71	12·54
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	16½	20 5/8	19 1/8	19½
Copper, "Electrolytic," Domestic, spot, per lb.	104	116	116	116
Copper "Electrolytic," Export prompt, per lb.	8·92½	14·05	13·57½	13·57½
Spelter, East St. Louis, spot, per lb.	9·15	14·27½	13·80	13·80
Lead, spot, per lb.	4·85	6·75	6·75	6·75
Tin, "Straits," spot, per lb.	4·60	6·00	6·00	6·00
	40·75	56·12½	55·85	56·50

(a) Nominal.

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Partition of Palestine

ALTHOUGH the gist of the conclusions of the Royal Commission on the future of Palestine had been widely and correctly forecast, the publication of their unanimous report this week was greeted with excitement and intense interest. This was only its due as an historic State paper affecting the destinies of three great peoples. In felicitous and blunt language, the Commissioners pile historical fact on historical fact to justify their conclusion that the present aims of Jews and Arabs are fundamentally incompatible. "We cannot—in Palestine as it now is—both concede the Arab claim to self-government and secure the establishment of the Jewish National Home." Whether, in Palestine as it might have been, reconciliation would have been possible is perhaps a barren speculation. Certainly, when the mandate was first given, Arab leaders like KING FEISAL and Jewish leaders like DR WEIZMANN as well as British statesmen assumed that our war-time pledges to the two parties were compatible and that Jewish and Arab aspirations could be accommodated in a single State. But the spirit of nationalism, devastatingly potent throughout the world since the war, has so taken hold upon the thought and feeling of both communities that the problem of Palestine has resolved itself into this dilemma: that a self-governing Palestine must be either a Jewish or an Arab state, and either alternative means death to the hopes of a great subject people.

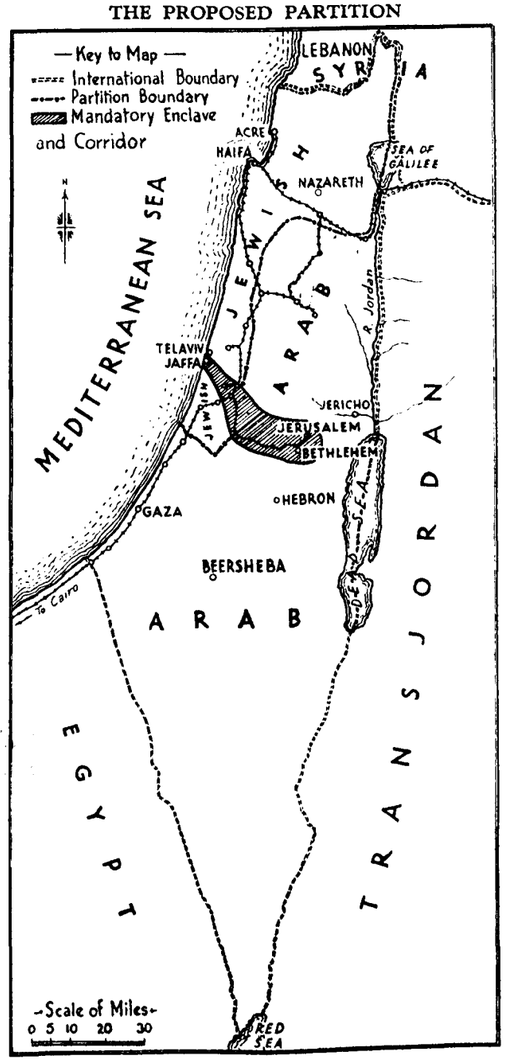
Hence it follows, according to the Commission's reasoning, either that Palestine cannot be self-governing, or that some form of partition is inevitable. The British people have accepted a trust for the government of Palestine, and are ready to carry it out, costly, dangerous and repressive though the means might have to be. But "it is not easy to pursue the dark path of repression without seeing daylight at the end of it." There the Commission have touched upon the inner defect of the present system: the channel of political advance would be stagnant, if not regressive, without hope of gradual progress towards a better condition of things in which tutelage and coercion could be withdrawn. The test of their alternative plan will be the measure in which it makes for a gradual improvement instead of a gradual deterioration of Jewish-Arab relations, and of the whole political life of the country which is now Palestine.

Their proposal is to surrender the mandate and replace it by a triple system. This would comprise a new mandate for the Holy Places (with a corridor to link them with the sea), and treaties of alliance between the mandatory Power and the Government of Transjordan and representatives of the Palestine Arabs on the one hand, and with the Zionist organisation on the other. These treaties would set up sovereign independent States, one Arab and the other Jewish. The treaties would include, besides military clauses, strict guarantees for the protection of minorities in each State, and financial and other provisions. It is proposed that, in view of the higher tax-paying capacity of the Jews and the loss to the Arabs of a portion of a land they have claimed as their own, a subvention (to be fixed by a Financial Commission) should be paid by the Jewish to the Arab State. The latter would also receive a non-recurrent grant of £2,000,000 from the British Treasury in composition for the present subsidies to Transjordan.

The details of this plan, including the new lines of the

frontiers, are now being hotly contested by opposing interests. Its principle has already been accepted by His Majesty's Government, and to judge by the evidence of its immediate reception will be accepted by the great mass of British opinion. The Commissioners themselves plainly recognise that it is likely at first to arouse disappointment and hostility in both camps in Palestine. At the same time they put forward cogent reasons why upon reflection it should be acceptable to both Jewish and Arab opinion. To either community it offers a chance for the fulfilment of its chief hope, a chance which the report shows does not exist under the present system. The Arabs may have national independence, unhampered by fears of being swamped by the Jews. The Jewish National Home may be established, in a form which the Jews may in the fullest sense call their own, and relieved from the possibility of its being subjected in the future to Arab rule. "To both Arabs and Jews partition offers a prospect — and there is none in any other policy—of obtaining the inestimable boon of peace. It is surely worth some sacrifice on both sides if the quarrel which the mandate started could be ended with its termination."

THE PROPOSED PARTITION



Can that quarrel, indeed, be ended by these terms? The most comprehensive exchange of lands and peoples, which the Commission hold in prospect, will still leave minorities of each community in the State of the other. Jewish and Arab nations will still face each other across a frontier which is essentially a work of politics rather than of nature. Partition is an expedient with an unhappy history in the British Commonwealth's past; the partition of Ireland is still the heart of a cankerous problem very near home. Too much, however, need not be made of the Irish analogy, for there are many vital differences. The two parts of Ireland were not allowed to work out independently their own destiny, for one remained incorporated with the external British power which the other regarded as an historical enemy. Palestine, where Jew and Arab have lived on amicable terms for centuries before the mandate, affords no parallel to this. Nevertheless, it will be well if the Government and the Mandates Commission, and the Arabs and Jews themselves, who will have the task of implementing the Commission's report, bear in mind the lessons that Irish partition affords. One of those lessons is that the boundary, unnatural as it is, is being steadily converted into a Chinese wall by the piling-up of vested interests created by economic nationalism. If the Jewish and Arab States are to live together on progressively closer and mutually more profitable terms, it is essential that too free a rein should not be given to extreme fiscal and administrative nationalism during the infancy of the new independence. The Commission justly regarded it as an essential part of the proposed treaty system that a commercial convention should be concluded "with a view to establishing a common tariff over the widest possible range of imported articles and to facilitating the freest possible interchange of goods between the three territories concerned."

An even more fundamental lesson to be drawn from the Irish partition is the need for some common institutions, if only of an informal or consultative kind, between the two neighbour States. Misunderstandings grow unweeded, and paths of policy needlessly diverge if there are no organs for joint consideration of common problems. To create such common organs, with a view to fostering the friendship, peace, wealth and good government of the three Palestinian brother-states, will be among the first of the constructive tasks of British, Jewish and Arab statesmanship, if Parliament and the League of Nations accept the principles of the Commission's report. Only if the future contains the prospect of peaceful and prosperous good - neighbourliness between Jew and Arab can the post-war history of Palestine be written off as anything but a failure. It is the fundamental merit of the Commission's report that it views that history and the problems that emerge from it, not as an isolated episode in colonial administration, but as a crucial page in a story older than that of Europe. In that story, Jewish civilisation, dispersal and repression; Arab dominion, decline and revival; and the intervention of the Western Powers in the resettlement of the Near East after the Great War had swept away the remnants of Turkish imperialism, have all played great parts. It is for us a matter of pride that the heritage of British democratic statesmanship can outweigh the evil legacies of the past: the nationalist ferment of the Near East, and the cruelties of Christendom to the people of Israel.

The strident protests that have immediately been voiced by both sides show that to carry through this scheme will prove no easy task. Indeed, the Government, whose handling of the situation last year is the subject of rather sharp criticism, are evidently concerned lest matters might again get out of hand and have taken early precautions against disorder. But we will hope that all such fears may prove groundless. The Egyptian treaty last year, and now the acceptance of office by the Indian Congress leaders, should do something to convince the Eastern world of Britain's good will and of the healing quality of freedom. The Commission have offered a way out of a terrible dilemma. It is up to the interested parties either to find a better course or to accept it.

Politics in the Dog-days

A QUITE abnormal degree of apathy is the outstanding feature of recent by-elections. So disturbing are its implications that both the Government and the Opposition are engaged in much heart-searching. For politics are in the dog-days; and, like the weather at that time of year, a flat calm may be ominous.

Here are the figures for nine constituencies in which there were contests both last month and in 1935:—

	1935	%	1937	%
Electorate	532,000	*100*	548,000	*100*
Total voting	357,600	*67*	270,400	*49*
Government poll	232,000	*43½*	169,000	*30½*
Combined Opposition poll	125,600	*23½*	101,400	*18½*
Government majority	106,400	*20*	67,600	*12*

In the 1929 General Election, these same constituencies polled 75 per cent. of their electorate; in that of 1931, 73 per cent.; in that of 1935, only 67 per cent.; and now as little as 49 per cent. This landslide in the poll—with a majority of the electors abstaining from the use of their franchise—needs explanation in terms of political sensitivity. There is no question whatever that if the issue at the polls were couched in terms of democracy *v.* dictatorship, the response would show almost a 100 per cent. poll of the electorate in favour of democracy. Then what has caused this rot in our democratic politics?

At best it is not very exciting to vote for or against candidates who are certain to get in—and in the past month the eleven elections have all taken place in safe Government seats. But the lack of interest of the electors goes deeper than this. The public is grateful for peace and prosperity; but it has grave doubts whether either is permanent. For though it is true that we are still at peace, we have plunged into an arms race and a series of European crises, and our prosperity, like that of other countries, is being buttressed by a spate of armament orders. The electors like the ends achieved, but mistrust the means and fear the aftermath. And if this is the reason for the lukewarm support of Government candidates, most of the electors dislike—even if they do not positively fear—the alternative; and very few have any faith in the competence of the Opposition leaders to form an effective alternative Government. And that is a grave deficiency.

If events have led the public to take a non-committal attitude towards the National Government, it must not be overlooked that the policy which the Government has pursued is itself the consequence of a coalition mentality. EARL BALDWIN, with his liberal sympathies but lack of clear or strongly held political views, was the ideal coalitionist. Under MR LLOYD GEORGE, coalition policy was the result of bargaining between vigorous opposing forces to enable vitally important policies to be carried out. EARL BALDWIN'S policy has been the natural compromise of the cross-bench mind. Its effect has been to release political thinking from party restrictions so that political views within the coalition ranks have tended to become blurred and neutral in tint. This in turn has reacted on the Opposition—and particularly the Socialist section of it, which has watered down its Socialism partly because of lack of dogmatic conviction among the great mass of its supporters, and partly because other issues are obviously uppermost in people's minds.

This does not mean that there is no difference between the attitude of EARL BALDWIN and that of MR ATTLEE, or that a Left Government would have behaved very much as the National Government has behaved in the last six years. Far from it. A Left Government, in particular, would have resisted the drift towards insularity in both the political and economic realms which has been so marked a feature of the BALDWIN regime. Ottawa and unilateral rearmament are the characteristic results of an attitude which has, indeed, helped this country over its own immediate difficulties but has powerfully helped to bring the world to its present pass.

The net effect, however, has been that no simple issues of political principle have been presented to the electorate, who have therefore left politics alone.

This is not good for democracy; for it means that there is a great floating vote which might at any moment become a danger as a result of some sudden uprush of popular feeling. During the next few critical months and years, therefore, it is essential that the Parties on whose shoulders our democracy is still perched should safeguard its existence and their own by a clearer enunciation of policies and principles. If they cannot, or will not, do this, government will be carried on in the traditional home of democracy in default of a majority of the electors. And from that to either kind of dictatorship is only a small, administrative step. It is widely hoped that MR CHAMBERLAIN'S assumption of the premiership will bring about a clearer definition of political issues in this country.

The Economics of Population—I

The Future of Young and Old

RECENT surveys show that the age of Britain's population is rising. They also suggest that, if present trends continue, the total population will soon begin to decline.

That the prospect is already disturbing influential sections of popular opinion is evidenced by the trend of recent public discussions, in Parliament, on the wireless, and elsewhere. It may be well, therefore, at the outset, to point out that some degree of uncertainty attends all estimates of future population. But though they are uncertain, such calculations are not therefore worthless.

No comparable limitations restrict the value of estimates covering the years near at hand. The overwhelming majority of those who will be alive ten and twenty years hence, the majority even of those who will be alive after thirty years, are already living to-day. Their numbers can therefore be affected only by death. Apart from war and pestilence, experience shows that death-rates are now likely to change relatively slowly. Even a war like that of 1914-18 has a surprisingly small effect on total numbers. Assuming that the birth-rate which prevails now will continue—an assumption which, though reasonable and likely for the nearer years, becomes increasingly less likely for those more remote—it is a straightforward though laborious task to compute for given dates both the total population and its distribution among various age-groups.

The changes thus forecast in the numbers and age distribution in England and Wales between 1935 and 1965 are shown in the table overleaf, and illustrated graphically

in the diagram at the foot of this page. In order to give perspective, the diagram also represents the position in 1881 and 1901. The data for 1935 and 1965 have been obtained from a calculation by Dr Enid Charles,* which assumes that the fertility and mortality rates occurring in 1933 will continue throughout the period. The data for 1881 and 1901 are taken from the Registrar-General's census returns.

TOTAL POPULATION, ENGLAND AND WALES

(000's omitted)

Age group	1881	1901	1935	1965 (estimated)
75 and over	336	442	908	1,549
65–74	852	1,076	2,308	3,311
45–64	3,708	4,845	9,016	10,811
25–44	6,734	9,252	12,476	11,114
15–24	4,875	6,367	6,428	4,967
5–14	5,948	6,829	6,572	4,601
0–4	3,521	3,717	2,860	2,149
TOTAL	25,974	32,528	40,568	38,502

By every test—whether by the numbers and proportions of children and the young, the old and the very old, or those in the middle years—the population was older on the average in 1935 than in 1881 or 1901. And it will be still older in 1965. The ageing of the population is the more marked when account is taken of the change in absolute numbers from 26 millions in 1881, and from 32.5 millions in 1901, to 40.6 millions in 1935 and to an estimated 38.5 millions in 1965. Thus, if we take first the children, at the two earlier dates there were roughly two adults to every child under fifteen; to-day there are three, and in 1965 there will be nearly five. Those of sixty-five and over accounted in 1881 and in 1901 for under one-twentieth of the population; to-day the proportion is about one-twelfth, and in 1965 it will be one-eighth. More striking still is the change in the ratio of children under fifteen to old people over sixty-five. In 1881 there were eight times as many children as old people, and in 1901 seven times as many. To-day, the ratio is only three to one; and in 1965, if the trend goes on, it will fall to 1.4 to one.

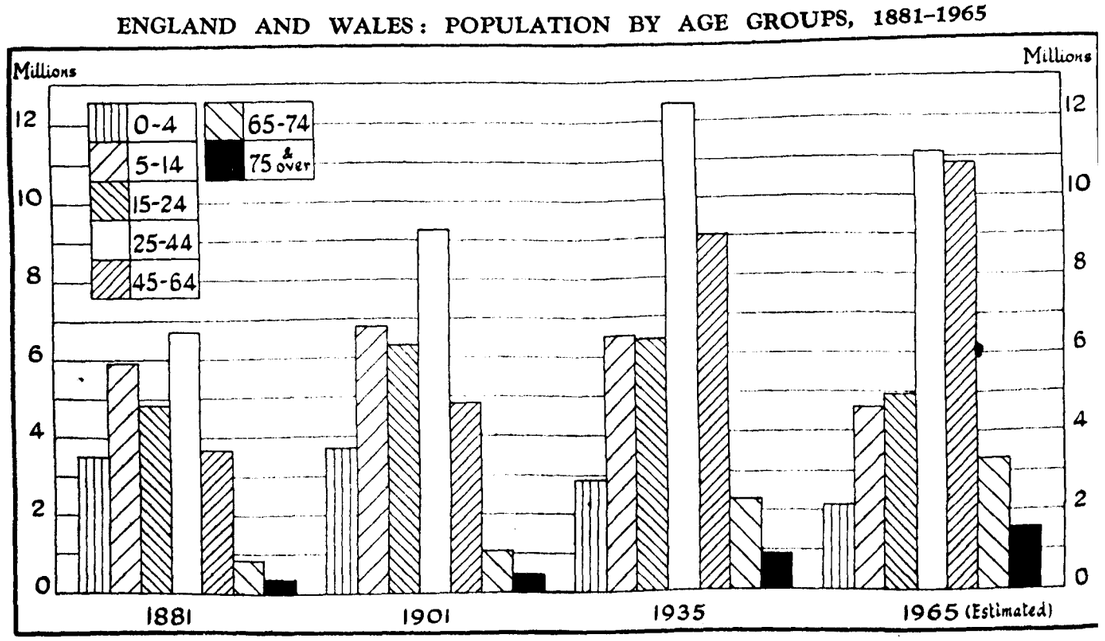
The great mass of the population—nearly 70 per cent. in all—was between fifteen and sixty-five years old in 1935. The probable percentage in this age-group will be only slightly larger in 1965. Both these years differ, however, from the two earlier census years, when this age-group contained only about three-fifths of the whole. But though the percentages for 1935 and 1965 are similar, there are important changes in the make-up of the group. The fifteen to twenty-four-year-olds sharply diminish, and the forty-five to sixty-four-year-olds increase, their numbers. The twenty-five to forty-four year age-group also shifts towards an older average. Both the numbers and proportion of those aged twenty-five to thirty-four fall in 1965 as compared with 1935; those aged thirty-five to thirty-nine lose in total numbers, but their decline is no more than proportionate to the expected decline in the total population. Those aged forty to forty-four increase in numbers and proportion.

The most striking change of all is the growth, in 1965 as compared with 1935, in the numbers of the old and the very old. Because of the more favourable mortality experience of females than of males at these ages, this shift is to the special advantage of women. Between these two years males aged sixty-five to seventy-four increase by a third, and males aged seventy-five and over by two-thirds. For females the corresponding increases are one-half and three-quarters. In the members of these age-groups—which from 1965 onwards will comprise the survivors of those born in the 18th century—the fecundity of the Victorian age sees its last fruits.

To what causes may we attribute these far-reaching tendencies? Broadly, birth-rates and death-rates supply the immediate reasons for the changes we foresee. The ultimate causes, however, lie deeper and are too complex for discussion in a brief review. If we confine our analysis to recent changes in birth- and death-rates, we find that the birth-rate has declined almost steadily from its peak of 36.3 per thousand in 1876. The lowest figure reached in the next twenty-five years was 28.7 per thousand in 1900, and even this figure was about double the present rate. During these twenty-five years there were only six with rates below thirty per thousand. The arithmetical mean figure for the period was thirty-two per thousand, and the numbers born averaged nearly

* "The Effect of Present Trends in Fertility and Mortality upon the Future Population of England and Wales and upon its Age Composition." By Enid Charles. Royal Economic Society, by arrangement with the London and Cambridge Economic Service. Memorandum No. 55. London, 1935. Dr Charles, in addition to the calculation used here, also makes two other calculations on different assumptions about fertility and mortality rates.

ENGLAND AND WALES: POPULATION BY AGE GROUPS, 1881–1965



900,000 per annum. After 1900, the birth-rate continued to fall until the end of the war, and in 1918 it was 17.7 per thousand. But as the total population to which the rate applies had meanwhile increased, the number of births in the first two decades of the 20th century still averaged about 900,000 per annum. After the delaying effects of war, the resumption of normal life raised the rate to a temporary peak of 25.5 in 1920, when the absolute number of births reached the large figure of 958,000. The former level, however, was quickly re-established. Both the rate and the number of births have continued to fall, apart from a slight upward movement in the last year. The rate is now under fifteen per thousand and the number born averages about 600,000 annually.

No comparable fall has occurred in the death-rate. In the 'eighties of the last century it averaged around twenty per thousand. A slow and somewhat irregular decline, mainly after 1900, has reduced it to about twelve per thousand. But this exceedingly low rate results largely from the abnormal age distribution and the comparatively small proportion of old people to total population at present. A death-rate of twelve per thousand cannot be indefinitely maintained, for it means that the *average* age at death is over eighty—which is absurd. Even without any change in mortality (i.e. the average expectancy of life), therefore, the death-rate per thousand of the total population will rise as the average age of the population rises.

The future of the birth-rate is the most important element of uncertainty affecting the population and its age distribution in 1965, but the range of uncertainty is limited. To maintain in 1965 as high a proportion of people under 30 to the total as exists to-day would involve an *average* birth-rate in the intervening three decades of 50 per cent. above its present level. This is so improbable that it may be dismissed from consideration; indeed, it is even possible that the birth-rate may fall further. Since all who will be older than thirty in 1965 are now alive, there seems no reason to question the main conclusion which the forecasts suggest: that during the next 30 years the population of Britain will *certainly* grow older on the average; that by 1965 it may *possibly* be smaller in total than it is to-day; and that after that date it will *almost certainly* decline. We propose to discuss some of the more important implications of this conclusion, from the standpoint of national welfare, in forthcoming articles.

The Steel Plan

THE iron and steel industry of this country has recently come in for severe criticism, first over its opposition to the Jarrow schemes and then over its policy, backed by the Government, to restrict imports during a period when it is quite unable to satisfy home requirements. The reduction of the import duty on a large variety of products last Wednesday to 12½ per cent. *ad valorem* was a belated, though inadequate, concession. As a result of the controversy over the Jarrow schemes, the Government asked the Import Duties Advisory Committee in July last year "to examine the present position of the iron and steel industry in the light of all the data now available and in so far as is practicable to report, with due regard to the national interest, on the general lines of its future development." Of this task the Import Duties Advisory Committee acquitted itself in a report issued on Wednesday.*

The problem facing the industry may be stated shortly. During the twenty years before the Great War the industry in this country, which had had a long start, was overtaken in scale and technical efficiency by the steel industries of the United States and Germany. During the war its capacity was enlarged, but in some cases at high cost and without regard to organisation for peace production. Subsequently, the industry's profit-earning capacity was seriously impaired by the fall in home demand and by competition in foreign markets which rendered it difficult to obtain the capital necessary to improve technical efficiency. In contrast to the United States and Germany, the British industry in 1914 was split into a large number of relatively small firms. Little was done in the post-war decade to reorganise the industry and to bring it into line with modern developments abroad. During the depression the difficulties of the industry were sharply accentuated and it was steadily drifting towards the rocks of financial ruin. Taking the industry as a whole, earnings during 1927-33 were insufficient to meet the full interest on the preference capital and left no margin for ordinary shareholders. It became evident, a few years ago, that something drastic had to be done to enable the industry to re-establish itself on a firm basis. In the view of the steelmasters protection offered the only solution. On the other hand the Government held, and had persistently urged for a decade, that the industry needed first to set its own house in order by rationalising production and the marketing of its products.

As a first step towards its rehabilitation the industry was granted protection on March 1, 1932, on condition that it would take steps to improve its efficiency by reorganisation. In July, 1935, the industry's position in the home market was further entrenched by its agreement with the Continental Steel Cartel, under which imports of a specified range of products from the member countries were severely limited. Imports from other countries, though not quantitatively limited, not adhering to the Cartel were made subject to a relatively heavy duty in order to keep out supplies of any magnitude.

As a result of these measures, the British iron and steel industry had the home market almost to itself. Meanwhile, demand showed a rapid increase and the profit-earning capacity of the industry was quickly restored. Concurrently, the industry has done much to bring its equipment into line with modern technical developments. But plant extensions have not kept pace with the expansion of home demand, partly because of the industry's obsession with the fear of again being saddled with the problem of excess capacity in a few years' time.

While absolving the British Iron and Steel Federation (whose constitution and objects were analysed in *The Economist* of May 1st and May 8th, 1937) from responsibility for the current shortage of supplies, the Import Duties Advisory Committee suggest a number of improvements to the present organisation of the industry. In its view the Government's policy since 1932 has contributed materially to the rehabilitation of the industry. Hence, the Committee reached the conclusion that "there cannot be a return to the lack of organisation, the almost casual development and the competition largely unrestricted at home and almost wholly unrestricted from abroad." But they realise that Government responsibility for the conduct of the industry is a necessary corollary to protection.

This very important point of principle is, of course, open to debate. It is true that the demand for iron and steel is subject to wide cyclical fluctuations and that in the absence of central control over plant extension, the industry must periodically suffer from the problem of surplus capacity and price-cutting. It is equally true, however, that, in the anxiety to prevent over-expansion of capacity, a central authority may underestimate future demand. This, clearly, has happened during the past two

* "Report of the Import Duties Advisory Committee on the Present Position and Future Development of the Iron and Steel Industry." Cmd. 5507. H.M. Stationery Office. 2s. net.

years and is partly responsible for the present shortage of supplies. Moreover, the industry in this country has long been dependent on substantial imports of iron ore and cheap semi-finished products and on exports of finished products. In the past the concentration on the finishing processes has served the industry well, especially as the production of semi-finished steel had been developed in Belgium and elsewhere to provide a substantial proportion of Britain's requirements at low cost.

Assuming, however, the principle of State protection and responsibility, the Committee was faced with the problem of elaborating the form which supervision should take. In their view "the problem is to secure the systematic planning of the industry as a whole and the maintenance and development of internal co-ordination and co-operation, with the aid of a tariff so far as necessary and with the continuance of international agreements, whilst at the same time avoiding the evils of monopoly, safeguarding the public interest and fostering efficiency." These are great and critical tasks in the achievement of effective industrial control. Unfortunately the Advisory Committee's proposals for the best methods to accomplish them seem rather vague and inconclusive. A policy of price regulation, in their view, is inherent in the new organisation of the industry, and the method of control adopted by the Federation appears to them to be well-devised and in the interests of producers and consumers alike. But the Committee rightly deem it essential that the regulation of prices should be supervised in the public interest by an independent body. In view of the enormous pressure for supplies during recent months, the Federation's price policy, designed to prevent an inordinate advance, has so far been reasonably successful. The Federation should also maintain its arrangements for the consideration of development schemes, which should be extended, in the Committee's view, to schemes originating outside the Federation. Moreover, any of the Federation's conclusions about development schemes "whether favourable or not, should be reported, in continuation of the existing practice, to an independent body looking after the general public interest." That body should have regard not only to the relation of the scheme to the general plan of the industry but also to possible social consequences.

Clearly, the powers and composition of an independent committee to supervise extensions of plant are of the utmost importance, and it is in this essential matter that the Committee's recommendations seem least adequate. If the industry, through the Federation, is allowed to exercise control over capacity, prices and imports, the suggested independent body must be given definite powers to see that the aims laid down by the Committee are accomplished as far as possible.

At present the industry is passing through a period of transition from unrestricted competition to central control in a protected home market. The leaders of the industry are probably among the first to admit that much remains to be done before its organisation is perfected within the new framework. Control over extensions of capacity, for example, raises a whole host of complicated problems not mentioned by the Committee. Is the way out of this difficulty to be sought through amalgamations or through jointly financed schemes with profit-sharing arrangements? The long-term trend of the demand for steel, both in this country and abroad, is undoubtedly upwards, providing a favourable background for an efficient British iron and steel industry. But the wisdom of substituting a quasi-monopoly for free competition has yet to be proved by the strains and stresses of the future. The change-over may have been wise in principle; but much will depend on the ability and judgment of those entrusted with the guidance of the industry through a difficult period of transition.

More but Dearer Motors

ANOTHER successful season has run more than half its course in the British motor industry and the time is opportune for a review of achievements and prospects. Of all factors in the immediate outlook, the problem of working costs looms largest in the minds of motor manufacturers. Their industry, like other metal users, has further increased its output recently, and like them it has had to meet increasing charges for raw materials and labour. Reduced overhead costs have partly offset this tendency; but a small rise in retail prices has nevertheless been found necessary. An increase of £10 to £15 per vehicle does not greatly increase the total price, but it means much to the manufacturer, who works normally on a small margin. Well-confirmed estimates put the trading profit per vehicle produced last year at £10 for Austin, £15 for Morris, £8 for Standard, £9 for Ford and £24 for Vauxhall.

The trade believes that under present conditions of prosperity the market will not be unduly disturbed by a moderate increase in prices, following a series of reductions which continued right up to last year. Nevertheless, the decision lends point to criticisms of the wide discrepancy between production costs in Great Britain and in the United States and Canada, which has persisted despite the virtual doubling of the capacity of the British industry in the last eight years. The causes of this disparity are, we understand, being examined in detail by one of the most progressive of British manufacturers. So long as it continues, however, consumers will with difficulty be persuaded that the industry, with all its enterprise, has yet reached the highest peak of possible efficiency.

However that may be, sales of vehicles on the home market are continuing to expand, though at a slower rate than during the past few years. For the first seven months of the current season, home sales of private cars increased by 10.1 per cent. to 196,843, of goods vehicles by 8.1 per cent. to 49,387, of omnibuses by 26.7 per cent. to 3,333, and of vehicles exempt from taxation (which are mainly purchased by the Government) by 29.2 per cent. to 6,896. An apparently disturbing feature of these figures is that both goods vehicles and omnibuses secured their increases mainly in the earlier part of the season. It would be unwise, however, to attach undue importance to this feature; short-period figures, in this industry, are usually misleading, especially on the commercial side. Omnibus registrations in any one month, for example, are largely affected by the numbers taken up by a few larger buyers, such as the London Transport Board, whose total purchases, in fact, do not fluctuate widely between one year and another. Current returns for goods vehicle sales, again, afford comparison with exceptionally high figures last year. Foreign trade in motor vehicles continues to show rapid expansion. Exports of private cars and chassis increased in the first seven months of this season by 34.0 per cent. to 46,736, and of goods vehicles by 40.3 per cent. to 11,739, while imports of cars increased by 51.6 per cent. to 11,301 and of goods vehicles by 30.8 per cent. to 1,962.

Comparisons based on numbers of units sold, however, considerably underestimate the real progress of the industry during the past year. The increased purchasing power of the motoring public, and wider ownership of garages attached to private houses, have been jointly responsible for a movement in demand in the direction of the larger and more expensive types of car. The 14 horse-power and to a smaller extent the 12 h.p. models, have gained at the expense of the small cars of 8 to 10 horse-power, and the high-powered cars of American manufacture or American type have made further headway. The preference of users for a bigger car, however, is not a sufficiently powerful factor in itself to overcome the difficulty of higher production costs. For most manufacturers higher selling prices are an essential condition

of any endeavour to maintain the present profit level. So long as the fundamental economics of the motor industry are unchanged, wide fluctuations are inevitable in the profits of individual companies, between one season and another. The rules of the game are fairly simple. A successful change in one company's models, like that made by Austin this season, produces increased sales which more than compensate the company for the increased expenditure which the change involved. On the other hand, the retention of the same models for a second year, without any appreciable alteration—as in the case of Hillman this season—frequently checks home sales which more than compensate the company for the increased attention to the export trade. A few years ago it was customary for one particular model to catch the public's fancy and, consequently, to enjoy bumper sales. To-day, however, it is more usual for a range of models produced by one particular manufacturer to enjoy a spell of popularity, for most of the larger manufacturers have deliberately increased the number of their models in an effort to cater for all, or nearly all, the different sections of the market.

One result of the public demand for rather more expensive cars has been a more aggressive sales policy by manufacturers of vehicles of a type intermediate between the popular mass-production models and the luxury vehicles. This policy has been fairly successful in some cases, particularly in those of Rover, Riley, S.S., Armstrong, Triumph, M.G., and Wolseley. Increased attention is also being given by some of the "popular" manufacturers, such as Standard, to the motorist who is prepared to pay a little more for the car of his choice. A somewhat different market, which has not yet received all the attention it deserves from "popular" manufacturers other than Ford, is that for high-powered but relatively cheap cars of American type. Experience shows that while this branch of the trade is exceptionally vulnerable during a depression, it benefits proportionately during a boom. It deals in a type of car to which many export markets are virtually restricted. A large part of the demand is still supplied by American manufacturers, but these are increasing by carrying out their assembly work, and purchasing parts for their British trade, in Great Britain itself.

So much for the private car side of the industry. Makers of commercial vehicles are becoming increasingly concerned with Government orders. They now account for over 10 per cent. of home sales, and the proportion is steadily rising. So far as civil requirements are concerned, the most active demand on the goods side is still for "middleweight" vehicles of 2 to 2½ tons category, followed by lighter vehicles of 1 to 2 tons. The bulk of the market, consequently, remains the more or less exclusive preserve of the mass-production car manufacturers who also make petrol-engined goods vehicles—particularly the "Big Three," Bedford (General Motors), Ford and Morris Commercial; followed at some distance by Austin and Commer (Rootes). Competition is growing somewhat rapidly, however, from imported American "middleweights" and from American-type vehicles assembled in this country.

Goods vehicles of over 2½ tons unladen weight are, in general, the field of the "heavyweight" manufacturers, such as Leyland, Dennis and A.E.C. Sales of these vehicles totalled 3,952 for the first seven months of this season compared with 3,814 last year. Some 22.8 per cent. of the whole (against 18.8 per cent.) were Diesels. The "heavyweight" manufacturers are, however, more dependent on passenger vehicles than on lorries for their prosperity, the average price paid for an omnibus being anything up to twice that for a heavy lorry. Sales of omnibuses in the seven months were 3,333 this season against 2,630 last year, and these included 67.9 per cent. of Diesels (against 51.4 per cent.) and 7.6 per cent. of electric vehicles (against 8.3 per cent.). On the commercial side as a whole, the increase in home sales appears to have been temporarily checked, but a permanent recession is unlikely while general trading conditions remain active. On the contrary, there is every indication that new registrations during the summer will be substantially higher than last year. On the whole, though the outlook for the industry may be largely "the mixture as before," the mixture itself seems highly palatable.

Diplomacy and Non-Intervention

THE meeting of the chairman's sub-committee of the Non-Intervention Committee on Friday of last week will prove to be the end of one act in the European drama staged in Spain and the beginning of another.

The sub-committee had to deal with the situation created by the withdrawal of the Italians, as well as the Germans, from participation in the naval control, on account of the refusal of the British and French to join in making the naval demonstration which the German Government demanded on account of the alleged attack on the German cruiser *Leipzig*. The proceedings began with a renewal of the offer—made by the French and British Governments at the last meeting and unfavourably received on that occasion by the representatives of Germany and Italy—to fill the gap left in the naval patrol of the Italo-German withdrawal. It was again made clear that the French and British Governments were willing to carry neutral observers on board their warships as a guarantee that their international task would be carried out with impartiality. While renewing the Franco-British offer, Lord Plymouth asked for Italo-German counter-proposals; and at the same time he uttered the warning that, if a complete supervision scheme, to replace the broken scheme, could not be devised and agreed to, it might be difficult or impossible to salvage the policy of non-intervention itself.

An Italo-German counter-proposal was then duly put forward by Herr von Ribbentrop; but while he began by declaring that the two governments sponsoring this proposal were firmly resolved to maintain the principle of non-intervention, the suggestions that followed did not fulfil this condition in the eyes of his French, British, Belgian, Czechoslovak, Russian, and Swedish colleagues. The gist of the proposal was that the international naval patrol system, so far from being re-established in the sectors where it had lapsed through the Italo-German withdrawal, should be abandoned altogether, but that the rest of the present system of supervision by land and sea should be maintained, while at the same time all the interested Powers should grant belligerent rights to both the Spanish contending parties.

These suggestions are unacceptable because their effect, in combination, would be to fly in the face of impartiality by weighting the scales heavily, and perhaps even decisively, in General Franco's favour. The effect at sea of a grant of belligerent rights would be to give both parties in theory a free hand which General Franco alone would be able to use in practice. The insurgent naval forces are so superior in strength to those of the Government that they would be able, as recognised belligerents, to establish a blockade of the Government's coasts to which the Government would be virtually unable to retaliate in kind. If the proposal had been to grant the belligerent rights without restriction, then the Spanish Government might have made up—or perhaps even more than made up—for being subjected to a blockade at sea by recovering its liberty to import supplies and munitions overland across the frontier between Catalonia and France—with which General Franco's land forces are not at present in a position to interfere. But this natural corollary of the abandonment of the naval control and of the grant of belligerent rights was expressly ruled out in the Italo-German proposal, since the third point in it was that the present barriers along the French and Portuguese land frontiers of Spain should be maintained.

The authors of a proposal which, on the face of it, would have been palpably unfair, sought to justify it on two grounds. On the one hand they argued that the replacement of Italian and German by British and French patrol ships, even if these carried neutral observers, would destroy the equilibrium between the Berlin-Rome and the Paris-London axis. In the second place they argued that the existing control scheme was unsatisfactory—even when all four Powers were playing their part—because Spanish merchant ships and non-European merchant ships were exempt from control, and because there was an unimpeded

coastwise traffic, within the three-mile limit, from French into Spanish governmental territorial waters.

These arguments did not avail to commend the Italo-German proposal. And although, to gain time, it was referred to the governments, it was made clear on the sub-committee that it would not be acceptable to any other government than the Italian or German. In full committee the majority against Italy and Germany seems likely to be even greater, since their only further supporter here, if Portugal abstains is said to be Hungary. Portugal has rapidly espoused the British view—to judge by a broadcast talk on the non-intervention crisis which was given by the Portuguese Radio Club on July 3rd and which has since received, in Dr. Salazar's words, the approval of the Portuguese Government. The speaker not only spoke with approval of British policy; he described the Italo-German proposal as an attempt to break the Anglo-Portuguese alliance and to prevent General Franco from making any new friends; and he hinted that the proposal was by no means agreeable to General Franco himself. Coming from a source which is strongly sympathetic towards the Spanish insurgents, these observations seem to indicate that General Franco and his Portuguese friends alike are anxious for some settlement which will save the Peninsula from the formidable alternatives of falling into Italy's and Germany's clutches and becoming the arena of a general European war. This view was confirmed on Tuesday in a statement by General Franco, since communicated indirectly to the British Government, in which he denied that his movement would yield up Spanish territory or interests to Italy or Germany; though he also took occasion to warn Britain and France that he might be driven to do this if he had to depend on Germany and Italy alone. General Queipo de Llano announced on Tuesday night that he had reason to believe that General Franco would be prepared for all foreign volunteers to be withdrawn from Spain. This surprising declaration has evoked wonderment in Rome and Berlin, as well as in London and Paris; and what elicited it remains a matter of piquant conjecture.

If the indigenous conservative forces in the Peninsula are really turning in this direction, they will be encouraged by the firmer tone which has been audible in both France and this country since the week-end. Speaking in Warwickshire last Saturday, Mr. Eden repeated—it was widely welcomed—that Great Britain has another interest in the Spanish civil war, over and above her concern to prevent its spreading beyond the frontiers of Spain; and that is the maintenance of the territorial integrity of Spain. "This point of view," Mr Eden shrewdly remarked, "is shared by both parties in Spain, however much they may disagree on all else." And he added that "in pursuit of it they will always have our support." Recalling his statement in the House of Commons last November, in answer to Signor Mussolini, that "for us the Mediterranean is not a short cut, but a main arterial road," he declared that "disinterestedness in Spain's form of government must not be taken to mean disinterestedness where British interests are concerned on the land or sea frontiers of Spain or the trade routes that pass her by." In a similar vein M. Blum, speaking at Bordeaux on Sunday, said that he wondered whether the demands and the intransigence of certain Powers had not arisen out of a belief that the fall of his government would destroy the unity of France and cancel her authority in the councils of Europe; and he declared that if the Powers in question had really been acting on any such belief, then they had made a very great mistake. And the French Government have since made it clear that they will either demand complete land and naval control of Spain's frontiers or they will open their own frontier and enable their citizens to supply the Spanish Government with arms.

After these diplomatic reconnaissances, the committee meets again this Friday; and decisions cannot be much more delayed.

Notes of the Week

Congress Advances.—The Working Committee of the Indian Congress decided on Wednesday that Congressmen should be permitted to accept office under the new Constitution. It scarcely did so with good grace, however, denying that the statements made by the Secretary of State and the Viceroy offered the assurances that Congress desired; and it added a proviso that office must be accepted and utilized for the purpose of furthering the Congress policy of combating the new Constitution while at the same time prosecuting a constructive programme. But this is not to say that in reply the Government of India, the British Government and the British people should accept the decision with bad grace, or should lay too suspicious an emphasis upon the wrecking purposes of Congress. For it seems likely that the qualifications and decorations of the resolution were added chiefly in order to sweeten the defeat of the faction led by Pandit Nehru, who were opposed to taking office at any price. The resolution virtually acknowledged that the motive for the change of front was the state of public opinion and the feeling among the mass of Congressmen in the legislatures. It is the substance of the decision that counts; and the substance means that a great experiment in democracy—circumscribed as it may be in certain particulars—is to have a fair trial. The whole episode, since Congress originally refused to take up the responsibilities that its electoral victory had given it, has had a profound educative effect upon British and Indian opinion on the practice and meaning of responsible government. The historian of the future may perhaps conclude that India's political development was the better for it.

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General Hertzog and the Protectorates.—General Hertzog's outburst against the United Kingdom Government for rejecting his demand for the transfer of the three High Commission territories to the Union forthwith is misleading. He accuses the Government of going back on a written and public assurance given in 1935 that transfer might possibly occur after a few years, at least as far as one or two of the territories were concerned. But, whatever Mr J. H. Thomas may have said in private, the written and public assurance (Cmd. 4948) contained no such promise. Its only mention of "a few years" was in the following passage:

> The policy of both Governments for the next few years should be directed to bringing about a situation in which, if transfer were to become a matter of practical politics, it could be effected with the full acquiescence of the populations concerned.

General Hertzog specifically charges the United Kingdom Government with failing to direct its policy to bringing about such a situation, because no instructions have been given to British officials in the territories to use their influence with the natives in advancing a favourable disposition towards the Union. There seems to be some room here for misunderstanding, yet for mutual adjustment. But General Hertzog cannot be blind to the fact that both British opinion and native opinion in the territories themselves regard the domestic native policy of the Union as a vital factor in determining whether transfer is to "become a matter of practical politics," and that his own native policy, carried through since 1935, has made the prospect of transfer much more remote. The General accuses the British Government with "playing politics." If ever *tu quoque* was a decisive retort it is so on this occasion.

* * *

The Localisation of Industry. — The Prime Minister announced in the Commons on Wednesday that a Royal Commission had been set up to investigate the distribution of Britain's industrial population and the prospects of changes in location, both of industries and their workers. This Commission has been long awaited. In November 1936, the final report by (then) Mr Malcolm Stewart on the Special Areas was issued, containing a well-conceived plan for ameliorating the distress in those districts, while at the same time somewhat redressing the disequilibrium in Britain's economic life inherited from 19th century specialisation. In particular, he proposed that transference of labour from Special Areas should be supplemented by the diversion of new industries into the areas to utilise their unemployed human resources and capital equipment. He declared as his opinion that the concentration of industries and population in London was industrially and strategically dangerous, and harmful to the general welfare of London and the national well-being. Rightly deprecating compulsion in the placing of new industries, he advised the use of inducements: the prohibition of new factories in London without proved justification and, more positively, the granting of concessions in rating, income tax, and finance in the Special Areas themselves. Here, then, is the origin of the Royal Commission just appointed.

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The problem before the Commision is broader than Sir Malcolm Stewart's. The Royal Commission, a welcome landmark in economic policy, will perhaps begin with the Special Areas and London. But its members must go on to consider the problems involved in a wholly national context. No industrial region in the country should escape their scrutiny as they seek to find out whether the present situation is economically, socially and strategically sound. Is Lancashire still too dependent solely on textiles to be able to weather fluctuations in the cotton trade? Or again, is adjustment proceeding in Lancashire by the establishment of new industries and the transference of cotton workers to compensate for the decline in foreign textile markets? Is the development of industries and population in Essex strategically safe? How far is industrial growth in the Midlands eating into good agricultural land which may soon be ill-spared from farming? These, together with the general social problems arising from the concentration of factories and people in *any* region, will be the staple of the Commission's inquiry. For the first time an officially appointed body of investigators have been given the task of probing to the core of our current Industrial Revolution. Indeed, their recommendations may be the beginning of a positive policy for the national benefit. At least the guiding principles for a long-term policy of town planning, siting and regional development should emerge, with perhaps a specific authority enjoying wide powers to guide future changes and to protect posterity from evils which we have too easily suffered.

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Measuring the Cost of Living.—It has been recognised for a long time that the Ministry of Labour's index of the cost of living is unsatisfactory. On this index, by agreement, the wages of more than one million workers in heavy industries are largely computed; and the salaries of most civil servants vary according to its movements. It was constructed on the basis of a survey of family budgets made as long ago as 1904, and has become increasingly inappropriate as diets have changed and as the constituents of working-class expenditure have altered in their relative importance—notably, rent, clothing, and transport. Revision of the index has been frequently promised by successive Ministers of Labour, and Mr Ernest Brown's announcement in the House of Commons on Tuesday that a Government inquiry would be opened in October is welcome, if overdue, news. The investigation will extend to possibly 30,000 families, and an attempt will be made to relate the new index to current custom and expenditure. The inquiry will cover both insured and uninsured workers, and will be made at four periods: in October, January, April and July. Mr Brown was asked whether, if the new index showed that the cost of living was really higher than the present index suggested, he would consider some revision of unemployment benefit accordingly. He did not, at least, refuse to do so. In the course of his speech, the Minister pointed out that the number, but not the importance, of strikes had increased in the last eighteen months; and that in many cases they were due to the unwillingness of employers to recognise trade unions. He further emphasised the need to improve and co-ordinate wages and working conditions in such large and relatively unorganised trades as road transport and retail distribution.

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While he was speaking the Minister met with the interruptions to which he must now be accustomed; not least when he spoke of the transfer of 28,000 men and women and 10,025 families from depressed areas in 1936. Opposition speakers were sceptical of both the humanitarianism and utility of this process. Nevertheless, the facts of Mr Brown's survey cannot be gainsaid. The total number of unemployed in the Special Areas fell from 374,088 to 274,198 between June, 1936, and June, 1937. There were decreases of 31,876 and 53,979 in the North-East and South Wales respectively. Over the whole country the incidence of unemployment among insured persons has fallen from 22.9 per cent. in January, 1933, to 10 per cent. in June of this year. Employment of insured persons has risen to a record level of 11½ millions, and the wholly unemployed may fall, at least temporarily, below the 1,000,000 mark. No economic observer would attribute to the Government the full credit for these gratifying changes, which are due to general recovery. Neither can it be denied that the residual problems of the Special Areas and of over a million unemployed are grave and urgent; nor that, as the Minister himself stated, the particular difficulties of the elderly unemployed, the young man who has never worked, and the sweated domestic servant, are very serious. Yet the improvement which has taken place in the last 18 months is remarkable. Mr Ernest Brown was on safe ground when he claimed some credit, and more encouragement, from this record of achievement.

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Agriculture Debated.—The Government's bill to subsidise the production of lime, basic slag, oats, wheat and barley, to encourage drainage, and to combat animal diseases was further discussed in an almost empty House of Commons on Monday. The Minister of Pensions defended the measure as a necessary peace-time programme and repudiated the suggestion that this was one more step to a war-economy. The cereal subsidy was needed to save the plough. Mr Paling, who followed for the Labour Opposition, like Napoleon, attacked and went on attacking. He pointed a censorious finger at the steel trade which was to benefit from the subsidy on basic slag, the brewers who were to batten on the cereal subsidies, the landlords who had left 1¾ million acres undrained, and the Government who had neglected the agricultural worker. For the Liberal Opposition, Mr Richard Acland began by renewing the charge when he accused the Government of " vote-scrounging " and " tinkering." He delivered a lucid and effective speech on the management of grass, and showed how the Government was by its proposals failing to solve a problem which it had not begun to understand. Still more criticism came from the Labour benches, where the cereals subsidy was denounced as either uneconomic or unnecessary. The wages of agricultural labourers were described as deterrently low. The speeches of Government supporters referred once again to the chronic indebtedness of farmers, and registered a plea for easier long-term credit. The matter was not pressed to a division. The two or three gathered together at the close of the debate seemed to have concluded that the Government's agricultural policy might have been worse. In none of the discussions so far have the relative merits of subsidies and marketing schemes been debated, though not unnaturally there have been pleas for the alternative of guaranteed prices. There is much to be said for the subsidy *faute de mieux*. It is at least less rigid than the cumulative tyranny of marketing schemes; and the nation knows the exact cost—which, with concealed levies like those on sugar and meat, it can never know.

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Economic Aspirations.—The International Chamber of Commerce Congress has dispersed. In its deliberations at Berlin, a welcome note of sanity and common sense was struck. Yet it would be nothing short of a world revolution were its very moderate proposals to be adopted by the governments most nearly concerned. There can be no doubting the premise of the Chamber that " a period of expanding trade like the present is the appropriate time for dealing with obstructions to trade." Nor can it be questioned that if the contemporary problems of raw materials, currency, debts and trade, and international lending could be solved, " all countries would live together as good neighbours," and the general standard of living—especially in dictatorships—would rise. To achieve these desirable ends the Congress resolved upon a series of appropriate policies: to reduce the present hindrances to international trade and migration, and to progress as rapidly as possible from bilateral barter to multilateral trade again; to relax such invisible trade barriers as import quotas, methods of valuation, requirements of mark of origin, and regulations about the nationality of goods; and to stabilise exchange rates on a gold basis.

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If all these hopes were realised, the prospects of peace and prosperity would certainly be considerably enhanced. But in the last resort the decision will be made by politicians and the vested interests behind them, not by economists, and perhaps not even by those far-sighted business men in all countries, like those at this particular conference, whose number is steadily growing. The Congress at Berlin passed, with almost desperate optimism, over the crux of the problem. " A competition in armaments endangers the peace of the world and depresses its living standards. It is, therefore, of urgent importance to compose political disputes . . . and to devote economic resources to improve the lot of mankind." It is, indeed; and for the moment the prospects are poor. Germany and Italy have announced—the former at the Congress itself—that autarky is a matter of principle. In other countries, protectionism and restrictive policies are the preserves of vested interests. All this, however, does not minimise—indeed, it enhances—the need to make a beginning with all those nations who are prepared to increase their mutual trade over the widest possible area. In the currency field, the Tripartite Agreement is already a jumping-off point; and an agreement abolishing quotas and reducing tariffs between Great Britain the United States and the Oslo Powers would be a powerful stimulus to commerce. It would also be a sound reinsurance policy against a recession in purely domestic business. As the Congress resolved, " any striking initiative will help to stimulate a general movement of negotiation and agreement."

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M. Van Zeeland's Return.—M. Van Zeeland arrived in London on Monday with new light on international affairs, and new information collected by him in America. He told inquirers that when he had seen members of the British Government he would be able to arrive at some conclusion. After he had seen Mr Chamberlain and Mr Eden on Monday, an official *communiqué* announced that agreement was reached on what further steps might usefully be taken in pursuit of the object of his investigations. These pale and non-committal generalities are not the kind of " striking initiative " sought by the International Chamber of Commerce, nor do they promise well for the successful conclusion of an Anglo-American trade agreement, let alone a wider international agreement. We are in imminent danger of losing an agreement between England and America if we do not show more determined evidence of good faith. The Washington Administration has been more than willing to secure an agreement with the democratic countries which must inevitably have political as well as economic significance. Even this week a new and specific statement of policy was made by Mr Sumner Welles, Under-Secretary of State, who cited four principles which, if adopted by the overseas nations, would receive American support. First, the revitalisation of international morality, of which the first and most important element was to restore the sanctity of the pledged word between nations. Secondly, restoration of international trade through reduction and abolition of trade barriers. Thirdly, limitation of armaments. And fourthly, free and frequent interchange of ideas between governments and peoples of all nations. Mr Sumner Welles believed that the American people would overwhelmingly favour co-operation by their Government with other nations along these lines, if the other nations would for their part undertake to achieve political readjustment of the inequities created among them after the War. In these inequities Mr Sumner Welles saw the source of practically all our present troubles.

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The members of the British Empire profess to desire an agreement on the lines drawn by the Washington Administration, but their emphasis is all on the difficulties of negotiation and persuasion within the Empire. It should be realised that there are equally great difficulties within America; that if there is not a fairly quick and concrete response to the offers to the Empire and other democratic countries, the pressure of internal events may force America to change her policy. America is at what may prove to be a turning-point in her history. She has the choice of further international co-operation and freeing of trade, or of turning inward on herself towards a closed economy. A vital element in such choice will be the response of the British countries to the offer of co-operation now being made to them. So far we have appeared to accept the principle without outspoken enthusiasm; and many Americans doubt the sincerity of the members of the Empire, not excluding Canada and Britain herself. Here surely is need for Britain to give an assurance that she is determined to solve the difficulties, and not to let them bar the way to agreement. A public statement by the Prime Minister which raised the fear, however indirectly, that some relaxation of the Ottawa preferences was contemplated might lead to the defeat of Mr Lyons in the forthcoming Australian elections, and so wreck negotiations in advance. But without some such sign not even a victory for Mr Lyons may bring an agreement with America, for by then America may have turned her back on the outside world. The responsibility is that of the British Government; and they cannot in any way absolve themselves from it.

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Brymbo Colliery Disaster.—After a fire had broken out on July 2nd at Brymbo Colliery, Chesterton, Staffordshire, two explosions occurred, killing twenty-seven men. Most of the men killed were members of the rescue party who entered the pit after the first explosion and were caught by the second. They included a managing director of the colliery company, the under-manager of the pit and two inspectors of mines. Whatever the cause of the explosions may have been, the heroism and bravery of all those in responsible positions are undoubted. With fellow workers of the first men trapped, the managing director, under-manager and inspectors went to face probable death. They lost their lives; and the affected district of the pit is now flooded and derelict. The bodies are still unrecovered, and until the section can be safely opened the tragedy will remain a mystery. This disaster, the latest of three grave pit fatalities this year involving altogether the loss of forty-four lives, lends a tragic importance to the new regulations for mine safety issued by the Mines Department on Tuesday. These rules, inspired by the findings of the inquiry into the accident at Gresford Colliery where 265 men were killed in October, 1934, include provisions for the adequate supply of water underground to fight fires, frequent inspection of fire-fighting apparatus, prompt and exact reports of the presence of gas or other sources of danger, and close control of electrical equipment liable to produce sparks. In addition, sixteen new mines inspectors are to be appointed. Meanwhile, the Royal Commission on Safety in Mines is still sifting evidence, and no doubt observing with a growing sense of alarm and responsibility the rising toll of life in this vital but unhappy industry. Those in authority must not relax their efforts as long as death is carrying off some 800 men each year. Safety in mines is more than a mere technical problem. Mining itself must be made safe for those who work at it. Public opinion demands early action against the dangers which the Gresford and Brymbo disasters have so tragically emphasised.

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Trade Union Politics.—Mr Bevin, secretary of the Transport and General Workers' Union, gave short shrift to the unauthorised and militant movements which have recently been so much in evidence among a minority of busmen, when the Union met in conference at Torquay at the beginning of this week. The clash between Mr Bevin and the Left extremists was inevitable if he was ever to restore discipline and order within the organisation. The conflict was ironically heralded by an unofficial strike which broke out among local transport workers while the conference was assembling. But Mr Bevin carried a large majority of the delegates with him in banning all unofficial organisations among transport workers, whether within or without the Union. The report of the Executive to outlaw these movements was carried by 291 votes to 51, with 50 delegates abstaining. In consequence, unauthorised strikes can in future only occur through disruption of the Union itself, and the position of the London busmen's rank and file movement, which organised and maintained the recent strike, becomes extremely precarious. Mr Bevin has led his followers back to the path of peace and conciliation, and there can be little doubt of the wisdom of his policy in the face of public opinion. Nevertheless, he has a difficult task before him. The London bus strike, with the leaders of which he and the Executive have still to deal, was as surely authorised by him as it was undoubtedly organised by Communist and unofficial elements.

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The problem of the health of London busmen is still unsolved. The Medical Research Council, which began an inquiry into this question eighteen months ago, reported on Tuesday that drivers and conductors on London buses suffer unduly—but not so unduly—from gastric troubles. The Council have analysed more than 1,250,000 days of sickness between 1933 and 1935, and find that gastric troubles account for one in every six and a half days of sickness among busmen, compared with one in every seven and a half days among tramwaymen. The report mentions as possible causes of this undue incidence of gastric ailments among busmen the speeding up of services and the inhaling of carbon monoxide gas. It is significant that this type of sickness is, if anything, more frequent among bus conductors than drivers. For the most part, however, the Council are content to state the facts of sickness among busmen, and to leave the allocation of causes to the more specific medical inquiry which is, presumably, still pending. Mr Bevin has yet to satisfy a large section of the London busmen that the steps which he took at the conclusion of the recent strike have given an adequate guarantee that their health will be more effectively protected in future. The Medical Research Council have emphasised the urgency of the inquiry. It has not yet been held. Mr Bevin has acted with great common sense in the past few months; but he has still to formulate a forward policy to improve working conditions, especially in the road transport industry, if he is to maintain the solidarity in his union which was so strikingly shown in the voting at Torquay.

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Free State Elections.—When Mr de Valera welcomed the American " Clipper " from the clouds at Foynes on Tuesday he was at least happy in the knowledge that his Party, Fianna Fail, had not been defeated in the General Election last week-end. Neither, however, had it been victorious. In the new Dail, Mr de Valera will have 69 followers out of a total of 138, and 21 more than Mr Cosgrave. To rule he must be supported by the Labour Party, whose recovery from 8 members in 1933 to 13 in the new assembly is a chief feature of the election. In the past, that support has been generally forthcoming; but, as Mr de Valera's ill luck will have it, the Labour Party is not happy about the new Constitution, which has received 75 per cent. of the votes so far cast in the plebiscite. It appears that Mr de Valera cannot have both the power to rule indefinitely and an unamended new Constitution. It is improbable that he will make any important concessions to Labour, and possible that, after becoming President of the Executive Council and forming a Government, he will appeal again to the country in a comparatively short time. As our Dublin correspondent points out on page 80, there was not sufficient difference between the programmes of Mr de Valera and Mr Cosgrave to stir the electorate to react violently one way or the other. While Mr de Valera's constitutional push is temporarily at an end,

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Mr Cosgrave is not anxious to reverse his policy. Nor did he propose at the election to jettison the expensive apparatus of autarky which Mr de Valera had erected. As the election went, Mr de Valera lost ground. In 1933, he had a majority of four over all parties and of 24 over Mr Cosgrave's group; now one majority has gone and the other has been reduced. But he has not lost enough ground to lose power. He will remain in office for at least the next few months. The Irish constitutional scene will be peaceful; but autarky and the " economic war " with the United Kingdom will go on. The fate of Mr de Valera and his policy is still in the balance. This election has only deferred a decision.

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The New Kulturkampf.—On the German home front the offensive against religion, which has long been heralded by Dr Goebbels' drum-fire of calumny, has now been launched. Within the last few days there have been formidable new attacks on Catholicism, Protestantism and Jewry in the Third Reich. On the anti-Protestant sector the offensive opened on June 30th, when Herr Kerrl, the Reich Minister for Church Affairs, issued two new decrees: the first destroying the last vestiges of the Protestant Churches' financial independence, and the second forbidding any kind of canvassing for the forthcoming elections for the General Synod. This was followed up on July 1st by the arrest of Dr Niemöller, the famous Pastor of Dahlem, who is the life and soul of the Confessional Movement in the German Protestant Church. This step, which Herr Hitler has hitherto shrunk from taking, can only mean that the Third Reich has at last fully made up its mind to pursue its attack on religion *à outrance*. For Dr Niemöller is a man of such noble character, and is so highly esteemed by lovers of religion and lovers of liberty both at home and abroad, that for the Government to lay hands on him means finally closing the door on the possibility of a compromise. Eleven other pastors were arrested in East Prussia last week; and on July 2nd four Protestant prisoners—two pastors and two laymen —were tried in Berlin, and two of them were condemned to a fine of 600 marks and 30 days' imprisonment, while the other two were acquitted.

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Meanwhile, on the anti-Catholic sector of the front, the campaign of calumny has drawn a direct letter of protest addressed to Herr Hitler by Count Preysing, the Bishop of Berlin, on behalf of the whole Episcopate. In East Prussia four priests and six Catholic laymen were sentenced to terms of imprisonment on July 3rd. And in a sermon preached in Munich on Sunday Cardinal Faulhaber, in reference to the recent arrest of a Jesuit priest, Father Mayer, declared that religion had now taken the place of Bolshevism as the enemy towards whose destruction the Third Reich was bending all its energies. It is religion, without distinction of creed, that is Herr Hitler's target; for in intensifying his attack upon Christianity he has not slackened his campaign against Judaism. During these very days the Reich Government has enacted a law for extending the existing anti-Jewish legislation of the Reich, as from the 15th of this month, to the German portion of Upper Silesia, where the Jews have hitherto benefited from the fifteen-years-long German-Polish agreement for the local protection of minorities. In their anti-God campaign, our Nordic neo-pagans are at least consistent in striking at religion in every form in which it displays itself within their reach. But there is ample evidence for believing, this time, that in trying to impose a new unity on the German people by a new State religion, they have overreached themselves.

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Incidents on the Amur.—During the past week the peace of the world has once again been placed in jeopardy in the Far East as well as in Europe. Though the Russo-Japanese incident on the river Amur is still producing local disturbances, it may yet be composed. The temporisations of Russia and Japan afford evidence that the heavily armed Powers of the world still recoil from the prospect of a first-class war with their equals—however ready some of them may be to bring the world to the brink of disaster time and again by fishing in troubled waters and preying on small fry. On June 30th there was fighting on the river Amur, at a point below Blagoviestchenk, between Manchukuo-Japanese land forces and Russian gunboats. The Japanese reported that one Russian gunboat had been sunk, and another severely damaged, with heavy loss of life. On the Russian side, however, there has been no mention of the loss of a warship, and the account given of the engagement presents it in a distinctly less serious light. The clash arose out of a diplomatic controversy which has been in progress for some time over the ownership of two islands in the Amur channel. In pre-war days these islands appear to have been in Russian occupation. On the other hand, the Amur River is recognised as constituting the frontier between Russia and China (or China's successor-states) under a Russo-Chinese treaty of 1860; and it is an accepted principle of international law that, unless it is expressly provided to the contrary, the *tracée* of a river frontier shall be deemed to run down the median line (*Talweg*) of the main channel. On this principle, the islands in dispute in this case would fall to China or to China's successor-state—which is what " Manchukuo " is *de facto*, though not, of course, *de jure*. In support of this contention, the Japanese point out that beacons have been maintained on both islands by the Manchukuo Government since it was laid down, in a Manchukuo-Russian waterways agreement of 1934, that each party should be responsible for the lighting of its own bank. Neither Government has yet withdrawn its armed forces from the neighbourhood of the two islands; and negotiations are still proceeding between them. This is, at least, of good augury.

* * *

Diplomatic Pressure on Central Europe.—King Carol's recent visit to Warsaw, and Colonel Beck's renewed attempts there to bring Roumania on to the German axis, have coincided with a feverish outbreak of diplomatic activity in Central and Eastern Europe. At the same time, Dr Goebbels has renewed his propaganda offensive against Czechoslovakia, as if to emphasise the Italo-German endeavour to isolate that little country from both the Western democratic Great Powers and the Little Entente. It seems as if Colonel Beck is acting as an effective agent for Berlin by ringing Czechoslovakia round in a Polish-Roumanian " neutral " block. Meanwhile, M. Titulescu has announced that he is resuming his seat in the Senate at Bucharest ; and the Roumanian Government is drawing closer to the Czech Government. A new credit of over £4,000,000 has just been granted by a consortium of all the Czech banks for the mechanisation of the Roumanian army by the Czech firms of Skoda and Tatra-Ringhoffer. It seems paradoxical, therefore, that in Poland, Roumania and Jugoslavia foreign policies should now be mooted which are in flat contradiction to the desire of the bulk of their people. In Czechoslovakia, on the other hand, while the Government's policy of an understanding with Austria and Hungary is popular—it is against this policy that Germany, Italy and Poland have been working in recent weeks—the extreme right-wing Agrarians in the Coalition are carrying on a dangerous flirtation with the National Democrats of the extreme Right-wing Opposition. In the German districts they are even helping the Henlein Party against the German Social-Democrats and the other two German groups in the Government Coalition. On the other hand, in the Czech districts the Right-wing Czech Agrarians are fast losing ground as their ambivalent manœuvres become patent. It would not be surprising if a split were to develop between M. Hodza, the moderate Agrarian Premier, and his Right Wing. If so, the Agrarians might lose their key position: the Ministry of the Interior. The vast majority of Czechoslovak citizens stand behind the policy of President Benes, M. Hodza and M. Krofta, the Foreign Minister. That policy is one of progress and reform at home and of non-provocation abroad. It is commending itself to more and more leading men in all Central European countries.

* * *

N.D.C. in Committee.—When the Finance Bill was discussed by the Commons in Committee on Wednesday, the Chancellor of the Exchequer announced a reduction in the liability of building societies to the new National Defence Contribution. Whereas the rate of this tax will be 5 per cent. in the case of companies and 4 per cent. for firms, it will be reduced to 1½ per cent. for building societies. This is justified as a recognition of their share in the progress of housing, and the reduced rate will be charged on the total income of the societies less expenses, without any deduction for interest paid to depositors. Thus the smaller percentage will be charged on a bigger total than would be the case were the societies assessed according to the ordinary schedules of the Act, when a deduction for borrowed money would be allowed. Sir John Simon turned a deaf ear to the pleas of Mr Alexander and Mr Barnes that industrial and provident societies and co-operative societies should receive a similar concession. Although the Chancellor was probably right when he refused to admit that these bodies were exactly on all fours with building societies, he did not adequately meet the case put forward from the Labour benches for some special concession to them. Nor is it clear why, in making his concession to building societies, he did so by altering the accounting practice which has been laid down in all other cases for the application of N.D.C. This concession, with the duel between Sir John and his opponents on the threadbare theme of the co-operative societies' nature and privileges, was but one episode in a lengthy series of complicated discussions. Amendments for the special treatment of agricultural property, for relief from double taxation when income is also chargeable in a foreign country, and for the exemption from import duty of agricultural implements and raw materials were withdrawn or rejected. The question of agricultural implements was enlivened in the discussion by a cut-and-thrust conflict between the Chancellor and Mr Benn, who drew the attention of the House to an earlier Sir John Simon who was wont to deliver himself of pamphlets on the justice and expediency of free trade. Apart from this sparkling episode, which even kept the Chancellor from a well earned cup of tea, the debate was dull, and not even a proposal to exempt " living " entertainments from duty—which was rejected —could brighten the proceedings.

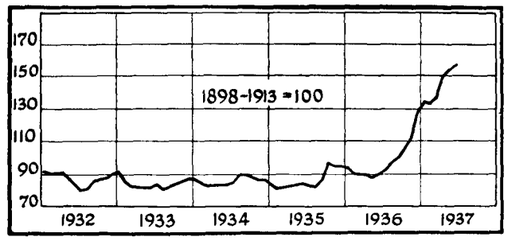
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Industrial News.—This week has witnessed a number of encouraging industrial developments. The employment returns in June reveal further substantial progress in industrial activity during the past month. Moreover, the increase in activity on the capital market reflects some return of confidence, which had been seriously impaired by N.D.C. No. 1, the gold scares and political developments in Europe. The rise in stock exchange and commodity prices is further evidence of this. The iron and steel industry has been in the news this week. On Wednesday the import duty on a number of semi-finished and finished iron and steel products was reduced to 12½ per cent. *ad valorem*. The new level of duties will remain in force until the end of March, 1938. On the same day the Import Duties Advisory Committee's report on the iron and steel industry, examined in an article on page 61, was published. Demand for steel remains as strong as ever, but supplies are gradually increasing. The output of coal has shown a seasonal decline in recent weeks, but remains about 13 per cent. above last year's level. Welsh trade with France, however, has suffered temporary dislocation as a result of devaluation. As our Manchester correspondent indicates on page 109, new business in cotton goods has not yet recovered from the recent decline, partly owing to the downward trend of raw cotton prices. Last, but not least, is Mr Chamberlain's announcement on Wednesday of the appointment of a Royal Commission, under the chairmanship of the Right Hon. Sir Montague Barlow, to inquire, among other things, into the causes which have influenced the present geographical distribution of the industrial population of Great Britain and the probable direction of any change in that distribution in the future. In general, prospects for most branches of activity continue promising.

* * *

Shipping Freights Still Rising. — Despite the severe recession in the prices of primary products entering international trade, freight rates showed a further increase in the past month. According to the index of the League of Nations, the volume of world trade has practically recovered to the pre-depression level. And, since the world's shipping capacity is still smaller than in 1927, the rise of freight rates above the level of eight years ago is scarcely surprising. The extent of the advance in freight rates is shown graphically below:—

The Economist INDEX OF SHIPPING FREIGHT RATES



(1898–1913 = 100)

	Average, 1913	June, 1936	March, 1937	April, 1937	May, 1937	June, 1937
European waters ...	110·0	93·3	150·4	157·9	174·8	186·8
North America	113·1	89·6	117·1	121·0	123·1	120·7
South America	123·4	92·1	119·3	145·6	149·9	151·4
India	106·3	91·2	151·4	147·7	152·7	158·4
Far East and Pacific	117·4	84·7	143·3	162·0	159·1	159·3
Australia	127·9	92·6	145·1	167·7	169·7	165·5
Total	116·3	90·6	137·8	150·3	154·9	157·0
1913 = 100 ...	100·0	77·8	118·4	129·1	133·1	134·9

Movements of rates on the principal trade routes were somewhat irregular in June:—

	Index No.	Inc. or dec. Points		Index No.	Inc. or dec. Points
Home trade	146·4	+11·3	South America :—		
Bay—outwards	242·2	+22·0	Outwards	103·9	+ 4·6
Bay—homewards.....	251·6	+16·1	Homewards	198·9	− 1·6
Mediterranean :—			India—outwards ...	151·6	+12·7
Outwards	172·6	+11·0	India—homewards ...	165·3	− 1·3
Homewards	161·9	+ 4·7	Far East, etc.	159·3	+ 0·2
North America	120·7	− 2·4	Australia	165·5	− 4·2

Sun Life Assurance Company of Canada

(Incorporated in Canada in 1865 as a Limited Company)

Sums assured by new, paid-for Life Assurance policies issued during 1936 in Great Britain and Ireland exceeded

£5,000,000

Total Assurances in force at November 15th, 1936, in Great Britain and Ireland

£71,000,000

H. O. LEACH (*General Manager*)

2, 3 & 4 Cockspur Street, London, S.W.1

B

As there are indications that the recession in the prices of primary products has run its course, and that business activity in the majority of countries will continue to expand, shipping prospects for the second half of the current year are encouraging.

* * *

Steel Scrap Supplies.—The urgent need to enlarge raw material supplies for the British steel industry has led the Iron and Steel Federation to launch a national appeal to the public to deliver all available quantities of steel scrap through the existing channels. This measure is a continuation of the agreement between the Federation and the scrap merchants, concluded last February, the benefits of which are already discernible. Considerable stocks have been released and supplies of domestic scrap to consumers have substantially increased. Moreover, exports of scrap have recently diminished and imports have considerably increased, the latter as a result of the activity of the International Scrap Convention established in March between the principal scrap-consuming countries. The following figures give an outline of the development of the consumption of, trade in, and prices of scrap, in Great Britain during recent years:—

	1929	1935	1936
Consumption for steelmaking, '000 tons	4,968	5,850	6,915
Consumption per ton of steel made, cwts.	10·31	10·80	10·67
Imports, '000 tons	68	438	1,085
Exports, '000 tons	424	168	139
Net imports, '000 tons	*356	270	946
Apparent domestic supply, '000 tons†	5,324	5,580	5,969
Average price on the North-East Coast	64/–	52/4	58/4
Average price of imports	64/–	48/5	56/8

* Net exports. † Without allowance for movements in stocks.

The peculiar conditions of the scrap market, where supplies are quite uncontrollable and subject to abnormal and sometimes accidental factors, do not permit strict control or an increase in supplies when desired, as do those in other raw material markets. As to the future trend of scrap supplies, a certain increase is to be expected in view of the increasing tendency towards technical modernisation of industry and towards more rapid obsolescence. On the other hand, measures for the preservation of steel work and other economies in the use of steel will tend to reduce supplies of scrap.

* * *

Germany's Economic Drive.—The series of purely bilateral barter and compensation agreements concluded between Germany and the Eastern and South-eastern European countries during the depression has made those countries dependent on Germany's own destinies. Now that rising world prices and demand offer these countries better markets and free foreign currencies, they find they are tied to the German demand for oil-seeds and specially required products, to whose production they were forced to turn over in the depression at Dr Schacht's or Herr von Papen's behests. Between 1933 and the end of 1936 German exports to Poland, Estonia, Latvia, Lithuania, Bulgaria, Greece, Hungary and Roumania together rose from Rm. 231 millions to Rm. 484 millions; and in the first quarter of this year, compared with that of last, these exports have risen in Reichsmarks by a further 20 per cent. German imports from this group of countries between 1933 and 1936 rose from Rm. 198 millions to Rm. 501 millions. Thus the volume of Jugoslavia's trade with Germany rose in the same period by 250 per cent., while her imports from Austria, for example, fell by 7 per cent. Germany took 26.2 per cent. of Bulgaria's exports in 1930, but in the first quarter of this year her share amounted to 69 per cent. Her share in Bulgaria's imports was 23.3 per cent. in 1930, and in the first quarter of this year was 68 per cent.

* * *

Such are the results of Germany's insistence on buying from these countries products which Germany alone in Europe needs, e.g. soya beans from Roumania, Bulgaria, Hungary, instead of the normal imports of wheat, tobacco, maize, etc.; or cotton from Turkey instead of tobacco. Turkey in 1932 exported only 9,142,000 metric tons of cotton, valued at £T2,740,000. In 1936, it was up to 22,785,000 tons, valued at £T9,480,000, and £T6,650,000 worth of it went to Germany instead of American, Egyptian or Indian cotton. This Turkish cotton could only with difficulty be sold elsewhere; and—like the Hungarian, Bulgarian, Greek, Roumanian and Jugoslav deliveries of special products for Germany—it has not yet been fully paid for through the clearing or compensation accounts. Italy is now buying more from Turkey. But the painful realisation is rapidly growing in all these small client-States of Germany that the links forged with the German economic system during the depression have now become fetters which, in many cases, prevent them from deriving the full benefits of the increase in prices and demand in the world's markets for free exchange. This realisation has already made them shy of the Rome-Berlin axis—as, if report is true, Baron von Neurath recently discovered in Belgrade, Sofia and Budapest.

* * *

Employment Moves Ahead Again.—The lull in the expansion of employment which was shown in the Ministry of Labour's estimates for May 24th is proved to have been temporary by the figures for June 21st. On that date the number of insured persons aged 16-64 at work was about 11,517,000, which was 130,000 more than the month before, and 584,000 more than on June 22nd, 1936. At the same time, the number of unemployed has fallen by 346,078 since a year ago, and by 94,732 since last month, to 1,356,598. The main changes in particular industries are shown in the following table. The percentages now given for the first time in the last two columns are necessarily somewhat rough. Figures for the insured population employed in each industry are only available for every July, and the percentage is calculated on those figures. Thus, the percentages are too high for expanding, and too low for declining, industries. Furthermore, the totals are only fully available for Great Britain and Northern Ireland together, and the unemployment figures used in the table relate only to Great Britain, since the aggregate figures are not published before the middle of the month. Consequently, the percentages are somewhat hybrid. In every case in which it has been possible to check, however, the error is extremely small.

UNEMPLOYMENT BY INDUSTRIES

Industrial Group	Number in thousands			Percentage	
	June 22, 1936	May 24, 1937	June 21, 1937	June 21, 1937	Change since June 22, 1936
Coal mining	274·2	156·0	169·2	19·0	−11·6
Iron and steel	29·4	23·2	19·8	10·9	− 3·8
Engineering	57·5	39·3	37·7	5·0	− 2·8
Metal goods manufactures	39·2	28·6	28·1	7·6	− 2·5
Shipbuilding and repairing	44·9	39·0	36·9	23·2	− 6·6
Building	104·3	110·4	101·3	10·0	+ 0·4
Public works contracting	108·2	103·8	98·1	34·0	− 4·6
Cotton	69·7	46·3	42·3	10·1	− 6·5
Woollen and worsted	24·6	22·4	19·3	8·7	− 2·4
Tailoring	20·1	14·2	17·4	8·3	− 1·5
Boot and shoe	17·0	22·2	13·2	9·4	− 3·3
Hotel, boarding house, etc., service	51·1	54·0	48·2	11·1	− 0·8
Road transport services	29·8	31·3	28·5	13·0	− 0·9
Distributive trades	180·9	169·3	155·7	7·6	− 1·4
All persons registered (including other trades)	1,702·7	1,451·3	1,356·6	...	...

The detailed figures confirm the good impression left by the aggregates. Apart from the coal-mining industry, where the temporary stoppage of about 27,000 men due to an annual demonstration of the Yorkshire Mine Workers' Association more than accounts for the recorded increase in unemployment, only in tailoring did employment decline, and there the fall was wholly seasonal. The different districts have shared the new employment fairly equally. Scotland and North-Western England have done best, and the Midlands and North-Eastern England worst, but the other five areas have each gained round about 10,000. Classified by industries, the distributive building and footwear trades have taken on the greatest numbers of new men, as would be expected, but textiles and the heavy industries all come fairly high in the list. There is thus no sign that industrial expansion is coming to an end.

Czechoslovakia's German Problem

Professor Arnold J. Toynbee, well known as historian and author of the annual Surveys of International Affairs *published by the Royal Institute of International Affairs, has just returned from an extensive tour of Central Europe. He has communicated to us the following views, formed after a special study of some of the factors and influences which make Czechoslovakia's German problem so vexatious in an already distraught Continent.*

INTRODUCTION

In a recent visit to Central Europe, the writer concentrated upon the problem of the German minority in Czechoslovakia, because this seems to him to be at present the most difficult and dangerous of all the Central European problems that he has come across. Its difficulties and dangers are manifold: there is the temper and policy of the Third Reich, which marches with the German districts of Czechoslovakia on three flanks. There is the economic distress in these districts. And in the third place there is the temper and policy of the Czechs. These three factors are acting all the time upon one another.

In laying emphasis, as he has done, on the third of these factors, the writer has not forgotten that the action of the Czechs is only one of several elements in the problem, and that there are other elements which are outside the Czechs' control—for instance, the two potent influences of the world economic crisis and of the rise of the National-Socialist Movement in Germany. The Czechs are the victims of circumstances as well as of themselves, and it is not at all difficult to point to neighbouring countries whose record, in the treatment of minorities, has been not so good, but which have been placed by fortune in a position to behave badly with comparative impunity. This privilege (if it be one) has been denied to the Czechs. For them—as their leading statesmen clearly see and frankly admit—a thorough and speedy solution of their minorities' problem is an urgent necessity of State.

This Czech necessity is at the same time a British interest; for a satisfactory solution of the minorities' problem would appear to be an indispensable condition for the maintenance of the independence and integrity of Czechoslovakia; and if Czechoslovakia were to disappear from the map, that would mean a change in the European balance of power which might end in putting Great Britain at Germany's mercy. Any foreign observer who wishes to see Czechoslovakia preserved and fortified must will the means to this end and must therefore wish to see the minorities' problem in Czechoslovakia solved, before it is too late, by Czech statesmanship.

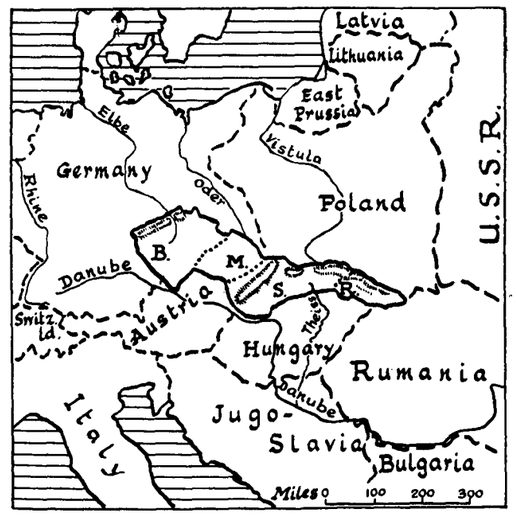
THE BURDEN OF THE CZECHS

Even a short visit to Czechoslovakia is enough to make one aware that the Czechs to-day are labouring under a staggering burden. The political and strategic side of this burden is, of course, the most conspicuous. The Czechs' neighbours do not love them; their friends and backers are far off; their country has a curious shape which would make it difficult to defend against a host of potential adversaries who might one day perhaps join forces in order to deliver a concerted attack upon the object of their common hostility. The Czechs have a German and a Hungarian and a Polish problem on their hands; but the German problem overshadows the rest. The Polish minority in Czechoslovakia is, after all, a small affair, and the Czecho-Polish quarrel that rages round it is vivacious rather than deep. The Magyars' grievance against Czechoslovakia is a good deal more serious, but it is now in a fair way to a mutual solution. Czechoslovakia's Hungarian problem is being put into the shade by a German problem which looms up ever larger and more menacing.

It is menacing for a number of different reasons. In the first place, the German minority in Czechoslovakia is by far the largest numerically. In the second place, this German element in Czechoslovakia mainly consists of an old industrial population which has lost its links with the countryside. It has therefore been more heavily hit than the younger Czech industrial population by the impact of the world economic crisis. Whereas the Magyar peasantry who have been annexed to Czechoslovakia are said to have benefited economically by the Czechoslovakian Agrarian legislation, the German peasantry do not seem to have shared in the windfall, while the German industrial population in Moravia and Bohemia have fallen into dire economic distress. The origins of this distress can for the most part be traced to economic causes for which neither the Czech Government nor the Czech people are responsible. The catastrophic slump in the Sudetenländ is not the Czechs' fault, but their misfortune. When we remind ourselves, in the third place, that this numerous and unhappy German population in Czechoslovakia has for its kinsfolk and neighbours not the eight or nine million people of post-war Hungary, but the sixty or seventy million people of the Third German Reich which flanks Bohemia on three sides, we may begin to see the Czechs' German problem in its full magnitude. But it must be always remembered that this "German" population is really Austrian, and only "German" by adoption, as the Nazis have adopted the Austrians themselves.

The districts mainly inhabited by the Sudetenländer vary in racial composition, and are only roughly indicated by the hatching on the map on page 72. In twelve districts within the area, indeed, Czechs are in the majority. Moreover, as the figures on page 72 show, as many as 305,200 Czechs live in the German region of Bohemia alone; and either these, or the 730,000 Germans who live outside the main German-speaking region, would form big minorities under any system of cultural autonomy. This, however, only exemplifies the

CZECHOSLOVAKIA AND HER NEIGHBOURS



B—Bohemia; M—Moravia; S—Slovakia; R—Sub-Carpatho-Russia, or Ruthenia.

difficulty of the task facing both the Germans and the Czechs; it does not render its achievement unnecessary or impossible.

The actual temper of the Czechs is easy to apprehend and by the same token difficult to modify, for it is mainly the inevitable product of the Czechs' historical experience. For the last three centuries the Czech people have been living as under-dogs; they have acquired the under-dog's characteristic virtues and vices; and these are as palpable as ever to-day. A habit of mind that has been inculcated by the experience of many oppressed generations cannot be erased miraculously overnight by a simple change of external circumstances.

This in itself is awkward, for the under-dog mentality is not the right one for a ruling people. Under-dog finds it an almost insuperable difficulty to forgive and forget, whereas the secret of playing the part of a ruling race is to have a sublime consciousness of effortless superiority — a conceit of oneself which makes one forget injuries and ignore provocations. This quality—which the English have to an almost odious degree—is perhaps no merit, but it is certainly a notable convenience if the task that lies to one's hand is to manage other people.

When you talk to a Czech about the minorities problem in Czechoslovakia, he is apt to begin by making the general statement that Czechoslovakia is a democracy. And when you talk to a member of the German minority, you find that this Czech claim to be democratic is like a red rag to a bull.

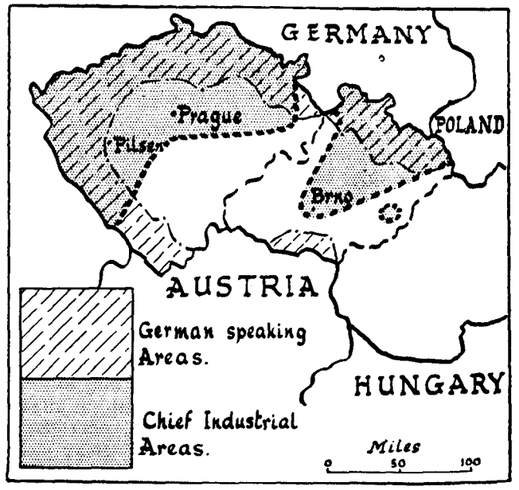
The truth is that even the most genuine and old-established democratic way of life is exceedingly difficult to apply when you are dealing with a minority that does not want to live under your rule. We know very well that we ourselves were never able to apply our own British brand of democracy to our attempt to govern the Irish. And in Czechoslovakia to-day the methods by which the Czechs are keeping the upper hand over the Südetendeutsch are not democratic.

In their post-war intercourse with the Western peoples whom they so pathetically admire, the British infection which the Czechs have caught is not "effortless superiority," but "British hypocrisy," and they have taken it strong! Of all the burdens that the Czechs are carrying to-day, this vein of disingenuousness is perhaps the worst.

THE SÜDETENLAND

As our car turned the corner of a hill, a weird line of little volcanic mountains came into view. "And

INDUSTRIAL REGIONS OF CZECHOSLOVAKIA



here," said my companion, "we are crossing the line between Czech and German country; and when we are past those little mountains we shall see the Erzgebirge. We oughtn't to be able to see it, for the whole basin, in between, ought to be filled with a fog of factory-chimney smoke—the thick smoke from our brown coal. But to-day you will see the Erzgebirge, I am afraid, for most of the factories are idle." It was only too true.

How can I give a British reader who has never been on the spot some notion of the Südetenland problem?

Take South Wales and make the industrial basis of its life still more precarious than it is. For one half of the coal industry substitute a number of ingenious minor trades—lace making, glove making, porcelain manufacture, glass manufacture, straw plaiting and basket work—which are dependent on a wide foreign market that is being raided by the Japanese. Put this constitutionally enfeebled South Wales into the world economic crisis—expose it to the full blast of the crisis for year after year. And then imagine that, instead of there being the resources of the whole of the United Kingdom to back it, the United Kingdom has been repartitioned into the primæval heptarchy, and that your distressed South Wales hangs like a millstone round the neck of a west-country successor-state called

POPULATION

(Official Estimate, 1936 : 15,184,036)
Total 1930 Census : 14,729,536

Czechoslovaks	9,688,770	or 66·91%
Germans	3,231,688	or 22·32%
Magyars	691,923	or 4·78%
Ruthenians, Ukrainians	549,169	or 3·79%
Polish	81,737	or 0·57%

Distribution of German Minority

West Bohemia (Bavarian Frontier and part of Saxon Frontier)	835,000	*North Moravia* (Silesian Frontier)..	325,000
North Bohemia (Prussian Frontier)	808,000	(Part of Silesian Frontier)	129,000
		South Bohemia	87,000
		South Moravia	101,000

German Enclaves in Czech districts: 670,000
Of whom e.g. 147,501 in Slovakia
51,000 in Moravian Trebova
13,249 in Carpathian Ruthenia

Czech Enclaves in German districts
In the German districts of Bohemia there are 305,200 Czechs.
In the German districts of Moravia there are 365,852 Czechs.

OCCUPATIONS
1930 Census

	Employed in Public Services and Army
Czechs and Slovaks	583,746
Germans	141,000

	Employed in Industry and Trades
Czechs and Slovaks	39·43%
Germans	46·00%

EDUCATION

(i) **Primary schools :** October, 1935.
Total number 15,257 with 45,565 classes and 1,799,004 pupils.
Average number per class, 40.

Average number of pupils in each class by nationality

	1931	1934	1935
Czechs	41·0	40·3	39·1
Ruthenians	56·8	49·9	47·0
Germans	38·8	37·5	36·5
Magyars	56·1	51·1	49·2
Poles	37·4	37·4	35·5
Rumanians	50·1	50·8	45·3

(ii) **Upper-elementary schools :** October, 1935.
Total number 1,937 with 11,139 classes and 449,061 pupils.
Average number per class, 40·3.

Average number of pupils in each class by nationality

	1935		1935
Czechs	40·5	Magyars	42·6
Ruthenians	40·7	Poles	38·1
Germans	39·9	Rumanians	...

(iii) **Secondary Schools :** 1934-35.
Total number 284, with 3,433 classes and 125,564 pupils.
Average number per class, 36·6.

Schools by language of instruction : 1931-32.
Total : 290. Czech ,199; German, 91; Ruthenian 8; Magyar, 6; Polish, 1.

Mercio-Wessexia which is bounded by a line drawn from Chester to Southampton. But, to make this imaginary British parallel realistic, you must go on to imagine things that are more difficult for British minds to conceive. You must imagine that the English-speaking majority of the population of your Mercio-Wessexia have a fixed idea that the presence of the Welsh-speaking minority is a menace to the security of their own newborn state.

With this idea deeply fixed in their minds, the Mercio-Wessexians have been taking measures which in their eyes are merely natural precautions, but which can only be regarded as a campaign of aggression when one looks at the situation from a Welsh—or even from a neutral —standpoint. The Mercio-Wessexian Government have been "grouting" Wales with English officials—from postmen and railway pointsmen upwards—and leavening it with English-teaching schools. And now (at least, so the Welsh honestly believe) the Anglicisers are actually taking advantage of the economic distress in Wales (which did not, of course, originate in any fault of theirs) in order to intensify their political "offensive defensive." Here is a mother of a Welsh-speaking family drawing a dole that cannot keep body and soul together, or else doing sweated labour for wages that amount to no more than the dole itself. How is she to feed and clothe her children? If she sends them to the old Welsh school, her problem is unsolved; but if she sends them to this brand-new English school that has been planted in the village the child will get soup and shoes as well as English book-learning. And here is a Welsh mine or factory which is on its beam-ends. It applies for a loan to a Mercio-Wessexian bank, and is informed that it will be given accommodation on condition that it discharges 20 to 30 per cent. of its present Welsh labour force and takes on, instead, a contingent of English-speaking workmen who will be drafted in from Shropshire or Dorset. Nor is this the worst. For the Mercio-Wessexian police force in Wales is recruited entirely from the dominant nationality.

But do not let your imagination flag; for you have also to imagine that this nightmare Wales is bounded on three sides, not by the "salt estranging sea," but by a great Welsh Reich as large as the United States. While the little Welshman on one side of the frontier is having his arm twisted by the Mercio-Wessexian powers that be, a great Welsh nation, now armed to the teeth, is looking over the fence.

THE HEART OF THE PROBLEM

THE Czechs pursue their policy of Czechisation and thereby antagonise the Germans on both sides of the frontier; the Germans resent and resist, and this drives the Czechs, out of fear, into still more drastic precautionary measures in Czechisation. So the vicious circle remains closed, and the current of hatred runs round and round its full circuit.

The sheer economic distress is harrowing enough in itself. The Südetenland has always been sensitive to economic depressions—even in the old days when its industries had the world market, as well as the market of the whole Danubian Monarchy, to rely upon (and the Monarchy alone was a market of fifty million potential purchasers).

But this extreme economic distress, which may be traced in the main to impersonal economic causes, is not the worst feature in the situation. The worst thing is the interaction between economic distress and political strife. This German minority in Czechoslovakia feels all the time, in its dire extremity, that it is not cared for, not wanted; that the Czech majority on the whole would far rather that the German minority were not there; that the Czechs are taking systematic steps to Czechise the Germans or else push them to the wall; and that, in pursuit of this policy, they are taking advantage on the one hand of the economic crisis and on the other hand of the new legislation for the defence of the Republic against the menace—and it is genuine enough—from the Germans of the Reich.

CZECHS AND GERMANS

WHAT are the prospects for a reconciliation between the Czech and German communities in Czechoslovakia? Are the omens favourable? It depends where you take your stand. If you talk *tête-à-tête* with Dr Beneš and then do the same with Herr Henlein, you come away with the impression that the gulf can be bridged. But immediately you are confronted with the question how far either statesman is really master in his own house. President Beneš—with his wide vision and acute understanding of all that is at stake—no doubt sincerely desires to find a genuine solution for the minorities problem; and Herr Henlein is no doubt equally sincere in wishing to secure tolerable conditions of existence for his own people within the framework of the Czechoslovak Republic, without changing the existing frontiers or setting up a state within the state. If the two statesmen could one day meet *tête-à-tête* together, as I met each of them in turn, they could probably solve the question between them. But could either afford to meet the other? And, if they did meet, could they act as plenipotentiaries? When the Czechs refuse to negotiate with Herr Henlein, they excuse this undemocratic line of policy on the ground that Herr Henlein is the prisoner of his own extremists, and that these Südetendeutsch die-hards take their orders from Berlin. Conversely, the Czechoslovakian Germans express scepticism about President Beneš's ability to deliver the goods that he has promised them. He is a prisoner, they declare, of the Czech Agrarian Party, which holds the key positions in the Government offices at Prague and in the Government services throughout the country.

President Beneš has, indeed, to reckon with a force that is still more potent than the Czech Agrarian Party machine. In striving to make life tolerable for the German minority in Czechoslovakia, the President is "up against" the nationalism of the most powerful section of his own resolute people. Here you see a people who are well aware that at any moment they may find themselves again engaged in a struggle for existence, and who will not yield, or even flinch, if the catastrophe comes. If they are crushed, they will get to their feet again sooner or later, as they have done in the past. Czech-meat would be as indigestible a fare for Berlin as it once proved to be for Vienna; and it is not even likely that Germany, if she did attack Czechoslovakia, would have the chance of killing and devouring her prey at leisure. The Czechs are ready, well-equipped, determined. They have had time to prepare efficiently. And highly technical modern warfare favours the defence. The clash between Prussian and Czech would be so shattering a shock that it would bring down the whole European house.

The mere fact that one can talk of Czechs and Prussians in the same breath shows that the Czechs do not make the impression of being a small nation, like the Danes, or even the Swiss. What one feels here is numbers, power and drive. Quantitatively, of course—and over a long campaign, which would damage Germany as much as Czechoslovakia—the force of the Czechoslovak Republic is no match for that of the Third Reich. Qualitatively, however, it is a force of the same kind.

But is not the political life of the Czechs democratic and not authoritarian? And how can Czech democracy and German Fascism be treated as in any way comparable? The answer depends on the extension that one gives to the meaning of the term democracy. The Spartans, for example, were a thoroughly democratic community in their own domestic life. The Spartan electorate had the whip hand over the Spartan Government. Yet the Spartans did not look like democrats in the eyes of the non-Spartan populations over whom they ruled. The Czech nation is unquestionably a democracy in that Spartan sense; but it does not necessarily follow that the benefits of democracy are shared, under a Czech regime, by the non-Czech populations of Czechoslovakia. It is even conceivable that the very genuineness of the democracy of the Czech people itself is one of the obstacles to the extension of the benefits of democracy to their

non-Czech fellow-citizens. This is easier to understand when the Czechs hear the tenets of totalitarianism preached by some of Henlein's followers. The laws on the statute book of the Republic may make every provision that is needed for giving the minorities a tolerable life; and the Government of the Republic may be anxious to go beyond the letter of the law in this direction. But suppose that an implacable nationalism is the breath of life—the veritable religion—of this democratic Czech people. Herr Hitler can command his Reichsdeutsch followers to shake hands with the Poles; President Beneš and Prime Minister Hodža can only exhort their Czech and Slovak constituents to show mercy.

And what of the German minority? The Czechs are still pinning their faith to the three so-called " Activist " German parties—the Social Democrats, Christian Socials and Agrarians. These German " Activists " have been co-operating politically with the Czechs since 1926. They are now represented in Dr Hodža's present coalition government; and the Czechs' policy is to make to the " Activists " any concessions that they may be disposed to make to the German minority, and, for the rest to wait till the Hitler-Henlein cloud rolls by.

But will it roll by? And will the " Activists " ever recapture a majority of the Czechoslovakian German votes? The " Activists " can so plausibly be held up to odium as traitors to their own people that their political position would be delicate enough. Prosperity is weakening Herr Henlein's hold on the Czech Germans; the Czech Government have spent more in the German districts than elsewhere to achieve the present striking increase in employment; but his movement, even if a minority, will remain large and troublesome.

Is it within the power of Herr Henlein and President Beneš to bring this solid Südetendeutschtum and equally solid Czechdom together, supposing that one day the will to appeasement were to arise on both sides simultaneously? The task is almost desperately hard, and it will not be made easier by provocation. But a refusal to try, or a failure to succeed, are likely to have appalling consequences. Bohemia, where these two solid national phalanxes now collide, is the veritable heart of Europe.

THE FUTURE OF CENTRAL EUROPE

ANY Western observer who visits Central Europe to-day will discover before long that, beneath the surface, all is not well; and in the nineteenth year after the Armistice this obstinately persistent fact is more significant than it was fifteen years ago. If Central Europe is still distraught and miserable, that can only mean one thing to-day. It must mean that there is some radical defect in the peace settlement.

What are the alternative kinds of settlement that can be discerned on the horizon? We may classify the alternatives according to the rôle for which Germany is cast in each of them. At one extreme lies a " solution Barthou " which would exclude Germany from playing any part at all in Central Europe ; at the other extreme lies a *Naunmannsche Lösung* which would make the task of reorganising Central Europe a monopoly of the Third Reich. Fortunately, however, these two extremes are not the only possibilities ; for it is hard to believe that either of them could be applied without precipitating a catastrophe which would not be confined within the bounds of Central Europe itself, but would engulf the whole continent, including its British annex.

What would happen if we were to try to construct a Central Europe in which Germany had no part or lot? In the first place, this would be an economic *tour de force,* for it is hardly possible to conceive of a balanced and thriving Central European economy being re-established without the participation of the Reich. Secondly, Germany would deem it an hostile act.

Equally perilous would be a settlement imposed on Central Europe by Germany alone, to the exclusion of the other European Powers. For one thing, such a solution would be vitiated by what was perhaps the fundamental fault of the settlement of 1919-21. It would right one set of local wrongs only to create another. The broad territories that lie between the present frontiers of the Third German Reich and of the Soviet Union are sown thick with German minorities—from the 3½ millions of Südetendeutsch in Czechoslovakia, whose homelands actually march with the frontiers of the Reich, right away to Estonia and Transylvania and Bessarabia. At present, these minorities are all of them subject to the ruling elements in the post-war successor-states of the pre-war Habsburg and Romanov and Hohenzollern Empires ; and most of them have something to complain of under this post-war regime. But it would be no remedy simply to make the players exchange their rôles without re-casting the play ; and it is to be feared that a mere exchange of rôles would be the sole result of a *Naumannsche Lösung* of the Central European problem. If Central Europe were to be reorganised by the imposition of Germany's hegemony the German minorities *in partibus* would be exalted from the rank of second-class citizens to the rank of privileged garrisons and outposts of the great German Empire which would now be casting its shadow over the basins of the Danube and the Vistula.

The best solution would be one which neither gives Germany a monopoly nor shuts her out. The problem concerns in the first place the Central European countries themselves, and in the second place all the great Powers of Europe, from Russia to Great Britain inclusive. But if we go on to consider what the respective contributions of the several great Powers should be, we shall have to take account of a number of practical factors—geographical, historical and psychological—and as soon as we do bring these factors into account, we shall see that the great Powers' contributions to a settlement of the Central European problem can hardly be all exactly similar or exactly equal to one another. Take the case of Great Britain first. Our British inclination, situation and tradition will work together to deter us from doing more in Central Europe than the minimum that may be necessary in order to preserve the European balance of power. On the other hand, history, geography and desire will combine to make Germany throw herself eagerly into the Central European problem.

The European statesmen have to find a solution which will give Germany as large an economic scope in Central Europe as may be compatible with the maintenance of the political independence and integrity of Germany's eastern neighbours. Economically, both parties would stand to benefit by co-operation between the Central European countries and Germany. The delicate point is to make sure that economic penetration does not bring political hegemony in its train. And it is on this account that the other Great Powers of Europe ought to be parties to the settlement in the rôle of guarantors of the political *status quo.*

Great Britain cannot refuse to concern herself in the solution of the Central European problem. The first reason is that our very aloofness is a guarantee of our impartiality ; and, without the participation of at least one recognisedly impartial Great Power, this delicate settlement could scarcely be achieved. But there is also a second reason which touches our own vital interests. If we close our eyes to the problem of Central Europe and let things drift there, then there may come a day when Germany will stake her existence on an attempt to take the law into her own hands and to solve the Central European problem in exclusively German terms. If we allow that day to overtake us, we shall find ourselves in a horrible dilemma. We shall either have to stand aside and let Germany create for herself a position in Central Europe which will ultimately give her the whip-hand over ourselves, or else we shall have to go to war with Germany to save the balance of power.

Great Britain's duty and interest are to work with all her might with those—whether in Central Europe or not—who are striving to obtain a peaceful and a moderate solution of the Central European problem. Now is the time to act. To-day the Central European auspices are more favourable than for years past. To-morrow it may be too late.

Overseas Correspondence

From Our Special Correspondents

United States

Business Stability

NEW YORK, June 29.—The level of business activity in May was virtually unchanged from April. With seasonal adjustment, most of the Federal Reserve indices were identical with the figures of the previous month:—

FEDERAL RESERVE BOARD INDICES

(1923–25 = 100. Adjusted for Seasonal)

	May, 1936	April, 1937	May, 1937
Industrial production (total) ...	*101*	118	118
Manufactures	*101*	118	118
Minerals.....	*102*	115	116
Construction contracts (total)	*46*	53	53
Residential	*32*	44	44
All other	*57*	61	61
Factory employment	*89·8*	101·6	102·1
Factory payrolls	*80·8*	104·9	105·1
Freight car loadings	*72*	84	80
Department store sales	*87*	93	93

A moderate decline can be anticipated in the business index for June, although the figures will not be available for some weeks. Steel output has declined a little under the influence of strikes, and has been about 75 per cent. of capacity during recent weeks compared with 90 per cent. during most of May. The total, however, is not expected to be markedly lower than last month's.

The relative steadiness of the business indices, which has now lasted for seven months, has not extended to other economic factors. Commodity prices, after being fairly steady during January and February, rose sharply, and then declined rapidly. Moody's index of sensitive commodities rose about 10 per cent. to 228 from mid-February to early April, then fell to the year's lowest point of 198 on June 14th, and has since hovered slightly above that figure. The wholesale price index of the Bureau of Labour, which is much broader and more slow moving, rose from 84.7 at the end of the year to 88.3 on April 3rd, and had fallen to 86.5 by June 19th.

Slump in Bonds

High-grade corporate bond yields fell to 3.07 per cent. early in the year, rose to 3.48 per cent. in early April, and have fallen back to 3.30 per cent. Government bond yields declined to about 2¼ per cent., reacted to about 2⅜ per cent., and have now recovered about one-third of the loss. Medium and lower grade bonds have fallen almost steadily from their high prices of early in the year, and reached their lowest prices in the year this week. Short-term money rates became moderately firm in the spring, but are now declining again. Equity prices have fallen about 15 per cent. in the average from the peak levels of the spring. In short, sharp reactions have occurred in commodities, equities and bonds, while business has remained stable.

Some further decline in business, in addition to that seen in June, is expected by many analysts. Orders are reported to be falling off in some industries, and inventories are said to be rather large in some cases. Confidence and sentiment have been set back by the labour difficulties and by proposals for legislation at Washington. The expansion of bank deposits has come to an abrupt halt during recent months after several years of rapid advance. Disequilibrium exists between industries: thus building is still very depressed, while machinery makers are extraordinarily active. The question is whether the decline is to be moderate and short, or more severe; the majority of opinion appears to hold to the former answer. But there is no certainty about developments in the near future.

Financing Activity

The activity in investment goods, excluding building, is an important constituent in the volume of business maintained during the first half of 1937. Such activity requires long term financing. During the recovery thus far, Treasury deficit financing, with the proceeds being paid out to business, has largely fulfilled that function; it has been supplemented by the use of depreciation reserves, and to some extent, more recently, by bank loans, retained earnings and some new issues. But this did not last very long.

This situation is now altered. Deficit financing has fallen to a low level. The new issue market, which showed signs of revival last year and in the early months of 1937, has been virtually dormant for some months since the flurry in bond prices. The tax on undistributed earnings militates against investment through this channel. Bank loans and depreciation reserves remain available, but it is doubtful whether they are or can be sufficient to finance the maintenance of current levels of investment goods activity. A bond market strong enough to absorb a substantial volume of new issues is badly needed, lest the economy suffer from anæmia. New domestic corporate bond issues, excluding refunding, during the first five months of this year totalled $337 millions in this country, or about half those in the London market.

Changes in Industry

Industry has just been provided with figures by one of its own research organisations which raise some interesting labour questions. In manufacturing, it is calculated that output per man hour in April was 27.6 per cent. above the average for 1929, while labour cost per man hour was 17.7 per cent. more. Labour cost has been rising rapidly for several months, while output, though fluctuating, has shown little change. Labour cost per $100 of output is shown to be about the same as in 1929. Total man hours in industry were shown to be 81.6 per cent. of 1929, but employment was reported to be 97.6 per cent. and payrolls 96.1 per cent. Wholesale prices of finished products were 92.5 per cent. of the 1929 level. No comment is offered by the National Industrial Conference Board, which compiled the figures, and the situation presumably varies widely from industry to industry. It is very difficult to interpret the figures, for they would seem to point to profits equal to or exceeding 1929 (assuming that material costs do not exceed that year, which they evidently do not) which have not in fact appeared. But they give strong support to contentions that a large advance has been made in technology.



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France

The New Franc

Paris, July 8.—The Stock Exchange received the new "free" franc as calmly as public opinion greeted the new Cabinet. After having slumped as low as 129, the franc has been stimulated by rumours that the financial authorities intend to establish it in the neighbourhood of 125 francs. Stocks were adjusted to the probable new level, with a certain margin to allow for the new taxes on companies which will shortly be announced. Public funds were bid up after the lowering of the rediscount rate of the Bank of France from 6 to 5 per cent.

Two problems are now vital: will the Socialists loyally collaborate in voting the new taxes, and what will be the effects of the new devaluation and new taxes on prices? M. Blum declared at Bordeaux that he was in agreement with M. Chautemps about the need for new taxes to put an end to fiscal fraud, so long as they were not imposed on necessities. It is rumoured that a series of decrees to provide 7,000 million francs from new taxation will be issued before the opening of the Socialist National Congress at Marseilles on Saturday. M. Chautemps will also appeal to the trade unions for support and co-operation. The new taxes will probably be chosen in such a way that they will not involve M. Blum in too great embarrassment before the Congress.

These taxes must not lead to an immediate rise in prices, which would set up a "vicious spiral" of prices and wages, and imperil the "floating franc." M. Bonnet is aware of the danger; and the first decision of the Government was to issue a decree prohibiting a rise in wholesale and retail prices above the level of June 28th, with the exception of imported products—and even these are to be controlled. The Government knows that some rise in prices is inevitable, but M. Bonnet also knows that the new devaluation would be nullified by a sudden rise in wages, which M. Blum could not resist, if prices rose very sharply. M. Blum also declared in Bordeaux that the first care of the Government would be to prevent prices from following the movements of the franc.

International Implications

The new Cabinet and the new depreciation of the franc were received, not only with calm, but also with scepticism. This has been lessened by the lowering of the Bank rate, which was accompanied by rumours of an important change at the head of the Bank of France, and the launching of a scheme to reorganise credit and of an "open market" policy. The Rentes then advanced by 3 points, as the following table shows:—

	Lowest, 1937 (June 8th)	Reopening of the Stock Exchange (July 2nd)	(July 7th)
3 per cent.	59·85	70·75	73
4 per cent. 1918.....	59·70	69·25	71·35
4½ per cent. 1932 "A"	65·80	73·80	75·90
4½ per cent. 1937 (with guarantee of exchange)	90	98·60	99

This movement was also aided by better news about affairs in Spain and by the statements of M. Van Zeeland on his return from Washington. Indeed, the Stock Exchange considers that the new French experiment has radically altered the situation and may open the way to new hopes, if it is made part of a widespread international move towards peace and prosperity. The fear persists that unless this happens, the efforts of MM. Chautemps and Bonnet will be checked after a few months by rising prices and social complications, followed by a return of the old political constellation with coercive measures.

Meanwhile hopes and fears are concentrated upon three problems. Will the new Government be able to pursue a policy sufficiently tactful to retain the support of the Left without again alienating investors and business men? Can the major task of balancing the Budget be successfully effected without undue prejudice to the new social and political structure of France? And will the international diplomatic crisis be ended without any real threat of war?

Holland

Extremists Beaten at the Polls

Amsterdam, June 26. — The past month has been of great political significance. In the elections for the Lower Chamber of Parliament the right-wing parties again secured a majority in the House, and the extremist elements, the National-Socialists (Fascists) and the Communists suffered a crushing defeat. Of 100 seats in the Lower Chamber, only four were captured by the National-Socialists, and they failed to retain even 50 per cent. of the number of votes recorded in their favour at the provincial elections two years ago. Dr Colijn has now been invited to form the new Cabinet. Although the Ministers have not yet been made known, indications are that a Cabinet of the right-wing parties will be formed.

These political events have tended to divert attention from the economic development of the Netherlands. But recovery continues. In the recently published annual report of the Netherlands Bank, Dr Trip stated that the course of economic affairs in the Netherlands was still displaying an unmistakably upward trend. For our colonies, too, a new era has been opened, and prospects for 1937 justify considerable optimism. The finances of the Netherlands East Indies are in such a flourishing state that the Governor-General has been able to announce that taxation will be reduced in 1938.

All-round Improvement in Business

Economic developments in the Netherlands are clearly illustrated by the following data compiled by the Rotterdamsche Bankvereeniging:—

January–April, 1937 (compared with January–April, 1936)	
Exports	Up by 63 per cent.
Imports	,, ,, 53 ,,
Transit traffic without transhipment	,, ,, 32 ,,
Aggregate port traffic	,, ,, 23 ,,
Arrivals of ore at Ymuiden	,, ,, 21 ,,
Transit traffic with transhipment.....	,, ,, 19 ,,
State revenue	,, ,, 16 ,,
Yield of sales (turnover) tax	,, ,, 15 ,,
Unemployment	Down ,, 14 ,,
January–March, 1937 (compared with January–March, 1936)	
Contracts by public tender	Up by 92 per cent.
Imports of raw materials	,, ,, 36 ,,
Exports of manufactures	,, ,, 30 ,,
Output of coal mines.....	,, ,, 13 ,,
Ships in commission	,, ,, 10 ,,

Statistics issued by the Amsterdamsche Bank, analysing the 1936 profits of 217 different companies, are also interesting. Of the aggregate net profits of the 217 companies, amounting to 103,106,000 guilders, 46,805,000 guilders were distributed as dividend. In 1935 the figures were 54,925,000 and 29,584,000 respectively. In 1936, therefore, 56,301,000 guilders, or 54½ per cent. of the profits, were retained in the business; in 1935 the amount was 25,341,000 guilders or 46 per cent. The companies have thus given first thought to a judicious fortification of their financial structure. The total net profits are 88 per cent. larger than in 1935, and represent 9.4 per cent. of the capital, compared with 4.9 per cent. in 1935. It should not be overlooked that it was not until the last three months of 1936 that trade and industry in the Netherlands began to pick up to any considerable extent, so there is ample justification for anticipating far better results for the year 1937, both for the Netherlands and for the Netherlands Indies.

The returns of registered unemployed also show an improvement:—

Number of Registered Unemployed	1936	1937	Decrease
January	471,348	439,183	32,165
February	476,726	451,923	24,803
March.....	450,273	430,029	20,244
April	419,066	384,600	34,466

There have been no serious labour disputes, and the cost of living has not risen in proportion to the depreciation of the guilder or the increase in wholesale prices since September.

Rising Import Surplus

After the remarkably high figures for April, it is no wonder that the month of May should show a pronounced reaction in foreign trade; but the May returns can nevertheless be regarded favourably, for they are far in advance of the figures for the corresponding month last year, both in weight and value. Imports in May weighed 1,939,000 tons compared with 1,548,000 tons last year, and the exports were 1,313,000 tons compared with 1,021,000 tons last year.

The value of imports and exports in recent years, month by month, is set forth below:—

	Imports (In millions of guilders, excluding gold and silver)				Exports (In millions of guilders, excluding gold and silver)			
	1934	1935	1936	1937	1934	1935	1936	1937
January	100	76	79	106	56	55	50	73
February	81	70	74	105	51	51	50	79
March	94	80	79	125	61	54	55	94
April.....	85	78	81	142	54	50	57	101
May	87	78	76	128	57	58	53	90
June	89	73	77		59	51	53	
July	86	76	80		58	54	60	
August	87	76	82		69	61	63	
September ...	78	76	82		69	59	72	
October	87	94	92		62	70	76	
November ...	88	86	101		60	60	77	
December ...	75	73	114		56	52	80	
Jan.–May ...	*448*	*362*	*389*	*607*	*279*	*268*	*265*	*438*

The surplus of imports in May, valued at 38.05 million guilders, was more than 3 millions smaller than in the preceding month. Compared with May of last year, however, when the imports surplus was 23.23 million guilders, there has been a considerable increase. For the first five months of the current year, the import surplus amounts to 169.14 million guilders, compared with only 124.86 millions in the corresponding period of last year.

The improvement in the terms of the Netherlands German clearing arrangements is very important for our exporting trades. There have been increased imports from Germany, and it has been proved possible to agree upon a considerable expansion of our exports to Germany in the third quarter of this year. As Germany is still our biggest customer, this will be of great benefit.

Gold Imports

The Amsterdam Bourse remained dull in sympathy with the tendency on Stock Exchanges abroad. Trading remained within very narrow compass, and the fluctuations of local securities were, on the whole, only slight. Despite the growing import surplus gold continues to flow into the country. Since the depreciation of the guilder, the stock of gold of the Netherlands Bank has grown from 670 millions to 1,200 millions. No revaluation of the gold stock has taken place, and the Exchange Equalisation Fund of 300 million guilders is also in possession of foreign bills or gold.

All these circumstances have combined to enhance the liquidity of the Amsterdam market, especially as the Government has not availed itself of the money market recently for the issue of exchequer bonds. In the face of such an unprecedented surfeit of liquid funds, it is no wonder that there is no rate of interest worth mentioning on the private money market.

Switzerland

Increase of Electric Power

Geneva, June 27.—In a country like Switzerland, where raw materials are practically non-existent, but water is abundant, the production of electricity is an important asset. Swiss water power resources are estimated at about 4 million horse-power, of which three-quarters have so far been brought into use. During the hydrographic year 1934-35 about 4,152 million kilowatt-hours of electric power were produced by the Swiss water power plants—excluding railway plants. In 1935-36 the production rose to 4,669 million kilowatt-hours, and it is still increasing.

In their last report, the Federal Railways Board point out that their expenditure on electricity last year was 11 million francs below what would have been spent had coal been used. Of 1,800 miles of track, 1,325 are now electrified, or about 74 per cent., and the consumption of electric power is increasing year by year. The Federal Railways have therefore contributed towards the building of a new powerful water power plant on the Etzel, near the lake of Zurich.

The construction of the Etzel plant began in the autumn of 1934, and an artificial lake 6 sq. miles in surface and containing 275 million cubic feet of water was made. The power plant is expected to be working at full capacity next autumn. The Etzel power plant is estimated to yield about 120,000 h.p., of which 45 per cent. will be used for lighting, heating and industrial purposes, while the remaining 55 per cent. will be taken by the Federal Railways.

Recovery and the Hotel Industry

The economic situation continues to improve steadily In April, imports totalled 172,948,912 francs in value, and exports 105,417,056 francs, compared with 91,456,223 francs and 68,634,881 francs, respectively, in April, 1936. In May, which had two working days less than April, the value of imports was 147,132,878 francs, and that of exports 102,346,098 francs, against 88,602,496 francs and 68,927,847 francs, respectively, in May, 1936. During the six months which have elapsed since the currency was devalued, exports have risen by 19 per cent. in volume and 27 per cent. in value. The net surplus of the post and telegraph service rose by 18 per cent., that of the Federal Railways by 47 per cent. Customs duties yielded 18 per cent. more than a year ago, and the Stamp duty 36 per cent. more. The earnings of the hotel industry have risen by 44 per cent.

At a recent meeting of the Association of Swiss hotelkeepers, it was decided to leave prices unchanged for the summer season despite the small rise recorded in the prices of foodstuffs. Many hotels are heavily handicapped by the interest they have to pay on the mortgages they were compelled to raise during the economic slump. A number of hotels have been saved by means of State subsidies granted by the Federal Government to the *Fiduciaire hôtelière*, a body formed by hotel keepers for the purpose of providing mutual aid for hotels. This body has closed many hotels recognised to be unnecessary; and it has distributed the Government grants to the hotels in the most difficult situation which it is urgent to keep working. They hope now to obtain higher subsidies from the Government to enable the hotels to pay off their mortgages. Meanwhile, the Government is maintaining the decree prohibiting the building or establishment of new hotels.

The recovery of the Swiss hotel and tourist industry is being fostered by the splendid weather which has prevailed since the end of May. During the four first

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THE UNION OF SOUTH AFRICA
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SUDAN - PALESTINE - PORTUGUESE EAST AFRICA
SOUTH-WEST AFRICA - BRITISH WEST AFRICA
BRITISH WEST INDIES - BRITISH GUIANA
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months of the year the number of persons who put up at the 7,000 Swiss hotels was nearly 790,000, compared with 672,000 in 1936. Out of this total about 310,000 were foreign tourists, compared with 207,000 in 1937. Prospects for the summer season are very good, and it is hoped that the industry will register a record year. Though not the most important activity in Switzerland, the hotel industry represents about one-fourth of indirect exports, with total earnings in normal years of 200 million francs.

Czechoslovakia

Pending Elections

Prague, July 1.—In external politics a new uneasiness has set in after a brief period of relaxation, and this has had repercussions in business circles. In addition, the Press campaign against Czechoslovakia has been renewed in a new form. When in London at the Coronation festivities, the Prime Minister, Dr Hodza, carried out some political negotiations. Recently, he paid a visit to Bucarest, where the ties of the Little Entente countries have been newly strengthened at the conference of Prime Ministers.

Preparations for the communal elections in the autumn are now being made, and the Government have insisted that elections to the Chambers of Commerce, of Agriculture, and of Social Insurance Institutions should take place. The special law, providing the Government with extraordinary powers, expires at the end of this month and is not likely to be prolonged.

The Government's programme in economic matters, to be carried out before the recess, is still extensive. The adjustment of corn prices has still to be undertaken, and problems of alcohol production, agrarian indebtedness and the position of traders and Government employees have still to be solved. The French Finance Minister has lately been empowered to guarantee a Czechoslovak loan up to 800 million francs. The Central Association of the Czechoslovak Industrialists again discussed in its general assembly the question whether the present prosperity could be considered permanent, and passed a resolution in favour of democracy and freer economic life, especially with regard to foreign trade.

Slump in Industrials

Prosperity is spreading into all branches of activity. This development is also apparent in the money market, which remains easy and quiet, and is shown in the increase of savings deposits. On the Stock Exchange, prices rose steadily up to the middle of April. On April 20th, however, a sharp fall in stocks began —just as it did abroad—which nipped the speculators, but at the same time curbed the confidence of the public. In May and June, the Stock Exchange was quiet, but whereas quotations for public securities remained approximately on the same level, industrial shares were very weak. The index of Stock Exchange prices which had risen on April 20th to 167.7, declined on April 23rd to 155.1, and had fallen to 139.3 on June 18th. This slump affected industrial shares almost exclusively, and an increased interest in public securities is being shown.

Increased Prices and Production

The index of wholesale prices shows an upward trend and stands at 752 compared with 691 in August, 1936. This increase has led farmers to claim higher prices, and some sections of labour to demand higher wages. Increased prosperity is reflected in a considerable diminution of unemployment. The number of unemployed at the end of May was 384,386 against 503,632 in April. There was thus a decrease of 23.7 per cent. and unemployment has reached the lowest point since 1931. The index of industrial production in April reached 97.7 (1929=100). In May and June some agricultural districts were damaged by drought, which may have an adverse effect upon the coming harvest.

The output of coal in May increased substantially compared with last year, and amounted to:—

(Thousands of Tons)

	1936	1937
Coal	858·5	1,241·9
Lignite	1,091·1	1,284·9
Coke	149·8	273·2

The production of pig iron was 142,659 tons, compared with 92,384 tons in 1936, and the output of raw steel was 188,512 tons against 118,877 tons a year ago. In almost all branches of industry improvement is noticeable. Building activities, delayed on account of the unfavourable spring weather, were revived in May and June. Industries working for foreign markets showed a considerable increase of sales.

A commercial agreement has been concluded with Denmark, Bulgaria and Belgium, and new commercial treaties with Columbia and Argentine. Negotiations with Germany are in progress about the adjustment of some outstanding economic questions and especially the clearing position. Preparations are being made for negotiations with Austria, Hungary, Netherlands, France, Greece and United States.

Jugoslavia

New Chapter in Politics

Belgrade, June 28.—The stream of political visitors to Jugoslavia continues unabated. Dr Neurath's official reception was cordial; though neither the official *communiqué*, couched in the usual diplomatic phraseology, nor subsequent developments contains any indication that Germany has broken any new ground or obtained further economic concessions from Jugoslavia. Nor, on the other hand, has Dr Hodza been more successful in persuading Dr Stojadinovic to a further tightening of the Little Entente ties and mutual guarantees. There is little doubt that, while Jugoslavia has certainly effected a *rapprochement* with the Fascist powers, which *ipso facto* means a loosening of the pro-French and Little Entente bonds, she prefers for the time being to watch events from the fence before committing herself irretrievably one way or the other.

Internally, the most important political event recently was the declaration of the Serbian Democrat opposition for a federal solution of the Croat problem, although the actual word "federal" was avoided in the declaration. A new chapter has thus been opened in domestic politics, though it is too early as yet to judge whether the declaration has gone far enough on the one hand to satisfy the Croats, or too far on the other to suit the Regency.

The trade position is steadily improving. Exports have more than doubled during the first four months of the year, while imports have also increased, as the following table shows:—

	1936				1937			
	Exports		Imports		Exports		Imports	
	Tons	Mill. dins.	Tons	Mill. dins.	Tons	Mill. dins.	Tons	Mill. dins.
1st q'r't'r	468,201	843·4	250,666	1,056·3	903,979	1,333	209,034	1,106·1
April	190,464	268·5	82,573	325·9	404,005	370	98,094	482·6
4 months	658,665	1,111·9	333,239	1,382·2	1,340,984	1,903	307,128	1,588·7

There are several important facts which emerge from an examination of the trade figures. One is that although the total value of exports to Germany has risen from 291.9 to 436.3 million dinars for the first four months of 1936 and 1937 respectively, this increase is less than 50 per cent. compared with a total increase of 103 per cent. in the value of Jugoslav exports. The second point is that exports to Italy, valued at 154.5 million dinars, have reached 65 per cent. of the pre-sanction exports. Thirdly, and most interesting, is that imports from both Germany and Italy exceed the exports to those countries.

Reducing Clearing Claims

Jugoslavia is in fact pursuing a policy of gradually diminishing her outstanding claims on the clearing account against these two countries. The German debt, which, two months ago, still stood at over 36 million marks, was reduced by June 3rd to 25.2 million marks, though this was achieved largely by means of Government orders, the repayment of private debts through clearing being a painfully slow process. Thus, on June 3rd, the last account to be paid was that for August 3, 1935. Negotiations are similarly on foot to diminish the Italian pre-sanction clearing debt, now 47 million lire. This will be done partly by Government orders, and partly by the surrender by Italy of her holdings in the Croatian Bank.

The economic outlook for the near future remains good. The wheat harvest, although less than last year's bumper crop, promises to be fair, and should yield a surplus for export of about 20,000 to 25,000 trucks of new grain, most of which should find a ready sale, since there are practically no old stocks left, except those already ear-marked for the French market. It is still too early to predict the maize harvest, but there are fairly large reserves from last year's record crop of 52 million metric cwts. The fruit crop promises to be of only average size.

Capital and industrial production are still on the increase. Deposits at the banks in April reached 11,231 million dinars, compared with 10,360 million dinars last year. The index for mining in March was 111.8 compared with 109.9 in 1936. The employment index for February was 107.2 compared with 97.7 in 1936. Government receipts for the first quarter were 2,522 million dinars, against 2,397 million dinars in 1936.

Tourist traffic is still a growing asset in the balance of payments. Whereas in 1924 only 190,000 visitors spent 1,570,000 days in Jugoslav holiday resorts, in 1936 948,000 spent 5,265,000 days. Of these 258,000 were foreign tourists with 1,500,000 days stay. The estimated receipts were 342 million dinars, which, when balanced against an expenditure of Jugoslavs abroad of 192 million dinars, leaves a credit balance of 150 million dinars net. The Ministry of Finance has now introduced a special tourist rate for the dinar of 250 to the £1 compared with the official exchange of 238.

Palestine

Undeterred Enterprise

Jerusalem, July 1. — The Memorandum on the development of the Jewish National Home during 1936 which has just been submitted to the Permanent Mandates Commission by the Jewish Agency for Palestine has a special interest, both because of the troubled events in the Holy Land during last year, and because of the proposed changes in the status of the country if the recommendations of the Royal Commission are adopted. The outstanding feature of the Memorandum is that the progress of the Jewish National Home was maintained despite the obstacles of continued unrest and the Arab strike.

In the disturbances eighty-two Jews were killed and 369 were wounded, and the damage to property was estimated at £250,000. Yet during the same period there was a Jewish immigration of 30,000, a fresh investment of private capital estimated at £8,000,000, and a Jewish contribution for public purposes of over £1,000,000. The 30,000 immigrants included between 8,000 and 9,000 from Germany, and a large part of the private capital was brought by them.

Business Activity

When the port of Jaffa was closed by the Arab strike, the Jews constructed a temporary jetty at Tel Aviv, now by far the largest city of Palestine with about 150,000 inhabitants. They are developing their lighterage port to rival Jaffa, and employ permanently 400 Jewish port-workers. There was a considerable decline in building, particularly in Tel Aviv, but a corresponding increase in agricultural labour, Jewish workers taking the place in Jewish orange groves of Arabs who were on strike.

The increase in the export of oranges was remarkable. In the year 1935-36, when the crop was poor, exports amounted to between 5,000,000 and 6,000,000 cases; in the year 1936-37, they were over 10,000,000 cases. The value of orange exports rose by £3,500,000 of which about half goes to the Arabs and half to the Jews.

Local industries received a certain setback, largely because Arabs would not buy Jewish products, and the success of the Levant Fair at Tel Aviv last summer was impaired. On the other hand, the few major industries in the country continued their upward progress.

It is another indication of steady progress that the Anglo-Palestine Bank increased its capital by £300,000. The General Mortgage Bank, and the Palestine Corporation, which is an English enterprise, also made large increases of capital and there was a big rise in the loans issued. The Co-operative Societies, which represent the principal instrument of Jewish development, and have 100,000 members out of a total Jewish population of 400,000, continue to multiply: the total number of registered societies now reaches nearly 700.

Jewish Expenditure

The Memorandum contains an estimate of the expenditure of Jewish enterprise among the Arabs in a normal year. It reckons the amount at nearly £3,000,000, made up of: £1,500,000 spent on agricultural produce; £750,000 on building materials produced in Arab quarries and industries; £250,000 in wages to Arab labourers; and £250,000 in rents of buildings, transport of goods, etc. It is estimated, too, that the Jews to-day, who constitute 30 per cent. of the population of Palestine, contribute about 60 per cent. of the Government's revenue. It is reckoned that they pay over £10 per head in State taxation, while the Arabs pay £2 6s. per head. It is a feature of Palestine economy that the capital of new enterprises is in great measure provided by immigrant settlers or by public contribution by the Jewish people, and a very small amount of interest is paid abroad.

Not less striking than the record of material progress is the account of the development of the Jewish social services and of educational institutions. Some 9,000 children were added to the school population, which amounted at the end of the year to 61,000, and the budget of the Jewish school system was £335,000, of which the Government contributed less than 12 per cent. The Hebrew University continued its activities, though one of its lecturers and six of its students were killed during the troubles, and work was begun on a new University hospital which will include a post-graduate medical school. The Technical Institute in Haifa likewise showed a great expansion, the number of students rising from 230 to 360.

New Zealand

Rising Revenue

Canterbury, June 17.—Returns of public revenue and expenditure for the financial year ended March 31st last were recently published, subject to audit, and the surplus of revenue over expenditure amounts to £472,000. This is well above the estimate based on

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eleven months' returns which the Prime Minister made on his departure for London. The returns compare with those of the two preceding years as follows:—

REVENUE (£NZ '000)

	1934–35	1935–36	1936–37
Taxation—			
Customs	7,424	8,161	9,499
Beer duty	671	715	842
Sales tax	2,171	2,463	3,045
Highways	1,910	2,124	2,503
Stamp and death duties	3,521	2,842	3,163
Land tax	493	459	1,048
Income tax	3,796	4,581	6,619
Other taxes	192	211	222
Total Taxation	20,178	21,556	26,941
Interest receipts	2,930	2,721	2,387
Other receipts	3,018	1,895	1,819
Total revenue	26,126	26,172	31,147

EXPENDITURE (£NZ '000)

	1934–35	1935–36	1936–37
Permanent Appropriations—			
Debt service	9,781	9,346	9,380
Exchange	1,459	1,594	1,581
Highways	1,587	2,107	2,509
Other services	615	702	618
Annual Appropriations—			
Social services	7,145	7,756	9,913
Other services	3,913	4,386	6,674
	24,500	25,891	30,675

In 1936-37 the graduated land tax replaced a flat land tax, and income tax rates were increased. These two taxes accounted for £NZ2,627,000, nearly half the total increase of £NZ5,385,000 in taxation. Non-tax revenue was lower, interest receipts falling by £NZ334,000. Customs, sales tax, and income tax yielded substantially more, and land tax much less, than the estimate. On the expenditure side debt services and exchange exceeded the appropriations, while social services and other services cost less than the amounts provided. Total expenditure was £NZ387,000 less, and total revenue £NZ80,000 more than the amounts estimated.

For the coming year provision must be made for a full year's expenditure on many items which were increased for only part of last year, and further social services are promised as well. Though the tax yield is increasing, there is some concern that further exactions may be made. At the same time the Government is being reminded of its pre-election promises to reduce taxation. Both the sales tax, imposed in 1933, and the petrol tax of 10½d. per gallon, of which 6d. goes to the highways fund and 4½d. to general revenue, have been severely criticised.

The Cost of Public Works

The full year's expenditure on capital account is not yet available, but for the nine months ended last December the amount spent from the public works fund was £NZ2,370,000, compared with £NZ1,056,000 for the same period in 1935. The nine months' results suggest that the full year's expenditure will be well below the amount provided for public works. In the past two years these works have absorbed about 8,000 additional employees, and the total employed on public construction now exceeds 20,000. The numbers have increased steadily during the past year, and it appears that the public works programme, supported as a means of lessening the effects of depression, will reach its fullest activity about the time that prosperity reaches its peak.

Local experience shows the necessity for deliberate and long-term planning if public works are to be used as a means of ironing out the fluctuations of the trade cycle. Constructional expenditure, both public and private, usually varies with the general level of confidence, increasing in times of active business, declining in times of depression, and therefore widening rather than narrowing the swing between good and bad times.

Over the past two years the improvement has been definite and substantial. Comparing the March quarters of 1935 and 1937, free bank deposits have increased by 36 per cent., note circulation by 38 per cent., the local debits to all bank accounts by 46 per cent., and the yield of the sales tax by 43 per cent. These figures indicate an increased monetary turnover of the order of 40 per cent., and the rising trend of export income should ensure a continued expansion both of domestic trade and of imports. Both exports and imports have now shown an unbroken upward movement for two years. For the year ended April, 1937, exports, including specie, amounted to £NZ62.5 millions, the highest figure ever recorded. The highest pre-depression record was £NZ57.1 millions in 1924-25. Imports at £NZ48.4 millions have also reached their pre-depression level and are following exports.

[*Erratum:* In the New Zealand letter published in the issue of *The Economist* dated May 15th, the total value of bales of wool exported in the four months ended February, 1937, was printed as £NZ901,505 instead of £NZ6,901,505, which is the correct figure.—ED. *Econ.*]

Irish Free State

After the Elections

DUBLIN, July 4.—Mr de Valera has all but received a renewed vote of electoral confidence, and his Constitution has been approved by a majority in the plebiscite. The election was a singularly tame one, principally because there did not seem to be very much difference between the policies of the two main parties. In the matter of election promises Mr Cosgrave attempted to outbid Mr de Valera by offering a programme which would have been extremely costly to carry out, while, on the vital issue of the Free State's relationship with the British Commonwealth, there was not much to choose between Mr Cosgrave's not very enthusiastic desire to co-operate and Mr de Valera's realistic acceptance of the *de facto* situation. In the circumstances the more striking personality carried the day.

While there is a great deal to be said by way of criticism of Mr de Valera's handling of affairs in the last five years, his return to power is by no means an unmixed evil. On constitutional issues, he has gone as far as he proposes to go for the present, and there is no danger of any step that would lead to a severance of the slender ties that bind the Free State to Great Britain. Apparently the new Constitution is regarded by its author as a satisfactory charter of Irish liberty, and it may be taken that constitutional equilibrium has been attained. Mr de Valera is in a better position than Mr Cosgrave to deal with the extreme elements in the country, and he has recently shown a commendable firmness against the forces of disorder. In the political sphere the result of the election, though disappointing to many, is not the cause of any anxiety. Unfortunately, the same cannot be said of the probable results in the economic sphere.

High Prices and Emigration

It may be assumed that no immediate settlement of the annuities dispute will be reached and that the economic policy of the Government will remain unchanged. This will involve the continuance of the economic war and the pursuit of self-sufficiency to the utmost possible limits. The economic war has been the cause of serious losses to farmers, and the exports of agricultural produce has been maintained only with the aid of bounties. The self-sufficiency policy cannot be pursued much further except at a totally disproportionate cost, as the majority of articles that can be produced in the Free State are already being produced, and imports now consist almost entirely of raw materials and capital goods. Complaints about the rising cost of living are heard on all sides and are largely responsible for the numerous strikes in Dublin. Spokesmen for the Government party at the election were driven to admit that these complaints were not without foundation, and were fertile in inventing ingenious explanations of the prevailing high prices.

The high cost of living may accelerate the already rapidly moving stream of emigration. The following figures show the numbers who have emigrated to Great Britain (excluding those who have gone through Northern Ireland) in the last three years:—

Year ended March 31, 1935	15,979
Year ended March 31, 1936	20,161
Year ended March 31, 1937	28,512

The most striking fact that emerges is the rate at which the movement is growing. Everything points to a still further increase in the future, and the prospect of a serious decline in the population is causing much anxiety. The emigrants come from all parts of the country. In the rural areas the movement is the result of unemployment and agricultural depression, while in the towns it reflects the rising cost of living.

In view of the high degree of mobility of labour between the Free State and Great Britain, a rising cost of living in Ireland will cause emigration of skilled workers unless money wages are raised proportionately. At the present time large numbers of workers in the building trades are moving to England because Dublin employers are unable to pay the wages necessary to satisfy them at home. When the building strike is settled, a serious shortage of skilled labour may be experienced. This drain of men is a grave problem.

The injury inflicted on the export trades by high protection and the rising cost of living is illustrated by the decision of the Dublin Dockyard Company to close down. The reason given for this regrettable step is the high cost of materials in the Free State. Thus the exporting industries are deserting the country one by one, and their place is being taken by protected industries which can never hope to sell outside the domestic market. Possibly the amount of employment in industry is increasing, but much of the new employment is of a badly paid and unskilled nature. Of course, it cannot be suggested that the volume of employment in the Free State as a whole is increasing, as the emigration statistics clearly prove that it is on the decline. The Free State is in the unhappy position of subsidising the supply of the most important factor of production employed by its antagonist in the economic war.

Letters to the Editor

N.D.C.: New and Old

TO THE EDITOR OF THE ECONOMIST

SIR,—Being accustomed in general to suspend judgment on economic and financial questions until I have seen the considered opinion of *The Economist* upon them, I am shocked to discover your journal adopting a standpoint in the controversy between Mr Cadbury and yourselves on "N.D.C.: New and Old," in favour of which, so far as I can see, nothing but sophistical arguments can be advanced.

"A tax on high profits can be much more easily justified than most of our existing taxes." This is an *obiter dictum* which would require some proving.

"The ability to pay is unquestioned." If by this is meant that the money is there and can be taken without regard to other considerations, as much might have been said of the old N.D.C.

"As for equity, it is true that continued high profits may be due to superior management. But they may equally be due to good fortune or lack of scruple. In any case, high individual earnings, due to the same causes, are already taxed at a differential rate. Is that inequitable?" Is there any good reason why high profits which *are* due to superior management should be taxed at a higher *rate* than profits obtained in spite of inefficiency or through monopoly? Is there any prospect that we can establish an equitable system for a differential tax on the earnings of good fortune, or still more of unscrupulousness?

If I may quote from a letter which has already appeared in *The Times*, I would answer that the principle of graduation is generally accepted in the case of individuals on the simple ground that a given fraction of a small income represents a much more serious burden on the taxpayer than the same fraction of a much larger income. The same reasoning cannot be applied to company earnings, which are distributed among a vast number of shareholders at very different income levels.

"Finally, there would be little effect on *enterprise*, since the profits to be taxed, by definition, would be those in excess of the rate to be expected normally. It would be, in general, a tax on windfalls—the fairest of all taxes." The effects on enterprise and on prices would be difficult to calculate, but, leaving aside the question what is the rate of profit to be expected normally, I have no hesitation in saying that the imposition of a graduated tax on enterprise must inevitably be to discourage it and to educate business in the belief that after a normal profit has been attained the additional effort to achieve better results must require the prospect of a still greater additional profit to elicit it.

We may say farewell to enterprise, which is constantly and properly seeking abnormal profits, if investors are to be divided into two categories—holders of fixed interest securities paying a "normal" rate of interest, and holders of equities specially taxed if the yield exceeds that rate of interest by more than one or two per cent.

In fact, the maintenance of your point of view seems to me to be entirely inconsistent with capitalism; it is a disguised attack on the profit system in industry, which is the essence of industrial capitalism.

As for the statement that a tax of the kind under consideration would be in general a tax on windfalls, I am unable to attach any meaning to the phrase, unless it is contended that, in general again, the different earning capacities of various undertakings in the same line of business can rarely be accounted for by a difference in efficiency of management or in enterprising spirit: that, in short, profit is in general, beyond a somewhat arbitrary figure of normal profit, an unearned increment.

Your obedient servant,

3 St. Helen's Place, E.C.3. ANDREW MCFADYEAN.

The Problem of Lending Abroad

TO THE EDITOR OF THE ECONOMIST

SIR,— was interested to read your review on foreign investments in *The Economist* of June 26th. British foreign investments in the past were in countries that were undeveloped, such as Canada, Australia, Africa, the South American countries, India and China. These were all countries that needed capital equipment to develop their national resources. This made work for our secondary industries, our shipping and our banking. It also gave us control over the mineral and agricultural resources of a great part of the world. And it is on the foreign investments of the past that we have to depend to-day for the greater part of our invisible imports. We are living on the past.

The trend of foreign investment since the war has been in industrialised countries. Germany and Japan are two examples. In Germany, because of blocked currency and defaults, foreign investments have been more of a liability than an asset. British investments in Japanese industry have assisted Japan to become our biggest trade competitor in the colonial market and in South America. In Australia, for instance, with her depreciated currency, our goods are too dear to buy, and they buy cheaper ones from Japan. Thus in neither of the cases quoted are foreign investments of benefit to our secondary industries. They are, rather, a menace.

There is another form of foreign investment, on the American Stock Exchange. This benefits American industry, and also the holder of American securities, but it does not benefit our secondary industries as our foreign investments of the past did. It is difficult to see what will be the outcome; but it is obvious that the foreign investments of the past were the best.

I remain, yours sincerely,

H. S. VINCE.

Holloway

Books and Publications

Russia in the Making

THIS book* by the Planning Commission of the Soviet Union describes the second instalment of a leading adventure in national planning, and comes appositely when the whole industrial scene in Russia has been disturbed by rumoured treason and plot. The first Plan, upon which actual work began in 1928, was concerned in the main with the development of heavy industry and the production of capital goods. In the second Plan it is aimed to complete this process of capital construction, while effecting a considerable increase in the volume and variety of goods for final consumption.

The stipulated industrial progress to be made in the second five-year period makes very impressive reading. The total value of production was to be increased from 43,000 million roubles in 1932 to 92,700 millions in 1937. Large-scale developments were specified in coal, iron and steel, electricity, chemicals, building materials, and in road, rail and air transport. In agriculture, no considerable increase in grain acreage was contemplated, but the production of industrial crops was to be greatly extended, and greater sums were to be spent on the improvement of agricultural technique generally.

The Plan anticipates at the end of the period a net increase in the national income of over 100 per cent. compared with 1932, and a larger proportion of the total is to be used for increased personal consumption and the improvement of social conditions. The total wage fund was to be raised 55 per cent. compared with 1932, permitting an average wage increase of 23 per cent.; while real wages were to be improved by a fall of 35 per cent. in the retail prices of food and manufactured articles, and a considerable increase in the sums allocated for housing, health, education and other social services. There is in all this an almost cosmic optimism in the power of the State to control economic forces, belied a little perhaps by recent events in the sphere of politics.

From the economist's point of view, the actual Plan presents some interesting features, the most noteworthy being the attention paid to the question of production costs. Again and again it is insisted that costs can and must be greatly reduced. The danger of bureaucracy and the determination of the planners to deal with it are at once evidenced by a decision to abolish some half-a-million administrative posts in industry. Productivity per worker is to be increased in all industries by the progressive mechanisation of productive processes; by the general application of piece-work and bonus systems; by the encouragement of the Stakhanov movement (individual output record-making and breaking); and by the provision on a large scale of special technical and industrial training. Time lags between cognate processes are to be reduced, and output lags in certain sections of industry eliminated.

Altogether, the Plan is conceived on an immense scale. Every phase of industry has its herculean task; every side of cultural life has its purpose to be served. How far it will prove successful is difficult to estimate. The President of the Commission, in the foreword, assures us that already in 1935 there was evidence enough to justify considerable optimism; but careful reading shows that while in some respects expectations may be fulfilled, in others the results are certain to be disappointing. It is likely, however, that the net results, calculated in terms of Russian conditions, will show considerable progress and place Russia in the first rank of industrial nations. And there are lessons in the experiment for the would-be planners of industries in other countries.

The book itself makes rather tedious reading. Its repetitions, statistical and terminological, are tiresome. It makes many claims which are of doubtful merit, and many comparisons which are misleading and difficult to check. In places it bears too patently the impress of its origin, and, as might be expected, it raises many points which could usefully be discussed at greater length. The section on working costs is likely to have a mixed reception among Socialists and trade unionists; for, in truth, it might have come from the office of the hustling managing director of some American corporation.

Doubts might also be raised about the claim of the Plan to have established a classless society, in view of the general adoption of differential wage and salary rates and the building up of a technical intelligentsia. It might even be feared that what was ultimately to mean the establishment of a Socialist pattern which one day the world in its wisdom would hasten to emulate, is actually degenerating into a modified form of State capitalism which, in the end, will differ little in essentials from the condition of things to be found in other countries. Meanwhile the Plan has been more than a little obscured by the ramifications of the Plot.

* "The Second Five-Year Plan." State Planning Commission of the U.S.S.R. Lawrence and Wishart. 671 pages. 8s. 6d.

Shorter Notices

"The Rise of Modern Industry." By J. L. and Barbara Hammond. Fifth Edition, revised and enlarged. Methuen. pp. xii + 303. 10s. 6d.

The number of the editions through which this book has already passed shows how aptly it has supplied a demand for an expert, concise and comprehensive history of the origins of the material factor that dominates the life of the contemporary world. The additions made to the book in its latest version notably increase its value; for in a new chapter the authors resurvey the Industrial Revolution in the light of a world economic crisis which had not appeared above the horizon at the time when the book was first published. In trying to perform the difficult task of charting the world's present course, the authors have taken their bearings from an analogy with the state of the world during the first two centuries of the Roman Empire. They point out that in that age, too, there was a world economic order which was comparable to our own during the past hundred years; but they go on to show that this ancient economic world order was set firmly in the framework of a political world order—the *Pax Romana*—which has, unhappily, no equivalent in our modern society. This book will help every reader to gain light on the sphinx-like question whence our modern society has come and whither it is going.

"The L. S. D. of National Defence." By Miss P. M. Rae. Hodge. 199 pages. 6s.

Miss Rae pleads with verve and lucidity for the proper planning of our warlike economy. National defence is a new science embracing a range of special economic problems, and effective organisation for war must include the coordinated adjustment of taxation, debt, money, prices, exchange rates, commerce, production and supplies. It is a sad state to which she calls us. It may be that *Wehrwirtschaft* is our destiny, but probably the canons of what Mr Einzig in his introduction calls orthodox economics will not be so inapplicable to our preparations as this book suggests. In any case, it is comforting to be told that economists do not favour war-making, even though Miss Rae and Mr Einzig regard their fastidiousness as dangerous.

Books Received

The Colonial Problem. A Report by a Study Group of Members of the Royal Institute of International Affairs. Oxford University Press. 450 pages. 21s.

The Triumph of Barabbas. By Giovanni Giglio. Gollancz. 317 pages. 10s. 6d.

Die Proportionshrisentheorie. By P. Kadosa. (Vienna) Bernina-Verlag Ges. M.B.H. 119 pages. No price stated.

The Corn Trade Year Book, 1937. (London) Corn Trade News, 14, St. Mary Axe, E.C.3. 164 pages. 10s. post free.

MONEY AND BANKING

Currencies and Trade in Scandinavia

IN all four countries of Northern Europe in the last six months there has been a marked expansion in the turnover of foreign trade, imports rising even more quickly and to a higher level than exports. But the causes and effects of this movement differ in each country. Sweden to-day is in an embarrassingly good position, whereas that of Denmark justifies a certain amount of apprehension. The situation in Finland closely approximates to that in Sweden, while Norway is about halfway between its more fortunate and less happy brethren. A glance at the latest figures for each country's balance of international payments below illustrates the magnitude of the problem.

Sweden and Finland are suffering from an abnormal accumulation of gold and foreign currency. They are finding it difficult to keep the krona and the mark down at the present " sterling club " levels. Norway, which has had a much slower start on her way to prosperity, is now developing in a somewhat similar way, while Denmark, which for a long time suffered from a shortage of gold and foreign currency, is still faced with certain peculiar difficulties—even though during the second quarter of the year the position has visibly improved. The rise in world prices raises the export proceeds of Norway, Sweden and Finland at once, but Denmark has first to pay higher prices for imports of fodder and raw materials before she can raise her export prices.

There is much closer collaboration in Sweden between economists and the Government or central bank than in this country, and the authority of both the senior generation of economists (like Professors Cassel and Heckscher) and the younger (like Professors Myrdal and Ohlin) is very great. Yet, so far, they have not been able to secure adoption of their views, which vary in detail but seem to agree on the main principles of desirable action. Their contention at the moment appears to be that, for a number of reasons, it would be advisable for Sweden to avail herself of her liquid financial and commercial position to take certain precautionary measures now—in order to avoid the possible shock or complications that may later arise from the world's present monetary and commercial trends. The Government and the Riksbank, while not denying that some steps may become necessary in the future, are as yet reluctant to take any action and do not seem at all anxious for the moment to follow one of the main courses that have been suggested—namely the " unpegging " of the krona from sterling and a return to the old gold parity of the krona or to one even higher than that.

In 1931, after abandoning the gold standard, the aim of Swedish policy was stated to be the maintenance of the krona's purchasing power in the hands of the Swedish consumer. Further consideration in 1932 and 1933 resulted in the realignment of this policy so as to bring about a rise in domestic wholesale prices without any perceptible rise in the cost of living. The rapid recovery of the country, and the uninterrupted expansion of its industrial production and of its foreign trade made it at times very difficult to keep the krona pegged to sterling; for the accumulation of gold and foreign currencies was gradually becoming embarrassing. The Riksbank seems quite prepared even now to follow its singularly successful policy of the last five years. But a new factor has now arisen which seems to warrant—if not yet to dictate—certain modifications in the 1933 programme.

The strong upward tendency in world prices and the threat of inflationary developments—particularly in England—not unnaturally fill the Swedish authorities with apprehension. Legislation has been introduced which permits the Government and the Riksbank to take action should it become necessary; but to avoid any misunderstanding, the Minister of Finance has pointed out that no change in the external value of the krona was contemplated " for a foreseeable time." That expedient, no doubt, would be utilised only in the last resort; but it is hard to see how it could possibly solve Sweden's fundamental problem, which is also that of Finland: namely, how to check effectively the further accumulation of gold and foreign currency, and the rise in prices consequent on present trends in their exports.

It is generally agreed that if any unpegging of the krona is to occur, it would be desirable for Finland to unpeg the mark simultaneously. The pressure in Finland

SWEDEN'S BALANCE OF PAYMENTS 1936
(Capital movements excluded)

Income	Mill. Kr.	*Expenditure*	Mill. Kr.
Exports	1,529	Imports	1,651
Interests and dividends	103	Interests and dividends	34
Shipping	290	Port expenditure	144
Emigrants' remittances	14	Tourists' expenses	54
Tourists' expenses	60	Other expenditure	28
Other income	38		
Total	2,034	Total	1,911

Surplus of income kr. 125 mill. Kr. 19·39½=£1.

DENMARK'S BALANCE OF PAYMENTS 1936

Income	Mill. Kr.	*Expenditure*	Mill. Kr.
Exports	1,380	Imports	1,484
Freights (gross)	215	Interest	105
Transport of foreigners on Danish ships	5	Foreign firms in Denmark	15
Interest and dividends	15	Tourists	45
Danish firms abroad	30	Danish ships abroad (port dues, coal, etc.)	80
Foreign ships (port dues, etc.)	64	Sundry items	20
Tourists	30		
Sundry items	15		
Total	1,754	Total	1,749

Surplus of income kr. 5 mill. Kr. 22·40=£1.

FINLAND'S BALANCE OF PAYMENTS 1936

Income	Mill. Mks.	*Expenditure*	Mill. Mks.
Exports	7,235	Imports	6,325
Harbour charges	80	Smuggling	5
Shipping freights	460	Post Office, railways, etc.	15
Emigrants' remittances	100	Representation abroad	30
Foreign travel	210	Remittances to emigrants	15
Foreign insurance	140	Travel abroad	270
Post Office, railways, etc.	10	Insurance abroad	150
Interest and dividends (from abroad)	15	Interest and dividends	285
Foreign representatives	20		
Total	8,270	Total	7,095

Surplus of income 1,175 mill. marks Mks. 226=£1.

NORWAY'S BALANCE OF PAYMENTS 1936

Income	Mill. Kr.	*Expenditure*	Mill. Kr.
Exports	674	Imports	922
Whale oil sold directly	56	Disbursements abroad of whaling companies	12
Gross freight earnings	510	Disbursements abroad of shipping companies	255
Interest and dividends	18	Interest and dividends	92
Tourists	48	Sundry items	18
Transit	15		
Sundry items	32		
Total	1,353	Total	1,299

Surplus of income kr. 54 mill. Kr. 19·90=£1.

is as yet somewhat less strongly felt than in Sweden: not only is there an internal market that is still capable of much development and can absorb the rapidly growing imports, but Finland can still (but not for long) go on repaying the remains of her foreign indebtedness. Not only has she already succeeded in wiping out most of her long-term and short-term loans, but she is the only country in the world to-day paying her war debt. Finland has been carefully investing in foreign production goods, in machinery and equipment of every sort.

Sweden and Finland would like to use their ever-growing sterling balances for purchasing more British goods. But there are unexpected obstacles. Re-armament and the building boom in this country, themselves the main causes of the great trade expansion in Scandinavia, are at the same time preventing British manufacturers from supplying Scandinavian customers, despite five years of official exhortation of Scandinavians to "Buy British." Scandinavians are noting with anxiety that British makers of machinery and equipment cannot even fulfil British demands without sharp rises in price and unconscionable extension of delivery dates. They do not want to have to hand over their accumulating sterling balances to Germany, for both political and commercial reasons, since it would greatly aid Germany and make their trade dependent on her economic system. But this is now a real danger. Even Denmark, which has been severely—and quite wrongly—criticised in certain British circles for not buying enough (actually her purchases in Great Britain by far exceed those of any other Scandinavian country) finds herself handicapped not only by her own exchange control but also by the demands made on British manufacturers by our home market.

The situation in Denmark this year has developed in a series of ups and downs. During the first quarter there was an alarming disparity between the prices of raw materials which the Danes are compelled to import, and the prices of agricultural produce exported by them. This naturally exercised adverse effects on the economic life of the country. In April and May, however, a marked reaction in commodity prices set in, while on the other hand the shipping boom has done much to mitigate the trade disequilibrium. Although in Denmark, too, imports have risen much quicker than exports, the general expansion of foreign trade has been most beneficial. But the uncertainty of Great Britain's agricultural policy is having an unsettling influence. Under the circumstances it must be considered as something of an achievement that the Danish National Bank has been able to make considerable repayments of its foreign loans and credits, and that at the end of June its net foreign indebtedness amounted to only Kr. 16 millions. It is, however, constrained to pursue a restrictive credit policy, which has already resulted in the slowing down of building activities, and must further curtail production—unless, of course, a good harvest and an improvement in export prices materially alleviate the present tension. British commercial policy in this respect is crucial for Danish currency policy.

Finally, from slow beginnings, Norway has made a big spurt in the recovery race, greatly aided in her foreign trade by the steep rise in shipping freights in the last year (see chart on page 69). Norway has the second largest mercantile fleet in the world, and her income from abroad on this account last year was almost as great as that from exports of merchandise. This has enhanced the liquidity of her money market.

Thus, Scandinavian domestic economic problems, and those of Scandinavian currencies as a whole, have reached a stage at which they are dependent on developments in other countries. Of these Britain is chief. But while Scandinavians prize the great British market, they are becoming increasingly anxious over the implications for them of British economic developments, especially as these may be reflected in the movement of British prices. It would be unwise for British governmental, business and banking authorities to ignore these considerations, for the four Scandinavian countries have become very important to Britain as suppliers of vitally necessary products at a time when other importing countries are competing for them.

Financial Notes

Recent Franc Trends.—Until Wednesday evening, there was a steady repatriation demand for francs, and the French authorities were able to accumulate a certain amount of gold. This demand, however, only represented the repatriation of liquid balances (estimated at Frs. 2,500 to 3,000 millions) urgently required at home, and on Thursday it came to an abrupt end. In consequence the French control had to become a buyer of francs and seller of gold, and while the spot rate for sterling remained at Frs. 128¼, three months' francs weakened from Frs. 2⅜ to Frs. 4 discount, the latter rate equalling 12½ per cent. per annum. The Banque de France return for July 1st is most discouraging. It shows a gold loss of Frs. 6,000 millions during the preceding week, an increase of Frs. 780 millions in provisional loans to the State, raising them to Frs. 22,160 millions, and an increase of Frs. 2,000 millions in the note circulation to Frs. 88,000 millions. The latest figure is the highest on record since the days of the *assignats*, while the ratio of gold to sight liabilities has fallen to 47 per cent., which is the lowest figure since the Poincaré stabilisation and is not far above the legal minimum of 40 per cent. This return coincides with the height of the recent crisis, and makes it clear that the French Exchange Fund had lost all its gold by early June. The Government's tax plans are an important factor, and a rumour that the increased direct taxes would yield only Frs. 500 millions was one explanation of Thursday's reaction.

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The Dollar and Gold.—Early this week French repatriation caused the dollar to depreciate from $4.94⅛ to $4.95. The American Control is then thought to have intervened and bought dollars, chiefly to maintain equilibrium all round the pound-dollar-franc triangle in face of the French repatriation movement. Suddenly, on Tuesday and Wednesday, the American Control dropped out of the market. Sterling at once went to $4.96¼, and most dealers were taken by surprise. Then the American Control came in again, and also owing to Thursday's check to French repatriation the sterling rate was brought back to $4.95 and then to $4.95⅛-¼. Meanwhile the weaker tendency of the dollar was the direct cause of the disappearance of the London gold discount and the appearance on Wednesday of a premium of ½d. per ounce above the New York parity price. On Thursday the price was at par. The explanation was that the New York parity price fell with the depreciation of the dollar, and so buyers were tempted into the market. Also there was an inducement to the British authorities to buy gold in London in order to support the dollar. Official British gold purchases would both reduce gold shipments to the United States and also release sterling, some of which might be turned into dollars. In these circumstances the disappearance of the gold discount is a perfectly normal consequence of the weakening of the dollar.

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The Floating Debt.—The passage into law of the Bill increasing the Exchange Equalisation Account by £200 millions lends special interest to the latest floating debt return: for so soon as the new increase in the Exchange Account takes effect, the floating debt will be raised by the same amount. Initially this new expansion will take the form of tap issues of Treasury bills, but if the authorities have to make use of their new powers to acquire gold, then the expansion will gradually be transferred from tap to tender issues of Treasury bills. The following table shows the latest floating debt posiiton, compared with that of the New Year and a year ago. The statement for March 31st last is also added, as that was the date on which the Exchange Equalisation Account's gold holdings were disclosed at £186.7 millions.

	June 30, 1936	Dec. 31, 1936	Mar. 31, 1937	June 30, 1937
	(£ millions)			
Treasury bills—				
(*a*) Tender	568·0	552·0	500·0	503·0
(*b*) Tap	197·3	214·2	174·6	135·2
Ways and Means Advances—				
(*a*) By Public Depts.	35·2	27·8	23·5	18·2
(*b*) By Bank of England	26·7	57·0	...	49·3
Total	827·2	851·0	698·1	705·7
Floating Assets	232·5	242·0	198·1	153·4

The estimates of the volume of tender and tap Treasury bills outstanding on June 30th and December 31st represent an attempt at an adjustment to allow for the fact that there are heavy maturities and few payments for new bills during the closing days of each half-year. The adjustment took the form of deducting from the tender issue and adding to the tap issue an amount approximately equal to the Ways and Means borrowing from the Bank at each date. The justification for this is that the borrowing is needed to bridge the temporary discrepancy between maturities and payments. The crude figure of tender issues obtained by adding together the preceding thirteen weeks' allotments would be too high by this amount, and as the tap issue is obtained by deducting the tender issue from the total Treasury bill issue, it would equally be too low.

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After making these necessary adjustments, the table shows the extent of the drop in the department's floating assets, consisting of tap issues of Treasury bills plus Ways and Means advances from the departments, both during the past winter months and also since March 31st last. This drop partly reflects the "inside" support given to new Government loans, notably the National Defence Bond issue of last April, £49.5 millions of which had been paid up by June 30th. The final call of £50 millions fell due at the beginning of this week, and this will probably cause a fresh drop in floating assets. Still allowing for other imponderables, including official re-sales of Defence Bonds on the market, this contraction of £45 millions in floating assets since March 31st also reflects the recent gold purchases by the Exchange Equalisation Account. These involve a reduction in the Accounts holdings of Treasury bills and an equivalent increase in tender issues of Treasury bills. Incidentally, once the half-year's disturbance is over, the effective tender issue will be £552 millions, which is the amount shown by adding together the past thirteen weeks' allotments. This figure compares with one of £500 millions for March 31st last, and while this increase of £52 millions partly arises from the much smaller expansion of £7.6 millions in the floating debt, it is mainly due to the Government borrowing to finance the Exchange Account's gold purchases and also to re-armament expenditure financed in part by a loan which has only been taken up very incompletely by the general body of investors.

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The Money Market.—While funds have been reasonably plentiful, the clearing banks have experienced a steady afternoon demand for money during the whole of this week. The Bank return shows that the supply of cash has been a little on the low side. Monday's call of £50 millions on the National Defence Bonds made little difference, as the bulk of the bonds are still held "inside."

	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing bank's deposit rate	½	½	⅛-⅝	½
Short loan rate :—				
Clearing banks	½-¾-1*	½-¾-1*	½-¾-1*	½-¾-1*
Others	½	½	½-⅝	½
Discount rates :—				
Treasury bills	⅝	⅝	½-⅝	½
Three months' bank bills	11/16-¾	11/16-¾	⅝	17/32-⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

There has only been a moderate demand for bills by the clearing banks, possibly because of the reduction in their cash. Discount rates, however, are back again at their minimum after their firmer tendency in June. The banks have bought a few August and September Treasury bills at ½ per cent., and on Thursday began to buy October Treasuries.

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The Bank Return.—There has been a further increase in the note circulation, which has not only raised the total circulation to a new high record, but is also unusually large when compared with the parallel movements of previous years. A further expansion in internal spending at home is advanced as the main explanation, but it is possible that the joint-stock banks are still replenishing their currency reserves, which were drawn upon during June through French hoarding. The funds so far repatriated to France represented liquid industrial and financial balances sent over here just in time to snatch the profit on the new franc depreciation. None of the French money previously hoarded in British currency has yet been repatriated.

BANK OF ENGLAND

	July 8, 1936	June 16, 1937	June 23, 1937	June 30, 1937	July 7, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	225·6	321·3	326·4	326·4	326·4
Note circulation	443·1	479·8	483·7	488·4	494·4
Banking Department :—					
Reserve	43·5	42·4	43·6	38·9	32.9
Public deposits	10·5	10·0	15·5	10·8	15·2
Bankers' deposits	96·7	102·3	95·0	140·5	88·5
Other deposits	38·4	37·1	37·2	40·2	37·2
Government securities	96·8	101·3	98·0	140·6	96·6
Discounts and advances	6·0	3·7	3·8	6·3	9·0
Other securities	17·4	19·9	20·2	23·7	20·4
Proportion	*29.8%*	*28·3%*	*29·5%*	*20.3%*	*23.3%*

The week's movements in the banking department represent the aftermath of the end of the half-year. The Government has repaid the bank out of the receipts for new Treasury bills at the end of last week, and in consequence bankers' deposits have fallen to more normal dimensions. A comparison with the return of a fortnight ago in fact shows that bankers' deposits have fallen by £6.5 millions as the result of the £10.7 millions expansion in the note circulation. The Reserve and the Proportion have also fallen to an unusually low figure, and it looks as if the Bank may have to take over more gold from the Exchange Equalisation Account.

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Six Months' Money Rates.—The following table gives for purposes of record a comparison of money and discount rates for the past half-year with those of previous years:—

AVERAGE MONEY RATES

Year	Bank Rate	Market Rate 3 Months' Bills	London Deposit Rate, Banks	Average Short Loans Bill Brokers
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1925	4 11 0	4 2 0	2 11 0	3 9 3
1926	5 0 0	4 10 3	3 0 0	4 1 1
1927	4 13 0	4 4 10	2 13 0	3 15 0
1928	4 10 0	4 3 0	2 10 0	3 12 6
1929	5 10 0	5 5 4	3 10 0	4 12 3
1930	3 8 5	2 12 3	1 8 5	2 9 6
1931	3 18 7	3 11 0	2 1 0	3 0 10
1932	3 0 2	1 16 9	1 5 2	1 15 7
1933	2 0 0	0 13 10	0 10 0	0 15 5
1934	2 0 0	0 16 7	0 10 0	0 16 10
1935	2 0 0	0 11 3½	0 10 0	0 14 10½
1936 First Half	2 0 0	0 11 9	0 10 0	0 15 0
Second Half	2 0 0	0 12 0	0 10 0	0 16 0
1937 First Half	2 0 0	0 11 6	0 10 0	0 15 0

Since last year most rates in the money market have been controlled. The clearing banks have lent at fixed rates of ½, ¾ and 1 per cent. against different types of collateral. "Outside money" does not come into the agreement, and rates have recently been in the neighbourhood of ⅛ per cent. And the clearing banks are still refraining from the purchase of "hot" treasury bills altogether, and of others at less than a minimum of ½ per cent. As a result the table shows little more than reversal of the gradual trend towards higher rates.

THE STOCK EXCHANGE

Prospectuses Good and Bad

WHEN the Stock Exchange is active, and all geese are swans, investors are prone to subscribe to prospectus offers which, in a period of less extreme mental exaltation, they would leave severely alone. It is a truism that the speculative company promoter tends to give the public a good deal of what the public wants rather than a little of what is good for it. The State may pass severe penal laws against *supressio veri* and *suggestio falsi*, but it cannot prevent the seller from exercising his common law right of praising his wares. Those who frame prospectuses are entitled to all the privileges exercised by the itinerant vendor who says: "Buy my oranges, lady; they are sweet and juicy"; for the three elements—informatory, complimentary and exhortatory—of salesmanship are common to both.

It is worth while asking, therefore, whether those who demand a higher standard of prospectus practice might not be wise to devote increased attention to the possibility of reforming public taste rather than statute law. Many things which are perfectly legal in this country are not the acts of a gentleman. The rules of the game of bridge provide detailed penalties for misdemeanours like revoking, exposing a card and leading from the wrong hand, for these are all presumed to be unintentional. They do not provide for card-sharping, which is just not cricket. If an Investors' Prospectus Club, with a million membership, were to choose an Issue of the Week or the Month, what features should govern the Selection Committee's award of good and bad marks? Can we, in fact, draw up a code of professional etiquette for capital issues, having the force of custom, though not of law?

We can obviously take for granted, at the outset, all the reforms embodied in the Companies Act of 1929; but our adjudication will be appreciably influenced by the spirit in which the law's stipulations are carried into effect. We shall give no marks for a three-year statement of a company's profits, but we shall deduct points in cases: (a) where the basis of computation is appreciably different from that on which future shareholders' profits will be assessed; (b) where the total is swollen by extraneous items, whose nature is explained, but whose amount is undisclosed; (c) where all necessary charges, like depreciation, are not deducted before profits are struck; and (d) where they *are* deducted, but at a rate whose adequacy the investor has no opportunity to check. But, above all, we shall frown upon obscurantist auditors' certificates which show profits "after making such adjustments as are believed to be appropriate." On the other hand, we shall award points to businesses which, if they have been established sufficiently long, show profits not for three, but for anything up to ten years, so that we can trace their vicissitudes during a complete trade cycle. Where several companies are being merged, we shall extend our favour to prospectuses which show separately the past earnings of the constituent enterprises.

It is probable, indeed, that the award of a very large share of the total points will be decided in the light of our conclusions on the profits figures. The earnings statement is the crux of every prospectus. It is a yardstick which alone enables the would-be subscriber to measure the company's proper capitalisation, the purchase price which should be paid for its assets, the payments made to intermediate parties, and the price asked for its shares. We must closely concern ourselves, not merely with the form in which profits are presented, but with the character of the figures themselves. The potential subscriber should carefully ignore the conclusions drawn from the figures by the prospectus draughtsmen, and frame his own. He will find that, in nine cases out of ten, he can thereby obtain a shrewd inkling of the true character of the business with whose fortunes he is being asked to identify himself.

The following table illustrates this point. It is a compendium of some of the more common types of profit record, which, before the coming into force of the Companies Act, 1929, would all have been blanketed under the general statement: "Profits for the last three years have averaged £50,000":—

	Case I	Case II	Case III	Case IV	Case V	Case VI
	£	£	£	£	£	£
Year A ...	40,000	20,000	60,000	10,000	80,000	100,000
Year B ...	50,000	50,000	20,000	15,000	55,000	*Dr.50,000*
Year C	60,000	80,000	70,000	125,000	15,000	100,000

Let us examine these figures and see what conclusions follow from them. Case I shows a steady rise in earnings, which suggests a reasonable probability of future continuance—though the investor should remember that if years A to C are part of the recovery phase of a trade cycle, the company may be merely sailing with the tide. Case II shows a far more rapid rise, which needs generous discounting on the ground that those who make records in a hundred yards race seldom win prizes for the mile. Case III is a company to be avoided because, *prima facie*, it is liable to embarrassingly wide fluctuations in earning power during short periods. Due weight should, of course, be given to the arguments which the prospectus will invariably offer in extenuation of year B, but investors will reflect, nevertheless, that stability of earnings is preferable to the passing of dividends for the very best of reasons. Case IV is one of the most difficult of all on which to reach a sound judgment. The extraordinary rise in profits after two meagre years may be due to emergence from severe depression, or to an abnormal boom in trade or to unexpectedly large orders, or to a combination of all these and other non-recurrent factors. One thing only is clear—that no prudent man would base estimates of permanent earning power on the showing of the latest year. Case V is the opposite of Case I; the trend of profits is obviously retrogressive. No statement that "operations since the close of the year show that profits of at least £50,000 are assured for the current period" should persuade the investor to reverse his first unfavourable impression. It may be true; but in the new issue market it does not pay to bet against the form book. Case VI is a more extreme example of the disability instanced by Case III. We have separately enumerated this case to emphasise the principle that a loss in a single year is far more dangerous than a succession of small profits. The probability is that a Case VI company will have more fixed-interest capital than a Case III company, because its *normal run* of profits is higher. The Case III concern could survive a recurrence of Year B, in all probability, with nothing worse than the passing of its preference dividend; but the Case VI company might well have its debenture interest uncovered.

There is one more case which does not merit inclusion in our table, though examples of it have lately been distressingly frequent. Under it come all instances where profits of, say, £15,000, £15,000 and £20,000 are followed by a statement that profits of £12,500 have been earned in the first three months of the current year, and that these are "equivalent to £50,000 for a full year." The arithmetic is correct, but no valid conclusion whatever can be founded upon it.

Our hypothetical code will not necessarily exclude any company under Cases I to VI from the capital market, but it will insist that every material figure in the prospectus shall be related to the crucial facts of the profits return. We shall insist that, though a purchase price and a share capitalisation based on *average* profits would be identical in all instances, much lower figures would be appropriate, e.g. in Cases IV and V than in Case I. Our code would then, naturally and logically, proceed to consider the "gearing" of capital. We might find it advisable to begin by laying down an arbitrary rule that companies with a total capitalisation of less than, say, £150,000 or profits of less than £25,000 should not, in any circumstances, issue debentures or preference shares. In such instances the total issued capital would be insufficient to ensure free marketability. To subdivide would be to create preference shares whose priority was probably worthless, and ordinary shares whose speculative quality made them manipulative counters rather than investment media. Whether the total capital were large or small, we should withhold our blessing from capitalisations in which preference shares of high denomination (£1 or more) ranked in front of ordinary shares of low denomination (1s., 2s., 5s., etc.) We should be particularly severe in our adjudication in cases where the issued preference capital, at par value, represented more than one-third to one-half of the total capital; and where preference dividends were covered less than three times *in the worst year* shown in the prospectus. Where debentures and/or preference shares were included in the capitalisation, we should deduct points where the "cover" was incorrectly shown under the "prior deductions" system and award them where it was correctly displayed under the "cumulative requirements" system. The following examples illustrate the differences of the two systems in the case of a company earning total profits of £120,000, with £400,000 in 4½ per cent. debentures, £1,000,000 5 per cent. "A" preference and £200,000 5½ per cent. "B" preference capital:

"PRIOR DEDUCTIONS" SYSTEM [Incorrect]

	Annual Amount Required	Amount of Profits Available	No. of Times Covered
	£	£	
4½% Deb. ...	18,000	120,000	6·67
5% "A" Pref.	50,000	(120,000 *less* 18,000) = 102,000	2·04
5½% "B" Pref.	11,000	(102,000 *less* 50,000) = 52,000	4·73

"CUMULATIVE REQUIREMENTS" SYSTEM [Correct]

	Annual Amount Required	Amount of Profits Available	No. of Times Covered
	£	£	
4½% Deb. ...	18,000	120,000	6·67
5% "A" Pref.	(18,000 *plus* 50,000) = 68,000	120,000	1·76
5½% "B" Pref.	(68,000 *plus* 11,000) = 79,000	120,000	1·52

The figures are self-explanatory. The obvious absurdity of the result suggested by the "prior deductions" system—that the "B" preference have more than twice as much cover as the senior "A" preference—has not, in the past, prevented the use of this misleading method of computation in ninety-nine per cent. of all new company prospectuses.

Obviously, the list of attributes of a well-tempered prospectus is endless, and to endeavour to discover the perfect document is to search for the philosopher's stone. Many other points might be mentioned: the relative disinterestedness of all experts whose testimony on matters of fact, technique or judgment may vitally affect a subscriber's decision; the use of large and small print to produce a given psychological effect; the practice (itself perfectly legal) of giving lists of material contracts rather than their essential conditions and effects—all these questions, and many more, might be discussed at great length. Whatever judgment be reached on points of detail, however, the basic conclusion remains. A code defining sound conventional practice, as distinct from the minimum requirements of the law, would serve a decidedly useful purpose. It would tend not only to prevent investors from subscribing to the less desirable type of prospectus, but also to prevent many such prospectuses from seeing the light of day. To exclude speculative enterprises from the capital market would be undesirable; but the investor ought to be made aware of the grade of goods he is buying.

Investment Notes

Signs of Recovery? — Is this week's recovery in the security markets the flattery of deception? Or has the fall in share values throughout the first half of the year been reversed on the threshold of the second? The firmer tendency of the London and American markets this week has noticeably reassured professional market observers, although it has not proceeded sufficiently far to attract the public investor on any substantial scale. This week's volume of business in London shows clear signs of expansion, however, and although the in-and-out operator still tends to take the profits of the day, rather than risk them over an account, prices have made fair headway on balance. Bullish factors have at last made their influence felt, in a technical situation which has, for many weeks, been only theoretically responsive. Temporary calm in the Spanish situation, allied with a record unemployment return since 1929, and the firmer tendency in several commodities, have favourably affected investment sentiment. And among internationals, Wall Street's renewed activity has brought the usual bullish interplay between American closing prices and British parities on the following morning. In addition, the appeasement of the franc crisis, marked by the lowering of the Bank Rate, has played some part in the arbitrage markets. After initial hesitation arising from fears of future taxation, the Paris Bourse has subsequently improved quite briskly, and both rentes and industrials have held their advances.

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The international stage, therefore, was fittingly set for recovery in London. Wall Street, too, has shaken off its recent lethargy. The "little steel" fight is turbulently proceeding towards its close, and emphasis is now being laid upon the important settlements which have been peacefully secured and upon the promising industrial situation. The American market was supported by a net capital inflow of $323 millions during the first quarter of 1937, although net purchases of securities fell from $328 millions for the previous quarter to $161 millions. Wall Street must therefore be regarded as vulnerable to any precipitate withdrawal of foreign funds. Rumour credits the Administration (not, indeed, for the first time) with the intention of introducing discriminatory taxation on foreign holdings, or of exchanging information on "hot money." The latter fear seems to be responsible for a certain exodus of French funds from New York this week, although the figures above, and the behaviour of Wall Street, suggest that such withdrawals came from bank balances rather than securities. Meanwhile, the American industrial prospect appears sound; there is no tendency to discount any turndown in business activity, and the incidence of political factors is less extreme. At this moment, the world's security markets present a firmer front than at any previous time this year. Their next task is to prove their staying power—if they have it.

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Hungarian Non-State Debts.—Official intimation was given last week of an agreement between the League Loans Committee and the Hungarian Government regarding the 7½ per cent. League Loan of 1924, on terms described on page 26 of last week's issue of *The Economist*. The creditors' representatives now announce the results of discussions early in June with the Hungarian delegation on the subject of Government long-term debts and long-term non-State debts. The results of the former negotiations will be published separately, but an offer is now made regarding the long-term debt of Hungarian municipalities, ecclesiastical bodies and certain private debtors, covering a period from August 1st next to July 31, 1940. During this period bondholders are

offered payments in full satisfaction at the following rates in free exchange:—

Contractual rate %	Rate offered %
4 or less	1½
Over 4, up to 4½.....	1⅝
Over 4½	1¾

These payments will be made only where the debtor concerned has deposited the full amount in pengöes with the Cash Office of Foreign Credits, and *pro rata* reduction will be made where the debtors have deposited only part of the currency service. Foreign holders are also offered the opportunity to utilise the pengö deposits for personal travel expenses under certain conditions. The offer applies to a large number of issues in various currencies, including such loans of concern to the British investor as City of Budapest, Counties of Hungary, and Hungarian General Savings Bank among others. The offer is recommended for acceptance by the Council of Foreign Bondholders. This prompt and reasonably favourable offer will encourage hopes that the Government bondholders will receive similar treatment in due course.

* * *

Industrial Profits in June.—If the rate of increase in industrial profits were the sole determinant of share values, the market would be exceptionally active at present. The company reports in June showed the substantial increase in profits of 21.19 per cent. This impressive result is largely attributable to the important oil company reports issued during the month, which contribute over 40 per cent. of the total profits. The record of recent months is shown below:—

Reports published in 1936—	No. of Companies	*Rise in Profits** %	Reports published in 1936—	No. of Companies	*Rise in Profits** %
March	236	17·39	December .	175	15·49
April	254	9·66			
May	269	9·41	1937—		
June	214	13·50	January ...	110	15·92
July	228	15·69	February ...	208	8·95
August	47	14·21	March	307	12·52
September ...	107	12·32	April	245	23·36
October	146	18·09	May	255	14·09
November ...	177	13·49	June	265	21·19

* After payment of debenture interest.

The total net profits covered by the June reports amounted to £43,924,563, compared with £36,244,117 for the preceding year. If the oil group is excluded the improvement in manufacturing profits is 13.2 per cent. The recovery is well diversified, although iron, coal and steel companies are an important element.

Company Notes

Half-Year's Railway Traffics.—In recent weeks, the home rail stock market has watched the trend of weekly rail traffics with growing satisfaction, and this week's figures, which complete the railway half-year, were particularly good. The gross gain of £217,000 makes a total increase for 26 weeks of £3,545,000—an advance of 4.74 per cent. The improvement is equally divided between goods and passenger traffic. Passenger receipts have increased by 4.54 per cent. and goods receipts by 4.89 per cent., the latter figure combining a 3.31 per cent. advance in merchandise and one of 7.63 per cent. in coal. The following table shows the total receipts divided according to companies and according to classes of traffic, and compares the 26 weeks' figures with those of 1936 and with the last "normal" period, 1927-30.

GROSS RECEIPTS FIRST 26 WEEKS 1937

	L.M.S.	L.N.E.R.	G.W.R.	S.R.
Passenger receipts (£).....	12,139,000	7,920,000	5,044,000	7,764,000
Change compared with 1936 (%)	+ 4·1	+ 4·7	+ 3·7	+ 5·7
Change compared 1927–30 (%)	— *9·2*	— *10·5*	— *14·1*	— *5·6*
Merchandise receipts (£)	12,737,000	8,820,000	5,119,000	1,572,500
Change compared with 1936 (%)	+ 2·9	+ 4·8	+ 3·8	— 3·2
Change compared 1927–30 (%)	— *14·9*	— *19·4*	— *11·3*	— *24·8*
Coal receipts (£)	6,873,000	6,534,000	2,922,000	806,500
Change compared with 1936 (%)	+ 7·7	+ 7·0	+ 11·5	— 0·7
Change compared 1927–30 (%)	— *1·8*	— *3·0*	— *9·3*	— *0·8*
Total receipts (£)	31,749,000	23,274,000	13,085,000	10,143,000
Change compared with 1936 (%)	+ 4·4	+ 5·4	+ 5·4	+ 3·7
Change compared 1927–30 (%)	— *10·3*	— *12·3*	— *12·0*	— *5·3*

The figures show that railway receipts have not yet regained step with the expansion in business activity as a whole. During the first five months of this year, *The Economist* index of business activity was 6 per cent. higher than for the corresponding period of 1936—a rate of advance unequalled except by coal receipts on three of the lines. But the gap, nevertheless, is becoming narrower. Recovery in heavy industry is, for the first time, producing a tangible effect upon receipts. The expansion of foreign trade, moreover, should have considerable influence upon the level of goods traffics, for the dependence of railway traffic upon exports has been repeatedly stressed by railway chairmen during the last seven years. These tendencies are confirmed by the trend of receipts of the L.N.E.R. and Great Western, the two lines which are most dependent upon heavy industry, and upon exports, and which have made the largest relative gains this year.

* * *

Statistical analysis suggests that the advance in traffics this year has been steady. In the following table the movement of each class of traffic, compared with 1936 and with 1927-30, is traced in four-week periods since the beginning of the year. Comparison is rendered somewhat difficult by the incidence of the holidays and the Coronation (which gave a fillip to passenger receipts but, by adding another public holiday, reduced goods traffic), but the improving trend is quite clear, particularly in the comparison with 1927-30:—

TRAFFICS OF ALL LINES COMPARED WITH 1936 AND WITH 1927–30

Weeks	Change compared with 1936 (%)				Change compared with 1927–30 (%)			
	Passenger	Merchandise	Coal	Total	Passenger	Merchandise	Coal	Total
1–4	+ 1·2	+ 2·4	— 6·6	— 0·4	—16·1	—16·0	— 6·0	—13·7
5–8	+ 3·8	+ 3·2	+ 3·4	+ 3·5	— 9·5	—18·7	— 6·3	—12·4
9–12‡	+16·8	— 2·4	+ 8·2	+ 7·2	+ 0·8	—21·6	— 8·7	—10·5
13–16	—11·0	+11·2	+19·2	+ 2·6	—23·6	— 9·6	+ 5·3	—13·1
17–18	+12·3	+ 5·0	+10·0	+ 9·0	— 3·3	—19·3	— 4·4	—10·2
19–20†	+39·2	—14·3	— 1·5	+10·1	+ 6·0	—29·2	—14·6	—11·0
21–24	— 3·5	+ 9·7	+21·8	+ 5·3	— 7·6	— 9·9	+ 6·6	— 6·0
25–26	+ 3·0	+ 6·0	+12·4	+ 5·5	— 0·2	—13·8	— 8·9	— 6·6

† Coronation and Whitsun weeks in 1937. ‡ Includes pre-Easter traffics.

During the last six weeks the margin between current receipts and the pre-depression level has fallen much lower than at any time since recovery began. The coal receipts of the two northern lines, even over the whole half-year, are but slightly below the 1927-30 period, and the passenger receipts on all four lines have lately been very satisfactory, even when the influence of the Coronation is taken into account. These movements of gross receipts are encouraging for the holder of home rail stocks. At the same time, investors will remember that expenditure is increasing together with revenue. The latest figures, however, suggest that, at the moment, total receipts are keeping in step with the increased wage and material costs. The outlook for modest dividend increases on the marginal stocks seem promising. But unless the Railway Rates Tribunal sanctions the proposed 5 per cent. increase in charges, expenditure will probably rise faster than receipts over the next eighteen months.

London Transport Year.—With London Transport "C" stock quoted at 78 compared with 104 a year ago, and an increase in traffics (before pooling) of no more than £255,100 for the 52 weeks to June 26th, the Board completes its second year of operation under the "receivership rule." For 1936-37 or 1937-38 the Board, having paid 4 per cent. on the "C" stock for 1935-36, must pay 5½ per cent. on the stock, under pain of a receivership application by holders of five per cent. of the stock. The bus strike in May was, of course, responsible for the disappointing traffic results for the year which has just closed. For comparative purposes, we set out the quarterly movement in traffic since 1934-35:—

(In £'000's)

	A 1934–35	B 1935–36	C 1936–37	Percentage changes: B over A	Percentage changes: C over B
Quarters ending—					
September	6,909	7,012	7,235	+ *1·5*	+ *3·2*
December	7,033	7,135	7,372	+ *1·4*	+ *3·3*
March	6,826	7,021	7,163	+ *2·9*	+ *2·0*
June.....	7,329	7,309	6,962	— *0·3*	— *4·7*
Total	28,097	28,477	28,732	+ *1·3*	+ *0·9*

The 52 weeks' total of £28,732,000 shows an increase of less than one per cent. compared with the corresponding period of 1935-36. The first half of the year appeared fairly promising, with a 3.2 per cent. advance, although even this scale of improvement would have implied little or no improvement in net revenues. Indeed, Lord Ashfield disclosed at the strike inquiry that the increase of £735,500 recorded for the first 44 weeks of the past year had been more than absorbed by increased expenses. The increased cost of fuel alone involves an additional sum of £273,000 in a full year. Since the standard 5½ per cent. dividend was short-earned last year by £384,000, it is quite evidently outside the reach of "C" stockholders for 1936-37. Granted the present trend of operating costs, the Board's immediate problem is rather to maintain earnings equivalent to last year's level.

* * *

At this point, however, the stockholder should consider the effect of the pooling arrangement. A recent article in *The Railway Gazette* outlines the operation of the pool in detail. The participation of London Transport and the four main-line companies is based on the standard year 1932, subject to later adjustments in respect of revised working and wage conditions. From the gross receipts, a deduction is made by each party for working expenses and other allowances. The net pool is then divided, London Transport taking 62.10364 per cent., and the main-line companies 37.89636 per cent. (of which the Southern Railway ranks for 25.48506 per cent.). Through the operation of the pool, therefore, London Transport will transfer nearly two-fifths of the net loss arising from the bus strike to the railways, and will receive more than three-fifths of any increase in the net suburban revenues of the main-line companies. Since the operating allowances appear to be based on rates of expenditure per mile, which are then multiplied by the mileage run to produce gross expenditure, the Board will have some reduction in costs to offset its fall in revenue. Investors, however, can only await the report to discover the effect of this factor on the Board's net revenues. Meanwhile, the market is occupied with the lively possibility—ruling out any alteration in the rights of the "C" stockholder—that a standard dividend for 1937-38 may have to be found at the expense of the renewals provision. But this procedure would be no contribution towards a solution of the Board's central problem—providing an efficient and cheap system of transport and meeting the standard dividend requirments of the "C" stock within a context of acute traffic pressure and rising operating costs.

Bank and Discount Interims.—No surprises are contained among the bank dividend statements, but the market has learned with a sense of shock of the reduction in Alexanders' Discount interim from 18 to 15 per cent. per annum. The announcement has been followed by a fall in the shares from 81s. to the present level of 67s. 6d. This company transferred £300,000 to investment reserve account in 1934 and 1935, when jobbing profits on securities were comparatively plentiful. Last year, when provision against depreciation on the securities portfolio was required, the directors followed the conservative course of providing the necessary sums from current profits, leaving the reserve intact. The reduction in the interim dividend rate suggests that the directors have adopted the same conservatism to meet a similar earnings situation. The Union Discount rate is halved, but it is payable, of course, on a paid-up capital of £2,750,000 against £1,250,000 a year ago. The banking dividends have been maintained, in accordance with general expectation. The banking half-year appears to have been somewhat more profitable on the trading side, to judge from the trend of advances, but the fall in gilt-edged securities during the period may have prompted some further strengthening of the internal provision against securities. The details of the interim dividends so far announced are given below:—

Name and Shares	1936 Interim	1936 Total	1937 Interim	Price, July 8, 1936	Price, July 7, 1937	Yield (%)
	Per cent. per ann.	%	Per cent. per ann.			£ s. d.
Banks						
Barclays "B" £1.....	14	14	14	3 11/16xd	3 11/16xd	3 14 0
Midland £12 (£2½ pd.)	16	16	16	10½xd	10½	3 19 0
Nat. Provincial £20 (£4 pd.)	15	15	15	16	14½	4 0 0
Westminster £4 (£1 pd.) ...	18	18	18	4 11/16	4 11/16	3 16 0
Martins £20 (£2½ pd.)	14	14	14	9½xd	9½	3 17 0
District "A" £5 (£1 pd.)...	16⅝	16⅝	16⅝	4½	4½	3 18 6
Discount Cos.						
Alexanders £2 (£1 pd.) ...	18	19	15	4 11/16xd	3¾xd	(*b*)
National "A" £2½	10	10	10	6½xd	6½	3 16 6
National "B" £7½ (£2½ pd.)	18	26	18	15½xd	14	4 4 0
Union £1	7½*a*	10*a*	7½	2½	2 1/16x	4 6 6

(*a*) Allowing for increase of capital and capitalisation of reserves. (*b*) Yield on a 17½ per cent. basis, £5 3s. 9d. per cent.; on a 15 per cent. basis, £4 8s. 11d. per cent.

The classical view regarding bank shares holds that, in times of depression, low interest rates maintain share values, while in times of prosperity, advancing profits provide an expanding equity. Investment policy, based on these principles, has proved highly successful in the past. But do they apply with equal force now that the banks hold vastly increased amounts of gilt-edged securities, while their advances respond comparatively slowly to expanding trade? This consideration appears relevant in comparing the trend of bank shares and industrial equities over the past year. During the second half of 1936, bank and discount shares remained comparatively stable. But during the past six months the Actuaries' Index of bank shares shows a nine-point fall, comparable with the decline in the industrial index. These movements are shown below:—

Share Indices	1936 June 30	1936 Sept. 29	1936 Dec. 29	1937 Mar. 30	1937 July 6
Banks and Discount Companies (12)	124·4	124·2	125·1	119·2	114·2
All Industrials (177) ...	83·1	88·2	90·8	86·5	82·1
Yields					
Banks and Discount Companies (12)	3·87	3·88	3·85	3·97	4·12
All Industrials (177).....	3·76	3·62	3·68	4·09	4·40

While industrial equities have experienced a rapid upward adjustment of yields, the bank share group shows a rise inversely proportionate to the fall in share values. The issue, therefore, is whether this fall has finally adjusted yields to a new basis, or whether the

OVER ONE HUNDRED AND TEN YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
INSURANCE COMPANY
ASSETS EXCEED £16,000,000
FIRE LIFE ACCIDENT MARINE
Edinburgh: 35 St Andrew Square
London: 5 Walbrook, E.C.4. and 45 Pall Mall, S.W.1

process is still in train. Investors who prefer a comparison with gilt-edged securities will agree that, on their merits, bank shares deserve a differential of ⅛ per cent. in yield over the gilt-edged rate; but the latter itself is a shifting basis.

* * *

United Dominions Trust.—The latest Report of United Dominions Trust shows the results of the most prosperous year in the Trust's history, and it is accompanied by proposals for a change in its capital structure of no little importance. During the year to June 30, 1937, bills receivable and notes on hand held by the company and its subsidiaries rose by nearly 15 per cent. from £5,456,728 to £6,255,122—an increase which comfortably exceeds the advance in business activity. Profits are £23,694 higher at £201,802, but the ordinary dividend is maintained at 17½ per cent. Following this continued expansion, the directors have decided to issue the remaining 75,000 £1 ordinary shares, while the Bank of England has decided to relinquish almost entirely its financial interest in the company. The ordinary shares are to be offered to existing shareholders at £4 10s., at the rate of 3 for every 17 held, while the Bank of England is selling 150,000 of the 4½ per cent. £1 cumulative preference shares, which are offered to the ordinary shareholders at 20s. 6d., at the rate of 6 preference for 17 ordinary. The Bank is to receive £1 per share, *plus* one month's interest, and a further sum bringing the total to 20s. 6d. is payable for expenses. Since the Bank originally held the whole £500,000 of preference capital, and sold 340,000 shares a year ago, the new sale is equivalent to an almost complete severance of this financial interest. It appears that the proceeds of the ordinary share issue will go to reduce the company's bank borrowings. As a result of the new issue, the next balance sheet will probably show a smaller proportion of the liabilities under Loans, Acceptances, etc. This item has borne the brunt of the expansion in business during the last year, jumping from £775,000 to £1,700,000, whilst Deposit, Current and other accounts have been practically stationary. It does not appear to be the policy of the company to provide a great quantity of inland bills for the market, and the increase in capital may even lead to a reduction in their amount.

* * *

Richard Thomas Accounts.—The full accounts of the Richard Thomas group are, as usual, very clear and informative. In the preliminary profit statement, which was discussed in a Note on page 690 of our issue of June 19th, the market was given a very complete summary of the consolidated profit-and-loss account. The full report to March 31st shows total profits of £1,717,232, an increase of £531,252 over the 1935-36 level, and of £265,000 over the prospectus estimate. The net profits show earnings of nearly 18 per cent. on the new ordinary share capital, and a dividend of 15 per cent. on the old capital has been declared. The following table analyses the consolidated profits of the group and the appropriations of the parent concern:—

	Years to March 31, 1935	1936	1937
	£	£	£
Total profits	879,140	1,185,980	1,717,232
Fees, staff funds	15,699	17,333	19,946
Depreciation	175,000	225,000	360,000
Special expenses written off	13,240	25,706	20,872
Income tax	85,888	190,007	313,989
Interest and deb. reduction	157,865	173,960	213,105
Outside shareholders' interest	16,924	23,159	21,983
Net surplus	414,524	530,815	764,067‡
Preference dividends	202,822	202,822	202,822
Ordinary shares—			
Earned	*211,702*	*327,993*	*561,245*
Paid	129,761	296,041	353,492
Earned (%)	*9·8*	*13·8*	*23·9*§
Paid (%)	6	12½	15
Reserve	...	91,293	125,000*
Carry forward†	746,705	785,844	881,047

* Special contingencies reserve. † Struck after extraneous credits and miscellaneous debits. ‡ After deducting £3,270 proportion of profits apportionable to capital. § On the old capital.

In view of the large-scale development programme at Ebbw Vale, and the reconstruction at Redbourn, the consolidated balance-sheet is of special significance. Development has cost rather more than had been expected and further capital expenditure of £8,000,000 is anticipated in the accounts, towards which the company has (or will have, when the calls on the new debentures are due) liquid resources of some £6,000,000. This suggests that the liquid position may become somewhat tight, but the group's earning power is at the moment so great that the company may be able to avoid a further issue of capital, and to finance the final stages of its programme internally. The report, of course, gives no further information about the progress and prospects of the new undertaking. Certainly, the group is at present enjoying a period of high prosperity. The tinplate and sheet output, though still over 20 per cent. below capacity, is one-sixth higher than it was last year, and following the May increases in steel prices, the profit margin must have increased slightly. Prospects in the export market, moreover, are good, and in the home market there appears to be a secular upward trend in demand. Consequently, it appears very probable that the prospectus estimate of profits for the current year may be substantially exceeded, and the 15 per cent. dividend should be comfortably maintained on the increased capital. Further information about the company's prospects when the new strip mill comes into operation may be provided by Sir William Firth's speech next Thursday. In the meantime, the outlook appears to be reasonably promising.

* * *

Powell Duffryn Group Results.—The profits of the reorganised Powell Duffryn group for its first year to March, 1936, were affected by sanctions, export quotas and rising wages. The past year has seen some measure of recovery, which the two holding companies have passed on to their shareholders. The operating concern —Powell Duffryn Associated Collieries—has increased its trading profits, after providing for depreciation, from £788,284 to £814,236. This advance covers an increase in the participation dividends from £420,000 to £450,000, with £13,000 to spare. The Powell Duffryn holding company takes two-thirds of this amount, and receives a maiden dividend of one per cent. on its half interest (£2,539,008) in the Welsh Associated Collieries ordinary stock. By the conversion of over £400,000 preferred stock into ordinary stock last year, the preference dividend requirements are reduced to £34,032, and the 7 per cent. ordinary dividend (against 6 per cent. for the previous year) is covered with £3,910 to spare. The group figures and the revenue position of the two holding concerns are analysed below:—

YEARS TO MARCH 31ST

Powell Duffryn Associated Collieries

	1936	1937
	£	£
Profit, after depreciation	788,284	814,236
Debenture service	67,125	75,000
General reserve	150,000	150,000
Preference dividend	96,113†	126,246
Participating shares dividend	420,000	450,000
Carried forward	55,046	68,036

	Powell Duffryn Steam Coal 1936	1937	*Welsh Associated Collieries* 1936	1937
	£	£	£	£
Income from operating company	280,484	319,844*	140,054	150,121
Fees, etc.	4,329	4,435	3,027	2,430
Preference dividends‡	50,432	34,032	129,014	113,804
Ordinary dividend	222,992	277,467	Nil	38,085
Ditto (%)	6	7	Nil	1
Carried forward	2,731	6,641	8,013	3,815

* Includes dividend from Welsh Associated Collieries.
† Nine months dividend. ‡ Including preferred ordinary.

This scale of progress is sufficient to justify a rise in Powell Duffryn ordinary from 18s. to 25s. during the past year. It cannot, however, be regarded as striking, and the report of the operating company adopts a qualified note in discussing the past year's work. The

Spanish civil war has materially affected the group's business, and has occasioned further provision against trading debts. For the greater part of the year exports showed little improvement, and exchange difficulties and subsidised competition remained rife. But since the directors note that "every effort" is being made to increase output to meet the larger demand which has been evident since December last, some improvement is evidently in progress, although it would doubtless be well to exercise caution regarding further recovery possibilities. The £1 ordinary stock of Powell Duffryn yields £5 12s. per cent.

* * *

Distillers' Report.—The announcement of a total distribution of 22½ per cent. on Distillers' ordinary stock, compared with 20 per cent. for 1935-36, caused some disappointment in the market. The shares fell from a speculative peak of 115s. 6d. immediately before the announcement to 111s., and are now 110s. ex the 15 per cent. final distribution, yielding £4 2s. per cent. The trend of profits in recent years is shown in the following table:—

	Years to May 15 1935	1936	1937
	£	£	£
Profits, after deb. interest and fees etc.	2,212,133	2,321,576	2,458,415
Staff fund	100,000	100,000	100,000
Fire insurance fund	...	50,000	50,000
Preference dividend	102,300	101,475	99,825
Ordinary stock:—			
Earned	*2,009,833*	*2,070,102*	*2,208,590*
Paid	1,657,099	1,640,394	1,814,123
Earned (%)	*24·3*	*25·2*	*27·4*
Paid (%)	20	20	22½
Reserve	350,000	400,000	400,000
Carried forward	319,073	348,781	343,249

The indicated rise in profits is of the order which investors have come to expect in recent years, and it is now clear that operators were too optimistic in taking the stock up to 125s. earlier this year. The purchase of Booth's Distilleries equity capital and the knowledge that matured whisky stocks are falling have apparently encouraged the speculative investor to concentrate on the potable spirits side of the business. He has thus tended to overlook the commercial alcohol trade, which is being extended by a policy of low prices. For steadiness of earnings, Distillers has few rivals; its leadership in its industry (enhanced by past and possible prospective mergers) is unrivalled; and the expanding financial strength of the concern is clearly apparent in the latest balance sheet. These are necessary characteristics to justify a yield on the present scale.

* * *

International Tea Setback.—Although indications of acute competition were plain in the 1935-36 accounts, and the 5s. shares have fallen from 30s. to 15s. 6d. during the past twelve months, the market was hardly prepared for a 21 per cent. drop in International Tea profits. The report frankly discusses the reasons for this serious setback which has compelled a reduction in the ordinary dividend from 30 per cent. to 16 per cent. Turnover actually increased, but gross profits were affected by the acute competition necessary to maintain the volume of trade. Evidently the company has been forced to bear an appreciable proportion of increased wholesale prices. The ordinary shares suffer a severe blow, for the cut in the dividend is the first since 30 per cent. payments were instituted in 1928-29. The following table shows, however, that the dividend reduction is more drastic than the fall in equity earnings.

GOLDEN MOMENTS

The Men's Singles

'Vantage striker—he leads 6 to 5 in the fifth set. A fizzing service, but a brilliant return and the match is over—a new Champion. What a Golden Moment it must be for him as he makes the winning stroke.

But even he cannot buy a better tobacco than "Cut Golden Bar" at a shilling an ounce. But it *must* be Wills's.



2 oz. Vacuum tin



WILLS'S CUT GOLDEN BAR

READY RUBBED
in 2 oz. Pocket Vacuum Tins and 1 oz. Airtight Tins.
FLAKE FORM
in 2 oz. Vacuum Tins and 1 oz. Packets.

1/- AN OUNCE

Issued by The Imperial Tobacco Company (of Great Britain and Ireland), Ltd. C8878

	Years ended April 30th 1935	1936	1937
	£	£	£
Profit	886,591	864,557	680,310
Depreciation	80,000	80,000	80,000
Taxes	50,000	50,000	50,000
Other expenses	51,276	48,856	51,838
Preference dividends	160,296	210,742	210,771
Ordinary shares :—			
Earned	*545,019*	*474,959*	*287,701*
Paid	443,138	465,000	248,000
Earned (%)	*38·9*	*30·8*	*19·4*
Paid (%)	30	30	16
Reserve account	100,000†	100,000‡	100,000
Div. equalisation reserve	Nil	*Dr. 90,000*	*Dr. 60,000*
Carry forward	108,846	108,805	108,506

† Direct transfer from reserve of £19,274 for writing off assets of a subsidiary, and £508,744 transferred to reserve from share premiums. ‡ Share premiums of £21,779 transferred direct.

The net allocation to reserves from revenue is actually £40,000, against £10,000, though the process of maintaining general reserve provisions by drawing on the dividend equalisation reserve cannot continue indefinitely for the latter fund is now reduced to £50,000. The profits trend for the past decade indicates that the company's prospects are more than usually incalculable. Disclosed earnings have not followed the general trend of industrial profits closely in the past. Although investors may hope that the bottom has been reached, there is less reason to expect any immediate recovery in profits while competition remains acute and wholesale prices are rising. Some progress in management economies is possible, for the report instances the transfer of certain Star Supply Stores branches trading in the George J. Mason, Limited, area to the control of the latter company. Under the present severity of competition and rising expenses, which cannot fully be passed on, the shares appear fairly fully valued, on a yield basis of £5 3s. per cent.

* * *

Tin Share Developments.—After weeks of stagnation, the metal markets have recently shown signs of returning life, and tin has been well to the fore. With the discouraging effect of the French crisis removed, tin prices have advanced by £10 to £265 during this week. There are three elements in the present situation which hold out better hopes for tin companies. The first is the satisfactory level of consumption. Despite the labour trouble among the U.S. "independent" steel producers, tinplate activity has fallen by only a few points to 93 per cent. of capacity, and fears of a serious reduction in American demand have proved groundless. Elsewhere, in Great Britain and on the Continent, consumption is still improving. In the twelve months ending last April, "apparent" world demand amounted to almost 174,000 tons, only 4,000 tons below the all-time peak reached in 1929. Secondly, and perhaps most significantly, the exporting countries are still unable to reach their allotted output quotas. Bolivia, as usual, is the worst offender, and by May her total deficiency had increased to over 14,000 tons, while the world deficiency was as much as 24,000 tons. During the past six months, the industry has been working virtually to its present capacity, but output has been about 5,000 tons below nominal consumption and visible supplies have shown no increase. From the statistical point of view, therefore, the outlook for tin prices and company revenues can be regarded as assured, at least until the end of the year. Finally, the announcement that prospecting for new tin areas is again to be permitted in Malaya has met with universal welcome. Malaya has thus been brought into line with other producers, and her future capacity safeguarded. By one of Nature's coincidences, extensive drought conditions are reported this week from Ipoh, which are affecting tin output severely and threaten the production of full quotas. And by one of the market's paradoxes, Malayan tin shares have led the advance this week. In the accompanying table, we give details of the reserve position of a number of producers who appear likely to obtain particular advantage in the new prospecting ordinance:—

Company and Share Denomination	Latest Available Reserves	Ground dredged or tonnage produced latest year	Indicated Life (approx.) Years	Dividends Latest full year %	Interims, current year %	Current Price of Ord.	Yield on Latest Div. %
Kramat Tin (£1)	9,200 tons*	812 tons*	11	25	50	66/6	7·9
Malayan Tin Dredging (5/-)	1,039 acres	78 acres	13	80	67½	45/9	8·7
Renong (£1) ...	19 m. cu. yds.	1·6 m. cu. yds.	12	20	7½	52/6	7·6
Ulu Klang (2/4)	370 acres	25 acres	15	15	10	3/6	10·0

* Tin ore.

The life estimates are inevitably approximate, as in most cases only the area of remaining ground is known and no allowance can be made for its varying tin content and its unpayable sections.

* * *

Other Company Results.—Apart from the more important results discussed in preceding Notes, this week's reports contain a fairly large number of plantation company results. Our usual analysis on page 108 covers some 55 other companies, including *Covent Garden Properties, Tredegar Iron and Coal* and *Trustees Corporation*. The results are discussed on pages 98 and 107 under the heading "Shorter Company Comments."

* * *

Company Meetings of the Week.—The reports of company meetings begin in this issue on page 99. The working of the exchange Control Commission of the Iranian Government was discussed by Sir Hugh S. Barnes at the *Imperial Bank of Iran* meeting; stability of rates had been achieved, but there remained a shortage of foreign exchange to pay for imports. Mr Arthur d'Anyers Willis, addressing the proprietors of the *P. and O. Banking Corporation*, described the various factors that had affected profits—including among them closely controlled exchanges which reduced opportunities for increasing the Corporation's income. At the *Thistle-Etna Gold Mines* meeting the chairman reported that it was proposed to increase the mill's capacity so soon as the situation underground warranted it. The satisfactory reduction in the cost per foot drilled was referred to by Mr H. C. R. Williamson in his address to *Lobitos Oilfields* shareholders. At the *Anglo-Spanish Construction Company* meeting the chairman described the effect of the Spanish Civil War on the company's prospects. He regarded sympathy with the Nationalist cause as so general in the provinces through which the company's line passed that peaceful working conditions should be guaranteed. Mr T. Walton, in his speech to *British Glues and Chemicals'* shareholders, referred to the importance of technical research for the company. Sir Edward Rolings, at the *Anglo-Ceylon and General Estates Company* meeting, disclosed that it had been decided to maintain a full cultivation programme over a smaller area and to produce the restricted crop at the least cost on that area. Mr Douglas Christopherson pointed out to the *Associated Tin Mines of Nigeria* meeting that many leases were unprospected which should increase their reserves when systematically prospected.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: JULY 20 ACCOUNT: JULY 22

A MARKED improvement in Stock Exchange conditions has occurred this week. It is true that the tone at the opening was no better than at any time in the previous month, but a combination of mildly bullish factors, assisted by the better tendency on Wall Street, led to an all-round advance in the market on Tuesday. Further gains were reported in mid-week, although the volume of business showed no great expansion and tended to decline towards the end of the week, prices were well maintained.

Gilt-edged led with an improvement, with War Loan taking the first step to regain par. By mid-week this objective had been achieved, and further advance was recorded on Thursday. The feature in the trustee market, however, was the buoyancy of the new scrips, led by Australia 3½ per cent. and the L.C.C. loan, which all but reached par. In the foreign bond market, Japanese bonds recovered on the settlement of the Amur River incident, but were again disturbed (as were Chinese issues) by the fighting near Peking. Further buying of Chinese railway issues had previously been reported. Hungarian 7½ per cent. bonds were in demand on the debt agreement, but the suggestion that interest rates on Brazilian issues might be cut, affected the bonds.

In the home rail market, the last week's traffics of the half-year were well received. Great Western led the advance, with L.M.S. runner up. The traffics are discussed on page 88. Transport "C" stock was again sold to 77½; the past year's traffics position is examined on page 89. Argentine rails opened in poor style, but the traffics and the prospective passage of the bill for the purchase of the Cordoba line attracted buyers.

After a dull opening, interest in the industrial market revived. The international group assisted the improvement, but the steel group attracted domestic attention, and in mid-week general gains were recorded. Profit-taking then checked the advance, but spectacular movements occurred in Indian Iron, together with smaller advances in certain domestic issues. In the aircraft group, De Havilland declined on the new issue proposals. Imperial Airways new shares opened below the old shares, and although both issues improved later, the old shares at 35s. were still, paradoxically, 2s. 6d. higher than the new. Improved conditions were enjoyed by motor shares, while electrical equipment issues, although favoured with little business, were generally firm.

Moderate support for brewery shares was reported. Guinness advanced in anticipation of good profits, while South African Breweries responded to the good report. After the initial surprise of the Distillers dividend, some support was forthcoming for the ordinary stock. Tobacco shares were quiet, but the tone was firm. Bank shares were but little moved by the interim dividends (discussed on page 89) and Alexanders' Discount were maintained at the lower level. Store shares were weak at the opening, but recoveries occurred subsequently. Shipping shares similarly staged a rally in mid-week, when rayon shares, led by Courtaulds, were also a few pence better. The leading miscellaneous industrials took a turn for the better after a dull opening, but building material shares were slower to participate in the general advance.

Oil shares opened in dull fashion, for Paris selling depressed London prices of the leading international favourites at first. When Paris operators turned buyers, however, the tide turned. Anglo-Iranian were in keen demand, and Burmah Oil improved sharply in mid-week. Some improvement was recorded in the Trinidad shares on the appeasement of the labour situation. The rubber market was dull on the relative inactivity of the price of the commodity, but little selling took place, and quotations on Tuesday showed some response to the better tone in the markets generally. Tea shares likewise gained a little from the all-round improvement.

After a quiet opening to the week, conditions in the mining market became considerably brighter later on, political troubles seeming at least in abeyance. Kaffirs were listless on Monday, and the Blyvooruitzicht issue failed to arouse enthusiasm at first, though quotations improved later. A brighter atmosphere prevailed in the next few days, the finance house issues being particularly well supported, though producing and developing mines also shared in the advance. The "Johnnies" results created a good impression. After a dull start, copper issues led by Rhokana and Roan gained substantially, and base metal shares responded to the hardening of metal prices. Tin shares in particular were stimulated by the appearance of a contango on tin for the first time in some years, and as supplies were short, prices advanced sharply.

"FINANCIAL NEWS" MARKET INDICATORS

	July 1	July 2	July 5	July 6	July 7	July 8
Approximate total of bargains recorded in S.E. List	6,620	7,605	7,805	7,350	7,750	8,000
Corresponding day 1936	*8,822*	*9,456*	*10,046*	*8,870*	*10,026*	*8,744*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	110·1	109·7	108·6	109·5	110·2	111·2
Index of 20 Fixed Interest Securities (1928=100)	127·5	127·3	127·3	127·3	127·5	127·5

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 23).

ACTUARIES' INVESTMENT INDEX

This price index of 177 industrial ordinary shares stood on Tuesday last at 82·1, against 82·6 a week ago and 84·3 a month ago. The respective percentage yields are 4·40, 4·39 and 4·29. A selection of the component indices follows.

Group (and No. of Securities)	Prices (Dec. 31, 1928=100) Month ago (June 8, 1937)	Week ago (June 29, 1937)	This week (July 6, 1937)	Yield (%) Month ago (June 8, 1937)	Week ago (June29, 1937)	This week (July 6, 1937)
Banks and discount cos. (12)	118·7	117·3	114·2	3·99	4·03	4·12
Insurance companies (24)	125·3	123·0	121·3	3·49	3·55	3·60
Building materials (5)	95·6	93·6	92·8	5·65	5·76	5·81
Coal (7)	118·8	121·8	120·7	3·67	3·66	3·76
Cotton (6)	48·5	46·7	45·8	2·32	2·34	2·35
Oil (5)	98·4	93·7	94·6	5·40	6·19	6·94
Stores and catering (17)	78·6	75·6	73·6	3·91	4·01	3·89

NEW YORK STOCK EXCHANGE

AFTER the Independence Day holiday, trading was resumed in a brighter mood than for some weeks, owing chiefly to a gradual quietening down of the labour troubles and also to a satisfactory passing of the franc crisis. The volume of business was the highest since mid-May. Opening quotations were mostly above the previous close, and under the lead of steel and aviation shares, prices advanced appreciably during the day, withstanding without difficulty a few profit-taking assaults. The next session started with some irregularity, but the upward trend was again resumed, although at a less exciting pace than the previous day. Rails and industrials were well supported, while Republic Steel responded to news of a continued back-to-work movement. Steel mill activity is reported as 67·3 per cent. of capacity, against 75 per cent. a week ago, the decline being due to the holiday; activity was at 63·7 per cent. in the corresponding week of last year.

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

	1936 Lowest Apr. 29	1936 Highest Nov. 10	1937 Lowest June 16	1937 Highest Mar. 10	Beginning of Year 1937	June23, 1937	June30, 1937	July 7, 1937
347 Industrials	112·7	145·9	130·2	155·7	143·2	132·7	132·2	139·3
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	51·5	49·8	53·4
40 Utilities	91·2	111·0(e)	89·3	116·4(i)	111·7	90·4	90·6	95·7
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	112·3	111·7	117·8
Average yield*	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (g)	3·53%	4·36%	4·38%	4·13%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (i) January 13th.

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

Highest*	Lowest†	June 30	July 1	July 2	July 3	July 5	July 6	July 7
180·3	147·4	150·1	150·8	152·9	Closed	Closed (g)	158·4	159·2

* March 6th. † June 16th. (g) Independence Day.

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

Total Dealings in New York

	July 1	July 2	July 3*	July 5	July 6	July 7
Stock Exchange—						
Shares (No. Thous.)	670	840	Closed	Closed (g)	1,410	1,410
Bonds (Thous. $)	8,160	8,340			9,030	9,300
Curb—						
Shares (Thous.)	182	194			255	318

* Two-hour session. (g) Independence Day.

	June 30, 1937 (Close)	July 7, 1937 (Close)	July 8, 1937 (Latest)
1 *Rails & Transport*			
Atchison	76⅜	81½	81⅜
Balt. and Ohio	26½	30	29
B.M.T.	20⅜	21¾	21⅜
Can. Pacific	12⅜	12⅝	12½
Ches. and Ohio	52	56⅜	55½
Gt. Nthn. Rly. Pf.	48½	51⅞	51⅝
Illinois Central	22⅜	25⅝	26⅛
N.Y. Central	36⅜	40⅛	40⅜
Nor. Pac.	27⅜	30½	30⅜
Pennsylvania R.R.	36	40½	40
Southern Pac.	43⅜	47½	47⅜
Southern Rly.	28⅜	32⅜	33
Union Pac.	123	129	130
Greyhound Cp. New	14½	16	16
2. *Utilities and Communications*			
Am. Waterworks	17	18¼	18½
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	33½	35⅞	36⅜
Col. Gas & Electric	11½	12⅞	12⅞
Elec. Bond & Share	15⅝	17⅜	17½
Nat. Pwr. and Lt.	9½	10	10⅛
North American	22⅞	26⅜	26⅛
Pac. Gas & Electric	29½	29½	29½
Pac. Lighting	41	43½	...
Pub. Service N.J.	38	42	42
Stan. Gas & Elec.	6⅝	8	8½
United Corp.	4½	5	5⅛
United Gas Imp. xd	12	13⅛	13⅛
Am. Tel. & Tel.	166⅜	169⅜	169⅜
Int. Tel. and Tel.	10⅛	12	11⅛
Western Union	44⅜	49⅜	48⅛
Radio	8⅛	9½	9⅛
Radio B. Pref. New	66⅛	69½	69½
3. *Extractive and Metal Industries*			
Am. Rolling Mills	34⅜	37	37
Beth. Steel xd	84	90½	89⅜
Beth. Steel Pref xd	114½	116	...
Republic Steel	35½	38⅜	39
U.S. Steel	99⅜	107	107½
U.S. Steel Pref.	132	132⅜	131
Alaska Juneau xd	11⅜	12½	12⅜
American Metal	44½	51⅜	...
American Smelting	83½	90	90
Anaconda	52⅜	56	55⅜
Bohn Aluminium	38	40⅞	40½
Cerro de Pasco	64⅜	69⅜	69½
Int. Nickel	57⅜	61½	61⅜
Kennecott xd	56⅜	60½	60⅜
Patiño Mines	15⅜	15⅞	15⅜
Texas Gulf Sulph.	35	35⅞	35⅞
U.S. Smelt xd	84	92	91
Vanadium Corp.	26½	29½	29⅜
Atlantic Refining xd	28⅜	31⅛	30⅜
Phillips Petroleum	54½	59⅜	59
Shell Union	28⅜	28⅛	28½
Shell Union Pref.	104½	104½	...
Socony Vacuum	19⅜	20½	20⅜
Stand. Oil Calif.	40⅜	43	43½
Stand. Oil N.J.	65½	68⅜	68⅜
Texas Corp xd	58⅜	61⅜	62⅛
4. *Manufacturing*			
Briggs	40⅜	43	43½
Chrysler	97⅞	106½	105
Electric Autolite	36½	39⅜	39
General Motors	49½	53⅞	53½
Hudson Motor Car	14½	16½	16½
Murray Corp.	10⅜	12⅜	12⅜
Nash Kelvinator	17	18½	18½
Packard Motor Car	8½	9⅜	9⅜
Bendix Aviation	18⅜	20⅜	...
Boeing Airplane	29½	31½	32
Douglas Aircraft	57	61½	59⅞
United Aircraft	26⅜	29⅝	29⅜
Air Reduction	69½	72	...
Allied Chem. xd.	217½	229	...xd
Col. Carbon	115½	121	...
Comm. Solvents	13⅜	14½	14⅜
Dupont	153	158½	157½
Union Carbide	99½	102⅜	102⅞
U.S. Ind. Alcohol	30	31	30⅜
Allis Chalmers	60½	65½	65½
General Electric	52⅞	55½	55
Westinghouse	143	149	148⅜
American Can. xd.	96	101⅜	101⅞
Addressograph	28⅜	30	30
Caterpillar	90	93⅜	94
Cont. Can. xd.	52	56⅜	56⅜
Ingersoll Rand	124	125⅜	127½
Intntl. Harvester	105⅞	109⅜	110
Johns Manville	126½	128½	128
Am. Radiator	19½	21½	21
Corn Products	61½	63	...
J. I. Case and Co.	160	167	...
Glidden	41½	45½	45⅛
Gen. Am. Transpt.	62½	67	68
Allied Mills	20⅜	22	22½
Celanese of Americ	36⅜	38½	38
Ind. Rayon New.	35	39⅜	39½
Colgate Palmolive	19	19⅞	19⅜
Eastman Kodak xd	172½	178½	177⅜
Gillette xd	14½	15	15½
United Air Lines	15⅜	17½	18½
Lambert Co.	18½	19⅜	20
Loews xd	75⅛	81½	81½
20th Century Fox.	32	35⅜	35⅜
5. *Retail Trade and Food*			
Montgomery Ward	54⅜	60½	60⅞
J. C. Penney Co.	85½	93⅜	93⅜
Sears Roebuck xd.	88	91½	91
United Drug	11	12	...
Walgreen xd.	25½	29	29
Woolworth	45⅞	47½	47½
Borden	23⅜	23½	23⅜
Gen. Foods	36⅜	37⅜	37⅜
Kroger Grocery	20⅜	20½	20⅜
Nat. Biscuit xd	23½	25	24⅜
Nat. Dairy	18⅛	20	20⅛
Standard Brands	11⅜	12⅜	12⅜
Am. Tobacco B.	76⅜	79⅜	79½
Liggett Myers B	96	98⅜	99
Lorillard	20⅜	22	22
Reynolds Tob. B.s	49½	50	50
National Distillers	28½	30⅞	30⅜
Schenley Distillers	38⅜	42	42
6. *Finance*			
Commercial Credit	58½	62½	62⅜
Atlas Corp.	15½	15⅜	15½
Com. Invest. Trust	64⅜	65½	65⅜

CAPITAL ISSUES

New issue activity has expanded in remarkable fashion this week, for the accumulation of business due to N.D.C. is now meeting the pressure of the approaching holiday. The largest issue of the week is of 5 per cent. debenture stock of *Odeon Theatres* at 99 with a small slice of the equity at par as a *bonne bouche*. This debenture is specifically secured on cinemas valued at slightly more than twice the £1,800,000 nominal stock which is issued. Its income cover, however, is based on earnings of the specifically charged properties, together with income from shareholdings in subsidiary companies, and management fees and participation in profits of 71 other theatres. The issue is a high-yielding security, as befits its nature. Full earnings should be receivable from the 86 cinemas specifically charged (in accordance with the chairman's estimate), but the full profits participation in 71 remaining theatres, of which 37 are in actual operation, is taken in calculating the earnings cover of 3¼ times. Full cover in accordance with the prospectus estimate, therefore, depends upon the earnings of theatres which have yet to be completed. The 5½ per cent. £1 preference shares of *William Mallinson and Sons* are offered at 20s. 6d. The prospectus shows that the earnings of the company and its subsidiary have fluctuated considerably during the past decade. For this clear display of a ten-year profits record, the prospectus is to be commended. As a timber merchanting concern, however, the company carries substantial stocks, and it appears to be exposed to some risk of price changes. *Boulton and Paul* issue 5½ per cent. preference shares at par. This concern shows a rapid recovery in profits from £2,559 for 1933–34 to £51,296 for 1935–36. It has lately broadened its interests by the acquisition of two existing concerns in a similar field of business, and the preference issue may be regarded as a fair industrial issue of its kind. The mixed issue of *Peter Brotherhood* consists of 5½ per cent. preference shares at par and 10s. ordinary shares at 150 per cent. premium. This concern shows that current profits are running at a high level. At the issue price, the ordinary shares show an earnings yield of 9 per cent. over the past three years and 15 per cent. on latest profits. This, in short, is a typical "recovery profits" offer. *J. H. Fenner and Company* offer 5½ per cent. preference shares at par, and 5s. ordinary shares at 40 per cent. premium. This concern with its subsidiary has approximately doubled its profits during the past four years, and the latest earnings for the ordinary shares, at the issue price, are equivalent to 12·92 per cent. The 4s. ordinary shares of *J. Collett* are offered at 50 per cent. premium. This is a hat manufacturing concern, whose rate of profit increase is less spectacular than some of the engineering issues just discussed. The latest earnings are equivalent to 12·2 per cent. on the ordinary shares, at the issue price. Net assets of £157,312 have been acquired for £235,000 in 4s. shares. The premium demanded on the relatively small proportion of the ordinary shares offered thus represents a further increase in the goodwill valuation of the concern. The offer for sale on behalf of *Kay and Company (Engineers)* is of 5s. shares at a premium of 190 per cent. Total net assets in this case are valued at £75,831 and are acquired for £109,975, in 5s. shares. The effective goodwill valuation in this case also is substantially increased by the share premium, although the company's future balance sheet will show no trace of this second component. Mining shareholders have been catered for this week by the offer of *Blyvooruitzicht Gold Mining* 10s. shares to shareholders of West Witwatersrand Areas at par. A statement for information only has been published by *Kelly and Kelly*.

TOTALS OF CAPITAL ISSUES DURING WEEK

	Nominal Capital £	Conversions £	New Money £
To the Public	2,855,158	...	3,044,895
To Shareholders only	533,544	...	907,897
By Stock Exchange Introduction	280,000	...	286,500
By Permission to Deal	421,000	...	1,164,705

Total Capital Raised—	Including Conversions £	Excluding Conversions £
1937 (New Basis)	348,749,298	302,155,600
1937 (Old Basis)	237,797,675	193,635,914
1936 (New Basis)	276,266,692	190,096,417
1936 (Old Basis)	190,772,345	105,489,321
January 1 to date (Old Basis)—		
1935	180,694,638	69,924,096
1934	275,300,602	108,316,621
1928	...	267,962,485

Total offered for Subscription—	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	189,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	255,213,408	45,748,732	1,193,460	302,155,600
1937 (Old Basis)	179,535,725	14,100,189	Nil	193,635,914

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	152,897,985	21,202,863	128,054,752	302,155,600
1937 (Old Basis)	139,259,067	14,432,481	39,944,366	193,635,914
1936 (New Basis)	70,312,434	23,127,519	96,656,464	190,096,417
1936 (Old Basis)	58,235,611	11,020,432	36,233,278	105,489,321
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,084,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Odeon Theatres, Ltd.—Issue of £1,800,000 first mortgage debenture stock at 99 and 180,000 5s. ordinary shares at par (£1,200,000 stock and 120,000 shares underwritten firm). Stock limited to £1,800,000; charged on theatres valued at £3,648,450; redeemable at par, 1938-68, by drawings, or at 102½ in 1947 or thereafter on notice. Owns 86 cinemas. Profits, after depreciation, etc., before interest, years to January 2-5, 1935, £71,883; 1936, £139,528; 1937, £225,509 (the number of cinemas varying). Estimated profits, £460,000 in full year (after N.D.C.), including receipts from subsidiaries and from management agreements covering 71 other Odeon theatres. Proportion of subsidiaries profits, after interest: (1) £24,098; (2) £26,959; (3) £30,539. Total purchase considerations, £1,714,509, in 2,896,000 ordinary and 777,965 £1 preference shares, and £212,544 cash. Lists closed 9.5 a.m. July 7th. Oversubscribed.

(*Continued on page* 98)

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Statement of Condition, June 30, 1937

RESOURCES

Cash and Due from Banks	$685,719,656.00
U.S. Government Obligations, direct and fully guaranteed	618,839,776.85
State and Municipal Securities	59,046,899.84
Other Bonds and Securities	160,690,742.31
Loans, Discounts and Bankers' Acceptances	809,978,015.46
Banking Houses	38,006,949.27
Other Real Estate	4,901,381.97
Mortgages	11,965,269.58
Customers' Acceptance Liability	25,080,275.32
Other Assets	12,325,458.04
	$2,426,554,424.64

LIABILITIES

Capital Funds:		
Capital Stock	$100,270,000.00	
Surplus	100,270,000.00	
Undivided Profits	27,949,972.58	
		$228,489,972.58
Reserve for Contingencies		17,747,941.65
Reserve for Taxes, Interest, etc.		1,810,642.17
Deposits		2,136,387,408.97
Acceptances Outstanding		28,401,309.96
Liability as Endorser on Acceptances and Foreign Bills		8,262,300.92
Other Liabilities		5,454,848.39
		$2,426,554,424.64

United States Government and other securities carried at $197,410,591.49 are pledged to secure public and trust deposits and for other purposes as required or permitted by law

BOARD OF DIRECTORS

Winthrop W. Aldrich, *Chairman Board of Directors*
H. Donald Campbell, *President*

Vincent Astor
Gordon Auchincloss
Earl D. Babst
Howard Bayne
John A. Brown
Francis H. Brownell
Newcomb Carlton
Malcolm G. Chace
Edward J. Cornish
Bertram Cutler
Franklin D'Olier
Frederick H. Ecker
Henry O. Havemeyer
Arthur G. Hoffman
L. F. Loree
Thomas N. McCarter
Ogden L. Mills
Arthur W. Page
Thomas I. Parkinson
Andrew W. Robertson
Robert C. Stanley
Barton P. Turnbull
Cornelius Vanderbilt

Main London Branch:

6, LOMBARD STREET, E.C.3.

Bush House Branch: ALDWYCH, W.C.2.

West End Branch: 51, BERKELEY SQUARE, W.1.

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

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to July 7, inclusive Highest	Lowest	Name of Security	Price, June 30, 1937	Price, July 7, 1937	Rise or Fall	Yield July 7, 1937 £ s. d.
				British Funds				
87½	82⅝	84 11/16	73⅜	Consols 2½%	74½	74½	...	3 7 2
116½	112¾	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	106¼x	106¼x	+ ¼	3 10 7
102 7/16	100	101 5/16	94⅞	Conversn. 2½% 1944-49	95¼	95¼	...	2 19 0
105⅞	103 5/16	103 5/16	97¾	Do. 3%, 1948-53	98	98	...	3 3 0
108 3/16	104¾	106 11/16	99⅜	Do. 3½% after 1961	99⅞	100	+ ⅛	4 10 9
111 11/16	107	108	105	Do. 4½% 1940-44	105½	105⅞	+ ⅛	2 10 6
121⅛	116½	117½	111 11/16	Do. 5% 1944-64	112	112⅛	+ ⅛	3 0 6
95 11/16	92⅛	92¼	84⅞	Funding 2½% 1956-61	85¼	85¼	...	3 8 0
...	...	93⅞	89⅞	Funding 2¾% 1953-57	90	90	...	3 8 0
104¼	101	101⅝	92⅞	Funding 3% 1959-69	93	93¼	+ ¼	3 8 0
119¼	115⅜	116⅝	109	Funding 4% 1960-90	109¼	109¾	+ ½	3 10 0
117 3/16	113⅞	114⅝	107⅝	Victory Bonds 4%	108¼	108¼	...	3 12 0
108 3/16	104¼	105 11/16	99⅝	War Ln 3½% after 1952	99⅞	100	+ ⅛	3 10 0
98¼	94⅝	96 11/16	85	Local Loans 3%	85½	85¼	− ¼	3 10 6
103¼	101¼	101⅝	99½	Austria 3% 1933-53	101	100x	+ ½	3 0 0
76⅞	70⅜	72	62	India 2½%	63	63½	+ ½	3 19 0
89⅛	83½	85¼	74⅝	Do. 3%	75½	76	+ ½	3 19 0
100	96	98⅝	87	Do. 3½%	89½	90	+ ½	3 18 0
120⅝	116	119⅛	112½	Do. 4½% 1958-68	113½	113½	...	3 11 3
107	104	105⅝	103½	U.K. & Arg. 4% A (1947)	103½	103½	...	3 11 6
				Dom. & Col. Govts				
113⅜	109½	109⅝	105	Australia 5% 1945-75	105	105	...	4 5 1
106⅛	102⅝	104⅛	101	Canada 4% 1940-60	104	104	...	2 16 3
118⅛	114	116⅛	112⅝	Gold Coast 4½% 1956	113	113	...	3 10 1
120	117	117⅛	114	Nigeria 5% 1950-60	116	114x	+ ½	3 12 5
114½	108	109⅛	104	N. Zealand 5% 1946	105	105	...	4 6 5
109⅞	106⅝	107⅛	104	Queensland 5% 1940-60	104	104	...	3 11 5
117⅛	113⅞	114	110½	S. Africa 5% 1945-75	111	111	...	3 8 2
				Foreign Governments				
...	...	103	97	Argentine 4½% Str. Bds	102	100x	+ ½	4 10 0
102	90	105	98	Austria 7% 1957	105	103x	+1½	6 14 4
93	82	90	84½	Do. 4½% 1934-59	86	85	−1	5 14 11
72½	71½	73	68⅞	B. Aires (Prov.) 3½%	72	72	...	4 18 0
97⅛	95¼	100½	96	Belgian 4% red. by 1970	100	100	...	4 1 0
27⅛	14	28½	24½	Bulgaria 7½% Loan	27½	27½	...	9 1 10m
88⅛	65½	89	84	Brazil 5% Fund. 1914	89	89	...	5 12 0
28⅛	16	28	23½	Chili 6% (1929)	25½	25	− ½	2 8 0v
84⅛	66	94½	81⅛	China 5% (1912)	94	94½	+ ½	5 5 0f
95⅛	80	101½	93⅛	Do. 5% (1913)	101½	100x	+1	5 0 0f
112	95½	105½	103½	Czechoslovakia 8%	105½	105½	...	7 10 0
110	98	100	92½	Danish 3%	97	96x	+ ½	3 2 0
70	57	72⅜	51½	Danzig 6½%	62½	62½	...	10 8 0
106⅛	102	105⅝	101	Egypt Unified 4%	102	101	−1	3 19 0
25⅛	17½	18	13½	French 4% (British)	14½	14½	...	5 14 0
69⅛	53	65	53	German 7% Dawes Ln.	63	65	+2	10 15 3
46	34	49½	35	Do. 5½% (Young Ln.)	46	47½	+1½	11 11 6
40	29	36⅛	30	Greek 6% Stab. Ln.	32½	33½	+1	7 10 0w
45½	35½	44⅛	38	Do. 7% Refugee	39½	41½	+1	7 9 0w
52	39⅛	62	47½	Hungary 7½%	60	62	+2	6 1 0h
90⅛	79⅛	88⅛	77⅛	Japanese 5½% 1936-65	88	85½x	+ ½	6 13 0
97⅛	83	94⅛	88⅛	Do. 6% (1924) red 1959	94	94	...	6 16 3
144⅛	105	120	110⅛	Norwegian 4% 1911	115	115	...	3 9 0
53⅛	41	61	54	Peru 7½% 1922	59½	60	+ ½	...
98⅛	60	83	56	Poland 7%	57	57	...	12 5 9
15⅛	8⅛	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116⅛	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113	113	...	4 4 10
92½	79	95½	91	Do. C. Certs. (3% Max.)	95	95	...	3 3 2
				Corporation Stocks.				
27⅛	22	25	22	Berlin 6% 1932-57	25	25	...	...
119⅛	116	118	111	B'mgham 5% 1946-56	114	114	...	3 3 8
120	117	119	113½	Bristol 5% 1948-58	116	116	...	3 9 0
84	64	82	64	Danzig 7% 1935-45	72½	72½	...	9 13 3f
121½	117½	119½	116	E. London 5% 1960-70	116½	116½	...	3 18 0
106⅛	103	103⅛	100⅛	Johannbg. 5½% 1937-52	101	101	...	5 9 3f
97⅛	93½	95½	83⅛	L.C.C. 3%	84	84	...	3 11 5
106⅛	85½	103½	97⅛	Seine (Dpt of) 4½% 1952	100	99x	+1½	4 11 0

Prices, Year 1937 Jan. 1 to July 7, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 30, 1937	Price, July 7, 1937	Rise or Fall	Yield July 7, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	114	114	...	3 14 0
				London Passenger Transport Board—				
123⅝	110½	2¼	2¼	4½% "A" 1985-2023	116½	116½	...	3 14 0
135	121½	2½	2½	5% "A" 1985-2023	126½	125½	−1	3 16 0
109	104	2½	2½	4½% "T.F.A." 1942-72	106	105	−1	3 4 9
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 0
99⅛	77	2½(b)	1½(a)	"C" 1956 or after	79	78	−1	5 2 7
99⅛	86	1½	1½	Met. Wat. Bd. "B" 3%	88½	88	− ½	3 9 0
121	113½	2½	2½	Pt.of Lndn. 5% 1950-70.	117	117	...	3 7 2
				British Railways				
65⅛	55⅜	½(a)	2½(b)	G. Western Ord. Stk.	62½	64	+1½	4 13 9
6⅛	4⅛	Nil	Nil	L. & N.E'st'n Def. Stk.	5	5½	+ ½	Nil
12⅛	9	Nil	Nil	Do. 5% Pref. Ord.	10	10	...	Nil
100⅛	89⅛	4 1/16(c)	5(c)	Do. 5% Pref. 1955	96	96	...	5 7 2
29⅛	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	26	27	+1	1 17 0
79⅛	64½	3½(c)	4(c)	Do. 4% 1st Pref. Stk.	72½	73	+ ½	5 9 6
35⅛	27⅛	Nil(c)	1½(c)	L.M.S. Ord. Stk.	33⅛	33⅛	+ ½	3 14 0
82⅛	71	4(c)	4(c)	4% Pref. Stk. 1923	77	77½	+ ½	5 3 0
92⅛	80	2(a)	2(b)	4% Pref. Stk.	87	87	...	4 12 0
27⅛	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	22	22½	+ ½	2 4 11
98⅛	87½	1(a)	4(b)	Do. 5% Pref. Ord. Stk.	92	92	...	5 8 8
125⅛	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 5 10
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	17	20	+3	Nil
17⅛	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	11	10½	− ½	Nil
35⅛	24½	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25½	25½	...	Nil
31⅛	20	Nil	Nil	B.A. Western Ord. Stk.	23	23	...	Nil
34⅛	24½	Nil	Nil	C. Argentine Ord. Stk.	25½	25½	...	Nil
15	3⅛	Nil	Nil	C. Uruguay Monte V.	4	4	...	Nil
18	12½	Nil	Nil	Can. Pacific Com. ($25).	12½	13	+ ½	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	87½	87½	...	2 5 9
37	35	2(c)	2(c)	Costa Rica Ord. Stk.	36	36	...	5 11 1
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	12	11½	− ½	Nil
46	24	Nil	Nil	Do. 6% Cum. Pref. Stk	25	25	...	Nil
9⅛	4⅛	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
96	86	†2(a)	†3(b)	San Paulo Ord. Stk.	89½	89½	...	5 11 9†
28/9	20/7½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5⅛	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 7, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 30, 1937	Price, July 7, 1937	Rise or Fall	Yield July 7, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0e
876	334½	6(a)	6(b)	Bank of England Stk.	339½	340½	+1	3 10 6
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	76/6	75/6x	+5d	3 14 0
48/3	40/-	3(b)	2½(a)	Barcl. (Dom. &c.) A £1	42/6	42/6	...	2 13 6
10⅜	9½	3½(a)	4½(b)	Bk. of Australasia (£5)	9⅜	9⅜	− 1/16	4 3 3
£49½	£44½	8(c)	8(c)	Bk. of Montreal ($100)	£46½	£46½	...	3 11 0e
29⅜	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	28	27½	− ½	3 3 0
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	95/-	...	6 6 4
17	15½	7(a)	7(b)	Chtd. of India (£5)	15½	15¼	− ¼	4 11 9
15/9	14/4½	3½(b)	3½(a)(o)	Comcl. Bk. of Aus. 10/-	15/-	15/-	...	3 9 3
94/-	84/-	16⅜(b)	16⅜(a)	District A £5, £1 pd.	86/3	85/-	−1/3	3 18 3
58/-	51/-	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	95/-	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	11	10⅞	− ⅛	4 2 3
£121½	£109 11/16	2½(a)	3(b)	Hong. and S. ($125)	£120	£119	−£1	4 12 6
69/-	59/9	6(a)	6(b)	Lloyds £5, with £1 pd.	61/6	61/-	−6d	3 18 6
10 5/16	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9½	9⅛	...	3 15 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	91/-	91/-	...	3 10 0
44⅜	39	4(a)	11(b)	Nat. of Egypt £10	41	40½	− ½	3 14 6
47⅜	39	9(a)	9(b)	Nat.of India £25,£12½pd	42½	42	− ½	5 8 0
16⅜	14 11/16	15(b)	15(a)	Nat. Prov. £20, £4 pd.	15	14⅞	− ⅛	4 0 3
496	467½	8½(a)	8½(b)	Royal Bk. of Scotland	475	469	−6	3 12 6
16½	14 1/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 4
101/4½	90/9	18(b)	18(a)	Westminster £4, £1 pd.	93/6	93/6	...	3 16 0
				Discount Cos.				
94/6	66/10½	10(b)	7½(a)	Alexanders £2, £1 pd.	81/3	67/6x	−12/3	5 3 6
6⅜	5½	5(b)	5(a)	National A £2½ flly. pd.	6½	6½	+ ⅛	4 0 0
16 3/16	13 11/16	17(b)	9(a)	" B £7½, £2½ pd.	14½	14	− ½	4 12 6
54/9	45/-	6½(b)	3½(a)	Union £1 of stock	50/-	46/3x	−3/-	4 6 6
				Insurance				
32	26⅞	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15 11/16	13⅜	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	14½	14½	...	2 16 0†
10 11/16	9⅜	20(a)	20(b)	Com. Un. £1, fully pd.	10½	10½	− ½	3 18 0
6 1/16	5½	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd	5⅜	5⅜	...	3 0 0
35⅜	29⅞	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	31	30	−1	3 6 9
14	11⅛	3/2(a)	3/1(b)	N.Brit.&Mer.,£1½,fy. pd.	12⅞	12⅛	− ½	2 12 6
21½	18⅛	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22½	19	†25(a)	†26½(b)	Pearl (£1), fully paid	20	20	...	2 11 0†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16½	16½	...	3 14 6
37⅛	33½	†93½(c)	†95½(c)	Prudential £1 A	33½	33½	...	2 18 6†
114/-	103/9	†43½(c)	†50(c)	Do. £1, with 4s. paid	110/-	108/9	−1/3	1 16 6†
11 5/16	9 1/16	11(a)	19(b)	Royal Exchange (£1)	10½	10½	...	2 19 6
9⅛	8 11/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅞	8⅝	− ⅛	3 14 0
19⅜	16⅞	6/6(a)	6/6(b)	So.Un.&Nat.A£20,£1pd.	17	17	...	3 14 0
93/-	80/-	1/3(a)	1/5(b)	Sun Insur.,£1with5/-pd.	85/-	85/-	...	3 2 0
8⅜	7½	†8(b)	†10(a)	Sun Life Assur., £1,fy pd	8½	8½	+ ⅛	2 2 0
21	19	†17½(a)	†30(b)	Yorkshire £1, fully pd.	19½	19	− ½	2 11 0†
				Investment Trusts				
311½	280	3½(a)	8½(b)	Anglo-American, Deb.	282	282	...	4 5 1
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	74½	72½	−2	4 2 9
9/8½	5/6	1(c)	Nil(c)	Atlas Electric, etc. £1	5/9	5/9	...	Nil
18/1½	12/6	3(c)	7½(c)	Brit. Assets Trust 5/-	12/6	12/6	...	3 0 0
258	235½	6(b)	4(a)	Debenture Corp. Stk.	236½x	236½	...	4 4 6
91	85½	1½(a)	2½(b)	For. Amer. etc., Def.	86½	85½	−1	4 14 2
154½	144½	2½(a)	4(b)	Guardian Investment	148½	144½x	−1½	4 10 0
305	270	3½(a)	7½(b)	Indus. and Gen. Ord.	275	270	−5	4 1 6
336	293	5(a)	8(b)	Invest. Trust Def.	297	295	−2	4 8 2
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/9	19/3	−6d	4 8 0
303	273	8(b)	3½(a)	Mercantile Investment.	280	273	−7	4 5 4
181½	173	3(a)	4½(b)	Merchants Trust Ord.	174½	174½	...	4 6 0
302	288	5(a)	7(b)	Metropolitan Trust	294	294	...	4 1 6
7/9	6/9	1½(c)	2½(c)	Scottish Investment(5/-)	6/9	6/6	−3d	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	231	3(a)	7(b)	Trustees Corp. Ord.	239½	232½x	...	4 6 0
253	224½	3(a)	7(b)	United States Debenture	228½	224½	−4	4 9 0
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	16/6	16/-	−6d	1 11 6
37	28	Nil	Nil	Australian Estates, etc.	30½	28½	−2	Nil
45/-	29/7½	6½(c)	10(c)	Brit. S. Africa 15/- fy. pd	33/6	33/6	...	4 9 0
30/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	25/-	33/1½	−4½d	4 11 0
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	1 12 0
48/7½	43/-	†2½(a)	†8½(b)	Daily Mail & General £1	44/-	43/-	−1/-	5 4 0†
9⅜	8½	†3½(b)	3½(a)	Dalgety £20 £5 pd.	8½	8½	...	4 13 6
30/6	25/-	3½(a)	5(b)	Forestal Land £1	25/6	25/9	+3d	6 12 0
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	35/6	36/-	+6d	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	28/9	28/1½	−7½d	4 5 3
14½	10½	Nil	Nil	Peruvian Corp. Pref.Stk.	10½	10½	...	Nil
18/4½	13/-	3(c)	8(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/3	...	6 14 0
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	46/3	46/3	...	4 6 0
				Breweries, &c.				
102/6	88/9	17½(b)	5(a)	Ansell's Brewery £1	90/-	90/-	...	2 15 0h
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/-x	33/-	...	4 16 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	132/-	132/-	...	3 14 6†
93/6	88/6	14(b)	6(a)	Benskins Watford £1	90/6	89/6	−1/-	4 9 6
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	71/-	71/-	...	4 0 0
22/4½	18/3	5(c)	6(c)	City of London Def. 5/-	18/9	19/-	+3d	1 11 0
94/6	86/6	6(a)	14(b)	Courage Ord. £1	90/-	90/-	...	4 8 3
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	114/-	110/-x	−1/-	4 1 9
143/-	118/9	17(b)	12(a)	Guinness (A) Ord. Stk.£	132/6	135/-	+2/6	4 6 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	119/-	119/-	...	4 12 6
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/-	...	4 16 0
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/3	100/-	−1/3	4 14 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	69/6	70/-	+6d	4 18 0
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	80/-	79/6	−6d	4 11 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	105/-x	105/-	...	4 5 9†
72/9	57/6	4(b)	Nil(a)	S. African Dist. Ord. £1	60/6	63/6	+3/-	1 4 9
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	43/-	43/6	+6d	4 11 0
27/6	21/3	5(c)	6(c)	Walker (P) & R. Cain £1	24/9	25/-	+3d	4 16 0
88/-	72/-	12(b)	6(a)	Watney Combe Def. £1	82/-	82/9	+9d	4 6 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/7½	30/9	+1½d	7 5 0
4/4½	2/9	Nil	Nil	Amal. Anthracite £1	3/-	2/9	−3d	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/9	48/9	...	4 2 0
13/4½	9/-	7½(c)	10(c)	Baldwins 4/-	9/9	9/6	−3d	4 2 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
60/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 8 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	35/6	35/9	+3d	4 4 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6x	42/6	...	3 15 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	12/9	12/6	−3d	1 19 3
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	26/6	26/9	+3d	5 3 6
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/6	13/3	−3d	3 15 0
85/6	76/6	5(a)	15(b)	Cory, William, Ord. £1	84/-	85/-	+1/-	4 12 6
62/-	41/6	Nil(c)	8(c)	Dorman, Long Ord. £1	50/7½	51/3	+7½d	7 6 10
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	73/-	73/9	+9d	3 15 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	33/9	34/4½	+7½d	3 9 6†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange (f) Flat yield. (h) Yield on 3½% basis. (k) Yie'd on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (y) Yield basis 45% of face value.

Prices, Year 1937 Jan. 1 to July 7, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 30, 1937	Price, July 7, 1937	Rise or Fall	Yield July 7, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	3⅜(a)	10(b)	Hadfields 10/-	32/-	32/-	...	4 6 0
12/3	6/1½	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/6	6/6	...	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	35/-	34/4½	−7½d	4 7 3
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	35/-	35/-	...	2 17 0
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/6	17/6	...	2 5 0
16/1½	11/3	Nil(r)	5(c)	Pease and Partners 10/-	14/-	14/-	...	3 8 0
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	26/6	25/3x	−2d	5 9 3
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	22/6	23/3	+9d	5 7 6
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	48/9	48/9	...	4 2 0
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/3	41/3	...	5 16 6
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	47/6	47/6	...	5 1 0
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	26/3	26/3	...	4 11 5
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
60/-	52/3	†6(b)	†3(a)	Staveley Coal, &c. £1	56/3	58/9	+2/6	3 1 3†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	38/9	38/9	...	3 17 5
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	30/-	31/3	+1/3	4 16 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/6x	13/6	...	7 8 0
28/1½	21/3	Nil	Nil	Thornycroft, John, £1	22/6	22/6	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-x	8/-	...	3 2 6
$129½	$76½	Nil	Nil	U. States Steel $100	$98½	$108½	+$10	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	30/-	29/9	−3d	5 2 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	28/-	28/6	+6d	3 10 0
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	30/-	30/-	...	5 0 0
49/4½	40/10½	6(c)	10(c)	WeardaleSteel&c.Df.£1	42/6	42/6	...	5 0 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl.£1	140/-	112/6x	...	6 4 0
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	65/-	65/-	...	4 12 6
				Textiles				
12/1½	7/0	Nil	Nil	Bleachers £1	7/6	7/3	−3d	Nil
12/6	7/6	Nil	Nil	Bradford Dyers (£1)	7/9	7/9	...	Nil
11/4½	6/10½	Nil	Nil	Brit. Celanese Ord.(10/-)	7/3	7/-	−3d	Nil
15/6	10/6	Nil	Nil	Calico Printers £1	11/3	10/9	−6d	Nil
55/-	45/6	10(c)	10(c)	Coats, J. and P. (£1)	46/10½	46/10½	...	4 5 3
58/4	50/9	†2½(a)	7(b)	Courtaulds £1	51/9	51/3	−6d	4 2 6p
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	42/6	42/-	−6d	4 16 0
14/6	9/-	Nil	Nil	Fine Cotton Spinners £1	9/3	9/3	...	Nil
38/3	33/	3(a)	5½(b)	Linen Thread Stk. (£1)	35/-	35/7½	+7½d	4 15 3
69/3	60/6	†12½(c)	†12½(c)	Patons & Baldwins £1	62/6	61/-x	+1/-	4 2 0†
23/9	16/6	2½(b)	2(a)	Whitworth & Mitchell £1	18/9	18/9	...	4 16 0
				Electrical Manufactg.				
56/1½	44/3	8(c)	10(c)	Associated Elec. (£1)	47/-	47/-	...	4 5 0
95/-	91/10½	5(a)	15(b)	British Insulated (£1)	92/6	95/-	+2/6	4 4 3
99/9	88/6	5(a)	15(b)	Callenders (£1)	90/-	91/3	+1/3	4 7 6
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	57/6	57/6	...	1 1 0
37/6	30/-	Nil	Nil	English Electric £1	32/6	33/-	+6d	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	79/-x	79/-	...	4 8 0
23/-	18/6	3⅜(a)	15(b)	Henleys (W. T.) (5/-)	19/6	19/3	−3d	4 14 0z
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	42/-	41/3	−9d	4 17 0
35/-	31/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	3 18 6
				Electric Light, &c.				
$32	$18	40cts.	50cts.	Brazil Trac., no par	$23⅞	$24⅞	+ ⅞	...
78/-	67/-	6(a)	9(b)	Bournemouth & Poole	67/6	67/6	...	4 8 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	26/-	26/-	...	4 12 0
38/9	32/-	3½(a)	4(b)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	3(a)	7½(b)	County of London £1	46/6	47/6	+1/-	4 8 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	40/-	40/-	...	4 10 0
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	33/6	33/6	...	4 7 0
51/3	44/3	3(a)	(g)9½(b)	Metro. Electric £1	45/-	45/6	+6d	4 8 0
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/-	36/-	...	4 7 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	31/6	31/6	...	4 8 0
56/6	45/9	4(a)	6(b)	North Metropolitan £1	46/3	47/6	+1/3	4 4 3
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	36/-	36/-	...	4 8 0
45/9	38/3	3(a)	5(b)	Yorkshire Electric	39/-	39/-	...	4 2 0
				Gas				
27/-	23/3	5⅜(a)	5⅜(b)	Gas Light & Coke £1	25/3	25/3	...	4 9 3
163½	147½	4(a)	6(b)	Imp. Continental Stk.	150½	150½	...	6 13 0
26/9	23/-	2½(a)	2⅞(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 7 6
120	107	2½(a)	3(b)	S. Metropolitan Stk.	108½	108½	...	5 1 5
				Motors and Cycle				
52/3	40/7½	†5 5/16(b)	†2 1/16(a)	Assocd. Equipmt. Ord £1	42/6	41/3	−1/3	3 12 9†
50/4½	38/9	50(c)	50(c)	Austin 5/-	43/9	43/9	...	5 14 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	22/-	24/-	+2/-	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	32/6	32/6	...	5 0 0
33/9	25/9	5(c)	6(c)	Ford Motors £1	26/10½	26/10½	...	4 9 3
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	3/-	3/-	...	2 10 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	66/3	−1/3	4 10 6
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	96/3	95/-	−1/3	4 4 0
43/9	36/6	†15(c)	45(c)	Morris Motors 5/- Ord.	37/-	37/-	...	6 2 0
15/3	9/9	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/-	73/-	...	6 3 0
6⅛	4 11/16	7½(a)	15(b)	Rolls-Royce £1	5 1/16	5⅜	+ 1/16	4 2 0
30/7½	23/1½	5(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	131/3	130/-	−1/3	3 19 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/6	−3d	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	8⅞	− ⅛	2 5 3
8/7½	6/-	Nil	Nil	Cunard £1	6/9	6/6	−3d	Nil
81/6	25/9	3(c)	Nil(c)	Furness, Withy £1	28/-	27/-	−1/-	Nil
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	32/-	31/6	−6d	2 11 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/3	24/3	...	4 2 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/-	38/9x	+1/6	3 12 3
53/9	38/3	5(c)	9(c)	Bah Lias £1	40/-	40/-	...	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	27/6x	27/6	...	4 6 9
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	36/3x	36/3	...	4 8 3
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	37/6x	37/6	...	4 5 0
36/6	26/10½	Nil(c)	5(c)	Linggi Plantations £1	27/6	27/6	...	3 11 6
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/-	5/-	...	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/-	38/6	+6d	3 18 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/10½x	4/10½	...	4 2 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	40/6	42/-	+1/6	4 15 9
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	38/9	38/9	...	6 8 9
132/-	86/10½	5(a)	20(b)	Anglo-Iranian £1	121/3x	86/10½x	...	5 16 0
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	38/-x	38/9	+9d	4 16 9
32/3	17/9	Nil	Nil	Attock £1	28/1½	28/9	+7½d	Nil
5/7½	3/-	Nil	Nil	Brit.Controlled(V.T.Cts.)	3/3	3/4½	+1½d	Nil
121/-	104/4½	5(a)	22½(b)	Burmah Oil £1	118/9	120/-	+1/3	4 11 9
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	45/7½	43/9x	+7½d	5 14 0
82/4½	17/6	10d psc	11d psc	Mexican Eagle (Mex.$4)	18/-	18/6	+6d	4 14 0
11/6	5/7½	Nil(c)	8½(c)	Phœnix Oil £1	6/3	6/6	+3d	10 16 0
£52½	£42⅜	5(a)	11½(b)	Royal Dutch (fl. 100)	£46⅜	£46	− ⅜	2 19 0
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	108/-	108/9	+9d	3 12 0†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	131/3	136/3	+5/-	4 1 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	47/6	49/4½	+1/10½	6 2 0
				Miscellaneous				
26/3	23/-	5(c)	5(c)	Aerated Bread £1	24/4½	23/9	−7½d	4 4 2
35/-	31/6	8(c)	9(c)	Allied Newspapers £1	32/3	32/-	−3d	5 12 0
20/3	17/4½	Nil(c)	5(c)	Amal. Dental Def. £1	18/-	18/3	+3d	5 9 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	27/6	28/9	+1/3	4 17 5
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/-)	20/9x	21/-	+3d	5 3 6
18/1½	12/6	7½(b)	7(a)	Assocd. Brit. Picture 5/-	14/6	14/9	+3d	4 16 0
24/3	21/3	26⅝(c)	26⅝(c)	Assocd. Newsprs. Df. 5/-	22/-x	22/-	...	6 0 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	90/-	91/3	+1/3	4 19 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	77/6	76/3	−1/3	3 19 0
78/7½c	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/-	65/-	...	4 18 0

Prices, Year 1937 Jan. 1 to July 7, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, June 30, 1937	Price, July 7, 1937	Rise or Fall	Yield July 7, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	50/7½	51/3	+7½d	2 16 0
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/-	30/-	...	5 0 0
27/-	20/-	4(c)	5(c)	Bovril Deferred £1	21/3	21/3	...	4 14 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	20/-	20/9	+9d	8 4 0
64/6	45/-	15(b)	7½(a)	Bristol Aeroplane 10/-	48/9	50/-	+ 1/3	4 10 0
55/6	44/3½	7½(c)	10(c)	British Aluminium £1	50/-	50/-	...	4 0 0
39/4½	35/4½	2⅞(a)	5(b)	British Match £1	38/-	38/-	...	3 18 6
6 15/16	5 13/16	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6 5/16	6 7/16	+ 3/32	3 2 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	97/6	100/-	+2/6	3 0 0
30½	21	Nil	Nil	Cable & Wir. { A. Ord.	24⅞	24⅞	...	Nil
114	101	5½(c)	5½(c)	Holding { 5½% Pf.	111½	111	− ½	4 19 3
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8 7/16	8 7/16	...	4 3 0r
23/1½	14/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	15/6	14/9	−9d	10 0 0
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	20/6	21/-	+6d	4 17 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	51/3	46/3	−5/-	4 6 6
38/6	32/-	8(c)	9(c)	Dunlop £1	33/3	34/-	+9d	5 6 0
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	50/-	50/-	...	6 0 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	19/9	20/-	+3d	5 0 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/-	33/-	...	5 6 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/-	19/-	...	5 4 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	56/3	55/-	−1/3	3 8 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	7/-	7/-	...	Nil
48/7½	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	46/3	48/1½	+1/10½	3 18 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros.Def.(£1)	140/-	140/-	...	2 17 0
91/10½	82/6	5(a)	13½(b)	Harrods £1	85/-	85/-	...	4 6 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/-	−3d	Nil
62/6	35/-	7(c)	8(c)	Imperial Airways £1	35/-xr	35/-	...	4 11 3
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	36/6	36/9	+3d	4 6 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/-	17/6	+6d	Nil
9 5/16	7⅜	†7½(a)	†17½(b)	Imperial Tobacco £1	7 9/16	7½	− 1/16	3 7 0†
$75 5/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$58¼	$61½	+3¼	3 5 0n
22/3	15/-	8(a)	8(b)	International Tea 5/-	16/9	15/6x	−1/-	5 3 0
76/3	58/6	22½(c)	22½(c)	London Brick £1	60/-	60/-	...	7 10 0
6 11/16	5⅝	8½(a)	14½(b)	Lyons (J.) Ord. £1	6½	6½	...	3 11 6
90/7½	66/3	15(a)	25(b)	Marks & Spencer 'A' 5/-	70/-	68/9	−1/3	2 18 6
10/6	5/6	5(c)	7½(c)	Millars' Timber (4/-)	5/9x	5/9	...	5 6 0
5 11/16	4½	15(b)	7½(a)	Murex £1 Ord.	4 15/16	5	+ 1/16	4 10 0
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	42/-	42/-	...	5 13 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	43/-	42/6	−6d	4 14 0
67/-	44/4½	22½(b)	12½(a)	Prices Trust Ord. (5/-)	51/3	50/-	−1/3	4 7 6
67/-	60/-	3½(a)	11½(b)	Radiation Ord. £1	62/6	62/6	...	4 16 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	108/9	106/3	−2/6	4 4 0
18/9	13/6	†5(a)	†8½(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	14/6	14/3	−3d	3 8 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	46/3	46/3	...	6 9 9
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	88/1½	87/6	−7½d	4 3 0
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	61/3	61/3	...	3 5 3
77/6	67/6	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	63/9	65/-	+1/3	4 11 3w
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	82/6	82/6	...	4 17 0
112/6	87/6	13⅜(b)	3⅜(a)	Turner & Newall £1	92/-x	92/6	+6d	3 15 0
46/10½	37/9	3⅓(a)	4(b)	Unilever £1	40/-	40/-	...	3 12 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/-	55/6	+6d	4 11 0
34/9	24/-	10(b)	6½(a)	United Molasses 6/8	30/-	30/-	...	3 9 0
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South)Ord.£1	8⅞	9	+ ⅛	4 9 0
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	42/-	42/-	...	5 17 0
45/-	38/-	3(a)	6(b)	Wiggins, Teape Ord. £1	38/-	38/-	...	4 15 3
96/3	71/3½	45(b)	15(a)	Woolworth (F.W.)Or.5/-	74/4½	72/6	−1/10½	4 2 0
				Mines				
81/10½	53/9	85(c)	95(c)	Ashanti Goldfields (4/-)	60/-	60/-	...	6 6 9
24/3	15/9	(e)6(b)	e7½(a)	Burma Corp. (Rs. 9)	17/6	18/-	+6d	5 4 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	4/9	5/-	+3d	Nil
123/9	64/9	20(c)	6½(a)	Cons. Glds. of S. Af. £1	72/6	70/7½	−1/10½	5 13 0
59/4½	30/-	27½(c)	30(c)	Cons.MinesSelection10/-	37/6	35/-	−2/6	8 10 0
16 11/16	11½	95(b)	95(a)	Crown Mines 10/-	12½x	12½	...	7 16 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	68/9	69/4½	+7½d	6 2 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	50/-x	48/9	−1/3	9 12 6
19	11½	5(b)	25(a)	Rhokana Corp. £1	12⅜	13⅛	+ ⅜	2 4 0
32½	17 1/16	Nil	Nil	Rio Tinto £5	19	19½	+ ½	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	63/9	66/3	+2/6	2 4 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	9½x	9½	...	9 15 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	152/6	145/-	−7/6	5 16 0
19 11/16	7½	Nil	Nil	W. Witwatersrand 10/-	8½	7⅞x	...	Nil
85/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	18/9	...	Nil

UNIT TRUSTS. Latest prices, supplied by managers and Unit Trusts Association.*

Name and Group	July 7, 1937	Compared June 30
Municipal and Gen		
1st British	47/3-48/3	...
2nd British	29/6-30/3	− 3d
3rd British	24/--24/9x	...
4th British	20/9-21/6	− 3d
For. Govt. Bond	22/9-23/6	+ 6d
Limited Invest.	23/--23/9x	+ 3d
Mid. & Sthn. Inv.	21/3-22/-	...
Scot. & N.C. Inv.	21/3-22/-	...
Bank – Insurance		
Bank – Insur. Uts.	19/6-20/6	− 3d
Insurance Units	20/9-21/9x	...
Bank Units	18/9-19/9	...
Invest.Trust Units	16/6-17/6	− 3d
Scot. B.I.I.T.Unts	17/3-18/3	...
British Empire		
British Empire "A"	22/3 bid	− 1½d
Do. "B"	10/4½ bid	...
Do. Cum.	17/7½ bid	− 3d
Do. Comp.	18/9-19/9	− 1½d
Do. First Unit	21/6-22/-	...
National		
National "A"	32/10½ bid	− 1½d
Do. "B"	22/9 bid	...
Do. "C"	19/6-20/6	...
Do. "D"	20/--21/-	...
Do. Inv. Group	15/9-16/9	...
Amalgamated Certs	22/3-23/3	...
Century	19/4½-20/4½	...
Commercial	21/4½ bid	...
Gilt-edged	18/3-18/9x	...
Scottish	18/9-19/9	...
Universal	20/10½-21/10½	...
First Provincial		
First Prov. "A"	21/3-22/3	...
Do. "B"	17/3-18/3	− 3d
Do. Reserves	17/6-18/6	+ 3d
British General		
Capital Securities	10/1½-10/4½	− 1½d
British General "A"	21/1½-22/1½x	− 1½d
British General "B"	20/9 bid	+ 1½d
British General "C"	19/9-20/9	+ 1½d
First Recovery	7/6 bid	− 3d

Name and Group	July 7, 1937	Compared June 30
Rubber & Tin	1/9-1/11	...
Keystone		
Keystone	18/6-19/6	...
Do. 2nd	16/--17/-x	...
Do. Flexible	18/--19/-	− 1½d
GoldProd.Dep.Rec	21/3 × bid	− 9d
Do. 2nd Series	15/9-16/9x	− 6d
Do. 3rd Series	12/3-13/3x	− 3d
Rand Certificates	18/-x bid	− 3d
Oil Certificates	27/9 bid	+ 7½d
"15 Moorgate"		
Hundred	20/7½-21/7½	− 1½d
Investors Flexible	16/9-17/9	...
Do. Gas & Elec.	13/3-14/3	− 1½d
Do. General	18/9-19/9	− 4½d
Do. 2nd General	16/9-17/9	− 3d
Do. Gold	14/--15/-	− 4½d
Prov. Investors	16/9-17/9	− 3d
Security First	18/1½-19/1½x	...
F.T.M.		
Aviation & Univer.	9/6-10/-	...
Domestic	8/6-9/-x	...
Protected		
Protected 1st	22/6-23/6	...
Do. 2nd	20/--21/-	...
Do. 3rd	15/3-16/3	...
Allied		
British Indus. 1st	20/6-21/6	− 3d
Do. 2nd Series	18/--19/-	− 3d
Do. 3rd Series	19/3-20/3	...
Do. 4th Series	20/3-21/3	...
Elec. Industries	17/9-18/9x	...
Metals and Minerals	16/--17/-	+ 3d
Selective		
Selective "A"	17/9-18/9	− 1½d
Do. "B"	18/3-19/3	− 1½d
British Transport	17/6-18/6	...
Bank Insce. & Fin.	17/3-18/3x	...
Brewery Trust Unts	16/6-17/6	...
First Convrsn Trust	22/10½-23/4½	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (m) Based on current annual dividend rate $2·00 per share. (n) Including bonus of 5% free of tax. (r) Calculated on basis of 13½ annas per share of Rs. 9. Taken at 16 annas to one rupee. † Free of Income Tax. (v) Yield worked on a 35% basis. (p) Yield worked on a basis of £10 5s. 7d. per cent. less tax. (w) Yield worked on a 12½% basis. (t) Special Jubilee bonus. (s) Last year's dividend equal to 18½% on increased capital on which yield is worked.

(*Continued from page 94*)

Boulton and Paul, Ltd.—Issue of 200,000 5½ per cent. cumulative £1 preference shares at par. Rank with £50,000 5 per cent. preference shares. Woodworkers and structural engineers at Norwich, etc. Proceeds to repay bank loan for purchase of two subsidiaries for £163,900. Combined profits, after depreciation, three years ending in: 1934, £18,140; 1935, £46,173; 1936, £77,516. Combined net assets, £406,438 (stock, £205,035). Lists closed at termination of banking hours on July 7th.

BY OFFER FOR SALE

Kay and Company (Engineers), Ltd.—Offer for sale of 150,000 5s. ordinary shares at 14s. 6d. Acquires brass-founding and engineering business at Bolton. Profits, before depreciation and management remuneration, periods to May 31st: Eight months, 1935, £26,860; years, 1936, £40,244, and 1937, £47,368. Assets acquired, £75,831 (stock, £28,147); purchased for £109,975 in 439,900 shares (goodwill £34,144). Cheviot Trust take issue at 12s. 6d., or 13s. 10d., including expenses of £8,041; £2,000 paid by vendors for services. Managing director receives 10 per cent. on net profits over £35,000. Lists closed 9.5 a.m. July 5th.

Peter Brotherhood, Ltd.—Offer for sale of 165,000 5½ per cent. cumulative £1 preference shares at 20s., and 220,316 10s. ordinary shares at 25s. Makers of machinery and power plants, including compressors, turbines, etc. Profits, after depreciation, etc., years to March 31, 1935, £31,442; 1936, £42,820; 1937, £75,889. Net assets, £458,337. Ian Anderson and Nairn purchase issue for 19s. per preference and 23s. 9d. per ordinary share net. Lists closed 9.5 a.m. July 6th. Heavily oversubscribed.

J. H. Fenner and Company.—Offer for sale of 125,000 5½ per cent. cumulative £1 preference shares at par and 250,000 5s. ordinary shares at 7s. Acquires power transmission engineering business (with one subsidiary) at Marfleet, etc. Combined profits, before depreciation, interest, and directors' remunerations, periods ending in: 1934-35, £25,294; 1935-36, £31,648; 1936-37, £38,363. Combined net assets, £214,578. Purchase prices: J. H. Fenner and Company, £159,545 in £116,190 cash and 173,420 ordinary shares (goodwill £10,737); H. F. Cockill and Sons, £70,455 in £51,310 cash and 76,580 ordinary shares (goodwill £4,685). Ridgeford Trust take issue at par (or £1 per preference and 6s. 8d. per ordinary share, including expenses).

J. Collett, Ltd.—Offer for sale of 300,000 4s. ordinary shares at 6s. Makers of ladies' hats. Profits, after depreciation, years to March 31: 1935, £30,817; 1936, £42,597; 1937, £43,375. Net assets, £157,312, purchased for £235,000 in 1,175,000 shares (goodwill, £77,688). British Shareholders Trust purchase issue (part of vendors' shares) at 5s. 10d.; vendor pays expenses of £8,850, and repurchases at 6s. any shares not taken by public. Lists closed 9.5 a.m. July 7th.

William Mallinson and Sons.—Offer for sale of 250,000 5½ per cent. cumulative £1 preference shares at 20s. 6d. (25,000 underwritten firm). Timber and veneer merchants, with subsidiaries. Profits after depreciation: W. Mallinson and Sons, years to June 30: 1935, £43,530; 1936, £45,688; half-year to end 1936, £23,315. R. M. Turner and Hunters: 1934, £10,605; 1935, £10,792; 1936, £16,162. Combined net assets, £520,884 (stocks, £356,198). Kenterne Trust take issue at 19s. 3d. or 19s. 10d. including expenses.

BONUS ISSUE

Sunlight Laundries (Loud and Western).—Sunlight Laundries (Loud and Western) propose a 100 per cent. capital bonus to ordinary shareholders and to convert the shares into stock.

BY STOCK EXCHANGE INTRODUCTION

Kelly and Kelly, Limited.—Issued capital 250,500 4s. ordinary shares. Acquires London printing business founded 1906. Net assets, £34,640 acquired for £50,000 in 250,000 shares (goodwill, £15,360). Profits, after depreciation of £997 annually, years to September 30th: 1934, £5,185; 1935, £6,570; 1936, £5,707; six months to March 31, 1937, £4,318.

ISSUES TO SHAREHOLDERS ONLY

Blyvooruitzicht Gold Mining Company.—Offer to West Witwatersrand Areas shareholders of subscription to 3,250,000 10s. shares at par. (Incorporated in S. Africa.) Acquires mining leases and rights for £450,000 cash from Central Mining and Investment, West Wit. Areas and New Wit. Gold Exploration. Vendors take 900,000 shares (of which 47,500 included in offer) at par. Area, 2,107 morgen, or 3,034 mining claims. Estimated working capital, after expenses, underwriting and purchase price, £1,938,000. Further £2,000,000 will be needed to producing stage.

Advance Laundries.—Issue of 104,000 5½ per cent. second preference shares at par and 1,040,000 2s. ordinary shares at 2s. 7½d. (one preference and ten ordinary in respect of five 8 per cent. preference and fifty ordinary shares held). Shareholders are not entitled to subscribe for ordinary shares alone.

Broom and Wade.—Issue of 105,769 5s. shares at 13s. (one for five held on June 17th). The new shares will rank with the present ordinary except for a further interim to adjust the current year's profits between the old and new shares.

Lunuva (Ceylon) Tea and Rubber.—The board offers stockholders the right to subscribe at 30s. for one new share for £10 stock now held.

United Dominions Trust.—Offer of 75,000 £1 ordinary shares at £4 10s. at rate of 3 new for 17 held. Proceeds to reduce bank borrowings. Also Bank of England offer to sell 150,000 of the Trust's 4½ per cent. £1 cumulative preference shares at 20s. 6d. (of which Bank receives 20s.), in ratio of 6 preference to 17 ordinary shares held. Applications in excess of *pro rata* proportion considered.

RESULT OF ISSUE

Dorchester Hotel.—Underwriters had to take up 86½ per cent. of the issue.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	June 30, 1937	July 7, 1937
Allied Newspapers Ord. 20/-	33/-	33/-	1/0-6d dis	1/3-9d dis
Do. 6½% 1st Pref. 20/-	27/6	27/6	1/0-1/6 pm	1/0-1/3 pm
Australia 3½% 1950–52	96½	21½	1 1/8-1 1/8 dis	1¼-1 dis
Blyvooruitzicht Gold 10/-	...	...	...	3/3-3/9 pm
County of London Electric 4% Pref. £1	20/6	5/-	4½d dis-1½d pm	4½d dis-1½d pm
Do. 3½% Debs.	94½	20	¼ dis-par	1-¼ dis
Dorchester Hotel 4½% Deb.	97	35	...	3½-2½ dis
Finch (B.) and Co. Ord. 2/-	2/-	2/-	1/4½-1/7½	1/6-1/9
Do. 6% Pref. 10/-	10/-	10/-	9/3-9/9	9/3-9/9
First Conv. Invest. Trust £1	...	...	23/0-23/9	22/6-23/-
Imperial Airways £1	...	...	...	2/6-3/- pm
Imperial Cold Storage 5% Debs.	103	103	102½-103	102½-102¾
Kelly and Kelly Ord. 4/-	...	...	...	3/9-4/3
L.C.C. 3½% 1956–62	100¾	40¾	¾-⅞ dis	⅞ dis-⅞ par
Leeds 3½% 1957–60	101	26	¼ dis par	par-¼ pm
Lewis (J.) Properties 4½% Pref. £1	20/	10/-	7½d-1½d dis	9d-3d dis
Mercantile Estate Ord. £1	£1	£1	19/6-20/6	19/6-20/6
Met. Water Sydney 4% Debs.	100	30	1¼-1⅛ dis	1¼-1⅛ dis
National Defence 2½% Loan	99¼	99¼	3⅜-3⅛ dis	95⅜-96¼
Polberro Tin 2/6	...	...	...	2/7½-3/1½
Scottish Power 4% Pref. £1	20/-	10/-	3d-6d pm	3d-6d pm
Spurling Motor Bodies 4/-	5/-	5/-	4/9-5/0	4/7½-4/10½
Steel Corporation of Bengal 4½% Deb.	£100	20	2⅜-3½ pm	2½-2¾ pm
Trianco Ord. 1/-	1/-	1/-	1/1½-1/4½	1/4½-1/7½
Do. do. Pfg. Pref. 10/-	10/-	5/-	1/3-9d dis	1/0-6d dis
Union Cinema Subsidiary Props. 5% Pref.	20/-	10/-	...	9/3-...
United Kingdom Gas 4% Pref. 20/-	20/-	5/-	9d-3d dis	9d-3d dis
West Riding County Council 3½%	100¼	70¼	¼-1¼ pm	1⅛-1⅛ pm

SHORTER COMPANY COMMENTS

COMPANY RESULTS OF THE WEEK.—Expanding prosperity in South Africa is reflected in the SOUTH AFRICAN BREWERIES results, which show a 15 per cent. increase in profits to £487,569. The previous dividend of 20 per cent., tax free, is supplemented by a tax free bonus of 2½ per cent. An indication of continued expansion is shown by the net addition of £67,141 during the year to premises. Another important undertaking, VICTORIA FALLS & TRANSVAAL POWER shows a profit of £586,365, representing an increase of some £38,000 resulting from the expanding power requirements of the Rand mines. It is reported that work on the Klip Power Station has proceeded continuously. Although the directors of TREDEGAR IRON AND COAL refer to a shortage of labour, and to a small fall in output, there is no reflection of any special difficulties in the latest profits, which have risen by no less than 62 per cent to £102,520. The latest figure, however, includes certain refunds. Sales of UNITED GAS INDUSTRIES have increased, and further expenditure on plant is necessary; the profits for the latest financial year are £171,908, against £154,767. PHOENIX OIL earnings have fallen slightly, from £54,714 to £51,262, and in view of continued foreign exchange and trading restrictions, these results are regarded as satisfactory by the directors. Dividends and rents, etc., received by COVENT GARDEN PROPERTIES rose by 10 per cent. last year, but owing to higher requirements for taxation and debenture interest, net profits of £124,668 rose by no more than £2,000. Some important rubber company results have appeared this week, and they again show a satisfactory trend. The profits of TIMBANG-DELI (SUMATRA) are more than four times greater than in the previous year, while CHEMBONG MALAY pays 4½ against 2½ per cent. Tea results no longer show a uniform decline. ASSAM CONSOLIDATED have earned £17,400, against £12,630, and while JOKAI (ASSAM) reports a considerable fall in profits from £86,686 to £70,862, other smaller companies have some improvement to report. CELLULOSE ACETATE SILK have more than doubled their net profits, at £55,064, owing to improved efficiency and widened outlets for their products. GROUT & COMPANY have, however, earned slightly reduced profits of £19,965, and fluctuations in raw silk prices have proved a disturbing factor. Among investment trusts, satisfactory improvement is recorded by TRUSTEES' CORPORATION, whose net revenues of £114,901 are 12 per cent. higher. The directors of THOMAS DE LA RUE AND COMPANY point out in their report that a large increase in turnover was foreshadowed last year and has been realised to the full. Profits amount to £51,122, against £31,141, and much of the cost of additional machinery has been written off. The second year's net earnings of SILENTBLOC, LTD., as a public company, are no less than £39,952, against £16,696.

APPOINTMENTS AND PERSONAL

Messrs Slaughter and May announce that they have taken into partnership Mr Charles Hilary Scott, who has been associated with them for some year past.

The Hon. G. Howard Ferguson, late High Commissioner for Canada in London, and for a number of years Prime Minister of Ontario, has been appointed president of the Crown Life Insurance Company in succession to the late Sir Robert Borden.

The National Bank of New Zealand, Ltd., announce that the Rt. Hon. Lord Balfour of Burleigh has been elected deputy chairman.

The Rt. Hon. Lord Marchwood, K.C.V.O., has been appointed a director of Consolidated Tin Smelters, Ltd.

Mr Graham Wallis having decided to retire from business life, resigns his seat on the board of Lambert Brothers, Ltd., and Companies Associated, as from June 30, 1937. Mr A. E. Hodgkins, Mr N. H. Lahaye and Mr John M. Wallace, managers, have been appointed directors from July 1, 1937.

Mr Henry L. Farrer has resigned from the board of Legal and General Assurance Society, Ltd. Mr W. A. Workman has been elected to the board.

Sir James Braid Taylor has been appointed Governor of the Reserve Bank of India.

COMPANY MEETINGS

THE P. & O. BANKING CORPORATION, LIMITED

SATISFACTORY INCREASE IN ADVANCES

EFFECTS OF NARROWER EXCHANGE MARGINS

The seventeenth ordinary meeting of the P. and O. Banking Corporation, Limited, was held, on the 2nd instant, at 122 Leadenhall Street, London.

Mr Arthur d'Anyers Willis (the chairman), in the course of his speech, said:—The shareholders will wish to join with the directors in their appreciation of the services rendered to the bank by Sir William Preston, who resigned the chairmanship and his seat on the board on March 31st last. For over ten years, first as deputy chairman, and then on the death of the late Lord Inchcape as chairman, Sir William has been associated with the conduct of the affairs of this bank; we are indebted to him for the progress which the bank has made under his guidance, and he takes into his retirement the good wishes and affectionate respect of all. It will be my aim to endeavour to the best of my ability to harmonise the policy of this bank with that of the Chartered Bank, so that the best results may be achieved by common policy and closer working between the two institutions, yet at the same time they will work independently, and there is no intention that any business should be diverted from the P. and O. Bank or to deprive it of its initiative and of the fruits of its own efforts.

I have now to refer to the working of the year, the results of which show some diminution in the profits brought into the account for the year. In some ways the year has been singularly fortunate. We have had a favourable and satisfactory experience with our advances and loans, and indeed a comparison of our trade advances with the figures for the previous year shows a satisfactory increase of £700,000. There has also been a satisfactory improvement in our bill business.

There has also been an increase in current deposit and other accounts, and generally speaking a comparison of our figures with those of the previous year entitles me to say that the ordinary trading business of the bank is improved.

FACTORS AFFECTING PROFITS

Our profit figures, however, have been affected by other causes, of which the most noticeable is the absence of the opportunities which in the past, when exchanges were freer and less controlled, added materially to our income through exchange operations. The stabilisation, if I may call it so, of the China exchanges, and the narrower margins which unfortunately are now available on exchange operations in India, are a direct contributory cause of the falling off in profits. Eastern banks will have to rely in the future to an increasing degree for their profits on the financing of the internal trade, and of the local industries and commerce of the areas in which they are operating.

A third cause which has affected our results is to be found in the changed conditions which have come over the gilt-edged market, both here and in India. We have, fortunately, in the past been able to set aside an amount to care for a possible change in the market prices of our securities, and we have met from these sums the amounts required in the current year, and are still left with some surplus for future contingencies of the same character. I can only hope that the improvement in trade, accompanied by an increase in the business transacted by the bank, will enable us to maintain a fund sufficient to meet a further depreciation in the value of our securities and also to maintain the present dividend.

I have in my earlier remarks referred to the improvement which this year's figures show in our advances and in our bill business, but a far greater volume of suitable advances will be required to enable us to maintain profits at the present level. Shareholders may rely on the executive to take every opportunity to increase the business of the bank compatible with safety, but we may have a long road to travel before the recovery which has occurred in certain parts of the world will extend fully to the spheres in which we operate.

In considering the distribution of the profit of £102,481 2s. 1d. the directors felt that the shareholders would wish that provision should be made out of the profits of the present year, as in past years, for the benefit of the staff, and they have accordingly appropriated the modest contribution of £5,000 to the officers' pension fund.

Following the precedent of previous years there is attached to our report the balance sheet, as well as the profit-and-loss account of the Allahabad Bank. You will observe that our affiliate has made good and vigorous progress during the year under review.

The report and accounts were unanimously adopted, and a dividend of 5 per cent. per annum, less income tax, was declared.

The retiring directors, Mr A. d'A. Willis, Mr F. A. Johnston and Sir Henry Macnaghten, were re-elected, Messrs Peat Marwick Mitchell and Company were reappointed auditors, and a hearty vote of thanks was accorded to the chairman and directors, as well as to the manager and the staff at home and abroad.

THE ANGLO-SPANISH CONSTRUCTION COMPANY, LIMITED

WORKING OF THE RAILWAY

CONDITIONS UNDER FRANCO ADMINISTRATION

At the twelfth annual general meeting of The Anglo-Spanish Construction Company, Limited, held, on the 8th instant, at 1 London Wall Buildings, London, E.C., Mr David McA. Eccles (the chairman) said that during the year a further 5 per cent. had been distributed on the debentures outstanding, making them 65 per cent. repaid. It was not the board's intention to distribute any of the remaining cash in hand until after the Civil War had given place to more settled conditions.

Weekly remittances of foreign exchange had ceased in July, 1936. The company had the undisputed right, expressed in a contract between the Currency Control Committee and itself, to export gold if and when foreign exchange was not forthcoming. In spite of strong representations the Valencia Government had so far failed to fulfil this contract, which, if it were honoured, would do much to prove that Government's good faith.

Referring to the effect of recent events upon the Santander-Mediterraneo Railway, the chairman said that 1935 was a year of increasing discontent and consequent economic stagnation, which accounted for the rise in the deficit on operations to pesetas 642,000. In the first half of 1936 things went from bad to worse; social legislation, that had previously been introduced, threatened to impose conditions under which efficient exploitation would have been impossible. Although the line was running at a loss, demands for increases in pay and other additions to costs were put forward which, had they come into operation, would have had the effect of raising the wages bill by 150 per cent., although no upward revision in tariffs could have been made to offset these changes. Conditions became so threatening in the early months of the year that special insurances had to be taken out against aggression and personal attacks upon the administration and higher categories of the staff.

RECENT RECOVERY IN TRAFFIC RECEIPTS

In July, Civil War broke out. Since the first day of hostilities the whole area served by the Santander-Mediterraneo Company's railway system had remained under the control of General Franco's Government. Between the 18th and 27th July of last year there were some minor interruptions in the train services; but since the latter date the system had been regularly and efficiently operated, and the shareholders would be interested to hear that no special precautions by way of supervision had had to be taken, and that the general sympathy with the Nationalist cause in the provinces through which the line passed had been sufficient guarantee of peaceful and satisfactory working conditions.

Traffic receipts were affected by the dislocation in trade at the beginning of hostilities, and the year closed with a deficit of approximately Pts. 1,200,000. However, in 1937, in spite of the loss of the coal traffic, which normally provided a high proportion of the total, takings had shown a vigorous recovery, and for the first four months were 30 per cent. better than those for the same period of the previous year, and 12 per cent. better than the corresponding figures in 1935. The staff was to be congratulated upon this excellent achievement, not forgetting that the administration of General Franco's Government was responsible for the conditions in which this recovery had been made.

At a general meeting of debenture holders, held at the conclusion of the shareholders' meeting, an extraordinary resolution was passed, postponing the fixed redemption date and interest payment to September 30, 1939.

THE IMPERIAL BANK OF IRAN

DIVIDEND AND BONUS MAINTAINED

The forty-eighth ordinary general meeting of the members of the Imperial Bank of Iran was held, on the 2nd instant, at Southern House, London, Sir Hugh S. Barnes, K.C.S.I., K.C.V.O. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said:—You will remember that at our extra-ordinary meetings on September 16th and October 2nd last year we gave effect to the restoration of our capital to its original figure of £1,000,000, allocating for that purpose the £200,000 received for our note issue rights, and also £150,000 from provision for contingencies. These changes now appear for the first time in the balance sheet which is before you.

The total figures of the balance sheet show a reduction of £148,754, mainly under the head of acceptances, etc. The drop in acceptances is due to a reduction in the guarantees issued by us on behalf of customers, chiefly in relation to constructive work in Iran. Deposits are practically unchanged. Bills payable, contingencies, etc., is reduced by some £184,000, most of which represents the transfer of £150,000 to capital.

On the other side of the balance sheet the changes are greater. We are employing more money in discounts, loans and advances, and in the purchase of bills. The totals of these items are increased by some £548,000. Cash and short money is accordingly reduced by some £203,000 and investments by £415,000. Bank premises, furniture and stationery are again at a nominal figure.

PROFIT AND ALLOCATIONS

The profit and loss account shows little change. After making, as usual, adequate provision for income tax and for bad and doubtful debts, our profit amounts to £77,429 11s. 1d., which is some £1,600 more than last year. We are again placing £10,000 to reserve account, which brings our reserve to the substantial round figure of £750,000. We propose with your approval to make the same distribution as we have done since 1930—namely, 7s. per share and 2s. bonus per share, both free of income tax. This, with the interim dividend of 4s. makes a return for the year of 13s. tax free per share, which on our enlarged capital, is the equivalent of over 8½ per cent. subject to income tax. The maintenance of the same tax-free dividend represents an increase of over 3d. per share in the gross dividend, which I trust you will find satisfactory. These allocations enable us to increase the carry-forward by over £2,400 to £53,034 0s. 8d.

I mentioned last year that the Iranian Government had placed all operations in foreign exchange, as from March 1, 1936, under the strict control of a commission, and had fixed the sterling exchange at 80 rials for the buying rate and 80½ rials per pound for the selling rate. These rates have since been maintained without variation, all foreign exchange operations being taken over from the authorised banks—that is, the Banque Mellie Iran and ourselves—by the Control Commission. We have, accordingly, in our day-to-day operations in Iran, no longer to cope with fluctuations in the sterling exchange. The Government, however, in maintaining stability of rates, have not yet achieved equilibrium in exchange. There has been throughout the year a shortage of foreign exchange to pay for imports into Iran. This shortage may be expected to last while expenditure abroad for constructive development in Iran continues on its present scale.

CONTINUED INDUSTRIAL DEVELOPMENT

The Transiranian Railway makes steady progress. The northern section from Bandar Shah on the Caspian Sea to Teheran is now in running order, and it is expected that the southern section will be completed early in 1939. Industrial development continues, but the pace has rightly been slowed down to meet the threat of overproduction which was becoming apparent in certain directions. The Government have also wisely reversed the trend towards the monopolisation of foreign trade, and a degree of freedom for private enterprise has been restored to the important trade in carpets.

You have no doubt heard that an American company has recently obtained from the Iranian Government concessions to bore for oil in the East and North-eastern provinces and to construct a pipe-line from the wells to the sea on the Mekran coast in the South. The company operating in Iran is to be called the Amiranian Company. The same company has applied for permission to bore for oil in the Herat province of Afghanistan, the intention being, if oil is found, to convey it to the sea by the Amiranian pipeline.

The report and accounts were unanimously adopted.

ANGLO-CEYLON AND GENERAL ESTATES COMPANY, LIMITED

IMPROVED RESULTS—ENCOURAGING PROSPECTS

The fifty-first annual general meeting of the Anglo-Ceylon and General Estates Company, Ltd., was held, on the 7th instant, at Winchester House, London, Sir Edward Rosling (chairman and managing director), presiding.

The chairman, in the course of his speech, said that the results for the past year showed a general improvement, the net profit being £54,177, against £50,661 last year. In Ceylon the tea crop amounted to 3,635,192 lb., as compared with 4,234,419 lb. in the previous season, but whereas last year they were able to purchase export licences for 400,000 lb., enabling them to ship some 4,000,000 lb., in the year under review the price of licences kept at such a high level that purchases would not have paid them.

During the early months of this year the vice-chairman visited Ceylon and thoroughly reviewed all their interests there. In particular he dealt with the allocation of the restricted crop amongst the various estates. In a company such as that with estates producing different and varying qualities of tea, the apportioning of the crop under restriction had not been easy. In considering the matter afresh, the view taken was that restriction would continue for a further period of five years after the season 1937–38, and it now seemed probable that that would be the case.

It was therefore considered necessary to devise a policy to be followed during the next six years which would enable the company to produce at an economic cost and at the same time afford them the opportunity of taking full advantage as quickly as possible of any increase in output which might be allowed by the International Tea Control Committee. The decision arrived at was to maintain a full manuring and cultivation programme over a smaller area and to concentrate on producing the actual restricted crop at the least possible cost on that smaller area.

BETTER SEASON FOR COCOA

Cocoa, after two very unsatisfactory years, had experienced a much better season. They had harvested 7,284 cwt., as against 4,582 cwt. in the previous season, and the sales to date had netted 52s. 6d., an increase of 28s. 9d. per cwt. over last year. The rubber harvested under restriction was 187,142 lb., as compared with 187,447 lb., but the average price of 8.74d. net showed an improvement of nearly 3d. per lb.

In Mauritius their properties were reported to be in satisfactory order. The climatic conditions in the island were again favourable and the amount of sugar produced in their own factories and those of the subsidiary companies totalled 34,937 tons, as compared with 33,647 tons in the previous year. Of the tons of cane handled, 196,022 tons were estate canes and 95,253 tons were purchased from or manufactured for cane farmers. Despite much lower prices they had been able to maintain practically the same profit as for the previous year, owing in no small degree to the reductions in cost of production effected over the past few years.

CURRENT YEAR'S PROSPECTS

On the whole the prospects for the current season might be regarded with a certain amount of optimism. The International Control Committee had increased the export quota for tea from 82½ per cent. to 87½ per cent., and this allowed the company to export some 3,830,000 lb., as compared with 3,620,713 lb. last year. The stocks in the United Kingdom showed a reduction of some 80,000,000 lb. on the 12 months and were now at a reasonable level, so it did not appear to be unduly optimistic to anticipate better results from tea, especially as the prices ruling to-day were in excess of those at the same time last year.

Rubber was, with them, of small importance, but the indications pointed to their making a small profit on that commodity.

In regard to sugar there was likely to be another good crop for the third year in succession. The major portion of the Mauritius crop had already been sold at prices in excess of the average for last year, but freights had risen and therefore the additional price obtained would not be all additional profit.

Summing up the position, with the company's properties in the condition they are, they were prepared to take full advantage of improvements in the selling prices of their products, and unless untoward circumstances arise their results for the current year should show an improvement over those for the past year.

The report and accounts were unanimously adopted, and a final dividend of 5½ per cent. was approved.

ASSOCIATED TIN MINES OF NIGERIA, LIMITED

INCREASED PROFITS—DIVIDEND OF 20 PER CENT.

The tenth ordinary general meeting of the Associated Tin Mines of Nigeria, Limited, was held, on the 7th instant, at 20 Aldermanbury, London. Mr Douglas Christopherson (the chairman) presiding.

The chairman, in moving the adoption of the report and accounts, said that the results for the year under review had shown a further satisfactory improvement, the profit for the year being £221,848, as compared with £171,966 for the previous year, an increase of £49,882. That increase included a non-recurring item of £19,053 for "Recoveries from advances previously written off." As against that, when comparing the results with those for the previous year, allowance must be made for last year's profits having included some £29,000 for the net proceeds of buffer stocks and, moreover, included 400 tons of reserve stocks in respect of which costs were only charged with the dressing, bagging and realisation costs, whereas for the year under review revenue had no such credits. Thus it could be taken that the results for 1936, when compared with 1935, were even more favourable than indicated by the profit and loss account.

The average price realised for the company's product was £2 9s. 5d. per ton higher than in the previous year, but on the other hand working costs were up by £74,005. That at first sight might appear to be an undue increase, but they were satisfied that everything had been done to keep costs down to a minimum.

After charging directors' additional remuneration, there remained a distributable balance of profit for the year's operations of £159,664, out of which two interim dividends of 5 per cent. each had already been paid. A final dividend of 10 per cent. was recommended, making a total of 20 per cent., less tax, for the year. Concurrently with the proposed final dividend the directors had declared a 5 per cent. interim in respect of 1937.

ORE RESERVES

Since the end of the year an electrically driven Monighan dragline had been ordered. It was confidently expected that that machine would strip certain of their ground at an appreciably lower cost figure than was incurred by present methods, and less water would certainly be required.

The ore reserves were reduced by 2,214 tons, as against the 3,003 tons taken out by production during the year, a higher proportion of tin being won from reserves than was usual owing to the necessity for the rapid increase in production. Prospecting had brought in an additional 1,467 tons to their reserves, but certain quantities left in solitary patches, with which it would not be economical to deal with the present plant, had been deleted from the year's figures. When the new dragline was available it was expected that much of that would be recovered. He would again emphasise that prospecting had been handicapped by the fact that available staff and labour had been required for production and that they still had numerous mining leases and exclusive prospecting licences unprospected which could be relied on to increase their reserves when there had been opportunity to prospect them systematically.

The international quota for the first three-quarters of the current year was fixed at 100 per cent., 110 per cent., and 110 per cent., respectively, giving the company an allowed production of 884 tons for the first quarter and 967 tons for each of the latter two quarters, a further considerable increase.

So far the rains in Nigeria had been unusually poor and for a time the supply of electricity had had to be rationed, but given a fair run for the rest of the year, it was expected that the mines would produce the output required.

THE FUTURE

In regard to the future, world consumption in 1936 was shown in the most recent calculations at a figure of 162,738 tons, as compared with 148,713 tons in 1935, and the first four months of the current year showed a further expansion, the consumption figure being 65,636 tons as against 54,691 tons in the corresponding period of 1936. America, the biggest consumer of tin, was having her strike troubles, and in England material expansion in the manufacture of tin plates was delayed through the shortage of tin-plate bars, but those difficulties could be looked upon as temporary. Meantime, he might mention that the average price of tin for the year up to date had been about £250 per ton as against an average of £204 for the whole of the previous year.

The report was adopted.

THISTLE-ETNA GOLD MINES, LIMITED

ENCOURAGING DEVELOPMENTS

The ordinary general meeting of this company was held, on the 6th instant, in London.

Sir Godfrey B. H. Fell, K.C.I.E., C.S.I. (the chairman), moving the adoption of the report and accounts, which covered a period of six months only, pointed out that pursuant to a resolution passed in October, 1936, the capital showed an increase from £120,000 to £150,000, of which 540,000 shares of the nominal value of £135,000 had been issued, leaving 60,000 shares under option at 15s. per share until December 31st next.

Taking the Etna and Thistle mines together, the result of six months' development work might thus be summarised. Of a total footage of 3,384 ft., 2,147 ft., or 63.4 per cent., were on the reef; 2,064 ft. were sampled, and 1,835 ft., or 54.2 per cent. of the total footage and 85.5 per cent. of the footage on the reef, proved to be payable, having an average value of 11.8 dwt. over an average width of 22 in.

The first unit of the mill commenced operation in February, and ran for 19 days in February and 26½ days in March—a total of 454 hours. It milled 2,150 tons of ore, of 8.38 dwt. value, for a recovery of 797 fine oz. of gold. In April 1,800 tons were crushed for 506.39 oz. of gold, in May 1,875 tons were crushed for a recovery of 550 oz. of gold, and in June 1,880 tons for 536.2 oz. of gold.

So soon as the situation underground warranted it the board proposed to increase the capacity of the mill.

Their consulting engineer, Mr Parsons, had paid a visit to the mine in March and April, and his report, which was very satisfactory, was attached to the directors' report. During his visit No. 5 borehole was being put down to the north of the Hooper shaft, and just before Mr Parsons left the mine it intersected the reef at 1,[illegible] ft., the ore assaying 54.8 dwt. over a corrected channel reef width of 42 in.

They now had a clear indication of the extent of the known ore body below their present levels, and under the mining laws of Southern Rhodesia they were allowed to follow a reef indefinitely. He hoped shareholders would regard the progress of the last six months as satisfactory.

The report and accounts were unanimously adopted.

LOBITOS OILFIELDS, LIMITED

INCREASED PRODUCTION

The twenty-ninth annual ordinary general meeting of this company was held, on the 16th instant, in London.

Mr H. C. R. Williamson (the chairman) said that the profit of £26,133 shown in the general profit and loss account was arrived at after deducting refinery losses. Last year he had informed the stockholders that the refinery was likely to show a loss for the first six months but that he hoped a small profit might be achieved in the second six months. His anticipations had not been fulfilled owing mainly to delay in completion of additions and alterations, but the board were more than ever convinced that the policy of erecting a refinery in this country was a correct one.

The Peruvian company had operated satisfactorily. Production had increased by over 21,000 tons and one of the most satisfactory features of the field operations was that increase in production had been obtained at a lower cost per foot drilled than in the previous year. In the northern area several good wells had been drilled and special efforts had been made to bring into production wells which had been left uncompleted to the deeper sands.

The directors proposed to pay a dividend of 10 per cent., less tax, and a bonus of 2½ per cent., less tax, and to allocate £7,000 towards the foundation of a staff provident fund, carrying forward £214,412, as compared with £191,911 brought in.

Some stockholders had inquired whether the time had not come when the company might resume its old practice of paying an interim dividend. He would just like to say that that was a matter to which careful consideration would be given towards the end of the calendar year.

The report and accounts were unanimously adopted.

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

BRITISH GLUES AND CHEMICALS, LIMITED

LARGER DIVIDEND DISTRIBUTION

The seventeenth ordinary general meeting of British Glues and Chemicals, Limited, was held on the 8th instant, at the Connaught Rooms, London.

Mr. T. Walton, F.C.A. (the chairman), presided, and in the course of his speech said:—Since we last met there has been in most trades of the country a continuance of improved trading conditions in which we have participated, with the result that your directors are pleased to be able to recommend an increased dividend and again soundly to have added to the company's reserve strength.

We continue earnest attention to technical research and development, and all expenditure in that direction is of course charged against revenue; its benefits are continuous and its results contribute to economies, improved manufacturing processes, improved output, better products and consequently more efficient service to our customers.

In the past year our raw materials have cost more, and greases and tallows, which as you know we produce largely, have realised less; but on the other hand, increased demand for glue has contributed more to our profit. The weather conditions this spring slowed down fertiliser demand, but our cattle feeding stuffs have again made headway; in so many directions do I hear of the good results of their use that the increased demand is no surprise.

Turning to our balance sheet; the reserve for contingencies is increased by £20,000, but there is no change this year in the central reserve figure; the carry forward is £3,000 lower. These reserves and carry foward total £141,500 against £124,800 last year; and taking parent and subsidiary companies together our excess of liquid assets over all liabilities, including the dividends proposed to be paid on July 31st, amounts to £375,000 against £359,000 a year ago.

Notwithstanding that in recent years overseas markets have yielded unattractive prices for glues we have not overlooked their importance to us in the long run and we have persistently cultivated Empire and international trade; we propose to continue this policy, and as there has been a substantial shrinkage in world glue stocks we look for continued good demand both at home and abroad. The grease outlook is difficult to forecast but to-day prices are better than at this time last year. On the other side of the picture, coal and railway transport will cost us more, and in the present and immediate future years our taxation burden must inevitably be heavier; but we are fortunate in our managing director and chief officers, we have the right products efficiently produced, there is good spirit amongst employees, and we are financially strong; we therefore look forward to the new year with confidence, given reasonable freedom from world disturbances.

The report and accounts were unanimously adopted.

KANSALLIS - OSAKE - PANKKI

(NATIONAL JOINT STOCK BANK)

ESTABLISHED 1889

PAID-UP CAPITAL AND RESERVES - - - FMK 432,300,000

DEPOSITS AND CREDIT BALANCES December, 1936 3,425,500,000

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GOVERNMENT RETURNS, &c.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on July 2, 1937. The amount applied for was £72,860,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 2d. about 41 per cent. and above in full; Saturday at £99 17s. 3d. and above in full. The average rate per cent. was 11s. 0·45d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,580,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
June 25, 1937	50,000,000	66,890,000	50,000,000	0 11 5·41
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended June 19, 1937	557,354	418,015
Week ended June 26, 1937	520,867	390,650
February, 1916, to June 26, 1937	1,297,184,011†	1,019,325,845†

At the end of April 1937, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,726,807.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, JULY 7, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	494,424,820	Other Government Securities	184,082,562
In Banking Department	31,982,005	Other Securities	4,889,339
		Silver Coin	12,999
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	96,625,321
Rest	3,460,055	Other Securities :—	
Public Deposits*	15,254,552	Discounts and Advances £9,035,196	
Other Deposits :—		Securities £20,433,379	
Bankers £88,541,017			29,468,575
Other Accounts £37,155,186		Notes	31,982,005
	125,696,203	Gold and Silver Coin	887,909
	158,963,810		158,963,810

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

Both Departments	Amount, July 7, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	494,424,620	+ 5,980,377	+ 51,318,497
Public deposits	15,254,552	+ 4,469,555	+ 4,733,756
Bankers' deposits	88,541,017	−51,992,967	− 8,162,711
Other deposits	37,155,186	− 2,999,399	− 1,211,013
Total outside liabilities	635,375,375	−44,541,934	+ 46,678,529
Capital and rest	18,013,055	+ 47,810	− 34,978
Government debt and securities	291,722,983	−44,031,521	− 64,229,122
Discounts and advances	9,035,196	+ 2,756,034	+ 3,051,885
Other securities	25,322,718	− 3,196,899	+ 7,815,841
Silver coin in issue department	12,999	+ 3,949	− 722,354
Coin and bullion (bank's reserves)	327,294,534	− 25,687	+100,727,301
Reserves of notes and coin in banking department	32,869,914	− 6,006,064	− 10,591,196
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	23·3%	+ 3·0%	− 6·5%
(b) Gold stocks to deposits and notes ("reserve ratio")	51·5%(a)	+ 3·4%(b)	+ 13·0%(c)

N.B.—Last week's figures should read (a)48·1%. (b) - 3·7%. (c) +11·1%.

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
	£	£	£	£	£	£	%
1937							
June 16	521,261	479,781	10,013	102,261	37,151	Nil	2
,, 23	526,407	483,719	15,459	94,987	37,186	5,145 in	2
,, 30	526,407	488,444	10,785	140,533	40,156	Nil	2
July 7	526,407	494,425	15,255	88,541	37,155	Nil	2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion	Reserve Ratio	Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
June 16	195,156	4,834	322,170	51⅞	101,329	3,738	19,854	42,389	28⅜
23	195,112	4,878	327,308	51 11/16	98,028	3,756	20,178	43,589	29 11/16
,, 30	195,152	4,839	327,320	48⅝	140,603	6,279	23,680	38,876	20⅝
July 7	195,098	4,889	327,294	51½	96,625	9,035	20,433	32,870	23½

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to June 23	18,219,135	1,053,717	1,832,881	21,105,733
Week ended June 30	822,641	41,545	65,655	929,841
Week ended July 7	871,964	57,427	98,262	1,027,653
Total to date, 1937	19,913,740	1,152,689	1,996,798	23,063,227
Total to date, 1936	17,223,793	1,043,144	1,794,074	20,061,011
Increase or decrease in 1937	+ 2,689,947	+ 109,545	+ 202,724	+3,002,216
	− 15·6%	− 10·5%	− 11·3%	− 15·0%
Total for year 1936	35,039,356	2,038,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL

(000's omitted)

	Week ended July 3		Month of June			Aggregate Totals January 1 to July 3	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
			25	26			
No. of working days :	£	£	£	£	%	£	£
BIRMINGHAM	4,304	4,090	9,988	10,853	+ 8·6	69,338	71,911
BRADFORD	1,018	1,442	3,592	4,280	+19·1	26,301	28,613
BRISTOL	1,540	1,514	4,905	5,896	+20·2	33,686	34,229
DUBLIN	7,356	7,603	—	—	—	154,786	159,998
HULL	968	1,087	3,221	3,770	+17·0	21,660	24,572
LEEDS	1,304	1,259	3,455	4,191	+21·3	25,059	27,978
LEICESTER	824	967	2,892	3,282	+17·1	19,609	20,355
LIVERPOOL	8,499	8,054	23,279	27,683	+18·9	160,942	191,468
MANCHESTER	13,364	15,160	39,719	48,340	+21·6	268,342	298,268
NEWCASTLE	1,918	1,862	5,336	6,165	+15·5	34,631	38,651
NOTTINGHAM	801	667	1,808	2,175	+20·2	13,658	14,102
SHEFFIELD	1,700	1,889	4,119	4,622	+12·2	26,573	29,686
	43,696	45,694	102,224	121,257	+18·6	854,585	939,831

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in *The Economist* for August 15. Czechoslovakia, Danzig, Jugoslavia, Portugal, Turkey, Estonia, Bulgaria, Greece, Hungary in June 26. Canada, Egypt, Finland, Java, Latvia, New Zealand, Norway, Reichsbank, Sweden, and Federal Reserve Reporting Member Banks, in July 3.

BANK FOR INTERNATIONAL SETTLEMENTS

(In Millions of Swiss gold francs of 0·29 grammes)

Assets	June 30, 1936	Mar. 31, 1937	Apr. 30, 1937	May 31, 1937	June 30, 1937
Gold in bars	37·3	45·1	32·2	51·0	51·0
Cash	8·6	25·6	32·7	42·6	21·1
Sight funds	16·9	26·5	25·2	43·6	36·4
Bills and acceptances: Commercial bills	151·9	101·3	106·6	117·8	136·1
Treasury bills	180·9	130·7	133·4	131·4	140·6
Time funds: Not exceeding 3 months	40·0	28·7	27·8	36·2	39·1
Sundry bills and investments	217·7	259·4	263·0	273·9	302·6
Other assets	8·2	1·4	1·7	1·7	2·7
Liabilities					
Capital paid up	125·0	125·0	125·0	125·0	125·0
Reserves	22·1	22·1	22·1	23·2	23·2
Special deposits :—					
Annuity trust account	154·1	153·2	153·3	152·9	152·8
German Government deposit fund	77·0	76·6	76·6	76·5	76·4
French Government guarantee fund	61·9	42·8	41·7	41·5	41·5
French Government deposit	2·0	1·4	1·4	1·4	1·4
Time deposits of Central Banks :—					
Not exceeding 3 months :—					
For their own account	117·5	105·5	103·7	155·2	168·0
Between 3 and 6 months : for their own account	...	...	...	12·9	12·8
Sight deposits of Central Banks :—					
For their own account	22·5	24·1	31·1	47·7	48·5
For account of others	10·6	4·2	4·3	3·5	2·9
Other deposits	0·3	0·2	0·4	0·4	0·5
Sight deposits—gold	25·5	23·3	21·7	16·6	8·3
Miscellaneous items	35·0	40·4	41·5	33·5	34·7
Profits for distribution July 1	8·0	...	...	7·9	7·9

TAMPICO OIL, LTD.—The total production from the Company's properties in Mexico during the month of June was 11,475 barrels, in respect of which the Royalty due to Tampico Oil, Ltd., amounted to 861 barrels.

TRINIDAD CONSOLIDATED OILFIELDS, LTD.—The output for May was 63,600 barrels. Wells No. 32 and 33 came into production on May 14th and June 2nd respectively.

TRINIDAD LEASEHOLDS, LTD.—Oil produced during May, 51,188 tons; oil purchased during May from other companies, 76,619 tons.

PHŒNIX OIL AND TRANSPORT COMPANY, LTD.—The gross production of crude oil of the Phœnix Group for June was 51,225 tons.

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

U.S.F.R. Banks Resources	July 9, 1936	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937
Gold Certificates on hand and due from the Treasury	8,106,570	8,837,960	8,836,900	8,834,910	8,835,410
Total reserves	8,390,120	9,161,360	9,169,640	9,158,690	9,123,470
Total cash reserves	271,010	313,590	322,490	313,310	277,660
Total bills discounted	3,300	14,930	13,300	9,930	13,020
Bills bought in open market	3,080	5,090	4,280	3,800	3,670
Total bills on hand	6,380	19,420	17,580	13,730	16,690
Industrial advances	29,500	22,050	22,010	22,150	21,780
Total U.S. Govt. securities	2,430,230	2,526,290	2,526,240	2,526,190	2,526,190
Total bills and securities	2,466,290	2,567,760	2,565,830	2,562,070	2,564,660
Total resources	11,564,280	12,702,930	12,475,820	12,496,480	12,436,190
Liabilities					
Federal Reserve notes in actual circulation	4,040,330	4,177,890	4,162,830	4,206,480	4,252,420
Aggregate of excess member-bank reserves over requirements	2,880,000	750,000	810,000	870,000	880,000
Deposits—Member-bank—reserve account	5,814,250	6,807,980	6,854,410	6,900,290	6,826,710
Government deposits	506,640	250,210	150,930	92,810	100,940
Total deposits	6,584,010	7,325,120	7,328,850	7,278,170	7,212,350
Capital paid in and surplus	303,000	305,580	305,550	305,650	305,700
Total liabilities	11,564,280	12,702,930	12,475,850	12,496,480	12,436,190
Ratio of total reserves to deposit and F.R. note liabilities combined	79·0%	79·6%	79·8%	79·7%	79·6
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,622,000	12,220,000	12,270,000	12,318,000	12,376,000
Treasury and National Bank Currency	2,498,000	2,548,000	2,550,000	2,551,000	2,552,000
Liabilities					
Money in Circulation	6,242,000	6,415,000	6,394,000	6,448,000	6,524,000
Treasury Cash and Deposits with Federal Reserve Banks	3,015,000	3,598,000	3,547,000	3,538,000	3,612,000

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	July 9, 1936	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937
Total gold reserves	3,097,030	3,359,950	3,463,120	3,479,000	3,368,820
Total bills discounted	2,400	8,600	5,930	4,910	5,710
Bills bought in open market	1,100	1,760	1,550	1,540	1,410
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	671,400	729,310	738,420	737,380	738,040
Deposits—Member-bank—reserve account	2,470,930	2,975,040	3,023,150	3,064,440	2,956,830
Ratio of total res. to dep. and Federal Res. note liabilities combined	83·8%	83·5%	84·3%	84·3%	83·9

AUSTRALIAN COMMONWEALTH BANK.

In £'s (000's omitted)

Assets	July 6, 1936	June 7, 1937	June 14, 1937	June 21, 1937	June 28, 1937	July 5, 1937
Gold and English sterling	15,999	16,011	16,011	16,011	16,011	16,011
Other coin, bullion and cash	6,171	5,391	5,862	5,223	5,532	5,236
Money at short call—London	18,790	32,895	35,343	37,461	36,484	31,553
Short-term loans	3,224	3,695	3,966	3,877	2,567	4,186
Securities	75,413	76,591	76,591	76,591	76,591	76,590
Discounts and advances	8,435	9,617	9,443	9,389	9,328	10,391
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	65,995	82,001	84,561	86,501	86,784	84,773

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

Assets	July 3, 1936	June 4, 1937	June 11, 1937	June 18, 1937	June 25, 1937	July 2, 1937
Gold coin and bullion	22,914	25,202	25,200	25,069	24,409	23,234
Bills discounted : Foreign	7,226	6,125	5,905	6,270	6,285	4,772
Investments	1,737	1,729	1,729	1,729	1,729	1,729
Other assets	12,650	12,658	12,806	12,405	11,599	12,458
Liabilities						
Notes in circulation	15,063	16,451	15,627	15,124	15,416	17,035
Deposits : Government	2,212	1,589	1,787	2,572	2,168	1,585
Bankers	22,748	18,758	20,207	18,875	18,526	17,569
Ratio of cash reserves to liabilities to public	54·7%	58·4%	59·0%	58·7%	58·8%	58·5%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	July 3, 1936	June 18, 1937	June 25, 1937	July 2, 1937
Gold coin and bullion	44,42,17	44,41,56	44,41,57	44,41,57
Rupee coin	63,97,68	55,56,71	56,36,43	56,90,92
Balances abroad	14,24,26	22,72,67	22,82,16	19,95,92
Sterling securities*	68,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,25	27,37,25	27,37,23	27,37,23
Investments	5,96,98	7,22,81	7,36,31	7,76,24
Liabilities				
Note circulation	1,65,79,43	1,88,97,46	1,85,95,49	1,87,49,16
Deposits : Government	13,74,74	11,04,55	12,61,92	9,69,57
Banks	30,33,65	27,14,05	29,62,08	28,96,02
Ratio of gold and sterling to liabilities	56·4%	60·1%	59·8%	59·7%

* Held against notes.

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

Assets	July 10, 1936	June 10, 1937	June 17, 1937	June 24, 1937	July 8, 1937
Gold	54,606,761	57,359,076	57,359,105	54,859,163	48,859,221
Advances on Gold Coin	1,277,633	1,098,943	1,099,156	1,069,156	1,069,156
Commercial Bills	17,064,104†	8,604,973	9,860,187	10,632,791	11,394,963
Bills bought abroad	1,257,755	1,023,694	1,023,694	1,023,693	970,239
Advances on securities	4,754,238	4,443,745	4,919,825	4,789,093	5,241,087
Loans to State without interest : (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	4,439,025	19,979,739	19,979,739	21,379,738	23,926,269
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,622	5,641,622	5,641,368	5,641,368
Other assets (excluding forward exch.)	3,907,324	4,221,106	3,883,812	3,828,772	4,434,909
Liabilities					
Notes in circulation	86,090,396	86,450,803	85,798,934	85,985,288	88,686,728
Public deposits	1,427,503	2,350,041	2,179,606	2,209,005	2,088,239
Private deposits	6,026,436	14,199 497	16,357,831	15,611,240	11,920,995
Other liabilities	2,670,092	2,572,557	2,630,770	2,648,243	2,672,995
Ratio of gold reserve to sight liabilities	58·3%	55·6%	54·9%	52·8%	47·5%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936.
† Includes fcs. 10,644,398,000 Treasury Bills.

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

Assets	July 2, 1936	June 3, 1937	June 10, 1937	June 17, 1937	June 24, 1937	July 1, 1937
Gold	3,749,925	3,591,946	3,613,113	3,648,473	3,688,204	3,755,667
Silver and other coin	57,159	50,230	49,042	50,894	50,724	47,564
Securities	1,396,937	1,336,990	1,354,229	1,370,123	1,390,977	1,420,686
Advances	83,827	42,788	37,292	34,092	32,965	34,799
Liabilities						
Notes in circulation	4,413,362	4,397,471	4,400,167	4,401,287	4,417,814	4,506,325
Deposits: Govt.	27,212	179,554	146,581	139,795	165,425	223,862
Other	1,039,487	831,379	693,382	748,917	766,032	714,503

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

Assets	July 6, 1936	June 7, 1937	June 14, 1937	June 21, 1937	June 28, 1937	July 5, 1937
Gold	611,233	1,146,061	1,196,034	1,227,185	1,245,899	1,245,886
Silver	20,545	18,604	19,047	19,747	19,144	19,192
Home bills discounted	42,317	18,214	17,881	18,169	18,043	14,865
Loans and advances in current account	136,528	170,686	171,268	168,944	178,189	170,478
Liabilities						
Notes in circulation	769,862	823,981	812,570	804,631	820,562	847,542
Deposits	63,929	551,608	613,284	640,081	664,544	625,680

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

Assets	June 30, 1936	May 31, 1937	June 7, 1937	June 15, 1937	June 23, 1937	June 30, 1937
Gold	1,407,044	2,624,249	2,624,325	2,624,357	2,624,360	2,624,397
Of which held abroad	174,083	534,469	534,469	534,469	534,469	534,469
Discounts	101,041	12,192	11,759	11,273	11,373	11,043
Confederation Bills	59,650	13,500	13,150	12,450	11,550	11,550
Advances	88,511	30,129	30,857	30,957	30,027	30,712
Securities	45,479	15,876	15,876	15,715	14,917	14,825
Liabilities						
Notes in circulation	1,300,978	1,373,932	1,344,698	1,324,076	1,330,213	1,408,616
Deposits	339,611	1,300,907	1,329,081	1,353,022	1,360,252	1,319,674

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

Assets	June 30, 1936	Feb. 27, 1937	Mar. 31, 1937	Apr. 30, 1937	May 31, 1937	June 30, 1937
Gold coin and bullion	117,962	117,916	117,904	117,889	117,878	117,893
Loans and discounts	122,213	98,066	100,783	100,936	103,757	102,595
Securities	70,858	56,372	54,278	54,253	53,078	52,892
Emergency Fund	134,689	116,389	117,509	116,257	116,250	116,171
Advances to Treasury	85,598	40,172	46,612	50,472	58,193	116,909
Liabilities						
Circulation	380,726	374,729	378,050	391,512	384,467	387,435
Deposits	84,526	33,263	35,617	36,386	44,953	64,725

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

Assets	June 30, 1936	June 7, 1937	June 15, 1937	June 23, 1937	June 30, 1937
Cash reserve—					
Gold coin and bullion	242,612	242,933	242,948	242,962	242,975
Other foreign exchange	87,382	99,210	98,047	98,955	100,089
Bills discounted	219,965	190,748	191,333	189,398	190,337
Federal debt	624,444	620,152	620,152	620,122	620,122
Liabilities					
Notes in circulation	949,863	893,920	822,523	788,250	895,843
Deposits	220,877	309,980	317,536	352,981	244,929

† 5,976·28 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

CENTRAL BANK OF ARGENTINA
In paper pesos (000,000's omitted)

Assets	June 15, 1936	Apr. 15, 1937	Apr. 30, 1937	May 15, 1937	May 31, 1937	June 15, 1937
Gold at home	1,224	1,224	1,224	1,224	1,224	1,224
Gold abroad and foreign exchange	118	335	338	269	262	330
Non-interest bearing Government Bonds	119	119	119	119	119	119
Treasury Bonds	399	399	399	399	399	398
Liabilities						
Notes	1,025	1,153	1,165	1,157	1,137	1,152
Government deposits	161	113	128	138	135	135
Bankers deposits	320	420	450	339	363	427
Certificates against Treasury Bonds	345	394	373	373	367	367
Ratio of gold and foreign exchange to note and sight liabilities	88·2%	92·3%	89·3%	90·7%	90·5%	91%

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

Assets	May 23, 1936	May 1, 1937	May 8, 1937	May 15, 1937	May 22, 1937
Gold and gold exchange	11,001,357	15,796,736	15,816,899	15,816,910	15,816,915
Commercial bills	5,302,283	6,331,502	6,257,783	6,201,803	6,191,189
Agricultural and urban advances	2,446,386	2,073,939	2,072,899	2,077,957	2,076,166
Treasury bills issued against losses on credit	5,553,729	6,117,080	6,138,739	6,326,016	6,326,476
State debt and advances to Treasury	5,638,745	4,624,386	4,624,385	4,624,385	4,624,385
Liabilities					
Notes in circulation	22,141,613	26,752,155	26,295,715	26,153,678	26,047,529
Other sight liabilities	8,621,171	12,363,270	12,941,055	12,956,229	13,121,038
Long-term liabilities	4,596,898	3,529,881	3,558,596	3,728,161	3,715,132

† First return after decree of November 7, 1936, was November 14th.

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

Assets	June 30, 1936	May 31, 1937	June 10, 1937	June 20, 1937	June 30, 1937
Gold	370,463	412,471	414,491	416,008	422,881
Foreign exch. and balances	7,183	40,519	41,394	37,826	31,583
Bills discounted	639,934	520,830	500,347	489,633	521,522
Loans against securities	142,731	33,203	28,256	27,623	41,736
Treasury bonds discounted	55,728	25,509	36,716	32,187	34,652
Securities	108,831	134,630	134,682	134,688	134,576
Liabilities					
Notes in circulation	1,018,621	975,302	962,773	939,429	989,481
Sight liabilities	173,007	267,756	274,849	283,407	258,086

BANK OF LITHUANIA.—In lt. (000's omitted)

Assets	June 30, 1936	Apr. 30, 1937	May 15, 1937	May 31, 1937	June 15, 1937	June 30, 1937
Gold	58,961	76,640	76,645	76,648	76,850	76,649
Silver and other coins	5,052	8,289	8,851	9,789	10,248	10,513
Foreign currency	9,889	2,744	2,721	2,520	2,240	2,495
Discounts	66,757	85,813	84,330	80,881	79,855	82,213
Advances	12,280	14,386	14,252	14,588	14,791	15,309
Liabilities						
Bank notes in circulation	105,866	111,582	106,523	108,332	105,929	108,431
Current accounts	33,196	44,649	50,802	45,780	62,264	53,942
Deposits	14,867	34,062	32,744	32,247	18,129	27,053

BANK OF JAPAN.—In yen (000's omitted)

Assets	June 13, 1936	May 22, 1937	May 29, 1937	June 5, 1937	June 12, 1937
Gold coin and bullion	521,917	534,006	535,324	531,434	533,904
Other coin and bullion	63,527	49,414	49,925	51,824	53,813
Discounts	536,121	482,423	508,797	480,479	474,892
Advances	177,346	247,605	249,793	254,133	268,002
Advances on foreign bills	29,999	71,374	80,516	79,804	29,999
Government bonds	455,861	655,784	713,458	671,404	665,980
Liabilities					
Notes	1,208,857	1,352,899	1,401,782	1,424,250	1,367,008
Government deposits	332,588	428,304	338,830	325,896	396,012
Other deposits	75,208	62,989	83,837	78,484	75,144

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	July 1, 1937	July 2, 1937	July 3, 1937	July 5, 1937	July 6, 1937	July 7, 1937	July 8, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
3 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
4 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
6 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
Discount Treasury Bills—							
2 months'	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
3 months'	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
Loans—Day-to-day	1–1	1–1	1–1	1–1	1–1	1–1	1–1
Short	1–1	1–1	1–1	1–1	1–1	1–1	1–1
Deposit allowances: Bank	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Discount houses at call	½–½	½–½	½–½	½–½	½–½	½–½	½–½
At notice	½–½	½–½	½–½	½–½	½–½	½–½	½–½

Comparison with previous weeks

	Short Loans	Bank Bills: 3 Months	Bank Bills: 4 Months	Bank Bills: 6 Months	Trade Bills: 3 Months	Trade Bills: 4 Months	Trade Bills: 6 Months
1937	%	%	%	%	%	%	%
June 10	1–1	½–⅝	½–⅝	½–⅝	2–2½	2½–2¾	2½–3
,, 17	1–1	½–⅝	½–⅝	½–⅝	2–2½	2½–2¾	2½–3
,, 24	1–1	½–⅝	½–⅝	½–⅝	2–2½	2½–2¾	2½–3
July 1	1–2½	½–⅝	½–⅝	½–⅝	2–2½	2½–2¾	2½–3
,, 8	1–1	½–⅝	½–⅝	½–⅝	2–2½	2½–2¾	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	July 2, 1937	July 3, 1937	July 5, 1937	July 6, 1937	July 7, 1937	July 8, 1937
New York, $..	$4·86⅝	$4·94–94⅝	$4·94–94⅝	$4·94–94⅜	$4·94–95	$4·95–96⅛	$4·94⅛–95
Montreal, $...	4·86⅝	$4·94⅝–95⅛	$4·94⅞–95⅛	$4·94⅞–95⅛	$4·95·96⅛	$4·96·97½	$4·96·97
Paris Fr.....	124·21	128¼–129	128¼–128⅝	128¼–128⅜	128⅛– 128⅜	129⅛– 128⅜	128⅛
Brussels, Bel.	35·00(a)	29·32–38	29·36–39	29·36–39	29·38–45	29·40–51	29·39–45
Milan, L.....	92·46	93⅞–94⅛ 94·0⅛	93½–94⅛ 93·97½	93⅜–94⅛ 93·97½	93⅛–94⅛ 94·05¼	94⅛–94⅜ 94·20⅛	94–94⅛ 94·20⅛
Zurich, Fr....	25·22½	21·60–21·65	21·63–21·66	21·65–21·68	21·63–21·67	21·65–21·69	21·63½–66⅛
Athens, Dr....	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M...	193·23	225⅝–226½	225⅝–226½	225⅝–226½	225⅝–226⅝	225⅝–225½	225⅝–226½
Madrid, Pt....	25·22½	70–100(e) 59·50(f)	70–100(e) 59·50(f)	70–100(e) 59·50(f)	70–100(e) 59·50(f)	70–100(f) 59·50	70–100(f) 59·50
Lisbon, Esc...	110	110–110½	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛
Amst'd'm Fl.	12·107	8·98⅛–9·00	8·99–9·00	8·99–9·00	8·99⅛–9·02	9·01–03⅛	9·00–02
Berlin, Mk. ...	20·43	12·30–34	12·31–33	12·32–33⅜	12·31⅛–35	12·33⅛–37⅛	12·32·35
Registered Marks	(c)	44–49	43⅛–48⅛	43–48	41–46	39–44	39–44
Vienna, Sch...	34·58½	25½–27½	25–27⅛	25⅛–27⅛	25½–27⅛	25¼–27⅛	25¼–27⅛
Bu'pest, Pen..	27·82	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛
Prague, Kc....	§164½	141⅛–142	141⅛–142	141⅛–142⅛	141⅛–142⅛	142–142½	141⅛–142½
Danzig, Gul...	25·00	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛
Warsaw, Zl....	43·38	24⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	24⅛–26⅛	25⅛–26⅛
Riga, Lat. ...	25·22½	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	616* 622½	616* 622½	616* 622½	616* 622½	616* 624½	616* 624½
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit....	48·66	28⅝–29⅝	28⅝–29⅝	28⅝–29⅝	28⅝–29⅝	28⅝–29⅝	28⅝–29⅝
Sofia, Lev. ...	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17⅞–18⅞	17⅞–18⅞	17⅞–18⅞	17⅞–18⅞	17⅞–18⅞	17⅞–18⅞
Oslo, Kr.....	18·159	19·85–95	19·85 95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr...	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35 45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅞–97⅞	97⅞–97⅞	97⅞–97⅞	97⅞–97⅞	97⅞–97⅞	97⅞–⅛
Br. India Rup	† 18d.	18 1/16–⅛	18 1/16–18⅛	18 1/16–18⅛	18⅛–18⅛	18⅛–⅛	18⅛–⅛
Hong Kong, $	†	14⅛–14⅜	14⅛–14⅜	14⅛–14⅜	14⅛–14⅜	14⅛–⅜	14⅛–⅜
Kobe, Yen	†24·58d.	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛–14
Shanghai, $...	†	14⅛–14⅜	14⅛–14⅜	14⅛–14⅜	14⅛–14⅜	14⅛–14⅜	14⅛–⅜
Singapore, $..	† 28d.	28⅛–28½	28⅛–28½	28⅛–28½	28⅛–28½	28⅛–28½	28⅛–½
Batavia, F....	12·11	8·95–8·99	8·94–8·99	8·94–·99	8·96·9·01	8·96–9·01	8·97½·9·01½
Rio, Mil.....	†5,899d.	3 3/16–3¼(f) 16·32–38g	3 3/16–3¼(f) 16·32–37g	3 3/16–3¼(f) 16·30–36g	3 3/16–3¼(f) 16·32–38g	3 3/16–3¼(f) 16·34–16·44g	3 3/16–f 16·39–44g
B. Aires, $ ...	11·45	16·12(h)	16·12(h)	16·12(h)	16·12(h)	16·12k	16·12k
Valparaiso, $..	40	128s(l)	128s(l)	128s(l)	128s(l)	128s(l)	128s(l)
M'video, $ ...	† 51d.	27⅞–28⅛ 39⅛ x(b)	27⅞–28⅛ 39⅛ x(b)	27⅞–28⅛ 39⅛ x(b)	27⅞–28 39⅛ x(b)	27⅞–28 39⅛ x(b)	27⅞–28 39⅛•b
Lima, Sol. ...	17·38	18⅛–19⅛(l)	18⅛–19⅛(l)	18⅛–19⅛(l)	18⅛–19⅛(l)	18⅛–19⅛(l)	19·20l
Mexico, Pes...	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Manila, Pes....	†24·66d.	24–24 1/16	24⅛ 24⅛	24⅛–24⅛	24·24 1/16	24–24 1/16	24–24⅛
Moscow, Rbls.	....	....	30½	....	30 1/16	30 1/16	30 1/16m
B'ngkok, Baht	†21·82d.	21⅛–21⅛	21⅛–21⅛	21⅛–21⅛	21⅛–21⅛	21⅛–21⅛	21⅛–22

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). • Sellers. † Pence per unit of local currency. ‡ Par 8·23⅛ since dollar devaluation on February 1, 1934. § Par, 197·10 1/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement. (l) Nominal. (m) Approximate. Dealings in Roubles at 4½ French francs to 1 Rouble.

II.—Forward Rates

(Closing quotations)

London on		July 2, 1937 Per £	July 3, 1937 Per £	July 5, 1937 Per £	July 6, 1937 Per £	July 7, 1937 Per £	July 8, 1937 Per £
New York, cent.	1 Month	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16
	2 ,,	1–1⅛	1–1⅛	1⅛–1⅛	1–1⅛	1–1⅛	1–1⅛
	3 ,,	1 1/16–1 1/16	1 1/16–1 1/16	1 1/16–1 1/16	1 1/16–1⅛	1 1/16–1⅛	1 1/16–1⅛
Paris frs	1 Month	(d) 1–1⅛	(d) ⅛–1	(d) ⅛–⅜	(d) 1/16–⅛	(d) ⅛–⅜	1⅛–1⅜
	2 ,,	2–2⅛	1⅛–2⅛	1⅜–1⅝	1⅛–1⅜	1⅝–1⅞	2⅜–3
	3 ,,	3⅛–3⅜	2⅛–3⅛	2⅛–2⅜	2 1/16–2 3/16	2 1/16–2 3/16	3⅛–4⅛
Amsterdam c'nt	1 Month	(p) 1–1⅛	(p) 1–1⅛	(p) 1–1⅛	(p) 1–1⅛	(p) 1–⅛	(p) 1–⅛
	2 ,,	1⅛–1⅛	1⅛–1⅛	1⅛–1⅛	1⅛–1⅛	2–1⅛	2–1⅛
	3 ,,	2⅛–2	2⅛–2	2⅛–2	2⅛–2⅛	3–2⅛	2⅝–2⅞
Brussels, cent.	1 Month	(p) Par	(p) Par	(p) 1–Par	(p) 1–Par	(p) 1–Par	(p) 1–Par
	2 ,,	Par	Par	1⅛–⅛	1–Par	1–Par	1–Par
	3 ,,	Par	Par	1⅛–⅛	1–Par	1–Par	1–Par
Geneva, cent.	1 Month	(d) 1–Par	(d) ⅛–1⅛	(d) Par–1	(d) Par	(d) Par	(d) Par
	2 ,,	1–2	1–2⅛	Par–1	Par	Par	Par
	3 ,,	1⅛–2⅛	1⅛–2⅛	Par–1	Par	Par	Par

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	July 8, 1936	June 9, 1937	June 16, 1937	June 23, 1937	June 30, 1937	July 7, 1937
Call money	% 1	% 1	% 1	% 1	% 1	% 1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:	Selling Rates					
Members—eligible, 90 days	⅝	⅝	⅝	½	½	½
Non-mem.—eligible, 90 days	⅝	½	½	½	½	½
Commercial accept., 90 days	¾	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	July 8, 1936	June 23, 1937	June 30, 1937	July 7, 1937
London—						
60 days	Dollars for £1	Old par	4·8666	5·0087	4·9350	4·92½	4·9437
Cable		New par	5·0212	4·9450	4·93⅜	4·9525
Cheques		8·2397	5·02	4·9437	4·9362	4·9512
Paris cheques	Cents for 1 franc	6·63	6·6312	4·4575	4·14	3·8662
Brussels ,,	Cents for 1 belga	23·54	16·91	16·885	16·835	16·835
Switzerland ,,	Cents for 1 franc	32·67	32·76	22·935	22·865	22·90
Italy ,,	Cents for 1 lira	8·91	7·89	5·2625	5·26¼	5·26
Berlin ,,	Cents for 1 mark	40·33	40·35	40·10	40·08	40·15
Vienna ,,	Cts. for Austrn. shig.	23·82	18·86	18·75	18·75	18·76
Madrid ,,	Cents for 1 peseta	32·67	13·745	....	....	....
Amsterdam ,,	Cents for 1 guilder	68·06	68·11	54·99	54·92	54·985
Copenhagen ,,	Cents for 1 kroner	45·37	22·42	22·075	22·045	22·11
Oslo ,,			25·235	24·85	24·81	24·89
Stockholm ,,			25·89	25·50	25·46	25·54
Athens ,,	Cents for 1 drachma	1·29½	0·94⅛	0·90⅜	0·90⅝	0·91
Montreal ,,	Cents for Can. $1	169·31	99⅞	99⅛	99⅝	99⅛
Yokohama ,,	Cents for 1 yen	84·40	29·35	28·75	28·70	28·80
Shanghai ,,	Cents for 1 dollar	....	30·20	29·85	29·80	29·80
Calcutta ,,	Cents for 1 rupee	61·80	37·93	37·35	37·30	37·40
Buenos Aires ,,	Cents for 1 peso	....	33·46	30·45	30·62	30·73
Rio de Janeiro ,,	Cents for 1 milreis	11·96	8·46	8·33	8·32	8·32

THE BANK OF LONDON AND SOUTH AMERICA, LTD., has received telegraphic advice from the Valencia Branch that the gold surcharge for Spanish customs duties has been fixed for the period July 1st to 10th at 140·98 per cent. The previous rate was fixed as from June 21st at 141·08 per cent.

The French Bank Rate was reduced on July 6th from 6 to 5 per cent. It was raised from 4 per cent. to 6 per cent. on June 14, 1937. Other overseas bank rates, and exchange rates for South Africa, Central and South America and Australasia appeared in our issue July 3, 1937, pages 48 and 49.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended July 8, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD
(Into and from United Kingdom)

Imports: From	Bullion*	Coin†	Exports: To	Bullion*	Coin†
	£	£		£	£
British S. Africa	2,175,278	....	Aden and Dependencies	....	1,000
Tanganyika	4,362	....	British India	455	11,250
Kenya	10,929	....	Netherlands	22,600	1,000
Anglo-Egyptian Sudan	2,164	....	Belgium	399,200	....
British India	125,907	....	France	7,963	....
	....	393	Switzerland	68,060	....
Newfoundland	....	1,885	Jugoslavia	76,358	500
Trinidad & Tobago	4,226	....	Egypt	....	....
British Guiana	9,299	....	U.S.A.	6,328,489	240
Germany	1,636,342	....	Other countries	986	....
France	6,245,552	....			
Switzerland	....	6,750			
Iraq	703	....			
Other countries	2,077	1,250			
Totals	10,214,839	1,643 8,635	Totals	6,904,111	13,990

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports: From	Bullion*	Coin†	Exports: To	Bullion*	Coin†
	£	£		£	£
British India	15,225	....	Aden and Dependencies	....	23,780
Germany	1,413	....	British India	28,120	....
Belgium	4,000	21	Straits Settlements	1,650	....
France	1,766	135	Norway	1,763	....
Iraq	....	3,395	Denmark	1,605	....
Japan	2,527	....	France	753	....
Other countries	15	700	French Somaliland	....	1,320
		61	Switzerland	3,018	....
			Italy	4,355	....
			Egypt	920	....
			Arabia: Muscat and Oman	....	1,500
			U.S.A.	22,340	....
			Other countries	850	29
Totals	24,946	700 3,612	Totals	65,374	26,629

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

GOLD MARKET

Messrs Samuel Montagu and Company write on July 7, 1937:—

The Bank of England gold reserve against notes amounted to £326,406,625 on June 30, 1937, showing no change as compared with June 23rd. In the open market about £1,860,000 of bar gold changed hands at the daily fixing during the past week. Offerings were taken mostly for shipment to New York and, until today, prices had ruled at a discount under dollar parity, but as the amounts available were on a smaller scale the tendency was for the discount to diminish. On July 7th, owing to the small offerings, the price realised included a small premium over dollar parity for the first time since April last. The s.s. "Chitral," which sailed from Bombay on July 3rd, carries gold to the value of about £596,000.

SILVER MARKET

The market was very steady during the past week and after remaining unchanged at 19¼d. for cash and 19 1/16d. for two months' delivery for three consecutive working days, prices advanced on July 6th to 20d. and 20 1/16d. for the respective deliveries; on July 7th, with sellers hesitating, prices eased back to 19 15/16d. and 20d. Conditions continued to be quiet and selling on China account and buying by the Indian Bazaars were again the main features, but a few purchases were made for America, and there was also some speculative re-selling. At the moment there appears little likelihood of pressure being exerted in either direction and for the immediate future price movements may keep within narrow limits.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	Cents
July 1	140·6	12 1·12	19 1/16	20	1937
2	140·6	12 1·12	19¼	19 1/16	June 30 to July 6 inclusive 45
,, 3	140·6	12 1·12	19⅛	19 1/16	
,, 5	140·6	12 1·12	19⅛	19⅛	
,, 6	140·4½	12 1·25	20	20	
,, 7	140·1½	12 1·51	19 15/16	20	
Average	140·50	12 1·21	19·916	19·979	
July 8	140·4	12 1·29	20	20 1/16	

The highest rate of exchange on New York recorded during the period from July 1st to July 7th was $4·96⅞ and the lowest $4·93⅝.

Statistics for the month of June, 1937:—

Bar silver per oz. std.

	Cash delivery	Two Months' delivery	Bar Gold per oz. fine
Highest price	20⅛d.	20 1/16d.	140s. 9d.
Lowest price	19⅜d.	19⅝d.	140s. 3½d.
Average	20·0216d.	20·0649d.	140s. 6·69d.

No gold movements were reported at the Bank of England between July 2nd and July 8th. Details of previous movements appeared in our issue of July 3rd, page 49.

OTHER STATISTICS

BANK BALANCE SHEETS

WESTMINSTER BANK, LIMITED

Liabilities	June 30, 1936	June 30, 1937	Assets	June 30, 1936	June 30, 1937
	£	£		£	£
Paid-up capital	9,320,157	9,320,157	Cash	37,669,043	40,269,818
Reserve	9,320,157	9,320,157	Balances with other banks	11,450,332	11,518,882
Current, deposit and other accts.	356,416,370	364,872,077	Money at call and notice	29,006,577	26,457,076
Acceptances and endorsements	23,704,847	22,637,078	Bills discounted	55,615,569	44,204,489
Note issue in Isle of Man	13,330	12,173	Advances	126,511,021	140,057,678
			Investments	106,358,592	112,755,963
			Share in allied banks	2,992,500	2,992,500
			Acceptances	23,704,847	22,637,078
			Bank premises	5,466,380	5,268,158
Total	398,774,861	406,161,642	Total	398,774,861	406,161,642

NATIONAL PROVINCIAL BANK, LIMITED

LIABILITIES	June 30, 1936	June 30, 1937
	£	£
Capital paid up ..	9,479,416	9,479,416
Reserve fund	8,000,000	8,000,000
Deposits.....	308,223,866	312,492,318
Due to subsidiaries	257,450	268,112
Acceptances	8,445,371	8,633,474
Total	334,406,103	338,873,320

ASSETS	June 30, 1936	June 30, 1937
	£	£
Coin, etc.	30,249,513	31,517,442
Balances with other banks	8,857,787	10,512,900
Money at call, etc.	25,072,157	20,703,938
Investments	88,976,077	88,443,622
Investments in subsidiaries	2,514,000	2,514,000
Bills discounted	41,495,119	35,490,435
Advances.....	121,439,050	133,698,728
Premises	7,356,429	7,357,781
Acceptances	8,445,371	8,633,474
Total	334,406,103	338,873,320

DISTRICT BANK LIMITED

The following are the chief items in the Statement of Accounts of District Bank, Limited, at June, 1937, as compared with the figures at June, 1935, and June, 1936. The amalgamation of District Bank, Limited, and County Bank, Limited, dates from the 1st July, 1935.

	June, 1935	June, 1936	June, 1937
LIABILITIES	£	£	£
Deposits	54,003,767	74,847,686	76,814,158
Acceptances, confirmed credits, endorsements, etc.	4,860,428	5,443,804	9,873,067
ASSETS			
*Cash in hand and at the Bank of England.....	6,703,925	9,773,442	10,516,583
Money at call and short notice	4,183,235	5,445,808	7,759,415
Bills of Exchange (including Treasury Bills).....	6,307,112	6,886,657	3,074,453
British Government securities and other investments	22,398,003	29,225,221	29,954,040
Advances	17,681,536	27,804,482	29,908,733

* Includes balances with, and cheques in course of collection on other banks in Great Britain and Ireland.

MARTINS BANK, LIMITED

LIABILITIES	June 30, 1936	June 30, 1937
	£	£
£20 shares, £2½ paid	2,348,880	2,348,880
£1 shares fully paid	1,811,152	1,811,152
Reserve fund	3,100,000	3,300,000
Current, deposit and other accounts ...	91,951,095	90,158,136
Notes in circulation (Isle of Man).....	17,581	17,491
Acceptances	1,928,385	2,948,563
Endorsements	3,455,621	5,074,142
Total	104,612,724	105,658,374

ASSETS	June 30, 1936	June 30, 1937
	£	£
Cash in hand and with Bank of England.....	10,018,826	9,463,210
Balances, etc., with other British banks	3,334,832	3,352,694
Money at call, etc. ...	5,025,000	5,445,000
Balances with banks abroad.....	256,641	334,624
Treasury bills.....	4,744,648*	1,980,000
Investments	35,854,668	27,952,425
British bills of exchange.....	982,188	1,151,273
Colonial and foreign bills	128,129	126,147
Loans and advances	34,798,742	43,416,925
Items in transit	932,872	1,173,883
Other assets	383,793	382,719
Acceptances	1,928,385	2,948,563
Bank premises	2,568,381	2,656,789
Endorsements	3,455,621	5,074,142
Total	104,612,724	105,658,374

*Includes £2,559,648 first class securities maturing within six months.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 3, 1937. (c) Week ended July 2, 1937.	Miles Open	Gross Receipts, week ended July 4, 1937 (£'000)					Aggregate Gross Receipts, compared with 1936 (26 weeks) (£'000)				
		Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western (b) 1937	3,738	274	200	107	307	581	5,044	5,119	2,922	8,041	13,085
Great Western (c) 1936	3,746	278	196	87	283	561	4,862	4,932	2,621	7,553	12,415
(c) L. & N. Eastern (b) 1937	6,220	430	360	237	597	1,027	7,920	8,820	6,534	15,354	23,274
(c) L. & N. Eastern 1936	6,333	395	322	198	520	915	7,568	8,414	6,105	14,519	22,087
L. M. & Scottish (b) 1937	6,877	678	503	220	723	1,401	12,139	12737	6,873	19,610	31,749
L. M. & Scottish (c) 1936	6,886½	649	483	204	687	1,336	11,664	12373	6,383	18,756	30,420
Southern ... (b) 1937	2,153	388	65	26	91	479	7,764	1,572	807	2,379	10,143
Southern ... (c) 1936	2,154	372	61	26	87	459	7,347	1,625	812	2,437	9,784
Total ..... (b) 1937	19088	1770	1128	590	1718	3,488	32,867	28248	17136	45,384	78,251
Total ..... (c) 1936	19131½	1684	1082	515	1577	3,271	31,441	27344	15921	43,265	74,706
(b) Belfast & Co. Down (b) 1937	80	3·6	...	...	0·6	4·2	55·6	...	...	13·2	68·8
(b) Belfast & Co. Down (c) 1936	80	4·5	...	...	0·6	5·1	58·3	...	...	14·7	73·0
(b) Great Northern (b) 1937	543	14·2	...	...	10·3	24·5	239·6	...	...	245·6	485·2
(b) Great Northern (c) 1936	543	15·4	...	...	9·0	24·4	240·4	...	...	258·7	499·1
(b) Great Southern (b) 1937	2,078	46·6	...	...	39·0	85·6	811·0	...	...	1073·3	1884·3
(b) Great Southern (c) 1936	2 124	48·0	...	...	37·5	85·5	821·1	...	...	1083·2	1904·3

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R	Southern
	£	£	£	£
First half-year, 1936, compared with first half-year, 1935 : Gross increase or decrease	+ 263	+ 937	+ 534	+ 85
Second half-year, 1936, compared with second half-year, 1935 : Gross increase or decrease	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 : 26 weeks to July 3, 1937	+ 670	+ 1,329	+ 1,187	+ 359
Weekly average first half 1937	+ 25 13/13	+ 51 5/6	+ 45 1/26	+ 13 23/24
Latest week 1937 *compared with* 1936	+ 20	+ 65	+ 112	+ 20

LONDON TRANSPORT

Week ending July 3, 1937	Takings (before pooling)	Compared with corresponding period of last year
	£582,100	+ £6,000

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	10	June 10	1,330	‡4,58,300	− 2,085	33,23,980	+ 1,18,959
Barsi Lt. Ry.....	10	10	202	‡34,200	− 2,200	3,31,700	+ 1,600
Bengal & N. Western	12	20	2,111	‡10,67,692	+ 89,709	97,79,705	+ 6,85,111
Bengal-Nagpur.....	12	20	3,268	‡24,86,000	+2,30,158	2,17,19,334	+19,18,912
Bombay, Bar. & C.I.	13	30	3,072	‡31,70,000	+3,96,000	3,32,23,000	+23,61,000
Madras & S. Mahr. .	10	10	3,229	‡20,97,000	+ 29,724	1,59,73,000	+ 1,06,691
Rohilk'd & Kumaon	12	20	572	‡2,02,281	− 1,404	19,01,028	− 55,279
South Indian	10	10	2,532	‡15,00,670	−1,26,572	1,10,55,485	+ 10,498

‡ 10 days.

		1937		$	$	$	$
CANADIAN							
Canadian National	26	June 30	23566	§5,056,183	+ 470,457	94,996,314	+9,534,886
Canadian Pacific...	26	30	17228	§3,633,000	+ 32,000	66,790,000	+4,746,000

§ 9 days.

SOUTH AMERICAN

		1937						
Antofagasta (Chili and Bolivia)	27	July 4	834	£13,160	+ 30	440,390	+ 75,650
Argentine N.E.	1		753	‡160,400	+ 21,800	$61,900 §	− 25,200
		3		*£9,950	+ 1,831	$3,840 §	− 1,282
B.A. and Pacific	1		2,806	‡1,271,000	+ 133,500	$545,000 §	− 186,500
		3		*£78,846	+ 12,209	$33,809 §	− 9,220
B.A. Central	51	June 19	...	$163,000	+ 62,500	7,240,900	+1,798,200
B.A. Gt. Southern ..	1	July 3	5,084	‡1,934,000	+ 38,000	$824,000 §	− 250,000
				*£119,975	+ 8,903	$51,116 §	− 11,801
B.A. Western	1		1,930	‡732,000	+ 24,000	$257,000 §	− 76,000
		3		*£45,409	+ 3,933	$15,942 §	− 3,566
Central Argentine ...	1		3,700	‡2,152,800	+ 251,000	£132495080	+27796280
		3		*£133,536	+ 22,189	£8,035,998	+1,885,707
Central Uruguayan..	52	June 26	273	£11,576	− 331	650,393	+ 70,209
C. Urg. (East Ext.)	52	26	311	£2,635	− 161	135,746	+ 26,084
C. Urg. (N. Ext.) ...	52	26	185	£2,288	+ 497	96,393	+ 18,562
C. Urg. (W. Ext.) ...	52	26	211	£733	− 207	49,339	+ 4,154
Cordoba Central	1	July	1,218	‡864,000	+ 41,000	$27,996,000	+2,866,000
		3		*£41,190	+ 4,680	£1,603,420	+ 217,210
Entre Rios	1		810	‡209,600	+ 12,600	$87,000 §	− 21,800
		3		*£13,002	+ 1,461	$5,397 §	− 977
G. Westn. of Brazil	27		1,082	£6,700	+ 1,400	198,200	− 14,000
		3					
Leopoldina	27		1,918	Ms1763000	− 64,000	46,285,000	+6,843,000
		3		£23,507	+ 2,573	590,186	+ 138,040
Leopoldina Termnl..	27		...	Ms.394,000	+ 34,000	9,416,000	+ 473,000
		3					
Nitrate	26	June 30	397	at £6,426	+ 568	86,845	+ 17,285
Paraguay Central ...	1	July 3	274	$5,588,000	+2698000	h1,487,000 §	− 152,000
Salvador	1		3	Col. 11,975	+ 375	$5,132 §	− 1,496
San Paulo	26	June 27	153½	Ms2930000	+ 129,000	67,365,000	+ 3,791,000
				£38,944	+ 5,565	838,975	+ 82,179
United of Havana...	1	July 3	1,353	£19,460	+ 1,622	g1,402,529	+ 169,795

* Converted at average official rate during week ended July 3, 16·12 pesos to £.
o Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. e Converted at "controlled free rate."
f Converted at the "free" rate as a result of a decision of the High Court.
g Year to June 30th. h 3 days. § 4 days.

OTHER OVERSEAS

		1937		£	£	£	£
Egyptian Delta Light Railways	12	June 29	621	‡£6,100	+ 406	49,518	+ 4,234
Egyptian Markets...	28	July 1	...	£1,303	− 204	45,173	− 572
Mexican Railway ...	26	June 30	483	§$379,200	− 17,400	8,031,200	+1,135,900

‡ 10 days. § 9 days

SUEZ CANAL RECEIPTS

		1937		£	£	£	£
Suez Canal	25	June 20	...	‡258,300	− 50,800	5,429,500	− 31,700

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine	26	July 1	325	$584,278	− 8,277	16,613,825	+ 257,161
B. Aires Lacrose	51	June 20	...	$58,809	− 2,316	3,436,553	− 153,506
Burnley, Colne and Nelson Jt. Trspt.	26	July 3	60	£5,115	+ 153	...	...
Calcutta Tramways.	26	3	...	Rs. 1,20,810	+ 3,093	26,23,632	+ 1,37,742
Isle of Thanet Elec..	12	Mar. 24	...	£2,683	+ 91	35,951	− 1,023
Liverpool Corp.	13	June 30	...	£32,422	+ 2,269	409,037	+ 30,822
Madras Electric.....	26	30	...	‡Rs.49,177	+ 4,368	6,13,592	+ 25,651

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to Date 1937	+ or −
Bahia S. Western	2	June 30	Gross	£4,171	+ 1,470	6,684	+ 2,512
Kalgoorlie Elec. Trams	4	Apr. 30	Gross	£2,531	...	9,569	...
La Guaira and Caracas	6	June 30	Gross	£5,370	+ 810	33,705	+ 6,368
La Plata Elec. Trams...	1	June 30	Gross	£8,998	− 107	...	...
Peruvian Corporation....	12	June 30	Gross	£79,279	− 3,845	987,424	+ 37,931
Rangoon Electric	5	May 31	Gross	Rs.4,75,529	+ 32,128	23,29,255	+ 83,301
			Net	Rs.2,32,815	+ 29,214	11,29,283	+ 69,554
Singapore Traction ...	9	June 30	Gross	$200,000	+ 18,000	1,738,000	+ 54,000
Zafra and Huelva	5	May 31	Gross	Ps.322,495	+ 101,977	1,755,413	+ 541,050

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year %	Total Previous Year %
BANKS					
Alexanders Discount	15*	...	18*	...	...
Barclays Bank (A)	10*	Aug. 3	Same	...	...
Ditto (B and C)	14*	Aug. 3	Same	...	...
District Bank	16⅔*	Aug. 3	Same	...	...
Isle of Man Bank	18*	July 19	Same	...	...
Martins Bank	14*	July 17	Same	...	...
Midland Bank	16*	July 15	Same	...	...
Munster and Leinster Bank	12	...	Same	...	...
National Discount "A"	2/6 p.s.*	July 21	Same	...	...
Do. "B"	4/6 p.s.*	July 21	Same	...	...
National Provincial Bank	15*	July 21	Same	...	...
Northern Bank "A"	12½*	...	Same	...	...
Do. "B"	6¼*	...	Same	...	...
Provincial Bank of Ireland	12½	Aug. 3	Same	...	...
Union Bank of Australia	6*	July 28	5*	...	...
Union Discount	3⅞%*	July 24	Same (l)	...	...
Westminster Bank	18*	Aug. 3	Same	...	...
Do. £1 shares	12½*	Aug. 3	Same	...	...
TEA AND RUBBER					
Allynugger Tea	20%†	July 19	15%†	30	25
Anglo-Java Rubber		Aug. 3	...	7½	2½
Assam-Dooars Tea	20%†	July 12	15%†	30	25
Bidor Rubber	...	Aug. 7	...	12	7½
Budla Beta Tea.....	...	...	...	5	7
Bukit Mertajam Rubber.....	7½%†	...	...	12½	8
Bukit Rajah Rubber	...	July 24	...	5	3
Dema Tea	12½%†	...	...	15	12½
East Asiatic Rubber.....	...	...	...	7½	5
Galphele Tea, etc.	...	July 17	...	8	6
Kapepewas Rubber.....	...	July 15	...	5	3½
Perak Rubber	6%†	...	...	10	5
Straits Plantations	...	...	...	8	6
Sungei Bahru Rubber	...	July 28	...	6½	Nil
Yam Seng Rubber.....	...	...	...	10	7½
MINING					
Bisichi Tin (Nigeria).....	...	...	...	10	7½
Ditto	...	...	...	...	...
British Tin Investment	2½%*	...	...	...	...
Consolidated Tin Smelters	5%*	July 23	3%*	6	7
Johannesburg Consolidated Invst.	...	Aug. 6	...	20	20
OTHER COMPANIES	...	Sept. 16	...	...	...
Aldford House (Park Lane)	3%*	July 30	Same	...	...
Assets Co.	2½%*	...	Same	...	...
Associated Breweries	6%†	Aug. 5	5%†	9	7½
Bleckerts Brewery Investment....	3%†	July 21	Same	5	5
British Lead Mills	10%*	July 19	First	...	...
Chadburn's Ship Telegraph	...	July 17	...	10	4
Christy Brothers and Co.....	...	July 28	...	10	10
Clapton Stadium.....	15%*	July 20	...	6	5
Clover Paint, etc.....	3½%†	...	...	7½	7½
Covent Garden Properties	...	...	...	22½	20
Distillers Company	15%†	...	12½%†	...	...
East Indian Coal	7½%	...	5%	...	16
Eastwoods Cement	11%†	...	Same	15	15
Eastwoods Flettons (Pref.)	10%†	...	Same	2s. p.s.	2s. p.s.
Ditto Ditto (Def.)....	...	...	...	...	...
Edinburgh Securities	2%*	...	Same	...	...
English and New York Trust ...	1½%*	July 31	Nil*	...	...
Four per Cent. Industrial Dwellings	2%*	...	Same	12½	12½
Greyfriars Press	...	July 14	...	5	...
Groves (John) and Sons	...	...	...	...	...
Hackney Wick Stadium	12½%*	July 15	...	8	Nil
Hancock (Wm.) and Co. (Def.)...	5¼%†	July 29	Nil†	35	17½
Hecht, Levis and Kahn	30%†	...	12½%†	5	6
Illovo Sugar	...	Sept. 15	...	5	5
International Bitumen Emulsions	...	July 21	...	16	30
International Tea Stores	8%†	...	18%†	...	...
Jax Stores	2½%*	...	...	10	8
Kent (George)	7½%	July 28	5%†	10	10
Kinloch (Charles) and Co.	...	July 30	...	...	...
Lancashire Shipping	2%*	...	Same	12	11
Larkins (S. C.) and Sons.....	‡3⅛%*	...	8½%†	...	...
Lawrie (Alex) and Co.	9½%†	Aug. 11	...	5½	5
London Electrical & General Trust	...	July 23	...	...	...
London Pavilion	2½%*	July 24	Same	...	...
Lunt (Richard)	10*	...	Same	...	...
Manchester Bonding Warehouses	5*	...	Same	...	...
Manchester Commercial Buildings	5%*	July 21	12½%*	...	...
Maroc	3½%*	Aug. 3	Same	...	...
Mercantile Invest. & Gen. Trust...	5%*	July 19	Same	5	5
Michael Nairn and Greenwich	...	...	...	5	2½
Monument Property Trust	...	July 22	...	...	...
North Borneo Trading.....	2½%*	July 31	Same	5	4
Pratt (J.), Alfred	...	...	...	...	...
Scottish American Mortgage.....	3%*	...	Same	17½	17½
Scottish Reversionary	...	...	...	...	...
Tilbury Contracting, etc.	4%*	July 31	Same	...	...
Traction and General Investment	2½%*	...	Same	...	...
Trumwell's Brewery.....	5%*	July 14	...	...	...
Victors Stores.....	7½%	...	...	...	...
Wellman Smith Owen Engineering					

‡ Free of Income Tax.
(l) Allowing for increase of capital and capitalisation of reserves.

THE CHASE NATIONAL BANK.—Semi-annual dividend of 70 cents per share on the capital stock payable August 2, 1937, to stockholders of record July 16th.

HECHT, LEVIS AND KAHN.—Final dividend of 15 per cent. and bonus of 15 per cent., making for year 35, against 17½ per cent.

ANGLO-DUTCH PLANTATIONS OF JAVA.—Profit for 1936, £297,384, compared with £93,768. To: General reserve, £50,000; income tax, £20,000; pensions, £10,000. (No allocations last year.) Carry-forward raised from £80,774 to £88,159. Ordinary dividend raised from 4 to 7 per cent.

SWAN, HUNTER AND WIGHAM RICHARDSON.—Interim ordinary dividend raised from 2½ to 3 per cent.

HANDLEY PAGE, LTD.—Final ordinary dividend of 50 per cent. for 1936. For 1935 the dividend was equal to about 265 per cent. and a capital bonus of 730, absorbing 218,930 5s. shares.

DISTILLERS COMPANY, LTD.—Final dividend of 12½ per cent. and a cash bonus of 2½ per cent., making for the year 22½ against 20 per cent. Reserve receives £400,000, superannuation £100,000, and fire insurance £50,000, all as before. Carry-forward £343,249, against £348,781.

BRITISH LEAD MILLS.—First Interim dividend 10 per cent. on ordinary shares.

THIRD BRITISH FIXED TRUST.—Payment of 6¾d. per sub-unit free of tax, for the half year to July 3rd.

THE GREAT NORTHERN TELEGRAPH COMPANY'S HOLDING COMPANY (LTD.), of Denmark.—Dividend for ninth financial year ended June 30, 1937, 23½ per cent. Kr. 615,000 is set aside for taxes and Kr. 5,204 is carried forward.

BRITISH TIN INVESTMENT CORPORATION.—Interim dividend 5 per cent., against 3 per cent. on less capital last year.

SHORTER COMPANY COMMENTS

(*Continued from page 98*)

BANKS

CHASE NATIONAL BANK OF THE CITY OF NEW YORK.—Position at June 30, 1937, shows loans and discounts of $809,978,000 an increase of $38,000,000 since December 31, 1936, and of $160,000,000 since June 30, 1936. On the respective dates, deposits were $2,136,387,000, compared with $2,286,209,000 and $2,083,326,000; total resources, $2,426,554,000, against $2,562,182,000 and $2,356,357,000; and undivided profits $27,950,000, compared with $26,464,000 and $22,657,000.

BANK OF AMERICA.—Deposits on June 30, 1937, at $1,280,720,000 show an increase of $37,805,000 over June 30, 1936. Total resources are $1,415,559,000, an increase of $49,011,000 for the year. Loans at June 30, 1937, stood at $577,827,000, as compared with $478,239,000, while holdings of U.S. Government bonds, etc., declined by $90,461,000.

GUARANTY TRUST COMPANY OF NEW YORK.—Position on June 30, 1937, shows deposits of $1,661,015,633·41, as compared with $1,602,377,016 on March 31, 1937, and $1,638,602,997 on June 30, 1936. On the respective dates, total resources were $1,984,081,613, against $1,944,469,028 and $1,972,869,119; undivided profits, $9,891,451, against $9,693,212 on March 31, 1937.

BANKERS TRUST COMPANY.—Position at June 30, 1937, shows undivided profits of the bank now amount to $25,366,182, an increase of $6,274,000 over the year. Loans and bills discounted, at $266,652,959 increased by $43,876,783 since June 30, 1936.

BROWN BROTHERS HARRIMAN.—Position June 30, 1937, shows an increase in total assets to $103,135,529 from $93,665,936 on March 31 1937. Compared with the latter date, capital and surplus increased to $12,862,173, from $12,709,804, total deposits to $66,286,586, from $57,745,608, and loans and advances to $21,492,575 from $17,118,013.

MISCELLANEOUS

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LTD.—Dividend of 3s. and a bonus of 1s. per share, as last year, for year to June 30, 1937. Profit for the year, after depreciation and contingencies, £1,142,000, against £1,086,282 (£350,000 to reserve). Carry forward, £169,000.

SOUTH AFRICAN BREWERIES, LTD.—Profits for year to March 31, 1937, £572,689, against £486,084. To reserve, £10,852. Tax provision £58,000, against £48,000. Tax free ordinary dividend and bonus of 20 and 2½ per cent., against 20 per cent. tax free. Carry forward increased from £60,901 to £89,497.

VICTORIA FALLS AND TRANSVAAL POWER.—Net profit for 1936, £586,365, an increase of £43,289. Ordinary dividend 12 per cent., as before. To reserve £100,000, against £80,000. Carry forward increased from £81,383 to £135,831.

GROVESEND STEEL AND TINPLATE.—For year to March 31, 1937, gross profits rose from £335,693 to £439,394. To depreciation £45,000, as before. Ordinary dividend raised from 40 to 50 per cent. To contingences £40,000, against nil. Carry forward increased from £95,385 to £96,287.

THOMAS DE LA RUE AND COMPANY.—Net profit for year to March 31, 1937, £51,122, an increase of £19,981. Ordinary dividend 8 against 6½ per cent. To reserve £31,700, against £15,000.

LEOPOLDINA RAILWAY.—Net receipts for 1936 £47,256, higher at £128,496. Balance from working of £124,684, an increase of £15,287 after adding interest, and debiting various charges, deficiency of £189,919 making a debit forward of £300,952 (Dr. £111,033) brought in.

CELLULOSE ACETATE SILK COMPANY.—Trading results for period from March 29, 1936, to April 3, 1937, show net profit of £55,063, compared with £19,442, and after deducting a non-recurring credit of £5,037 in that period. Ordinary dividend 5 against 2½ per cent. £10,242 to reserve for contingencies; £58 187 is carried forward.

UNITED GAS INDUSTRIES.—Net profit for year to March 31, 1937, £171,908, against £154,767. Ordinary dividends increased from 12 to 12½ per cent. Deferred dividend 62½ against 50 per cent. To reserve £30,000, against £20,000. Carry forward increased from £11,052 to £12,164.

AMALGAMATED COTTON MILLS TRUST (SCHEME SANCTIONED).—A card vote was taken at each meeting to consider the scheme, the voting figures being as follows: Cumulative preference for the scheme, 310,000; against, 36,715. Cumulative "B" preference, for 639,900; against 16,771. Ordinary shareholders, for, 1,582,000; against, 83,000. Extraordinary general meeting for, 2,542,000; against, 106,000.

JOHN BROWN AND COMPANY'S ACQUISITION.—This company acquired the whole of the shares of Markham & Company, Ltd., mechanical and structural engineers, of Chesterfield, and a subsidiary of Staveley Coal and Iron Company, Ltd.

COVENT GARDEN PROPERTIES.—Revenue increased by £23,976 to £252,387 during year to June 30, 1937. Profit on property sales £29,208, against £30,771 from investment realisation a year ago. Net profit £1,946 higher at £124,668. Ordinary dividend 7½ per cent. for eighth successive year. Carry forward raised by £11,724 to £76,208.

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—The results of the operations of the Edmundsons group of companies during the month of June, 1937, as compared with the corresponding month of 1936, show an increase of 21 per cent. of units sold.

TRUST OF RUBBER AND TIN SHARES.—The managers announce that, on the latest dividends of companies in the portfolio the yield is approximately 4¾ per cent. on the prices of June 25, 1937.

CITY OF MOOSE JAW, CANADA.—It was proposed that interest on City of Moose Jaw Bonds should be reduced by 40 per cent., but if 20 per cent. of bondholders lodged objections by June 21, 1937, the Order would be withdrawn. More than 20 per cent. of bondholders did in fact, lodge objections, but the London paying agent is acting as if the Order offering 60 per cent. of coupons was in force, and asking bondholders to accept this in full discharge. Bondholders are very strongly advised to refuse these terms, and to await the result of negotiations.

SALFORD CORPORATION STOCKS.—Williams Deacon's Bank, Ltd., give notice that in order to prepare the interest warrants due September 1, 1937, on Salford Corporation 3½ per cent. stock 1953–63, 3½ per cent. stock, 1954–64 and 3 per cent. stock, 1954–56, balances will be struck on August 3, 1937. Stockholders registered on that date will be entitled to receive the next dividend.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Prefce. Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Appropriation: Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Breweries											
Distillers Co.	May 15	348,781	2,458,416	2,807,197	99,825	1,814,123	22½	550,000	343,249	2,321,577	20
Lovibond (John) and Sons...	Mar. 31	24,248	14,880	39,128	3,026	6,300	12	7,000	22,802	15,144	12
South African Breweries ...	Mar. 31	60,901	487,569	548,470	50,000	408,973	22½†	...	89,497	424,414	20†
Wells' Watford Brewery ...	Apr. 30	5,982	7,947	13,929	4,194	...	...	3,000	6,735	6,560	Nil
Canals and Docks											
Prince of Wales Dry Dock	Apr. 30	8,373	10,743	19,116	5,000	500	1⅔	4,200	9,416	4,037	Nil
Electric Lighting, etc.											
Victoria Falls, etc., Power	Dec. 31	81,383	586,365	667,748	176,917	255,000	12	100,000	135,831	548,599	12
Financial, Land, etc.											
Alliance Property	Mar. 25	4,961	9,852	14,813	9,625	2,700	3	1,600	888	11,385	3
Associated London Propies.	June 24	7,828	67,645	75,473	27,243	18,136	6	20,000	10,094	59,413	6
Australian Agricultural Co.	Dec. 31	930	34,611	35,541	...	24,000	5†	10,000	1,541	*Dr. 4,815*	3†
Belbridge Property Trust...	Mar. 31	6,880	23,039	29,919	17,346	...	...	6,834	5,738	21,946	Nil
Bieckert's Brewery Investmt.	May 31	10,559	27,546	38,105	...	23,088	5	...	15,017	25,503	5
Covent Garden Properties	June 30	64,484	124,668	189,152	76,381	36,563	7½	...	76,208	122,722	7½
Hampstead Gdn. Sub. Trust	Mar. 31	3,607	5,071	8,678	...	5,500	5	...	3,178	5,520	5
Oceana Development	Dec. 31	3,818	5,863	9,681	...	...	...	4,622	5,059	2,170	Nil
Odhams' Properties	Mar. 31	548	88,705	89,253	18,000	44,750	12	26,037	466	76,885	12
Scottish American Mortgage	May 31	98,790	63,917	162,707	40,999	11,456	5	10,000	100,252	45,380	4
Ultra Electric (Holdings) ...	June 30	89	(*m*) 19,044	19,133	...	18,875	12½	...	258	9,240	6
United Dominions Trust ...	June 30	18,199	157,481	175,680	17,015	56,100	17½	92,500	10,065	145,720	17½
Gas											
United Gas Industries	Mar. 31	11,052	171,908	182,960	38,443	85,293	12½	30,000	12,164	154,767	12
						17,060	62½*v*				50*v*
Iron, Coal and Steel											
Grovesend Steel, etc.	Mar. 31	95,385	362,990	458,375	16,250	250,000	50	95,838	96,287	278,919	40
Powell Duffryn Associated	Mar. 31	55,046	739,236	794,282	126,246	450,000	(*s*)	150,000	68,036	721,159	Nil
Powell Duffryn Steam Coal	Mar. 31	2,731	315,409	318,140	34,032	277,467	7	...	6,641	276,155	6
Thomas (Richard)	Mar. 31	448,318	912,066	1,360,384	202,822	353,492	15	335,549	468,521	735,426	12½
Tredegar Iron and Coal ...	Mar. 31	53,013	102,520	155,533	...	69,244	4†	60,000	26,289	63,253	3†
Welsh Associated Collieries	Mar. 31	8,013	147,691	155,704	113,804	38,085	1	...	3,815	97,066	Nil
Oil											
Phœnix Oil Products	Dec. 31	15,780	51,262	67,042	48,000	...	...	...	19,042	54,714	Nil
Rubber											
Banir	Mar. 31	590	7,070	7,660	...	5,040	4	2,050	570	2,933	1½
Biting	Mar. 31	1,397	9,464	10,861	...	8,750	12½	1,006	1,105	1,322	Nil
Chembong Malay	Mar. 31	9,076	15,756	24,832	...	15,367	4½	...	9,465	8,868	2½
Kalidjeroek	Mar. 31	517	8,756	9,273	800	7,200	8	526	747	*Dr. 1,615*	Nil
Kapoewas	Mar. 31	190	3,424	3,614	...	2,308	5	...	1,306	1,124	3½
Kawie (Java)	Mar. 31	10,197	14,234	24,431	...	9,375	12½	2,250	12,806	3,022	5
Kuala Reman	Mar. 31	*Dr. 4,996*	5,545	549	...	...	...	...	549	*Dr. 3,362*	Nil
Manchester North Borneo...	Mar. 31	2,912	10,912	13,824	859	6,838	5½	1,000	5,127	716	Nil
Sungei Tiram	Mar. 31	81	7,033	7,114	...	5,344	10	...	1,770	1,326	2½
Timbang-Deli (Sumatra) ...	Mar. 31	25,552	21,626	47,178	...	15,939	4	10,000	21,239	4,933	Nil
Tremelbye (Selangor)	Mar. 31	4,433	13,528	17,961	...	11,040	4	2,200	4,721	5,656	2
Shops and Stores											
Internat. Tea Co.'s Stores	May 1	108,805	628,472	737,277	210,771	248,000	16	170,000	108,506	815,701	30
United Counties Stores ...	Feb. 27	5,794	17,998	23,792	4,556	12,000	8	1,500	5,736	18,775	8
Tea											
Arnakal	Mar. 31	762	4,868	5,630	...	3,000	3	1,500	1,130	2,582	Nil
Assam Consolidated	Dec. 31	5,932	17,400	23,332	4,595	...	...	5,400	13,337	12,630	Nil
Bogawantalawa	Mar. 31	2,421	15,064	17,485	5,670	7,117	7	3,000	1,698	17,444	8
Jetinga Valley	Dec. 31	3,186	8,354	11,540	3,068	4,510	7	1,000	2,962	6,122	5
Jokai (Assam)	Dec. 31	41,108	70,862	111,970	6,000	46,254	8	18,500	41,216	86,686	12½
Textile											
Cellulose Acetate Silk	Apr. 3	48,864	55,064	103,928	...	35,499	5	10,242	58,187	24,481	2½
Grout and Co.	Apr. 30	10,011	19,965	29,976	822	12,299	5	7,575	9,280	20,534	5
Trusts											
Clyde & Mersey Investment	May 31	17,143	28,288	45,431	6,221	17,110	5½	...	22,100	24,236	4½
Second Gt. Nthn. Investmt.	June 1	13,535	34,558	48,093	17,172	7,583	2	10,981	12,357	28,022	Nil
Trustees Corporation	May 31	100,342	114,901	215,243	30,106	61,655	10	45,627	72,855	102,025	9
Un. States Trust of Scotland	May 31	4,921	33,017	37,938	10,266	13,638	9	5,000	9,034	29,515	9
Other Companies											
Aeroplane, etc., Castings ...	Mar. 31	...	5,526	5,526	...	3,600	6	...	1,926	(*a*)	(*a*)
Budgett (H. H. and S.) & Co.	Feb. 28	3,448	20,829	24,277	20,586	...	...	1,500	2,191	21,329	Nil
De La Rue (Thomas) & Co.	Mar. 27	8,755	51,122	59,877	...	24,800	8	31,700	3,377	31,141	6½
Glacier Metal	Feb. 28	10,325	32,770	43,095	5,500	16,875	15	10,270	10,450	35,693	10
Greyfriars Press	Apr. 30	12,525	36,349	48,874	...	31,250	12½	5,000	12,624	37,588	12½
Harringay Arena	May 31	...	(*t*) *Dr 3,542*	*Dr. 3,542*	...	...	...	...	*Dr. 3,542*	(*a*)	(*a*)
Light Production Co.	Apr. 30	4,146	20,963	25,109	750	13,500	30	6,219	4,640	19,517	25
Neuchatel Asphalte	Dec. 31	57,876	32,912	90,788	10,000	10,497	2½	14,299	55,992	30,527	2½
Silentbloc, Ltd.	May 31	384	39,952	40,336	...	22,005	58½	13,573	4,758	16,896	42½
Tati Company	Feb. 28	13,152	8,125	21,277	...	3,836	2½	...	17,441	5,518	2½
United Kingdom Tobacco...	Mar. 31	1,996	30,160	32,156	10,000	19,200	8	...	2,956	29,813	8

† Free of income tax. (*a*) No comparable figure. (*m*) July 17, 1936, to June 30, 1937. (*s*) Paid on participation shares. (*t*) January 11, 1936, to May 31, 1937. (*v*) Paid on deferred shares.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE view that any favourable development would at the present stage find quick reflection in the commodity markets has been borne out by events this week. The relaxation of political tension over non-intervention in Spain and the orderly devaluation of the French franc did not fail to exert a strong influence on the majority of commodity markets. Many consumers, having held aloof from the markets in recent weeks, and being in need of supplies, resumed purchases. Consequently, prices of many materials showed a strong upward trend.

The improvement was particularly marked in the case of non-ferrous metals. Copper, lead, spelter and tin all registered substantial price advances. Wheat, which was rushed up last week as a result of the deterioration of the North American crop, has held its previous gain. Rubber, however, tended to vary on Wednesday on the news of heavy shipments from the Dutch East Indies. The market in vegetable oils remains seasonally dull. Quotations for United States cotton showed a further decline on favourable crop reports, but wool sold at firm prices at this week's London auctions. The previous improvement in raw sugar prices was maintained.

In the United States, quotations for many primary products continued to advance. On Wednesday, Moody's index of staple commodity prices (December 31, 1931=100) stood at 206·8 on Wednesday, against 204·6 a week ago, 200·2 a month ago, and 175·5 last year.

COAL

SHEFFIELD.—The demand for coal on the export market has lessened considerably, with the result that the Midland Quota Committee has lowered the export quota in order to prevent the accumulation of stocks and the consequent lowering of prices. On the inland market the demand for house coal has quietened and some of the cheaper grades have been reduced by 1s 8d. per ton at pits. Demand for steam coal remains strong, and the near approach of the holiday period is causing an increased call for best locomotive steam hards for the railways. Small coal continues to be scarce. Gas coal is quieter, with a full supply. A general increase in the price of patent oven coke for works purposes and central heating has taken the price of large selected and graded coke to 31s. 6d. per ton at ovens, plus 3s. 6d. per ton for delivery to Sheffield works. The increase is 3s. 6d. in the case of large and 2s. 6d. in the case of graded coke.

NEWCASTLE-ON-TYNE.—Whilst the prompt position on the North East coal market is much quieter owing to the seasonal decline in domestic trade, collieries are nevertheless working regularly and an optimistic view is taken of the forward position. Northumberland steam collieries are comfortably stemmed and there is no inclination to reduce prices for prompt shipment. In Durham, local industrial trade is very brisk, compensating for the lull in the export section. Patent oven coke remains a steady market.

GLASGOW.—Stemming arrangements for cargoes due for despatch before the close-down at the end of next week seem to be fairly well completed, and there is little indication of the pre-holiday pressure which is not unusual at this period. On the whole collieries are well booked, and there are indications of an increase of foreign buying interest after the resumption of work. In Fife and the Lothians the better classes of steam coal and the smaller sizes of nuts are readily taken up against contract, while second steams and trebles can be had for prompt delivery. Lanarkshire and Ayrshire have been suffering to some extent from the contraction in domestic demand, but otherwise the position is not unsatisfactory, industrial takings being on a brisk scale and Irish business well above average.

CARDIFF.—There is no longer any pressure for prompt supplies on the Cardiff coal market, and current quotations are consequently much easier than they have been at any other period this year. The devaluation of the franc has dislocated trade with France, and new business with Italy has been virtually suspended as a result of the warning of the Secretary for Mines against further commitments in view of the exhaustion of the resources of the Anglo-Italian Clearing Agreement. The collieries, however, have little free coal to spare and shipments under contract continue active. Loadings at the South Wales ports last week totalled 416,600 tons, compared with 468,000 tons the previous week and 329,843 tons in the corresponding week last year. Since the beginning of 1937 the foreign and coastwise trades show an increase of nearly 2 million tons, or about 20 per cent. There is still a scarcity of coke for which prices are very firm; patent fuel is a relatively quiet but steady market; while pitwood is scarce with French wood ruling at 32s. 9d., ex ship.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange reveals no decline in the demand for practically all descriptions of iron and steel, and buyers find it difficult to place fresh orders. Whilst consumers hope that the reduction in the duty will encourage the importation of larger quantities of Continental steel to relieve the shortage in this country, they are by no means optimistic owing to the heavy demand for Continental steel elsewhere. Lately, however, there has been a decline in the requirements of some countries which may enable larger tonnages to be sent to Great Britain.

In the pig-iron market the stringency shows no signs of relaxing. Although a system of rationing has been in force for some time, many consumers have to work on hand-to-mouth supplies. Whilst the position at the steelworks has been improved by large importations of basic pig iron and scrap, producers are not free from anxiety and great importance is attached to the campaign for a national collection of iron and steel scrap.

Although there is still a scarcity of semi-finished steel, it is hoped that the position will be relieved by recent purchases of Continental semis, and an increase in the imports due against the quota.

In the finished steel department consumers are exerting great pressure to obtain deliveries against contracts and are finding it practically impossible to place orders for delivery before the end of the year.

MIDDLESBROUGH.—Shipments of pig iron from the Tees during June amounted to 5,080 tons, a reduction of about 4,000 tons on May. Of this total, 3,755 tons were sent abroad, the largest parcel being 1,500 tons to Australia. Since two additional blast furnaces were put into operation in this area during June, the increased output has all gone into home consumption. The quantity of manufactured steel shipped during June was 44,000 tons, of which 16,000 tons were shipped coastwise, the remainder going to foreign destinations.

Pig-iron producers have practically disposed of the whole of their saleable output for the next three months. Merchants are still unable to obtain delivery of hematite iron for shipment against contracts made some time ago. Pig-iron prices are unaltered.

It is hoped that the reduction in the import duty on steel from countries outside the cartel will encourage increased supplies from abroad. In the meantime, manufacturers are not anxious to book further orders for semi-finished and finished steel, as the present output continues to be much below requirements. Prices of manufactured steel remain unchanged.

Producers of blast furnace coke continue to ask 40s. per ton for good Durham quality, delivered at the furnaces, although it is reported that slightly less has been taken. The demand for scrap continues strong, and the fixed prices are adhered to. A cargo of mixed scrap has now arrived in the Tees from America. A further blast furnace is expected to be lighted in this area within the next few days for the production of basic pig iron.

SHEFFIELD.—The reduction of import duties on certain iron and steel materials has given considerable satisfaction in the iron and steel market. It may bring some relief from the prevailing stringency, but the shortage is so widespread that additional supplies can be only on a limited scale. On July 1st the increase of £1 per ton in prices for forge and foundry iron came into operation officially, though it had been applied to new business for some weeks. Makers of pig iron have nothing to offer in the market and there is practically no business. Works have no chance of accumulating reserve stocks, and many are working from hand to mouth. Makers of both East and West Coast hematite are well booked for the next few months and are unwilling to accept new business on a large scale. The delay in the announcement concerning finished iron prices is causing dissatisfaction and business is virtually at a standstill. The output of steel in this district is being continually expanded, yet fresh business in both acid and basic billets is small owing to the fact that firms are booked for months ahead. Wire rods and strip, as well as bright drawn steel, are in heavy demand. Structural steel requirements show further expansion. Prices are generally firm and unaltered.

GLASGOW.—All descriptions of iron and steel are in great demand and buyers are finding it increasingly difficult to place orders. While there has been some improvement in deliveries of semis, these still fall far short of requirements, but it is hoped that increased tonnages will be available from Continental and overseas producers as a result of the reduction of import duty just announced. While home producers are working to

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ZURICH

Winterthur, St. Gall, Aarau, Baden, Basle, Berne, Geneva, La Chaux-de-Fonds, Lausanne, Locarno, Lugano, Montreux, Vevey, etc.

CAPITAL - - -	Swiss Francs	40,000,000
RESERVES - -	,, ,,	20,000,000
DEPOSITS - -	,, ,,	384,500,000
TOTAL ASSETS -	,, ,,	485,700,000

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capacity they are unable to meet the demands of re-rollers. Consumers are pressing for deliveries of finished materials and are unable to obtain early delivery. All branches of the engineering trade are exceedingly busy at present, and there is an enormous amount of work on the market for which tenders are being prepared. Holidays are being observed this week in several districts of the West of Scotland which, in most cases, extend for one week, although in one or two industries the period has been shortened owing to pressure of work.

CARDIFF.—Active conditions continue in the various branches of the South Wales iron and steel industry. There has been an improvement in the supply of steel billets, but there is still a scarcity of tinplate bars, and works are employed at about 72 per cent. of allotted capacity compared with about 76 per cent. recently. Prices show no change and are ruling at £7 15s. per ton for bars, £18 15s., f.o.b., for galvanised sheets, and 25s. to 25s. 6d. per standard box for tinplates. Shipments of tinplates at Swansea last week totalled 8,793 tons, compared with 11,384 tons the previous week and 4,424 tons in the corresponding week last year, while stocks have fallen to the low total of 2,775 tons.

OTHER METALS

COPPER.—Prices rose fairly sharply in response to an improvement in the general economic and political position, and there was a revival of buying both by consumers and speculators. The backwardation narrowed to 2s. 6d. per ton on Wednesday. It is thought possible on the Metal Exchange that the latest improvement may act as a stimulus to buyers; and, in view of the narrow market, this would be likely to cause a sharp price advance. It must be remembered, however, that while the international outlook remains obscure consumers will probably continue to exercise caution; the technical improvement on the market may therefore be insufficient to justify any significant price advance.

Following the announcement on July 1st that the 4 cents per lb. import duty had been extended to June 30, 1939, the United States market has also shown an improvement. There is some talk of a pending rise in the United States domestic price; if London quotations further improve these expectations may be realised.

Sales on the London Metal Exchange: 1,500 tons on Monday, against 1,800 tons last week; 2,300 tons on Tuesday, against 1,800 tons last week; 2,750 tons on Wednesday, against 750 tons last week. Domestic spot was quoted at 14·15 cents per lb. in New York on Wednesday, against 13·57½ cents a week ago and 13·62 cents a month ago. Wednesday's official closing price for standard cash in London was £58 to £58 1s. 3d. per ton, compared with £54 to £54 5s. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 10,505 tons, showed a decrease of 64 tons, while stocks of rough copper, at 7,880 tons, were 1,114 tons smaller.

LEAD AND SPELTER.—Although these markets showed no new features, prices improved in sympathy with copper and tin. On Wednesday lead was higher than at any time since April 23rd. Meanwhile the June stock figures of the London Metal Exchange disclose a slight decline in lead stocks and a small increase in spelter stocks during June. Movements in lead and spelter in the near future are likely to be mainly dependent on developments in copper and tin.

Sales of lead on the London Metal Exchange: 1,150 tons on Monday, against 1,500 tons last week; 2,450 tons on Tuesday, against 1,950 tons last week; 4,650 tons on Wednesday, against 1,100 tons last week. The New York quotation on Wednesday was 6·00 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £25 2s. 6d. to £25 3s. 9d. per ton, compared with £23 8s. 9d. last week.

Sales of spelter on the London Metal Exchange: 850 tons on Monday, against 1,900 tons last week; 1,950 tons on Tuesday, against 1,300 tons last week; 2,600 tons on Wednesday, against 1,350 tons last week. Wednesday's quotation in East St. Louis was 6·75 cents per lb., against 6·75 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £22 15s. to £22 17s. 6d. per ton, against £21 13s. 9d. last week.

TIN.—Following the publication of the June statistics on Thursday of last week, tin prices began to rise, reaching £266 10s. per ton on Wednesday—the best price since April 22nd. The backwardation has now completely disappeared.

Total visible supplies, according to A. Strauss and Company, showed a further decline of 571 tons, to 21,636 tons in June. Deliveries (11,028 tons) were only 163 tons smaller than in May, while new supplies (9,616 tons) were not only below the May level, but were less than in any month since last October. The unsatisfactory supply position was largely attributable to the Straits—shipments from that area amounting only to 6,390 tons, against 7,150 tons in May. Whether Malaya will be able to fulfil her quota in July remains to be seen. A feature of the market this week was a certain spot demand from the United States, the continuance of which would be likely to carry London prices to a higher level.

Sales of tin on the London Metal Exchange: 350 tons on Monday, against 400 tons last week; 775 tons on Tuesday, against 250 tons last week; 825 tons on Wednesday, against 110 tons last week. The New York quotation on Wednesday was 59·75 cents per lb., against 56·50 cents a week ago and 55·87½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £266 10s. to £266 15s. per ton, compared with £252 10s. to £253 a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,985 tons, a decrease of 196 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was steady at £15 5s. to £15 5s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £68 per ton, ex-warehouse, the same as last week. Chinese wolfram for "July–August" shipment was quoted at 63s. to 64s. per unit, c.i.f., compared with 63s. for "June–July" shipment last week. Refined platinum was quoted on Wednesday at £10 per ounce, compared with £10 15s. a week earlier.

TEXTILES

COTTON.—Manchester.—Although in some respects the tone of the market since a week ago has been rather better, it is not possible to record any real increase in the amount of new business. Sales of spinners and manufacturers have not been equal to current output. Traders have been harassed by the disturbing political news from the Continent. Fairly wide fluctuations have occurred in raw cotton prices. After a fall in prices there has been a partial recovery. Interest has been centred on the U.S. Government's estimate of the area under cultivation, but it is recognised that the extent of the acreage is not a reliable guide to the yield of the crop. Weather news from the belt during the last day or two has been rather less favourable, the plants being adversely affected by heavy rains.

Yarn prices have varied according to the fluctuations in raw cotton prices, but spinners as a body have been firm at quotations. Some moderate sales have been reported in coarse and medium American counts. There is still considerable pressure for the delivery of twists. Egyptian descriptions have moved off slowly.

Sales of cloth have again been unimportant. Most buyers have kept in touch with Manchester prices, but firm offers for lots of quantity have been scarce. Sales for India have been of limited dimensions. There have been further attempts at transactions in fancies for Hong Kong, but not much has been done. Rather less satisfactory advices have been received concerning the position in Java. Contracts have been arranged in prints for West Africa with miscellaneous sales in printing and finishing styles for South America. Dress materials have attracted some attention for the Dominions and the home trade. Taking the weaving section as a whole there is a tendency for order lists to run down.

COTTON PRICES

	1937				Corresponding Date	
	June 16	June 23	June 30	July 7	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	6·98	6·88	6·94	6·86	6·97	7·24
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	10·05	10·10	9·85	10·00	8·00	9·84
Yarns—32's twist ..... per lb.	14	13½	13½	13½	10½	10½
„ 40's weft ..... per lb.	13	12½	12½	12½	10½	11
60's twist (Egyptian) ..... per lb.	19½	19½	19½	19½	15½	16½
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	20 5	20 3	20 3	20 3	17 6	17 10½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	27 10	27 8	27 8	27 8	24 4½	25 4
38 in. ditto, 38 yds., 18 by 16, 10 lb.	11 6	11 6	11 6	11 6	10 5	10 5
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 6	10 6	10 6	10 6	9 3	9 5

WEAVERS' WAGES.—The operative cotton weavers of Lancashire received an increase in wages last April and recently the Operative Weavers' Amalgamation has taken a census of their members showing the average wages earned under the new conditions. Particulars have been published for several districts, but all the figures have not yet been received and an analysis is expected to be published very shortly. On the other hand, the Cotton Spinners' and Manufacturers' Association have taken a census of weavers' wages, returns having been received from 488 employers relating to 305,000 looms, employing 71,000 weavers on the average. The information secured shows that the average adult weaver's wage is £1 19s. 9d., 79½ per cent. of the 71,000 weavers being women. A comparison with similar returns received last year shows that under-employment has decreased and that loom production has been raised from 85 per cent. to 92 per cent. As a result of this increased employment and of the higher rates of wages which came into operation in the week beginning April 12th, earnings have risen by fully 16 per cent.

WOOL.—Bradford.—The event of the week has been the opening of the fourth series of London sales. Results generally exceed expectations. The offerings are unusually small, except slipe New Zealand lambs, which are very plentiful. To find greasy combing wools as well as greasy crossbreds selling at practically unchanged prices indicates the soundness of the wool position. Both the home and Continental trades, with the exception of Russia, are buying freely. No doubt slipes would have sold better if the home woollen trade had been in a healthier position, and the decline of 7½ to 10 per cent. in fine halfbred lambs is indicative of distinctly quieter trade in that section. There is evidence that next season worsteds will be more popular for ladies dress goods than during the past two seasons, when woollens were very largely favoured. The tone of the market is encouraging and a good reception is expected to be given to the Queensland new clip wools when they are offered, mainly next week. There is every likelihood of these wools selling on a basis of 40d. for 64's warp tops. Clothing wools may be a little cheaper, but they, too, occupy a very healthy position, and there is little need for any big margin between clothing and combing merinos. The few greasy crossbreds that are available will be absorbed readily at firm prices, and an extensive Continental demand for slipes is wanted to reduce the opening decline. Generally the woollen and worsted industries are enjoying a fair measure of prosperity, and consumption in the aggregate is still large.

GRAIN MARKETS

WHEAT.—Prices have fluctuated with a rising tendency during the past week. The major factor is still the drought situation in the principal Canadian wheat areas, only scattered showers having fallen during this week. The outlook for the Canadian crop is now serious, while reports of rust damage are still being received from the United States. Prices are likely to show wide fluctuations in accordance with weather reports.

On Wednesday last, "July" futures were quoted in Chicago at 123 cents per bushel, against 118½ cents the week before and 109½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship 55s. 6d. per 496 lbs., against 53s. last week; No. 2 Northern Manitoba (Atlantic) ex ship 55s., against 52s. 9d. last week; No. 3, 54s. 3d., against 52s. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 1,172,000 quarters, against 931,000 quarters in the previous week and 921,000 quarters in the corresponding week a year ago.

FLOUR.—The market is firm, prices having advanced in sympathy with wheat. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 43s. 6d. per 280 lbs., as against 41s. 6d. a week ago; delivered inner London, 43s., as against 41s. a week ago. Manitoba patents, ex store, 42s. 6d. to 44s., as against 41s. to 42s. 6d. a week ago. Australian, ex store, 33s. 6d. to 34s. 3d., as against 33s. to 34s. 6d. a week ago.

BARLEY.—Although demand remains quiet, the relative scarcity of supplies is reflected in the advance of quotations. "July" futures were quoted at 71½ cents per bushel in Winnipeg on Wednesday, as against 66½ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, 36s. to 42s. (nominal), against 36s. to 42s. last week. California, ex ship, 49s. 6d. to 50s., as against 50s. 6d. to 53s. a week ago. Chilean, brewing, ex ship, 44s. 9d. to 50s., as against 44s. 9d. to 50s. a week ago.

OATS.—On Wednesday, "July" futures were quoted at 43½ cents a bushel in Chicago, against 42½ cents a week ago and 40½ cents last month. Quotations in London, Wednesday: "English black," at farm, 27s. to 28s. per 336 lbs., as against 27s. to 28s. a week ago; "English White," at farm, 27s. to 28s., as against 27s. to 28s. a week ago; mixed Canadian feed (Vancouver), landed, 27s. 6d. per 320 lbs., as against 26s. 6d. a week ago.

MAIZE.—An improved demand, smaller Plate shipments and the firm tone on the wheat markets have combined to raise the price of maize this week. "July" futures were quoted on Wednesday at 125½ cents per bushel in Chicago, against 125 cents a week ago and 116¾ cents last month. Quotations in London, Wednesday: "Plate," landed, 27s. 9d. per 480 lbs., as against 27s. 6d. a week ago; "Plate," ex ship, 26s. 9d., as against 26s. 6d. a week ago; "Plate," "June," 26s. 9d., as against 26s. 9d. a week ago; yellow maize meal, ex wharf, was quoted at £7 to £7 2s. 6d. per ton, as against £6 17s. 6d. to £7 last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan 2, 1935	Dec 31, 1935	July 8, 1936	Dec. 30, 1936	June 30, 1937	July 7, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb. ...	82⅛	84⅛	90¼	129	138⅛	143⅛
Chicago (No. 2, Winter)— Cents per 60 lb.	98⅛	101⅛	105¼	135⅛	118⅞	123

The visible supply of wheat in Canada amounts to 43,010,000 bushels, against 45,653,000 bushels last week, and 68,229,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat	Cwts	Cwts.	Cwts	Cwts.
1 week to July 3	75,291	80,134	63,413	97,856
44 weeks to July 3.....	9,879,330	13,038,734	12,932,969	10,524,140
Average price of English wheat per cwt.	s. d. 5 7	s. d. 5 6	s. d. 6 9	s d 9 6

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts	Cwts.	Cwts.	s. d.	s. d.	s. d.
July 1, 1933	42,553	9,877	10,135	6 5	6 9	5 6
June 30, 1934	75,291	4,780	25,650	5 7	6 6	6 5
July 6, 1935	80,134	4,568	9,704	5 6	6 9	7 7
July 4, 1936	63,413	3,554	13,897	6 9	6 6	6 1
June 26, 1937	101,310	3,168	13,486	9 6	9 6	9 0
July 3, 1937	97,856	4,421	12,431	9 6	9 8	9 3

OTHER FOODS

BACON.—In response to a sustained demand, prices were unaltered. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 90s.; Canadian, 84s.; Danish, 91s.; against 90s., 84s., and 91s. last week. Arrivals in London last week included: Danish, 13,963 bales; Canadian, 4,374; Dutch, 2,440; Lithuanian, 1,145; and Polish, 2,777; as against 13,815, 6,754, 2,440, 1,083, and 2,965 bales, respectively, in the previous week.

BUTTER.—The market has firmed up this week. Quotations (per cwt.) on the London Provision Exchange on Monday were: New Zealand, finest salted, 109s. to 110s.; Australian, choicest salted, 108s.; Danish, 115s. to 116s.; compared with 109s., 107s., and 115s., respectively, a week ago.

CHEESE.—A rather quiet tone has prevailed, with New Zealand and Australian easier. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: Canadian, finest coloured, 78s. to 80s., and New Zealand, finest coloured, 68s. 6d. to 69s.; against 78s. to 80s. and 71s. 6d. to 72s. 6d., respectively, a week ago.

COCOA.—The spot quotation in New York on Wednesday was 7⅛ cents per lb., as against 7⅛ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November-January," was quoted at 35s. 6d. sellers per 50 kilos., c.i.f. Continent, against 34s. 9d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 3,901 bags; delivered, for home consumption, 7,440 bags; exported, 20 bags; stocks, 279,896 bags, against 182,048 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9½ cents per lb. in New York, as compared with 9½ cents per lb. last week and 9⅝ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 284 cwt.; delivered, for home consumption, 132 cwt.; exports, nil; stocks, 2,120 cwt., against 10,166 a year ago. Central and other South American: Landed, 1,112 cwt.; delivered for home consumption, 4,962 cwt.; exported, 1,279 cwt.; stocks, 109,121 cwt., against 118,180 last year. Other kinds: Landed, 2,962 cwt.; delivered, for home consumption, 2,815 cwt.; exported, 339 cwt.; stocks, 113,269 cwt., against 160,719 last year.

EGGS.—Owing to the shortage of English and Irish eggs, prices have advanced for all selections. The maintenance of the present firm tone is expected. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15-15½ lb.) realised 14s. 9d. to 15s. 3d. per 120, against 13s. 6d. to 14s. 3d. last week; while Danish (15½ lb.) made 10s. 3d. to 10s. 9d., as against 9s. 3d. to 9s. 9d. last week.

FRUIT.—Trade at Covent Garden during the past week was fairly well maintained, states *The Fruitgrower*, prices being firm except for soft fruits. Fair supplies of strawberries have sold well, quotations showing little variation for reliable samples. Raspberries have eased. English loganberries are now on the market, while English cherries are an increasing item. Black and red currants are rather lower on the week. Abundant supplies of green gooseberries sell well, while plums from various sources are a steady market. Apples continue exceptionally firm. Oranges also excite a lively interest, but South African have eased on heavier arrivals. Grapefruit is selling well, while lemons and pineapples are steady. English and Belgian grapes sell at the moderate rates ruling last week, except Belgian Royal, which are slightly cheaper.

MEAT.—At Smithfield market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 4d. to 4s. 8d. per 8 lbs., as compared with 4s. 4d. to 4s. 8d. a week ago. New Zealand frozen mutton was 3s. 4d. to 3s. 10d. per 8 lbs., against 3s. 4d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 7,873 tons, a decrease of 687 tons on the corresponding week last year. Beef and veal accounted for 4,475 tons, mutton and lamb 2,471, and pork and bacon 564, as compared with 4,602, 2,874 and 568 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, Singapore white Muntok, August-October, was quoted at 4½d. per lb. sellers, c.i.f. Rotterdam-Hamburg, against 4½d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3d. per lb. sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, 57 tons; delivered, 5 tons; stocks, 2,047, against 1,769 last year. White, landed, 8 tons; delivered, 66 tons; stocks, 11,767 tons, compared with 12,273 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. per cwt., ex warehouse, on Wednesday, as compared with 10s. per cwt. a week ago. "July-August," in singles to Continent and U.K., was quoted at 9s. per cwt., against 9s. last week. Movements in London last week were as follows: Landed, 13 tons; delivered, 53 tons; stocks, 1,775 tons, against 2,131 a year ago.

SUGAR.—A firmer tendency has been evident this week. The New York spot quotation was 3·50 cents on Wednesday, as compared with 3·45 cents per lb. last week and 3·35 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August" delivery at 6s. 8½d. to 6s. 8¼d., against 6s. 7½d. to 6s. 8½d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 51,633 tons, against 15,783 in the previous week and 19,133 in the same week of 1936; deliveries, 15,736 tons, against 16,129 and 20,172 tons, respectively; stocks, 184,471 tons, against 194,574 and 133,162 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 2, 1936	12·19	12·10	13·04	10·33	9·89	11·26	12·22
June 3, 1937	14·26	14·42	15·25	12·63	11·99	13·56	14 48
„ 10, „	14·57	14·61	15·12	13·73	12·15	13·94	14·67
„ 17, „	14·67	14·62	15·06	13·11	12·45	13·70	14·51
„ 24, „	15·60	14·50	15·16	14·16	12·28	13·77	14·96
July 1, „	15·12	14·49	15·09	13·37	12·24	13·76	14·78

At this week's public auctions in Mincing Lane, 21,408 packages of Indian and 26,551 packages of Ceylon tea came up for disposal. The Indian sorts met a good general demand. Southern Indian teas, and new season's Dooars, ruled firm at previous rates. Ceylon teas up to 1s. 3d. per lb. were fully firm and occasionally dearer. Better class teas were irregular, while fannings showed little change.

VEGETABLES.—Moderate supplies encounter a good demand at Covent Garden, according to *The Fruitgrower*. Asparagus prices vary from day to day. Tomatoes remain in demand, with quotations about steady. Cucumbers are going out well, while lettuce and other salads are a good trade. Inquiry for broad beans and house beans is well maintained, but marrows are easier. Cabbages, spinach and mint have improved a little in price. Meanwhile, business in old potatoes at the London markets is now virtually over, home-grown earlies being now on the market. With increasing supplies, prices show a declining tendency. At the Borough on Tuesday, Cornish, Lincolnshire and Bedfordshire ranged from 10s. to 11s. 6d., and Jersey from 9s. 6d. to 10s. per cwt., ex market.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Trade is seasonably quiet. Crushers' requirements are limited. Linseed is in some demand in bear positions, but forward enquiry is almost negligible. On the whole, prices are well maintained, but for shipment an easier tone is developing. The market is still subject to weather conditions and conflicting crop reports. In America the position is still obscure, but the latest advices indicate an area under linseed equal to that of last year. The ultimate yield of seed, of course, depends upon the progress of the young plants. Last season only half the area was harvested and production fell to 148,000 tons, against 363,000 tons in the previous season. Meanwhile, substantial shipments of Plate linseed continue to the United States and Canada. The quantity now afloat being 62,800 tons, bringing the total destined thither this year up to 495,000 tons. The estimated balance remaining available for export in the current half year from South America and India is around 800,000 tons. The new Indian crop is moving off slowly. For Calcutta on passage to Hull, £14 10s. has been paid, and for August shipment £14 15s. A fair trade is reported in old crop. Egyptian cottonseed to Hull at £7 6s. 3d., while new crop, September loading, has been done at £7 10s., and in October at £7 7s. 6d. The price of linseed oil is maintained and only slight fluctuations have taken place. Cotton oil is quiet and a shade steadier. Demand for oilcakes is not so good and stocks are ample.

RUBBER.—After a week of quiet trading, prices show little alteration. The uncertain outlook in Europe and the strike situation in America continue to act as a drag on the market. Shipments from Malaya and Ceylon during June fell short of the permissible amount, but the Dutch East Indies exceeded its June quota. Meanwhile, stocks in this country continue to decline. The spot price in New York on Wednesday was 19 1/16 cents per lb., compared with 19¼ cents per lb. a week ago and 18⅜ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 9¼d. per lb., as against 9 7/16 d. on the corresponding day last week. In forward positions business has been done at 9¼d. to 9⅜d. for "August" shipments, as against 9 7/16 d. to 9⅜d. a week ago. Stocks in London and Liverpool at the end of last week totalled 43,047 tons, against 43,403 tons a week earlier. A year ago stocks amounted to 120,857 tons.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, July 7th

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	55	0		
Eng. Gaz. av., per cwt.	9	6		
Barley, Eng. Gaz. av. ...	9	8		
Oats, " ...	9	3		
Maize, La Plata, landed 480 lb.	27	9		
Flour, Lon. stan. ex mill, 280 lb.	41	9		
RiceNo.2 Burma,per cwt.	9	0		
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	10	5	8
Argentine chilled hinds	4	4	4	8
Mutton, per 8 lbs.—				
English wethers	6	4	7	4
N.Z. frozen "	3	4	3	10
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	4
Pork, English, per 8 lbs.	4	10	5	0

OTHER FOODS

BACON—				
English ... per cwt.	90	0		
Irish	88	0	93	0
Danish	91	0		
Dutch	89	0		
HAMS—				
Canadian	100	0	102	0
United States	102	0		
BUTTER—				
Australian	108	0		
New Zealand	109	0	110	0
Danish	115	0	116	0
CHEESE—				
Canadian ... per cwt.	78	0	80	0
New Zealand	68	6	69	0
English Cheddars	...		...	
Dutch	51	0	57	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. per cwt.	35	0	35	6
Trinidad	68	0	75	0
Grenada	58	0	62	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	53	0		
Colombian, good	58	0	62	0
Costa Rica, med. to good	64	0	90	0
East Indian " " "	70	0	90	0
Kenya, medium	58	0	72	0
EGGS—				
English ... per 120	14	9	15	3
Danish	10	3	10	9
FRUIT—Oranges—				
S. African ... ½ cases	11	3	20	0
Brazilian ... boxes	10	0	17	0
Lemons, Malaga ... cases	...		...	
" Sicilian ... boxes	21	0	27	0
Apples: Amer. (var.) bris.	...		...	
" (var.) boxes	...		...	
" Australian	9	0	15	0
Onions—				
Valencia, case	...		...	
Egyptian, bags	6	0	7	0
Grapes, Almeria, barrels	...			
Grapefruit, Brazilian	17	0	23	0
" S. African	18	0	23	0
LARD—				
Irish, finest bladders	66	0	74	0
U.S. ... per cwt.	66	6	68	6

	s.	d.	s.	d.
POTATOES—				
English King Edward per cwt.				
Jersey new "	9	6	10	0
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3½		
White Muntock	0	6		
Cinnamon—1st sort, per lb.	0	8½		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	59	0		
Jamaica, ord. to good	65	0	90	0
Mace ... per lb.	1	10	2	4
Nutmegs, 65's	0	11½		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	9		
B.W.I., crystallised	17	3	19	0
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	20	0		
Cubes	24	3	24	9
Crushed	22	6		
Granulated	20	4½	21	3
Home Grown	20	3	20	6
TEA—				
Indian—per lb.—				
Pekoe	...			
Broken Pekoe	1	2	1	2½
Orange Pekoe	...			
Broken Orange Pekoe	1	2	1	3½
Ceylon—per lb.—				
Pekoe	1	2½	1	6½
Broken Pekoe	1	2	1	5
Orange Pekoe	1	2	1	7
Broken Orange	1	2½	1	11
TOBACCO—				
(Duty, 9/6–10/6½ per lb.				
Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
" strips	0	9	1	6
East Indian leaf	0	7	1	10
" strips	0	6	1	9

TEXTILES

COTTON—	d.			
Mid-American ... per lb.	6·86			
Sakellaridis, f.g.f.	10·0			
Yarns, 32's twist	13½			
" 60's twist	19½			
FLAX—	£	s.	£	s.
Livonian ZK ... per ton	82	0	84	0
Pernau HD	84	0	85	0
Slanetz Medium...1st sort	90	0	92	0
HEMP—				
Italian P.C. ... per ton	66	0		
Manilla, July-Sept. "J2"	34	0		
Sisal, African	25	0	28	0
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
July-Aug.	£20/18 9			
Daisee 2/3 c.i.f. Dundee				
July-Aug.	£20/15 0			
SILK—	s.	d.	s.	d.
Canton ... per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	8	3	9	3
Italian—raw, fr. Milan	8	6	10	0

	s.	d.	s.	d.
WOOL—		d.		
English Southdown, greasy, per lb.		18½		
" Lincoln hog, washed		17½		
Queensland, scd. super cmbg.		30		
N.S.W. greasy, super cmbg.		17½		
N.Z., grsy., half-bred 50–56		18		
Crossbred 40–44		15½		
Tops—				
Merinos 70's average		39		
" 64's "		37		
Crossbred 48's		25		
" 46's		24½		

MINERALS

	s.	d.	s.	d.
COAL—				
Welsh, best Ad'ty...ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6		
Sheffield, best house, at pits	22	0	22	6
IRON AND STEEL—				
Pig, Cleveland No. 3, d/d. ton	101	0		
Bars, M'brough	237	6		
Steel rails, heavy	202	6		
Tin plates ... per box	25	0	25	6

	£	s.	d.	£	s.	d.
METALS—						
Copper, Electrolytic, ton	63	10	0	65	10	0
Sheets (Strong)	93	0	0			
Standard	58	0	0	58	1	3
Lead, Eng. pig... per ton	27	0	0			
Soft foreign	25	2	6	24	18	9
Spelter G.O.B.	22	15	0	22	17	6
Tin—English ingots	267	0	0			
Standard cash	266	10	0	266	15	0

MISCELLANEOUS

	s.	d.	s.	d.
CHEMICALS—				
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2½	0	3½
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump ... per ton	8	10	8	15
Ammonia, carb. ... ton	27	0	28	0
Sulphate			7	5
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	7	9		
Potash—Chlorate, net	0	4	0	4½
Sulphate ... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ... per cwt.	5	0	5	3
Sulphate of Copper, per ton	22	0		

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/- per ton
1 and up to 4-ton loads 41/- per ton

	£	s.	d.
COPRA—			
S.D.Straits c.i.f., per ton	16	5	0

	s.	d.	s.	d.
DRUGS—				
Camphor—				
Japan, refined... per lb.	2	4		
Ipecacuanha ... per lb.	7	3		
HIDES—				
Wet salted—Australian per lb.	0	6½	0	7½
West Indian	0	4½	0	5
Cape	0	6½	0	6½
Dry and Drysalted Cape	0	8½	0	9½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8½
Best cow	0	6½	0	7
Best calf	0	7	0	12½
INDIGO—				
Bengal, gd. red.-vio. to fine ... per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.—				
per lb.	1	4	2	6
Bark Tanned Sole	2	6	3	8
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	9
Bellies from DS do.	0	4½	0	6½
Do. Eng. or WS. do.	0	6½	0	9½
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/1 lb.	1	3	1	8

	£	s.	d.
VEGETABLE OILS—			
Linseed, naked, p. ton net	29	10	0
Rape, refined	37	0	0
Cotton-seed, crude	27	10	0
Coconut, crude	23	7	6
Palm	22	7	6
Oil Cakes, Linseed, Eng., per ton	8	17	6
Oil Seeds—Linseed—			
La Plata, p. ton, July	12	17	6
Calcutta—per ton	14	13	9
	s.	d.	
Turpentine, per cwt.	37	0	

PETROLEUM PRODUCTS—				
Motor Spirit, No. 1, London	1	6½		
Petroleum, Amer. rfd. brl.,London..per gall.	0	10½		
Fuel oil, in bulk, for contracts, ex instal. Thames—				
Furnace...per gall.	0	3¾†		
Diesel.... per gall.	0	4½†		
ROSIN—				
American ... per ton	19	15/0	22	0/0
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	9½		
Fine hard Para per lb.	0	10		
SHELLAC—				
TN Orange ... per cwt.	48	0	51	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. "	3	10	12	10
TALLOW—	s.	d.		
London town... per cwt.	25	6		

	£	s.	d.
TIMBER—			
Swedish u/s 3 x 8 ... per std.	24	0	0
" 2½ x 7 ... "	23	10	0
" 2 x 4 ... "	21	0	0
Can'dn Spruce, Dis.... "	24	10	0
Pitchpine ... per load	11	0	0
Rio Deals ... per std.	35	0	0
Teak ... per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African " ... "	0	6	0
Amer. Oak Boards ... "	0	6	0
" Ash " ... "	0	6	0
English Oak Planks ... "	0	6	0
" Ash " ... "	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	July 8, 1936	June 9, 1937	June 30, 1937	July 7, 1937
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	105⅛	109⅜	118⅞	123
Maize, nearest future, Chicago, per bushel	81½	116¾	125	125⅛
Oats, nearest future, Chicago, per bushel	36⅛	40⅛	42⅜	43⅛
Rye, nearest future, Chicago, per pushel	71	87½	91	92¼
Barley, nearest future, Chicago, per bushel	62	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	6¾	9⅜	9½	9¼
" **Santos No. 4, cash per lb.**	9½	11⅜	11⅜	11⅛
Cocoa, Accra, nearest future, per lb.	5·95	7·12	7·17	7·47

	July 8, 1936	July 9, 1937	June 30, 1937	July 7, 1937
	Cents	Cents	Cents	Cents
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·70	3·35	3·45	3·50
Cotton, middling, spot, per lb.	13·23	12·49	12·54	12·62
Rubber, smoked sheet, spot, per lb.	16⅛	18⅜	19½	19
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	8·95	13·62½	13·57½	14·15
Copper " Electrolytic," Export prompt, per lb.	9·17½	13·85	13·80	14·37½
Spelter, East St. Louis, spot, per lb.	4·75	6·75	6·75	6·75
Lead, spot, per lb.	4·60	6·00	6·00	6·00
Tin, "Straits," spot, per lb.	43·50	55·87½	56·50	59·75

(a) Nominal.

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Britain's Plan for Spain

THE crisis over non-intervention has developed rapidly during the past week. On Friday of last week there was a tense meeting of the full Non-intervention Committee when the Franco-British counter-proposals to the Italo-German proposals were tabled. MM. GRANDI and VON RIBBENTROP made speeches which not only were militant in tone but contained accusations against the British Government which LORD PLYMOUTH rightly repudiated. The German and Italian Ambassadors immediately testified to the emptiness of their own charges when they concurred in the Dutch representative's proposal that the British Government should be invited to work out and bring before the Committee a project for bridging the difference between the two opposing plans.

The Foreign Office has done its best. On Thursday the British compromise plan, which was handed to the various Governments on Tuesday in readiness for discussion by the Committee on Friday, was published. Broadly, it retains the principle of supervision of non-intervention on which the French and British Governments have always insisted; but—and here the compromise peeps out—it also meets the German and Italian demands, to the extent that belligerent rights would be accorded to the insurgents once the Committee has (unanimously?) decided that the withdrawal of volunteers from both contending sides in Spain "has in fact made substantial progress." Naval patrols are to be abandoned, and in their place control is to be assured by posting neutral observers at all Spanish ports. The ships of other non-interventionist countries than Great Britain—who has already legislated to cover the case—which ply from foreign countries' ports to Spain are now to be covered by the British plan; and control at all land frontiers is to be maintained. Special commissions are to see that withdrawal of "volunteers" is really effective on both sides.

Now this British plan—and it is 100 per cent. British—is not a wholly admirable programme. No compromise is; and this is worse than most compromises, for it has virtually incorporated two mutually exclusive attitudes to the contestants in Spain: the Italo-German and the French. Accordingly, the Italo-German view—roughly, that the Spanish Government should be discriminated against—has had to be accommodated at the cost, once more, of the Anglo-French viewpoint. The abandonment of naval control throws control of the seas not only to GENERAL FRANCO'S warships but also to those "unknown" submarines and warships whose providential aid has effectively hampered the Spanish Government on many occasions. This is a bias in GENERAL FRANCO'S favour, for Spanish ships have hitherto been, and will continue to be, exempt from the non-interventionist control. But owing to the refusal of belligerent rights the insurgent fleet has not been free to exercise a general right of search on the high seas off "blockaded" ports. If this right is conceded, the insurgent ships may well be able to make more effective the "blockades" which they will hereafter proclaim.

On the other hand, the scheme does something to weight the scales in the other direction. For the supervision of foreign aircraft coming by air, by placing

neutral observers at all aerodromes, will favour the Government side. If this is accepted we shall certainly be nearer non-intervention from the air than ever before.

Thus, the scheme is a compromise. Its weakness is that, apart from its immense complexities, it seeks to reconcile two quite different aims of non-intervention. Primarily, the non-intervention scheme was to prevent foreign Powers from intervening in the Spanish civil war. This has not, however, been the principal purpose in the minds of the Governments that devised the system. This has been proclaimed clearly and emphatically again and again by His Majesty's Government. It is to prevent the local European war in Spain from expanding into a general European war.

It is on this ground that the British and French Governments have deliberately tolerated the Italian and German Governments' gross and persistent breaches of the Non-intervention Agreement—while the two Fascist Governments, on their side, have been content to put up with the Soviet Government's counter-breaches so long as they themselves were, on balance, breaking the Agreement more effectively. If the outcome of this *de facto* intervention in Spain were a matter of indifference to France and Great Britain, the game might have been kept up until Italy and Germany had carried their Spanish pawn to victory.

An Italo-German control over Spain—including Spanish territorial waters and overseas possessions—would bring with it such palpable threats to concrete French and British interests that even a strictly and narrowly Machiavellian calculation might lead to the conclusion that this would be too high a price to pay for the maintenance of European peace. If the Fascist Powers became masters of Spain they would be in a position to cut the communications between France and her African possessions and to subject France to an encirclement such as Germany has never experienced. They would also be able to block at the Canary Islands the British sea route to the East via the Atlantic and the Cape, besides blocking the shorter route via the Mediterranean. Thus, after all, it *does* matter to France and Great Britain most vitally—and this in terms of the old-fashioned balance of power—whether non-intervention in Spain is a farce or a reality. The realisation of this by French minds has been the result—and it is a momentous result—of the Fascist Powers' withdrawal from participation in the non-intervention scheme. They convinced the French that the British policy of turning a blind eye could not be tolerated. And the French Government, with apparently the approval of all classes of Frenchmen, reacted, positively and violently.

In French eyes the last straw was the Portuguese Government's action in suspending the activities of the neutral (i.e. British) observers along the Portuguese-Spanish frontier, as a gesture of sympathy with the Italo-German act of withdrawal. This left the Franco-Spanish frontier as the only land frontier along which the neutral control was still in operation. Accordingly, the French Government followed the Portuguese Government's precedent by suspending the activities of the neutral observers on French territory last Tuesday.

Perhaps the most important feature in the new situation is that the British Government manifestly now believe, in their hearts, that the French are right. They have publicly stated that in their view the action of France is not unreasonable.

The Italo-German withdrawal from participation in naval control and the concerted Portuguese suspension of the activities of the neutral observers were ventured upon on the assumption that France was now out of the game. This has proved a childish miscalculation. The present scheme is drafted on the assumption that non-intervention can be made *really* effective, the essential condition of which is the withdrawal of volunteers. If that is impossible, then neither France nor England can continue to acquiesce in a one-sided pretence. And for these Powers, the ultimate reason for making this last effort—with such faint hopes as they may still retain—is that if both sides in Spain are left to their own devices, then the time for conciliation will be near at hand. And in the final settlement under those conditions there will be no room for Italian, German, British or French domination. It is for SIGNOR MUSSOLINI to say whether he concurs.

The Fourth National Government

MR CHAMBERLAIN'S first general pronouncement as head of the Government, which he made at the Albert Hall last week, was a great personal success. In the first place, he made it quite clear at the outset that he wished not merely to maintain the national character of the Government but to pursue the moderate policy which coalition implies. This may not be entirely to the liking of the party machine managers, and it involves the danger of lack of definition and confusion of public issues which have been characteristic of recent times. But the public, as distinct from the party caucus, has become so accustomed to the liberal if easy-going outlook of LORD BALDWIN that any sharp change from this tradition would have been an unpleasant jolt. Moreover, large numbers of his nation-wide audience read with great interest the new PRIME MINISTER'S peroration. In this he touched upon his personal approach to politics, and revealed that in political philosophy he is in direct descent from the radicalism of JOSEPH CHAMBERLAIN.

It is not, however, to be expected that the country will take MR CHAMBERLAIN'S oration entirely at its face value. The speaker naturally showed his gratification at the prosperous condition of the country, and with a modesty that politicians do not always display, he specifically refrained from claiming that this was due solely to the Government. He did, however, urge that Government policy had created favourable conditions which did not exist when they came into office. The two factors to which he referred in this connection were "sound finance" and the "change in our fiscal system." For the first of these, the Government can properly be given nearly full marks; and even so far as the second is concerned, no one can deny that the introduction of Protection did do something to stave off some of the disturbances which occurred in world trade at the bottom of the depression. MR CHAMBERLAIN, however, omitted to mention that our protectionist policy also stimulated the raising and the maintenance of trade barriers everywhere, and that this delayed the recovery of world trade, and thereby of our own.

Nor is this the only ground for qualifying MR CHAMBERLAIN'S claim. Whatever measure of credit be given to the Government for our present economic well-being, there is a serious debit on the other side of the account. Our prosperity is at present precariously poised, and this is due to economic and political conditions that have arisen in the world largely as a result of our Government's policy, or lack of it. MR CHAMBERLAIN had nothing to say on the possibility of

reaching a trade understanding with the United States which might start a reduction of high tariffs; for in spite of the enormous political importance of such a step the PRIME MINISTER'S hands are still tied by Ottawa. In the foreign field generally the peace of the world is threatened both in Europe and in Asia by the militant Powers; and the League of Nations has been so weakened that it is an altogether inadequate protection against this danger. In all the chief countries of the world, including our own, the prosperity of the day is largely due to the arms race in which we are all engaged. But in spite of this enormous artificial expenditure, both business men and economists, who were slightingly dismissed by the PRIME MINISTER as "dismal jimmies," are fearful of a turn in the tide; and all must be concerned to know how this feverish activity of the armament industries can be diverted to peaceful ends.

Considerations such as these were certainly in the minds of the public when they read MR CHAMBERLAIN'S pronouncement. They doubtless also remembered the heavy fall in the Government poll when he spoke of the "wonderful success of the by-election victories." To MR CHAMBERLAIN the outstanding feature of these elections was the drop of 20 per cent. in the poll of the Labour opposition. But the Government poll fell by 27½ per cent. The PRIME MINISTER said that "no one is able to challenge the success of the policy we pursue." Surely the apathy of the electorate suggests a doubt. MR CHAMBERLAIN claimed that the results of this miniature General Election ranged "the country" behind the Government. SIR JOHN SIMON said the Government is "a safeguard against the evil of minority government." But, as we showed in figures last week, these elections resulted in a poll of only 49 out of every hundred electors—a figure unprecedented in any General Election this century, and of these the Government only polled 30. On this showing national government may be only government by a majority of a minority of the people!

Politics, in the words of BURKE, remains an art which varies the means to secure a consistency of ends. Few of the electors have questioned the ends which the Governments of the last six years have placed before them; but few, also, have shown any enthusiasm for the means that have been advocated and adopted.

There is one passage in MR CHAMBERLAIN'S speech which may suggest how the apathy may be removed—namely, that in which he speaks of the Imperial Conference and observes how easy it would be for different nations to agree with one another if only they would approach matters in the spirit of that conference. The full power of the Empire is a potent influence on the side of peace and general decency in the world. It is significant that the only definite diplomatic agreement which this group of countries has been able to achieve is not adherence to any Empire formula, but adhesion to the Covenant of the League of Nations; while the harmony which exists and such unity of action as has been achieved are due, not to dictatorship from Downing Street, but to the voluntary acceptance of the leadership of this country.

If MR CHAMBERLAIN wishes to make for himself a great place in history the surest way to do so would be to widen the orbit of the free countries of the Empire to include, in a similar relation to one another, the democratic countries of Europe and of the world. This would require, particularly in the field of tariffs and the preferential system, a broadening of the Imperial idea in which he has been brought up, and a more conscious effort to encourage the prosperity of other countries as a vital causal factor in our own. MR CHAMBERLAIN is by tradition an Imperialist. It is a very short step from the British Imperialism of modern times to an international order between free peoples. Let us hope that MR CHAMBERLAIN will have the vision to take that step.

The Economics of Population—II

Old Age Creeps On

THE first article in this series, published in *The Economist* last week, sketched in broad outline the changes in population which can be expected in the immediate future on the basis of past and present vital statistics. In general terms, it is possible to distinguish two periods. In the first, lasting for twenty-five or thirty years from the present, there will be very little change in the total population of the country. But there will be a rapid change in the age-composition of the population. Secondly, beginning a generation hence, the position will be reversed. There may be comparatively little further change in the age-composition of the population, but total numbers will begin to decline.

These two periods also differ in the certainty with which their characteristics can be predicted. The change in age-composition in the earlier period is certain, as even the most startling change in the birth-rate could only affect the numbers of those under 30 in 1967. In the second period, a decline in total numbers is not absolutely certain. But to maintain our present population, 666,000 live births are required each year (assuming present mortality rates). The average number of births in the last five years has been about 600,000. Moreover, in the next thirty years the number of women in the child-bearing ages is going to fall by about one-quarter, and the number of women between 20 and 35 by nearly one-third. To prevent a fall in total numbers would therefore require an increase in the size of the average family by something like 50 per cent. in one generation. It is therefore safe to conclude that, though we do not know exactly how rapid will be the fall, there will be *some* fall in the total population starting a generation hence.

In this second article we take these facts as given and proceed to inquire into their economic consequences. In strict terms, it is possible to distinguish three factors which may be expected to have economic consequences: (*a*) the change in age-composition; (*b*) the cessation of growth of population; and (*c*) the decline in total numbers. Of these three, (*a*) and (*b*) coincide in time. On the other hand, (*b*) and (*c*) are logically connected, since the effects of a cessation of growth are likely to differ only in degree and not in kind from those of an actual decline. For the purpose of discussion, it is best to amalgamate (*b*) and (*c*). In this article we shall deal with the effects of the change in age-composition, leaving aside the effects of the cessation of growth in total numbers. In a concluding article we shall turn to the effects that can be expected to flow from the cessation of growth and the incipient decline.

The first subject of inquiry must be into the effect of changing age-composition on productivity. The propor-

tion of people in the earning ages (15-65) will increase in the course of the next generation. It is now roughly 68½ per cent. and will increase to 70½ per cent. and possibly more. This means that there will be the possibility of greater production per head of total population than would otherwise have occurred, and hence of a higher standard of living. But it is unfortunately necessary to draw a distinction between the *potential* effects of such a change and the actually *probable* effects. Two per cent. of the population amounts to 800,000 persons (in England and Wales). If the *working* population, but not the *total* population, were suddenly to increase by 800,000, there would be a sudden increase in the supply of labour (though not to the full extent of the 800,000) but no offsetting increase in the consumption-demand of the people; and the effect would be to increase unemployment rather than the country's productive capacity. Actually, this growth in the labour supply will come gradually, but it will have to be accommodated in a comparatively short period, for the maximum proportion (and number) of persons between 15 and 65 may be reached within ten years, and will almost certainly be reached within fifteen years from now. It is clear that this will present a problem of adjustment which, if not insoluble, will at least be very difficult. Incidentally, it is worthy of note that the proportion of persons in this age-group has risen from 63.4 per cent. in 1901 and 59.0 per cent. in 1881—a cause of temporary unemployment which has perhaps not received the attention it deserves.

On productivity, then, our conclusion must be that the effects of the changing age-composition will be favourable, provided that they are not all wasted in increased unemployment. Another way of looking at the matter would be to say that we shall be able to support a volume of unemployment half as large again without any reduction in employment or productivity.

How many, and what sort of, dependants—other than unemployed—will these workers have to support? The number of dependants per worker will fall slightly. But the most striking change will be a decrease in dependant children and an increase in elderly persons " not gainfully occupied." In pure theory, a shift of this nature would be of importance only if the elderly retired man's (or woman's) needs were larger than the child's. It is possible that they may be somewhat larger, though not very greatly. But descending from pure theory there is the very practical difficulty that, while there is a legal obligation on parents to provide for their children, nobody is under any obligation to support the elderly. Even support by their children is more difficult when the average number of children is much smaller. Consequently, it is highly probable, almost certain, that the amount of poverty and destitution among the elderly will steadily increase. The cost of old-age pensions, even at the present very low figure of 10s. per week, will rise rapidly, and any increase in the amount paid, if it is to be non-contributory, may well be considered too expensive. The only solution would seem to be to assist, or even compel, the generation which will be elderly in 1967 to build up resources for its old age by means of a nation-wide superannuation scheme. If this were done on any considerable scale, however, it would mean a large addition to the nation's annual savings without any corresponding demand for increased physical capital —a conjunction which would have unfortunate economic results. It may also be noted in passing that this particular problem will be intensified if there is any further extension of compulsory early retirement from industry.

Offsetting this problem of indigent old age, problems of education will become much more simple. Since there will be a decline in the numbers of children in all ages and all localities, it is unlikely that it will be possible to close many schools or many classes. The same physical equipment and the same number of teachers will, therefore, in all probability, be required, but overcrowding will be relieved and it will be possible to make classes smaller.

The same sort of problems of adjustment will arise in relation to the nation's consumption. Those articles which are consumed mainly by children will be wanted in smaller quantities, while those articles which supply the needs of the elderly will be in brisk demand. There will be a slump in patent milks and a boom in invalid port. Perambulators will be beaten into bath-chairs. This again involves a transfer of resources. Children and old people have some needs in common. But the shift of between 1½ and 2½ million persons (between 3¾ and 6¼ per cent. of the population) from the one category to the other cannot fail to have perceptible disturbing effects upon the distribution of industry. Gradual changes leave time for adjustments. But changes of this magnitude in a single generation hardly deserve the epithet.

Changes will also be necessary in the nature of the demand for labour, and they will involve changes in industrial methods. The traditional structure of the labour market can be compared to that of an upright triangle, with comparatively few older people at the top and a large number of young assistants at the base —each master with several apprentices. In 1901, this was appropriate. There were almost twice as many people between 25 and 44 as between 45 and 64, while those between 15 and 24, in spite of covering only ten years, were more than two-thirds as numerous as those between 25 and 44. In 1965, the 25-44 and 45-64 groups will be approximately equal in size, while the 15-24 group will be less than half the size of either. It is clear, then, that if serious maladjustments are to be avoided, a reversal of the present tendency of employers to prefer young workers will be needed.

Under every head of this summary discussion a need has been found for considerable adjustments. These may take the form of shifting resources of labour and capital from one set of industries to another. There are also, however, the problems of absorbing an enlarged proportion of workers to total population and of adjusting industrial technique and traditions to the larger supply of older workers. This is a formidable enough programme for a single generation. It is fitting, accordingly, to inquire whether the change in the age-composition is going to affect the adaptability, or absorptive capacity, of the economic system. Increasing average age imposes a psychological barrier to change or transfer, and a physical barrier in the sense that a larger proportion of workers will be settled, married men with families. With a smaller proportion of young people there will also be a smaller ratio of recruits in any one year to total employees. This will make it more difficult to *expand* an industry rapidly. But it has the corollary of a larger annual proportion of retirements to total employees, and this should make it possible to speed up the painless *contraction* of an industry. Since contraction will always be a more difficult operation than expansion, this particular effect of the changing age-composition should increase adjustability and do something, though perhaps not very much, to offset the paralysing effect of increasing average age.

In summary, it would appear that the need for adaptation will be considerably greater during the next generation, while the adaptive capacity due to natural causes is unlikely to be any greater. This would seem to make probable a volume of unemployment higher than would otherwise be caused by cyclical factors, shifts in international trade and so forth, unless steps are taken to develop the elasticity of the whole economic structure. To secure this elasticity is one of our chief tasks in the next decade.

Profits Still Rising

PROFITS have made front-page news in the year 1937. The results of our latest analysis of company reports should be highly welcome to the Chancellor of the Exchequer, who is this year increasing his vested interest in the growth of industrial earnings by an extra 3d. on the standard rate of income tax and a supplementary National Defence Contribution of 5 per cent. on the profits of commerce and trade. The returns show, in fact, that profits are still rising and that the momentum of their advance has increased rather than decreased during the last twelve months.

The data for these gratifying conclusions are set out at the foot of this page and in a series of supplementary tables on page 157. In considering their significance it may be advisable to dwell first on the totals for the twelve months to June 30th last. The periods which these figures cover, for individual companies, coincide generally with those on which Schedule D income tax will be assessed and paid in 1937-38. For many years past we have analysed the reports of a varying sample of over 2,000 companies. Our figures show that between 1930-31 and 1932-33 profits fell steeply, comparison of each year with its immediate predecessor showing declines of the following order (per cent.): 14.7, 26.5, 6.7. The tide turned in the middle of 1933, and subsequent percentage rises have been: 12.1, 19.5, 12.6 and, in the latest period, 15.6. Thus it appears that the prophecies of economic observers, who forecast a declining rate of increase in industrial profits as recovery proceeded, have happily not been borne out. As each percentage figure is based on a higher absolute profits total than its predecessor, the advance, in pounds, shillings and pence, has been even greater than these figures suggest.

The 2,271 companies whose reports were issued during the last twelve months paid out 18.7 per cent. of their aggregate earnings in preference dividends (against 20.9 per cent. in the preceding year) and 53.7 per cent. in ordinary dividends (against 54.4 per cent.). Thus they " reserved " rather more than one-fourth (27.6 per cent.) of their profits, against rather less than a quarter (24.7 per cent.) in 1935-36. Nevertheless, the average rate of ordinary dividend paid by the companies included in our 1936-37 sample was 8.5 per cent., against an average of 7.3 per cent. in our sample of 1935-36. In other words, shareholders and " reserves " have both received more in the latest year than in its predecessor, and the Exchequer may expect to obtain something like 15 per cent. more from these companies in the current financial year than in that just past—apart altogether from the additional increment due to the rise in the standard rate of tax. As between shareholders and " reserves," however, the beam is being increasingly tilted in the latter's favour. Though dividends have increased, and are still increasing, they account for a steadily declining proportion of total earnings.

What light do our figures throw on the probable future trend of industrial profits? In this connection, the figures for the last three months have special relevance. They are much the most up-to-date source of available

INDUSTRIAL PROFITS

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

	No. of Companies	Reports published in		Increase (+)	
	1936	1935 £	1936 £	£	%
Third quarter	382	25,359,334	28,974,570	+ 3,615,236	+14·3
Fourth quarter	496	36,565,347	42,134,767	+ 5,569,420	+15·2
	1937	1936 £	1937 £	£	%
First quarter	628	84,661,458	94,733,138	+10,071,680	+11·9
Second quarter	765	83,910,088	100,690,626	+16,780,538	+19·9
Total, year to June 30, 1937	2,271	230,496,227	266,533,101	+36,036,874	+15·6
Total, year to June 30, 1936	2,138	198,980,667	224,045,804	+25,065,137	+12·6

TABLE II.—PERCENTAGE COMPARISON WITH PRECEDING YEARS

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Third quarter	− 6·4	−35·5	−28·6	− 5·5	+27·7	+12·2	+14·3
Fourth quarter	−18·1	−53·9	− 2·9	+30·3	+32·9	+16·9	+15·2
First quarter	−10·6	−14·3	− 8·9	+ 5·3	+14·6	+13·3	+11·9
Second quarter	−19·4	−21·8	+ 3·3	+18·2	+17·8	+10·6	+19·9
Year ending June 30	−14·7	−26·5	− 6·7	+12·1	+19·5	+12·6	+15·6

TABLE III.—PROFITS AND RESERVES

	No. of Companies	Total Ordinary and Preference Capital	Net Profits after Payment of Debenture Interest		Carried to Reserve, etc.	
		£	£	%	£	%
1936						
Third quarter	382	311,349,008	28,974,570	9·3	8,598,650	2·8
Fourth quarter	496	395,408,899	42,134,767	10·6	12,186,634	3·1
1937						
First Quarter	628	852,038,088	94,733,138	11·1	22,347,878	2·6
Second quarter	765	951,790,564	100,690,626	10·5	30,060,120	3·2
Total, year to June 30, 1937	2,271	2,510,586,560	266,533,101	10·6	78,193,282	2·9
Total, year to June 30, 1936	2,138	2,436,432,101	224,045,804	9·2	50,365,071	2·1

TABLE IV.—DISTRIBUTION OF PROFITS

	Net Profits after payment of Debenture Interest	Ordinary Dividend		Preference Dividend		To Reserve, etc.	
	£	£	%	£	%	£	%
1936							
Third quarter	28,974,570	14,647,169	50·5	5,728,751	19·8	8,598,650	29·7
Fourth quarter	42,134,767	22,557,928	53·5	7,390,205	17·5	12,186,634	29·0
1937							
First quarter	94,733,138	53,809,355	56·8	18,775,905	19·8	22,347,878	23·6
Second quarter	100,690,626	52,707,571	52·3	17,922,935	17·8	30,060,120	29·9
Total, year to June 30, 1937	266,533,101	143,522,023	53·7	49,817,796	18·7	73,193,282	27·6
Total, Year to June 30, 1936	224,045,804	121,832,860	54·4	46,919,076	20·9	55,293,868	24·7

TABLE V.—INDUSTRIAL PROFITS INDEX
(" Second Quarter " Companies)

Published during Second Quarter of	No. of Companies	Net Profits (after Debenture Interest) Same Companies Year stated £	Preceding year £	*Chain Index 1930 = 100*
1930	...	...	...	*100·0*
1931	619	64,051,136	79,490,653	*80·7*
1932	675	56,832,591	74,997,272	*61·1*
1933	612	52,871,165	51,164,925	*63·2*
1934	642	67,334,795	56,970,575	*74·6*
1935	694	80,076,325	67,975,150	*87·8*
1936	739	92,280,660	83,404,187	*97·1*
1937	765	100,690,626	83,910,088	*116·1*

TABLE VI—ORDINARY SHARE RATIOS

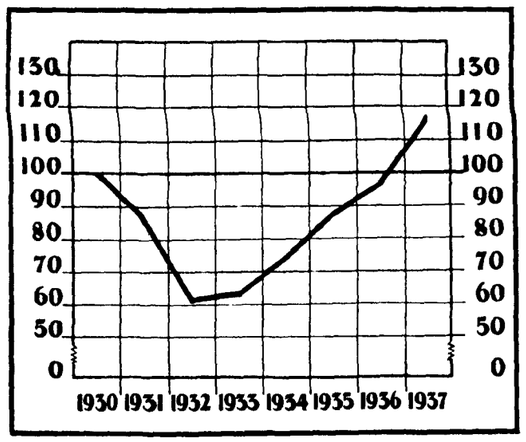
Cos. reporting in Second Quarter of	Total Ordinary Capital (£'000)	Earned for Ordinary (%)	Paid on Ordinary (%)	" Reserved " (Ratio to Ord. Capital) (%)
1930	437,656	13·7	10·3	3·4
1931	446,423	10·4	8·3	2·1
1932	699,486	5·5	4·6	0·9
1933	589,683	6·1	5·0	1·1
1934	611,966	7·9	5·7	2·2
1935	621,304	9·6	6·7	2·9
1936	645,736	11·1	7·3	3·8
1937	622,067	13·3	8·5	4·8

information, and they cover the most prolific quarter of the year for company-reporting purposes. Actually, the April-June quarter's returns include 34 per cent. of the total companies and 38 per cent. of the total profits in our last twelve months' sample. We have, accordingly, taken out the results of the " second quarter " companies in every year since 1930 and combined them in a chain index in Table V. The chart, given on this page, in which the resulting figures are graphically displayed, confirms the impression that the rate of advance, as shown by the most recent reports, far from having any tendency to slacken has actually been expedited in recent months.

The most recent quarter's figures, similarly, confirm the view that amounts " ploughed back " are increasing relatively faster than dividends. We have made a special computation of earnings and payments on ordinary shares by " second quarter " companies, and have plotted the results on a second chart. The rate of ordinary share earnings, it will be observed, is two and a half times as high to-day as in 1932, at the bottom of the depression. Dividend fluctuations, however, have been less severe. Incidentally, the rate of earnings on ordinary shares is still slightly, and the rate of dividend is appreciably, below the pre-depression level of 1930, although

CHART I.—TREND OF INDUSTRIAL PROFITS

(Companies Reporting in Second Quarter of each Year)
1930 = 100

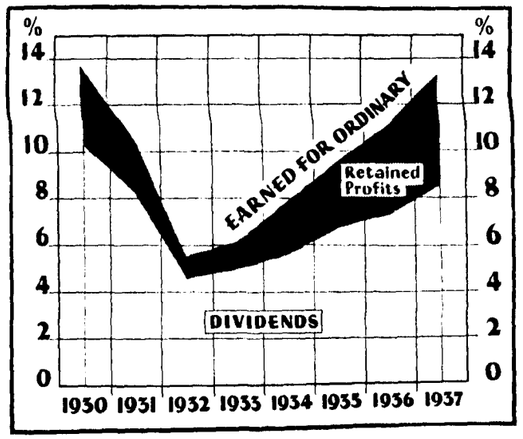


N.D.C. on ordinary shareholders in British companies. Actually, only a small part of the profits comprised in our " second quarter " sample of results has been earned since March 31st last, when liability to N.D.C. begins, and the basis of computation of profits for N.D.C. is somewhat different from that adopted in our analysis. If, however, the companies concerned had been liable to the new tax on the whole of their latest year's profits their N.D.C. payments would have been at the rate of 5 per cent. of aggregate profits (after debenture interest) of £100,690,626. The total earnings available for ordinary shareholders would consequently have been reduced by £5,034,531, from £82,767,691 to £77,733,160; and the average rate of earnings would have fallen from 13.3 per cent. to 12.5 per cent. on a total ordinary capital of £622,066,523.

These figures suggest, at least, that so long as profits remain at or near their present level ordinary shareholders need fear no catastrophic consequences from the imposition of the new tax. Much may depend on the policy of directors who, if they chose, could, on the showing made by our figures, have met hypothetical N.D.C. requirements last year wholly out of earnings which were actually put to reserve; and would still have had a substantial surplus to " plough back." Their

CHART II.—ORDINARY SHARE EARNINGS AND DIVIDENDS

(" Second Quarter " Companies Throughout)



total earnings, as shown by our chain index, are substantially higher than before the depression. This result is largely attributable to recent increases in the total ordinary capital outstanding—particularly in the last couple of years. Many companies have issued bonus shares from reserves, and others have offered new shares for cash at less than the current market price.

Our figures afford a basis for an interesting—though necessarily approximate—estimate of the effect of policy will, in fact, be determined by special individual circumstances; but even in the case of highly geared ordinary shares, on which N.D.C. will fall with especial force, there seems no reason to expect a damaging reduction of dividends.

Per contra, it is unlikely that the rise in profits as a whole will indefinitely maintain its present velocity. Costs are rising, but their rise has been too recent to be adequately reflected even in the latest quarter's profits (which were mainly earned during the calendar year 1936), and still less in the last twelve months' figures. The industrial groups with the largest percentage rises in profits, among the " second quarter " companies, were (1) shipping, (2) rubber, (3) oil, (4) iron, coal, steel and engineering, and (5) motors, cycles and aircraft —in that order. The list includes industries which produce primary commodities, industries to which recovery has come laggardly, and industries which are producers of capital goods and beneficiaries of the Government's programme. Revival in all these trades may still have some way to go, but the last-named group in particular is vulnerable to rising costs. On the whole, *some* further rise in aggregate industrial profits, in coming months, seems certain, but it would be unwise to expect a geometric movement to be maintained much longer.

With this issue is published
***The Economist's* annual**

INSURANCE SUPPLEMENT

containing detailed tabular and textual reviews of the results of a large number of British Offices in 1936, with special articles on the importance of insurance in the national economy

Books for the People

ON Saturday, July 10th, Mudie's Select Library went out of business. Founded 95 years ago by Charles Edward Mudie to cater for educated Victorians and their families, this institution became the respected purveyor of books for the 19th century middle class, whose effective demand did not extend to the purchase of " three decker " volumes at half a guinea a volume. Within its field Mudie's remained unchallenged for more than half a century, and so long as books were expensive its prosperity was assured. But the days when Mudie's was able to impose a ban on George Moore and Grant Allen passed with the coming of the popular press and the passing of the Education Acts. Mudie's found it hard to adjust its methods and outlook—even as a limited liability company of forty years' standing—to the new regime. Cheap books, cheap periodicals, halfpenny newspapers and public libraries conspired to revolutionise the library business; and now Mudie's has gone to the wall.

Other libraries with similar methods, however, have shown themselves better able to cope with the new conditions. In spite of free libraries subsidised by local rates and the spreading rash of twopenny libraries which in the last six or seven years has broken out on all sides, there are still successful concerns which cater for the Mudie's clientèle of to-day. Smiths', Boots' and the Times Book Club are subscription libraries like Mudie's. They provide different kinds of service for different annual subscriptions and offer varying classes of literature to a discriminating public. They operate on a large scale. Smith's have library branches at some 300 bookshops and 400 bookstalls, while Boots' Library has more than 450 branches; and books borrowed from one branch may be exchanged at any other.

The problems of policy which face these organisations are not dissimilar from those which Mudie's unhappily failed to solve. They all charge a fixed subscription for a given period of time. It is therefore impossible to calculate the number of times a book must be borrowed in order to cover its cost. Revenue depends upon the number of subscribers, and not directly upon the turnover of books. The touchstone of successful commercial librarianship, in fact, is a wise choice of new books.

The average life of a book in circulation is about two years, which is considerably less than it used to be. Smiths' have a stock of about one million books, half of which are retained in the head warehouse—compared with the six million books possessed by the inimitable Mudie's in 1888. More revealing perhaps is the velocity of circulation. Smiths' do not keep a register of book-exchanges, but Boots' estimate that the number of exchanges in 1936 amounted to 41,629,000. This means that, on the average, each book was changed once every two and a half weeks.

To the subscription system, whereby the borrower pays for quality, convenience and unlimited time, has recently been added a method of payment per volume. Smiths', for instance, have a service whereby Class B books (all except those recently published) can be borrowed by subscribers and non-subscribers alike at the rate of 2d. for five days, and Class A books for 1d. a day. Boots' have a similar short-period arrangement, confined to subscribers.

The introduction of short-term rates by the subscription libraries probably indicates the influence of the *twopennies*. These new ventures actually compete very little with the older establishments, since they cater for a largely undiscriminating public, which is content to find its reading in cheap reprints loosely classified under the simple headings of " General," " Love," " Westerns," and " Thrillers "—a category which surprisingly includes the admirable detective novel. Nevertheless, there is a marginal class of readers, who seek bargains in borrowing, and hover between the subscription and the twopenny libraries in their search for good books cheap. To these irregular optimists, the subscription libraries have offered the possibility of short-period rates to preserve them from the maw of the *twopennies*.

Generally speaking, however, the twopenny library is *sui generis,* and provides books for a clientèle never reached by Mudie's, Boots', Smiths' or The Times Book Club. The only losers by its success are the cheap periodicals and (probably and unfortunately) the public libraries. Twopenny libraries are a very recent growth. To-day there are between six and seven thousand of them. For the most part, they are operated as agencies rather than as branches. It is usual for a wholesale organisation to hire books to a large number of such agencies, and to receive payment in a fixed rent or a proportion of the receipts. The agencies lend the books at 2d. per volume. The Argosy and Sundial Library Company, for example, had 2,217 agencies in 1934 and carried a stock of 1,350,000 books. Where the rent of the agent varies with his profits, he is very dependent upon the wholesaler, and unsuccessful agents tend thus to be speedily eliminated.

The method of payment by fixed rent is more usual than the percentage system. The rent charged by the wholesaler is perhaps 4s. per hundred books per week; and 10 per cent. of the books hired are changed, on the average, every month. The agent does not choose the books sent to him, and need have no special knowledge of books or popular tastes. On the face of it, therefore, the agent's task is simple. He has merely to lend 25 per cent. of his stock each week to cover the cost of hire; and, more often than not, he runs his library as a side line to some form of retailing, and therefore has no overheads directly attributable to it. In practice, however, the agent is seldom so fortunately placed. He may have less difficulty in finding borrowers than in securing the return of the books they borrow, for whose loss he is responsible to the wholesaler. Respect for property in books is not, perhaps, as widely developed as it might be, and the *twopenny* can neither charge a deposit on each volume—which would drive away its customers —nor check the names and addresses given by many borrowers. The main insurance against the cost of lost books is the system of fines.

The prospects of the agent may be precarious, but the *twopenny* is popular and successful. For the most part these libraries handle only cheap reprints and second-hand copies of a very limited range of fiction; but they have an enormous attraction for people whose previous reading has consisted largely of periodicals. The window display of lurid book-jackets and the lure of cheapness bring in the crowds to the *twopennies*.

None the less, this appearance of cheapness is largely an illusion. While the twopenny library charges only 2d. per volume per week, at least a quarter of its income is derived from fines, which considerably increase the average weekly cost. For a charge of about 10s. per year the subscription library offers an infinitely wider selection of books, with no restriction on the number borrowed and no fines. If only one book is borrowed each week, the subscription works out at about 2¼d. per week, which, allowing for fines, is at least as cheap as the *twopenny*.

On the whole these two kinds of libraries cater for different markets. They are a natural consequence of our democracy; the one serving the educated middle class, the salary-earner, and not infrequently the black-coated worker and his family; the other catering for readers without time or desire for literary niceties. They are to each other much as the theatre is to the present-day cinema. It would reflect more credit upon our popular education—and, perhaps, on our free public libraries—if the latter were more widely used by a reading public, in both groups, which still reads largely what it is given rather than what it has selected for itself. Free reading, like free education, is a proper test of democracy.

Notes of the Week

Reactions to the Palestine Report.—The prognostication of the Palestine Royal Commission that neither party would be satisfied at first sight with their proposals has been amply justified. The executive council of the Zionist Federation of Great Britain has denounced, as inconsistent with the obligations of the Mandatory, both the recommendations restricting immigration and the proposals for partition. The former, in the Federation's view, makes a Jewish National Home impossible. The latter offers to the Jews a State "insignificant in size, deprived of opportunities for development and without the characteristics of full sovereignty." Mr Jabotinsky, leader of the extremist Zionist wing, has told Members of Parliament that partition would create a modern Naboth's vineyard, the prey of Arab envy. The Histadruch (the Jewish Labour organisation in Palestine), in a long reasoned resolution, accuses the Commission of overstepping its terms of reference by calling the Mandate in question. The troubles, it maintains, were due not to the Mandate, but to the British Administration, which grossly failed to carry it out. Nevertheless, the references to partition in the Histadruch's resolution, though strongly critical, leave open a loophole for acceptance if amendments were made in favour of the Jewish State.

* * *

On the other side, the Mufti of Jerusalem has been stirring up agitation against the report, as was only to be expected, since his status as leader of the Palestine Arabs would be lost under partition. The Arab National Defence Party (the Nashashibi faction which broke away from the more uncompromising Arab Higher Committee) has combined an appeal for calm with a round condemnation of partition as undermining the national unity of the Arabs and threatening a section of them with annihilation. The Higher Committee itself, after issuing a manifesto criticising the scheme on the ground that it gave the best part of Palestine to the Jews, has been marking time while seeking the views of the neighbouring Arab rulers. These have not all been of one mind. The Prime Minister of Iraq, presumably with royal authority, is reported to have said that any person venturing to become head of the proposed Arab State would be regarded as an outcast throughout the Arab world. On the other hand, the Emir Abdullah of Transjordan, an obvious candidate for that post, while expressing his disappointment and adding some constructive criticisms, has urged the Arabs to accept the report. King Ibn Saud has cautiously replied that the Palestine cause is occupying his profound attention and that he is sparing no effort to discover a just solution.

* * *

British Views on Palestine.—In most British circles the report continues to find reluctant acceptance. Private comment, however, admits that there is room for detailed improvement, especially in regard to the economic, financial and administrative problems of the new States. Whether for want of expert knowledge among their membership, or in order to leave their main proposal to stand or fall by its naked merits, the Commission were somewhat superficial in their comments on these points. How are the Governments of the Jewish and Arab States to be launched? How are their budgets to be balanced, their economic systems to be brought into relation to each other, and their tariff rivalry to be kept in check? What plans for defence and frontier control are envisaged? What joint organs should be set up for such matters as roads and railways, posts and telegraphs, education and broadcasting? These are some of the questions that will have to be thrashed out before the partition plan can attain practical shape. Next week Parliament is to debate the report, and in a fortnight's time the matter will come before the Mandates Commission at Geneva. There a fresh series of questions will probably arise involving awkward diplomatic problems of whose nature British public opinion is as yet scarcely aware.

* * *

Crisis in North China.—The Japanese Army are evidently out for trouble, on the Amur yesterday and in Chihli to-day. The reason is not far to seek. Ever since the murderous but unsuccessful military *Putsch* in Tokyo in February of last year the tide of Japanese civilian opinion—impelled by the mounting figures of the appropriations for defence in the Budget—has been setting once more against the fighting services. The latter seem now to be reacting again as they reacted in 1931. The present fighting in China began when, on the night of July 7th, the Japanese troops in Chihli Province—inside the Great Wall—made a sham night attack on a strategically important bridge, some thirty miles west of Peking, under the walls of the town of Wangping in which Chinese troops were in garrison. It should be mentioned that the Japanese troops had no title to be in this district at all—not even by the terms of the Tangku truce which the Japanese Army imposed upon the Chinese Army at the end of the war-in-all-but-name in which the Japanese conquered the Manchurian territories of China up to the Great Wall. The Japanese troops beyond the Tangku armistice line are simply invaders whose intrusion has hitherto not been resisted. Their presence in force cannot be covered by the Boxer Treaty, however far its provisions may be stretched. For these Japanese troops in this Chinese territory to practise operations in the night at a strategically vital point without even giving notice of their intention to the local Chinese military authorities was simply asking for trouble. The local Japanese military authorities showed some "sincerity" (to use the Japanese phrase) in co-operating on July 8th with the local Chinese military authorities to bring the fighting to a stop. For a moment it looked as though the Japanese were going to halt on the brink in Chihli as they halted on the Amur. Unhappily, the next move was a statement in Tokyo that the fighting had broken out again on the 10th, and since then the Japanese have been taking more drastic and alarming steps. Japanese troops are being rushed from Japan and Manchuria to Chihli; a new commander has been sent over by air; and the negotiations with the Chinese are lagging along.

* * *

Ministerial Activity.—Sir Kingsley Wood has occupied much of the political limelight during the past week. His circular requesting the four major associations of local authorities to consider whether the proposals of the Royal Commission on Tyneside Government for regional development were applicable to local government generally was followed by his announcement at Birmingham on Tuesday that an all-party campaign for the full utilisation of the health services would be launched in the autumn. There is commendable energy and foresight in both these projects. Though inspired denials have refuted the suggestion that a major reform of local government is contemplated, there can be no doubt that the proposal of the Tyneside Report to consolidate the administration of regional services in that area has more than merely local implications. What is sauce for the Tyneside goose is sauce for the Merseyside, Clydeside, or even Thames-side, gander. The last attempt to thrash out the merits of regional consolidation in local government failed when the Royal Commission of 1928 became entangled in a network of vested opposition and obstructive detail. The logical development of local administration has yet to be decided, and the Tyneside Report is a timely challenge. The Minister's other contribution to the week's political interest accorded well with Sir Kingsley's reputation as the Government's publicist *par excellence*. The national health campaign which he announced will be equipped with all the personal and mechanical apparatus of modern propaganda. Moreover, while the existing services are being intensively pushed before the popular notice, no effort will be spared to advance their usefulness. Not least important in the Minister's speech was his admission that the basis of good health is good nutrition. No health drive or physical fitness campaign can be fully effective while the diet of a considerable minority of the people is inadequate. In our milk supplies, for instance, there is still much to be done. It is true that the consumption of liquid milk has risen by 13 million gallons in the last nine months, but it is also true that many necessitous persons cannot afford to consume milk in adequate quantities because of the unduly high price under the present marketing arrangements. When Mr Johnston pointed out in Monday's debate on the Milk (Amendment) Bill that there were three prices for milk, 6d. a gallon for chocolate makers, 1s. for children at school, and 2s. for infants and mothers, he summarised the tragic irony of the present position. Attention to details of this kind will earn for the Government the encomiums which the energy of Sir Kingsley Wood deserves.

* * *

Road Traffic Policy.—The new Minister of Transport, Dr Burgin, cannot have derived much satisfaction from the debate in the House of Commons on July 9th. It is true that his statement that it was the duty of the Minister to see that the roads themselves did not provide a cause of accidents was rightly popular. Parliamentary motorists were also pleased by his surprising comment that, since five-sixths of the persons killed in 1936 were pedestrians and pedal or motor cyclists, these classes of road-users were the source of most traffic trouble. Moreover, Dr Burgin made out a reasonably good case for the efficacy of remedial measures, of beacons, lights, tests and the speed-limit—thus paying a tacit tribute to the energetic activities of the much-maligned Mr Hore-Belisha. The number of cars on the road is now 10 per cent. more than in June, 1936, and the rise in casualties has been largely arrested. But in the first six months of this year 106,639 persons were killed and injured on the roads compared with 105,810 in the corresponding period of last year. Deaths rose by 169 and injuries by 660. Only a more positive policy of road development can appreciably lessen the risks of road travel. It was on this fundamental point that the new Minister failed to impress the House. He announced that since 1935 programmes estimated to cost £127 millions had been submitted by local authorities, and that about £60 millions of expenditure had actually been approved. But it is now obvious that the Government's programme, announced at the last election to spend £100 millions on road improvement, means little more than a slight increase in an annual expenditure which had become normal before the plan was launched. The recent nationalisation of 4,500 miles of trunk roads has not yet produced any imaginative programme of safety reconstruction. We are merely making the best of the roads we have. We have as many as 14 cars per road mile compared with 8 per road mile in the United States. We have too few roundabouts, no fly-over crossings and no specialised motor roads. With this material no Minister, however energetic, can do more than tinker with the problem. What is urgently needed is the reconstruction of British roads to meet the requirements of modern traffic. At the moment the financial exigencies of re-armament make this difficult; but the death-roll of the roads remains as a mute witness of a grave national problem.

* * *

Coal Royalties. — The first step towards the execution of the Government's decision to nationalise coal royalties, at a cost for compensation of £66,450,000, was taken on Tuesday. A preliminary Bill to secure a register of coal properties as a basis for the larger measure of next session was introduced in the House of Commons by the Secretary of Mines. As outlined by Captain Crookshank it seemed curiously tentative. Coal-owners are to be invited, and not compelled, to register their holdings; and the register will be kept secret. Indeed, it was alleged by the legal luminaries of the Labour Opposition that the Bill would defeat its own purpose since, if owners were not to be compelled to register and yet were to be entitled to obtain a reconsideration of the list when it was compiled, this preliminary procedure might be sheer waste of time. Exception was also taken to the proposal that the coalowners should have the expense of registration defrayed by the Government, at an estimated cost of £30,000. There was a general sense of uneasiness in the House, particularly over the possibility of further delay. The unification of coal royalties has been postponed in the face of expert opinion for two decades. Now, when the cost of compensation has been agreed and the Government is pledged to complete the reform, the major Bill is held over until next session; and the chances of its being further delayed are hardly diminished by this odd Bill, with its air of procrastination. The principle has been accepted by all parties and the application should follow as soon as is administratively possible.

* * *

Ex-Civil Servants.—The recruitment of Ex-Civil Servants and ex-officers of the Defence Services by armament firms with an open interest in Government contracts was deprecated by the Royal Commission on the Private Manufacture and Trading in Arms, on the ground that it was liable to be construed unfavourably, however innocent such engagements might commonly be. Accordingly, the Commission recommended that recruitment should be supervised by the Ministers in charge of the Service Departments concerned. The Government has now issued a White Paper laying down principles for the conduct of all such persons wishing to enter into employment with firms in contractual, financial or administrative relationships with the Govern-

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ment. Officers of or above the rank of Assistant Under-Secretary of State, Principal Assistant Secretary, Ministers abroad, Rear-Admiral, Major-General, and Air Vice-Marshal must in future obtain the consent of the Government before accepting employment with such interested businesses. This regulation will also affect officers in posts of a special or technical character, and will apply for two years after the date of retirement. It remains to be seen whether the net has in fact been cast sufficiently wide; and there are sound reasons in principle, however difficult the course might be in practice, for extending the rule to include firms prospectively, but not actually, interested in Government contracts or assistance. It is probably true, as the White Paper urges, that in most cases of this kind in the past there has actually been no prejudice to the integrity of the civil and defence services. Equally, however, there have been incidents which to some members of the public, at the time, had the appearance of being prejudicial; and the service of the Crown ought, like Cæsar's wife, to be above suspicion. The new restrictions will in themselves enhance the reputation of the services. Their effectiveness will depend upon the determination of Ministers to leave no loophole whatever for irregularity, or even possible misconstruction, in enforcing them.

* * *

Austro-German Negotiations.—Since the conclusion of the Austro-German Agreement of July 11th last year, Herr Hitler's watchword for the solution of his Austrian problem has been "the inevitability of gradualness." But the cunctator is also a dictator, subject to a dictator's necessities. He finds himself constrained to make interim reports of progress. On July 11th of this year Herr Hitler wanted to be able to convince the impatient radical Reichsdeutsch Nazis—and their even more impatient Austrian comrades who are still either in exile in the Reich or under the weather at home—that, during twelve months of nominal truce, he had been able to penetrate surreptitiously an appreciable distance into the positions of the enemy. Accordingly, as the first anniversary of July 11, 1936, approached, it was arranged that an official Reichsdeutsch delegation should come to Vienna to discuss with the Austrian Government the possibility of their falling in with certain Reichsdeutsch desiderata. The delegation was to have arrived in the Austrian capital simultaneously with Baron Neurath's arrival in London; but the dent in the hull of the "Leipzig" delayed their journey as well as their chief's. Whereas, however, Baron Neurath has still not left for London, the German delegation to Austria have already paid their visit and come home again—*re infecta*, to judge by the tenour of the official *communiqué*. The Germans wanted a general amnesty for the Austrian Legion; a general abrogation of the veto upon the entry of Reichsdeutsch newspapers into Austria; and, in particular, a permission for the entry of the *Völkische Beobachter* and of Herr Hitler's canonised "Mein Kampf." They secured the entry of "Mein Kampf." The Austrian Government were only prepared to review the cases of individual legionaries on their merits or demerits, though not to amnesty the corps as a whole. Herr von Schuschnigg can stand up to his compatriot in the Wilhelmstrasse despite the Berlin-Rome axis, and although the Austrian Vaterländische Front no longer has Signor Mussolini's "eight million bayonets" behind it.

* * *

M. Blum Wins Again.—The ex-Prime Minister of France, and present Vice-Prime Minister, defended the policies of his late administration at the Congress of the Socialist Party at Marseilles this week to such good purpose that on Tuesday night the Congress approved his handling of the late Government by 4,539 votes to 19, with 828 abstentions. The Socialist Party, the main prop of the Popular Front Government, was naturally incensed with the Senate, the bankers, the big industrialists, and even with the Radicals—who combined to secure the reversion of the late administration's political estate—so that M. Blum expected, and indeed on Monday received, pretty severe criticisms of his alleged truckling to the groups farther to the Right of the Party itself, especially from the Socialist intransigents, MM. Zyromski and Pivert. M. Blum's great *apologia* was remarkable for three features. First, he announced that the danger of European war was so pressing when his conflict with the Senate was begun by the latter body that he decided it was in the interests both of France and of the Party to resign in order to maintain the Popular Front intact. Secondly, he declared that he would pursue the possibilities of either a constitutional or practical solution of the procedure which permits an administration with a strong majority in the Lower House to be turned out by the Senate. Thirdly, he announced—a significant and important development for the new Government and the Budget (discussed in our article on page 135)—that a decree was imminent which would place the railways under single administration in one company. M. Blum's latest victory is a good augury for both the Socialist Party and the new Government; and the Socialist Congress has confirmed the Party's support of the new Government.

* * *

M. Van Zeeland Leaps Another Hurdle.—The Cabinet crisis in Belgium, provoked during M. van Zeeland's absence in America by the ex-Servicemen's opposition to the Coalition Government's recent law for an amnesty for "war traitors," is now virtually overcome. For M. van Zeeland, who preferred to offer the King on Tuesday the resignation of his Catholic and Liberal Cabinet rather than bow to Diehard feeling by dropping his Liberal Minister of Justice, M. de Laveleye, who had incurred Liberal wrath by sponsoring the Bill, received at once from the King the command to continue in office. In the King's view—and without doubt that of the majority of his subjects—the circumstances did not call for the Cabinet's resignation. The Amnesty Law, a gage of progress and toleration, was not a major measure of policy; but popular passions, worked upon by extreme Rexist and other Right Wing influences, led to a crisis. The Liberals in Chamber and Senate resolved on Tuesday to support M. van Zeeland in a new Government of National Union; though M. de Laveleye will probably be replaced. Meanwhile, M. Degrelle, the Rexist leader, has been sentenced to a nominal four months' imprisonment for libel by imputing corrupt practices to a leading politician. This sentence is under appeal. But the tension between the Flemish Nationalists and their once bosom cronies, the Rexists, is growing. Accordingly, M. van Zeeland's latest leap over a nasty hurdle may have brought him to a smoother patch in the political running.

* * *

Congress Ministries in India.—No time has been lost in giving effect to the resolution of the Congress Working Committee authorising acceptance of office in the Indian provinces. Congress Ministries have either been formed or are in the process of formation in all six of the provinces in which the party has a majority, the interim Ministries having resigned. It was at first announced that the Ministry of Sir Dhanjisshah Cooper in Bombay would go forward and face Parliament, but there appeared to be little or no enthusiasm for the miscellaneous Coalition that gave him a bare equality of votes with the Congress. The reconstruction of Governments will bring into the ranks of responsible chief Ministers such public figures or Mr Rajagopalachar in Madras, and Pandit Pant in the United Provinces. An unusual situation has arisen in the Central Provinces, where Mr M. Y. Shareef, a Moslem representative, has accepted office in a Congress Ministry, although no Moslems had been returned on a Congress ticket. If this may be taken as a hint that under the new regime the Congress may lose some of its character as a majority Hindu organisation, and that party divisions will tend to fall less along nationalist and communal lines and more along lines of practical social policy, then it is one of the most significant events in recent Indian politics.

* * *

Misunderstanding over the Protectorates.—On Friday of last week Mr Malcolm MacDonald replied in the House of Commons to General Hertzog's charges about the delay in transferring the administration of the High Commission territories to the Union. Clearly, he said, there had been some misunderstanding. The *aide-mémoire* of 1935 had made no reference to any time limit, and the instructions to the High Commissioner in connection with the agreement had been shown to General Hertzog, who had concurred in their terms. During his visit to London this year, General Hertzog had claimed that the process of transferring the territories to the Union should begin in the near future. To this Mr MacDonald had replied that the situation described in the *aide-mémoire* had not yet greatly altered. The Government adhered without qualification to the terms of the agreement reached in 1935, and he had undertaken to consider carefully what further steps were now practicable to implement that policy. He and General Hertzog had agreed that after the latter's return to South Africa they would communicate further with each other on the matter. At the end of a spate of supplementary questions, the Dominions Secretary renewed the Government's two pledges: to consult the local populations, and to give Parliament an opportunity of expressing its views. It would be for Parliament to consider, he said, what consultation meant.

* * *

Back to the 16-inch Gun.—The United States Administration announced last Saturday, through Mr Secretary Cordell Hull, that as "there is not universal acceptance by the Washington Naval Powers of a limit of gun calibre at 14 inches," the Federal Government had decided "with the greatest reluctance" to mount 16-inch guns in the two new 35,000-ton battleships now in building. This is the direct outcome of the unaccommodating attitude of the Japanese Government which, invited by the British Government after last year's abortive Naval Conference to agree on the 14-inch limit, would give no undertaking not to exceed that calibre. The French, Italian and American Governments had agreed to such limitation if the other Powers did so; the Germans and Russians would also have agreed, in the treaties about to be concluded with Britain; but the Japanese remained obdurate. Thus, not only the five original Washington Treaty signatories, but now Germany and Russia as well, may have to envisage both a naval building race and a race in gun calibres. True, the German and Russian building will move parallel with the British; but while battleships are to be limited to 35,000 tons, the Japanese refused to agree even to that limitation. Accordingly, it is Japan *contra mundum*; and the United States, as might have been expected from the Americans' susceptibilities on their Pacific side, has reacted first. Japan has made a bad deal for the world's Naval Powers; but it looks like being an even worse deal for herself. For technical experts aver that bigger battleships than 35,000 tons with bigger guns than 14 inch are not decisively more effective to-day. And the economic strain will fall most heavily on Japan's already strained economic and military resources.

* * *

Impressions on the Steel Report.—The Import Duties Advisory Committee's report on the future organisation of the British iron and steel industry, discussed in *The Economist* of July 10th on page 61, has had a sympathetic reception among the majority of producers and consumers. In part the absence of more criticism can be traced to the laudable aims expressed by the Committee in general terms. The report, indeed, contains no definite and detailed proposals on which criticism could have seized. Thus the steel industry was satisfied by the Committee's virtual approval of its recent policy, and consuming interests found encouragement in its excellent statement of the general principles by which the industry should be guided. At the same time it is borne in mind that the report was produced, not by a strong and independent Royal Commission, but by a Committee which has, by virtue of the industry's dependence on the tariff, been in a quasi-paternal position for the last five years. It is generally admitted, as we pointed out last week, that the composition and functions of the independent supervisory body, recommended by the Committee, is of the utmost importance in guiding the industry through a period of transition. The view is widely taken, however, that the composition and duties of the Import Duties Advisory Committee do not render it suitable as the body which is to be entrusted with shaping the destinies of the iron and steel industry. The present period, when the industry is making substantial profits, presents an excellent opportunity for that measure of rationalisation which is required to ensure its future. Although much may be achieved, and has in fact been accomplished, by individual reorganisation, central guidance is essential to re-establish the industry within a framework which is at once adaptable and efficient.

* * *

Progress of N.D.C.—This week's debates on the report stage of the Finance Bill in the House of Commons have made it clear that N.D.C., Second Edition, will reach the Statute Book with few changes of substance. The building societies have been more fortunate than the insurance companies. Their contribution has been reduced to 1½ per cent. on the amount of their profits, without allowing any deduction for interest on money borrowed from members or depositors—a concession estimated to reduce their total payment from £900,000 to £400,000. The representatives of the insurance companies, however, have come empty away from the Treasury. Parliament has itself been concerned with a number of important details. For example, the question of assessment of holding companies has been settled. The profits of parent and subsidiary companies may be amalgamated, and the losses of one company set against the profits of another in the same accounting period. The test of "subsidiary" relationship will be the ownership by the principal company of at least

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nine-tenths of ordinary share capital. The new clause, however, is permissive only, and advantage will, presumably, be taken of it only in those cases where the benefit obtainable by setting off losses exceeds the total abatements obtainable by retaining separate assessments for each company. In the section of the Finance Bill applicable to controlling interests held by directors, the provision that deductions for directorial remuneration shall not exceed 15 per cent. of the profits or £1,500 (whichever is the greater) has been waived in the case of specially defined "whole-time service directors," who must not, however, hold more than 5 per cent. of the ordinary shares. Another concession designed to reduce a potential hardship is represented by the Government's acceptance of a private member's suggestion that a partnership firm should have the option of paying tax either at 4 per cent. with no deductions for partners' salaries or at 5 per cent. with such a deduction. Such firms will now be on at least as favourable a footing as their limited company counterparts. It is clear that the new N.D.C., in its final form, will be "simple" only by comparison with the tortuousness of its ill-fated predecessor. But the figures of industrial earnings discussed in a leading article on page 117 of this issue suggest that, on the whole, its burden will not seriously affect the dividend-paying power of the majority of British companies.

* * *

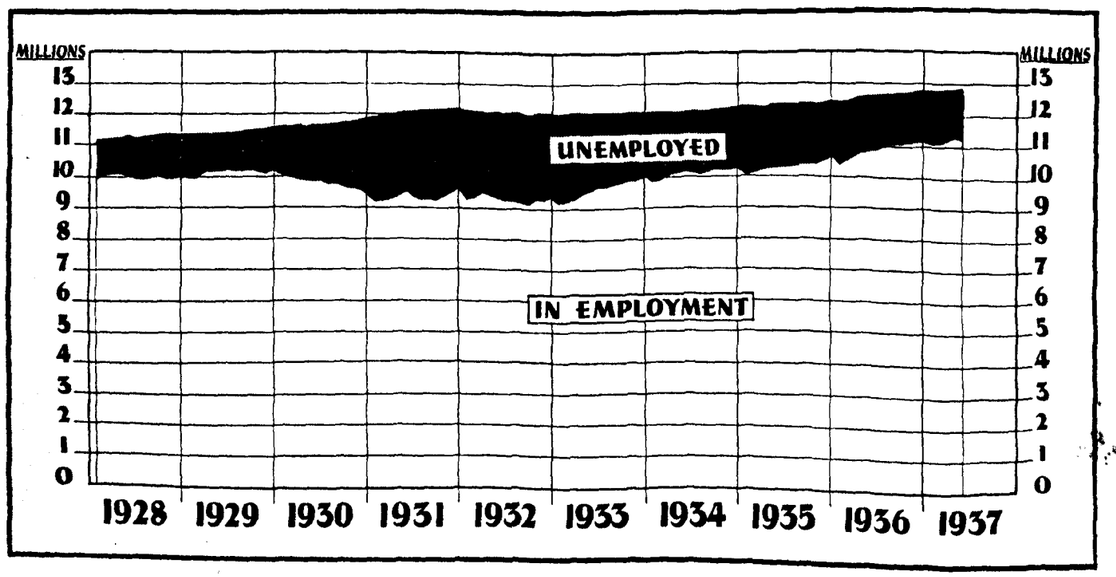
The Trend of Employment.—In current discussions on the problem of unemployment, the remarkable increase in the number of persons at work since 1932 is frequently overlooked. The chart below shows changes in the number of insured persons at work and unemployed in Great Britain since 1928, as recorded by the Ministry of Labour. Persons temporarily out of work as a result of sickness and trade disputes are excluded. Unemployment, though still greater than in 1928-29, has been halved since the summer of 1932. But owing to the increase in the number of persons of employable age, the number at work has risen appreciably faster than unemployment has declined. Thus, as the chart shows, the number of persons at work last May exceeded the total of both employed and unemployed insured workers in 1928. Last month employment in Great Britain was equal to the total number of employed and unemployed in November, 1929. And it is still increasing.

Good Industrial News.—Cheerful news continues to predominate over bad. The trade returns for June are particularly encouraging, exports and imports being higher than in any month since October and December, 1930, respectively. Compared with June, 1936, exports show substantial quantitative increases in almost every group of products, another indication of the now rapid expansion of world trade which may soon surpass the 1929 level. Despite the complaints of growing competition from subsidised German coal exports, voiced this week by the chairman of Powell Duffryn Associated Collieries, British shipments are recovering fairly rapidly. In June, for example, exports of coal showed an increase of 35 per cent. in quantity and of 52½ per cent. in value over the corresponding month last year. Moreover, the *Statistical Summary* of the Mines Department, issued this week, shows that earnings per man-shift in January-March and profits per ton of coal were higher than at any time during the past ten and thirteen years respectively. The scarcity in the iron and steel industry has been relieved to some extent by a substantial increase in pig iron imports during June which is to be followed by heavier steel purchases abroad under the reduced duties which came into operation last week. The situation had become critical, for, as we showed in a chart in *The Economist* of July 3rd, on page 10, the industry had depleted its stocks since last summer in spite of a further expansion of output. The news from other branches of activity also remains encouraging, though, as our Manchester correspondent points out on page 160, new business in cotton goods is still limited. On the whole, industrial prospects remain favourable.

* * *

Still More Shipbuilding.—Merchant shipbuilding is still recovering rapidly. The *Lloyd's Register* Shipbuilding Return gives a total for merchant vessels under construction in Great Britain and Ireland at the end of June of 1,199,973 tons. This is the highest volume under construction since June, 1930; it exceeds the March figure by 185,519 tons and the figure for last June by 351,241 tons. Thus we have recovered in the last year no small part of the ground lost in the depression. If expansion continues at its present rate—and if sufficient capacity is available—we should next year be producing as much as in the best post-war years before 1929, with about 1,500,000 tons under construction. But our revival, all the same, is not proceeding faster than, or as

REGISTERED EMPLOYMENT AND UNEMPLOYMENT IN GREAT BRITAIN



fast as, that of the rest of the world. Our percentage of world tonnage under construction last month was 41.6, fractionally above last month's figure, but distinctly lower than the average of the last few years. In the last year the United States and Japan have more than doubled their tonnage under construction, while ours has increased only about 41 per cent. Germany's has risen by 12 per cent. Moreover, the present percentage of ships which are being built in Great Britain for export to other countries is relatively small. Nevertheless, with a rising tide of world trade, the outlook for the industry remains more promising than for many years past.

* * *

Expanding Steel Output.—Activity in the iron and steel industry continued to expand in June, when pig iron output was higher than in any month since May, 1937, and crude steel production was almost equal to the all-time record of last March:—

PRODUCTION AND FOREIGN TRADE IN IRON AND STEEL

(In thousands of tons)

Period	Production		Foreign Trade	
	Pig Iron	Steel Ingots and Castings	Total Imports	British Exports
1913—Monthly Average	855·0	638·6	185·9	414·1
1929 " "	632·4	803·0	235·2	364·9
1932 " "	297·8	438·5	132·7	157·4
1936 " "	640·5	974·8	123·6	183·8
1936—May	661·0	963·0	117·5	204·1
" June	644·1	965·9	110·6	173·5
" July	665·6	974·1	170·3	216·1
" August	635·8	872·7	141·8	164·0
" September	650·8	1,027·0	165·0	183·0
" October	670·3	1,060·5	101·0	194·4
" November	643·1	1,001·3	90·7	193·3
" December	671·4	1,019·2	94·8	204·8
1937—January	650·7	998·9	83·1	215·0
" February	603·7	995·9	82·9	200·5
" March	680·3	1,109·5	94·3	231·8
" April	680·7	1,080·4	88·5	239·5
" May	698·3	1,047·3	98·1	228·3
" June	699·3	1,106·4	174·8	235·4

The salient feature of the past month was the marked increase in imports of pig iron, which totalled 75,809 tons, against 12,568 tons in June, 1936. These imports came mainly from the United States and British India. Moreover, since the reduction of duties last week, arrangements have been made for a substantial increase in imports of steel from the Continent, which should alleviate somewhat the stringency of supplies. The trend of exports remains upwards, and last month's shipments to British India, New Zealand, Canada, Australia, Argentina, Holland and Iraq were appreciably higher than a year ago. There is no lack of customers, either at home or abroad, but despite prodigious efforts the British iron and steel industry is still unable to satisfy all their requirements.

* * *

Six Months' Overseas Trade.—The upward trend of Britain's overseas trade during the first half of this year is most encouraging. Total imports show an increase of 20 per cent., and British exports, 20·9 per cent., compared with the corresponding period a year ago; in re-exports the increase (25·2 per cent.) is even more pronounced. The figures for June show similar tendencies; imports, at £88,116,677, reached their highest level since December, 1930, while total exports, at £51,499,967, are higher than in any month since October, 1930. The rise in imports this year was well spaced between the main categories, though the most substantial increase took place in raw materials. In this category, coal and raw silk were the only groups to show a decline. All sections of the manufactured goods category showed increased imports, 40 per cent. of which was accounted for by the non-ferrous metals group. The full returns are shown in the following tables.

MONTH OF JUNE (000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	57,829	67,599	88,117	+ 20,517	+30·4
British exports	32,914	32,064	44,373	+ 12,308	+38·4
Re-exports	5,222	5,008	7,127	+ 2,119	+42·3
Total exports	38,136	37,073	51,500	+ 14,427	+39·8
Excess of imports over exports	19,693	30,526	36,617	+ 6,091	+20·0
Transhipments under bond	1,755	2,203	3,427	+ 1,224	+55·5

FIRST SIX MONTHS (000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	359,371	402,619	483,422	+ 80,803	+20·0
British exports	206,475	207,890	251,214	+ 43,324	+20·9
Re-exports	28,844	32,407	40,553	+ 8,146	+25·2
Total exports	235,319	240,297	291,768	+ 51,470	+21·4
Excess of imports over exports	124,052	162,322	191,654	+ 29,332	+18·1
Transhipments under bond	11,753	12,755	18,896	+ 6,142	+48·1

As to the very remarkable figures of British exports, the position is dominated by the increase in the manufactured goods category, though there is a welcome expansion in coal exports. It must be remembered, however, that part of the rise in both imports and exports must be discounted owing to the higher level of prices compared with the level last year.

* * *

Trade by Commodities in June.—The following tables show quantitative changes in the main items of imports and exports over the last three years:—

RETAINED IMPORTS—Month of June

Items and Measure	1935	1936	1937
Wheat ('000 cwts.)	8,729	10,332	8,093
Beef and veal ('000 cwts.)	1,085	1,029	1,184
Mutton and lamb ('000 cwts.)	614	668	773
Sugar, unrefined ('000 cwts.)	3,486	3,930	3,605
Iron ore and scrap ('000 tons)	420	581	734
Raw cotton ('000 centals)	831	1,326	1,120
Sheep's and lambs' wool ('000 centals)	550	680	817
Flax, hemp and jute (tons)	19,965	16,406	25,346
Crude petroleum ('000 galls.)	67,855	71,547	44,649
Hides, wet and dry ('000 cwts.)	116	166	153
Wood pulp ('000 tons)	170	241	156
Rubber ('000 centals)	312	80	234
Unwrought copper (tons)	30,410	25,648	40,600
Pig lead (tons)	25,516	23,809	31,964
Tin: ore and concentrates (tons)	2,344	2,487	4,468
Tin: blocks, ingots, slabs and bars (tons)	600	671	2,221
Iron and steel manufactures ('000 tons)	98	111	175
Machinery (tons)	5,722	7,573	12,529

The most striking movements, apart from a big drop in petroleum imports, chiefly from Iran, have taken

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place among metals and iron and steel materials. Imports of unwrought copper continue on a large scale, Northern Rhodesia and Chile being mainly responsible for the increase. Substantial purchases, too, were made, both of pig lead and of tin. Imports of machinery were maintained at the high level of recent months, as the demand from home industries continues unabated.

BRITISH EXPORTS—Month of June

Items and Measure	1935	1936	1937
Coal ('000 tons)	3,062	2,574	3,482
Iron and steel scrap (tons)	16,435	7,180	20,416
Pig iron and ferro-alloys (tons)	11,197	7,986	11,171
Railway materials (tons)	10,747	26,720	29,403
Total iron and steel manufactures (tons)	187,083	173,536	235,412
Textile machinery (tons)	4,986	3,926	5,955
Total machinery (tons)	30,956	27,550	37,557
Cotton yarns ('000 lbs.)	11,776	12,313	14,274
Cotton piece-goods ('000 sq. yds.)	138,316	129,634	154,794
Wool tops ('000 lbs.)	4,002	2,990	3,402
Worsted yarns ('000 lbs.)	2,231	2,006	2,313
Woollen tissues ('000 sq. yds.)	4,795	5,383	6,302
Worsted tissues ('000 sq. yds.)	2,941	3,006	3,942
Linen piece-goods ('000 sq. yds.)	5,938	6,223	7,629
Leather boots and shoes (doz. pairs)	23,764	21,301	30,836
Leather (cwts.)	24,095	19,006	23,573
Paper and cardboard (cwts.)	295,064	298,363	400,126
Locomotives, complete and parts (tons)	617	2,205	1,813
Motor vehicles and chassis (tons)	5,372	7,234	8,835

The export figures make a good showing. Of the exports listed above, all, except those of locomotives, are larger than a year ago. Coal exports have increased again after a temporary slackening in the previous month. Once more Poland is mainly responsible for the heavy increase in exports of iron and steel scrap. In textiles, the improvement, though of smaller dimensions than in the metal groups, continues, the exports of cotton goods outdistancing those of the other textiles.

* * *

Accidents in Mines.—While the tragic memory of the disaster at Brymbo Colliery is still fresh, the recent reports of H.M. Inspectors of Mines for the Northern and Midland Divisions strike a new note of warning. Although explosions and major disasters bulk largely in our knowledge of colliery dangers, the greater toll of life is taken year by year by single fatalities due to haulage accidents and falls of stone. The miner is not merely exposed to the occasional chance of fire and explosion. He is daily liable to lose his life or his bodily health through the constant mischances of his livelihood. In 1936, 4.69 workers per thousand aged 18 years or over were killed or seriously injured in the Northern Division. More grave, the rate of serious accident per thousand workers between 16 and 18 years of age was 6.50; and for workers under 16 it was 7.40—a distressing figure. In the Midland Division nearly 60 per cent. of serious accidents were caused by falls of roof and sides, and 18 per cent. by haulage failures. Moreover, in both Divisions, the inspectors report that more than 50 per cent. of the accidents might have been prevented with ordinary care on the part of all persons concerned. It is regrettable that persons under 16 years of age should work at all in mines. Obviously, such children and youths require more intensive education in safety precautions than they at present receive. In all these reports are yet another indication of the grave responsibility for the preservation of life which rests upon owners, managers, inspectors and workers alike—and upon the Royal Commission on Safety in Mines, which has yet to report its findings.

* * *

Aftermath of the Bus Strike.—Mr Bevin, Secretary of the Transport and General Workers' Union, has not spared the rod in his campaign to restore order and discipline in his organisation. Strengthened by the large majority vote at the Torquay Conference against unofficial movements, the Union Executive have expelled three of the leaders of the London bus strike and suspended three more from holding official positions. There can be no doubt that Mr Papworth, organiser of the London strike, and his colleagues are hand in glove with those bodies outside the trade union movement which have been repeatedly condemned in recent months, both by Mr Bevin and Sir Walter Citrine, as subversive and undemocratic in their methods. It is equally certain that these men are the leaders of the most effective of the unofficial movements banned at Torquay. But while the busmen's leaders' co-operation with outlawed bodies during the London strike was unconstitutional, the strike itself was fully authorised by the Union Executive, and the district leaders had officially plenary powers. Mr Bevin has, however, taken advantage of the overwhelming support secured for his policy of conciliation to drive home his victory. There may possibly be an attempt to form a breakaway union among the London busmen, and although the attempt is likely to fail, much will depend now on the success of the Executive in securing an adequate medical inquiry into the health of busmen. The discipline of the Transport Union depends ultimately upon the ability of the Executive to redress by negotiation the grievances, in the provinces as well as in London, which have recently given a platform to the advocates of militant action.

* * *

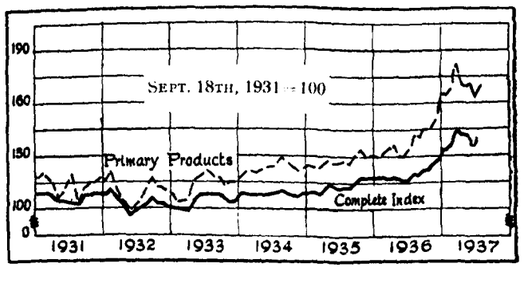
Further Recovery in Prices.—The past fortnight has witnessed a fresh rise in wholesale prices, both in England and the United States. While prices are still below their spring peak, the recovery has now been sustained for a month. In England the past fortnight's increase is 0.9 per cent. for all commodities and 1.6 per cent. for primary products. The American increases are 2.0 per cent. for primary products and 0.4 per cent. for all commodities. No recent French index number is available, but German and Italian prices show a firmer tendency.

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	*The Economist* Indices: Primary Products: British (sterling)	*The Economist* Indices: Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	89·5	88·1
1933								
July 28th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	136·7	162·4	118·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·9	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	118·0	...	96·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·7*	...	...	97·6*

* These figures refer to July 7th.
† Monthly averages.

We publish below a chart showing the course of *The Economist's* complete index of British wholesale prices, as well as of our index of the prices of primary products in this country from 1931 onwards.



The chart shows that the net reaction in the complete index has ceased to be serious.

The Economist INDEX
(1927 = 100)

	Sept. 18, 1931	June 14, 1937	June 30, 1937	July 14, 1937
Cereals and meat	64·5	92·0	91·2	92·6
Other foods	62·2	67·7	67·5	67·6
Textiles	43·7	70·5	70·7	71·9
Minerals	67·4	104·9	106·5	108·1
Miscellaneous	65·8	86·3	86·1	85·8
Complete index	60·4	84·2	84·3	85·0
1913 = 100	83·1	115·8	116·0	116·9
1924 = 100	52·2	72·7	72·8	73·4

The table shows that the past fortnight's recovery is very general, the main exception being a further drop in the price of rubber.

* * *

The Perils of Irony.—In *The Economist* of June 26th appeared (page 722) an article entitled "Enterprise, Employment and Theft." It was preceded by an editorial foreword, of which the following were the opening sentences:—

> *A correspondent, lately engaged in an empirical appreciation of theft as an influence on enterprise and interest, has communicated to us the following essay. Five years' hard concentration upon the material consequences of theft have, not unnaturally, caused him to adopt a confined—indeed, isolated—attitude to its ethical and social consequences; an attitude no pure economist could hope to share.*

Irony is, apparently, more perilous than we thought. At any rate, one of our distinguished contemporaries in Germany has paid us a backhanded compliment. It consecrated a most serious and painstaking article last Saturday to the analysis of the economic fallacies and social dangers inherent in the conclusions expressed by our contributor after his (as they rendered it) "researches into the influence of theft on *Investitionstätigkeit und Zinsbildung*." It describes him as being "in error"; "following a Will-o'-the-wisp"; "ignoring two direction-beacons of all social life . . . moral law and the penal code . . . on which repose both the security of public life and society itself." It calls the article a "weed in the garden of thought," and concludes, with uplift, that "healthy common sense" will take its stand on the penal code. We trust it will. We also trust that, even in Germany to-day, it will evince, now and then, that dangerous English characteristic—a sense of humour.

* * *

Rising Colliery Profits.—After many years of adversity the coal-mining industry has again joined the list of relatively prosperous trades. The recent improvement of the industry's earning capacity, however, is due to an increase in unit selling prices rather than to an expansion of total sales, which remain well below the pre-depression levels:—

Period	Tonnage Disposable (Mill.)	Costs per Ton: Wages	Costs per Ton: Total net	Proceeds per Ton	Profit per Ton	Output per Man-shift	Earnings per Man-shift †
1932		s. d.	s. d.	s. d.	s. d.	Cwts.	s. d.
1st quarter	49·6	9 1	13 6½	14 0¾	0 6¾	21·98	9 2
1933							
1st quarter	49·9	8 9	13 1½	13 11	0 9¾	22·67	9 1¾
1934							
1st quarter	53·1	8 5½	12 7½	13 7½	1 0½	23·32	9 1¾
1935							
1st quarter	51·3	8 6	12 9¾	13 6½	0 8½	23·40	9 2¾
2nd "	47·6	8 7½	13 2¾	13 2¾	0 0¾	23·10	9 2¾
3rd "	46·6	8 8½	13 0¾	13 2	−0 1¾	22·93	9 3¼
4th "	54·1	8 4¾	12 7¾	13 11½	1 4	23·89	9 4
1936							
1st quarter	54·4	8 11¾	13 2¾	14 8½	1 5¾	23·95	9 11¾
2nd "	48·2	9 3½	13 11	14 3¾	0 4¾	23·26	10 0½
3rd "	48·9	9 3¾	13 11½	14 4½	0 5	23·12	10 0½
4th "	54·0	9 1¾	13 7¾	15 0½	1 5	23·76	10 2
1937							
1st quarter	54·3	9 3½	13 9	15 6½	1 9½	24·00	10 4½

† Excluding allowances in kind, amounting to 4·95 pence per man-shift worked in the first quarter of 1937.

The tonnage of coal disposable during the first quarter of 1937, given in the latest *Statistical Summary* (Cmd. 5508; 1d.), was actually rather smaller than in the corresponding period last year. The absence of an increase in output during a period of expanding demand can be traced chiefly to the influenza epidemic, which caused considerable reduction in the number of man-shifts. Compared with the corresponding quarter of 1936, costs per ton in January-March, 1937, showed an increase of 6¼d., of which wages accounted for 3¾d. Proceeds per ton, on the other hand, rose by 10d. to 15s. 6½d. As a result, profits per ton (before allowing for interest on debentures, bank loans and overdrafts and certain other items amounting in all to about 3d. per ton) rose to 1s. 9½d., the highest level since the first quarter of 1924. The increase in profits per ton, however, was not achieved at the expense of the miners, for earnings per man-shift in January-March this year, at 10s. 4.18d., have showed an advance of more than 1s. per shift since the last quarter of 1935. Moreover, if allowances are included, average earnings per man-shift are higher than at any time during the past ten years. This all-round advance in an industry which has conspicuously lanquished in recent years is encouraging. The effects of new capital expenditure are clearly shown in these figures for the past half-decade; and the increase in earnings per man-shift bears witness in part to the elasticity of wage adjustment which has insulated the industry from serious labour trouble.

* * *

Origins of Glasgow Accountants.—An investigation made in Glasgow by Dr A. K. Cairncross of the special matriculation forms which accountancy students are required to fill in has produced an interesting analysis of the occupation and place of origin of accountants in that city. Some 525 students matriculated in the six years 1931-37. In 140 cases their fathers were dead or retired. Of the 445 students who stated their parents' occupation, alive, dead or retired, 17 per cent. were the sons of professional men; 22 per cent. of men in managerial posts; 16 per cent. of men in business on their own account; 16 per cent. of clerks; 11 per cent. of engineers; 12 per cent. of skilled artisans; 5 per cent of civil servants; and one per cent. of unskilled labourers. Thus the sons of manual workers form a fair proportion of Glasgow accountants, as considerable as one in five if all engineers are included. Most of these manual workers are highly skilled and well-paid. Secondly, the sons of tradesmen and clerks account for over a third of the accountants who are trained every year in Glasgow. And the attraction of accountancy for the business classes is further shown by the fact that nearly half the students covered by this investigation were sons of professional men, business men and specialised engineers. The students were drawn, geographically, from a large field. Of 525, some 200 came from Glasgow and its suburbs, an equal number from the rest of South-West Scotland, and fifty from more distant parts of Scotland. Thirty-three came from England and Wales, one from Ireland, and twenty-eight from abroad. The analysis shows, in short, that almost a majority of Glasgow accountants are the children of a small group of business and professional people; and a large majority of them are born in or around the city.

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Overseas Correspondence

From Our Special Correspondents

United States

The Strike in "Little Steel"

Washington, July 7.—The strike in "Little Steel," culminating in the failure of the Federal Mediation Board, and the President's "A plague on both your houses," brings the labour crisis to a new stage. The forward rush of the Committee for Industrial Organisation is broken, and it remains to be seen whether its hurricane tempo will quieten down to a steady wind. The President borrowed the Shakespearean exclamation without any of the vehemence of the original. He spoke suavely and smiled cheerfully as he said it at a press conference, suggesting that the phrase described what the country felt about the strike. His motive in making his first public criticism of the C.I.O. since the election was probably complex. Certainly there was in it the desire to quieten the alarm of Congress about his silence in the face of the growing disturbance of strikes. There was also in it the need to be abreast of public feeling, for if he is not leading public opinion the captain of the New Deal is nowhere. And there may have been a desire, too, to tell Mr Lewis—something he knows better than anyone else—that his movement was going too fast.

The strike in "Little Steel" so far has gone against the form sheet. Tom Girdler, chairman of Republic Steel, opened the struggle with about as poor a war-cry as he could have chosen. He was willing to bargain collectively, since the law said he must; but he refused to sign a contract with the union because the law did not require it. He called in newspaper men and told them how well prepared he was for battle, implying that his mills were well armed. His were the voice and manner of the nineteenth-century American employer. The strike brought about the Chicago "massacre," and wanton brutality in the Youngstown area. Though the C.I.O. was not popular outside the unionised East and John L. Lewis was a new and disquieting figure, Tom Girdler was worse. Since in the last analysis a strike is an appeal to the public, it appeared as though the decision was bound to go against Girdler.

C.I.O. Weaknesses

Then Girdler changed his battle-cry. Instead of refusing to sign a contract with the C.I.O., he would make no contract whatever, verbally or in writing, because the union was "not responsible." And he changed his objective to that of fighting for the "American" right of the worker to his job without paying a union for it. It was a shift from the defensive to the offensive, and it struck the two chief weaknesses of the opposition. The C.I.O. has been lamentably unable to prevent unauthorised strikes, particularly in the automobile field. Since the agreement with General Motors and Chrysler there have been a hundred or more stoppages. In one small western city there were twenty-eight strikes in a single General Motors plant, the last one over the failure of ten union members to pay their dues. The situation is not fundamentally serious, and it is doubtful whether the motor executives are unwilling to renew the contract with the C.I.O. which expired this month. Indeed, many stoppages have been due to mistakes by the management. But the public, unaccustomed to labour troubles, suspicious of the rise of a new power, and indoctrinated against the closed shop, has written down all these strikes to the debit of the C.I.O.

The second weakness of the C.I.O. has been its abuse of picket privileges. According to the Supreme Court, in an opinion written by the late Chief Justice Taft, picketing can at best be a tea-party affair, a few men standing at plant gates and arguing with workers. The current use of pickets is nothing so gentle. It amounts in many cases to a siege of the plant, and the worker who tries to enter a "struck plant" does so at the risk of violence. Pickets have been imported from neighbouring cities and other industries. The size of the picket-lines has led to a reinforcement of plant guards and police, and it has been inevitable that violence should result. Anyone familiar with strike strategy will know that the threat of such violence is one of the standard strike pressures. And the successful strategist is the one who can make it appear that the violence, when it comes, was precipitated by the other side.

Organised Fight Against Unions

In the Chicago "massacre," and in several of the riots in the Youngstown area, the verdict has gone against the companies and the police. But in Monroe, Michigan, and in other traditionally non-union towns, the C.I.O. has closed plants where the union was in a minority. And it is here that Girdler's "American" theme of the right-to-work has caught hold. Union activity in such communities has engendered a counter-movement of vigilantes. The American Legion, veterans of foreign wars, have supplied the middle class volunteers ready to make war on the unions. The vigilantes are even digging themselves in and co-ordinating their efforts on a regional basis. This gives the United States its first actual parallel with the rise of Fascism in the dictator countries, though this aspect of the situation is not arousing much comment.

The President, condemning extremists on both sides, presumably is preparing to bless some changes in the Wagner Act. Senator Vandenberg makes the suggestion of amending it to require signed contracts on the one hand, and union responsibility on the other. The new Michigan Labour Act sets up conciliation machinery with full powers of inquiry and limits picketing to actual employees or union officials representing the employees. Congress, having most of its members from regions unaccustomed to unions, stands far to the right of the President in its labour views, and would gladly amend the Act if administration leaders would permit the subject to come to debate.

The labour crisis would be more alarming if U.S. Steel and General Motors and Chrysler had not signed with the C.I.O. Girdler and the steel independents are fighting a rearguard action. Presumably they are trying to prove to the interests that gave in to Lewis that they made a mistake and that labour can be broken. What they would like would be that the General Motors' contract should not be renewed this summer, and the contract with U.S. Steel should be dropped next year.

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But the tide is not in that direction. And the President's condemnation of labour extremists was not preparation for a steel victory but for modifications in the Wagner Act.

Foreign Trade and Foreign Funds

New York, July 6.—For the second successive month imports in May declined slightly, while exports continued the steady advance which has marked each month this year. The result was a small export surplus for the first month since November, 1936. The declining tendency of imports since March suggests that the demands of this country abroad have become less intense. But the demand from abroad is still heavy, particularly for industrial goods and armaments. May exports of iron and steel semi-manufactures, copper, ingots and bars, and aircraft were more than double those in May, 1936. Gold imports fell from the amazing April total of $216 millions to $155 millions, which is slightly below the figure of a year ago.

FOREIGN TRADE OF THE U.S.

($000,000)

	Merchandise Imports	
	1936	1937
March	199	307
April	203	287
May	192	285
Five Months ended May	*973*	*1,398*
	Merchandise Exports	
	1936	1937
March	195	257
April	*193*	269
May	201	289
Five Months ended May	*969*	*1,270*
	Net Gold Imports	
	1936	1937
March	5	154
April	28	216
May	170	155
Five Months ended May	*233*	*767*

The Treasury Department has just announced its quarterly figures of the movement of funds into the United States from abroad. The total for the first quarter of 1937 is estimated at $323 millions, consisting of $170 millions of short-term funds, $161 millions of security transactions and an outflow of $8·7 millions of brokerage balances. The total inflow of funds into this country for the two-and-a-quarter years ended March 31, 1937, is put by the Treasury at $2,930 millions. At the beginning of 1935 there were $5,035 millions of foreign long-term investments in the United States, according to the Department of Commerce, together with several hundred millions of short-term balances. The total of foreign funds in this country would therefore appear to be some $9,000 millions at the present time.

Very high reserves are held against these liabilities. The Treasury now has about $1,100 millions of inactive or sterilised gold; and the Stabilisation Fund has $1,800 millions of untouched gold. Bank reserve requirements have been increased by an amount equalling $3,000 millions and could be reduced commensurately, freeing an equal amount of gold; in addition, there are more than $800 millions of excess reserves. In short, some $6,700 millions of gold resources are available, or a reserve of about 75 per cent.

This state of affairs does not mean that security markets would be unaffected if alien funds were to be repatriated, or that the volume of deposits would not decline. But it does mean that the monetary system would not be embarrassed by even extreme withdrawals. Criticisms of monetary management in this country can scarcely include that of unpreparedness for an outflow of funds. It should be added that there is little expectation here that these reserves will soon be called upon. Discussions of increased taxation on the earnings of foreign funds continue, and although no legislation has yet been presented, it is still anticipated.

Labour out of Favour

While labour conditions are not quiet and are hardly likely to become so soon, indications accumulate of growing public antipathy to the labour methods of recent weeks. This has been sufficient to bring about a reversal of policy in Pennsylvania and Ohio: troops were first used in these two States to prevent the opening of steel plants closed by strikers, but are now being used to permit those workers who desire to return to the plants to do so.

Moreover, Michigan has enacted a labour relations law which is copied from the Wagner Act, but includes restrictions on labour. The President has commented unfavourably on both labour and employer extremists, and the Secretary of Labour has criticised sit-down strikes. Some labour leaders have been expelled by their organisation for participation in unauthorised strikes. Financial circles have become much more cheerful about the labour outlook as a result of these developments.

Another Fiscal Deficit

The Federal Government completed its fiscal year on June 30th with a deficit (excluding debt retirement) of $2,707 millions. This deficit was $150 millions greater than was officially estimated last December, but $1,654 millions less than in the preceding fiscal year. This is the seventh consecutive fiscal year which has shown a deficit. Expenditure, including the sinking fund, has exceeded revenue during this period of years by $22,242 millions; and the gross national debt has risen from $16,185 millions to $36,400 millions.

France

The Bank's Significant Return

Paris, July 14.—The latest return of the Bank of France on July 1st shows how serious the financial crisis has been. The gold stock is 48,859 million francs only (francs at 49 millig. of gold). This represents a loss of 8,500 millions. Some part has been transferred to the Exchange Equalisation Fund, which on the other hand seems to have acquired 2,000 millions of foreign currencies since the last depreciation of the franc. Another feature of the return was the advances made to the State. Some 1,760 millions francs had already been advanced on the newly authorised account of 15,000 millions, and in the preceding week 1,400 millions had been advanced on the old 10,000 million account, so that total advances to the State now reach 32,767 million francs. If the new 15,000 million account were fully utilised, these advances would reach a total of 46,000 million francs, approximately equal to the gold stock account. The ratio of the gold stock to notes and other liabilities was 47½ per cent. or the lowest for seven years, the legal minimum being 35 per cent.

This return demonstrates the need for energetic fiscal measures. Decrees have been issued to raise 10,500 million francs from increased taxes and charges; some 2,500 million will be derived from the railways.

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Fiscal control and check on currency speculation...		630
Tax on securities		970
General income tax (20 per cent. increase above 20,000 francs per annum)		380
Tax on various incomes		500
Indirect taxes :—		
Transfer of real estate		375
Stamps.....		200
Tax on production (6 to 8 per cent.)		1,400
Gas oils		725
Customs duties		1,000
Tobacco (20 per cent. increase)	700	1,400
Postal, telegraph and telephone charges ...	700	
Railways (fares) :—		
Goods (18 per cent. increase)		2,600
Total		10,500

These new burdens were generally well received. The Government had carefully avoided taxes on necessaries, in order to facilitate the task of M. Blum at the Socialist Congress at Marseilles, and in order to prevent too rapid a rise in prices. The Stock Exchange, however, severely criticised the regulation that lists of coupons should be furnished to the fiscal administration after verification of the holder's identity, and deplored the confiscation of all speculative profits made on the franc during the crisis.

Taxation, Prices and the Exchanges

After the courageous speech of M. Blum at the Marseilles Congress, urging Socialist participation in the Government and the maintenance of the Popular Front, it is certain that there will be no difficulty in this quarter. And the recent attempt to secure a 40-hour week in the hotel industry by strike action was not a success.

This effort to balance the Budget was welcomed as support for the "floating" franc. The question is now what receipts the new taxes will actually yield, and what their effect will be on prices. May they not, when added to the effects of devaluation, lead to a new paralysis of business ?

M. Roger Auboin, who has just been chosen by the Minister of Finance to be General Secretary of the *Comité National Économique*, considers that French prices were 20 per cent. higher than English prices in May, 1936. The social reforms and the rising cost of raw materials entailed a rise of 50–60 per cent. in cost prices, compared with 10 per cent. in Great Britain. The index of French industrial costs was raised from 120 to between 180 and 192 from May, 1936, to May, 1937, while the British index rose only from 100 to 110. The rate of 111 francs to the pound therefore maintained a disparity of between 10 and 20 per cent. But equilibrium has been re-established at the rate of 128 francs to the pound. The problem now is to maintain as effectively as possible French prices and wages to restore the authority of the State and to increase production.

Commercial Treaty with Germany

A new financial and commercial pact has just been signed with Germany, available for two years from August 1st. The clearing is suppressed and replaced by a system similar to the treaties with Belgium. The services on the Dawes and Young loans are maintained, probably in Bonnet francs, but without reduction of interest.

The index of industrial production compiled by the *Statistique Générale de la France* showed a decline in May, principally in the extractive industries, in textiles and automobile manufacture :—

	1936		1937	
	May	March	April	May
General index	102	104	105	104
Engineering.....	102	116	118	118
Iron and steel	92	102	104	106
Textiles	67	69	69	66
Mines (adjusted figures)	103	106	103	98
Building ,, ,, ...	70	67	62	61
Leather ,, ,, ...	108	98	101	101
Paper ,, ,, ...	165	144	144	140
Rubber ,, ,, ...	985	771	781	801
Motors ,, ,, ...	464	494	459	424

In the motor industry, 15,206 automobiles have been put on the road, against 15,483 in April and 14,550 in March. The figures for the cotton industry are as follows :—

	Feb.	March	April	May
Spinning (average per spindle in kilograms) :—				
Production	1,615	1,851	1,803	1,734
Deliveries	1,649	1,864	1,761	1,653
Stocks	1,172	1,171	1,212	1,217
Unfulfilled orders	5,448	5,707	5,051	5,077
Weaving (average per loom in pieces of 100 metres) :—				
Production	4·63	5·13	4·91	4·16
Deliveries	4·40	5·08	4·33	4·10
Stocks	4·82	5·01	5·08	5·53
Unfulfilled orders	27·46	26·52	20·61	16·30

Coal production in June was 2,201,000 tons, against 2,125,000 tons in May, in spite of an additional working day, and daily production was 103,300 tons, compared with 104,100. This decline took place in spite of an increase of 500 in the number of employed.

Germany

Congress Agrees, but —?

Berlin, July 14.—The Congress of the International Chamber of Commerce yielded no surprises and brought out no considerable conflicts. The resolutions, where they concerned general economic policy, expressed views that are seldom contested. Were there greater differences of opinion the outlook for world economy might perhaps be more promising. One cannot really regard the I.C.C. Congress as an assembly of experts and practical business men earnestly seeking to convert unenlightened statesmen-in-office to sound principles. Nearly all statesmen-in-office hold the same principles as the Congress; and if they pursue contrary policies they do so, they profess, reluctantly, under the stress of ancient impediments, of immediate emergencies, and, of course, of the perversity of other countries' statesmen.

Although Germany is usually regarded as the chief champion of autarky and economic isolation, her official and Party spokesmen habitually defend this policy apologetically; and imply that they would gladly subscribe to the principles of the I.C.C. Congress if only ——. It is the provisos that count. Probably had the statesmen in power in all countries met at the Kroll Opera House last week they would have passed resolutions differing little from those of the Congress; and equally, if the Congress experts and business men had been in office they would have pursued policies differing little from those of the statesmen. A consensus of academic opinion is not propitious to the cause of reform; and it seems that there would be more hope of economic emancipation if the emancipators were less unanimous.

New Debts for Old

The suggestion of the British delegates that Germany might obtain new loans caused some stir. Germans in authority, including Herr Hitler in a recent speech, have consistently declared against new borrowing; and put instead in the foreground their demand for the reduction of existing debts. It is hardly likely, however, that new foreign credits would be rejected if they were entirely free from embarrassing conditions. But the conditions implied at the Congress would probably be refused. A loan to the Reichsbank which, as suggested, would enable the Reich to get rid of its exchange control entirely and to abolish all trade restrictions, would be regarded as offered under impossible conditions. It is not conceivable that Germany should restore complete freedom of foreign payment. This would indeed not be practicable unless the loan were very large, and unless an export surplus could also be surely counted on for the service of the new loan. A return to freedom of foreign payments would certainly lead to the withdrawal of all old credits already due for repayment.

It is not easy to see how Germany would gain from such a substitution of new credits for old. And it is easy to see how she would lose; for the old credits are in great measure conveniently defaulted, and it would be difficult to default immediately on new credits. Moreover, a complete freedom of trade and automatism in the balance of trade and payments would require as a first step the drastic devaluation of the Reichsmark; and this would upset the whole system of "bound" internal economy.

"A solution of the problem of international debts of political origin," as the Congress resolution put it, is probably no more likely; but it would be more to German taste than the contraction of new debts. The wording quoted, which was not accepted in this form by delegates of Britain and certain other countries, expresses the familiar German theory that not only the Dawes and the Young loans, but also other Reich and all State, municipal and private borrowings, are indirectly "political," being due to the drain of capital caused by Reparations; and that they ought to disappear. The treatment of the debts question by the Congress was not very clear. While international indebtedness was treated as one cause of present ills, freedom in the international movement of capital was favoured, although this might mean new accumulation of debts. Some Germans regarded the British delegates' suggestion of a loan with unreasonable suspicion as a diplomatic manœuvre, citing Mr Arthur Guinness' proviso that "political adjustments" must be a prior condition of a loan.

Japan

The New Government's Policy

Tokyo, June 21.—The Hayashi Ministry resigned *en bloc* on May 31st. Prince Konoe, President of the House of Peers, was commanded to form a new ministry, which was installed on June 4th. Mr K. Hirota, the former Premier and Foreign Minister, returned to the Foreign Office; Dr E. Baba, the Minister of Finance in the Hirota Ministry, took charge of the Home Office; Mr O. Kaya, Under-Secretary of the Treasury, was promoted to the Ministry of Finance; and two minor seats were given to the representatives of the two major parties; while the two Services Ministers and the Minister for Justice retained their respective posts. Financial circles strongly criticised Dr Baba's appointment, even though it was not to the Treasury, and the welcome accorded to the new administration was on that score greatly qualified. The junior minister at the Treasury may, it is feared, find his work obstructed by his senior colleagues, especially by certain individuals, but there will be no deviation from past policies. Nor can the new Premier, in spite of the insistence of the Army, carry out any radical "internal reform."

The Government is preparing measures to be presented at the forthcoming special session of the Diet. Most of the measures that failed to pass the dissolved Diet are to be re-introduced. There are very few new measures. One of these is the Gold Production (Control) Bill, which provides for State control of the gold-mining industry and the compulsory purchase of the metal by the Bank of Japan. The Government intends by these measures to gather up all the newly-mined gold in its hands and ship it abroad to settle the adverse trade balance, which has steadily grown to grave dimensions. Another notable new scheme is the Skilled Labour Bill, which aims to meet the shortage of skilled labour.

Sharp Rise in Foreign Trade

The foreign trade returns for May show that, compared with the corresponding month of 1936, imports rose by 179,446,000 yen (74.6 per cent.) and exports advanced by 62,415,000 yen (28.4 per cent.); thus the import surplus amounted to 137,823,000 yen, the largest monthly total since March, 1925. The larger demands of both the light and heavy industries are reflected in an increase of 77,335,000 yen in imports of raw cotton and raw wool and of 47,612,000 yen in iron and steel, copper, and machinery. Though exports have not kept pace with imports a further improvement is shown in exports of manufactured articles. Raw silk exports increased by 12,674,000 yen and cotton exports by 6,677,000 yen.

Imports for the first five months of the present year amount to 1,763,707,000 yen and exceed the corresponding figure for 1936 by 503,189,000 yen (39.9 per cent.). Exports are 236,909,000 yen (23.4 per cent.) larger and are valued at 1,246,418,000 yen. Thus the total visible adverse balance for the period is 517,289,000 yen, an increase of 266,280,000 yen (106 per cent.) compared with a year ago.

The reaction in wholesale prices continued during the past month. The Bank of Japan's wholesale index number for May registered a drop of 2.8 per cent. on the month. In addition to the recent general recession in world prices, political uncertainty undoubtedly contributed to the decline in the general level of prices. There were, however, appreciable advances in such articles as rice, green tea, soy, *sake*, and charcoal, which are almost entirely destined for home consumption.

Improvement in Agriculture

The spring cocoon crops are arriving on the markets. They are quoted at about 6.00 yen per kamme on the average, against an average of 5.00 yen for last spring and 4.00 yen two years ago. Owing to favourable weather conditions throughout the rearing period the crop is larger and the quality is better. The wheat crop is also reported to be satisfactory. The official report estimates the year's crop for the country, excluding the north-eastern provinces and Hokkaido, at 8,690,000 koku, an increase of 7.7 per cent. compared with last year and 13.6 per cent. higher than the average for the last five years. The ruling wheat prices are about 20.00 yen per koku, compared with a fraction less than 18.00 yen a year ago.



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South Africa

Extra Imperial Trade

Johannesburg, June 24.—During the first three months of the present year South Africa imported supplies from foreign countries (outside the British Empire) to the value of £10,332,655, representing 48.1 per cent. of this country's total imports in that period. From British sources of supply imports totalled in value £11,123,405, or 51.9 per cent. of the total imports. Inclusive of gold, South Africa's exports to countries of the British Commonwealth totalled in value £17,303,274, and thus exceeded imports from the same sources by £6,200,000. In trade with foreign countries, however, South Africa shows an adverse balance; exports to these countries amount to £5,755,110, approximately £4,600,000 less than the value of South African purchases from those countries.

South African imports from the United States were mainly responsible for the large import surplus. These imports were valued at £4,430,500 and in return the United States purchased South African products to the value of only £442,422. The Union's trade relations with Germany show a closer visible balance. South Africa exported to that country goods to the value of £1,745,000, compared with purchases in Germany to the value of £1,207,400.

Another significant feature disclosed by the latest trade returns is that Japan now ranks as the Union's chief foreign customer. Japan bought South African products to the value of £1,557,633 and sent to this country in return goods to the value of £791,426. Germany is the Union's next best foreign customer, followed by Belgium; France, who took first place among the Union's foreign customers in the previous year, is now fourth.

Rapid Rise in Mineral Exports

Recent war scares have been responsible for some of South Africa's increased mineral exports in the first quarter of the present year. In this period manganese exports from the Union totalled 63,573 tons, compared with 11,598 tons exported in the corresponding period of 1936. The comparative values were £61,988 in the first quarter of this year and £14,782 in the first three months of 1936. The rate of export for the first quarter of the current year represents an expansion of almost sixfold on the figures for the corresponding period of 1936.

Germany is mainly responsible for the increased export of this valuable commodity; in 1936 that country took 40 per cent. of South Africa's production of the mineral, compared with only 9 per cent. in 1935. France and Holland have been taking the bulk of the balance in the last two years.

The Government Mining Engineer's report—the last to be issued over the signature of Dr Hans Pirow who has now resigned the appointment and accepted a responsible position with the Central Mining-Rand Mines Group—shows that last year's mineral production reached the record value of £88,516,790, of which gold accounts for £79,495,202.

Road Development

The expansion of the gold mining industry has not only enabled the Union Government finances to be established on a much more favourable basis than would otherwise have been possible, but in many other directions national and local amenities have been enormously assisted. In particular a great national roads scheme has been inaugurated, though the ambitious programme with which the National Road Board commenced operations in April 1936 has not made the progress anticipated.

The chairman of the Board, addressing a Publicity Conference this week, said the Board had hoped to build about one thousand miles of national roads each year, but in the first eight months of its operations the total mileage completed was 170 instead of about 800 miles contemplated. The scheme therefore was not likely to be completed in the five years planned, but it was hoped to speed up the work and complete it within six years. The total cost of the 5,396 miles of national roads to be constructed had been estimated at £11,175,000, but it was now realised that this would be exceeded by about £2,000,000. Delays had been due to inadequacy of plant, but about £750,000 had now been spent thereon, and it was believed that there was now sufficient plant in the country.

Government estimates of expenditure for the year ending March 31, 1938, have just been issued. They provide for an expenditure of just over £40,000,000, compared with £37,657,000 in the previous year. The principal items are as follows:—

Estimated Expenditure.

	£	Compared with previous year £
Provincial administrations	6,620,420	+ 149,494
Public debt	5,506,918	— 101,465
Pensions	4,858,500	+1,050,400
Posts, telegraphs and telephones	3,784,000	+ 349,255
Police	2,572,100	+ 22,100
Agriculture, forestry and irrigation	2,648,778	+ 195,379
Assistance to farmers	1,447,000	— 808,000
Defence	1,666,090	+ 302,550
Union education	1,121,347	+ 119,971
Public works	1,229,995	+ 92,145
Public health	666,995	+ 36,407
Mines	858,320	+ 270,645
Child welfare, reformatories, labour and social welfare	1,169,830	+ 265,738
Justice (with magistrates and prisons)	1,672,400	+ 54,370
Mental hospitals and feeble-minded	668,400	+ 40,000
Native affairs	570,158	+ 50,505
Ministry of Interior	333,855	— 36,688
Commerce and industries	276,696	— 2,198
Ministry of Lands	458,271	— 15,500
Customs, excise and Inland Revenue	465,450	+ 31,695
High Commissioner in London	77,302	+ 5,316

The marked increases in pensions, communications and welfare services are noteworthy. And the large decline in assistance to farmers is most significant.

Letters to the Editor

Czechoslovakia's German Problem

TO THE EDITOR OF THE ECONOMIST

Sir,—Professor Arnold Toynbee's article in your issue of July 10th, although undoubtedly inspired by a desire for fairness, presents a picture which can but be misleading to those without first-hand acquaintance with the Czech–German question.

Professor Toynbee alludes to Czechisation. But forcibly to change people from one nationality to another can only be achieved during the school age; you cannot do it in the case of the adult. As Professor Toynbee's own statistical tables show, there is no discrimination against the Germans in Czechoslovakia in regard to schools. Indeed, the table giving the figures for the classes in primary schools demonstrates that, if anything, the Germans are better catered for than the Czechs. In the matter of schools—as indeed in many other respects—the Germans in Czechoslovakia are enjoying infinitely more rights than they do in other countries, such as, for instance, Poland, Italy, etc.

With regard to industrial and official discrimination in the Südetenland, Professor Toynbee's analogy with his imaginary "Welsh minority" in a "Mercio-Wessexian" State looks convincing enough on the surface. But in detail it will not bear too close examination. He says, for instance, that German firms asking for loans from Czech banks can only get them on condition they sack German employees and replace them by Czechs. He does not mention the fact that, as regards the mining districts of Brüx and Teplitz Schönau ("Most" and "Teplitz Sanov") and the industrial district of Reichenberg, where there are Czech minorities within the German minority, at the beginning of the slump the German directors (not unnaturally) discharged their Czech workers and retained their German, and that therefore (also not unnaturally) the Czech banks make re-engagement of some of these Czechs a condition of granting loans.

With regard to the predominance of Czechs in the police and Government services and munition factories, etc., the attempts of the Südetendeutsch Heimat Front (Henlein Party) to terrorise the Activist Germans, has necessitated the predominance of Czechs in the personnel of the police; as it was found that German policemen (adhering to the Henlein Party) took sides with the Henlein majority against the Activist minority. As far as employment in the other public services and in factories is concerned, the number of Germans thus employed must necessarily be in ratio to the degree of confidence—from the point of view of the safety of the State—which these Germans engender. Actually, under the new agreement between the Czechs and the Activist German leaders, all these grievances are on the way to being remedied. But still the question of "confidence" must necessarily remain very important.

For, in spite of Professor Toynbee's imagery, the fact remains that Czechoslovakia *is* a democracy in a part of Europe composed of dictatorships and semi-dictatorships. Within this democratic State is the highly-organised German minority party of Herr Henlein, modelled upon and taking its directives from, the Nazi Party machine in totalitarian Germany.

Add to this the following facts. Herr Henlein, in his address to the Royal Institute of International Affairs in London in 1935, as published in the organ of that Institution, *International Affairs*, for July–August, 1936, put forward claims which on the whole were of a moderate and reasonable nature, and these have since been met in the *modus vivendi* arrived at between the Government and the Activist leaders this year. But now Herr Henlein has tabled new demands which go infinitely further. Also, while leading a party in opposition to the Government, which party is organised on the *Führerprinzip*, Herr Henlein declines to assume the responsibility of a seat in Parliament.

I ask: Is this kind of thing—accompanied as it is by a menacing anti-Czech propaganda from the German Reich—likely to engender the confidence necessary to inspire the Government to employ large numbers of Südeten Germans in services and avocations concerned with the security of the State? And is this situation—of provocation without personal parliamentary responsibility on the part of Herr Henlein—the best inducement for that heart-to-heart talk between President Benes and Herr Henlein which Professor Toynbee supposes would bring about a solution?

I have before me as I write Herr Henlein's original speech in London: his subsequent demands in Prague; and the Prague-Activist agreement. Herr Henlein has since gone much farther than those original claims which have since been met.

For what the Südetendeutsch Partei really want—and in fact they now make little or no bones about it—is not merely the adjustment of economic and other ordinary minority grievances, but radical reorganisation of the internal structure of the State and equally radical reorganisation of external policy in such a way that, as regards the first, the position of the Czechs internally would be drastically reduced, and the situation of the country externally be that of a vassal State of the Third German Reich.

This being the case, even if Prague were to bring about an economic and administrative and cultural millennium, and meet all the ordinary minority grievances to-morrow morning, the agitation of the Henlein Party, directed from the German Reich, against Czechoslovakia would continue the same. For this is not an ordinary minority question, but a political question.

Proof of this is afforded by the fact that the German minority has a much better deal in Czechoslovakia than in Poland and Italy. Yet all the fury of German propaganda is directed against the Czechs; not against the Poles, because of the German–Polish Ten Years' Pact; not against Italy, because of the Rome–Berlin axis.

If Czechoslovakia cared to follow the example of Warsaw and Rome, we should hear no more about the Südetendeutsch minority, well treated or badly treated. But it would be a bad blow for British interests if Czechoslovakia bought peace with Germany at the price of entering the German orbit. For then Austria would lose her independence and Hungary and the Balkans would fall within the German politico-economic sphere. Thus would Germany realise her dream of a German controlled Mitteleuropa, and, thus predominant from the Baltic to the Balkans, she would be in the position finally to challenge not only France but also Britain.

Nobody pretends—least of all President Benes, or Dr Hodza—that Prague has been perfect and not made mistakes in regard to the Südetendeutsch. But for Heaven's sake let us draw a distinction between this and what is patently a matter of political propaganda, the real aims of which are ulterior to the objectives put in the shop-window.

It is this distinction which, to my mind, Professor Toynbee has not had sufficient realism to make.

I am, Sir,
Yours faithfully,
C. F. Melville.

London, E.C.4.

The Exchange Equalisation Account

TO THE EDITOR OF THE ECONOMIST

Sir,—In your article upon the Exchange Equalisation Account you state that the Account is compelled by statute to make good the loss involved by the Bank of England's purchases of gold since September, 1931.

The Bank could not have obtained additional gold since 1931 but for the fact that the Exchange Equalisation Account has purchased gold at higher prices and has transferred some of it to the Bank of England at 84s. 11½d. per fine ounce. It would seem to be more proper to say that the Equalisation Account had incurred losses.

In stating that the Exchange Equalisation Account "shows a profit," the Chancellor of the Exchequer has apparently written off these losses by taking credit for a hypothetical profit on the re-transfer of the gold from the Bank to the Account and its revaluation at current prices. A commercial firm would not be allowed by its auditors to do this especially when the asset, upon which the profit may be made, is in the legal ownership of another party, namely, the Bank of England.

It is strange accounting, indeed, for the Chancellor of the Exchequer to take credit for a profit which may never be realised. *Quis custodiet ipsos custodes?*

I am, Sir,
Your obedient servant,
Edward Maitland Campbell.

Edinburgh, 3.

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Books and Publications

Capital for Industry

TWENTY years ago if you had asked a member of the general public how industry obtained its long-term capital you would probably have been told that it got it through the Stock Exchange. If you asked him the same question to-day you might get one of a great number of answers. He might, of course, give you the old answer, but more probably he would tell you that the money was now raised by the banks or the finance houses or the insurance companies or even the Government.

None of these answers would be wrong. Since the war the capital market has changed practically out of all recognition, to meet the needs of a profoundly changed national economy. The current answer to your question is thus complicated; nor can it be found easily in print. For this reason alone Mr Grant's book* is timely. Since Mr Lavington's rather general treatise was published in 1921, no one had attempted to survey the capital market until Mr Grant produced this study, which goes a fair way towards filling the gap.

On the whole, however, this is not a very good book. The author has undertaken too much in far too little space. Nobody could satisfactorily trace the course of English investment, English financial policy and the rates of interest since the war, and then add analyses of investment and market technique—all in a mere three hundred of Messrs Macmillans' well-spaced pages! Inevitably, when the attempt is made, much of the theory is superficial and unoriginal, the history is often controversial, and only a few of the fundamental problems are solved.

Nevertheless, the descriptive sections of this book are for the time being indispensable. They are readable and well balanced; and they suggest many important points for further inquiry. Useful summaries are given of such bodies as the Bankers' Industrial Development Company and the United Dominions' Trust. Some interesting information is collected about recent changes in the local financing of industry, about its decline in Lancashire and its survival in Bristol. Indeed, these facts might well serve as the basis of a useful regional study in the light of the different traditions and aptitudes of different places.

But, since its imperfections make this no more than a suggestive book, there are other points raised by Mr Grant that should offer him and others topics for further study of a valuable and interesting kind. A full analysis, written with the confidential co-operation of the businesses in question, of the security holdings of large concerns—their amount, their constitution and their turnover—might throw considerable light on the course of share values, and, as a result, upon the growth and decline of investment from year to year. Nor do Mr Grant's scattered remarks very much advance the vitally important study of the degree of speculative interest of English wealth-holders: that is to say, he does not tell us how many Englishmen go for a yield and how many for capital profits. But our sobriety in such matters is of the utmost significance. It is not only the gamblers who suffer if we run our investments on the principles of, in Mr Keynes's famous metaphor, a casino.

These are only some of the points that call for further study. Until that study is made the frequent plea for some kind of authoritative Investment Board, echoed rather cautiously in the peroration of this volume, lacks that overwhelming proof which is needed before so great an innovation could be made. Partly because we dislike the unknown and partly for more substantial reasons, Englishmen usually suspect financiers, but we will not vote for them to be taken in hand until we have something more than suspicions to determine us. Mr Grant would perform a real service if, in several separate and detailed inquiries, he tried to discover whether we have.

* "A Study of the Capital Market in Post-War Britain. By A. T. K. Grant. Macmillan. 320 pages. 12s.

Shorter Notices

"Lloyds Bank Review," July 1937.

To the July issue of *Lloyds Bank Review* Mr Alwyn Parker has contributed a remarkable article on "The Economic Outlook of Germany." After a long penetrating historical and sociological introduction, the author concludes that the German self-sufficiency programme is an intended safeguard for defence rather than preparation for war. The hand-to-mouth nature of Nazi economic policy is emphasised—witness the forcing of independent small craftsmen and shopkeepers, once the *protégés* of the Nazis, into industrial employment. This is well described in the section on foreign trade policy and raw material supplies; and the author states that "an unrevealed reserve of foreign exchange . . . almost certainly exists." Moreover, he says, Germany, by cutting down *exports*, could abolish her debt service which reposes on her credit balances; though it may be doubted if suppliers would then continue to send her the same volume of materials, if any. Mr Parker thinks that the financing of rearmament and the Four-Years-Plan can go on for years, since the public debt is small in relation to taxable capacity, owing to the complete restriction of the Reichsmark to internal use and the consequent liquidity of private concerns, whose dividends are limited, the balance being forced into Government paper. The shortage of free foreign exchange is analysed; and the conclusion emerges that Germany just maintains both a large export trade and an export surplus, to which the export-levy on industrialists is directed. There are informative sections on synthetic and substitute products, the regulation of German exports so as to retain as much base metal at home as possible, agriculture, finance and taxation, foreign exchange and foreign debt. Mr Parker concludes that Germany's performance lags behind her capacities because of vast unreproductive effort and expenditure and the growing deadweight of overhead charges; and he calls on Germany to make a change of direction towards real international collaboration, especially with this country, in exchange for credits and the progressive freeing of trade. There is a wealth of original information, statistical and otherwise, for the discerning reader of Mr Parker's able and scholarly article.

"The L.S.D. of National Defence." By Miss P. M. Rae. Hodge. 199 pages. 6s.

A review on page 82 of *The Economist* last week of this work—which urges systematic economic preparation against a possible aggression—concluded with this sentence: "In any case, it is comforting to be told that economists do not favour war-making—even though Miss Rae and Mr Einzig [who contributed a Foreword] regard their fastidiousness as dangerous." To avoid misunderstanding, we may point out that nothing in this comment was intended to imply that the book condemned economists for not favouring the making of war. The work, in fact, criticises them on the ground that they do not pay sufficient attention to the special problems raised by the requirements of national defence. We did not imply that the author or Mr Einzig thought war desirable, but that they thought it a regrettable probability. In our own view, as the tenor of our *critique* implied, this criticism of economists errs on the side of exaggeration. We believe that war economy, so far from being a special and separate study, is already comprehended within the bounds of a sound body of economic theory.

Books Received

Explorations in Economics. Notes and Essays contributed in Honor of F. W. Taussig. (London) McGraw-Hill Publishing Co., Ltd. 539 pages. 30s. net.

Civitas Dei. Vol. II. By Lionel Curtis. (London) Macmillan & Co. 357 pages. 12s. 6d. net.

Commonwealth or Anarchy. By Sir John A. R. Marriott. (London) Philip Allan & Co., Ltd. 225 pages. 5s. net.

The Imperial Factor in South Africa. By C. W. de Kiewiet. (London) Cambridge University Press, Fetter Lane. 341 pages. 15s. net.

Les Etats-Unis et l'Organisation Mondiale en 1936. By M. F. Doyle. (Paris) Centre Europeén de la Dotation Carnegie. 367 pages. No price stated.

MONEY AND BANKING

France's Financial Struggle

THE publication of the new tax decrees representing the attempt of M. Chautemps' Government to meet the needs of the French Treasury renders it possible to take a fresh view of France's financial problems. It is easy to see that for two compelling reasons the June depreciation of the franc was necessary. The rise in internal costs, due to wage increases, together with the enforcement of the forty-hour week, and more particularly its transformation into a five-day working week of five eight-hour days, meant that a fresh alignment of the franc was essential. Ultimately these reforms will bring about the widespread consolidation and rationalisation of French industry, but this will take time in a country of small employers. Again, while French labour will never let go the principle of the forty-hour week or even of the five-day week, ultimately some alignment will prove practicable; but this again will take time. Thus there was an immediate need of a further depreciation of the franc sufficient to balance the rise in internal costs, and even after taking into account the possibility of a further rise in world prices, it is thought that an exchange rate of Frs. 125 to £1 will represent approximate equilibrium when once the recent measures of social reform have taken full effect.

The second reason for the June depreciation arises from the further loan of Frs. 15,000 millions from the Banque de France to the Treasury. The only possible way of repaying the Bank is out of the profits of a fresh revaluation of the Bank's monetary stocks, and for this to yield Frs. 15,000 millions a depreciation of the franc from Frs. 110 to Frs. 128.50 was necessary.

For the moment the new franc is being held. The funds which returned from abroad during early July enabled the French Exchange Fund to gain some gold. It is also probable that part of the gold lost by the Banque de France during June was still retained by the Exchange Fund at the end of June. Thus at present the Fund may have a gold reserve of about Frs. 7,000 millions. But this improvement does not alter the fact that the future of the franc really depends upon how far M. Chautemps can succeed in solving the French Budget and Treasury difficulties and in drawing back capital from abroad. It is easy to reply that this in turn largely depends upon the attitude of the French bankers, who can have either a "good" franc or a "bad" franc, as they choose. They in turn can answer that unless their customers repatriate their funds they, the bankers, are powerless to help the Treasury.

Thus everything at the moment depends upon the Budget and the Treasury. During the six months from June 30th this year to December 31st, which is the end of the French financial year, the Treasury is faced with the following demands:—

	Frs. millions
Deficit on ordinary budget	6,000 to 8,000
Advances to railways, posts, *collectivités publiques*, etc.	10,000
Extraordinary budget deficit, mainly rearmament	8,000
Maturing debt, i.e., October Treasury bill maturities and the railway *sterling credit*	7,000
Total	31,000 to 33,000

To meet this the Government have so far done three things. They have imposed fresh taxation, which may yield Frs. 4,000 millions to Frs. 5,000 millions this year, and will yield Frs. 8,000 millions in a full year. They have raised railway rates and fares, to yield Frs. 2,500 millions in a full year (less any future increase in operating costs). They have borrowed Frs. 15,000 millions from the Banque de France. Nevertheless, on a conservative estimate there is still a gap of about Frs. 12,000 millions to be filled.

It is an open question whether this gap will be filled. Bankers are probably willing to help the Chautemps administration up to a point, if only because of their fears of any likely alternative. Again, illogically enough the Caisse d'Amortissement is collecting about Frs. 4,000 millions a year in revenue and applying it to the redemption of debt just at the time when the Treasury is hard put to it to meet its needs. This is a legacy of the Poincaré reforms, but it at least means that this amount is being released each year, if only its owners are willing to re-lend it to the Government. There is a further potential nest-egg in the shape of the franc resources of the Exchange Fund, estimated at Frs. 10,000 millions, and these could legitimately be re-lent to the Treasury in accordance with the English precedent. One way and another, provided that all goes well, and that there is some return of confidence, revival in trade and repatriation of funds, the Treasury may just scrape through. In a sense time is in its favour, for July, August and September are good revenue months, and there are no heavy maturities until October. Much depends on whether there has been some general improvement before that critical month is reached.

Meanwhile, what of the new tax decrees? These are set out in detail in the following table, the estimates covering a complete year:—

ANNUAL YIELD OF NEW TAX MEASURES

	Frs. millions
(1) *Measures against tax evasion* :—	
Income tax	300
Interest on commercial current accounts	125
Tax on undistributed profits	25
Marriage settlements	2
Definition of period of prescription	55
Widening of right to inspect documents	10
Minimum alcoholic content of perfumes	5
Taxation of extracts sold to make liqueurs, etc.	60
Fraudulent mining of petrol and petroleum	10
Other measures	30
	622
(2) *Direct taxation* :—	
Increase of 20 per cent. in *impot général*	365
Miscellaneous registration duties	83
Duties on transfers of real estate, etc.	375
Increase in coupon tax	759
Directors' fees	20
Duties on transfers of securities	136
Increase in duty on issue of securities	75
Increase in rate of ordinary income tax	500
Tax on profits from public contracts	150
Miscellaneous stamp duties	200
	2,663
(3) *Indirect taxation or affecting consumers* :—	
Tax on automatic lighters	2
Modification of beer duty	6
Increase of tax on production from 6 to 8 per cent.	1,400
Miscellaneous modifications in tax on production	70
Customs duties	1,000
Import licences	50
Transport licences	305
Increased duty on heavy oils, benzol, etc.	441
Postal, telephone and telegraph charges	710
Increase in price of tobacco and cigarettes	700
Other measures	43
	4,727
Total	8,012

Briefly this additional taxation should enable the ordinary budget to be balanced, but will leave nothing for advances to the railways, etc., or for the extraordinary budget. Here borrowing will still be necessary. The measures against tax evasion should be effective, but are to yield a mere Frs. 622 millions. Frs. 2,663 millions are to come from heavier direct taxation, but Frs. 4,727 millions, or over half the total new yield, consists of additions to indirect taxation, and so will fall on the consumers. The increases in the tax on production (the successor to the turnover tax) and to customs duties stand out in sharp relief. The consumer will also have to bear the main brunt of the new increase in railway rates and fares, expected to yield an additional Frs. 2,500 millions.

So far the general public has stood these onerous proposals well. A great parade was made of the 100 per cent. tax upon foreign exchange speculators. Actually the tax only applies to dealings in forward francs initiated between June 10th and June 30th, so that most of those who removed funds from France, including all the big interests who invested abroad months ago, escape scot free. Still, though the cannon was aimed practically off the target, it made a very comforting noise, under cover of which the new tax decrees have so far been made to appear acceptable to the French public. Also, so far as can be told, financial interests are not generally alarmed by the 100 per cent. tax and so it may not act as a serious deterrent to repatriation. Still, granted the success of the way in which the new tax decrees were introduced, their effect upon the cost of living has not yet had time to sink in. When it does, as it inevitably will before long, there may be new demands for higher wages and a fresh increase in internal costs. Here, again, as in the case of the Treasury problem, France is engaged in a race against time. The real question is, will French trade recover, French national income expand, and revenue become more buoyant in time to bring French finances relief before a new breakage-point is reached? All that can be said to-day is that the chances are in many ways good, but that there is no certainty.

Financial Notes

The Exchange Account Increase.—The floating debt statement for July 10th shows the effect of the new increase of £200 millions in the Exchange Equalisation Account. So far the Account has taken the whole of its additional resources in the form of sterling, and in accordance with its normal practice it has re-lent the sterling to the Exchequer, the method adopted being that of taking "tap" Treasury bills. The result is shown in the following table :—

	June 19, 1937	June 30, 1937 (£ millions)	July 10, 1937
Treasury bills :—			
(*a*) Tender	545·0	503·0*	552·0
(*b*) Tap	136·3	135·2*	316·4
Ways and Means Advances :—			
(*a*) By Public Departments	22·1	18·2	17·4
(*b*) By Bank of England	2·2	49·3	...
Total	705·6	705·7	885·8
Departments' Floating Assets	158·4	153·4	333·8

* Adjusted to allow for the estimated discrepancy between Treasury bill payments and maturities at the end of the half-year (see *The Economist*, July 10, 1937, p. 85).

Owing to the disturbance to the money market at the end of the half-year, the more reliable comparison is between June 19th and July 10th. This shows a net increase of £180 millions in the floating debt, consisting of the expansion of £200 millions in the Exchange Equalisation Account, less other net receipts by the Exchequer during these three weeks. These last consist in turn mainly of the receipt of £38 millions in respect of the National Defence Bonds call, less a revenue deficit of £21 millions for the period. The floating assets of the public departments have risen during the same three weeks by £175 millions. The discrepancy of £25 millions between this last figure and the £200 millions of tap Treasury bills taken by the Exchange Account is mainly explained by the departments' share of the National Defence Bond call; for the payment of this means that they are able to hold fewer tap Treasury bills. At a very rough guess it looks as if the Exchange Account's gold holdings have been little altered during the past three weeks, for all these changes previously discussed appear fairly coherent by themselves, and leave little margin to be ascribed to operations by the Exchange Account.

* * *

Hungarian Standstill Agreement. — A new Hungarian standstill agreement has been initialled by the representatives of the American, British, Dutch, French and Swiss short-term banking creditors. It represents an important improvement on the previous arrangements. In future, payments will be made in foreign exchange, instead of in pengös without any foreign exchange guarantee. A cumulative annuity of 5½ per cent. will be established for the service of the standstill debts. One per cent. will be allotted to interest, and the balance (4½ per cent. in the first year) will be applied to the repayment of an equal amount of debt. The agreement is to remain in force for one year, with two renewals, each for a further year—that is for three years in all. This period brings the new agreement into line with the agreements recently concluded with the other creditors of Hungary. It is clear that Hungary is taking advantage of her progressive recovery, both internally and in respect of her external trade, to discharge her outstanding obligations to the best of her ability, and it is particularly satisfactory that the standstill creditors are relieved of any further exchange loss. More generally it shows that with the progress of the world trade revival the problem of international indebtedness is becoming more tractable, and that granted good-will on both sides it is not beyond reasonable solution.

* * *

China and American Gold.—The United States authorities are evidently anxious to find some fruitful use for their milliard of sterilised gold. An agreement was reached on June 9th with China which is a further welcome proof of their interest in the stabilisation of currencies. China is to sell silver to the United States under the terms of the Silver Purchase Act of 1934 and to receive in return earmarked gold direct from the inactive gold account. This accession of gold to China will of course have a most important effect upon Chinese Central Bank reserves. The new machinery is likely to be more effective than that of the agreement of May, 1936, under which the United States Treasury purchased the silver direct, leaving China to convert their dollar balances into gold or not as she wished. The prices at which this barter transaction is to take place are not stated, nor is there any estimate of the sum involved. But it is said to be large enough to have some effect upon the world prices of gold and silver, and Mr Kung has warned speculators. On the other hand, Mr Morgenthau has announced that the Treasury's policy of buying bills to the amount of any gold outflow will not apply in the present case, on the grounds that the sums involved are small. But since silver certificates are to be issued to the value of the silver purchases, it follows that if Mr Morgenthau's interpretation of the term small amounts is generous, the new agreement will lead to an expansion of American money supplies in relation to the stock of precious metals. In effect the American Treasury is carrying out a policy of diversifying its reserves, and of handing over to others who are in a difficult position some of that part of its gold which is useless to itself. It is a far-sighted and generous

plan, and a rumour, which has not been definitely denied, that it will be applied to Brazil also suggests that more may be heard of it in coming months.

* * *

The Money Market.—Conditions have been quiet this week. Special buying of bills replenished the supply of funds, and there was comparatively little calling by the clearing banks. The market only secured 22 per cent. of last week's Treasury bill allotment, while only £36 millions of bills were actually allotted, the top four millions being cut off the tender. Thus there was no great demand for funds.

	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing bank's deposit rate	½	½–⅝	¼	½
Short loan rate :—				
Clearing banks	½–¾–1*	½–¾–1*	½–¾–1*	½–¾–1
Others	½	½–⅝	½	½
Discount rates :—				
Treasury bills	11/32	½–⅝	½	½
Three months' bank bills	11/16–¾	⅝	11/32–⅝	11/32–⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

It is believed that less "outside" money is now available, which means that the market has to rely more upon the clearing banks. The reports current in Paris on Tuesday that a sterling credit of £50 millions had been arranged for General Franco are entirely unfounded. Apart from political considerations, no London house would risk its funds in that direction.

* * *

The Bank Return.—There is only a slight drop in the note circulation, and little change may be expected for the forthcoming week. The holiday expansion will then begin, and will probably carry the circulation to over £500 millions. The Proportion of Reserve to liabilities is already unusually low, and so it looks very much as if the Bank will have to take over more gold from the Exchange Equalisation Account.

BANK OF ENGLAND

	July 15, 1936 £ mill.	June 23, 1937 £ mill.	June 30, 1937 £ mill.	July 7, 1937 £ mill.	July 14, 1937 £ mill.
Issue Department :—					
Gold	231·0	326·4	326·4	326·4	326·4
Note circulation	443·3	483·7	488·4	494·4	493·4
Banking Department :—					
Reserve	48·7	43·6	38·9	32·9	33·9
Public deposits	20·4	15·5	10·8	15·2	23·1
Bankers' deposits	90·6	95·0	140·5	88·5	89·2
Other deposits	40·7	37·2	40·2	37·2	37·1
Government securities	96·8	98·0	140·6	96·6	104·0
Discounts and advances	5·9	3·8	6·3	9·0	8·8
Other securities	18·4	20·2	23·7	20·4	20·7
Proportion	*32·0%*	*29·5%*	*20·3%*	*23·3%*	*22·7%*

In the banking department inequalities between Treasury bill payments and maturities have raised public deposits by £7.9 millions. To ease the consequent pressure upon bankers' deposits, there has been some special buying of early October Treasury bills. This probably explains the week's increase of £7.4 millions in Government securities.

* * *

The Foreign Exchanges.—The main tendency this week has been the strength of sterling and the weakness of the dollar. From $4.95⅛ on July 8th the dollar depreciated to $4.97⅛ on Tuesday of this week, subsequently recovering to $4.96¾. The Netherlands Bank has also lowered its buying rate for dollars from Fl. 1.81⅞ to Fl. 1.81½. The reasons for these movements are the withdrawal of French balances from New York and more particularly heavy Japanese purchases of sterling out of the dollar proceeds of the big Japanese gold shipments to the United States. The Japanese economic position is beginning to cause some anxiety owing to its inflationary trend and the heay military expenditure. Revertiing to the dollar, there has been on official support and only a moderate commercial demand with no sign of any autumn buying. The free rate for Argentine pesos has also risen from 16.38 to 16.52 pesos to the pound, subsequently recovering to 16.46 pesos. This movement is partly in sympathy with the dollar and partly because of sales by those who had previously bought in expectation of a reduction in the official import rate below 16 pesos. This expectation has not been fulfilled. After the setback of July 8th there has been a moderate demand for French francs at Frs. 128 1/16–⅛, with three months' francs stronger at Frs. 3 discount. The Paris market was closed on Wednesday, and the next day the three months' rate weakened again to Frs. 3⅜ discount. Still it was thought in Paris on Tuesday that the French Exchange Fund had regained some gold.

* * *

New Zealand Banking in 1936.—The description of the progress of the National Bank of New Zealand given by Sir Austin Harris at its annual meeting on Monday might go into a text-book as a typical example of banking affairs in a period of recovery. All the items in the balance sheet have moved exactly as they should. Deposit and current accounts have risen very little, the cash reserves have fallen, Treasury bill holdings have risen, and advances have risen; while there has been a big change-over from time to current deposits in the trading banks' accounts, and their advances, too, have increased substantially. At the same time there has been no change in rates of interest on twenty-four month deposits and advances. This model recovery has had, however, its unwelcome aspects for the bank, in that the Government's Primary Products Marketing Act which now controls the export of the main export commodities has lost the bank a great part of its business in British bills. The banks are also defenceless against higher wages and shorter hours. Though for the time being this policy has worked well, as Sir Austin points out, the real test will come when guaranteed prices and high taxation have to be maintained in a falling market.

* * *

Rating of Ship Insurances.—As we show in the Insurance Supplement published with this week's issue of *The Economist*, marine underwriting profits last year were less favourable than in 1935, despite an aggregate increase in marine insurance premium income. It has been clear for some time that heavier claims were an inevitable consequence of the extensive recommissioning of idle tonnage. The cost of effecting repairs has also risen substantially, and is still rising. For these and other reasons marine underwriters in London and Liverpool, including underwriters at Lloyd's, have come together and reached agreement to increase the rates for all insurances, irrespective of flag or policy conditions, but excluding insurances against total loss. A sliding scale has been devised, based on the present tendency to increase insured values in harmony with the increased level of tonnage prices generally. Where the insured value, under a policy, is raised by 15 per cent. or less, the rate charged per £100 will be increased by a minimum of 15 per cent. The percentage rate of increase, however, will decline as the increase in the insured value rises; and when the new insured value is more than 30 per cent. above the oldfi the rate per £100 will be unchanged. A supplementary provisional agreement declares that underwriters shall not negotiate renewals more than three months before the first risk of a contract is due to take effect. This will preclude, for example, the placing of insurances now to take effect in the middle of next year and to run until the middle of 1939. At a time when shipbuilding and repairing costs are rising steeply, underwriters are naturally reluctant to give too great a hostage to fortune. Altogether, the terms of the agreement should strengthen the position of the marine insurance market without inflicting hardship on the shipping industry in a period of expanding and increasingly profitable activity.

THE STOCK EXCHANGE

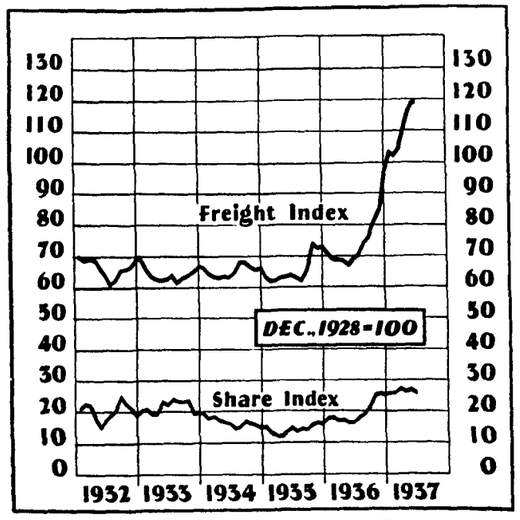
Shipping Share Prospects

It is well when two sharply divided schools of thought have one thing in common. At present, when some market observers fear that we are near the top of a boom, both sceptics and optimists at least agree that commodity shares, " commodity bonds " and shipping shares may deserve further attention. According to the *Actuaries' Index*, shipping share prices have roughly doubled since 1935, although present prices are still 75 per cent. below the end-1928 level. Compared with freight movements, however, this advance in shipping shares looks moderate indeed. After remaining almost stationary between 1932 and the middle of last year, freight rates have jumped by 75 per cent. during the past twelve months. The accompanying chart of the two movements is indeed instructive for holders of shipping shares.

At this stage, however, freight movements alone give a superficial view of earnings prospects. The case for shipping shares becomes more impressive in view of the virtual disappearance of idle tonnage from British waters, and of the restoration of world trade to something like its pre-depression volume. The spurt in freights during the past year appears, further, to have been linked, not merely with the sharp rise in commodity prices, but also with increased employment of cargo space. The world's mercantile tonnage is 7 per cent. smaller than in 1931, but it is more efficient, and its cargo-space is better filled.

SHIPPING SHARES AND FREIGHT RATES

The Economist Index of Shipping Freights: Actuaries' Index of Shipping Shares. December 1928 = 100



Share yields of 2½ to 3 per cent. are already discounting the fruits of this substantial recovery. But it may be seriously questioned whether the revival of shipping fortunes can be directly translated into terms of distributable earnings. Shipping revenues are rising substantially; but costs are also rising. The wages bill of a typical cargo steamer of 7,000 tons has increased by almost 10 per cent. since March, 1935. This percentage could not properly be applied to, say, motorships or passenger liners, but their wage costs and fueling bills are undoubtedly increasing.

Finally, investors must consider the problem of fleet replacement. Periods of high gross revenues provide both the justification and the means, for building new tonnage. But in view of current pressure on the yards for naval building, orders are more difficult to place than they were some months ago. Moreover, the cost of new cargo tonnage has recently risen phenomenally. According to *Fairplay*, a modern 7,500 ton steamer would have cost £64,000 (£8 12s. per ton deadweight) at the end of 1934. To-day, this type of steamer would cost £100,000, or £13 6s. 8d. per ton. Building costs, therefore, have risen by some 55 per cent. since 1934, and by 28 per cent. during the past six months alone.

These statistics point a dual moral for the investor. The advance in net shipping earnings is now being tempered by rising costs; and dividend policy may be affected, in some cases, by the need for replacing tonnage at costs which are higher than at any time since 1920. For these reasons the most promising shares are likely to be those of companies whose past depreciation policy has been generous ; whose distribution policy has been prudent, and whose balance sheet is well decked with net liquid assets. Such shares, however, are not easy to find. Modest equity earnings are still the rule in the shipping industry, and (with certain exceptions) net liquid assets are rarely large in relation to total capital. The position of selected shipping concerns, judged by these criteria, is set out in the following table.

	1933	1934	1935	1936	Ord. Shares Price	Ord. Shares Yield
						%
Elder Dempster Lines (Dec. 31):—						
Earned for ord. (%)	4·1	4·9	8·5	9·7	27/9*	4·2*
Paid (%)	Nil	3	5	6		
Net liquid assets £000's	...	...	*Dr.243*	108		
Furness Withy‡ (Apr. 30):—						
Earned for ord. (%)	0·5	0·8	0·2	3·1	27/1½	2·3
Paid (%)	Nil	Nil	Nil	3		
Net liquid assets £'000s	873	436	54	516		
P. & O. (Sept. 30):—						
Earned for def. (%)	Nil	Nil	Nil	3·7	31/9	2·5
Paid (%)	Nil	Nil	Nil	4		
Net liquid assets £'000s	3,304	7,865	7,292	8,023		
Royal Mail Lines (Dec. 31):—						
Earned for ord. (%)	Nil	1·9	6·2	10·0	28/6	3·1
Paid (%)	Nil	Nil	3½	4½		
Net liquid assets £'000s	800	800	1,107	1,698		
Union Castle (Dec. 31):—						
Earned for ord. (%)	7·7†	10·4†	9·8†	14·5†	...	...
Paid (%)	Nil	Nil	Nil	Nil		
Net liquid assets £'000s	*Dr.415*	*Dr.508*	*Dr.506*	*Dr. 376*		

* Price and yield for Elder Dempster Lines Holdings ordinary. † Assuming normal preference requirements. ‡ To April 30th of following year.

Viewed from the standpoint of surplus liquid assets, Peninsular and Oriental easily heads the list. But the recent accounting changes of this well-managed concern raise interesting questions regarding depreciation provision. The regular allocations to the fund have served the company well in the past and are to be continued. Last year, however, the company employed resources from subsidiary concerns to reduce the book value of the fleet from £27.1 millions to £22.6 millions and this procedure will reduce the company's depreciation charge. The function of shipping depreciation allowances, however, is not to satisfy some vague canon of sound finance, but to provide the actual wherewithal from current profits to replace old tonnage. If the fleet can be kept fully up to date, the relief afforded by these accounting changes will be entirely compatible with the maintenance of long-run earning power. But those investors who endow P. and O. deferred stock with dividend possibilities on the pre-depression scale of 12 per cent. tax free might well re-read the chairman's last speech, which frankly scouted such notions. Yet the present price anticipates a distribution of twice last year's rate.

Furness Withy has recently competed with P. and O. deferred for the investor's favour, but this week's dividend announcement has put the market back on its heels. The uninformative nature of the Furness Withy accounts belongs to a tradition which is fortunately passing. Out of a balance sheet total of £11¾ millions, over half is represented by interests in subsidiaries, and no inkling is provided regarding their distribution policy. But the disclosed profits and depreciation record of this concern is instructive:—

(Years to April 30th)	Profit	Depreciation	Earned for Ordinary
	£	£	£
1932	269,672	150,000	64,359
1933	379,674*	200,000	123,424
1934	378,165*	300,000	20,978
1935	395,083*	300,000	36,958
1936	415,310	350,000	7,654
1937	544,744	350,000	138,025

* Including transfers of approximately £100,000 from reserves.

The balance sheet, however, provides one obvious lesson, so far as it lends itself to interpretation. That lesson is the building up of massive internal strength. The fleet was already valued substantially below cost less 5 per cent. depreciation last year. It has since been written down by £314,000, while investments in subsidiaries, less depreciation, are £281,000 lower. During the past decade, in fact, as much as £2½ millions has been provided for depreciation by the parent concern. The market appreciates high earnings, but loves high dividends even better. A 3 per cent. ordinary dividend may be good shipping finance, but it leaves the optimists hungry for more.

The mixed interests of the Furness Withy group provide one of the widest " spreads " throughout the shipping list. These interests have recently been increased by a substantial block of Royal Mail Lines ordinary. It is possible that a sum of £1¼ millions has been involved in this purchase, and the market reads the transaction as a significant bull pointer for Royal Mail Lines shares, which have risen from 26s. when they were introduced to the market in March, 1937, to 28s. 6d. The transaction, perhaps, represents a somewhat unusual departure for Furness Withy, since the interests acquired do not confer control while, under a common chairman, the relations between the respective fleets in the South American trade have for some time been intimate. At first sight, therefore, the latest Furness Withy acquisition appears to strengthen an already close liaison, though not to a decisive point. A yield of little over 3 per cent. on Royal Mail Lines suggests that a dividend of say, 7 per cent. or more is anticipated despite the cautious passage in the chairman's speech. It should, in fact, be comfortably covered by earnings, which amounted to 10 per cent. for 1936. Another newcomer—Elder Dempster Lines Holdings—also deserves comment. With the rise in West African Conference rates, the outlook for the operating company is believed to be promising. Substantial depreciation is provided against the operating company's fleet, and a progressive dividend policy could be afforded under existing circumstances. The conversion rights of the 3 per cent. income debenture stock of the holding company may restrain the ordinary shares, which otherwise should have favourable prospects.

We pass, finally, to consider the position of Union-Castle, which involves consideration, in turn, of the two Realisation Companies. In our analyses of the break-up possibilities of R.M. and E.D. Realisation the illogicality of the substantial premium of R.M. over E.D. was always stressed, and the two shares stand to-day at the same price. The main shipping assets of the two concerns are now realised, while the distribution in specie of Union-Castle ordinary stock will probably be made fairly soon. The directors of Union-Castle, in turn, have indicated that the 6 per cent. preference dividend will be paid up to date this year. What are the indications for the ordinary?

The most important point, undoubtedly, is the finance of the company's substantial programme for new building and re-engining. Financial arrangements have been made, but they will involve heavy repayments in future years, " which may have to be dealt with on a more permanent basis." This suggests that distribution policy is likely to be cautious when the preference arrears are cleared off. A revision of our R.M. and E.D. analyses suggests that the market is valuing Union-Castle ordinary stock between 24s. and 25s. 6d. The recent repayment of R.M. income debenture stock leaves £701,250 outstanding, to be repaid at 10 per cent. premium—presumably as the Royal Mail Lines sale is completed. Apart from the Anglo-Foreign properties holding, the remaining assets are either of relatively small dimensions, or may require considerable time to realise. After repaying the income debenture stock, some £675,000 (plus or minus £50,000) may eventually be available for the shareholders, together with their share of Union-Castle ordinary. These calculations attribute 25s. 6d. for £1 of Union-Castle ordinary stock.

For E.D. Realisation, the position is more complicated. There are no debentures outstanding, but the remaining assets are of difficult shape to realise, and correspondingly difficult to estimate. In addition to cash holdings of £285,000, a value of say £400,000 to £500,000 may be suggested, but the figure is subject to contingencies in respect of such assets as Atlantic Coaling, Elder Dempster (Grand Canary) and Agence Maritime. Assuming, however, that these estimates prove near the fact, the Union Castle ordinary stock would bear an attributed value of 24s. to 25s. 6d. for holders of E.D. Realisation. Clearly, on these estimates, there is little to choose between the two shares at the present price. A time may be approaching, however, when both companies, having performed their main task with admirable expedition and economy, may have to consider the desirability of liquidation. Meanwhile the present price of 48s. 9d. for E.D. and R.M. inferentially values Union-Castle ordinary at a figure which may perhaps be described as a good seller's price.

Investment Notes

Hope Restrained.—At the end of last week the Stock Exchange appeared to have shed its fears and to be preparing for at least a major secondary revival, which might conceivably extend over the summer and well into the autumn. The expected increase of business, however, was not forthcoming this week on any striking scale. Industrial and commodity shares have made negligible progress (the *Financial News* ordinary share index stood at 110.4 on June 15th, against 111.7 on July 9). Though the maintenance of a fairly firm sentiment itself affords reassuring testimony to market conditions in a week when the international political situation has still hung in the balance, faith without works—by way of greatly increased new business—is barren from the viewpoint of the average member of the " House." These considerations, however, do not apply to an important branch of Stock Exchange activity which has lately had more than its fair share of hardship. Demand for gilt-edged stocks has markedly revived, and many new issues, which were largely left with underwriters a short time ago, have now become " buyers only." Large institutional investors have been taking up National Defence Bonds. The L.C.C. scrip, which slumped to an immediate discount, is now at a premium. The West Riding and Leeds scrips have been fully absorbed; and the " stag " has reappeared and secured a satisfying meal from offers like the Cape Town issue.

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Buying of high-grade fixed interest stocks has been the result of what is technically called "good investment demand." Institutional investors, including the banks, who, in any case, cannot hold off the market indefinitely, appear to have decided that present levels are neither unprofitable nor likely to look dear, say, three months hence. The current transfer of French money from New York to London, again, involves repercussions extending as far as the gilt-edged market. It is improbable, however, that the buying movement would survive any really stiff increase of prices, or, on the other hand, that the market would readily absorb any new issue of really large amount at present price levels. Perhaps the best commentary on the situation is the remark, made on the Stock Exchange this week, that the Blackpool Corporation, which, according to report, obtained applications of £9½ millions for an offer of £500,000 of 3½ per cent. stock at 100½, would probably have secured £500,000 had it issued £9½ millions.

* * *

French Taxation and Securities. — The Paris Bourse has taken its taxation medicine manfully, although it still questions the wisdom of the 100 per cent. tax on speculative profits arising from the latest depreciation of the franc. For the details of the new taxation schedules and their repercussions on the French economic outlook, readers may consult the report from our Paris correspondent on page 129 and a leading article on page 135. The Bourse has shown a better tendency this week, although business remains quiet. For the time being, at any rate, it is clear that refugee holdings of stocks in New York and London escape the tax-gatherer's net. But the recording of coupon transactions by the banks together with the return of dividends received by each client to the Revenue clearly reduces the attractions of the Frenchman's favourite bearer securities. Perhaps the recovery in other centres is helping the Bourse to some extent, for a moderate cheerfulness in internationals casts a warmer hue on domestic industrials, although rentes remain dull. The Bourse's next hurdle may be the nationalisation of the railways, and the extinction of debts due to the State. It appears that control through share interests is envisaged, leaving autonomy in railway administration. Present indications suggest that the status of the railway bonds known to the London market will not, in fact, be greatly changed.

* * *

Pre-Natal Prospectus Care.—A well-informed reader welcomes the suggestion, put forward in a leading article in last week's *Economist*, that a code defining sound conventional practice in prospectus ethics, as distinct from the minimum requirements of the law, would serve a useful practical purpose. This correspondent points out, however, that a body already in existence exercises some, at least, of the functions of *The Economist's* hypothetical Portland Club Committee in the new issue market. The hope of success for any sizable prospectus issue is slender unless its sponsors can offer a reasonable prospect of obtaining subsequent permission to deal in the shares on the Stock Exchange. Wise brokers to an issue, therefore, nowadays take good care to go over the terms of the prospectus with Stock Exchange officials, before finally committing themselves or their clients. Such preliminary discussions are officially unofficial, but the Stock Exchange Committee strongly encourages them, for wholly praiseworthy reasons. It is well known that a standard of physical fitness is adopted in these preliminary medical examinations which, in certain important particulars, is more stringent than that of the Companies Act; and it is known, further, that consequential changes are frequently made which redound to the advantage of subsequent subscribers. The Committee's requirements can be progressively raised, as circumstances and public opinion demand; and they can be applied without fuss, noisy publicity, or the law's inevitable delay. In the last resort, however, the Committee can do no more than separate the sheep from the goats. It is no part of their duty to indicate gradations of merit among applicants who satisfy their minimum requirements. The Stock Exchange, working along these lines, may play an invaluable part in raising contemporary standards in the new issue market. But even greater progress would be achieved if powerful investment opinion could be mobilised so as to confer substantial favour on candidates who did not merely pass their finals, but were placed in the honours list.

* * *

News for the Bondholder.—This week's news for the bondholder is of that slightly less disagreeable variety which brings not, alas, full payments, but at least an agreed composition of claims. It is good news indeed that the Greek Government is to send a financial delegation armed with full powers to negotiate a final settlement of the debt service. From the city of Danzig come proposals concerning the service on the 7 per cent. loan of 1925 and the 6½ per cent. tobacco loan of 1927. As from July 1st it is proposed that the loan services should be reduced and sinking fund periods extended. The 7 per cent. loan is to receive 5 per cent. with final redemption extended by five years to 1950, while the 6½ per cent. loan is to receive 4½ per cent. with final redemption in 1952 instead of 1947. These modifications are to be accompanied by similar adjustments for the 7 per cent. tramway loan of 1928 and the 6 per cent. match monopoly loan of 1930. The League Loans Committee wisely recommend the acceptance of this composition—pressure for full service until actual default occurred would obviously be a senseless alternative. From Canada, also, comes relatively good news. The city of Calgary proposes a scheme to continue interest payments on all outstanding issues at present rates up to their respective redemption dates, and to continue payments thereafter at 4½ per cent. until 1962. Since this offer apparently requires positive acceptance by 60 per cent. of the bondholders interested, it would obviously have been convenient to appoint a London representative for the receipt of acceptances, for at present the debenture holders are under the disability of communicating with Toronto. This offer recognises the creditors' rights in full, but the two principal issues now outstanding are finally redeemable in 1942 and 1944, carrying interest at 4½ per cent. and 5 per cent. respectively. The proposals thus extend the life of the two loans on ostensibly favourable conditions, for recent business has been around 80. As a consideration for full present payment this price appears high. An argument may be found for acceptance of the terms in present circumstances, but they form a highly dubious precedent.

* * *

Company Registrations.—As a general indicator of business enterprise, the trend of company registrations is significant. The compilation of Messrs Jordan and Sons during the first six months of the year show that 6,780 companies, both public and private, were registered with a capital of £70,041,339, compared with 7,046 companies with a capital of £80,523,604 for the corresponding period of 1936. These amounts are often substantially increased after incorporation, and bear no necessary relation to the new investment actual involved. The computers record a marked diminution in new registrations "at the end of April and throughout May"—a fall which is laid at the door of N.D.C. Old Style. Since the upward trend was renewed in June, however, enterprise was only temporarily checked. Among the unusual features of the half-year was the registration of "International Council for Non-Intervention in Spain"—a company limited by guarantee which has carried out the executive work of the international control scheme. Two other concerns represent the apotheosis of share capital practice, for their £100 capitals are divided into 96,000 shares of one farthing and 24,000 shares of one penny, respectively.

Company Notes

Palestine Investments. — The report of the Palestine Royal Commission does not refer directly to the effect of the partition proposals on Palestine industrial investments held in this country. Palestine's public debt is limited to £4,475,000 5 per cent. stock, which was issued in 1927 at 100½ under Treasury guarantee. This stock is redeemable between 1942 and 1967 and now stands at 111. The partitions of the country will involve a division of the existing debt between the Arab and Jewish States, and a Finance Commission is to be entrusted with the ascertainment of the proper proportions. So far as the British holder is concerned, however, this is an academic exercise, for under Treasury guarantee the stock will fall for redemption at its earliest date if present interest levels are maintained, and it now ranks as a gilt-edged "short." Among the industrial issues (leaving aside such interests as Barclays Bank D.C. and O., which has branches in Palestine, and the Iraq Petroleum pipeline, in which Anglo-Iranian has a 23¾ per cent. interest) the consequences of the report do not appear to be far-reaching. These shares have fallen considerably as a result of last year's disturbances, as the following table shows:—

	Two Latest Years		Ord. Div.		Share Prices		Yield %
	Earned for Ord.				High, 1936	Present	
Anglo Palestine Bank	41·4†	8·0†	8†	8†	47/6	33/9	£ s. d. 4 14 10†
Palestine Electric ...	10·2†	10·3†	7½†	7½†	57/6	37/6*	4 0 0†
Jerusalem Electric...	7·8	10·3	5*	6	44/3	26/3*	4 11 5
Palestine Potash ...	...	...	...	...	18/6	12/–	Nil

* On smaller capital. † Tax free.

Jerusalem Electric, which has again increased its dividend and profits for 1936-37, is situated entirely in the mandatory *enclave*. Anglo-Palestine Bank appears to have its main branches in the proposed territory of the Jewish State or in the mandated corridor. Palestine Electric has an important power station at the south of Lake Tiberias, which will be on the proposed new boundary of the Jewish State, but its high tension network running westwards to Haifa and south to Tel-Aviv apparently lies largely within the boundaries of the new state. There is, therefore, little political or administrative problem facing these concerns. Palestine Potash, however, works on the Dead Sea concession, and has made moderate progress to the point of covering its preference requirements. Since this territory will be Arab, questions of Customs on any requirements imported through Jewish ports may arise. The company is also obliged to pay royalty and a share of profits to the Governments of Palestine and Trans-Jordan. The Royal Commission lays down the general principle that industrial concessions granted by the Palestine Government should be taken over by the Jewish and Arab States under guarantees.

* * *

Handley Page Progress—As the maturing of successful new Handley Page types coincided with the first stages of the R.A.F. expansion programme, it is not surprising that gross profits should have risen from a low level of £38,463 in 1933 to £272,304 last year. This profit compares with £195,736 in 1935, but that figure included a credit of unspecified amount from realisation of investments. A 50 per cent. dividend is declared on the ordinary stock, which was increased last year to give preference shareholders a direct holding in the equity in exchange for their former participation rights. Earnings for 1936, as shown below, are equivalent to 72 per cent. for the ordinary.

	Years to December 31, 1934	1935	1936
	£	£	£
Gross income	135,265	195,736	272,304
Expenses and tax	87,187	112,886	163,315
Depreciation	2,738	4,207	5,294
Fixed preference dividend	19,914	19,914	19,914
Further preference dividend	9,957 (5%)	19,914 (10%)	*
Ordinary dividend	9,957	19,914	62,232
Earned % for Ord.	*173·7*	*424·2*	*72·0*
Ord. div. %	132·76	265·53	50
To reserve	Nil	Nil	25,000
Carry forward	5,705	23,854	16,888

* The preference holders' participation rights were commuted in 1936. Ordinary earnings then amounted to £82,765 for 1936.

The company works on fixed capital so surprisingly small (£150,059 for land, buildings, etc., and £42,811 for plant, factory fixtures and motors) that the £5,294 for depreciation is probably adequate on normal scales. But the ultimate real capital of an aircraft manufacturer is his aircraft designs, against which it is prudent to set aside something in the nature of depreciation when profits are good. Perhaps the £25,000 put to general reserves should be regarded in this light. With £240,429 in gilt-edged securities, the company is strongly financed for its present scale of operations. Handley Page is an established concern with investment merit far above certain newcomers in the aircraft group, but it produces a relatively narrow range of types and must therefore be classed as more speculative than, say, Bristol Aeroplane, whose results are reviewed in the following Note. The ordinary shares stand at 50s. to yield 5 per cent.

* * *

Bristol Aeroplane Expansion.—As manufacturers of military aircraft and of aero-engines suitable either for military or heavy commercial work, the Bristol Aeroplane Company is assured of large profits on the present scale Air Force expansion. Trading profits, after depreciation, for 1936 thus amount to £387,756, against £300,366 for the previous year. This increase is creditable, but it does not suggest that profit margins are

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excessive. In some respects, it is less remarkable than the steadiness of profits between 1930 and 1933, when the highest profits (£141,950 in 1930) exceeded the lowest (£117,346 in 1932) by a relatively small amount. The company has, in fact, maintained its position both for engines and airframes with remarkable consistency in an industry where fortunes fluctuate with the varying success of new types. Whether the present level of profits can be maintained after the R.A.F. expansion has been completed is another question. But the chairman's speech last year showed that the board is alive to its importance and is developing foreign connections to supersede the present abnormal R.A.F. demand. The profits for the two years of the company's public career are shown below:—

	1935	1936
	£	£
Total profit after depreciation ...	302,627	388,400
Tax ...	65,000	80,000
Preference dividend ...	23,250	22,875
Earned for ordinary ...	*209,877*	*272,213*
Ordinary dividend ...	103,500	203,625
Earned % ...	*43·6*	*30·1*
Paid % ...	22½	22½
To reserve ...	100,000	100,395
Carried forward ...	40,233	8,426

Despite the doubling of the capital during the year, the 22½ per cent. dividend is maintained with a comfortable margin, while, in addition to £100,395 transferred from profit and loss, general reserve receives £899,605 from the premium on the issue of June, 1936, bringing the total up to £1,100,000. Of the proceeds of the issue, nearly £700,000 net, after depreciation, has gone to plant extension, and just over £700,000 has been absorbed by extra stock and work in progress. Though surplus liquid assets amount to £1,197,000 (against £311,000 last year) the cash holding is only £210,103. That would be ample if the business were stationary, but if expansion continues, or if rising prices require larger sums for working capital, a further issue of moderate size would not be out of the question. At 49s. 6d., cum the final 15 per cent. dividend, the shares yield £4 13s. Though capable of some further recovery, the price is unlikely to approach this year's high of 64s. 6d. until the post-expansion prospect is clearer.

* * *

Richard Thomas's Future.—Sir William Firth's speech at the Richard Thomas meeting on Thursday was, as usual, full of important information. The company produced very full accounts, with consolidated balance-sheet and profit-and-loss statement, but the rapidity of the group's development and the magnitude of its scale of operations have suggested to the market a number of questions to which only Sir William could give a reply. First and foremost, Sir William dealt with the developments of Ebbw Vale and Redbourn. Technically, both are proceeding satisfactorily. The strip mill—about the technical merits of which Sir William was as convinced as ever, a conviction supported by the increasing adoption of the "Armco" Mills in the United States—will be finished in June, 1938, and the Ebbw Vale blast furnaces should both be in production in six months' time. The cost of the programme will exceed the prospectus estimates of £8,500,000 by a margin of £700,000-800,000—a margin due in part to extra construction and in part to higher construction costs. But Sir William is confident that the cost will not be beyond the company's resources. It appears that some £2,000,000 will be required over and above the proceeds of the issues of capital, but the group is at present so prosperous that Sir William hopes to be able to finance the work without new recourse to the capital market. Secondly, Sir William is optimistic about the group's earning power. About one-half of the group's profit comes from sheets and tinplates—the rest comes from coal, steel (at Redbourn and elsewhere) and the miscellaneous investments, which are very profitable (investments as a whole yield over 21 per cent. on the book value). Now, the tinplate and sheet mills are working at 78 per cent. of capacity, compared with 62 per cent. a year ago, and the export figures show the rapid improvement which is taking place. When the strip mill comes into operation, the output from existing mills will be reduced, but Sir William announced that he intends to "operate our existing plant as fully as any similar plant owned by competitors is operated"—an intention which would involve a fall only to 65 per cent. of capacity if demand were maintained at its present level. Moreover, Sir William pointed out that his company's control of the "Armco" patents in this country protected the group against competition from other British strip mills—an interesting and rather typical commentary upon the projects which have been attributed to John Summers and Company, the Shotton sheet-makers. On the whole, therefore, it was an optimistic speech. Time will show whether Sir William's optimism is justified, but certainly the group's profits are now running far ahead of prospectus estimates, and the medium-term outlook for the shares is promising.

* * *

Powell Duffryn Meeting.—It is remarkable to find a South Wales colliery concern straining its available resources to meet current demand, and unable to obtain a sufficient supply of skilled labour. Such striking points from Mr E. L. Hann's speech to Powell Duffryn Associated Collieries suggest that investors may have to revise their ideas about the depressed areas. But lest ordinary stockholders of Powell Duffryn should rashly assume that roses now grow where only thistles thrived, the chairman was at pains to point out that the group's improvement was of essentially recent growth. And since it comes at a relatively advanced stage of recovery, the undertaking is unable to augment its equipment so rapidly or so cheaply. But the merger of the Powell Duffryn Welsh Associated pits is now in a position to show its benefits on a larger scale—nor, indeed, have these advantages been exhausted. Consequently, the chairman was able to express himself more optimistically than on any occasion in recent years. The labour settlement has removed a handicap which has frequently been felt with special force in South Wales. The main problem, however, still lies before the group—that of regaining lost export trade, and indeed of maintaining what is left, in a context of subsidised exports. It seems probable, however, that a general recovery in export trade must in some measure be shared by the South Wales coal exporter, and in the meantime he has the advantage of an expanding home market in which sales are now controlled. Powell Duffryn ordinary, in short, seem reasonably valued at 24s. 9d. on the basis of a 7 per cent. dividend.

* * *

Anglo-Dutch Plantations of Java.—An impressive increase in profits is reported by this important plantations concern, and its £1 ordinary stock units have risen from 24s. last year to the present price of 38s. 6d. with good reason. The dividend is increased from 4 per cent. to 7 per cent., but the profits of the Dutch operating company are even more striking, for they show an increase from 1.5 million florins to 4.1 millions. Translated into sterling terms, the Dutch company has provided £538,593 (from which £206,879 has been deducted for depreciation and other provisions) compared with £182,516 for the previous year. The parent company's revenue expansion is shown below:—

	1934	1935	1936
	£	£	£
Total receipts ...	167,524	152,244	355,937
Fees and charges ...	16,228	15,416	16,643
Debenture interest ...	49,268	44,121	41,910
Tax reserve ...	...	...	20,000
Pensions fund ...	...	...	10,000
Ordinary stock:—			
Earned ...	*102,028*	*92,707*	*267,384*
Paid ...	98,300	100,000	210,000
Earned (%) ...	*4·2*	*3·8*	*9·6*
Paid (%) ...	4	4	7
Carried forward ...	88,067	80,774	88,159†

† After transferring £50,000 to general reserve.

Analysis of the report shows that sisal was the most profitable crop, with rubber placed second. Tea ranked third as a producer of profits but provided a much smaller increase in revenues than tapioca. The past year's progress, therefore, is associated to a considerable extent with the success of two of the less familiar crops. The distribution policy of the group appears to have taken due account of the fact that, but for the advance in sisal revenues, the past year's substantial depreciation provisions would not have been possible. The current year's profits should still reflect good sisal profits, but the rubber plantations should provide a bigger proportion towards gross revenues. The company's financial position is strong, and the prospects of a further substantial increase in dividend are evidently not being ignored, for the ordinary stock yields no more than £3 13s. per cent.

* * *

Associated Tin Mines of Nigeria. — During 1936 this company—by far the largest producer in Nigeria—obtained a gross income of £495,220, against £379,930 in 1935, while the accounts were credited with £19,050 recovered from advances previously written off as compared with less than £200. On the other hand, expenses under almost every heading were higher, while £50,000 was set aside for income tax, against only £15,000. No further sums, however, were written off investments, although £15,000 was required in the previous year. An increase of 2½ per cent. to 20 per cent. in the total dividend total was covered by available profits. On this basis, the 5s. shares at the current quotation of 12s. 9d. yield about 8 per cent. A decrease of some 2,200 tons in the ore reserves is attributed chiefly to deletions of isolated blocks. Actually it is considered that much of the ground thus rejected will be workable when the drag line comes into operation. In any case, the total of 48,450 tons represents some sixteen years' supply at the 1936 rate of output. Reference is made on a later page to the impressive dividends and profits announced by a number of Malayan producers this week.

* * *

Other Company Results.—Reports from industrial companies are showing signs of a seasonal decline, and the total of fifty-four additional companies whose reports are analysed on page 158 includes a number of rubber results. Among the industrial reports are those of *Tankers, British Plaster Board, Hecht Levis and Kahn,* and *Steel Barrel Scammells.* The results are discussed under the heading "Shorter Company Comments" on page 157.

* * *

Company Meetings of the Week.—Reports of this week's company meetings will be found on page 149 onwards. The speeches at the Powell Duffryn and Richard Thomas meetings are discussed on the preceding page. At the Millar's Timber and Trading Company meeting, Mr James White discussed the well distributed increase of the company's trade and the important effect of the Australian prosperity on the company's fortunes. Mr Sandford Poole discussed the reasons for setting up a dividend equalisation account at the Trustees' Corporation meeting. At the South African Breweries meeting, Mr Stroyan declared that a recent inspection of the South African business had left him much impressed with its recent development and with the efficiency of the Union Government. Lord Samuel gave a detailed account of the progress of Palestine Electric Corporation on Thursday. He disclosed that a further issue of capital was contemplated, and that the Reading power house at Tel-Aviv should be in operation early next year. The chairman also gave a provisional viewpoint regarding the effects of the Royal Commission's findings on the undertaking.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: JULY 20 ACCOUNT: JULY 22

THE second week of the account is proving much less impressive than the first—a fact which is conveniently, and probably truthfully, attributed to the critical calm in the Spanish situation. The tone is good, but there is too little business to prevent last week's favourites from shedding a few pence of their gains each day. Apart from active dealings in the new corporation scrips, there were but few exceptions to the general indifference of the market.

Gilt-edged obtained a certain amount of support at first, with War Loan and 3½ per cent. Conversion fractionally higher. This improvement was continued on Tuesday but by mid-week the market appeared to have lost its steam. But National Defence Bonds rose ⅛—the first movement in a week—while Funding 2¾ per cent. were suddenly in good demand. In the corporation market, the L.C.C. scrip advanced further to ⅞ premium, while the Cape Town stock at one time reached 1¼ premium before closing on Wednesday at ⅞ premium.

War clouds over Peking depressed both Chinese and Japanese issues. The Chinese railway issues were among the worst victims, with falls of up to 3½ points on Tuesday. A further fall in mid-week was arrested by premature reports that troops might be withdrawn. Greek issues were stimulated by anticipations of the forthcoming debt negotiations, but South American issues generally ruled dull.

Home rails were dull at the beginning of the week, and relapsed into a dividend waiting mood, uninspired by moderately good traffic returns. London Transport "C" stock provided the only feature with a partial recovery after its recent falls. Argentine issues registered featureless declines, both in the ordinaries and prior charges.

The industrial market was quiet throughout the week, and while buyers supported the leading issues at times, the general trend was towards slightly lower levels. The revival in Wall Street stimulated the international section. Cable and Wireless were quoted in the new form, with the ordinary opening at 84, and closing at 82 in mid-week. Last week's higher prices for steel shares were not maintained, but among coal issues Wm. Cory resisted the fall for a time. Motor shares remained quiet, recording small falls, while aircraft shares were similarly uncertain in their movements. The Bristol and Handley Page reports (discussed on page 141) were of no assistance to the shares.

Bovril deferred improved on the resumption of interim dividends, but International Tea were affected by the frank explanation of the recent fall in profits at this week's meeting. Scribbans, too, were a weak feature until the reduced dividend proved better than expected. Moderate support was accorded to brewery shares at first, Guinness rising in anticipation of the dividend, while provincial support was reported for other issues. Distillers, however, led a mid-week decline. Tobacco shares were uninteresting but steady. Shipping shares at first received moderate support, but lost a little ground later. Furness Withy fell on the dividend which, as explained on page 138, was hardly up to the market's expectations. Among the miscellaneous industrials, changes were rarely of moment. Apart from a sharp rise in Consolidated Signal and some intermittent support for building material shares, prices were generally lower.



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In the oil market business has been extremely restricted. Prices tended downwards, and even when the non-intervention crisis receded, there was little sign of recovery. On Tuesday, indeed, Shells were marked up ¼, but they fell again later. Excellent American consumption figures have passed unnoticed.

Rubber shares told the same story. The commodity price proves unresilient, and exports seem likely to fulfil quota requirements. In the circumstances, complete inactivity and stationary prices are natural. Tea shares, by contrast, seem almost prosperous. The public have been showing quite considerable interest, the turnover, though much smaller than a few weeks ago is not to be despised, and prices have generally moved up. The chief gains have been shown by Indian shares.

In the Kaffir market the pervasive inertia has again been in evidence. Prices have fallen all round, particularly those of Rand Mines and Anglo-American. Dealers were driven to amusing themselves on Tuesday by doing a vast business in a well-named but fictitious share called Rocks, but on Wednesday there was not even a hoax to play with. Copper shares show much the same experience. There was some business on Monday, and a few quotations rose, but Rhokanas led a decline later. Base metals have been inactive with a few sporadic movements. The only bright spot in this section has been the rise in tin shares, the drought in Malaya leading, curiously enough, to optimism about the future earnings of Malayan concerns. Despite professional profit taking many prices moved up through public buying, and Siamese were especially favoured with a rise of 3s. between Monday and Wednesday.

"FINANCIAL NEWS" MARKET INDICATORS

	July 8	July 9	July 12	July 13	July 14	July 15
Approximate total of bargains recorded in S.E. List	8,000	8,555	9,415	7,055	8,390	7,985
Corresponding day 1936	*8,744*	*9,681*	*8,797*	*9,496*	*8,306*	*9,125*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	111·2	111·7	111·1	111·0	110·7	110·4
Index of 20 Fixed Interest Securities (1928=100)	127·5	127·4	127·4	127·4	127·3	127·2

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

ACTUARIES' INVESTMENT INDEX

THE Actuaries' Investment Index of 177 industrial ordinary shares stood on Tuesday last at 82·8, as against 82·1 a week ago and is unchanged over the past month. The respective percentage yields are 4·36, 4·40, and 4·36. The majority of the component indices, of which a selection is given below, show an advance during the week:—

Group (and No. of Securities)	Prices (Dec. 31, 1928=100) Month ago (June 15, 1937)	Week ago (July 6, 1937)	This week (July 13, 1937)	Yield (%) Month ago (June 15, 1937)	Week ago (July 6, 1937)	This week (July 13, 1937)
Electric light and power (16)	118·0	116·7	117·6	4·53	4·58	4·54
Iron and steel (12)	72·4	73·8	75·4	5·12	5·15	5·05
Oil (5)	93·4	94·6	95·6	5·94	6·94	6·65
Electric supplies (10)	143·3	144·1	146·0	4·39	4·44	4·38
Home rails (4)	78·2	78·7	80·5	2·77	2·72	2·68
Stores and catering (17)	77·3	73·6	75·2	3·95	3·89	3·85
Breweries and distilleries (21)	145·2	143·8	145·1	4·38	4·44	4·39

NEW YORK STOCK EXCHANGE

OPERATORS on Wall Street retained their new-found confidence this week, and prices have been very well held after a substantial rise on Monday. Various reasons are given for the change in attitude from the pessimism which had prevailed for so many months. Wall Street seems now to be erecting its hopes for recovery on the defeats of others; defeat for Mr. Lewis in his battle with the independent steel companies, and a possible defeat for the President in his battle to get his Supreme Court proposals through Congress. So long as they win their campaigns both the President and Mr. Lewis can afford to lose single battles, and Wall Street would be rash to rejoice too soon merely for this reason. Fortunately for the investor in American securities, there are much more substantial reasons for anticipating a reasonably long life for the present recovery movement on Wall Street. The pressure of economic recovery cannot for ever be ignored, and there are signs that the summer industrial recession may be neither as marked nor as long as had been expected. At the beginning of the week steels, oils and a variety of industrial issues were in the lead, and the expectation of a bumper wheat crop at excellent prices for farmers encouraged mail order and agricultural implement stocks. Subsequently there was a swing between rapid improvement and profit-taking, but the tone remains firm to strong. Electricity output for the week ending July 10th was 7·2 per cent. higher than for the corresponding week of last year, and steel mill activity has almost completely recovered from the effects both of strikes and of holidays.

	July 7, 1937 (Close)	July 14, 1937 (Close)	July 15, 1937 (Latest)
1. Rails & Transport			
Atchison	81⅛	80⅛	80⅛
Balt. and Ohio	30	28⅛	28
B.M.T.	21⅛	19⅛	19⅛
Can. Pacific	12⅛	11⅛	11⅛
Ches. and Ohio	56⅛	55	54⅛
Gt. Nthn. Rly. Pf.	51⅛	50	49⅛
Illinois Central	25⅛	24⅛	24⅛
N.Y. Central	40⅛	39⅛	40
Nor. Pac.	30⅛	29⅛	29⅛
Pennsylvania R.R.	40⅛	39⅛	39
Southern Pac.	47⅛	46⅛	46⅛
Southern Rly.	32⅛	31⅛	31⅛
Union Pac.	129	131	130
Greyhound Cp. New	16	16⅛	16⅛
2. Utilities and Communications			
Am. Waterworks	18⅛	18⅛	18⅛
C'wealth & S'thern	2⅛	2⅛	2⅛
(Cons. Gas of N.Y.) now Cons. Edison	35⅛	36⅛	36⅛
Col. Gas & Electric	12⅛	12⅛	12⅛
Elec. Bond & Share	17⅛	18	18⅛
Nat. Pwr. and Lt.	10	10	9⅞
North American	26⅛	25⅛	25⅛
Pac. Gas & Electric	29⅛	30⅛	30⅛
Pac. Lighting	43⅛	44⅛	44⅛
Pub. Service N.J.	42	41	41⅛
Stan. Gas & Elec.	8	7⅞	8⅛
United Corp.	5	5⅛	5⅛
United Gas Imp. xd	13⅛	12⅞	13
Am. Tel. & Tel.	169⅛	169⅛	169½
Int. Tel. and Tel.	12	11⅞	12
Western Union	49⅛	46	46½
Radio	9⅛	9	9⅛
Radio B. Pref. New	69⅛	69⅛	...
3. Extractive and Metal Industries			
Am. Rolling Mills	37	37⅛	36⅞
Beth. Steel xd	90½	92⅛	92⅛
Beth. Steel Pref. xd	116	118⅛	119
Republic Steel	38⅛	39⅛	40
U.S. Steel	107	113⅛	114⅛
U.S. Steel Pref.	132⅛	133⅛	134
Alaska Juneau xd	12⅛	12	...
American Metal	51⅛	51⅛	...
American Smelting	90	91⅛	91⅛
Anaconda	56	55⅛	55⅛
Bohn Aluminium	40⅞	43	...
Cerro de Pasco	69⅛	71	70⅛
Int. Nickel	61⅛	61⅛	61⅛
Kennecott xd	60⅛	59⅛	59⅛
Patiño Mines	15⅛	15	14⅞
Texas Gulf Sulph.	35⅞	36⅛	36⅛
U.S. Smelt xd	92	91	88⅛
Vanadium Corp.	29⅛	30⅛	30⅛
Atlantic Refining xd	31⅛	30⅛	30⅛
Phillips Petroleum	59⅛	61⅛	61⅛
Shell Union	28⅛	28	28⅛
Shell Union Pref.	104⅛	104⅛	...
Socony Vacuum	20⅛	21	21⅛
Stand. Oil Calif.	43	44⅛	44⅛
Stand. Oil N.J.	68⅛	70⅛	70⅛
Texas Corp. xd	61⅛	63	63⅛
4. Manufacturing			
Briggs	43	41⅞	42⅛
Chrysler	106⅛	101⅛	101⅛
Electric Autolite	39⅞	38	38
General Motors	53⅛	52⅛	52⅛
Hudson Motor Car	16⅛	15⅝	15⅝
Murray Corp.	12⅝	12⅛	12⅛
Nash Kelvinator	19⅛	18⅝	18⅛
Packard Motor Car	9⅛	9⅛	9
Bendix Aviation	20⅛	19⅝	19⅝
Boeing Airplane	31⅞	33	33
Douglas Aircraft	61⅛	57⅛	58⅞
United Aircraft	29⅞	30⅛	30⅛
Air Reduction	72	72⅛	72⅛
Allied Chem. xd	229	230	231
Col. Carbon	121	121⅛	121⅛
Comm. Solvents	14⅛	13⅜	13⅜
Dupont	158⅛	156	160
Union Carbide	102⅜	103	102⅛
U.S. Ind. Alcohol	31	31	...
Allis Chalmers	65⅛	68⅛	69
General Electric	55⅛	56⅛	56⅛
Westinghouse	149	146	148⅝
American Can. xd	101⅜	104	103
Addressograph	30	30⅛	31⅛
Caterpillar	93⅛	97	96⅛
Cont. Can. xd	56⅛	55⅞	55⅞
Ingersoll Rand	125⅞	129⅛	...
Intntl. Harvester	109⅛	113⅛	114
Johns Manville	128⅛	130	129
Am. Radiator	21⅛	20⅞	20⅛
Corn Products	63	63⅛	64
J. I. Case and Co.	167	173	...
Glidden	45⅛	45	45
Gen. Am. Transpt.	67	68	...
Allied Mills	22	23⅛	...
Celanese of Amer.	38⅛	36⅜	36⅛
Ind. Rayon New	39⅛	38	38
Colgate Palmolive	19⅛	18⅛	19
Eastman Kodak xd	178⅛	178⅛	178⅛
Gillette xd	15	15	14⅝
United Air Lines	17⅞	17⅛	17⅛
Lambert Co.	19⅛	19⅛	19⅛
Loews xd	81⅛	80	80
20th Century Fox	35⅛	35⅛	35½
5. Retail Trade and Food			
Montgomery Ward	60⅛	61	61⅛
J. C. Penney Co.	93⅛	96⅛	...
Sears Roebuck xd	91⅛	91⅛	91⅛
United Drug	12	12⅛	12
Walgreen xd	29	29	...
Woolworth	47⅛	45⅛	45⅛
Borden	23⅛	23⅛	23⅛
Gen. Foods	37⅛	38	37⅛
Kroger Grocery	20⅛	21⅛	21⅛
Nat. Biscuit xd	25	23⅛	23
Nat. Dairy	20	20⅛	20⅛
Standard Brands	12⅜	12⅛	12⅛
Am. Tobacco B.	78⅛	78⅛	76⅝
Liggett Myers B	98⅛	98⅛	...
Lorillard	22	22⅛	22
Reynolds Tob. B.x	50	50⅛	50⅛
National Distillers	30⅞	30⅛	30⅛
Schenley Distillers	42	43⅛	43⅛
6. Finance			
Commercial Credit	62⅛	63	62⅛
Atlas Corp.	15⅛	15⅛	15⅛
Com. Invest. Trust	65⅛	67	67

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

	1936 Lowest Apr. 29	1936 Highest Nov. 10	1937 Lowest June 16	1937 Highest Mar. 10	Beginning of Year 1937	June 30, 1937	July 7, 1937	July 14 1937
347 Industrials	112·7	145·9	130·2	155·7	143·2	132·2	139·3	140·2
32 Rails	42·8	60·2(b)	49·8(d)	84·5(f)	54·6	49·8	53·4	52·4
40 Utilities	91·2	111·0(e)	99·3	116·4(i)	111·7	90·6	95·7	95·5
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	111·7	117·8	118·3
Average yield*	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (g)	3·53%	4·38%	4·13%	4·12%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (i) January 13th.

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

Highest*	Lowest†	July 7	July 8	July 9	July 10	July 12	July 13	July 14
180·3	147·4	159·2	159·3	158·8	158·3	161·0	159·9	159·6

*March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	July 8	July 9	July 10*	July 12	July 13	July 14
Stock Exchange—						
Shares (No. Thous.)	1,030	850	300	1,020	850	1,040
Bonds (Thous. $)	9,260	7,560	2,770	8,780	6,500	6,900
Curb—						
Shares (Thous.)	273	236	73	216	213	240

* Two-hour session.

CAPITAL ISSUES

THIS week's feature in the new issue market is the revival of activity in the corporation loan market, to which we refer on page 139. The week opened with the biggest "stag" of the year in the fixed interest market, in the issue of *Cape Town* 3½ per cent. stock redeemable 1957 at 98. This stock, cheaper by 2½ points and five years' life than the *Blackpool* issue was eagerly taken up by investors not requiring the cachet of trustee status, although with a twenty-year single date it falls among the "medium-longs." The results of the Blackpool issue were not known as we went to press, but market report suggested a vast over-subscription. Recent corporation scrips are now fully taken up, and the absorptive powers of the market are not likely to be tested severely by the next issues in the queue, provided that they are maintained at moderate size, and the present terms are observed. Success has also attended the *Grimsby, Cleethorpes and District Water Board* issue of 3½ per cent. stock 1952–62 at 99. This is a new Board which acquires several water undertakings in its district. It should enjoy the excellent credit of other water authorities known to the investor. Industrial issues to the public are limited to the 5 per cent. £1 participating preferred ordinary shares of *Sir Lindsay Parkinson* at par. The net assets acquired by this contracting concern are valued at £139,724, and are purchased for £139,824 in loan stock, which is to be repaid from the proceeds of the issue, and £199,900 in deferred ordinary capital. The profits record of the company during the past decade is of somewhat unusual pattern, for peak profits were earned during the depression, and earnings have fallen considerably since 1933. On the directors' estimate of profits, a first dividend of 5 per cent. per annum and participation at the rate of 2½ per cent. per annum should be made in respect of the second half of the current year. If profits average £70,000 (the actual level for 1936) the participation rights should be valuable. But this must be accounted a speculative share, subject to large-scale swings in contracting activity and profits. Statements have been published this week on behalf of *National Industrial Credit Corporation* (a South African concern in which shareholders of Mercantile Credit Company are offered participation), *Jamaica Sugar Estates* (giving particulars of an issue of debenture stock) and *Talliar Estates*.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, July 1 to July 10, 1937: *Dr. £500,000.*

	Nominal Capital £	Conversions £	New Money £
To the Public	2,650,000	...	2,654,750
To Shareholders only	382,722	...	455,225
By Stock Exchange Introduction	1,625,000	...	2,193,750
By Permission to Deal	7,180,228	...	29,820,435

Total Capital Raised—	Including Conversions £	Excluding Conversions £
1937 (New Basis)	383,373,456	336,779,760
1937 (Old Basis)	240,407,650	196,245,889
1936 (New Basis)	283,184,373	195,024,389
1936 (Old Basis)	197,359,714	110,086,990
January 1 to date (Old Basis)—		
1935	224,037,524	112,951,982
1934	283,267,213	110,294,132
1928	...	279,750,156

Total offered for Subscription—	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	286,028,018	49,558,282	1,193,460	336,779,760
1937 (Old Basis)	180,529,900	15,715,989	Nil	196,245,889

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	154,702,735	21,853,644	160,223,381	336,779,760
1937 (Old Basis)	141,063,817	14,863,106	40,318,966	196,245,889
1936 (New Basis)	71,453,234	24,644,769	98,926,995	195,024,398
1936 (Old Basis)	59,286,411	12,242,182	38,558,397	110,086,990
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Blackpool Corporation.—Issue of £500,000 3½ per cent. stock at 100⅛. Redeemable at par July, 1962. Resident population now estimated at 123,000. Rateable value, £1,600,000. Rate of 1d. in £ produces £6,300. Total rate current year 8s. 6d. in £. Net debt outstanding March 31, 1937, £6,355,558, of which £2,045,895 for productive undertakings and £913,693 for houses. £200,000 of present issue to replace short term loans; balance for expenditure on gas, electricity, transport and general municipal purposes. List closed 9.5 a.m., November 14th, heavily oversubscribed.

Cape Town.—Issue of £1,850,000 3½ per cent. stock, of which £500,000 has been applied for, leaving £1,350,000 for subscription at 98 per cent. to provide for extensions to electricity undertaking. Repayable in London at par September, 1957. Population approximately 300,000. Net indebtedness December 31, 1936, after deduction of accumulated sinking funds, £11,315,543, of which £6,601,857 reproductive. Assets, £22,837,305. Estimated revenue for 1937, £2,977,762. Expenditure, £2,885,810. Total units of electricity sold 1936, 167,568,745. Total income £735,382. List closed 9.1 a.m., July 13th. Heavily oversubscribed.

Grimsby, Cleethorpes and District Water Board.—Issue of £450,000 3½ per cent. stock at 99 per cent. To be repaid at par on August 1, 1962, or after August 1, 1952, at three months' notice. Acquires Great Grimsby Waterworks and the supply of water in Grimsby, Cleethorpes, etc. Population, 133,378. Rateable value, £721,633. List closed 9.5 a.m., July 15th. Heavily oversubscribed.

Sir Lindsay Parkinson and Company, Ltd.—Issue of 350,000 5 per cent. cumulative and participating £1 preferred ordinary shares at par. Builders and contractors, £139,824 of issue required to repay the loan capital issued to vendor company. Profits after depreciation years, 1934: £121,213; 1935, £99,549; 1936, £70,109. Net assets acquired £139,724 for £339,724 (goodwill, £200,000).

BY STOCK EXCHANGE INTRODUCTION

Jamaica Sugar Estates, Ltd.—Issued capital, 826,264 2s. 6d. shares. 5½ per cent. first mortgage debenture stock, £130,000 6 per cent. second mortgage debenture stock, £73,988. Incorporated in Scotland June 11, 1924. Cane planters and manufacturers of sugar in Jamaica. Permission to deal sought for £130,000 5½ per cent. debenture stock. Stock purchased by Industrial Finance and Investment Corporation at 98 per cent. and a commission of 3½ per cent. on the nominal amount. Redeemable at 102 per cent. on January 31, 1961, or after January 31, 1952, at 103 at six months' notice.

Talliar Estates, Ltd.—Issued capital, 66,714 £1 shares. 5½ per cent. first mortgage debentures £30,000. Acquires tea and coffee estates in Travancore, India, as from November 1, 1935. The tea export allowance for year ended March 31, 1937, at 59·2 per cent. of the standard crop, was 346,503 lbs. Total assets, £95,214.

National Industrial Credit Corporation, Ltd.—Issue of 250,000 6 per cent. cumulative £1 preference shares at par and 250,000 £1 ordinary shares at par. Incorporated in South Africa to finance hire purchase contracts. Preliminary expenses estimated at £15,500 payable by the company. By arrangement with Edward de Stein and Company all the preference and 125,000 ordinary shares have been underwritten for 3 per cent. commission by Stellard

(*Continued on page 148*)

Basic Facts about the

CANADA LIFE

90th YEAR 1936

NEW BUSINESS £9,648,974

RECEIPTS £7,725,786

PAYMENTS £5,381,790

ASSETS £51,886,330

(including special reserves and undivided surplus totalling) £1,870,724

'Safety and Stability are, first and foremost, the Keynotes of our traditional policy'

CANADA LIFE

Assurance Company

Incorporated in Canada as a Limited Liability Company

ESTABLISHED 1847

Chief Office for the British Isles:

2 ST. JAMES'S SQUARE, LONDON, S.W.1

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to July 14, inclusive Highest	Lowest	Name of Security	Price, July 7, 1937	Price, July 14, 1937	Rise or Fall	Yield July 14, 1937 £ s. d.
				British Funds				
87½	82⅝	84⅞	73⅞	Consols 2½%	74½	75	+ ½	3 6 8
116½	112⅞	113	105⅞	Do. 4% Red. at par on or after Feb. 1957 (n)	106½x	107x	+ ½	3 10 0
102⅛	100	101⅛	94⅞	Conversn. 2½% 1944-49	95¼	95½	+ ¼	2 18 6
105⅝	103⅛	103⅛	97¼	Do. 3%, 1948-53	98	98¼	+ ¼	3 2 6
108⅛	104⅞	106⅜	99⅝	Do. 3½% after 1961	100	100¼	+ ¼	3 10 0
111⅜	107	108	105	Do. 4½% 1940-44	105⅝	105⅝	...	2 10 6
121⅛	116½	117½	111⅜	Do. 5% 1944-64	112¼	112½	+ ¼	3 0 0
95⅜	92⅞	92⅞	84⅞	Funding 2¾% 1956-61	85½	85⅝	+ ⅛	3 7 0
...	...	93⅝	89⅞	Funding 2½% 1953-57	90	90¼	+ ¼	3 7 0
104½	101	101⅝	92⅞	Funding 3% 1959-69	93¼	93½	+ ¼	3 7 0
119⅝	115⅝	116⅝	109	Funding 4% 1960-90	109⅞	110	+ ⅛	3 9 6
117⅛	113⅞	114⅞	107⅝	Victory Bonds 4%	108¼	109	+ ¾	3 11 0
108⅛	104½	105⅜	99⅝	War Ln 3½% after 1952	100	100⅜	+ ⅜	3 9 6
98¼	94⅞	96⅜	85	Local Loans 3%	85½	85⅞	+ ½	3 10 0
103¼	101⅛	101⅝	99¼	Austria 3% 1933-53	100x	100x	...	3 0 0
76½	70¼	72	62	India 2½%	63½	65½	+2	3 16 3
89½	83¼	85½	74⅝	Do. 3%	76	77	+1	3 17 11
100	96	98⅝	87	Do. 3½%	90	91	+1	3 16 11
120⅝	116	119⅝	112½	Do. 4½% 1958-68	113½	113½	...	3 11 3
107	104	105⅝	103½	U.K. & Arg. 4%A (1947)	103½	103½	...	3 11 6
				Dom. & Col. Govts.				
113⅞	109½	109⅞	105	Australia 5% 1945-75	105	106	+1	4 2 2
106¼	102⅞	104¼	101	Canada 4% 1940-60	104	104	...	2 16 3
118⅝	114	116¼	112⅝	Gold Coast 4½% 1956	113	113	...	3 10 1
120	117	117¼	114	Nigeria 5% 1950-60	114x	114x	...	3 12 5
114½	108	109⅞	104	N. Zealand 5% 1946	105	106	+1	4 2 2
109¾	106⅞	107⅞	104	Queensland 5% 1940-60	104	104	...	3 11 5
117⅛	113⅞	114	110½	S. Africa 5% 1945-75	111	111	...	3 8 2
				Foreign Governments				
...	...	103	97	Argentine 4½% Str. Bds	100x	100x	...	4 10 0
102	90	105	98	Austria 7% 1957	103x	103x	...	6 14 4
93	82	90	84½	Do. 4½% 1934-59	85	85½	+ ½	5 13 6
72½	71½	73	68⅝	B. Aires (Prov.) 3½%	72	71½	− ½	4 19 0
97⅞	95¼	100⅜	96	Belgian 4% red. by 1970	100	100	...	4 1 0
27½	14	28½	24½	Bulgaria 7½% Loan	27½	27½	...	9 1 10m
83⅞	65½	89	84	Brazil 5% Fund. 1914	89	88½	− ½	5 13 0
23⅞	16	28	23¼	Chili 6% (1929)	25	24½	− ½	2 9 0v
84¼	66	94½	81¼	China 5% (1912)	94½	89	−5½	5 12 4f
95½	80	101⅛	93¼	Do. 5% (1913)	100x	95x	−5	5 5 3f
112	95½	105½	103½	Czechoslovakia 8%	105½	105½	...	7 10 0
110	98	100	92½	Danish 3%	96x	96x	...	3 2 0
70	57	72⅞	51½	Danzig 6½%	62½	60½	−2	10 14 9
106½	102	105⅝	101	Egypt Unified 4%	101	101½	+ ½	3 18 6
25⅞	17½	18	13½	French 4% (British)	14½	14½	...	5 14 0
69⅞	53	65	53	German 7% Dawes Ln.	65	65	...	10 15 3
46	34	49½	35	Do. 5½% (Young Ln.)	47½	46	−1½	11 19 3
40	29	36½	30	Greek 6% Stab. Ln.	33½	35½	+2	7 5 0w
45½	35½	44⅞	38	Do. 7% Refugee	41½	43½	+2	7 6 0w
52	39½	62	47½	Hungary 7½%	62	60½	−1½	6 4 0h
90½	79½	88⅞	77½	Japanese 5½% 1936-65	85½x	82½x	−3	6 18 0
97¼	83	94⅞	88¼	Do. 6% (1924) red 1959	94	88½x	−2½	7 1 0
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 9 0
53¼	41	61	54	Peru 7½% 1922	60	60	...	...
93¼	60	83	56	Poland 7%	57	59	+2	11 17 3
15½	8⅞	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113	113½	+ ½	4 3 0
92½	79	95¼	91	Do. C. Certs. (3% Max.)	95	95½	+ ½	3 2 10
				Corporation Stocks.				
27⅞	22	25	22	Berlin 6% 1932-57	25	25	...	...
119¾	116	118	111	B'mgham 5% 1946-56	114	114	...	3 3 8
120	117	119	113¼	Bristol 5% 1948-58	116	116	...	3 9 0
84	64	82	64	Danzig 7% 1935-45	72½	70	−2½	10 0 0f
121½	117½	119½	116	E. London 5% 1960-70	116½	116½	...	3 18 0
106⅞	103	103⅞	100½	Johannbg. 5½% 1937-52	101	101	...	5 9 3f
97⅞	93½	95½	83¼	L.C.C. 3%	84	84	...	3 11 5
106½	85½	103½	97⅞	Seine (Dpt of) 4½% 1952	99x	98½x	− ½	4 11 6

Prices, Year 1937 Jan. 1 to July 14, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, July 7, 1937	Price, July 14, 1937	Rise or Fall	Yield July 14, 1937 £ s. d.
				Public Boards				
120¾	111	2½	2½	Central Elec. 5% 1950-70	114	114	...	3 14 0
				London Passenger Transport Board—				
123⅞	110½	2¼	2¼	4½% "A" 1985-2023	116½	116½	...	3 14 0
135	121½	2½	2½	5% "A" 1985-2023	125½	125½	...	3 16 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 4 9
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 0
99⅞	77	2½(b)	1½(a)	"C" 1956 or after	78	79½	+1½	5 0 8
90½	86	1½	1½	Met. Wat. Bd. "B" 3%	88	88	...	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 7 2
				British Railways				
65½	55⅞	½(a)	2½(b)	G. Western Ord. Stk.	64	64½	+ ½	4 13 0
6½	4⅞	Nil	Nil	L. & N.E'st'n Def. Stk.	5⅛	5½	+ ⅛	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	10	10½	+ ½	Nil
100⅛	89⅞	4½(c)	5(c)	Do. 5% Pref. 1955	96	96	...	5 7 2
29½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	27	28	+1	1 15 9
79½	64½	3½(c)	4(c)	Do. 4% 1st Pref. Stk.	73	73½	+ ½	5 8 10
38½	27⅞	Nil(c)	1½(c)	L.M.S. Ord. Stk.	33⅞	34	+ ⅛	3 13 6
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	77⅞	79	+1⅛	5 1 3
92½	80	2(a)	2(b)	4% Pref. Stk.	87	87	...	4 12 0
27⅞	21⅜	Nil(c)	½(c)	Southern Def. Stk.	22½	22½	...	2 4 11
98½	87⅞	1(a)	4(b)	Do. 5% Pref. Ord. Stk.	92	93	+1	5 7 6
128½	108	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 5 10
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	20	...	Nil
17½	9⅞	Nil	Nil	B.A. & Pacific Ord. Stk.	10½	10½	...	Nil
36⅞	24½	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25½	25½	...	Nil
31⅞	20	Nil	Nil	B.A. Western Ord. Stk.	23	23	...	Nil
34⅞	24½	Nil	Nil	C. Argentine Ord. Stk.	25½	25½	...	Nil
18	3½	Nil	Nil	C. Uruguay Monte V.	4	4	...	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	13	12	−1	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	87½	87½	...	2 5 9
37	35	2(c)	2(c)	Costa Rica Ord. Stk.	36	36	...	5 11 0
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11½	11	− ½	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk	25	25	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	86	†2(a)	†3(b)	San Paulo Ord. Stk.	89½	90½	+1	5 10 6
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5⅛	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 14, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, July 7, 1937	Price, July 14, 1937	Rise or Fall	Yield July 14, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0e
376	334½	6(a)	6(b)	Bank of England Stk.	340½	342½	+2	3 10 0
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/6x	75/-x	−6d	3 14 0
48/3	40/-	3(b)	2½(a)	Barcl. (Dom. &c.) A £1	42/6	42/6	...	2 13 6
10⅝	9¼	3½(a)	4½(b)	Bk. of Australasia (£5)	9⅝	9⅝	...	4 3 3
£49½	£44⅜	8(c)	8(c)	Bk. of Montreal ($100)	£46½	£45½	−£1	3 12 6e
29⅝	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27½	27½	...	3 3 0
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	95/-	...	6 6 4
17	14⅜	7(a)	7(b)	Chtd. of India (£5)	15¼	15	− ¼	4 13 3
15/9	14/4½	(o)3⅓(a)	(o)3⅓(b)	Comcl. Bk. of Aus. 10/-	15/-	15/-	...	3 10 6e
94/-	84/-	16⅔(b)	16⅔(a)	District A £5, £1 pd.	85/-	85/-	...	3 18 3
58/-	51/-	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	95/-	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	10⅞	10⅞	...	4 2 3
£121⅞	£109⅜	£3(b)	£2½(a)	Hong. and S. ($125)	£119	£116	−£3	4 17 0
69/-	59/9	6(b)	6(a)	Lloyds £5, with £1 pd.	61/-	61/-	...	3 18 6
10⅛	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9⅛	9⅛	...	3 15 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	91/-	91/-	...	3 10 0
44⅞	39	4(a)	11(b)	Nat. of Egypt £10	40½	39½	−1	3 15 6
47⅞	39	9(a)	9(b)	Nat.ofIndia £25,£12½pd.	42	42	...	5 8 0
16⅞	14⅜	15(b)	15(a)	Nat. Prov. £20, £4 pd.	14⅞	14⅞	...	4 0 3
496	463	8½(a)	8½(b)	Royal Bk. of Scotland	469	465	−4	3 13 0
16½	14⅛	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 4
101/4½	90/9	18(b)	18(a)	Westminster £4, £1 pd.	93/6	93/6	...	3 16 0
				Discount Cos.				
94/6	65/-	10(b)	7½(a)	Alexanders £2, £1 pd.	67/6x	67/6x	...	5 3 6
6⅞	5¼	5(b)	5(a)	National A £2½ flly. pd.	6¼	6¼	...	4 0 0
16⅛	13½	17(b)	9(a)	" B £7½, £2½ pd.	14	13½	− ½	4 16 0
54/9	44/3	6½(b)	3¾(a)	Union £1 of stock	46/3x	45/-x	−1/3	4 9 6
				Insurance				
32	26⅞	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15⅜	13⅞	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	14½	14½	...	2 16 0†
10⅜	9⅞	20(a)	20(b)	Com. Un. £1, fully pd.	10½	10½	...	3 18 0
6⅛	5⅞	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd	5⅜	5¼	− ⅛	3 2 0
35⅞	29⅞	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30	30½	+ ½	3 6 0
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer.,£1¼,fy. pd.	12⅛	12¼	+ ⅛	2 12 0
21½	18⅞	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22¼	19	†26½(b)	†25(a)	Pearl (£1), fully paid	20	20½	+ ½	2 10 6†
16⅜	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16½	16½	...	3 14 6
37⅞	33½	†93⅓(c)	†95⅓(c)	Prudential £1 A	33½	34	+ ½	2 16 6†
114/-	103/9	†43⅓(c)	†50(c)	Do. £1, with 4s. paid	108/9	107/6	−1/3	1 17 6†
11⅛	9⅛	11(a)	19(b)	Royal Exchange (£1)	10⅛	10⅜	+ ¼	2 18 0
9⅞	8⅛	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅝	8⅞	+ ⅛	3 12 6
19½	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A£20,£1pd.	17	17	...	3 14 0
93/-	80/-	1/3(a)	1/5(b)	Sun Insur.,£1with5/-pd.	85/-	85/-	...	3 2 0
8⅞	7¼	†8(b)	†10(a)	Sun Life Assur., £1,fy pd	8¼	7⅞	− ½	2 6 0
21	18½	†17½(a)	†30(b)	Yorkshire £1, fully pd.	19	19	...	2 11 0†
				Investment Trusts				
311½	277	3½(a)	8½(b)	Anglo-American, Deb.	282	282	...	4 5 1
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	72½	70½	−2	4 5 1
9/8½	5/3	1(c)	Nil(c)	Atlas Electric, etc. £1	5/9	5/9	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	12/6	12/-	−6d	3 1 9
258	233	6(b)	4(a)	Debenture Corp. Stk.	236½	235½	−1	4 5 0
91	85½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	144½	2½(a)	4(b)	Guardian Investment	144½x	144½x	...	4 10 0
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	270	265	−5	4 3 0
336	290	5(a)	8(b)	Invest. Trust Def.	295	290	−5	4 9 8
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	270½	8(b)	3½(a)	Mercantile Investment.	273	273	...	4 5 4
181½	172½	3(a)	4½(b)	Merchants Trust Ord.	174½	174½	...	4 6 0
302	288	5(a)	7(b)	Metropolitan Trust	294	294	...	4 1 6
7/9	6/-	1½(c)	2½(c)	Scottish Investment(5/-)	6/6	6/6	...	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	229	8(a)	7(b)	Trustees Corp. Ord.	232½x	230½x	−2	4 6 9
253	222	7(b)	4(a)	United States Debenture	224½	222½	−2	5 0 8
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land,etc. 10/-	16/-	16/-	...	1 11 6
37	28	Nil	Nil	Australian Estates, etc.	28½	28½	...	Nil
45/-	29/7½	6½(c)	10(c)	Brit. S. Africa 15/- fy. pd	33/6	33/-	−6d	4 11 0
30/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	33/1½	33/9	+7½d	5 18 6
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	43/-	†2½(a)	†8½(b)	Daily Mail & General £1	43/-	43/6	+6d	5 3 9†
9⅜	8½	†3½(b)	3½(a)	Dalgety £20 £5 pd.	8½	8½	...	4 13 6
30/6	25/-	3½(a)	5(b)	Forestal Land £1	25/9	27/-	+1/3	6 6 0
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	36/-	36/-	...	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	28/1½	28/1½	...	4 5 3
14½	10½	Nil	Nil	Peruvian Corp. Pref.Stk.	10½	11	+ ½	Nil
18/4½	12/9	3(c)	8(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/3	...	6 14 0
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	46/3	46/3	...	4 6 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	90/-	88/9	−1/3	2 16 3k
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/-	34/-	+1/-	4 14 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	132/-	133/6	+1/6	3 12 0†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	89/6	91/-	+1/6	4 7 9
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	71/-	72/-	+1/-	3 18 0
22/4½	17/10½	6(c)	20(t)	City of London Def. 5/-	19/-	18/6	−6d	5 8 0
94/6	86/6	6(a)	14(b)	Courage Ord. £1	90/-	90/6	+6d	4 7 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	110/-x	109/-x	−1/-	4 2 0
143/-	118/9	17(b)	12(a)	Guinness (A) Ord. Stk.£	135/-	138/9	+3/9	4 4 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	119/-	119/-	...	4 12 6
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/-	...	4 16 0
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	100/-	100/-	...	4 14 9
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	70/-	69/6	−6d	4 19 3
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	79/6	80/-	+6d	4 10 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	105/-	104/-	−1/-	4 6 0
72/9	57/6	4(b)	Nil(a)	S. African Dist. Ord. £1	63/6	65/-	+1/6	1 3 6†
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	43/6	45/-	+1/6	4 9 0
27/6	21/3	5(c)	6(c)	Walker (P) & R. Cain £1	25/-	24/6	−6d	4 18 0
88/-	72/-	12(b)	6(a)	Watney Combe Def. £1	82/9	82/9	...	4 6 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/9	30/6	−3d	7 5 6
4/4½	2/6½	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/9	48/9	...	4 2 0
18/4½	9/-	7½(c)	10(c)	Baldwins 4/-	9/6	9/3	−3d	4 2 6
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 8 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord.10/-	35/9	36/6	+9d	4 3 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	42/6	...	3 15 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	12/6	12/6	...	1 19 3
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	26/9	27/-	+3d	5 2 6
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/3	13/3	...	3 15 0
85/6	76/6	5(a)	15(b)	Cory, William, Ord. £1	85/-	85/-	...	4 12 6
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	51/3	52/6	+1/3	2 5 0
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	73/9	73/9	...	3 15 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	34/4½	34/4½	...	3 8 6†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3⅔% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 14, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, July 7, 1937	Price, July 14, 1937	Rise or Fall	Yield July 14, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	3½(a)	10(b)	Hadfields 10/-	32/-	33/-	+1/-	4 2 6
12/3	6/1½	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/6	6/6	...	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	34/4½	34/4½	...	4 7 3
38/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	35/-	34/4½	−7½d	2 18 0
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/6	17/6	...	2 5 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	14/-	14/-	...	3 8 0
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/3x	24/9x	−6d	5 13 3
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	23/3	23/3	...	5 7 6
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	48/9	48/9	...	4 2 0
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/3	41/6	+3d	5 15 3
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	47/6	47/6	...	5 1 0
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	26/3	27/6	+1/3	4 6 6
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
60/-	52/3	†6(b)	†3(a)	Staveley Coal, &c. £1	58/9	59/4½	+7½d	3 0 7½†
48/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	38/9	39/4½	+7½d	3 16 0
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	31/3	32/6	+1/3	4 12 4
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/6	13/6	...	7 8 0
28/1½	21/3	Nil	Nil	Thornycroft, John, £1	22/6	22/6	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-	8/-	...	3 2 6
$129½	$76½	Nil	Nil	U. States Steel $100	$108½	$112½	+$4	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos.Ord.£1	29/9	30/9	+1/-	4 18 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	28/6	29/3	+9d	3 7 9
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	30/-	33/1½	+3/1½	4 10 6
49/4½	40/10½	6(c)	10½(c)	WeardaleSteel&c.Df.£1	42/6	42/6	...	5 0 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl.£1	112/6x	120/-x	+7/6	5 16 8
83/9	62 6	10(c)	15(c)	Yarrow & Co. £1	65/-	65/-	...	4 12 6
				Textiles				
12/1½	7/0	Nil	Nil	Bleachers £1	7/3	7/3	...	Nil
12/6	7/6	Nil	Nil	Bradford Dyers (£1)	7/9	7/9	...	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord.(10/-)	7/-	7/-	...	Nil
15/6	10/3	Nil	Nil	Calico Printers £1	10/9	10/9	...	Nil
55/-	45/6	10(c)	10(c)	Coats, J. and P. (£1)	46/10½	46/10½	...	4 5 3
58/4	50/9	7(b)	3½(a)	Courtaulds £1	51/3	51/3	...	4 2 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	42/-	42/6	+6d	4 14 0
14/6	9/-	Nil	Nil	Fine Cotton Spinners £1	9/3	9/3	...	Nil
38/3	33/-	3(a)	5½(b)	Linen Thread Stk. (£1)	35/7½	36/3	+7½d	4 13 9
69/8	60/6	†12½(c)	†12½(c)	Patons & Baldwins £1	61/-x	61/3x	+3d	4 1 0†
23/9	16/6	3½(b)	2(a)	Whitworth & Mitchell £1	18/9	18/9	...	4 16 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	47/-	48/-	+1/-	4 1 9
97/6	91/10½	5(a)	15(b)	British Insulated (£1)	95/-	97/6	+2/6	4 2 0
99/9	86/6	5(a)	15(b)	Callenders (£1)	91/3	96/3	+5/-	4 0 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	57/6	57/6	...	1 1 0
37/6	30/-	Nil	Nil	English Electric £1	33/-	33/-	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	79/-	80/-	+1/-	4 7 6
23/-	18/6	3½(a)	15(b)	Henleys (W. T.) (5/-)	19/3	19/3	...	4 14 0
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	41/3	42/6	+1/3	4 15 0
38/-	31/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	3 18 6
				Electric Light, &c.				
$32	$18	40cts.	50cts.	Brazil Trac., no par	$24½	$24⅜	− ⅜	...
78/-	67/-	6(a)	9(b)	Bournemouth & Poole	67/6	67/6	...	4 8 0
31/6	25/6	2(a)	4(b)	British Power & Light£1	26/-	26/6	+6d	4 11 0
38/9	32/-	3½(a)	4(b)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	3(a)	7½(b)	County of London £1	47/6	48/6	+1/-	4 7 6
45/3	38/10½	4(a)	5(b)	Edmundsons £1	40/-	40/-	...	4 10 0
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	33/6	33/6	...	4 7 0
51/3	44/3	3(a)	(g)9½(b)	Metro. Electric £1	45/6	46/-	−1/6	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/-	36/6	+6d	4 6 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	31/6	32/6	+1/-	4 6 0
56/6	45/9	6(b)	4(a)	North Metropolitan £1	47/6	48/-	+6d	4 3 0
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	36/-	36/6	+6d	4 7 0
45/9	38/3	3(a)	5(b)	Yorkshire Electric	39/-	39/-	...	4 2 0
				Gas				
27/-	23/3	5⅜(a)	5⅜(b)	Gas Light & Coke £1	25/3	25/3	...	4 9 3
168½	147½	4(a)	6(b)	Imp. Continental Stk.	150½	150½	...	6 13 0
26/9	23/-	2½(a)	2½(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 7 6
120	107	2½(a)	3(b)	S. Metropolitan Stk.	108½	108½	...	5 1 5
				Motors and Cycle				
52/3	40/7½	†5 5/32(b)	†2 1/32(a)	Assocd. Equipmt. Ord£1	41/3	41/3	...	3 12 9†
60/4½	38/9	50(c)	50(c)	Austin 5/-	43/9	44/4½	+7½d	5 12 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/-	24/-	...	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	32/6	32/6	...	5 0 0
33/9	25/9	5(c)	6(c)	Ford Motors £1	26/10½	26/10½	...	4 9 3
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	3/-	3/-	...	2 10 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	66/3	...	4 10 6
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	95/-	95/7½	+7½d	4 2 0
43/9	36/6	†15(c)	45(c)	Morris Motors 5/- Ord.	37/-	36/9	−3d	6 3 0
15/3	9/9	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/-	73/-	...	6 3 0
6⅛	4⅜	7½(a)	15(b)	Rolls-Royce £1	5⅝	5⅝	...	4 2 0
30/7½	23/1½	15(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	130/-	130/-	...	3 19 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/6	8/9	+3d	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	8⅞	9	+ ⅛	2 4 6
8/7½	6/-	Nil	Nil	Cunard £1	6/6	6/6	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	27/-	28/-	+1/-	2 2 9
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	31/6	32/-	+6d	2 10 0
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/3	24/6	+3d	4 1 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/9x	38/9x	...	3 12 3
59/9	39/3	5(c)	9(c)	Bah Lias £1	40/-	42/6	+2/6	4 4 9
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	27/6	27/6	...	4 6 9
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	36/3	38/9	+2/6	4 2 8
48/9	36/-	2(a)	6(b)	Jokai (Assam) £1	37/6	37/6	...	4 5 0
36/6	26/10½	Nil(c)	5(c)	Linggi Plantations £1	27/6	27/6	...	3 11 6
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/-	5/1½	+1½d	3 18 6
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/6	38/6	...	3 18 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/10½	4/10½	...	4 2 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	42/-	41/6	−6d	4 16 6
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	38/9	38/9	...	6 8 9
132/-	85/3½	5(a)	20(b)	Anglo-Iranian £1	86/10½	86/3x	−7½d	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	38/9	38/9	...	4 16 9
32/3	17/9	Nil	Nil	Attock £1	28/9	28/9	...	Nil
5/7½	3/-	Nil	Nil	Brit.Controlled(V.T.Cts.)	3/4½	3/7½	+3d	Nil
122/6	104/4½	5(a)	22½(b)	Burmah Oil £1	120/-	121/3	+1/3	4 8 9
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	43/9x	44/4½x	+7½d	5 12 0
32/4½	17/6	10d psc	11d psc	Mexican Eagle (Mex.$4)	18/6	17/9	− 9d	4 17 0
11/6	5/7½	Nil(c)	3½(c)	Phoenix Oil £1	6/6	6/6	...	10 16 0
£52½	£42⅝	5(a)	11½(b)	Royal Dutch (fl. 100)	£46	£45⅝	− ⅜	3 1 0
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	108/9	107/6	−1/3	3 14 6†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	136/3	132/6	−3/9	4 2 3
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	49/4½	50/7½	+1/3	5 18 0
				Miscellaneous				
26/3	22/9	5(c)	5(c)	Aerated Bread £1	23/9	23/1½	−7½d	4 6 3
35/-	30/-	8(c)	9(c)	Allied Newspapers £1	32/-	30/-	−2/-	6 0 0
20/3	17/4½	Nil(c)	5(c)	Amal. Dental Def. £1	18/3	17/9	−6d	5 12 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	28/9	30/-	+1/3	4 13 3
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/-)	21/-	21/-	...	5 3 6
18/1½	12/6	7½(b)	7(a)	Assocd. Brit. Picture 5/-	14/9	14/9	...	4 16 0
24/3	21/-	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	22/-	22/-	...	6 0 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	92/6	+1/3	4 13 9
85/3	72/9	5(a)	10(b)	Barker (John) £1	76/3	77/6	+1/3	3 17 6
78/7½c	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/-	63/9	−1/3	5 0 0

Prices, Year 1937 Jan. 1 to July 14, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) %	(c) %	Name of Security	Price, July 7, 1937	Price, July 14, 1937	Rise or Fall	Yield July 14, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	51/3	51/-	−3d	2 16 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/-	30/-	...	5 0 0
27/-	20/-	5(c)	2½(c)	Bovril Deferred £1	21/3	22/6	+1/3	4 9 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	20/9	21/6	+9d	8 7 9
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	50/-	50/-	...	4 12 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	50/-	50/6	+6d	3 18 6
39/4½	35/4½	2½(a)	5(b)	British Match £1	38/-	38/-	...	3 18 6
6⅞	5⅞	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6 3/16	6⅜	+ 3/16	3 2 6†
138/9	91/3	7(a)	8(b)	British Oxygen £1	100/-	102/6	+2/6	2 18 6
83½	82	...	...	Cable & Wir. { Ord.	24⅞	83½	...	Nil
105	104	5½(c)	5½(c)	Holding { 5½% Pf.	111	104½	...	5 5 3
8⅜	7½	30(b)	15(a)	Carreras "A" Ord. £1	8 7/16	8½	+ 1/16	4 2 0r
23/1½	14/-	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	14/9	14/6	−3d	10 6 0
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	21/-	21/-	...	4 17 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	46/3	47/6	+1/3	4 4 3
38/6	32/-	8(c)	9(c)	Dunlop £1	34/-	33/6	−6d	5 6 9
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	50/-	50/-	...	6 0 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind.10/-	20/-	20/6	+6d	4 18 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/-	33/6	+6d	5 4 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/-	19/6	+6d	5 2 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	55/-	56/3	+1/3	3 11 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	7/-	6/9	−3d	Nil
48/7½	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	48/1½	47/6	−7½d	3 19 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros.Def.(£1)	140/-	140/-	...	2 17 0
91/10½	82/6	5(a)	13½(b)	Harrods £1	85/-	85/-	...	4 6 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/-	4/3	+3d	Nil
62/6	34/9	7(c)	8(c)	Imperial Airways £1	35/-	35/-	...	4 11 3
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	36/9	37/3	+6d	4 6 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/6	17/3	−3d	Nil
9 1/16	7⅝	†7½(a)	†17½(b)	Imperial Tobacco £1	7½	7½	...	3 7 0†
$75 1/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$61½	$61⅞	+ ⅜	3 4 0n
22/3	15/-	8(a)	8(b)	International Tea 5/-	15/6x	15/6x	...	5 3 0
76/3	58/6	22½(c)	22½(c)	London Brick £1	60/-	60/-	...	7 10 0
6⅜	5⅞	8⅓(a)	14⅓(b)	Lyons (J.) Ord. £1	6⅛	6⅛	...	3 11 6
90/7½	66/3	15(a)	25(b)	Marks & Spencer 'A' 5/-	68/9	68/9	...	2 18 6
10/6	5/6	5(c)	7½(c)	Millars' Timber (4/-)	5/9	5/-	−9d	6 0 0
5⅜	4½	15(b)	7½(a)	Murex £1 Ord.	5	5⅛	+ ⅛	4 8 0
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	42/-	43/9	+1/9	5 9 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	42/6	42/6	...	4 14 0
67/-	44/4½	22½(b)	12½(a)	Prices Trust Ord. (5/-)	50/-	51/3	+1/3	4 6 3
67/-	60/-	3½(a)	11½(b)	Radiation Ord. £1	62/6	61/3	−1/3	4 18 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3	106/3	...	4 4 0
18/9	13/6	†5(a)	†8½(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	14/3	14/9	+6d	3 6 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	46/3	46/3	...	6 9 9
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	87/6	87/-	−6d	4 4 0
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	61/3	61/3	...	3 5 3
77/6	67/6	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	65/-	69/4½	+4/4½	4 6 0d
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	82/6	85/-	+2/6	4 15 0
112/6	87/6	13⅓(b)	3⅓(a)	Turner & Newall £1	92/6	91/3	−1/3	3 16 6
46/10½	37/9	3½(a)	4(b)	Unilever £1	40/-	40/-	...	3 12 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/6	55/6	...	4 11 0
34/9	24/-	10(b)	6½(a)	United Molasses 6/8	30/-	30/-	...	3 9 0
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South)Ord.£1	9	9	...	4 9 0
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	42/-	41/3	−9d	6 0 0
45/-	37/9	3(a)	6(b)	Wiggins, Teape Ord. £1	38/-	38/-	...	4 15 3
96/3	71/3¾	45(b)	15(a)	Woolworth (F.W.)Or.5/-	72/6	73/9	+1/3	4 1 0
				Mines				
81/10½	53/9	85(c)	95(c)	Ashanti Goldfields (4/-)	60/-	58/-	−2/-	6 11 6
24/3	15/9	(e)6(b)	e7½(a)	Burma Corp. (Rs. 9)	18/-	18/-	...	5 4 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/-	4/9	−3d	Nil
123/9	64/9	20(c)	6½(a)	Cons. Glds. of S. Af. £1	70/7½	70/-	−7½d	5 15 0
59/4½	30/-	27½(c)	30(c)	Cons.MinesSelection10/-	35/-	33/9	−1/3	8 18 0
16⅜	11½	95(b)	95(a)	Crown Mines 10/-	12½	12½	...	7 16 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	69/4½	70/-	+7½d	5 15 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	48/9	46/3	−2/6	10 6 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	13⅛	12½	− ⅝	2 8 0
32½	17 1/16	Nil	Nil	Rio Tinto £5	19½	20	+ ½	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	66/3	66/3	...	2 4 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	9½	9	− ½	10 0 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp.(12/6 fy pd.)	145/-	147/6	+2/6	5 14 0
19⅜	7⅛	Nil	Nil	W. Witwatersrand 10/-	7⅞x	7½	− ½	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	18/9	...	Nil

UNIT TRUSTS. Latest prices, supplied by managers and Unit Trusts Association.

Name and Group	July 14, 1937	Compared July 7	Name and Group	July 14, 1937	Compared July 7
Municipal and Gen			Rubber & Tin	1/9½-1/11	...
1st British	47/9-48/9	+ 6d	*Keystone*		
2nd British	29/9-30/6	+ 3d	Keystone	18/6-19/6	...
3rd British	24/3-25/-x	+ 3d	Do. 2nd	16/-17/-x	...
4th British	21/-21/9	+ 3d	Do. Flexible	18/1½-19/1½	+ 1½d
For. Govt. Bond	22/6-23/3	− 3d	GoldProd.Dep.Rec	20/9x bid	− 6d
Limited Invest.	23/3-24/-x	+ 3d	Do. 2nd Series	15/6-16/6x	− 3d
Mid. & Sthn. Inv.	21/3-22/-	...	Do. 3rd Series	12/1½-13/1½x	− 1½d
Scot. & N.C. Inv.	21/3-22/-	...	Rand Certificates	17/7½x	− 4½d
Bank – Insurance			Oil Certificates	27/6 bid	− 3d
Bank – Insur. Uts.	19/6-20/6	...	*"15 Moorgate"*		
Insurance Units	20/9-21/9x	...	Hundred	20/7½-21/7½	...
Bank Units	18/6-19/6	− 3d	Investors Flexible	17/-18/-	+ 3d
Invest.Trust Units	16/6-17/6	...	Do. Gas & Elec.	13/4½-14/4½	+ 1½d
Scot. B.I.I.T.Unts	17/3-18/3	...	Do. General	19/-20/-	+ 3d
British Empire			Do. 2nd General	16/10½-17/10½	+ 1½d
BritishEmpire "A"	22/6 bid	+ 3d	Do. Gold	14/-15/-	...
Do. "B"	10/4½ bid	...	Prov. Investors	16/9-17/9	...
Do. Cum.	17/9 bid	+ 1½d	Security First	18/1½-19/1½x	...
Do. Comp.	18/10½-19/10½	+ 1½d	*F.T.M.*		
Do. First Unit	21/9-22/3	+ 3d	Aviation & Univer.	9/6-10/-	...
National			Domestic	8/6-9/-x	...
National "A"	32/10½ bid	...	*Protected*		
Do. "B"	22/10½ bid	+ 1½d	Protected 1st	22/6-23/6	...
Do. "C"	19/6-20/6	...	Do. 2nd	20/3-21/3	+ 3d
Do. "D"	20/3-21/3	+ 3d	Do. 3rd	15/6-16/6	+ 3d
Do. Inv. Group	15/9-16/9	...			
Amalgamated Certs	22/3-23/3	...	*Allied*		
Century	19/4½-20/4½	...	British Indus. 1st	20/6-21/6	...
Commercial	21/7½ bid	+ 3d	Do. 2nd Series	18/3-19/3	+ 3d
Gilt-edged	18/3-18/9x	...	Do. 3rd Series	19/3-20/3	...
Scottish	18/9-19/9	...	Do. 4th Series	19/9-20/9x	...
Universal	20/10½-21/10½	...	Elec. Industries	18/-19/-x	+ 3d
First Provincial			Metals and Minerals	16/3-17/3	+ 3d
First Prov. "A"	21/3-22/3	...			
Do. "B"	17/6-18/6	+ 3d	*Selective*		
Do. Reserves	17/6-18/6	...	Selective "A"	17/10½-18/10½	+ 1½d
British General			Do. "B"	18/3-19/3	...
Capital Securities	10/1½-10/4½	...	British Transport	17/6-18/6	...
British General "A"	21/4½-22/4½x	+ 3d			
British General "B"	20/9 bid	...	Bank Insce. & Fin.	17/3-18/3x	...
British General "C"	19/10½-20/10½	+ 1½d	Brewery Trust Unts	16/6-17/6	...
First Recovery	7/6 bid	...	First Convrsn Trust	22/10½-23/4½	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 13¾ annas per share of Rs .9. Taken at 16 annas to one rupee. † Free of Income Tax. (o) Yield worked on a 35% basis. (w) Yield worked on a 12½% basis. (t) Special Jubilee bonus. (s) Last year's dividend equal to 18¾% on increased capital on which yield is worked. (y) Highest price, 132/- and 25 per cent. dividend on old shares before 50 per cent. capital bonus. Yield at 25 per cent. = £5 16s. 0d.; at 16⅔ per cent. = £3 17s. 3d.

(*Continued from page* 145)

Trust which has agreed to take 36,532 ordinary and 73,064 preference. The remaining 125,000 ordinary shares are being subscribed in cash at par.

ISSUES TO SHAREHOLDERS ONLY

Barton and Sons (1935).—Issue of 440,000 new shares to existing shareholders at 5s. 3d. per share (2 new shares for every 5 shares held).

Gold and Base Metal Mines of Nigeria.—Issue of 1,091,155 2s. 6d. shares at par.

Rini (Java) Rubber.—Issue of 1,226,576 new 1s. shares at 2s. each to shareholders on June 30th (8 new for 5 held).

The Second Scottish Mortgage and Trust Company, Ltd.—Issue of 75,000 4½ per cent. £1 cumulative preference shares at 21s. 6d. each.

CONVERSIONS AND REPAYMENTS

Hugh Stevenson and Sons, Ltd.—The 6 per cent. mortgage debenture stock is to be redeemed and replaced by £285,000 4½ per cent. mortgage debenture stock. Holders of 6 per cent. stock will take up new stock at the rate of £104 10s. of new for every £100 old.

BONUS ISSUE

Central Commercial Properties, Ltd.—Ordinary shareholders registered on July 13, 1937, are to receive *free scrip bonus of one* fully-paid ordinary share for every 12 ordinary shares held.

NEW ISSUE

United Dominions Trust, Ltd.—Issue of £1 ordinary shares at £4 10s. to ordinary shareholders, in proportion of 3 for 17 held. The Bank of England are willing to sell to ordinary shareholders a further 150,000 4½ per cent. £1 cumulative preference shares at par.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	July 7, 1937	July 14, 1937
Allied Newspapers Ord. 20/–	33/–	33/–	1/3–9d dis	3/3–2/9 dis
Do. 6½% 1st Pref. 20/–	27/6	27/6	1/0–1/3 pm	1/1½–1/4½ pm
Australia 3½% 1950–52	96½	21½	1½–1 dis	¾–½ dis
Blyvooruitzicht Gold 10/–	...	...	3/3–3/9 pm	2/0–2/6 pm
Boulton and Paul 5½% Pref. 20/–	20/–	10/–	...	9/3–9/9
Brotherhood (Peter) Ord. 10/–	25/–	10/–	...	1/1½–1/4½ pm
Do. 5½% Pref. 20/–	20/–	10/–	...	1/9–2/3 pm
Cape Town 3½%	98	5	...	½–1 pm
Collett (J.) Ord. 4/–	6/–	6/–	...	5/10½–6/4½
County of London Electric 4% Pref. £1	20/6	5/–	4½d dis–1½d pm	par–6d pm
Do. 3½% Debs...	94½	20	1–½ dis	1–½ dis
Dorchester Hotel 4½% Deb.	97	35	3½–2½ dis	2½–1½ dis
Fenner (J. H.) Ord. 5/–	7/–	7/–	...	6/9–7/–
Do. 5½% Pref. 20/–	20/–	20/–	...	19/9–20/3
Finch (B.) and Co. Ord. 2/–	2/–	2/–	1/6–1/9	1/7½–1/10½
Do. 6% Pref. 10/–	10/–	10/–	9/3–9/9	9/3–9/9
First Conv. Invest. Trust £1	...	...	22/6–23/–	23/–23/6
Imperial Airways £1	...	...	2/6–3/– pm	2/6–3/– pm
Kelly and Kelly Ord. 4/–	...	...	3/9–4/3	3/10½–4/4½
L.C.C. 3½% 1956–62	100½	40½	¼ dis–¼ par	½–¾ pm
Leeds 3½% 1957–80	101	26	par–¼ pm	1½–1¾ pm
Lewis (J.) Properties 4½% Pref. £1	20/–	10/–	9d–3d dis	9d–3d dis
Mallison (Wm.) 5½% Pref. £1	20/6	20/6	...	21/0–21/6
Met. Water Sydney 4% Debs.	100	30	1½–1¾ dis	1½–1¾ dis
Odeon Theatres Ord 5/–	5/–	5/–	...	9/6–10/–
Do 5% 1st Deb.	99	25	...	3½–2½ dis
Polberro Tin 2/6	...	...	2/7½–3/1½	3/1½–3/7½
Scottish Power 4% Pref. £1	20/–	10/–	3d–6d pm	6d–9d pm
Steel Corporation of Bengal 4½% Deb.	£100	20	2½–2¾ pm	2¾–3¼ pm
Trianco Ord. 1/–	1/–	1/–	1/4½–1/7½	1/4½–1/7½
Do. do. Ptg. Pref. 10/–	10/–	5/–	1/0–6d dis	1/3–9d dis
Union Cinema Subsidiary Props. 5% Pref.	20/–	10/–	9/3–9/9	10/1½–10/7½
West Riding County Council 3½%	100½	70½	1½–1¾ pm	1½–1¾ pm

PEKIN SYNDICATE.—First dividend on Shansi shares of 55 per cent. and on ordinary shares of 45 per cent.

ALLIED BAKERIES.—Net profit, year to June 30, 1937, £53,274. Final dividend 5 per cent., making 8 per cent. for year.

ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA.—Final dividend 9 per cent., plus bonus of 2½ per cent., against 6 per cent., making 17½ per cent. for year to June 30, 1937, on preference and ordinary shares, compared with 10 per cent.

STEEL BARREL SCAMMELLS AND ASSOCIATED ENGINEERS.—Final dividend on the ordinary shares 7½ per cent., making 12½ per cent. for first year.

NIGERIAN ELECTRIC SUPPLY.—Dividend on ordinary shares increased from 4½ per cent. to 7½ per cent.

CITY OF LONDON BREWERY TRUST.—Scrip bonus of 20 per cent. on deferred stock, against a cash dividend of 6 per cent.

AMALGAMATED ANTHRACITE COLLIERIES.—Dividend on 7 per cent. cumulative preference shares due August 1st will not be paid. (In arrear from February 2, 1935.)

BOVRIL, LTD.—Interim dividends resumed on deferred shares after five years with a payment of 2½ per cent.

COURTAULDS, LTD.—Interim dividend 3½ per cent., less tax on ordinary shares. Deducting income tax at 5s. in £ the payment equals 2½ per cent., free of income tax, compared with 2½ per cent., free of income tax a year ago, or 3½ per cent., less tax, 5s. in £.

TIN DIVIDENDS.—Important tin dividends have been announced this week. Puket Tin Dredging is paying a first interim dividend of 5 per cent. in respect of 1937. Hongkong Tin announces a second interim of 30 per cent., less tax, making 60 per cent. to date for the year to August 31, 1937. Killinghall Tin has declared a second interim dividend of 20 per cent., less tax, making 40 per cent. to date (against 22½ per cent.) on account of the year ending August 31, 1937. Southern Kinta Consolidated.—Final 15 per cent., making 30 per cent., against 20·1 per cent., together with interim of 6 per cent. on account of current year, as before, will be paid August 12th.

WILLIAM TIMPSON, LIMITED.—Interim dividend 5 per cent. less tax, equal to 8½ per cent. as compared with 7½ per cent. on the capital of a year ago, since when a bonus issue has been made.

FURNESS, WITHY AND COMPANY.—Dividend on ordinary shares 3 per cent. for year to April 30, 1937, the first ordinary dividend since 1933.

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total: Latest Year	Total: Previous Year
BANKS				%	%
Commercial Bank of Australia ...	(a) 3½%†	Aug. 20	Same	(a) 6¼	5⅝a
Hibernian Bank	6%*	...	5½%*	...	...
Hong Kong & Shanghai Banking	£2½ p.s.*	Aug. 9	Same	...	...
Lloyds Bank "A"	12*	...	Same	...	...
Do. "B"	5*	...	Same	...	...
North of Scotland Bank	16*	...	Same	...	...
Queensland National Bank	2½%†	...	...	...	...
Royal Bank of Canada	2½%*	Sept. 1	Same	4½	4
Williams Deacon's Bank (A & B)	12½%*	...	Same	...	...
INSURANCE					
Indemnity Marine Insurance	11/–p.s.*	...	Same	...	...
Pearl Assurance	‡25%*	Aug. 19	Same	...	...
Reinsurance Corporation	...	...	...	3	Nil
TEA AND RUBBER					
Assam Frontier Tea	...	...	...	1¼	Nil
Ayer Panas Rubber	5%*	...	4%*	...	...
Brunei (Borneo) Rubber	...	Aug. 10	...	2½	Nil
Burma Estates	...	July 27	...	6	Nil
Buxa Dooars Tea	12½†	...	10%†	15	15
Chungloon Rubber	6%†	...	...	10	4
Durian Sebatary Rubber	...	...	...	4	Nil
Harewood Rubber	...	...	...	3½	Nil
Jabi Rubber	5%†	...	...	8½	5
Kampong Kuantan Rubber	6%*	Sept. 1	4%*	...	...
Luskerpore Tea	...	...	...	7½	6
Malayan Rubber Loan, etc.	...	...	...	6	Nil
Prang Besar Rubber	...	...	...	10	4½
Prye Rubber	...	July 30	...	2½	1½
Rini (Java) Rubber	...	...	...	20	5
Do.	10%*	...	Nil	...	...
Sedenek Rubber	5%*	July 27	Nil*	...	...
Semenyih Rubber	12½†	...	...	18	10
Sungei Timah Estate	...	July 28	...	7½	5
Surmah Valley Tea	14%†	...	...	20	20
Tai Task Plantations	...	...	...	6	2
Tanah Estates (1931)	4%*	...	First	...	...
MINING					
Electrolytic Zinc (Pref. and Ord.)	11½%†	Sept. 10	6%†	17½	10
Hong Kong Tin	30%*	Aug. 20	...	...	...
Kampong Lanjut Tin	10%*	July 28	5%*	...	...
Killinghall Tin	20%*	Aug. 18	...	...	...
Mount Morgan Gold	4½d. p.s.*	July 10	...	...	...
Puket Tin	5%*	July 29	...	...	...
Southern Kinta Consolidated	15%†	Aug. 12	...	30	20(b)
Do.	6%*	Aug. 12	Same	...	...
Ulu Klang Tin	5%*	July 24	Same	...	...
OTHER COMPANIES					
Allied Bakeries	5%†	...	First period	8	...
American Trust	2½%*	...	2%*	...	...
Bell and Nicolson	‡4%*	...	Same	...	...
Blackwell Colliery (18/–)	6d. p.s.*	...	Same	...	...
Bovril (Deferred)	2½%*	Aug. 13	Nil*	...	...
Bristol Tramways, etc.	3%*	Aug. 20	Same	...	...
British Investment Trust	5%*	Aug. 3	Same	...	...
British Steamship Invest. Trust:					
(Deferred)	3½%†	July 29	3%†	6	5
(Special Fifty-Year Bonus)	5%*	July 29	...	5	5
Chambers Wharf	(s)12½%†	...	...	(s)32½	35
Cheapside Land Development	2½%*	July 31	Same	...	...
City of London Brewery Trust:					
(Deferred)	...	...	...	(c)20	6
City Property Investment (Def.)	5%*	Aug. 2	Same	...	...
Colombo Commercial	‡4%*	July 30	Same	...	...
Cornercroft	10%†	...	...	15	...
Courtaulds, Ltd.	3½%*	Aug. 17	‡2½%*	...	...
Crossley-Premier Engines	...	...	...	12½	...
Crown Brewing	7½%*	...	Same	...	...
Darlington Simpson Rolling Mills	...	...	...	7	5
Dublin Artizan's Dwellings	‡3%*	...	Same	...	...
Dublin (South) City Market	2½%*	...	Same	...	...
Dundee, Perth and London Shipping	8%†	...	Same	10	10
Electrical Distribution of Yorkshire	9*	...	Same	...	...
Falk Stadelmann	...	...	...	10	10
Fowler (D. & J.)	3*	Aug. 1	...	...	...
Furness Withy and Co.	...	...	...	3	Nil
General Consolidated Investment	2%*	July 26	Same	...	...
General Theatre (Pref. Ord.)	...	...	...	15	12
Gossard	5%*	July 19	Same	...	...
Grange Trust	...	July 28	...	3	2
Handley Page	...	...	...	50	...
Holborn Viaduct Land	15%*	July 7	Same	...	...
Hollychrome Bricks	9%†	...	Same	15	15
Imperial Colonial Finance	4½%†	...	Same	7	7
Inns and Company	7%*	July 31	6%	...	...
Jtaghur Jute	5%*	Aug. 3	Same	...	...
McEwan (William)	6¼%†	...	6¼%†	13½	11½
McIntyre Hogg Marsh and Co.	3½%*	Aug. 14	Same	...	...
Midhurst Whites	3%*	...	...	...	...
Mortgage Company of River Plate	3½%*	Aug. 3	Same	...	...
New Hucknall Colliery	3%*	July 31	2½%*	...	...
New Investment	11%†	Aug. 3	Same	15	15
Nigerian Electric Supply	...	...	...	7½	4½
North Metropolitan Electric	4%*	Sept. 1	Same	...	...
Palmerston Investment	3½%†	...	Same	6	6
Parker's Burslem Brewery	10½%†	July 22	9%†	14	12½
Pekin Syndicate (Shansi shares)	...	...	First	55	Nil
Do. (Ord. shares)	...	...	First	45	Nil
Portsmouth, etc., Newspapers	7½%*	July 20	Same	...	...
Railway Debenture and Gen. Trust	2%*	Aug. 3	Same	...	...
Railway Share Trust, etc.	2%*	Aug. 3	Same	...	...
River Plate and General Investment Trust	5%*	Aug. 3	Same	...	...
Sammugger Jute	5%*	Aug. 3	Same	...	...
Scribbans and Co.	5	...	...	5	5½
Do. Def.	...	...	...	14·16	15·583
Steel Barrel Scammells, etc.	7½%†	...	First year	12½	...
Stoddard (A. F.) and Co.	7½%†	...	6%†	10	8½
Thorn Electrical Industries	...	...	First	20	...
United States Debenture	4%*	July 31	3%*	...	...
Victoria Jute	5%*	Aug. 3	Same	...	...
Weber and Phillips (L. and J.)	4%*	July 17	3½%*	...	...
Wilkinson and Riddell	10*	July 31	18*	...	...
Wiseman (M.) and Company	6%*	...	First	...	...

‡ Free of income tax. (a) Paid in Australian currency. (b) Paid on a larger capital. (c) Scrip bonus.

COMPANY MEETINGS

RICHARD THOMAS AND COMPANY, LIMITED

FURTHER DEVELOPMENTS

SIR WILLIAM FIRTH'S SPEECH

The eighty-eighth ordinary general meeting of Richard Thomas and Company, Limited, was held, on the 15th instant, at River Plate House, London.

Sir William Firth (chairman and managing director) presided, and in the course of his speech, said: The steelworks were built towards the end of the War and during the boom that followed, but were not ready to operate until 1921, a year in which the total steel output of the country had fallen to the almost zero figure of 3,703,400 tons. The losses suffered during this period by the steel trade as a whole are unlikely, I think, to be repeated in our time. Flexible protective tariffs and improved organisation within the industry make this improbable, but, our industry apart, business conditions generally have much improved. For this improvement we are greatly indebted to our National Government. I doubt if in the whole history of this country we have ever been blessed with a better or more experienced Cabinet. I believe that in politics, as in business, co-operation is the surest means of securing sustained success. We are indeed fortunate to have in the Cabinet men drawn from all parties, and at its head a man of sound industrial experience and high ideals.

VALUE OF TARIFFS

Our own industry has greatly benefited by tariff protection, the Exchange Equalisation Fund, and trading agreements. Together they have made business less hazardous and more profitable in both our home and export markets. They have made possible an improvement in commodity prices which has increased foreign purchasing power, so beneficial to our export trade.

Over a period it is reasonable to assume that world demand for steel will expand, and that protection and organisation will ensure profit margins being earned with more regularity than heretofore. The benefits of protection and organisation cannot be doubted. They have not only resulted in a reduction of unemployment, but they have increased the prestige and bargaining power of the industry, making possible cartel and price arrangements that ensure a fair margin of profit under all conditions. They have also led to plant improvements and greater efficiency. The Import Duties Advisory Committee, despite the absence of statutory power, have suceeded in preventing the inflation of prices in a period of strong demand.

THE REDBOURN PLANT

We are entitled to believe that from now on our Redbourn plant, instead of being a drag, will be a valuable asset, contributing its quota to the earning power of the company. I am satisfied that during the current year it will contribute an amount sufficient to take care of the whole of the annual interest charge on our new £7,000,000 debentures, and the annual interest charge on the Grovesend Company's debentures.

At Redbourn the well-known coke oven experts, Woodall, Duckham and Company, are erecting for us two batteries of 82 modern coke ovens, with a coking capacity of approximately 400,000 tons per annum, together with a modern by-product plant. We are also erecting at Redbourn new blast-furnace stoves, gas-cleaning plant, and enlarging our melting shop capacity, and in other ways increasing the output and reducing the production cost, and I am satisfied that from now on we shall be able to maintain operations at Redbourn on a profitable basis.

The Grovesend Company throughout the long depression, excepting only the year of the general strike, never failed to pay dividends on its ordinary share capital. It has a depreciation reserve of £825,000, and other reserves of £183,000, and after meeting all prior charges, including depreciation, its average profits for the four years ending March last were equal to 21½ per cent. of the figure at which it stands in the parent company's balance sheet. On a 7 per cent. basis, which as compared with other steel companies is a generous yield, the market value of the Grovesend ordinary shares would exceed £3,400,000, or £2,300,000 more than the balance sheet figure.

COMBINED BALANCE SHEET

We will now turn to the combined balance sheet of our company. On the debit side you will see on July 1 there fell due for redemption our 7 per cent. and 4½ per cent. debentures. These were duly redeemed at a cost, including premium, of £966,265. When the further instalments of the new 4 per cent. debentures have been received the combine's total debenture indebtedness—including the Grovesend Company—will be £7,833,000.

Our bank balance on Monday last was £1,117,000, but between now and October 6 the remaining instalments on the debentures fall due, amounting to £3,465,000. This, added to our bank balance, amounts to £4,582,000. The whole of this money, and probably an additional two million pounds, will be required to defray the cost of the new plant and improvements at our Redbourn works, and the balance of the cost of our new works at Ebbw Vale and the development of our Irthlingborough orefields.

The total cost of all these developments will probably exceed our estimate by £700,000 to £800,000, owing partly to additional processing plant we are installing and partly to an increase in the size of our water reservoir, which is now being enlarged to hold 264 million gallons, and partly to the increased cost of foundations, raw material and wages.

A COMPLETE UNIT

When our Ebbw Vale plant is complete you can be definitely positive it will be the most modern and efficient complete steel, tinplate and sheet unit in this country or on the Continent, and equal to the most modern in America, and capable of a lower production cost than is possible in America, and I have not the slightest doubt that you will be justifiably proud of it.

We shall assemble coal from our own nearby coalmines, converting it into coke and by-products in our new coke ovens and by-product plant. We shall consume the coke in adjacent blast furnaces, where ore will be converted into hot pig metal, which will be transferred to the adjoining steel plant. The steel plant will be fuelled by gas drawn from the coke ovens and blast furnaces, and the hot pig metal will be converted into suitable steel which will be conveyed to the adjoining hot strip mill. There it will be rolled into steel strip and passed on to the nearby cold reduction mills, where it will be reduced and processed and transferred to the adjoining finishing departments.

Thus we shall on the one site assemble raw coal and ore and in one continuous process, without intervening carriage, convert them into finished tinplates and sheets and other products of the highest quality. One of the blast furnaces at Ebbw Vale is expected to commence production next month, a little later than we had hoped, and a second blast furnace should be operating early in January next. These two blast furnaces will each have a capacity approximating 3,500 tons per week, so that during the current financial year some profit may be expected from our new Ebbw Vale works. According to contractors' promises, the whole works should be completed by the end of June next.

THE CURRENT YEAR

Now permit me to make a few remarks about the prospects for the current year. To the best of my belief and judgment, I think the current year will yield profits in excess of last year, because demand has much improved and shows no sign of abating, and this increased activity has enabled us to put into operation a larger percentage of our finishing plant. We have at present approximately 25 per cent. of our finishing plant idle, due mainly to our obligation to supply steel to independent re-rollers, but we are arranging, pending completion of our Ebbw Vale plant, to import steel to enable us to increase operations in our finishing departments.

Meanwhile, it is interesting to note that in recent months we have produced more tinplates and sheets than ever before produced in the history of the company. This has been made possible by reason of our purchases in recent years of competing re-rolling businesses. Our present weekly production of tinplates and sheets exceeds 8,000 tons and 3,700 tons respectively. During the year under review the profits on these two products represented less than 50 per cent. of our total profits.

TRIBUTE TO THE STAFF

Before concluding, I want to say a few words about our organisation. No company could have more loyal or more industrious senior officials and staff. No chairman could be more proud of them than I am. I know them to be as efficient as they are loyal and industrious.

We have, in conjunction with our competitors in the tinplate trade, expressed our willingness to contribute to a pension scheme for our workpeople on a basis which will cost your company—on to-day's output—approximately £40,000 per annum.

The report and accounts were unanimously adopted.

POWELL DUFFRYN ASSOCIATED COLLIERIES LIMITED

THE POWELL DUFFRYN STEAM COAL COMPANY

WELSH ASSOCIATED COLLIERIES

MR EDMUND L. HANN'S SPEECH

At the annual general meeting of Powell Duffryn Associated Collieries Limited, held on July 14th, the chairman, Mr Edmund L. Hann, after dealing with the accounts, referred to the modest increase in the profits for the year despite the substantial provision against all amounts overdue from Spain. The company's Spanish business had been considerable and substantial sums of money were outstanding in that country. Nevertheless, the position should not be viewed too despondently since Spain, before the civil war started and for a great number of years, had a credit trade balance with Great Britain and would certainly wish to trade again as soon as her internal difficulties had been overcome.

At the end of 1936 and since the beginning of 1937, there had been a very appreciable increase in demand. The company's collieries, although working regularly, had been unable, for reasons which would be well understood by those acquainted with mining conditions, suddenly to increase outputs to an extent sufficient to meet the requirements of all their customers. Everything practicable had been done to overcome this shortage, with the result that the output since the beginning of January had been considerably increased.

In the latter part of 1936 the representatives of the colliery owners and of the mine workers had started a series of frank yet friendly discussions, which culminated in the acceptance of a new Wages Agreement nearly six months before the expiry of the old The workers had received as from April 5th last substantial increases in earnings, which they might not otherwise have enjoyed until October 1st next.

SUBSIDISED GERMAN EXPORTS

The welcome increase in demand was principally due to the improvement in the inland market; the picture so far as export trade was concerned was a different one. He felt it his duty again to draw attention to the alarming decrease which had taken place in this country's export coal trade since 1929. This was principally due to the heavily subsidised exports from Germany. Last year the question of a Government grant to subsidise coal exports from this country was much discussed, and it must again receive consideration, otherwise the chance of any satisfactory arrangement being reached in regard to a European Coal Cartel would be remote.

Shareholders would be aware that a Government Committee had been appointed to report upon the organisation of the distribution of electricity in Great Britain. Among other recommendations made by this Committee, there was one that the distribution of electricity, unless provided by statutory undertakings, should be made the subject of compulsory purchase on a "cost less depreciation basis." This proposal was almost the equivalent of confiscation, for no consideration was being given to the supplier's loss of profit and goodwill. The company intended to take all steps possible in conjunction with other colliery companies similarly placed to prevent such unfair proposals being put into effect.

OIL FROM COAL

Shareholders would have seen in the Press that the company had made proposals to the Government in regard to the installation of an oil from coal plant, and that the Government had set up a Committee to deal with this matter. The company's officers had given evidence before this Committee and awaited with a great deal of interest the Committee's report. The erection of such a plant would be of incalculable value both to the country and to South Wales.

The great improvement which was taking place in heating appliances had increased the demand for all grades of smokeless fuel, and the public had been quick to show its appreciation of PhurnoD, which could be burnt with the highest efficiency under the most exacting conditions. The result had been that for the year under review sales had increased very materially.

The directors' report and accounts were adopted, and the dividends recommended were duly declared.

The annual general meetings of The Powell Duffryn Steam Coal Company, Limited, and Welsh Associated Collieries, Limited, were subsequently held, at which the reports and accounts were adopted and dividends recommended duly declared.

PALESTINE ELECTRIC CORPORATION, LIMITED

FURTHER SUBSTANTIAL PROGRESS

The fourteenth ordinary general meeting of the Palestine Electric Corporation, Limited, was held, on the 15th instant, at 2 Grosvenor Gardens, S.W.

The Right Hon. Viscount Samuel, P.C., G.C.B., G.B.E. (the chairman) said that notwithstanding the serious unrest in Palestine during the year the Corporation's business had continued its uninterrupted progress. Their policy of reducing whenever possible the rates of charge for electricity had resulted in a steady rise in the consumption. In 1936 the units sold were 30 per cent. more than in the previous year, and the gross revenue 19 per cent. more. The operating expenditure was higher in a somewhat greater ratio, mainly owing to the effect of drought in restricting the output of their hydraulic power station and obliging them to use the fuel stations to a greater extent. The disturbances of last year involved them in special expenditure of £17,078, which had been charged to the share premium reserve, which now stood at £322,346. Their depreciation reserve amounted to £366,854. The profit amounted to £242,208, and a final dividend of 5 per cent., free of tax, was recommended on the ordinary and "A" ordinary shares, making 7½ per cent., free of tax, for the year, the same as last year. In their desire to give the consumer the advantage derived from increased sales the directors had again made considerable reductions in various classes of rates charged, which had come into force this year.

The expenditure in 1936 on capital account was £407,593. The extension of the building of the Haifa Power House was completed during the year, and the two additional boilers for that power house were now installed. Work on the Reading power house, north of Tel-Aviv, which began on April 16th of this year, was proceeding with all speed, and it was expected that the station would be brought into use early next year. With its completion the total installed capacity in all their stations would be 77,000 kw., distributed between the Jordan Hydro-Electric and the fuel power houses in Haifa and Tel-Aviv.

INCREASE OF CAPITAL

The continued expansion of demand had necessitated considerable capital expenditure, and to meet this and to provide for the requirements anticipated in the near future the directors proposed that a further issue of share capital should be made at such time as the market conditions were favourable. At present they were of opinion that the issue should take the form of preference shares, ranking junior to the existing preference shares. In view of anticipated future developments it was proposed that the increase in nominal capital should be from £2,500,000 to £4,000,000, though it was not intended at once to issue shares to the whole amount of the increase.

The directors desired to express their appreciation of the work done by their staff in Palestine during the year under review. The large amount of new construction that was being carried out and the rapid expansion of their normal operations, together with the very difficult conditions that had prevailed for some time over a large part of the country, had made the year a strenuous one for their employees.

It was not the occasion on which he should engage in a general review of the situation in Palestine in the light of the Report of the Royal Commission and the statement of H.M. Government with respect to it. But so far as the position of the Corporation was concerned they had no doubt that whatever changes might be made, the rights under the Concessions that had been granted with the approval of the Mandatory Power would be fully recognised. The Royal Commission's Report recommended that, "In the event of partition, agreements entered into by the Government of Palestine for the development and security of industries should be taken over and carried out by the Governments of the Arab and Jewish States. Guarantees to that effect should be given in the Treaties." The directors, having made a close study of the Report so far as it affected the Corporation, would submit representations to H.M. Government on certain specific points.

The steady progress of the undertaking continued. The first five months of this year showed a further advance in revenue on the favourable figures of last year. Under ordinary conditions of peace and order there was no reason to doubt that the prosperity which had been achieved in the past would be fully maintained in the future.

The report was adopted, and at an extraordinary general meeting the capital increase was approved, as were also certain minor alterations in the Articles made to comply with the requirements of the London Stock Exchange.

THE TRUSTEES CORPORATION LIMITED

FURTHER ADVANCE IN REVENUE

The forty-ninth annual general meeting of the Trustees Corporation, Limited, was held, on the 14th instant, in London.

Mr W. Sandford Poole (the chairman), referring to the classification of the securities held by the corporation, said that nearly 66 per cent. represented investments in Great Britain and the Empire. Nearly 74 per cent. were of an industrial nature or under the heading "Banks, insurance and financial," and over 51 per cent. were classed as ordinary and deferred.

During the year to May 31, 1937, the position revealed by the valuation of their investments still further improved. The surplus at that date over the balance-sheet figure was very considerable, with the result that the margin over and above capital, reserves and carry-forward was much in excess of a year ago.

Interest and dividends for the year, less requirements for income tax, amounted to £148,662, compared with £134,651 for the previous year.

The total net revenue, at £114,901, showed an increase of £12,876. The directors recommended a final dividend of 7 per cent. on the ordinary stock, making a total distribution for the year of 10 per cent. less tax, compared with 9 per cent. for the previous year. The three years to May 31, 1935, 1936 and 1937, had proved years of steady recovery in revenue. In those three years the dividends on the ordinary stock had been 8½ per cent., 9 per cent. and 10 per cent. respectively.

The directors had come to the conclusion that this year, after three years of steady expansion in revenue, wisdom dictated and the time was opportune for the creation of a dividends equalisation account. In the report now submitted they had set up such an account by providing, in effect, £12,513 from the net revenue account of the year and £27,487 from the balance brought forward from last year, making a total of £40,000. By this means they hoped to ensure a stabilising element in so far as future distributions on the ordinary stock of the corporation were concerned. After providing for the appropriations and dividends recommended they carried forward the substantial sum of £72,855.

The report and accounts were unanimously adopted.

MILLARS' TIMBER AND TRADING COMPANY, LIMITED

LARGER PROFIT

The annual general meeting of this company was held, on the 19th instant, in London.

Mr James White, LL.D. (the chairman), said that in 1935 their profit was £78,265, while in 1936 it had increased to £87,699. In 1934 they had shown a trading profit of £33,012 and in 1935 one of £92,465, and in 1936 it was £110,699, indicating satisfactory progress. In 1935 they had owed their bankers £35,522, but at the end of 1936 they owed them nothing. In 1935 they had carried £11,200 to depreciation; in 1936 they were carrying £20,000 to depreciation, and in doing so they were considering not only the purposes of the moment but were looking forward to what might be necessary for the proper conduct of the business.

A large amount of their prosperity was due to the prosperity of Australia, and that country now appeared to have reached a period of considerable prosperity. A statement setting out the combined financial position of the company and its subsidiaries at December 31, 1936, showed that their circulating capital amounted to £655,400. The prospect was that, if things went as well in the current year as in the past year, the combined account would not show anything worse than what was now shown.

The production of timber for consumption in the Australian and overseas markets had again increased and there was a satisfactory reduction in stocks. Trade in Australian markets had been well maintained. Generally, a large portion of their business was done in railway sleepers, and they were continually adding new railways to the buyers of Jarrah sleepers. The same applied to Jarrah flooring, which had been made popular in this country some years ago and the success of which was increasing.

Overseas trade had been reasonably good. The Philippine company had done very well, its turnover being a record. The machinery companies had also had a record turnover; 1936 had been a very good year, and, although the turnover for 1937 up to the present was somewhat better, the profit probably would be little affected.

The report and accounts were unanimously adopted, and new articles of association were approved.

SOUTH AFRICAN BREWERIES LIMITED

FRESH RECORD ESTABLISHED

The forty-second ordinary general meeting of the South African Breweries, Limited, was held, on the 14th instant, at Winchester House, London. Mr John Stroyan, J.P., D.L. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the present was the twenty-second year in succession in which it had been his privilege to be the chairman of this outstandingly successful company. During the long term of his chairmanship they had experienced good years and indifferent years, but they had never failed to pay a satisfactory dividend, and those who had steadfastly held their shares had shared in the company's prosperity.

The net profit for the year under review of £556,422 was a record, and showed an increase over last year's record figures of £84,007, less an increased charge of £10,000 for income tax, or a net increase of £74,007. With regard to the current year, prospects were entirely good, their sales to date showing continued improvement.

He had returned two months ago from a visit to South Africa, where he had gone into the company's affairs.

He had come back much impressed with all the developments he had seen. Those developments were due to the helping hand of a not only sympathetic, but a very able and competent Government, every member of which was anxious and active in the development, on sound lines, of the country. South Africa was a land of much promise. Her men were capable and active and justly loved and were proud of their country, and had played the game.

A big effort was being made to cultivate the tourist traffic. That was as it should be, and it would draw many to benefit by and enjoy the beautiful climate and in many ways help South Africa.

The Right Hon. Sir A. Griffith-Boscawen, P.C., J.P., vice-chairman, in seconding the motion, said he wished to express how glad everybody was to see their chairman once again presiding at their meeting after an absence through temporary ill-health. (Cheers.)

The report and accounts were unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the 10 days ended July 10, 1937, amounted to £20,224,000, against ordinary expenditure of £30,822,000. After allowing for an increase in Exchequer Balances of £20,226, the operations for the period, as shown below, increased the gross National Debt by £10,618,000, to approximately £7,993 millions.†

(000's omitted)

	£		£
Treasury Bills	+ 230,141	National Savings Certificates	— 500
2½% Nat. Defence Bonds	+ 31,435	Bank of England Advances	— 49,250
Land Sett. (Fac.) Acts	+ 8	Public Department Advances	— 745
		New Sinking Fund	— 471
		Exchange Equalisation Account	— 200,000
	+ 261,584		— 250,966

† Including £375 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

Revenue	Total Receipts into the Exchequer			
	April 1, 1936, to July 11, 1936	April 1, 1937, to July 10, 1937	Eleven Days to July 11, 1936	Ten Days to July 10, 1937
ORDINARY REVENUE	£	£	£	£
Inland Revenue—				
Income Tax	17,725,000	20,276,000	7,130,000	7,466,000
Sur-tax	4,490,000	5,200,000	330,000	290,000
Estate, etc., Duties	24,340,000	26,130,000	3,490,000	2,930,000
Stamps	4,440,000	4,820,000	550,000	380,000
Other Inland Revenue Duties	100,000	120,000	10,000	30,000
Total Inland Revenue	51,095,000	56,546,000	11,510,000	10,196,000
Customs and Excise—				
Customs	57,831,000	61,565,000	8,011,000	6,843,000
Excise	26,500,000	28,100,000	1,400,000	1,400,000
Total Customs and Excise	84,331,000	89,665,000	9,411,000	8,243,000

Revenue	Total Receipts into the Exchequer: April 1, 1936, to July 11, 1936	April 1, 1937, to July 10, 1937	Eleven days to July 11, 1936	Ten days to July 10, 1937
Motor Vehicle Duties‡	5,568,000	5,099,000	948,000	416,000
Post Office (Net Receipt)	4,100,000	4,180,000	250,000	*Dr250,000*
Crown Lands	290,000	260,000	...	...
Receipts from Sundry Loans	2,003,114	1,738,796	1,633,734	1,376,685
Miscellaneous Receipts	1,884,912	1,548,476	128,636	242,064
Total Ordinary Revenue	149,272,026	159,037,272	23,881,370	20,223,949
SELF-BALANCING REVENUE				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	16,700,000	17,870,000	2,000,000	1,450,000
Total	165,972,026	176,907,272	25,881,370	21,673,949

Expenditure	Total Issues out of the Exchequer to meet Payments from: April 1, 1936, to July 11, 1936	April 1, 1937, to July 10, 1937	Eleven days to July 11, 1936	Ten days to July 10, 1937
ORDINARY EXPENDITURE	£	£	£	£
Interest and Management of National Debt	84,040,084	86,298,448	10,660,712	10,383,352
Payments to Northern Ireland Exchequer	1,490,449	1,837,379	248,464	256,786
Other Consolidated Fund Services	922,679	1,427,002	229,614	569,645
Total	86,453,212	89,562,829	11,138,790	11,209,783
Total Supply Services (excluding Post Office and Broadcasting)‡	139,815,000	150,286,950	17,574,000	19,612,000
Total Ordinary Expenditure	226,268,212	239,849,779	28,712,790	30,821,783
SELF-BALANCING EXPENDITURE				
Post Office Vote and Vote for Broadcasting	16,700,000	17,870,000	2,000,000	1,450,000
Total	242,968,212	257,719,779	30,712,790	32,271,783

‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate revenue from April 1, 1937, to July 10, 1937, is shown below :—

(000's omitted)

	£		£
Expenditure	239,850	Revenue	159,037
		Decreases in balances	93
		Gross borrowing £82,645	
		Less— New Sinking Fund* 1,916	
		Old S. Fund, 1907–8 9	
		Net borrowing	80,720
	239,850		239,850

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

	July 11, '36	Mar. 31, '37	July 10, '37	Movement 10 days ended July 10, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	...	...	...	— 49,250,000
Advances by Public Departments	27,370,000	23,535,000	17,420,000	— 745,000
Treasury Bills outstanding	806,245,000	674,595,000	868,380,000*	+230,130,000
Total Floating Debt	833,615,000	698,130,000	885,780,000	+180,135,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury Bills were opened on July 9, 1937. The amount applied for was £77,565,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 2d. about 22 per cent. and above in full; Saturday at £99 17s. 3d. and above in full. The average rate per cent. was 11s. 0·17d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,880,000	42,000,000	0 11 0·45
July 9, 1937	40,000,000	77,565,000	36,000,000	0 11 0·17

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended June 26, 1937	520,867	390,650
Week ended July 3, 1937	630,810	473,107
February, 1916, to July 3, 1937	1,297,814,821†	1,019,798,952

At the end of April 1937, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,726,807.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, JULY 14, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	493,405,804	Other Government Securities	184,147,331
In Banking Department	33,000,821	Other Securities	4,828,764
		Silver Coin	8,805
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,408,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	103,960,695
Rest	3,495,369	Other Securities :—	
Public Deposits*	23,120,702	Discounts and Advances £8,818,835	
Other Deposits :—		Securities £20,742,644	
Bankers £89,172,522			29,561,479
Other Accounts £37,129,203	126,301,725	Notes	33,000,821
		Gold and Silver Coin	947,801
	167,470,796		167,470,796

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

Both Departments	Amount, July 14, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	493,405,804	− 1,018,816	+ 50,147,042
Public deposits	23,120,702	+ 7,866,150	+ 2,728,871
Bankers' deposits	89,172,522	+ 631,505	− 1,464,891
Other deposits	37,129,203	− 25,983	− 3,554,487
Total outside liabilities	642,828,231	+ 7,452,856	+ 47,856,535
Capital and rest	18,048,369	+ 35,314	− 19,068
Government debt and securities	299,123,126	+ 7,400,143	− 56,676,337
Discounts and advances	8,818,835	− 216,361	+ 2,954,791
Other securities	25,571,408	+ 248,690	+ 6,886,038
Silver coin in issue department	8,805	− 4,194	− 727,162
Coin and bullion (bank's reserves)	327,354,426	+ 59,892	+ 95,400,137
Reserves of notes and coin in banking department	33,948,621	+ 1,078,707	− 14,746,906
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only (" proportion ")	22·7%	− 0·6%	− 9·4%
(*b*) Gold stocks to deposits and notes (" reserve ratio ")	50·9%	− 0·6%	+ 11·9%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
1937	£	£	£	£	£	£	%
June 23	526,407	483,719	15,459	94,987	37,186	5,145 in	2
" 30	526,407	488,444	10,785	140,533	40,155	Nil	2
July 7	526,407	494,425	15,255	88,541	37,155	Nil	2
" 14	526,407	493,406	23,121	89,173	37,129	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio	Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the " Proportion "
1937	£	£	£ %	£	£	£	£ %
June 23	195,112	4,878	327,308 51⅜	98,028	3,756	20,178	43,589 29⅜
" 30	195,152	4,839	327,320 48⅛	140,603	6,279	23,880	38,876 20⅞
July 7	195,098	4,889	327,294 51⅛	96,625	9,035	20,433	32,870 23⅝
" 14	195,182	4,829	327,354 50⅜	103,981	8,819	20,743	33,949 22⅜

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to June 30	19,041,776	1,095,282	1,898,536	22,035,574
Week ended June 7	871,946	57,427	98,282	1,027,653
Week ended July 14	777,621	42,444	71,716	891,781
Total to date, 1937	20,691,361	1,195,133	2,068,514	23,955,008
Total to date, 1936	17,878,309	1,085,235	1,866,546	20,830,090
Increase or decrease in 1937	+ 2,813,052	+ 109,898	+ 201,968	+ 3,124,918
	− 15·7%	− 10·5%	− 10·8%	− 15·0%
Total for year 1936	35,089,856	2,089,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+ 2,595,781	+ 152,508	+ 308,534	+ 3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL

(000's omitted)

	Week ended July 10		Month of June			Aggregate Totals January 1 to July 10	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			25	26			
BIRMINGHAM	£ 2,661	£ 2,737	£ 9,988	£ 10,853	% + 8·6	£ 71,999	£ 74,848
BRADFORD	903	960	3,592	4,280	+19·1	27,204	29,573
BRISTOL	1,199	1,202	4,905	5,896	+20·2	33,686	34,229
DUBLIN	5,008	5,430	—	—	—	159,794	165,428
HULL	815	933	3,221	3,770	+17·0	22,480	25,505
LEEDS	667	879	3,455	4,191	+21·3	25,726	28,857
LEICESTER	622	718	2,802	3,282	+17·1	20,231	21,073
LIVERPOOL	6,061	6,539	23,279	27,683	+18·9	167,003	198,007
MANCHESTER	9,624	10,654	39,719	48,340	+21·6	277,966	308,923
NEWCASTLE	1,226	1,340	5,336	6,165	+15·5	35,857	39,991
NOTTINGHAM	466	537	1,808	2,175	+20·2	14,124	14,639
SHEFFIELD	773	927	4,119	4,622	+12·2	27,345	30,614
	30,025	32,856	102,224	121,257	+18·6	823,415	971,487

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in The Economist for August 15. Danzig, Portugal, Turkey in June 26. Egypt, Java, Latvia, Norway, Finland, Sweden, Japan in July 3. Argentine, Bank of International Settlements, Denmark, Lithuania and Poland in July 10.

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

U.S.F.R. Banks Resources	July 16, 1936	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937
Gold Certificates on hand and due from the Treasury	8,186,520	8,836,900	8,834,910	8,835,410	8,835,410
Total reserves	8,486,720	9,169,640	9,158,690	9,123,470	9,152,780
Total cash reserves	287,650	322,490	313,310	277,660	*307,820*
Total bills discounted	2,900	13,300	9,930	*13,020*	*15,050*
Bills bought in open market	3,080	4,280	3,800	3,670	3,590
Total bills on hand	5,980	17,580	13,730	16,690	18,640
Industrial advances	29,460	22,010	22,150	21,780	21,760
Total U.S. Govt. securities	*2,430,290*	*2,526,240*	*2,526,190*	2,526,190	2,526,190
Total bills and securities	2,465,850	2,565,830	2,562,070	2,564,660	2,566,590
Total resources	11,751,470	12,475,820	12,496,480	12,436,190	12,594,740
Liabilities					
Federal Reserve notes in actual circulation	4,006,010	4,162,830	4,206,480	4,252,420	4,213,900
Aggregate of excess member-bank reserves over requirements	2,920,000	810,000	870,000	880,000	960,000
Deposits—Member-bank—reserve account	5,871,750	6,854,410	6,900,290	6,826,710	6,927,950
Government deposits	592,500	*150,930*	*92,810*	100,940	90,230
Total deposits	6,730,060	7,328,850	7,278,170	7,212,350	7,292,810
Capital paid in and surplus	301,840	305,550	305,650	305,700	305,800
Total liabilities	11,751,470	12,475,850	12,496,480	12,436,190	12,594,740
Ratio of total reserves to deposit and F.R. note liabilities combined	79·0%	79·8%	79·7%	79·6%	79·5%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,629,000	12,270,000	12,316,000	12,376,000	12,423,000
Treasury and National Bank Currency	2,496,000	2,550,000	2,551,000	2,552,000	2,551,000
Liabilities					
Money in Circulation	6,190,000	6,394,000	6,448,000	6,524,000	6,457,000
Treasury Cash and Deposits with Federal Reserve Banks	3,021,000	3,547,000	3,538,000	3,612,000	3,640,000

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	July 16, 1936	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937
Total gold reserves	3,161,730	3,463,120	3,479,000	3,368,820	3,432,940
Total bills discounted	2,100	5,930	4,910	5,710	8,570
Bills bought in open market	1,100	1,550	1,540	1,410	1,340
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	671,090	738,420	737,380	738,040	740,820
Deposits—Member-bank—reserve account	2,553,780	3,023,150	3,064,440	2,986,830	3,026,780
Ratio of total res. to dep. and Federal Res. note liabilities combined	83·9%	84·3%	84·3%	83·9%	83·9%

FEDERAL RESERVE REPORTING MEMBER BANKS.

In $'s (000,000's omitted)

	July 8, 1936	June 2, 1937	June 9, 1937	June 16, 1937	June 29, 1937	July 7, 1937
Loans, total†	*8,357*	*9,571*	*9,647*	*9,741*	*9,766*	*9,760*
Investments	14,105	12,587	12,567	12,832	12,648	12,530
Reserve with Federal Reserve Bank	4,672	5,278	5,367	5,280	5,335	5,400
Due from banks	2,487	1,766	1,751	1,774	1,734	1,783
Demand deposits	14,630	15,274	15,506	15,242	15,289	15,186
Time deposits	4,999	5,231	5,233	5,233	5,233	5,235
Government deposits	836	142	103	547	549	547
Due to banks	6,510	5,699	5,618	5,633	5,557	5,633

† In this item, comparison between May 20, 1937, onwards and preceding weeks is *affected by a revision* of the statement.

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

Assets	July 13, 1936	June 14, 1937	June 21, 1937	June 28, 1937	July 5, 1937	July 12, 1937
Gold and English sterling	16,004	16,011	16,011	16,011	16,011	16,009
Other coin, bullion and cash	6,594	5,862	5,223	5,532	5,236	*5,665*
Money at short call—London	17,932	35,343	37,461	36,484	31,553	31,228
Short-term loans	*3,142*	*3,966*	*3,877*	*2,567*	*4,186*	*3,705*
Securities	75,335	76,591	76,591	76,591	76,590	76,590
Discounts and advances	8,402	9,443	9,383	9,328	10,391	10,336
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	65,166	84,561	86,501	86,784	84,773	84,205

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

Assets	July 6, 1936	June 14, 1937	June 21, 1937	June 28, 1937	July 5, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	22,120	21,124	21,177	21,542	15,746
Advances to State	...	5,132	5,106	4,954	4,985
Investments	2,038	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	10,114	12,842	12,759	12,630	12,696
Demand liabilities :— Government	8,976	8,106	7,642	7,361	5,972
Other	6,745	9,576	10,161	10,818	10,375
Ratio of reserves to sight liabilities	96·5%	78·4%	78·5%	79·0%	77·6%

BANK OF CANADA.—In $'s (000's omitted)

Assets	July 8, 1936	June 23, 1937	June 30, 1937	July 7, 1937
Reserve, of which	191,641	212,250	202,135	201,482
Gold coin and bullion	179,849	181,137	181,543	181,524
Investments	111,497	139,330	144,230	138,943
Liabilities				
Note circulation	99,064	131,247	133,141	135,801
Deposits : Dominion Government	15,988	18,770	14,590	12,333
Chartered banks	186,577	191,893	189,836	183,887
Ratio of reserves to notes and deposit liabilities	63·4%	61·9%	59·8%	60·5%

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

Assets	July 10, 1936	June 11, 1937	June 18, 1937	June 25, 1937	July 2, 1937	July 9, 1937
Gold coin and bullion	22,906	25,200	25,069	24,409	23,234	23,232
Bills discounted : Foreign	7,440	5,905	6,270	6,285	4,772	4,405
Investments	1,737	1,729	1,729	1,729	1,729	1,729
Other assets	12,216	12,806	12,405	11,599	12,458	11,390
Liabilities						
Notes in circulation	14,204	15,627	15,124	15,416	17,035	16,013
Deposits : Government	1,487	1,787	2,572	2,168	1,585	1,578
Bankers	24,823	20,207	18,375	18,526	17,569	17,476
Ratio of cash reserves to liabilities to public	53·6%	59·0%	58·7%	58·8%	58·5%	58·3%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	July 10, 1936	June 25, 1937	July 2, 1937	July 9, 1937
Gold coin and bullion	44,42,17	44,41,57	44,41,57	44,41,57
Rupee coin	64,27,52	56,36,43	56,90,92	57,21,68
Balances abroad	*12,75,54*	22,82,16	19,95,92	17,50,14
Sterling securities*	68,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,26	27,37,23	27,37,23	27,37,25
Investments	5,93,46	7,36,31	7,76,24	8,06,59
Liabilities				
Note circulation	1,64,64,37	1,85,95,49	1,87,49,16	1,86,14,78
Deposits : Government	11,57,48	12,61,92	9,69,57	9,75,41
Banks	31,93,10	29,62,08	28,96,02	31,57,78
Ratio of gold and sterling to liabilities	56·3%	59·8%	59·7%	59·6%

* Held against notes.

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

Assets	July 10, 1936	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937
Gold	54,606,761	57,359,105	54,859,163	48,859,221	48,859,359
Advances on Gold Coin	1,277,633	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	17,064,104†	9,860,187	10,632,791	11,394,964	11,192,215
Bills bought abroad	1,257,755	1,023,694	*1,023,693*	970,240	868 900
Advances on securities	4,754,238	4,919,825	4,789,093	5,842,729	5,036,376
Loans to State without interest : (*a*) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(*b*) provisional	4,439,025	19,979,739	21,379,788	22,166,269	23,913,749
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,622	5,641,368	5,641,368	5,641,368
Other assets (excluding forward exch.)	3,907,324	3,883,812	3,828,772	4,235,010	4,089,260
Liabilities					
Notes in circulation	86,090,396	85,798,934	85,985,288	88,898,728	88,643,276
Public deposits	1,427,503	2,179,806	2,209,005	2,088,239	2,206,818
Private deposits	6,026,436	16,357,831	15,611,240	11,920,998	10,326,329
Other liabilities	2,670,092	2,630,770	2,648,243	2,672,995	2,723,964
Ratio of gold reserve to sight liabilities	58·3%	54·9%	52·8%	47·5%	48·2%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936.
† Includes fcs. 10,644,398,000 Treasury Bills.

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

Assets	July 7, 1936	June 22, 1937	June 30, 1937	July 8, 1937
Gold	71,935	68,862	68,954	68,988
Of which deposited abroad	24,524	19,359	19,359	19,359
Reserve in foreign currencies	4,923	6,085	5,786	5,682
Bills of exchange and cheques	4,440,790	4,468,963	5,322,731	4,958,412
Silver and other coin	161,316	264,684	162,184	175,326
Advances	37,799	44,374	54,561	37,591
Investments	529,966	403,971	403,994	403,436
Other assets	547,662	730,195	716,178	706,425
Liabilities				
Reserves	473,561	493,177	493,177	493,177
Notes in circulation	4,212,979	4,428,787	4,991,599	4,793,340
Other daily maturing obligations	763,568	705,983	880,335	697,683
Other liabilities	194,283	209,387	219,477	221,880
Cover of note circulation	1·82%	1·69%	1·58%	1·55%

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

Assets	July 9, 1936	June 10, 1937	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937
Gold	3,743,990	3,613,113	3,648,473	3,688,204	3,755,667	3,702,832
Silver and other coin	53,748	49,042	50,894	50,724	47,564	44,096
Securities	1,409,843	1,354,229	1,370,123	1,390,977	1,420,686	1,405,865
Advances	81,174	37,292	34,092	32,965	34,799	32,686
Liabilities						
Notes in circulation	4,424,956	4,400,167	4,401,287	4,417,814	4,506,325	4,514,430
Deposits : Govt.	18,510	146,581	139,795	165,425	223,862	195,429
Other	1,034,107	693,362	748,917	766,032	714,503	659,031



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

Assets	July 13, 1936	June 14, 1937	June 21, 1937	June 28, 1937	July 5, 1937	July 12, 1937
Gold	644,471	1,196,034	1,227,185	1,245,899	1,245,886	1,264,026
Silver		19,047	19,747	19,144	19,192	
Home bills discounted	40,111	17,881	18,169	18,043	14,865	14,487
Loans and advances in current account	126,446	171,268	166,944	178,189	170,478	168,384
Liabilities						
Notes in circulation	758,057	812,570	804,631	820,562	847,542	833,343
Deposits	74,810	613,284	640,081	664,544	625,680	633,635

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

Assets	July 7, 1936	June 7, 1937	June 15, 1937	June 23, 1937	June 30, 1937	July 7, 1937
Gold	1,413,216	2,624,325	2,624,357	2,624,360	2,624,397	2,624,407
Of which held abroad	180,911	534,469	534,469	534,469	534,469	534,469
Discounts	94,103	11,759	11,273	11,373	11,043	11,205
Confederation Bills	55,200	13,150	12,450	11,550	11,550	11,550
Advances	74,917	30,857	30,957	30,027	30,712	30,326
Securities	45,471	15,876	15,715	14,917	14,825	14,817
Liabilities						
Notes in circulation	1,270,190	1,344,698	1,324,078	1,330,213	1,408,616	1,379,253
Deposits	346,206	1,329,081	1,353,022	1,360,252	1,319,674	1,340,383

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

Assets	July 7, 1936	June 15, 1937	June 23, 1937	June 30, 1937	July 7, 1937
Cash reserve—					
Gold coin and bullion	242,616	242,948	242,962	242,975	242,991
Other foreign exchange	89,229	98,047	98,955	100,089	103,502
Bills discounted	220,693	191,333	189,398	190,337	191,700
Federal debt	624,444	620,152	620,122	620,122	620,152
Liabilities					
Notes in circulation	896,114	822,523	788,250	895,843	842,480
Deposits	279,304	317,536	352,981	244,929	308,137

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

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

Assets	July 7, 1936	June 15, 1937	June 23, 1937	June 30, 1937	July 7, 1937
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	26,385	53,118	54,586	53,851	54,694
Token money	10,089	9,870	10,144	8,363	7,504
Inland bills, warrants and securities	452,104	381,202	377,139	399,966	372,614
Advances to Treasury	88,895	106,707	107,207	107,207	109,102
Liabilities					
Notes in circulation	361,065	378,895	369,434	437,459	405,459
Current accounts, deposits, etc.	118,434	212,451	222,477	179,634	184,887
Cash certificates	97,668	92,901	92,901	92,901	92,901
Other liabilities	164,979	159,802	158,753	149,988	152,335

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.* (000's omitted)

Assets	June 23, 1936	May 31, 1937	June 6, 1937	June 15, 1937	June 23, 1937
Gold	2,697,664	2,577,919	2,578,005	2,577,530	2,579,224
Balances abroad and foreign currency	36,094	443,925†	441,580	412,915	394,089
Discounts and advances	1,613,046	1,864,829	2,074,914	1,899,427	1,831,102
State notes debt balance	2,036,742	2,016,905	2,016,858	2,016,736	2,015,945
Liabilities					
Bank notes in circulation	5,323,845	5,788,903	5,688,643	5,454,230	5,293,492
Deposits	918,553	402,223	694,294	709,871	779,222

* First return showing effects of devaluation, October 15, 1936. † Includes proceeds of Swiss loan for Postal Savings Bank of Kc. 322½ millions.

NATIONAL BANK OF JUGOSLAVIA
In dinar (000's omitted)

Assets	July 8, 1936	June 22, 1937	June 30, 1937	July 8, 1937
Cash reserve:				
Gold at home and abroad	1,532,527	1,677,084	1,677,733	1,683,718
Other foreign exchange	431,371	866,440	880,358	776,839
Bills and advances against security	1,606,112	1,613,265	1,629,737	1,621,573
Government advances	1,660,927	1,650,404	1,650,636	1,650,699
Liabilities				
Notes in circulation	4,819,865	5,300,989	5,474,161	5,501,658
Sight deposits	1,641,655	2,353,280	2,215,643	2,245,145
Time deposits	50,000	50,000	50,000	50,000

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

Assets	June 13, 1936	May 22, 1937	May 29, 1937	June 5, 1937	June 12, 1937
Gold and gold exchange	11,015,528	15,816,915	15,841,809	15,853,319	15,862,674
Commercial bills	5,218,406	6,191,169	6,157,128	6,085,693	6,084,693
Agricultural and urban advances	2,440,372	2,076,166	2,075,173	2,074,267	2,074,232
Treasury bills issued against losses on credit	5,555,855	6,326,476	6,330,965	6,356,423	6,357,908
State debt and advances to Treasury	5,638,745	4,624,385	4,624,385	4,624,385	4,624,385
Liabilities					
Notes in circulation	21,967,143	26,047,529	26,157,943	26,101,284	26,090,687
Other sight liabilities	8,763,421	13,121,038	12,990,540	13,084,945	13,028,603
Long-term liabilities	4,377,311	3,715,132	3,653,102	3,667,457	3,722,171

†First return after decree of November 7, 1936, was November 14th.

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

Assets	June 30, 1936	June 7, 1937	June 15, 1937	June 23, 1937	June 30, 1937
Gold holdings	1,806,955	1,765,820	1,786,113	1,786,113	1,796,784
Balances abroad and foreign currencies	447,859	482,160	422,335	417,494	414,949
Discounts and advances	1,401,646	1,045,562	1,043,011	1,090,477	1,108,545
Advances to the Treasury	2,671,279	3,551,463	3,551,463	3,557,463	3,522,998
Liabilities					
Reserves	1,245,837	1,240,263	1,237,861	1,237,891	1,213,631
Bank notes in circulation	2,453,072	2,404,502	2,353,924	2,354,194	2,394,236
Sight liabilities	2,051,006	3,101,654	3,149,989	3,229,941	3,194,911
Deposits	123,428	104,737	104,737	103,212	103,090

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

Assets	June 30, 1936	June 7, 1937	June 15, 1937	June 23, 1937	June 30, 1937
Gold and gold exchange	3,034,028	3,412,828	3,336,151	3,364,745	3,320,764
State Gold Bonds	566,697	546,974	546,974	543,026	543,026
Bills discounted	286,175	538,838	528,955	539,508	537,610
Advances	5,368,281	3,183,423	3,444,795	3,595,365	3,413,575
State Debt	3,605,111	3,557,205	3,557,205	3,557,205	3,557,205
Liabilities					
Notes in circulation	5,608,441	6,365,954	6,303,464	6,372,357	6,447,448
Deposit and current accts.	6,530,334	4,943,623	5,158,247	5,206,101	4,858,468
Foreign exchange liabilities	193,269	194,603	185,167	163,447	143,540

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

Assets	June 30, 1936	June 7, 1937	June 15, 1937	June 23, 1937	June 3 1937
Gold coin and gold bullion	34,145	34,187	34,189	34,191	34,19
Net foreign exchange	3,071	14,881	16,678	15,888	17,53
Home bills discounted	9,818	12,307	12,214	12,354	12,43
Loans and advances	9,055	9,302	10,253	10,457	12,97
Liabilities					
Notes in circulation	39,372	42,092	41,722	44,509	42,90
Sight deposits and current accounts	28,975	36,739	37,541	35,098	40,77
Ratio of reserve to current liabilities	56·1%	62·2%	62·2%	62·9%	61·8%

MONEY AND EXCHANGE RATES.

LONDON MONEY RATES

	July 8, 1937	July 9, 1937	July 10, 1937	July 12, 1937	July 13, 1937	July 14, 1937	July 1 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts							
3 months' do.							
4 months' do.							
6 months' do.							
Discount Treasury Bills—							
2 months'							
3 months'							
Loans—Day-to-day							
Short							
Deposit allowances: Bank							
Discount houses at call							
At notice							

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
June 17					2-2½	2-2½	2-2½
,, 24					2-2½	2-2½	2-2½
July 1					2-2½	2-2½	2-2½
,, 8					2-2½	2-2½	2-2½
,, 15					2-2½	2-2½	2-2½

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	July 9, 1937	July 10, 1937	July 12, 1937	July 13, 1937	July 14, 1937	July 15, 1937
New York, $	‡4·86	4·95–95	4·95–96	4·95–96	4·96–97	4·96–97	4·96–96
Montreal, $	4·86	4·96–97	4·96–97	4·97–97	4·97–98	4·97–98	4·97–97
Paris, Fr.	124·21	127⅛–128⅛	128–128⅛	127⅛–128⅛	127⅛–128⅛	127⅛–128⅛	127⅛–128⅛
Brussels, Bel.	35·00(a)	29·41–46	29·44–46	29·45–51	29·48–53	29·49–52	29·49–51
Milan, L.	92·46	94–94½ / 94·15†	94–94⅛	94–94⅜ / 94·20†	94–94⅛ / 94·38†	94–94⅛ / 94·45†	94–94⅛ / 94·40†
Zurich, Fr.	25·22½	21·64–66⅛	21·64½–66⅛	21·65–68	21·66–69	21·65½–68⅛	21·65–67
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225⅛–226½	225⅛–226½	225⅛–226½	225⅛–226½	225⅛–228½	225⅛–226½
Madrid, Pt.	25·22½	70–100(l) / 59·50†	70–100(l) / 62·75†	70–100(l) / 62·75†	70–100(l) / 62·75†	70–100(l) / 62·75†	70–100(l) / 62·75†
Lisbon, Esc.	110	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛
Amst'd'm, Fl.	12·107	9·00⅛–02	9·01⅛–02⅛	9·01⅛–03⅛	9·01⅛–04⅛	9·01–02⅛	9·01 02
Berlin, Mk.	20·43	12·32–34⅛	12·33–35	12·33–36	12·34–36	12·33–36	12·33–35
Registered Marks	(c)	39⅛–44⅛	40–45	41–46	43⅛–48⅛	42–47	42 47
Vienna, Sch.	34·58½	25⅛–27⅛	25⅛–27⅛	25⅛–27⅛	25–27⅛	25⅛–27⅛	25⅛–27⅛
Bu'pest, Pen.	27·82	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛
Prague, Kc.	$164½	141⅛–142⅛	142–142⅛	142–142⅛	142⅛–⅛	142⅛–⅛	142⅛–⅛
Danzig, Gul.	25·00	25⅛–26⅛	25⅞–26⅛	25⅞–26⅛	25⅞–26⅛	25⅞–26⅛	26–26⅛
Warsaw, Zl.	43·38	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	25⅛–26⅛	26–26⅛
Riga, Lat.	25·22½	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛	24⅛–25⅛
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	616* 624⅛	616* 624⅛	617* 624⅛	617* 624⅛	617* 624⅛	618* 624⅛
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit.	48·66	28⅛–29⅛	28⅛–29⅛	28⅛–29⅛	28⅛–29⅛	28⅛–29⅛	28⅛ 29⅛
Soña, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390 420
Tallinn, E. Kr.	18·159	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅛–⅛	97⅛–⅛	97⅛–⅛	97⅛–⅛	97⅛–⅛	97⅛ ⅛
Br. India Rup.	† 18d.	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 3/16 3/16
Hong Kong, $	† ...	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛ ⅛
Kobe, Yen	†24·58d.	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛–14	13⅛ 14
Shanghai, $	† ...	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛–⅛	14⅛–⅜
Singapore, $	† 28d.	28⅛–⅛	28⅛–⅛	28⅛–⅛	28⅛–⅛	28⅛–⅛	28⅛ ⅛
Batavia, F.	12·11	8·97⅛–9·01⅛	8·97⅛–9·01⅛	8·99–9·03	8·98–9·02	8·98–9·02	8·98 9·02
Rio, Mil.	†5·899d.	3⅛–⅛f	3⅛–⅛f	3⅛–⅛f	3⅛–⅞f	3⅛–⅞f	3⅛–⅞f
B. Aires, $	11·45	16·37–43g	16·37–41g	16·37–46g	16·42–51g	16·44·52g	16·39·47g
Valparaiso, $	40	16·12h / 128c(l)	16·12h / 128c(l)	16·12h / 128c(l)	16·12h / 128c(l)	16·12h / 128c(l)	16·12h / 128c(l)
M'video, $	† 51d.	27⅛–29⅛ / 39⅛*b	28–28⅛ / 39⅛*b	28–28⅛ / 39⅛*b	28–28⅛ / 39⅛*b	27⅛–28⅛ / 39⅛*b	27⅛–28⅛ / 39⅛*b
Lima, Sol.	17·38	18⅛–19⅛	18⅛–19⅛	19⅛–19⅛	18⅛–19⅛	18⅛–19⅛	19–20
Mexico, Pes.	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Manila, Pes.	†24·66d.	24 1/16–⅜	24 1/16–⅜	24 1/16–⅜	24⅛–⅜	24⅛–⅜	24⅛ ⅜
Moscow, Rbls.	...	30⅛	30⅛	30⅛	30⅛	30⅛	30⅛
B'ngkok, Baht	†21·82d.	21⅛–22	21⅛–22	21⅛–22	21⅛–22	21⅛–22	21⅛ ⅛

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅛ since dollar devaluation on February 1, 1934. § Par, 197·10⅛ since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement. (l) Nominal.

II.—Forward Rates
(Closing quotations)

London on		July 9, 1937 Per £	July 10, 1937 Per £	July 12, 1937 Per £	July 13, 1937 Per £	July 14, 1937 Per £	July 15, 1937 Per £
New York, cent.	1 Month	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–⅛
	2 ,,	1–⅛	1–⅛	1–⅛	1–⅛	1–⅛	1⅛–1⅛
	3 ,,	1 1/16–1 1/16	1 1/16–1 1/16	1 1/16–1 1/16	1 1/16–1 1/16	1 1/16–1 1/16	1⅛–1½
Paris, frs.	1 Month	(d) 1½–1⅝	(d) 1½–1⅝	(d) 1–1⅛	(d) 1⅛–1 1/16	(d) ⅞–1	(d) 1–1½
	2 ,,	2½–2⅝	2⅝–2¾	2–2⅛	1⅝–2	1⅝–2	2–2¼
	3 ,,	4–4⅛	4⅛–4⅜	3⅛–3⅜	3⅛–3⅜	3⅜–3⅝	3⅞–4
Amsterdam c'nt	1 Month	(p) ⅞–⅞	(p) ⅞–⅞	1–Par	(p) 1–⅞	(p) 1–⅞	(p) 1–⅞
	2 ,,	1⅛–1⅛	1⅛–1⅛	2–1	1⅜–1⅛	1⅜–1⅛	1⅜–1⅛
	3 ,,	2⅛–2⅛	2⅜–2⅛	2¼–1⅛	2¼–2	2¼–2	2⅜–2
Brussels, cent.	1 Month	(p) 1–Par	(p) Par	(p) 1–⅞	(p) 1–Par	(p) 1–Par	(p) 1–Par
	2 ,,	1–Par	1–Par	1⅛–1⅛	2–1	2–1	2–1
	3 ,,	1–Par	2–1	2⅜–2⅛	3⅛–2⅛	4–2	4–2⅛
Geneva, cent.	1 Month	(d) Par	(d) Par	(d) Par	(d) Par	(p) 1–Par	(p) 1–Par
	2 ,,	Par	Par	Par	1⅛–⅛	2–1	1⅛–⅛
	3 ,,	Par	Par	Par	1⅜–⅛	3–1	2⅛–1⅛

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	July 15, 1936	June 16, 1937	June 23, 1937	June 30, 1937	July 7, 1937	July 14, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—			Selling Rates			
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅝	⅝	⅝	⅝	⅝	⅝
Commercial accept., 90 days	⅝	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	July 15, 1936	June 30, 1937	July 7, 1937	July 14, 1937
London—		Old par				
60 days	Dollars for £1	4·8666	5·0162	4·92⅜	4·9437	4·96
Cable		New par	5·0287	4·93⅜	4·9525	4·9687
Cheques		8·2397	5·02⅛	4·9362	4·9512	4·96⅛
Paris ...cheques	Cents for 1 franc	6·63	6·6337	4·14	3·8662	3·8825
Brussels ,,	Cents for 1 belga	23·54	16·925	16·835	16·835	16·845
Switzerland ,,	Cents for 1 franc	32·67	32·77	22·865	22·90	22·94
Italy ,,	Cents for 1 lira	8·91	7·89½	5·26⅛	5·26	5·26
Berlin ,,	Cents for 1 mark	40·33	40·38	40·08	40·15	40·23
Vienna ,,	Cts. for Austrn. shig.	23·82	18·88	18·75	18·76	18·79
Madrid ,,	Cents for 1 peseta	32·67	13·75	...	...	...
Amsterdam ,,	Cents for 1 guilder	68·06	68·19	54·92	54·985	55·10
Copenhagen ,,	Cents for 1 kroner	45·37	22·45	22·045	22·11	22·18
Oslo ,,			25·27	24·81	24·89	24·97
Stockholm ,,			25·93	25·46	25·54	25·61
Athens ,,	Cents for 1 drachma	1·29⅛	0·94⅛	0·90⅛	0·91	0·91⅛
Montreal ,,	Cents for Can. $1	169·31	99⅛	99⅛	99⅛	99⅛
Yokohama ,,	Cents for 1 yen	84·40	29·425	28·70	28·80	28·93
Shanghai ,,	Cents for 1 dollar	...	30·25	29·80	29·80	29·60
Calcutta ,,	Cents for 1 rupee	61·80	37·98	37·30	37·40	37·54
Buenos Aires ,,	Cents for 1 peso	...	33·52	30·62	30·73	30·82
Rio de Janeiro ,,	Cents for 1 milreis	11·96	8·47	8·32	8·32	8·37

Exchange rates for South Africa, Central and South America and Australasia appeared in the issue of July 3, 1937, pages 48 and 49. The French bank rate now stands at 5 per cent. Other overseas bank rates also appear in the above issue.

THE BANK OF LONDON AND SOUTH AMERICA, LTD., has received telegraphic advice from the Valencia Branch that the gold surcharge for payment of Spanish customs duties has been fixed for the period July 11th to 20th at 141·86 per cent. The previous rate was fixed as from July 1st at 140·98 per cent.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver or the week ended July 15, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD
(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
Gibraltar	...	3,400	Anglo-Egyptian Sudan	2,100	*650*
British W. Africa	154,880	*303*	France	79,552	*100*
British S. Africa	1,561,190	...	Syria	...	*2,000*
Tanganyika	7,969	...	Switzerland	3,500	*2,273* / 31,419
Kenya	14,800	...	Jugoslavia	101,788	...
Uganda	2,066	...	U.S.A.	4,849,191	...
British India	305,818	...	Other Countries	878	...
New Zealand	26,550	...			
British Guiana	4,706	...			
Germany	812,554	...			
Netherlands	2,824	...			
Belgium	11,462	...			
France	255	...			
Switzerland	5,142	526			
Egypt	552	...			
China	724,199	...			
Other Countries	2,183	*4* / 807			
Total	3,637,150	*307* / 4,733	Total	5,037,009	*5,023* / 31,574

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
New Zealand	3,601	...	Sweden	2,800	...
Canada	2,222	...	Denmark	2,400	...
Germany	6,466	...	Germany	8,670	...
Netherlands	...	147	Netherlands	1,450	...
Belgium	8,600	162	France	860	...
France	3,839	331	Saudi Arabia	...	13,060
Switzerland	...	31	Argentina	1,500	...
Egypt	...	70,071	Other Countries	1,579	341
Japan	36,701	...			
Other Countries	608	*950*			
Total	62·037	*950* / 70,742	Total	19,259	13,401

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

GOLD MARKET

Messrs Samuel Montagu and Company write on July 14, 1937:—

The Bank of England gold reserve against notes amounted to £326,406,625 on July 7th, showing no change as compared with June 30th.

In the open market about £1,230,000 of bar gold was available at the daily fixing during the week. With offerings on a smaller scale, a general demand was sufficient to maintain prices at a small premium over dollar parity, but owing to the weakness of the dollar in terms of sterling quotations ruled lower; the price of 139s. 11d. fixed July 13th, was the lowest since September of last year.

Gold shipments from Bombay last week amounted to about £222,000, of which the s.s. "Naldera" carries £170,000 and the s.s. "President Hayes" £52,000. The Transvaal gold output for June, 1937, amounted to 979,069 fine ounces, as compared with 970,250 fine ounces for May, 1937, and 944,165 fine ounces for June, 1936.

SILVER MARKET

It was announced in Washington on July 9th that an agreement had been concluded between China and the United States under which China will buy a substantial amount of American gold and America will buy silver from China in addition to that already being acquired under the original agreement effected last May. The statement added that the purpose of the agreement is to assist in stabilising currency relationship and to augment the gold reserves of the Chinese Central Bank. The announcement had little effect upon the market, which has maintained a fairly steady tone. Buying from India finding the market rather poorly supplied, prices advanced to 20 9/16d. for cash and 20½d. for two months' delivery on July 9th; however, offerings on China account and resales by speculators were made rather more freely at the rise and, the buying not being sustained, prices eased back gradually to 20d. for both deliveries quoted July 14th. There are still no indications of any important change.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
July 8	140 4	12 1·29	20	20⅛	July 7 to July 13 inclusive 45
,, 9	140 5½	12 1·16	20⅜	20½	
,, 10	140 3	12 1·38	20⅜	20½	
,, 12	140 2	12 1·46	20½	20⅜	
,, 13	139 11	12 1·72	20⅜	20⅜	
,, 14	140 1	12 1·55	20	20	
Average	140 2·42	12 1·43	20·094	20·146	
July 15	140 1½	12 1·51	19 15/16	20	

The highest rate of exchange on New York recorded during the period from July 8th to 14th was $4·97½, and the lowest $4·94⅞.

Statistics for the month of June, 1937:—

Bar silver per oz. std.

	Cash delivery	Two Months' delivery	Bar Gold per oz. fine
Highest price	20⅜d.	20 7/16d.	140s. 9d.
Lowest price	19⅜d.	19⅜d.	140s. 3½d.
Average	20·0216d.	20·0649d.	140s. 6·69d.

No gold movements were reported at the Bank of England between July 9th and July 15th. Details of previous movements appeared in our issue of July 3rd, page 49.

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OTHER STATISTICS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 10, 1937. (c) Week ended July 9, 1937.	Miles Open	Gross Receipts, week ended July 11, 1937 (£'000)					Aggregate Gross Receipts, compared with 1936 (27 weeks) (£'000)				
		Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western 1937	3,738	275	200	107	307	582	5,319	5,319	3,029	8,348	13,667
Great Western 1936	3,746	276	191	92	283	559	5,138	5,123	2,713	7,836	12,974
(c) L. & N. E. 1937	6,320	427	323	228	551	978	8,347	9,143	6,762	15,905	24,252
(c) L. & N. E. 1936	6,333	405	315	223	538	943	7,973	8,729	6,328	15,057	23,030
L. M. & Scottish 1937	6,877	623	496	216	712	1,335	12,762	13233	7,089	20,322	33,084
L. M. & Scottish 1936	6,898‡	600	474	212	686	1,286	12,264	12847	6,595	19,442	31,706
Southern 1937	2,153	390	63	23	86	476	8,154	1,635	830	2,465	10,619
Southern 1936	2,154	373	62	27	89	462	7,720	1,687	839	2,526	10,246
Total 1937	19088	1715	1082	574	1656	3,371	34,582	29330	17710	47,040	81,622
Total 1936	19131‡	1654	1042	554	1596	3,250	33,095	28386	16475	44,861	77,956
(b) Belfast & Co. Down 1937	80	3·2	...	...	0·4	3·6	58·8	...	...	13·6	72·4
(b) Belfast & Co. Down 1936	80	3·8	...	...	0·6	4·4	62·0	...	...	15·3	77·3
(b) Great Northern 1937	543	13·6	...	...	9·2	22·8	253·2	...	...	254·8	508·0
(b) Great Northern 1936	543	14·0	...	...	9·4	23·4	254·4	...	...	268·2	522·6
(b) Great Southern 1937	2,076	45·7	...	...	36·5	82·2	856·7	...	...	1109·8	1966·5
(b) Great Southern 1936	2,124	46·2	...	...	39·5	85·7	867·3	...	...	1122·7	1990·0

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935 :— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 :— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936 :— 1 week to July 10, 1937 ...	+ 23	+ 49	+ 35	+ 14
Weekly average second half 1937...	...	...	...	...
Latest week 1937 compared with 1936	+ *23*	+ *49*	+ *35*	+ *14*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending July 10, 1937	£561,900	— 200
Aggregate 2 weeks to July 10, 1937	£1,144,000	+ 5,800

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	12	June 20	1,330	‡4,83,900	+ 15,015	38,07,880	+ 1,33,974
Barsi Lt. Ry.	12	20	202	‡32,800	− 3,800	3,86,500	− 4,600
Bengal & N. Western	12	20	2,111	‡10,67,692	+ 89,709	97 79 705	+ 6,85,111
Bengal-Nagpur	12	20	3 268	‡24 86 000	+ 2 30 158	2,17,19,334	+ 19,18,912
Bombay, Bar. & C.I.	13	30	3,072	‡31,70,000	+ 3,96,000	3,32,23,000	+ 23,61,000
Madras & S. Mahr.	12	20	3,229	‡20,67,000	− 42,603	1,80,40,000	+ 64,088
Rohilk'd & Kumaon	12	20	572	‡2,02,281	− 1,404	19,01,028	− 55,279
South Indian	12	20	2,532	‡14,77,740	− 24,931	1,25,33,225	− 14,433

‡ 10 days.

CANADIAN		1937		$	$	$	$	
Canadian National	27	July 7	23566	3,507,111	+ 294,998	98,503,425	+ 9,829,884	
Canadian Pacific	27	7	17228	2,637,000	− 94,000	69,427,000	+ 4,652,000	

SOUTH AMERICAN								
Antofagasta (Chili and Bolivia)	28	1937 July 11	834	£14,130	+ 310	454,520	+ 75,960	
Argentine N.E.	2	10	753	‡156,900	+ 22,900	218,800	− 2,300	
				*£9,733	+ 1,888	13,573	+ 628	
B.A. and Pacific	2	10	2,806	‡1,350,000	+ 123,200	1,895,000	− 66,300	
				*£83,747	+ 11,920	117,556	+ 2,700	
B.A. Central	52	June 26	...	$164,800	+ 53,100	7,405,700	+ 1,851,300	
B.A. Gt. Southern	2	July 10	5,084	‡1,749,000	− 49,000	2,573,000	− 299,000	
				*£108,499	+ 3,230	159,615	− 8,571	
B.A. Western	2	10	1,930	‡696,000	+ 44,000	953,000	− 32,000	
				*£43,176	+ 5,003	59,118	+ 1,437	
Central Argentine	2	10	3,700	‡2,553,350	+ 343,500	3,560,950	+ 332,050	
				*£158,396	+ 29,014	220,902	+ 31,822	
Central Uruguayan	1	3	980	d128,448	− 40,967	d52,439	− d34,468	
				e£14,518	− 2,723	£5,927	− £2,977	
Cordoba Central	2	10	1,218	‡687,000	+ 88,000	1,053,000	+ 63,000	
				*£42,620	+ 7,550	65,320	+ 7,340	
Entre Rios	2	10	810	‡210,800	+ 31,000	297,800	+ 9,200	
				*£13,077	+ 2,550	18,474	+ 1,573	
G. Westn. of Brazil	28	10	1,082	£6,600	+ 900	204,800	− 13,100	
Leopoldina	28	10	1,918	Ms1793000	+ 40,000	48,078,000	+ 6,683,000	
				£23,907	+ 3,747	614,093	+ 141,787	
Leopoldina Termnl.	28	10	...	Ms.369,000	+ 35,000	9,785,000	+ 508,000	
Nitrate	28	June 30	397	a£6,426	+ 568	86,845	+ 17,285	
Paraguay Central	2	July 10	274	$4,218,000	+ 1640000	5,705,000	+ 1,488,000	
Salvador	2	10	100	Col. 12,450	+ 2,635	17,582	+ 1,139	
San Paulo	27	4	153½	Ms3200000	+ 434,000	70,565,000	+ 4,225,000	
				£42,533	+ 9,572	878,828	+ 89,106	
United of Havana	2	10	1,353	£18,382	+ 2,689	26,082	+ 763	

* Converted at average official rate during week ended July 3, 16·12 pesos to £.
o Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. d Receipts in Uruguayan currency.
e Converted at "controlled free rate." § Year to June 30th. ‖ 3 days. ¶ 4 days.

OTHER OVERSEAS

		1937		£	£	£	£
Egyptian Delta Light Railways	13	June 30	621	16,266	+ 383	55,784	+ 4,817
Egyptian Markets	27	July 8	...	£1,277	− 159	46,450	− 731
Mexican Railway	1	7	483	$255,700	+ 29,400	...	...

‡ 10 days.

SUEZ CANAL RECEIPTS

		1937		£	£	£	£
Suez Canal	26	June 30	...	‡275,900	+ 27,000	5,705,400	− 24,700

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine	27	July 8	325	$682,989	− 20,161	17,296,814	+ 277,322
B. Aires Lacroze	52	June 27	...	$55,816	− 7,807	3,492,370	− 156,856
Burnley, Colne and Nelson Jt. Trspt.	27	July 10	80	£4,376	+ 24	...	...
Calcutta Tramways	27	10	...	Rs. 1,25,779	+ 9,166	27,49,411	+ 1,46,908
Liverpool Corp.	14	7	...	£31,141	+ 639	440,178	+ 31,280
Madras Electric	26	June 30	...	‡Rs.49,177	+ 4,368	6,13,592	+ 25,651

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to Date 1937	+ or −
Algoma Central	5	May 31	Gross	$207,915	+ 47,873	797,157	+ 260,450
Bolivar	6	June 30	Gross	£5,700	− 500	35,000	− 6,000
Dorada	6	June 30	Gross	£14,000	+ 400	90,400	+ 11,100
Dorada (Ropeway)	6	June 30	Gross	£4,200	− 500	29,400	+ 7,400
Mexican Light & Power	5	May 31	Gross	Can. $740,019	+ 80,253	3,674,598	+ 324,453
			Net	Can. $153,418	− 41,747	1,043,152	− 14,588
Rangoon Electric Trams	1	June 30	Gross	Rs. 1,65,025	+ 8,581	...	...
Samana and Santiago	6	June 30	Gross	£2,060	+ 512	11,470	− 890
Shanghai Electric	6	June 30	Net	$432,927	+ 68,517	2,433,624	+ 174,101
Suez Canal	6	June 30	Gross	£829,000	− 4,200	5,705,400	− 24,700

AMERICAN RAILROADS

Company	Month of May, 1937	Compared with May, 1936	5 Months 1937	Compared with 5 Months 1936
	$	$	$	$
Baltimore and Ohio — Gross	15,165,000	+ 875,000	73,507,000	+ 8,374,000
Baltimore and Ohio — Nett	2,256,000	− 217,000	11,745,000	+ 2,109,000
Erie — Gross	7,467,000	+ 574,000	36,395,000	+ 3,490,000
Erie — Nett	1 412,000	+ 134,000	7,142,000	+ 1,256,000
New York Central — Gross	31,128,000	+ 2,973,000	155,830,000	+ 13,800,000
New York Central — Nett	3,956,000	+ 675,000	21,346,000	+ 5,897,000
Pennsylvania Railroad — Gross	40,645,000	+ 5,276,000	194,835,000	+ 25,881,000
Pennsylvania Railroad — Nett	6,066,000	− 793,000	28,765,000	+ 446,000
Southern Pacific — Gross	18,054,000	+ 2,736,000	92,403,000	+ 19,633,000
Southern Pacific — Nett†	1,023,000	− 289,000	9,476,000	+ 2,989,000
Union Pacific — Gross	12,421,000	+ 1,352,000	62,465,000	+ 8,497,000
Union Pacific — Nett†	569,000	+ 220,000	4,141,000	+ 974,000

† Net operating income.

BANK BALANCE SHEETS

WILLIAMS DEACON'S BANK, LIMITED

LIABILITIES	June 30, 1936	June 30, 1937	ASSETS	June 30, 1936	June 30, 1937
	£	£		£	£
Capital issued	1,875,000	1,875,000	Coin, etc.	4,160,930	3,930,767
Reserve fund	800,000	800,000	Balances with other banks	1,959,707	2,315,823
Current, deposit and other accounts	35,920,257	36,485,482	Money at call	6,372,984	5,386,165
Acceptances	613,211	708,751	Bills discounted	1,277,644	306,361
Endorsements	1,250,013	660,399	British Government securities	10,414,920	11,620,764
			Other investments	1,300,803	1,147,819
			Advances	12,061,106	13,390,347
			Premises	1,047,163	1,082,436
			Acceptances	613,211	708,751
			Endorsements	1,250,013	660,399
Total	40,458,481	40,529,632	Total	40,458,481	40,529,632

BARCLAYS BANK LIMITED

LIABILITIES	June 30, 1936	June 30, 1937	ASSETS	June 30, 1936	June 30, 1937
	£	£		£	£
Deposits	397,445,631	415,545,234	Cash	49,130,402	50,593,378
Balances with Subsidiary Banks	16,791,049	14,038,621	Balances with other British Banks	12,721,852	14,603,186
Acceptances and endorsements	7,731,780	8,796,047	Money at Call and Notice	23,593,250	26,023,650
"A" shares, £4	3,430,356	3,430,356	Bills Discounted	54,622,408	43,604,135
"B" shares, £1	11,790,811	11,790,811	British Government Securities	100,473,300	100,098,532
"C" shares, £1	667,050	667,050	British Dominions and Colonial Govt. securities	9,067,381	7,205,752
Reserve fund	10,250,000	10,250,000	Other investments	510,278	488,723
			British Linen Bank	3,719,232	3,720,181
			Union Bank of Manchester	750,000	750,000
			Other subsidiary Banks	2,538,341	2,497,926
			Advances	175,548,442	198,592,985
			Acceptances and endorsements	7,731,780	8,796,047
			Bank premises	7,670,011	7,535,646
Total	448,076,677	464,488,119	Total	448,076,677	464,488,119

LLOYDS BANK LIMITED

LIABILITIES	June 30, 1936	June 30, 1937	ASSETS	June 30, 1936	June 30, 1937
	£	£		£	£
Paid-up capital	15,810,252	15,810,252	Cash	40,221,710	43,355,228
Reserve fund	8,500,000	9,000,000	Balances with other banks in British Isles	14,564,650	14,882,498
Current, deposit and other a/cs.	395,574,777	413,072,775	Money at call and notice	25,154,147	27,372,580
Notes in circulation (Isle of Man)	6,223	6,031	Balances with banks abroad	2,562,590	3,374,793
Acceptances	3,872,128	4,165,360	Treasury bills	51,680,000	48,735,000
Endorsements	25,412,252	33,284,911	British bills of exchange	3,950,043	2,748,525
			Colonial and foreign bills	1,546,595	1,542,568
			Treasury bonds, etc.	40,395,701	34,688,286
			Other British Govt. stocks	49,668,973	60,622,622
			Indian & Colonial Govt. stocks, etc.	11,910,964	12,141,767
			Investments in other banks	...	3,200,615
			Other investments	3,034,345	2,048,626
			National Bank of Scotland	2,673,286	2,725,405
			Bank of London and S. America	1,812,015	—
			Indian premises	54,502	54,502
			Lloyds National Prov. Foreign Bank	600,000	600,000
			Loans & advances	155,280,531	164,476,326
			Items in transit	5,716,278	6,066,830
			Other assets	2,203,921	1,633,338
			Bank premises	7,761,001	7,619,589
			Acceptances	3,872,128	4,165,360
			Endorsements	25,412,252	33,284,911
Total	449,175,632	475,339,329	Total	449,175,632	475,339,329

INDUSTRIAL PROFITS
SUPPLEMENTARY TABLES
(*See* Leading Article on Page 117)

TABLE (A)—AVERAGE RATES PAID

	On Debenture Capital				On Preference Capital				On Ordinary Capital			
	1934	1935	1936	1937	1934	1935	1936	1937	1934	1935	1926	1937
	%	%	%	%	%	%	%	%	%	%	%	%
1st quarter	4·73	4·64	4·51	4·39	4·9	5·1	5·3	5·8	7·5	8·3	9·2	10·1
2nd "	4·75	4·75	4·58	4·54	5·2	5·7	5·6	5·4	5·7	6·7	7·3	8·5
3rd "	4·88	4·87	4·81	...	4·1	4·9	4·9	...	6·0	6·7	7·6	...
4th "	4·95	4·84	4·75	...	3·7	4·5	4·9	...	6·8	7·9	9·2	...
Year	4·82	4·72	4·62	...	4·8	5·2	5·2	...	6·5	7·4	8·2	...

TABLE (B)—NET PROFITS IN INDIVIDUAL INDUSTRIES
(After payment of Debenture Interest etc.)

Group	No. of Reports	Reports Published in Quarter ended June 30th 1937	Compared with 1936	+ or − %	No. of Reports	Reports Published in Year ended June 30th 1937	Compared with 1936	+ or − %
		£	£			£	£	
Breweries	15	4,033,567	+ 399,127	+ 10·9	102	19,902,470	+ 1,651,691	+ 9·0
Canals and docks	3	94,153	+ 1,630	+ 1·8	9	531,937	+ 16,519	+ 3·2
Elec. lighting & power	8	1,338,964	+ 74,359	+ 5·9	36	11,854,671	+ 1,100,082	+ 10·2
Fin., land & investment	57	3,516,730	+ 744,571	+ 26·8	193	14,709,680	+ 3,122,158	+ 26·9
Gas	9	909,972	+ 37,366	+ 4·3	43	4,291,200	− 8,134	− 0·2
Hotels and restaurants	8	1,469,763	+ 68,910	+ 4·9	25	2,074,336	+ 122,207	+ 6·2
Iron, coal & steel	45	10,028,222	+ 2,396,597	+ 31·4	146	25,221,919	+ 6,430,361	+ 34·2
Motors, cycles & aviation	8	3,635,668	− 828,920	+ 29·5	43	9,430,973	+ 2,061,408	+ 27·9
Oil	13	17,788,205	+ 4,621,498	+ 35·1	22	19,193,591	+ 5,051,328	+ 35·7
Rubber	154	2,472,187	+ 1,325,888	+ 115·7	388	4,687,969	+ 1,845,671	+ 84·9
Shipping	17	2,877,633	+ 1,607,840	+ 126·5	31	5,941,179	+ 1,671,080	+ 39·1
Shops and stores	24	4,149,944	+ 312,754	+ 8·1	88	17,210,669	+ 1,344,259	+ 8·5
Tea	89	1,810,312	+ 24,281	+ 1·3	138	2,556,256	+ 431,127	+ 20·3
Telegraphs & telephones	7	2,745,831	− 228,520	− 7·7	10	3,109,084	− 182,611	− 5·6
Textiles	20	3,417,570	+ 178,666	+ 5·5	80	9,060,943	+ 680,275	+ 8·1
Tramway & omnibus	11	1,559,618	+ 73,176	+ 4·9	27	2,808,416	+ 276,489	+ 10·9
Trusts	68	3,885,125	+ 498,636	+ 14·7	210	10,029,753	+ 937,976	+ 10·3
Waterworks	6	297,605	+ 44,822	+ 17·7	26	1,106,744	+ 29,428	+ 2·7
Building materials	16	1,047,757	+ 113,199	+ 12·1	69	7,510,284	+ 770,611	+ 11·4
Food, confectionery and drink	24	2,716,154	+ 48,165	+ 1·8	79	9,035,179	+ 175,734	+ 1·9
Elec. equipment	12	3,826,016	+ 519,448	+ 15·7	26	7,131,146	+ 1,233,822	+ 20·9
Newspapers, prntg., etc.	20	4,703,099	+ 293,662	+ 6·6	62	8,395,030	+ 877,715	+ 11·7
Tobacco	6	199,981	+ 15,943	+ 8·7	19	21,817,752	+ 1,089,515	+ 5·2
Warehouse & trading	4	195,381	− 21,545	− 9·9	29	1,249,740	+ 102,175	+ 8·9
Miscellaneous	121	21,971,169	+ 2,801,145	+ 14·6	370	47,672,180	+ 5,205,888	+ 12·2
Total	765	100,680,626	+ 16,780,538	+ 19·9	2271	266,533,101	+ 36,036,874	+ 15·6

TABLE (C)—PROFITS, DIVIDENDS, ETC. IN SEPARATE INDUSTRIAL GROUPS
(Year ended June 30, 1937)

Group	Net Profit after Payment of Debenture Interest	Ordinary Dividend		Preference Dividend		To Reserve	
	£	£	%	£	%	£	%
Breweries	19,802,470	12,264,983	61·6	2,798,296	14·1	4,839,191	24·3
Canals and docks	531,937	161,815	30·4	251,144	47·2	118,978	22·4
Electric lighting and power	11,854,671	4,533,814	38·2	1,960,889	16·5	5,359,968	45·3
Financial, land and investment	14,709,680	8,431,450	57·3	2,946,440	20·0	3,331,790	22·7
Gas	4,291,200	3,285,546	76·6	682,997	15·9	322,657	7·5
Hotels and restaurants	2,074,336	862,758	41·6	805,163	38·8	406,415	19·6
Iron, coal and steel	25,221,919	10,574,737	41·9	3,363,997	13·3	11,283,185	44·8
Motor cycle and aviation	9,430,973	4,712,819	49·9	735,188	7·8	3,982,966	42·3
Oil	19,193,591	13,029,154	66·2	2,352,180	12·3	3,812,257	21·5
Rubber	4,687,969	3,501,248	74·7	203,141	4·3	983,580	21·0
Shipping	5,941,179	982,916	16·6	710,861	11·9	4,247,402	71·5
Shops and stores	17,210,669	9,137,841	53·1	3,766,688	21·8	4,306,140	25·1
Tea	2,556,256	1,586,208	62·0	400,041	15·6	570,007	22·4
Telegraphs and telephones	3,109,084	1,768,765	56·9	980,876	31·5	359,443	11·6
Textiles	9,060,943	5,120,804	56·5	2,270,185	25·1	1,669,954	18·4
Tramway and omnibus	2,808,416	1,609,074	57·3	437,244	15·5	762,098	27·2
Trusts	10,029,753	4,443,084	44·2	4,016,735	40·0	1,569,934	15·8
Waterworks	1,106,744	672,476	60·7	258,239	23·3	176,029	16·0
Building materials	7,510,284	3,976,862	52·9	981,666	13·1	2,551,756	34·0
Food, confectionery and drink	9,035,179	5,084,612	56·3	1,871,211	20·7	2,079,356	23·0
Electrical equipment	7,131,146	3,002,030	42·1	955,722	13·4	3,173,394	44·5
Newspapers, printing, etc.	8,395,030	3,304,252	39·3	2,330,688	27·8	2,760,090	32·9
Tobacco	21,817,752	18,437,188	84·5	2,048,697	9·4	1,331,867	6·1
Warehouse and trading	1,249,740	615,790	49·3	404,016	32·3	229,934	18·4
Miscellaneous	47,672,180	22,421,797	47·0	12,285,492	25·8	12,964,891	27·2
Total	266,533,101	143,522,023	53·7	49,817,796	18·7	73,193,282	27·6

TABLE (D)—RATES OF INTEREST AND DIVIDEND
(Year ended June 30, 1937)

Group	Debenture Capital	Rate of Int.	Preference Capital	Rate of Div.	Ordinary Capital	Rate of Div. (c)	Rate of Div. a Year Ago (d)
	£	%	£	%	£	%	%
Breweries	59,083,098	4·4	50,017,613	5·6	81,686,704	15·0	13·9
Canals and docks	4,366,408	4·0	6,501,821	3·8	1,709,333	1·7	1·2
Electric lighting and power	48,829,298	4·4	33,659,535	5·8	54,632,678	8·3	7·2
Financial, land and investment	70,424,283	4·5	55,874,100	5·2	152,151,049	5·5	5·5
Gas	33,235,117	3·9	16,310,933	4·2	58,979,020	5·6	5·6
Hotels and restaurants	9,160,908	4·4	13,706,383	5·9	10,678,635	8·1	7·2
Iron, coal and steel	52,359,143	4·8	81,212,194	4·1	162,924,506	6·5	4·5
Motor, cycle and aviation	3,617,093	5·5	12,580,027	5·9	33,990,671	13·9	9·8
Oil	550,000	5·5	30,442,702	7·7	71,528,300	18·2	13·5
Rubber	4,382,836	6·7	3,991,588	5·3	72,424,773	4·7	3·6
Shipping	20,207,395	4·6	17,853,550	3·9	49,284,792	1·9	1·5
Ships and stores	26,120,452	4·4	61,431,817	6·1	55,358,106	16·5	14·1
Tea	1,173,783	6·3	6,879,781	5·8	20,593,802	7·7	5·7
Telegraphs and telephones	275,000	5·5	17,604,988	5·6	68,130,129	2·6	2·8
Textiles	28,858,338	5·2	59,879,921	3·8	97,325,198	5·2	5·2
Tramway and omnibus	16,046,733	4·7	13,127,670	3·3	20,995,783	7·6	7·1
Trusts	127,675,522	4·4	102,395,407	3·9	89,520,734	4·9	4·4
Waterworks	7,075,228	4·5	5,778,705	4·5	11,399,700	5·9	5·6
Building materials	6,963,820	4·6	18,083,352	5·4	27,140,256	14·6	12·6
Food, confectionery and drink	6,844,798	5·1	31,279,468	5·9	44,330,355	11·5	10·9
Electrical equipment	4,081,250	4·6	13,021,523	7·3	25,726,187	11·7	9·5
Newspapers, printing, etc.	20,995,217	4·4	41,201,522	5·6	34,330,328	9·7	9·5
Tobacco	83,229	5·0	33,702,663	6·8	90,430,413	20·4	19·4
Warehouse and trading	1,655,988	4·1	8,246,829	4·9	12,046,817	5·1	4·1
Miscellaneous	47,007,777	4·7	188,813,661	6·5	232,103,235	9·6	8·7
Total	601,072,714	4·5	923,588,553	5·4	1586,998,007	9·0	7·9

(c) 2,271 Reports. (d) 2,138 Reports.

SHORTER COMPANY COMMENTS

COMPANY RESULTS OF THE WEEK.—Among this week's industrial reports, BRITISH PLASTER BOARD stands out; the profits figures have already been known for some time, and the full report shows that the 50 per cent. dividend is very substantially covered, by earnings of over 70 per cent. TANKERS, LTD., reports an increase in net revenues from £97,292 to £109,759 for the year to March, of which only part enjoyed a sharp increase in freight rates. AMALGAMATED DENTAL profits are £10,000 lower at £141,554, but the 5 per cent. dividend is fully covered. Several newcomers to the industrial market present their first reports as public companies. ALLIED BAKERIES, for example, reports a net profit of £60,445 and pays 8 per cent., while CORNERCROFT reports a profit of £17,756 and pays 15 per cent. STEEL BARREL SCAMMELLS is another new concern to the market. Profits amount to £28,114, and the dividend of 12½ per cent. is comfortably earned, after making substantial provisions. HECHT LEVIS AND KAHN, the produce brokers, reveal a substantial jump in profits from £108,472 to £190,418, and the dividend has been doubled at 35 per cent. TILBURY CONTRACTING AND DREDGING is an essential steady profit earner, and a fall in net profits from £129,242 to £117,227 is not highly significant when the 17½ per cent. dividend is so handsomely covered. For building material shareholders, some significance may be attributed to the fact that, while EASTWOODS CEMENT has appreciably increased its profits during the past year, EASTWOODS FLETTONS profits are comparably reduced. Moderate progress is recorded by such brewery concerns as PARKER'S BURSLEM and TAMPLIN AND SONS. PEKIN SYNDICATE records a profit of no less than £38,330, compared with a loss of £16,804 for the previous year.

(*Continued on page* 158)

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Preference Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Banks											
National Bank of Australasia	Mar. 31	159,413	325,627	485,040	...	287,500	5¾	40,000	157,540	294,404	5¾
Standard Bank of South Africa	Mar. 31	142,705	556,587	699,292	...	350,000	14	200,000	149,292	477,535	12
The National Bank	June 30*	38,523	110,604	149,127	...	90,000	12	20,000	39,127	110,771	12
Breweries											
Kinloch (Charles) and Co.	Mar. 31	11,981	16,364	28,345	...	10,000	10	5,000	13,345	12,927	10
Parker's, Burslem	June 2	37,096	69,689	106,785	9,302	43,229	14	17,845	36,409	66,514	12½
Tamplin & Sons, Brighton	Apr. 30	33,392	105,321	138,713	38,400	17,539	10	47,972	34,802	101,621	10
Financial, Land, etc.											
Australian Estates and Mortgage	Dec. 31	18,403	48,633	67,036	32,500	...	...	15,000	19,536	*Dr.32,293*	Nil
Bolivian and General Tin Trust	Mar. 31	*Dr. 3,656*	*Dr. 231*	*Dr. 3,887*	...	...	...	...	*Dr. 3,887*	*Dr. 673*	Nil
Chaplin Holdings	Mar. 31	7,265	20,215	27,480	5,000	12,500	5	...	9,980	19,008	5
Duff Development	Mar. 31	4,366	26,214	30,580	...	22,823	16⅔	2,700	5,057	16,039	10
Marsman Investments	Apr. 30	*Dr. 529*	108,735	108,206	...	100,000	20	...	8,206	*Dr. 529*	Nil
Monument Property Trust	Mar. 31	5,218	24,648	29,866	9,845	9,375	5	5,100	5,546	20,172	5
New London Properties	June 24	20,387	30,684	51,071	9,000	...	...	...	42,071	23,636	Nil
Oregon Mortgage	May 31	19,176	17,664	36,840	10,209	...	...	6,071	20,560	10,378	Nil
Pekin Syndicate	Dec. 31	*Dr. 1,827*	38,330	36,503	...	15,035 12,302	55(s) 45(t)	2,000	7,166	*Dr. 16804*	Nil s Nil t
Iron, Coal and Steel											
Steel Barrel Scammells, etc.	June 30	...	28,114	28,114	4,210	12,500	12½	10,243	1,161	(a)	(a)
Motor Cycle and Aviation											
Bristol Aeroplane	Dec. 31	40,233	295,089	335,322	22,875	203,625	22½	100,396	8,426	233,127	22½
Handley Page	Dec. 31	23,854	100,180	124,034	19,914	62,232	50	25,000	16,888	77,893	(p)
United Motors	Dec. 31	29,890	2,043	31,933	...	...	...	...	31,933	7,045	Nil
Rubber											
Anglo-Dutch Plantations of Java	Dec. 31	80,774	297,385	378,159	...	210,000	7	80,000	88,159	93,768	4
Bukit Rajah	Mar. 31	2,844	20,947	23,791	...	16,675	5	1,718	5,398	10,886	3
Kuala Muda	Mar. 31	3,721	29,021	32,742	...	10,500	3	20,085	2,157	9,305	Nil
Kuala-Pergau	Mar. 31	1,574	5,471	7,045	...	3,249	5	2,200	1,596	1,054	Nil
Lambak	Mar. 31	15,401	18,914	34,315	...	12,000	7½	9,500	12,815	10,505	5
Martapoera	Mar. 31	3,404	6,548	9,952	...	5,388	6	1,500	4,064	2,460	2½
Perak Plantations	Mar. 31	10,215	10,764	20,979	...	8,900	10	6,000	6,079	5,047	5
Port Dickson-Lukut	Mar. 31	16,052	16,198	32,250	...	14,788	6	...	17,462	12,191	4
Selangor United	Mar. 31	10,785	11,402	22,187	...	9,000	10	2,000	11,187	5,738	5
Straits Plantations	Mar. 31	24,530	42,696	67,226	...	34,384	8	5,250	27,592	24,999	6
Sungei Bahru	Mar. 31	*Dr. 263*	10,178	9,915	...	5,404	6½	3,500	1,011	4,118	Nil
Tai Tak Plantations	Mar. 31	1,586	7,600	9,186	...	5,477	6	2,100	1,609	1,133	2
Vallambrosa	Mar. 31	9,798	20,683	30,481	...	20,470	30	...	10,011	11,362	15
Shipping											
Furness Withy and Co.	Apr. 30	210,787	544,745	755,532	56,719	135,000	3	350,000	213,813	415,311	Nil
Tankers, Limited	Mar. 31	161,413	109,759	271,172	23,460	...	...	241,696	6,016	97,292	Nil
Shops and Stores											
Savory and Moore	Jan. 31	9,274	22,066	31,340	8,152	...	...	7,693	15,495	11,822	Nil
Stewart's Cash Stores	Apr. 30	2,653	13,334	15,987	6,346	...	...	...	9,641	(a)	(a)
Tea											
Budla Beta	Dec. 31	3,227	17,257	20,484	...	14,674	5	...	5,810	24,683	7
Ceylon Amalgamated	Mar. 31	*Dr. 28,486*	1,868	*Dr. 26,618*	...	...	...	...	*Dr26,618*	*Dr. 1,764*	Nil
Ceylon Upcountry	Mar. 31	1,241	1,375	2,616	...	1,402	7½	...	1,214	2,211	7½
Dima	Dec. 31	3,550	19,411	22,961	...	18,886	15	...	4,075	11,986	12½
Textile											
Harbens, Limited	Apr. 30	28,089	13,519	41,608	...	...	...	22,724	18,884	29,703	Nil
Trusts											
Melville Trust	May 31	9,720	26,867	36,587	16,012	4,235	2	4,000	12,340	20,869	Nil
Other Companies											
Aircraft Components	Mar. 31	...	13,302	13,302	...	7,500	5	...	5,802	(a)	(a)
Allied Bakeries	June 30	4,128	60,445	64,571	20,017	29,969	8	7,171	7,324	(a)	(a)
Amalgamated Dental	Dec. 31	22,192	141,554	163,746	123,381	15,000	5	...	25,365	151,492	5
British Plaster Board	Apr. 30	4,750	411,331	416,081	7,944	284,002	50	120,000	4,135	301,886	50
Cornercroft, Ltd.	June 18	...	(v)17,756	17,756	2,327	12,600	15	...	2,829	(a)	(a)
Darlington and Simpson Rolling Mills	Mar. 31	2,217	63,035	65,252	15,600	21,000	7	20,000	8,652	(a)	(a)
Eastwoods Cement	Mar. 31	10,382	56,595	66,977	...	32,000	16	23,000	11,977	48,277	16
Eastwoods Flettons	Mar. 31	8,851	65,524	74,375	...	28,500 19,950	15m 200n	17,135	8,790	71,606	15m 200n
Evans (Wm. Manchester)	Apr. 30	...	25,846	25,846	1,436	14,062	12½	...	10,348	(a)	(a)
Falk, Stadelmann and Co.	Mar. 31	20,753	117,105	137,858	31,500	57,750	10	25,000	23,608	108,436	10
Hecht Levis and Kahn	Mar. 31	...	190,418	190,418	18,750	87,500	35	84,168	...	108,472	17½
North Glamorgan Wagon	Mar. 31	11,243	2,405	13,648	...	902	5	...	12,736	5,413	Nil
Pharmaceutical Products	Mar. 31	7,962	9,206	17,168	8,125	...	...	500	8,543	8,280	Nil
Tilbury Contracting, etc.	Mar. 31	39,028	117,227	156,255	...	70,000	17½	53,759	32,496	129,242	17½
Watkins and Doncaster and Company	Mar. 31	521	1,029	1,550	...	1,125	7½	*Dr. 413*	838	(a)	(a)
Wolseley Sheep Shearing Machine	Dec. 31	985	154	1,139	...	...	...	...	1,139	*Dr. 6,745*	Nil

(a) No comparable figure. (m) Paid on Preferred Ordinary Shares. (n) Paid on Deferred Shares.
(p) 265·53 per cent. absorbing £19,914. (s) Paid on Shansi Shares. (t) Paid on ordinary shares.
(v) April 1, 1936, to June 18, 1937. * For half-year.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

Last week's fairly general advance in the prices of primary products was followed by a somewhat irregular tendency this week. But this was not unexpected, for at the beginning of a recovery of prices from a severe set-back, buyers are still hesitant and hold off the market on the slightest provocation. Thus, there are frequently one or more false starts until the movement gathers strength from an increase in confidence.

The rapid advance in quotations for non-ferrous metals last week was followed by a relapse except in the case of spelter and tin. Rubber declined in price on the publication of returns showing higher clearances from the regulated areas in June than had been anticipated. Raw sugar was also slightly cheaper.

But this practically exhausts the list of leading commodities which registered a decline in price last week. Raw cotton advanced on the publication of an official estimate of the area under cultivation in the United States which was smaller than expected. Jute prices advanced for a similar reason on the issue of the official estimate of the area under cultivation in India. Wool prices rose on the realisation that the 1937–38 clip cannot be expected to be much heavier than that of 1936–37, while consumption is likely to expand further. On the wheat markets the upward trend of prices continued on reports of further crop deterioration in Canada. Linseed and linseed oil were firmer on the uncertainty of this year's crop in America and the reduction of Argentina's exportable surplus to a level appreciably smaller than a year ago.

In the United States the upward trend of commodity prices continued this week, a feature being the advance in quotations for steel scrap. Moody's index of staple commodity prices (December 31, 1931 = 100) stood at 208·4 on Wednesday, against 206·8 a week ago, 198·2 a month ago, and 174·9 last year.

(*Continued from page 157*)

These earnings permit dividends on the Shansi and ordinary shares. Among plantation companies, rubber concerns generally show considerably higher profits, with BUKIT RAJAH, KUALA MUDA, STRAITS PLANTATIONS and VALLAMBROSA among the more impressive examples. Tea results, however, continue mixed. DIMA shows a substantial increase in earnings from £11,986 to £19,411, but BUDLA BETA profits are down from £24,683 to £17,257.

APPOINTMENTS AND PERSONAL

Mr A. G. Sweet, general manager of the Guardian Assurance Company, Ltd., has been elected president of the Insurance Institute of London.

Sir John Dewrance has retired from the chairmanship of the board of Babcock and Wilcox, but will retain his seat as a director. Lt.-Col. J. H. M. Greenly has been appointed chairman and Mr A. McKinstry deputy chairman.

Sir Nigel Leslie Campbell has been appointed to the board of the District Bank, Ltd.

BANKS

GLYN MILLS AND COMPANY.—Total assets June 30, 1937, £46,546,516 against £46,113,112 on December 31, 1936 and £42,084,144 on June 30, 1936. Deposits have risen during year from £38,208,958 to £41,439,323 on June 30, 1937. Cash £5,516,536 against £5,268,545 on June 30, 1936. Money at call has risen from £8,059,000 to £12,928,600 on June 30, 1937. Investments £13,401,029 against £10,550,887. Advances have declined from £13,522,766 on June 30, 1936, to £7,398,551 on June 30, 1937.

IMPERIAL BANK OF INDIA.—Net profits for the half year to June 30, 1937, Rs. 39,09,900; brought forward from previous half-year Rs. 28,02,600; total, Rs. 67,12,500. Dividend of 12 per cent. per annum free of income tax absorbing Rs. 33,75,000; transferred to pension fund, Rs. 72,400; transferred to premises account, Rs. 2,50,000; carried forward, Rs. 30,15,100.

MINES

SIAMESE TIN SYNDICATE, LTD.—Estimated working profit, for six months ended June 30, 1937, is £129,151.

BANGRIN TIN DREDGING COMPANY, LTD.—Estimated working profit for six months ended June 30, 1937, is £35,283.

BISICHI TIN COMPANY (NIGERIA), LTD.—Net profit for 1936 £40,649, against £28,092 in 1935. Ordinary dividend raised from 7½ per cent. to 10 per cent., absorbing £34,500. Carry forward increased from £513 to £6,662. An interim dividend of 2½ per cent. is declared in respect of 1937.

MISCELLANEOUS

EASTWOODS CEMENT.—Profit for year to March 31, 1937, £60,675 against £52,282. Provision for depreciation £12,000 as before. To investment reserve £5,000. To general reserve £6,000. Ordinary dividend 16 per cent. as before. Carry forward increased from £10,381 to £11,977.

EASTWOODS FLETTONS.—Profits for year to March 31, 1937, £71,774 against £78,382. To depreciation £10,000 against £18,500. To investments reserve £3,635 against nil. Preferred dividend unchanged at 15 per cent. Deferred dividend unchanged at 200 per cent. Carry forward £8,789.

COAL

SHEFFIELD.—Conditions in the export coal market show little change, but the reduced export quota is having its effect on collieries and prices are easing slightly. Washed steam and coking smalls realise 20s. to 21s. per ton, f.o.b. and in bunkers, South Yorkshire hards sell at 23s. to 24s. per ton f.o.b., Humber ports. Inquiries for forward delivery are practically nil. Inland demand for coal remains strong. Small coal for coke-making and for electrical works is scarce. All grades of steam coal are in strong request. Coke is in short supply. Household coal is quiet, but prices remain firm for this time of the year.

NEWCASTLE-ON-TYNE.—The North-East coal market remains quiet. There is little inquiry from abroad, but with tonnage in better supply the position is better than a week ago. Northumberland steam collieries continue to work regularly, shipments being mostly against contract. In the Durham section, coking coals are steadily cleared, mostly on home account, but all other classes are offered more freely. Patent oven coke is available in larger quantities for the export market, but there is no change in the persistent demand from the local iron and steel trade

GLASGOW.—Collieries in the Lothians have been closed this week, and those in other districts will mostly observe the "Fair" holidays next week. Little new inquiry has come from abroad recently, but producers are fairly well booked, and after meeting the still active demands of inland consumers (except in household fuel), only odd lots have become available for new prompt shipping business. With foreign importers fully covered, the usual pre-holiday rush has been absent, and there was little indication of pressure to secure cargoes for last week's shipments which totalled 305,000 tons, the heaviest for two years, with one exception.

CARDIFF.—Shipments continue active at the South Wales ports. Last week exports in the foreign and coastwise trades totalled 433,400 tons, compared with 416,600 tons in the previous week, and 293,777 tons in the corresponding week last year. During the 28 weeks ended July 11th the volume of traffic, at 10·9 million tons, showed an increase of over 2·1 million tons. There has been no improvement in the prompt position, but this is partly due to the heavy re-stocking which took place recently, and collieries are committed well up to their allocated tonnages under contracts. Prices are unchanged and recent contract figures are being repeated for 1938 deliveries. Partridge, Jones and John Paton, Ltd., have acquired control of the Tirpentwys Colliery and with a standard tonnage of between 6 and 7 millions this concern now has a dominating influence in both the eastern and western valleys of Monmouthshire.

TILBURY CONTRACTING AND DREDGING COMPANY.—Profits for year to March 31, 1937, £140,442 against £135,983. Ordinary dividend and bonus 17½ per cent. as before, absorbing £70,000. To general reserve £10,000 against nil. Carry forward £32,496.

TANKERS, LTD.—Profit for year to March 31, 1937, £118,297 against £111,463. To depreciation £200,000 against nil. To survey and repairs £25,000 against £5,191, but the sum of £60,000 has also been taken from survey and repairs reserve. Dividend of 4 per cent. on preference shares absorbed £23,460. Carry forward £6,016.

SECOND AND THIRD CONVERSION INVESTMENT TRUSTS.—The managers of the British Empire Fixed Trusts have formulated two more conversion schemes. The first, covering "B" units, offers exchange into 9s. shares in "Second Conversion Investment Trust," with a capital of 1,200,000 ordinary 9s. shares if all convert. The other relates to the cumulative series of group, holders being one 15s. share for each sub-unit held. Full conversion would result in a "Third Conversion Investment Trust" with a capital of 450,000 ordinary shares.

GENERAL THEATRE CORPORATION.—The latest report shows profit for year to March 31, 1937, £337,041, an increase of £61,072. Participating preferred ordinary dividend 15 per cent. against 12 per cent. to reserve, £50,000. Carry forward increased from £50,834 to £54,494.

PEKIN SYNDICATE.—Accounts show a profit of £36,503 against £5,262 for previous year. To employees' fund £2,000. First dividends of 55 per cent. on Shansi shares absorbed £15,035 and 45 per cent. on ordinary shares absorbed £12,302. Carry forward £7,166. Coal output 1,269,728 tons against 1,111,310 tons for 1935. Sales of coal expanded by 537,630 tons.

HECHT LEVIS AND KAHN.—Trading profit for year to March 31, 1937, £228,091 against £134,257. Ordinary dividend and bonus 35 per cent. against 17½ per cent. To income tax reserve £35,000 against £14,500. To dividend equalisation account £36,000 against nil. To general reserve £23,168 against £31,472. Cash stands at £161,022 against £127,792. Debtors £787,402 against £326,915. Stocks £2,378,478 against £3,382,362. Creditors £3,766,410 against £3,734,988.

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

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IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that the shortage of most descriptions of steel continues to be the most prominent feature of the iron and steel markets. At the moment the shortage is accentuated by the pressure of consumers anxious to secure deliveries before the holidays affect production. Following the reduction in the duties last week, arrangements were made for a substantial increase in imports of Continental steel under the quota, and this should somewhat relieve the anxiety regarding future supplies.

In the pig-iron department all consumers are seeking supplies; but the foundries are apparently able to keep their plant in operation largely because makers are doing their utmost to maintain a regular distribution of the available pig iron through their rationing scheme. Supplies of steel-making iron have improved with the increase in imports, but the forward position is causing some concern.

The scarcity of semi-finished material continues severe, and it will be some time before the increased imports become available to consumers. British works are pressing production to the utmost, and a scheme is now in operation for a more regular distribution of this class of material.

In the finished steel section consumers are being rationed on the basis of their purchases during last year, for current output, though expanding, is below the full requirements of the market. There is no relaxation in the pressure from home consumers; and there is a large export inquiry that is not entirely satisfied.

MIDDLESBROUGH.—The output of foundry and hematite pig iron is readily taken up. Foundry pig-iron continues to be rationed to consumers, and every effort is being made to supply slightly increased quantities to the foundries. Both for foundry and hematite pig iron makers are fully sold to the end of the third quarter, and are therefore not keen on negotiating new business. The supply of basic iron has been increased by the putting into blast of an additional furnace at Seaton Carew, but the whole of this production will be consumed in producers' own steelworks. Prices remain unaltered. Shipments of pig iron from the Tees are slightly higher, being 3,415 tons during the first thirteen days of July, compared with 2,291 tons during the same period in June.

The demand for semi-finished and finished steel continues greater than local production, and the announcement that the Cartel has increased the quota of imports into this country by 200,000 tons is welcome. In the finished steel trade deliveries of certain products are in arrears, whilst for new orders fulfilment cannot be undertaken within three-four months.

The scrap position continues to engage the attention of steel smelters, and works are readily paying the fixed maximum prices to merchants. A further cargo of steelworks scrap has arrived in the Tees from America. Ore cargoes continue to arrive from Sweden and North Africa, but supplies from Spain have practically ceased. Good Durham blast-furnace coke is still being quoted at 40s. per ton, but supplies are easier.

SHEFFIELD.—Business in the iron and steel market is small, producers having next to nothing for disposal. Parcels of foundry and basic pig iron for immediate delivery are hardly obtainable. Rationing is in force, and contracts are renewed on the basis of those made twelve months ago. The amount of imported iron is not on a sufficiently large scale definitely to ease the situation, and the increased Derbyshire output is immediately used up. In hematite the position is a little easier, though considerable difficulty is experienced in transacting West Coast business. The revision of prices in finished iron has not yet been made, and all new business is subject to price changes.

Demand for acid and basic steel billets is as heavy as ever, and producers are finding the utmost difficulty in carrying out orders. The suggested national gathering of scrap has aroused considerable interest, but it has to be borne in mind that the cost of collection may be fairly high. There is a shortage of cast-iron scrap for steelworks, but other classes are coming along a little more freely. Heavy basic steel scrap is controlled, the maximum price being 67s. 6d. per ton for 500-ton lots.

GLASGOW.—The shortage of steel is still seriously affecting the smooth running of practically all businesses. Many producing plants are working to capacity, but output is passing into consumption as soon as produced. Neither producers nor users have any stock on hand, and it is exceedingly difficult to arrange future programmes owing to the uncertainty regarding supplies. Supplies of semis are not yet showing much improvement. As a result of the recent reduction of import duties, users confidently look forward to increased supplies of Continental material, but it is feared that it will be some months before regular and substantial supplies are available. Somewhat heavier tonnages of home semis have been obtained, but the requirements of local re-rollers are far in excess of deliveries. Holidays commence this week in Glasgow and many other areas in the West of Scotland. In most cases works will close on Friday, and operations will be resumed on July 26th. In some cases holidays will be somewhat shorter owing to the enormous amount of work on hand.

CARDIFF.—The South Wales tinplate works were operated last week ay 71·78 per cent. of allotted capacity. The shortage of scrap continues, but mills are well employed, and there are prospects of the reopening of another of the works closed down during the depression three or four years ago. Shipments of tinplates last week were slightly below the recent average, and stocks have increased by about 1,000 tons; the volume of business, however, has been well maintained, and Britain's proportion of international trade is increasing. All the other local finishing branches of the industry are active, as well as the blast and steel furnaces. Prices for tinplates, sheets, steel bars, and pig iron are unaltered.

OTHER METALS

COPPER.—Last week's advance was not held, the cash price showing a net loss of £2 8s. 9d. on the week at the close on Wednesday. Forward rates, however, showed more resistance, with the result that last week's backwardation of 2s. 6d. has been replaced by a contango of 3s. 9d. per ton. The easier tone was due to the uncertainties of the international political position, coupled with the expectation of rising world stocks. The latter fear was confirmed by the publication of the June statistics of the U.S. Copper Institute. These showed a further rise of over 10,000 tons in world stocks of refined copper between May and June to 301,760 tons, consumption being 6,380 tons lower at 189,680 tons.

An impressive increase in production was reported this week from the Belgian Congo, where the Union Minière du Haut Katanga produced 67,786 metric tons of copper in the first five months of the year (or 13,557 per month) against a total output in 1936 of 95,667 metric tons (or 7,972 monthly). If production continues to expand, the temporary shortage of supplies will soon be over and the re-imposition of restriction would be likely. Meanwhile, New York export quotations have eased in sympathy with London, a factor which renders unlikely an early change in the U.S. domestic price, despite the recent advance in scrap copper prices in that country.

Sales on the London Metal Exchange: 675 tons on Monday, against 1,500 tons last week; 1,200 tons on Tuesday, against 2,300 tons last week; 1,050 tons on Wednesday, against 2,750 tons last week. Domestic spot was quoted at 13·92½ cents per lb. in New York on Wednesday, against 14·15 cents a week ago and 13·22½ cents a month ago. Wednesday's official closing price for standard cash in London was £55 11s. 3d. to £55 13s. 9d. per ton, compared with £58 to £58 1s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 10,402 tons, showed a decrease of 103 tons, while stocks of rough copper, at 8,596 tons, were 716 tons larger.

LEAD AND SPELTER.—While lead moved in sympathy with copper, spelter gained 5s. on the week. Moreover, the forward quotation for spelter remains slightly above the spot price. Consumers have begun to re-enter the market and supplies at present are not too plentiful. Production fell from 55,012 short tons in May to 50,526 in June, while deliveries declined from 55,201 to 50,219 short tons. Spelter stocks consequently showed a slight rise from 13,774 short tons to 14,081 short tons. The publication of these figures was followed by a small price advance in the United States, which contributed to the firmer tone here. Meanwhile the demand for lead remains satisfactory, but supply appears to be increasing.

Sales of lead on the London Metal Exchange: 1,350 tons on Monday, against 1,150 tons last week; 1,000 tons on Tuesday, against 2,450 tons last week; 650 tons on Wednesday, against 4,650 tons last week. The New York quotation on Wednesday was 6·00 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £24 16s. 3d. to £24 17s. 6d. per ton, compared with £25 2s. 6d. to £25 3s. 9d. last week.

Sales of spelter on the London Metal Exchange: 1,250 tons on Monday, against 850 tons last week; 2,900 tons on Tuesday, against 1,950 tons last week; 1,500 tons on Wednesday, against 2,600 tons last week. Wednesday's quotation in East St. Louis was 7·00 cents per lb., against 6·75 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £23 to £23 1s. 3d. per ton, against £22 15s. to £22 17s. 6d. last week.

TIN.—After an early relapse, the cash price recovered, to show a net gain of 5s. on the week. Wednesday's price was the highest since April 22nd. Reports of labour unrest in Bolivia and of drought in parts of Malaya imparted a firmer tone to the market and caused American consumers to show more interest. However, Malayan production rose from 5,649 tons in May to 7,899 tons in June, and thus exceeded the quota by 1,304 tons. Straits shipments between July 1st and July 12th attained the high level of 4,060 tons, against 6,390 tons for the whole of the previous month. Thus, recent production and shipment figures show no evidence that drought has restricted the output, and the rumours mentioned above should therefore be treated with reserve. Even so, however, the market position remains strong, and no major reaction of prices appears likely.

Sales of tin on the London Metal Exchange: 410 tons on Monday, against 350 tons last week; 475 tons on Tuesday, against 775 tons last week; 550 tons on Wednesday, against 825 tons last week. The New York quotation on Wednesday was 60·10 cents per lb., against 59·75 cents a week ago and 55·12½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £266 15s. to £267 per ton, compared with £266 10s. to £266 15s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,787 tons, a decrease of 198 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was reduced to £15 1s. to £15 1s. 6d. per flask of 76 lbs., against £15 5s. to £15 5s. 6d. a week ago. Chinese antimony was quoted at £68 per ton, ex-warehouse, the same as last week. Chinese wolfram for "July-August" shipment was quoted at 64s. 6d. to 65s. 6d. per unit, c.i.f. compared with 63s. to 64s. last week. Refined platinum was quoted on Wednesday at £10 per ounce compared with £10 a week earlier.

TEXTILES

COTTON.—Manchester.—There have been no signs of any real improvement of business in yarn and piece goods. Many buyers have been disturbed by the bearish feeling in raw cotton circles, although prices in New York and Liverpool have been fairly steady. However, there have been no indications of spinners and manufacturers being more prepared to make price concessions.

The American Government's estimate of the area under cultivation of cotton published at the end of last week, at 34,192,000 acres, an increase of 10·4 per cent. over 1936. This was rather less than expected, and the report was considered slightly bullish. Weather advices from the belt remain favourable and, unless there is a change for the worse, most experts expect a forecast of a heavy yield early in August.

Although spinners of American and Egyptian yarns have had another quiet week so far as new business is concerned, quotations for all counts and qualities remained firm. Most producers are covered by the legalised price agreements, and are, therefore, compelled to maintain selling prices. Demand is being fully maintained and many users are still pressing spinners for deliveries.

Business in cloth, both for export and the home trade, has been limited. Manufacturers have reported a fair amount of inquiry, but only comparatively small transactions have been recorded. Buyers seem quite content to mark time and purchase from hand to mouth, although now and again there are reports that some customers are nursing orders.

COTTON PRICES

	1937				Corresponding Date	
	June 23	June 30	July 7	July 14	1935	1936
Raw Cotton—Mid. American ..... per lb	d. 6·88	d. 6·94	d 6·86	d. 7·02	d 6 87	d. 7·50
" Sakellaridis Fully Good Fair Egyptian ..... per lb.	10 10	9·85	10·00	10·08	7·94	10·15
Yarns—32's twist ..... per lb.	13½	13½	13½	14	10½	11½
" 40's weft ..... per lb.	12½	12½	12½	13	10½	11½
" 60's twist (Egyptian) ..... per lb	19½	19½	19½	19½	15½	16½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d 20 3	s. d 20 3	s. d 20 3	s. d 20 3	s. d 17 6	s. d 18 1½
36-in. Shirtings, 73 yds., 19 by 19, 32's and 40's.....	27 8	27 8	27 8	27 8	24 4½	25 7
38 in. ditto, 88 yds., 18 by 16, 10 lb.	11 6	11 6	11 6	11 6	10 5	10 6
39-in. ditto, 37½ yds., 16 by 16, 8½ lb.	10 6	10 6	10 6	10 6	9 3	9 6

AMERICAN COTTON CROP.—At the end of last week the Department of Agriculture of the United States Government estimated the area under cotton for the season 1937–38, at 34,192,000 acres, an increase of 10·4 per cent. on the acreage for the current season. It was pointed out by the Department that the area planted, however, was 17·5 per cent. less than the average acreage for the five-year period 1928–32. In the present forecast, increases are shown in all States, with the least expansion in Texas and Oklahoma, where the increases are 7 and 3 per cent. respectively. Increases in South Atlantic and South Central States range from 10 per cent. in Louisiana and Alabama, to 16 per cent. in South Carolina and 28 per cent. in Florida. Georgia shows an increase of 15 per cent., Mississippi and Arkansas of 12 per cent., and North Carolina of 11 per cent. The increase in California is estimated at 67 per cent., which, following the increase of 68 per cent. in 1936, places the current year's acreage for the State at the high record of 618,000 acres. It is significant that a total of 20,000 acres of Sea Island cotton is reported in Florida and Georgia. This compares with less than 5,000 acres last year. The estimate of the Government was slightly below anticipations and after the receipt of the report the Liverpool market advanced about 10 points. There is every indication of substantial supplies of raw cotton from America in the new season, and according to some authorities the information so far available indicates an output of about 14,200,000 bales, against the crop for the current season of 12,399,000 bales. So far as the weather is concerned, the plants are now approaching a critical period and rumours are being circulated of there being every probability of increased damage from the boll weevil. The first forecast of the probable output will be published by the American Government on August 9th. It is quite impossible at the moment to estimate the probable world consumption in the new season.

JUTE.—Dundee.—According to the first forecast of the jute crop for the season 1937–1938, the area sown is not as large as has generally been expected. The revised figures for last year were 2,822,100 acres, compared with the original estimate in July last year of 2,505,800 acres. The district returns this year indicate that 2,747,100 acres have been sown, showing a decrease of 2½ per cent. on the revised figures for last year. The jute industry has paid little or no attention to these returns, as during the past six seasons the crop has been underestimated by 1,750,000 bales on the average. Last season's crop yielded 10,725,000 bales, compared with the final estimate of 8,711,000 bales. A crop of about twelve million bales has been estimated by private firms for this season, and the estimated consumption of the world is in the vicinity of eleven millions. Consumption, however, depends upon whether the Indian jute mills will continue to work 54 hours per week during the next twelve months. This is doubtful, for stocks of both hessians and heavy goods showed an increase during June of 21½ per cent. and 33½ per cent. respectively. Stocks are not yet unduly high, but it has to be remembered that the strikes in Calcutta last spring considerably curtailed production and a further increase in stocks is expected as time goes on. At the end of June, stocks of hessians were 96,685,619 yards and stocks of sackings 101,350,361 yards. A deputation from Dundee, representing the Town Council, Chamber of Commerce, employers and employees, is meeting the President of the Board of Trade in order to place before him the seriousness of the great increase in imports of Calcutta manufactured goods into the United Kingdom, and to ask for some form of protection against these, which are allowed to enter this country free of import duty.

Raw jute has advanced in price recently and the full group of Daisee–2/3 is now quoted at £20 15s. and Tossa 2/3 at £21 15s. October–November shipment. Good First Marks are at £24, Lightnings at £22 17s. 6d., and Hearts at £21 15s., August–September.

Jute yarns have come in for more attention at 2s. 2d. for common 8 lb. cops, and 2s. 3d. for 8 lb. spools. Twist is steady at 4½d. for 3 ply 8 lb., sacking yarns at 2 11/16d. for 24 lb. weft and 3⅜d. for 8 lb. chains, while Rove is quiet at £21 10s. for 48 lb. and £17 5s. for 200 lb.

Only a small business is being done in jute cloth, and prices are nominal. Orders might be entered at 2¾d. for 10 oz. 40 in. and 2½d. for 8 oz., though quotations are usually ⅛d. more. Linoleum hessians and heavy goods are steady and unchanged. Calcutta goods have improved in sympathy with the rise in raw jute prices, and 10 oz. 40 in. is now named at 18s. July September, and 18s. 1d. October–March, with 8 oz. at 14s. 10d. July and 14s. 7d. August–March.

GRAIN MARKETS

WHEAT.—Markets have been firm in the period under review, prices in this country having advanced in sympathy with Chicago and Winnipeg. Drought continues to take its toll of the Canadian crop, while hot, dry winds are aggravating the effect of the absence of rain. On the basis of the official condition index, an out-turn of about 210 million bushels is indicated, compared with 229 bushels finally harvested last year; but the possibility of a yield smaller than this must not be ignored. Meanwhile the situation in the United States remains fairly satisfactory, though reports of past damage are still circulating.

On Wednesday last, "July" futures were quoted in Chicago at 126 cents per bushel, against 123 cents the week before and 110¼ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship 56s. per 496 lbs., against 55s. 6d. last week, No. 2 Northern Manitoba (Atlantic) ex ship 55s. 3d., against 55s. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 882,000 quarters, against 1,172,000 quarters in the previous week and 980,000 quarters in the corresponding week a year ago.

FLOUR.—Prices are unchanged after a week of quiet trading. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 43s. 6d. per 280 lbs., as against 43s. 6d. a week ago; delivered inner London, 43s., as against 43s. a week ago. Manitoba patents, ex store, 43s. to 44s. 6d., as against 42s. 6d. to 44s. a week ago. Australian, ex store, 33s. 9d. to 34s. 6d., as against 33s. 6d. to 34s. 3d. a week ago.

BARLEY.—The market in imported feeding barley continues strong. "July" futures were quoted at 74¼ cents per bushel in Winnipeg on Wednesday, as against 71¼ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, 36s. to 42s. (nominal), against 36s. to 42s. last week. California, ex ship, 49s. 6d. to 58s., as against 49s. 6d. to 58s. a week ago. Chilean, brewing, ex ship, 44s. 9d. to 50s., as against 44s. 9d. to 50s. a week ago.

OATS.—On Wednesday, "July" futures were quoted at 43¼ cents a bushel in Chicago, against 43½ cents a week ago and 39¼ cents last month. Quotations in London, Wednesday: "English black," at farm, 28s. to 29s. per 336 lbs., as against 27s. to 28s. a week ago; "English White," at farm, 28s. to 29s., as against 27s. to 28s. a week ago; mixed Canadian feed (Vancouver), landed, 27s. 9d. per 320 lbs., as against 27s. 6d. a week ago.

MAIZE.—The market has had a steady tone. "July" futures were quoted on Wednesday at 126⅞ cents per bushel in Chicago, against 125½ cents a week ago and 112 cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. 9d. per 480 lbs., as against 27s. 9d. a week ago; "Plate," ex ship, 27s. 9d., as against 26s. 9d. a week ago; "Plate," "July," 27s. 9d., as against 26s. 9d. a week ago; yellow maize

Glyn, Mills & Co.

(ESTABLISHED 1753)
Registered with unlimited liability 1885
incorporating
CHILD & CO. (Established before 1600) and HOLT & CO. (Established 1809)

BANKERS

Army and Air Force Agents, Navy and Prize Agents.

One Hundred and Sixth Statement of Assets and Liabilities, 30th June, 1937.

Dr. LIABILITIES.	£ s. d.		Cr. ASSETS.	£ s. d.	
To Capital authorised and issued	1,060,000	0 0	By Coin, Bank Notes and Balance at Bank of England	5,516,536	1 7
To Reserve Fund	530,000	0 0	By Balances with, and Cheques in course of Collection on, other Banks in the United Kingdom	2,416,217	11 2
To Reduction of the Bank Premises Account ...	285,000	0 0	By Money at Call and at Short Notice	12,928,600	0 0
To Current, Deposit and other Accounts (including provision for Contingencies)	41,439,322	15 5	By Bills Discounted	913,388	17 8
To Acceptances and Engagements on account of Customers	3,232,193	1 10	By Investments:— British Government Securities (including Treasury Bills) £12,113,238 18 10; Other Securities ... ... 1,287,790 5 11; Subsidiary Companies ... ... — —	13,401,029	4 9
			By Advances to Customers and other Accounts	7,398,551	0 3
			By Liabilities of Customers for Acceptances and Engagements as per contra	3,232,193	1 10
			By Bank Premises (at cost, less amounts written off):— Freehold ... ... £620,000 0 0; Leasehold 120,000 0 0	740,000	0 0
	£46,546,515	17 3		£46,546,515	17 3

AUDITORS' CERTIFICATE AND REPORT.

We report that we have examined the above Balance Sheet with the Books of the Bank, and have obtained all the information and explanations we have required, and we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the Books.

KEMP, CHATTERIS, NICHOLS, SENDELL & CO., JACKSON PINLEY & CO. *Chartered Accountants.*

H. A. LAWRENCE, E. GORE BROWNE, FRANCIS GLYN, *Managing Partners.*

9th July, 1937. *9th July*, 1937. M. BAIRD, *Secretary.*

Every description of British and Overseas Banking and Exchange Business transacted.
The Bank undertakes the office of Executor and Trustee.

67, LOMBARD STREET, LONDON, E.C.3.

CHILD & CO., 1, Fleet Street, London, E.C.4, and Marygold House, Carfax, Oxford.
HOLT & CO., Kirkland House, Whitehall, London, S.W.1.

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended June 30		Six Months ended June 30	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	5,625,189	7,254,751	30,330,532	43,034,178
B. Feeding-stuffs for Animals	541,335	886,789	3,828,728	5,541,254
C. Animals, Living, for Food	514,185	553,281	3,060,710	3,304,787
D. Meat	6,750,703	7,776,310	38,873,643	42,148,522
E. Dairy Produce	5,898,290	6,455,137	31,799,444	32,669,892
F. Fresh Fruit and Vegetables	4,811,445	4,632,419	21,853,869	20,417,825
G. Beverages and Cocoa Preparations	2,808,311	2,973,322	21,048,087	21,757,538
H. Other Food	3,953,672	4,570,295	22,555,858	25,496,849
I. Tobacco	597,667	664,002	6,353,047	4,768,930
Total, Class I	31,500,797	35,746,306	179,303,918	199,139,775
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	690	1,790	18,219	11,814
B. Other Non-Metalliferous Mining and Quarry Products and the like	307,810	515,670	1,975,014	2,374,134
C. Iron Ore and Scrap	738,743	1,220,420	4,555,406	4,793,256
D. Non-Ferrous Metalliferous Ores and Scrap	770,409	1,628,849	5,874,351	8,819,488
E. Wood and Timber	4,215,985	6,093,984	14,404,547	19,811,040
F. Raw Cotton and Cotton Waste	3,749,974	3,653,598	20,999,051	26,363,640
G. Wool, Raw and Waste, and Woollen Rags	3,223,486	5,632,248	27,988,744	34,029,292
H. Silk, Raw, Knubs and Noils	123,009	168,163	1,034,504	973,176
I. Other Textile Materials	538,855	937,208	5,770,019	7,715,334
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	2,483,547	2,710,964	15,244,556	18,833,989
K. Hides and Skins, Undressed	1,305,872	1,749,040	9,621,750	12,537,172
L. Paper-making Materials	1,044,301	1,360,729	5,562,913	6,700,646
M. Rubber	253,063	1,021,983	2,609,945	4,661,492
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	523,500	728,492	4,285,045	5,032,330
Total, Class II	19,279,254	27,423,138	119,944,064	152,656,803
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	2,771	2,193	47,597	76,826
B. Pottery, Glass, Abrasives, etc.	565,253	753,255	3,383,689	3,950,416
C. Iron and Steel and Manufactures thereof	881,287	1,449,446	5,700,224	5,938,433
D. Non-Ferrous Metals and Manufactures thereof	2,588,708	5,459,145	15,275,694	26,367,452
E. Cutlery, Hardware, Implements and Instruments	571,368	697,678	3,239,957	3,762,343
F. Electrical Goods and Apparatus	272,670	341,479	1,612,243	1,960,496
G. Machinery	1,561,097	2,117,257	8,784,406	11,809,405
H. Manufactures of Wood and Timber	609,736	749,324	3,727,771	3,860,518
I. Cotton Yarns and Manufactures	201,199	268,533	1,302,811	1,601,809
J. Woollen and Worsted Yarns and Manufactures	209,445	324,516	1,377,053	2,189,709
K. Silk Yarns and Manufactures	161,927	199,929	1,269,341	1,308,203
L. Manufactures of other Textile Materials	503,918	578,459	3,529,372	3,997,732
M. Apparel	629,963	775,774	4,828,001	5,524,022
N. Chemicals, Drugs, Dyes and Colours	927,523	1,099,839	6,024,514	6,521,208
O. Oils, Fats and Resins, Manufactured	2,754,847	4,890,853	17,479,952	22,952,520
P. Leather and Manufactures thereof	802,378	920,285	4,579,447	5,080,139
Q. Paper, Cardboard, etc.	1,180,740	1,315,833	7,023,628	7,461,408
R. Vehicles (including Locomotives, Ships and Aircraft)	385,430	527,672	2,785,133	3,450,630
S. Rubber Manufactures	48,670	56,919	302,070	377,611
T. Miscellaneous Articles wholly or mainly Manufactured	1,528,270	1,914,029	8,647,570	10,758,758
Total, Class III	16,387,200	24,432,418	100,920,471	128,949,639
IV.—Animals, not for Food	149,402	280,702	863,909	1,250,518
V.—Parcel Post	282,744	234,113	1,587,031	1,425,325
Total	67,599,397	88,116,677	402,619,393	483,422,060

EXPORTS OF PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.)

	Month ended June 30		Six Months ended June 30	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	105,329	152,677	881,665	901,951
B. Feeding-stuffs for Animals	32,879	59,003	317,516	404,335
C. Animals, Living, for Food	221	84,894	1,981	86,692
D. Meat	59,532	73,714	476,850	503,337
E. Dairy Produce	115,373	109,987	572,249	527,673
F. Fresh Fruit and Vegetables	5,562	4,844	58,259	262,091
G. Beverages and Cocoa Preparations	1,076,625	1,150,055	5,861,572	7,377,986
H. Other Food	944,387	960,826	5,663,413	5,623,420
I. Tobacco	293,555	375,851	2,152,878	2,483,875
Total, Class I	2,633,457	2,971,852	15,986,383	18,171,360
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,154,485	3,289,863	13,629,805	16,646,639
B. Other Non-Metalliferous Mining and Quarry Products and the like	78,373	124,447	527,889	680,996
C. Iron Ore and Scrap	20,266	78,766	169,268	578,323
D. Non-Ferrous Metalliferous Ores and Scrap	169,647	350,546	1,040,855	1,716,901
E. Wood and Timber	8,917	8,391	43,931	53,647
F. Raw Cotton and Cotton Waste	49,008	81,893	420,944	543,247
G. Wool, Raw and Waste, and Woollen Rags	443,331	764,311	3,387,471	5,534,479
H. Silk, Raw, Knubs and Noils	772	1,238	7,292	4,631
I. Other Textile Materials	27,830	64,636	248,533	319,997
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	265,967	354,218	1,591,652	2,123,140
K. Hides and Skins, Undressed	101,034	132,832	1,014,565	1,100,284
L. Paper-making Materials	88,578	178,746	578,453	931,521
M. Rubber	13,436	44,847	88,040	198,443
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	125,970	176,968	1,509,616	1,583,233
Total, Class II	3,545,612	5,651,502	24,259,314	32,015,481
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	187,558	337,855	1,297,659	1,884,899
B. Pottery, Glass, Abrasives, etc.	682,983	901,536	4,049,688	4,783,163
C. Iron and Steel and Manufactures thereof	2,766,566	4,377,453	17,051,124	23,169,274
D. Non-Ferrous Metals and Manufactures thereof	1,004,699	1,243,574	6,150,712	7,547,137
E. Cutlery, Hardware, Implements and Instruments	604,040	865,781	3,828,717	4,550,846
F. Electrical Goods and Apparatus	744,536	1,027,364	4,641,240	5,822,531
G. Machinery	3,001,770	4,171,125	19,900,126	22,953,116
H. Manufactures of Wood and Timber	85,295	119,516	576,401	649,680
I. Cotton Yarns and Manufactures	4,439,334	5,858,084	29,547,352	34,277,401
J. Woollen and Worsted Yarns and Manufactures	2,158,341	2,978,891	15,310,740	17,647,931
K. Silk Yarns and Manufactures	75,938	138,212	597,189	732,928
L. Manufactures of other Textile Materials	1,353,747	1,878,728	8,306,198	10,143,158
M. Apparel	685,577	862,875	5,523,418	5,905,372
N. Chemicals, Drugs, Dyes and Colours	1,646,903	2,307,385	10,273,039	12,586,595
O. Oils, Fats and Resins, Manufactured	391,618	555,945	2,468,992	2,985,588
P. Leather and Manufactures thereof	317,916	459,101	2,016,129	2,723,376
Q. Paper, Cardboard, etc.	477,601	737,105	3,113,272	3,737,460
R. Vehicles (including Locomotives, Ships and Aircraft)	2,471,821	3,172,615	14,922,749	18,451,964
S. Rubber Manufactures	121,622	147,859	792,059	885,531
T. Miscellaneous Articles wholly or mainly Manufactured	1,726,742	2,532,147	11,546,134	13,612,974
Total, Class III	24,944,607	34,673,151	161,912,938	195,030,924
IV.—Animals, not for Food	110,122	52,253	435,707	342,956
V.—Parcel Post	830,736	1,024,257	5,296,107	5,653,524
Total	32,064,534	44,373,015	207,890,449	251,214,245

meal, ex wharf, was quoted at £7 5s. per ton, as against £7 to £7 2s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935-1937 :—

NEAREST FUTURE	Jan. 2, 1935	Dec. 31, 1935	July 15, 1936	Dec. 30, 1936	July 7, 1937	July 14, 1937
Winnipeg (No. 1, Manitoba)—Cents per 60 lb.	82⅞	84⅛	93⅜	129	143½	151½
Chicago (No. 2, Winter,—Cents per 60 lb.	98⅜	101½	104⅞	135½	123	126

The visible supply of wheat in Canada amounts to 40,603,000 bushels, against 43,010,000 bushels last week, and 68,583,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933-34 to 1936-37.

	1933-1934	1934-1935	1935-1936	1936-1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts	Cwts.
1 week to July 10	64,080	73,122	56,209	67,562
45 weeks to July 10	9,943,410	13,111,856	12,989,178	10,591,702
Average price of English wheat per cwt.	s. d. 5 6	s. d. 5 6	s. d. 6 10	s. d. 9 7

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936 :—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d	s. d.	s. d.
July 8, 1933	27,971	6,771	9,297	6 8	6 2	5 9
July 7, 1934	64,080	5,504	23,178	5 6	6 11	6 8
July 13, 1935	73,122	6,371	5,196	5 6	6 8	7 6
July 11, 1936	56,209	1,731	10,204	6 10	6 10	6 5
July 3, 1937	97,856	4,421	12,431	9 6	9 8	9 3
July 10, 1937	67,562	3,340	9,021	9 7	9 7	9 2

OTHER FOODS

BACON.—Bacon has been in keen demand this week, with the market showing a firm tone. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were : English, 90s. ; Canadian, 84s. ; Danish, 91s. ; against 90s., 84s., and 91s. last week. Arrivals in London last week included : Danish, 13,994 bales ; Canadian, 7,406 ; Dutch, 2,399 ; Lithuanian, 1,105 ; and Polish, 3,344 ; as against 13,963, 4,374, 2,440, 1,145 and 2,777 bales, respectively, in the previous week.

BUTTER.—The firm tendency has been maintained, and prices are higher on the week. Quotations (per cwt.) on the London Provision Exchange on Wednesday were : New Zealand, finest salted, 114s. ; Australian, choicest salted, 113s. ; Danish, 120s. ; compared with 109s. to 110s., 108s. and 115s. to 116s., respectively, a week ago.

CHEESE.—After early weakness, New Zealand recovered in price ; other descriptions were generally steady. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows : Canadian, finest coloured, 78s. and New Zealand, finest coloured, 70s. ; against 78s. to 80s. and 68s. 6d. to 69s., respectively, a week ago.

COCOA.—The spot quotation in New York on Wednesday was 7 1/16 cents per lb., as against 7⅛ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November-January," was quoted at 36s. 3d. sellers per 50 kilos., c.i.f. Continent, against 35s. 6d. a week ago. Last week's movements of cocoa in London were as follows : Landed, 1,205 bags ; delivered, for home consumption, 3,807 bags ; exported, 751 bags ; stocks, 270,881 bags, against 179,634 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9⅜ cents per lb. a month ago. Movements of coffee in London last week were as follows : Brazilian, landed, nil ; delivered, for home consumption, 99 cwt. ; exports, 12 cwt. ; stocks, 1,980 cwt., against 10,203 a year ago. Central and other South American : Landed, 409 cwt. ; delivered for home consumption, 3,560 cwt. ; exported, 264 cwt. ; stocks, 105,709 cwt., against 112,243 last year. Other kinds : Landed, 1,263 cwt. ; delivered, for home consumption, 3,572 cwt. ; exported, 165 cwt. ; stocks, 11,269 cwt., against 156,723 last year.

EGGS.—As was foreshadowed last week, the firm tone has been maintained. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15-15½ lb.) realised 14s. 9d. to 15s. 3d. per 120, against 14s. 9d. to 15s. 3d. last week ; while Danish (15½ lb.) made 10s. 6d. to 11s., as against 10s. 3d. to 10s. 9d. last week.

FRUIT.—Business at Covent Garden has been particularly good, states *The Fruitgrower*, with prices generally firmer. The rush of the strawberry season is over, only moderate supplies being now available. A particularly good showing of raspberries meets a steady inquiry, prices ranging from 4d. to 8d. per lb. ; loganberries sell at 4d. to 4½d. English black and red currants are a prominent item, while green gooseberries sell well. Cherries are rather easier and sell well at present rates. Plums are also cheaper in consequence of heavier Continental arrivals, but trade is good. Hothouse grapes have eased for a similar reason, but English melons about hold their price. Peaches continue to sell well and nectarines are firm. Apples and pears have been a steady trade, with prices showing a firmer tendency. Oranges have been in good demand, but lemons are lower on larger arrivals. Grape fruit have improved in price.

MEAT.—At Smithfield market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 2d. to 4s. 6d. per 8 lbs., as compared with 4s. 4d. to 4s. 8d. a week ago. New Zealand frozen mutton was 3s. 4d. to 3s. 10d. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,400 tons, a decrease of 743 tons on the corresponding week last year. Beef and veal accounted for 4,150 tons, mutton and lamb 3,133, and pork and bacon 604, as compared with 4,866, 3,243 and 558 tons, respectively, in the same week of 1936.

MILK.—Information relative to the operation of the Milk Marketing Scheme during June as issued by the Milk Marketing Board is given in the following table, together with comparable statistics for earlier months :—

	June, 1936	March, 1937	April, 1937	May, 1937	June, 1937
Regional pool prices* (*per gallon*) :	d.	d.	d.	d.	d.
Northern	9	13¾	12¼	9¼	9¼
North-Western	9	13¾	12¼	9¼	9¼
Eastern	9¼	14	12¾	9¾	9¾
East Midland	9	14	12¼	9¼	9¼
West Midland	8¾	13¼	12¼	9	9
North Wales	8¾	13¼	12¼	9	9
South Wales	9	13¾	12¼	9¼	9¼
Southern	9¼	14¼	12¾	9¾	9¾
Mid-Western	8¾	13¼	12	9	9
Far Western	8¾	13¼	12	9	9
South-Eastern	9¾	14¼	13	10	10
Liquid milk price (*per gallon, all regions*)	12	17	16	12	12
Manufacturing price (*per gallon, average*)	4·941	5·824	5·293	5·532	5·404
	Million gallons				
Total sales under contract	87·56	69·45	72·81	89·08	86·85
For liquid consumption	46·67	49·17	47·77	49·73	48·93
For manufacturing	40·89	20·28	25·04	39·35	37·92

* On account to the nearest farthing.

Accredited producers receive 1d. per gallon in addition to the above prices. Premiums for level deliveries and for Grade "A" or special services are paid to the producers concerned in addition to the pool price. Transport charges are payable by individual producers and are deducted from accounts.

PEPPER.—On Wednesday, white Muntock, August-October, was quoted at 4 1/16d. per lb., sellers, c.i.f. Rotterdam-Hamburg, against 4¼d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 2 1/16d. per lb. sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows : Black, landed, 16 tons ; delivered, 13 tons ; stocks, 2,056, against 1,759 last year. White, landed, 26 tons ; delivered, 47 tons ; stocks, 11,546 tons, compared with 12,273 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. per cwt., ex warehouse, on Wednesday, as compared with 10s. per cwt. a week ago. "July-August," in singles to Continent and U.K., was quoted at 9s. per cwt., against 9s. last week. Movements in London last week were as follows : Landed, 172 tons ; delivered, 34 tons ; stocks, 1,913 tons, against 1,989 a year ago.

SUGAR.—The London spot market in raw sugar has been quiet and rather easier. New York quotations remain unchanged. The New York spot quotation was 3·50 cents on Wednesday, as compared with 3·50 cents per lb. last week and 3·40 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August" delivery at 6s. 7d. to 6s. 7½d., against 6s. 8½d. to 6s. 8¾d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows : Imports 3,922 tons, against 5,633 in the previous week and 21,350 in the same week of 1936 ; deliveries, 17,484 tons, against 15,736 and 18,993 tons, respectively ; stocks, 167,082 tons, against 184,471 and 136,647 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks :—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 9, 1936	12·15	12·11	13·06	10·42	10·01	11·32	12·23
June 10, 1937	14·57	14·61	15·12	13·73	12·15	13·94	14·67
,, 17, ,,	14·67	14·62	15·06	13·11	12·45	13·70	14·51
,, 24, ,,	15·60	14·50	15·16	14·16	12·28	13·77	14·96
July 1, ,,	15·12	14·49	15·09	13·37	12·24	13·76	14·78
,, 8, ,,	15·34	14·38	15·12	14·64	12·25	13·69	14·83

At this week's public auctions in Mincing Lane, 15,175 packages of Indian and 32,118 packages of Ceylon tea came up for disposal. Demand for Indian was good and prices ruled steady at last week's rates. At the Ceylon auctions on Tuesday and Wednesday a firm tone was evident and prices were occasionally dearer.

VEGETABLES.—Although demand for tomatoes remains good, heavier supplies have resulted in a price decline, says *The Fruitgrower's* Covent Garden report. Cucumbers, however, have been firm on an active demand. Green peas rose in price owing to shortage of supplies, and broad beans have shown a firmer tendency. Cabbage and cauliflower are also dearer. Meanwhile, supplies of home grown new potatoes at the London markets are now ample for all requirements. Business in Jersey has about finished, but at the Borough on Tuesday English realised from 7s. to 9s. per cwt.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Oilseed markets have a much better tone and business has shown an increase. Linseed is in active demand and is firmer. Calcutta seed is in most request on British account, while a good trade in Plate seed is reported from the Continent. Interest is mainly in early positions, though transactions in the new Argentine crop only just sown are taking place, up to £12 12s. 6d. having been paid for December-January loading to Hull. Shipments of Argentine linseed continue at a fairly high level, and include further quantities for the United States. The exportable surplus has now been reduced to 485,000 tons (including a small quantity from Uruguay), against 760,000 tons actually shipped in the remainder of last year. India's new crop has not yet been drawn on to a marked extent, but a surplus for export about equal to that of last season is counted upon. The outlook for the newly-sown American crop is stated to show improvement, but the small outturn expected in Canada has been further prejudiced by drought in certain districts. The quantity of linseed afloat for Europe has increased to 106,800 tons (including 30,800 tons from India), while that for the United States is 53,700 tons.

There has been a sharp advance in cottonseed, and up to £8 has been paid for old crop Egyptian, while new crop for September loading is quoted around the same figure. Vegetable oils are in fair demand. Linseed oil for prompt delivery has advanced 20s. per ton in the past few days, and cotton oil is also 20s. dearer ex Hull. Oilcakes are in normal demand and fully steady.

RUBBER.—Exports from the principal producing areas during June were substantially higher than had been expected ; the publication of this information was the factor mainly responsible for the easier tone of the market this week. A considerable volume of buying was, however, encountered at the lower level. Generalisation from one month's export figures is dangerous, but it appears that less difficulty will be experienced in producing at the rate of 90 per cent. of standard during the second half of the year than had recently been supposed.

The spot price in New York on Wednesday was 19 cents. per lb., compared with 19 1/16 cents per lb. a week ago and 19¼ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 9 1/16d. per lb., as against 9¼d. on the corresponding day last week. In forward positions business has been done at 9¼d. to 9 1/16d. for "August" shipment, as against 9¼d. to 9⅜d. a week ago. Stocks in London and Liverpool at the end of last week totalled 42,175 tons, against 43,047 tons a week earlier. A year ago stocks amounted to 119,095 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, July 14th

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	55	3		
Eng. Gaz. av., per cwt.	9	7		
Barley, Eng. Gaz. av. ...	9	7		
Oats, „ ...	9	2		
Maize, La Plata, landed 480 lb.	28	9		
Flour, Lon. stan. ex mill, 280 lb.	41	9		
Rice No.2 Burma, per cwt.	9	0		
MEAT—				
Beef, per 8 lbs.—				
English long sides	5	0	5	8
Argentine chilled hinds	4	2	4	6
Mutton, per 8 lbs.—				
English wethers	6	0	7	4
N.Z. frozen „	3	4	3	10
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	4
Pork, English, per 8 lbs.	4	8	5	2

OTHER FOODS

BACON—				
English ... per cwt.	90	0		
Irish	88	0	93	0
Danish	91	0		
Dutch	89	0		
HAMS—				
Canadian	103	0	104	0
United States	103	0	104	0
BUTTER—				
Australian	113	0		
New Zealand	114	0		
Danish	120	0		
CHEESE—				
Canadian ... per cwt.	78	0		
New Zealand	70	0		
English Cheddars	...			
Dutch	52	0	57	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. ... per cwt.	35	0	35	6
Trinidad	68	0	75	0
Grenada	58	0	62	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	53	0		
Colombian, good	58	0	62	0
Costa Rica, med. to good	64	0	90	0
East Indian „ „ „	70	0	90	0
Kenya, medium	58	0	72	0
EGGS—				
English ... per 120	14	9	15	3
Danish	10	6	11	0
FRUIT—Oranges—				
S. African ... ½ cases	10	0	16	0
Brazilian ... boxes	9	6	14	0
Lemons, Malaga ... cases		...		
„ Sicilian ... boxes	21	0	27	0
Apples: Amer. (var.) bris.		...		
„ (var.) boxes		...		
„ Australian	9	0	15	0
Onions—				
Valencia, case		...		
Egyptian, bags	7	0	7	6
Grapes, Almeria, barrels		...		
Grapefruit, Brazilian	17	0	21	0
„ S. African	18	0	21	0
LARD—				
Irish, finest bladders	66	0	74	0
U.S. ... per cwt.	66	0	68	0

	s.	d.	s.	d.
POTATOES—				
English new per cwt.	7	0	9	0
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3½		
White Muntock	0	6		
Cinnamon—1st sort, per lb.	0	10		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	59	0		
Jamaica, ord. to good	70	0	95	0
Mace ... per lb.	1	10	2	4
Nutmegs, 65's	0	11½		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96° prpt. shipm., c.i.f. U.K./Cont.	6	7⅓		
B.W.I., crystallised	17	3	19	0
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	20	0		
Cubes	24	3	24	9
Crushed	22	6		
Granulated	20	4½	21	3
Home Grown	20	3	20	6
TEA—				
Indian—per lb.—				
Pekoe		...		
Broken Pekoe	1	2	1	4½
Orange Pekoe		...		
Broken Orange Pekoe	1	2	1	6½
Ceylon—per lb.—				
Pekoe	1	2½	1	7
Broken Pekoe	1	2	1	5
Orange Pekoe	1	2½	1	6
Broken Orange	1	2½	1	8
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
„ strips	0	9	1	6
East Indian leaf	0	7	1	10
„ strips	0	6	1	9

TEXTILES

		d.		
COTTON—				
Mid-American ... per lb.		7·02		
Sakellaridis, f.g.f.		10·06		
Yarns, 32's twist		14		
„ 60's twist		19½		
	£	s.	£	s.
FLAX—				
Livonian ZK ... per ton	82	0	86	0
Pernau HD	84	0	85	0
Slanetz Medium... 1st sort	90	0	92	0
HEMP—				
Italian P.C. ... per ton	66	0		
Manilla, July-Sept. "J2"	35	0		
Sisal, African	25	0	28	10
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
July–Aug.	£21/12,6			
Dalsee 2/3 c.i.f. Dundee				
July–Aug.	£20/15/0			
	s.	d.	s.	d.
SILK—				
Canton ... per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	8	3	9	3
Italian—raw, fr. Milan	8	6	10	0

	s.	d.	s.	d.
WOOL—				d.
English Southdown, greasy, per lb.				18½
„ Lincoln hog, washed				17½
Queensland, scd. super cmbg.				31
N.S.W. greasy, super cmbg.				18½
N.Z., grsy., half-bred 50–56				18½
Crossbred 40–44				16
Tops—				
Merinos 70's average				40
„ 64's „				37½
Crossbred 48's				26
„ 46's				25

MINERALS

	£	s.	d.	£	s.	d.
COAL—						
Welsh, best Ad'ty...ton	19	6		22	6	
Durham, best gas, f.o.b. Tyne	22	6				
Sheffield, best house, at pits	22	0		22	6	
IRON AND STEEL—						
Pig, Cleveland No. 3, d/d. ton	101	0				
Bars, M'brough	237	6				
Steel rails, heavy	202	6				
Tin plates ... per box	25	0		25	6	
METALS—	£	s.	d.	£	s.	d.
Copper, Electrolytic, ton	62	0	0	63	5	0
Sheets (Strong)	93	0	0			
Standard	55	11	3	55	18	9
Lead, Eng. pig... per ton	26	10	0			
Soft foreign	24	16	3	24	17	6
Spelter G.O.B.	23	0	0	23	1	3
Tin—English ingots	267	0	0			
Standard cash	268	15	0	267	0	0

MISCELLANEOUS

	s.	d.	s.	d.
CHEMICALS—				
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2½	0	3½
Oxalic, net	0	5	0	6
Tartaric English, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump ... per ton	8	10	8	15
Ammonia, carb. ... ton	27	0	28	0
Sulphate			7	5
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	7	9		
Potash—Chlorate, net	0	4	0	4½
Sulphate ... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ... per cwt.	5	0	5	3
Sulphate of Copper, per ton	22	0		

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/- per ton
1 and up to 4-ton loads 41/- per ton

	£	s.	d.
COPRA—			
S.D.Straits c.i.f., per ton	16	15	0
DRUGS—			
Camphor—	s.	d.	
Japan, refined ... per lb.	2	4	
Ipecacuanha ... per lb.	7	3	

	s.	d.	s.	d.
HIDES—				
Wet salted—Australian per lb.	0	6½	0	7½
West Indian	0	4½	0	5½
Cape	0	6½	0	6½
Dry and Drysalted Cape	0	9	0	9½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8½
Best cow	0	6½	0	7
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine ... per lb.	5	8	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	3	2	6
Bark Tanned Sole	2	6	3	8
Shoulders fm DS Hides	0	7½	0	10
Do. Eng. or WS do.	0	10	1	9
Bellies from DS do.	0	4½	0	6½
Do. Eng. or WS. do.	0	6½	0	9½
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/1 lb.	1	3	1	8

	£	s.	d.
VEGETABLE OILS—			
Linseed, naked, p. ton net	30	5	0
Rape, refined	37	0	0
Cotton-seed, crude	27	10	0
Coconut, crude	24	5	0
Palm	23	0	0
Oil Cakes, Linseed, Eng., per ton	8	17	6
Oil Seeds—Linseed—			
La Plata, p. ton, July	13	5	0
Calcutta—per ton	15	9	6
	s.	d.	
Turpentine, per cwt.	37	0	

PETROLEUM PRODUCTS—				
Motor Spirit, No. 1, London	1	6½		
Petroleum, Amer. rfd. brl. London...per gall.	0	10½		
Fuel oil, in bulk, for contracts, ex instal. Thames—				
Furnace...per gall.	0	3¾†		
Diesel ... per gall.	0	4¾†		
ROSIN—				
American ... per ton	19/10/0		22/0/0	
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	9 7/8		
Fine hard Para per lb.	0	10		
SHELLAC—				
TN Orange ... per cwt.	47	0	50	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. „	3	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	25	6		

	£	s.	
TIMBER—			
Swedish u/s 3 x 8 ... per std.	24	0	0
„ 2½ x 7 ... „	23	10	0
„ 2 x 4 ... „	21	0	0
Can'dn Spruce, Dis.	24	10	0
Pitchpine ... per load	11	0	0
Rio Deals ... per std.	35	0	0
Teak ... per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African „ „	0	6	0
Amer. Oak Boards „	0	8	0
„ Ash „	0	8	0
English Oak Planks „	0	8	0
„ Ash „	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	July 15, 1936	June 16, 1937	July 7, 1937	July 14, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 104⅜	Cents 110½	Cents 123	Cents 126
Maize, nearest future, Chicago, per bushel	85	112	125⅛	126⅞
Oats, nearest future, Chicago, per bushel	37⅛	39⅞	43⅛	43⅛
Rye, nearest future, Chicago, per pushel	72⅛	84⅛	92⅛	95⅛
Barley, nearest future, Chicago, per bushel	63	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	7⅞	9⅜	9⅛	9⅛
„ Santos No. 4, cash per lb.	9⅜	11⅞	11⅛	11⅛
Cocoa, Accra, nearest future, per lb.	6·11	7·20	7·47	7·54

	July 15, 1936	June 16, 1937	July 7, 1937	July 14, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·70	Cents 3·40	Cents 3·50	Cents 3·50
Cotton, middling, spot, per lb.	13·43	12·43	12·62	12·97
Rubber, smoked sheet, spot, per lb.	16 9/16	19⅛	19 1/16	19
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·02½	13·22½	14·15	13·70
Copper "Electrolytic," Export prompt, per lb.	9·25	13·45	14·37½	13·92½
Spelter, East St. Louis, spot, per lb.	4·75	6·75	7·00	7·00
Lead, spot, per lb.	4·60	6·00	6·00	6·00
Tin, "Straits," spot, per lb.	44·12½	55·12½	60·10	60·10

(a) Nominal.

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Spreading Prosperity

MOST countries of the world have been enjoying increasing internal prosperity for some time past. These domestic recoveries, which in a few cases have almost reached boom proportions, are now beginning to stimulate international trade. In the last twelve months, as the reader of our Monthly Trade Supplement this week will readily perceive, world trade has recovered in volume; and it is now just about equal to what it was before the Great Depression eight years ago. The chief bulk-commodities of world trade, the collapse in the prices of which ushered in the depression—wheat, rubber, coal, sugar and non-ferrous metals—are now being traded in increasing quantities, in markets from which the fatal influence of vast unsaleable stocks has been removed. A corollary of this is the rocket-like rise in shipping freights, the shortage of cargo capacity, the disappearance of idle tonnage, and the increase in shipbuilding. The rise of 20 per cent. during the last twelve months in world prices of primary products—first to fall in depression, last to rise in recovery—has increased both the international purchasing power and the transfer-capacity of those debtor States which mainly export them. And British exports, as well as those from other industrial countries, are, after the usual time-lag, approaching their 1929 level.

This is all to the good as far as it goes. But it only goes back to 1929. Even in that year, which by now has come to bear a halcyonic tinge, the exchange of commerce between nations—especially in Europe—was proportionately much lower than before the Great War, if we allow for the intervening growth in the world's productive capacity. "Trade's proud Empire" flagged as the paraphernalia of economic nationalism grew. Up to 1914, the industrially developed European nations were increasingly exchanging specialised products among themselves, and developing the potentialities of other continents; and the result was a rapid expansion in national incomes and the range of consumers' choice. After 1918, it took world trade a decade to surpass its 1914 level, though its productive capacity was immensely greater. The general realisation that trading between nations was being prevented from continuing its upward pre-war trend led the representatives at the 1927 World Economic Conference unanimously to recommend a reduction in barriers to trade. And now, almost another decade farther on, there is precious little need to throw our bonnets into the air if we see the volume of trade between nations approaching its 1929 and 1914 levels, despite an enormous growth in the world's actual productive capacity. Even the striking boom in shipping freights and shipbuilding—an increase of almost 100 per cent. in twelve months—has only pushed up the tonnage of mercantile shipping under construction in this country to little more than a half of what it was in 1913.

The welcome if long-delayed recovery in world trade, moreover, is not evenly spread. This is no matter for complacent passivity. The world remains divided into States with relatively free trade and currency systems, and those whose foreign trade and currency are alike arbitrarily controlled. Into the first category come the greater and smaller democracies: the United States, the British Commonwealth of Nations, France, Holland, Belgium, Scandinavia. Among these, whose currencies are kept in a stable relationship with each other, talks have been progressing for the further freeing of their commerce; notably between the United States and Great Britain. The Belgian Prime Minister, M. VAN ZEELAND, himself an economist of repute, has just returned from seeing PRESIDENT ROOSEVELT at the latter's invitation. He is pursuing his inquiry, undertaken at the request of the French and British Governments, about the necessary first steps towards a reduction of the barriers, reared in depression, to trade. In the debate on Monday MR EDEN told the Commons that the British Government supported the aims of all these countries, as well as those of the League Committee, on Access to Raw Materials.

On the other hand, there are countries like Germany, Italy, Poland, and the overwhelming majority of Central and South-eastern European States, whose foreign trade and currencies are controlled by their governments to the smallest detail. While the rise in prices of foodstuffs and raw materials may aid such of them as have not mortgaged their home production to bigger neighbours — as, notoriously, Jugoslavia, Hungary, Bulgaria and Greece have done—it must exert a cumulative and crushing pressure upon those —e.g. Germany and Italy—whose industries depend almost entirely on imported raw materials. Now that the latter are becoming dearer, the dilemma, masked while the small countries had surplus stocks for disposal, is becoming acute. The German and Italian economic systems are too rigid to permit of a rapid increase in civil industry working for export. They are caught in the toils; and even if those toils are mainly of their own fashioning, that does not lessen the disruptive danger they constitute to the freer-trading nations outside. General world-wide recovery cannot come unless measures are taken which, directly or indirectly, will enable the " controlled " countries gradually to abandon their controls and slide into the wider system of freer-trading nations. This is as much an essential condition of durable general prosperity as it is of world peace.

Such is the burthen of a petition, signed by an impressive number of signatories in this country, which was presented to the Prime Minister last week-end. " Through economic appeasement to political understanding and peace " is a sensible slogan at an opportune moment; and it is commanding ever wider support. It was therefore something in the nature of a cold douche when MR EDEN last Monday said this:—

> A good deal of work is being done to show practical support of recent endeavours to promote international trade and to remove potential causes of international friction. We shall persist in these endeavours, though our contribution must necessarily be limited by the fact that His Majesty's Government's policy in regard to imports is clearly a liberal one—(Opposition laughter)—as is illustrated by the very large volume of our imports and the very steady increase throughout recent months.

In a narrow sense, i.e. in comparison with other countries' fiscal systems, MR EDEN is right: our tariff is relatively liberal. But as an argument this is not good enough; for it overlooks the fact that our adoption of protection has been probably the greatest single act of obstruction in recent years. Our market was, and still is, so important an element in world trade that even a moderate check to the freedom of importation is of far greater moment than much severer restrictions by countries whose markets are of minor importance. A small obstruction in a main thoroughfare causes a bigger traffic jam than the complete closure of many a back street. The Governments of the British peoples should give positive help to clear the jam in world trade. The measure of their present opportunity is also the measure of their possessions, prestige and responsibilities in a world still a long way from peace and prosperity.

The Far Eastern Imbroglio

THE same lesson is to be learned from present events in the Far East as from those in the Mediterranean and the Iberian Peninsular. We are being taught that it is impossible to evade international obligations by running away.

When Japan committed aggression in 1931 and Italy in 1935, the policy on which the Government of this country acted was to let the aggressor " get away with it." " The Covenant of the League of Nations," so ran the argument, " is only a scrap of paper, while a war between ourselves and another Great Power would be a first-class catastrophe. Really to act on the principle *Fiat justitia ruat cœlum* would be midsummer madness. We will not bring the firmament down about our ears for the sake of anything in the world—except, of course, some concrete British interest." This policy prevailed; and its authors were not slow to proclaim that the children of this world had, as usual been wiser than the children of light. Nearer home, the entry of the Italian troops into Addis Ababa and the cancellation of the sanctions against Italy have had their nemesis in the intervention of Italy—and Germany—in the Spanish civil war. Now, to cap it all, we are entering chapter two of the companion Far Eastern volume of the Recording Angel's ledger. And in spite of everything, British interests are more threatened than ever.

In order to understand the origins of the new and grave crisis that has once more arisen in the Far East, we must recall what has been happening since May 31, 1933, when an armistice was signed at Tangku between the Japanese military authorities on the Asiatic Continent and the Chinese military authorities in Peiping (Peking). On the morrow of that armistice, the Japanese were in effective military occupation of the four Manchurian provinces of China. No outsiders had interfered. The Chinese themselves were accepting the *fait accompli* by concluding an armistice which would enable the Japanese to retain their conquests without having to go on fighting. The signatories of the armistice on the Chinese side were only the local military authorities in Northern China, and Japan's puppet State of " Manchukuo " has not been recognised either at Nanking or elsewhere.

There was, however, a flaw in the Japanese Army's calculations. For while the conquest of Manchuria turned out to be easy, the exploitation of the conquered territories has been more disappointing than even their critics ventured to predict. Manchuria is a rich man's investment which needs long-continued expenditure of a vast capital before it can be made to yield a profit. The Japanese peasant, however, is a poor man in a hurry. Overcrowded on the land and overburdened with debt, the Japanese peasantry were already near their last gasp when the Japanese Army let fly at Mukden in September, 1931. The soldiers told the peasants then that the seizure of Manchuria would bring them the millennium and bring it instantaneously. But four years' experience has told another tale. The only effect of the conquest on the welfare of the Japanese peasantry up to date has been to starve the work of ameliorating agrarian conditions at home by loading the Japanese budget with ever larger appropriations for capital development in Manchuria and for the expansion of the Japanese fighting forces. In face of the peasantry's natural disappointment, the Japanese Army has been able to think of no better recourse than to repeat its Manchurian adventure by trying to lop off another half-dozen Chinese provinces between the Manchurian border and the Yellow River. This is the immediate cause of the present crisis. But the Japanese Army's policy is now coming under the rule of the law of diminishing returns. On the one hand, the creation of a " Manchukuo No. 2 " is no remedy for the unremunerativeness of " Manchukuo No. 1." On the other, the sheer business of conquest has not been proving as easy in Chahar and Hopei as it was in Fengtien and Jehol.

China is an awkward dish to swallow. Like a string of macaroni, she is too long to swallow whole but also too tough to bite off short. If anyone is rash enough to take one end between his teeth, he finds himself forced to go on swallowing till he chokes. Nor is it only the bulk and the consistency of the Chinese body politic that are putting Japan in a fix. Japan has helped China to progress with the vast task of reorganising her life on a Western basis much faster than she would have been likely to move if she had been left to her own devices. All observers seem to be agreed that China has been pulling round with remarkable success during the last year or two. The Central Government's authority has been becoming rapidly more effective over an ever wider area, for example in the Far South. The financial and economic condition of the country has been distinctly improving. And whatever the inwardness of the mysterious kidnapping of PRESIDENT CHIANG KAI-SHEK by MARSHAL CHANG HSUEH-LIANG at Sianfu last year, it probably portends at least a truce between the Kuomintang and the Chinese Communists. Have the Japanese Army now made up their minds to swallow China whole before she is completely herself again? If so, they will probably find, like GENERAL FRANCO, that it is easier to start a war than to wind it up.

The shots in the night outside Peiping which precipitated the present crisis were aimed at Japanese soldiery who, contrary to custom and convention, deployed without due notice in an area where the Chinese Government's writ should run. Though negotiations are still being carried on by the political authorities of each nation, the Japanese army leaders demand that their effective control of the Chinese northern territories should be tacitly recognised and confirmed by a purely local agreement. To this the Nanking Government object that their approval must be given, since the Japanese could overbear any local Chinese commander left in an area denuded, under the terms of the local truce, of the recalcitrant 37th Division of the Chinese 29th Route Army which had speedily arrived there.

This week fighting around Peiping has been sporadic, and the neighbouring town to the south-west, Liukouchiao, has been bombarded by the Japanese from the air and by artillery. PRESIDENT CHIANG KAI-SHEK has moved some divisions up to Hopei-Chahar to meet the Japanese reinforcements from Manchuria and Tientsin —a natural precaution. The Japanese have so far not despatched troops from home, though they have partially mobilised. Meanwhile the resources of diplomacy are not exhausted; and Japan has still time to effect a settlement which will save her militarists' faces and her ill-gotten gains without throwing the Far East into the furnace of war. Whatever the outcome, Japan could not hope to emerge unscathed from such a holocaust.

The Economics of Population—III

Problems of Contraction

IN earlier articles on Britain's future population, which appeared in the last two issues of *The Economist*, the probable course of the population was sketched and some of the economic consequences of the changes to be expected were outlined. For about twenty-five or thirty years from now there will be very little change in the total numbers of the population, but there will be substantial alterations in the age-composition. In a later period, however, some fall in total numbers is all but certain. In last week's article the discussion was confined to the effects of the changing age-composition; the effects of changes in the size of the total population were left for this concluding article. In strict terms, a distinction should be drawn between the effects of the cessation of growth, which is already upon us, and those of an actual decline, which will not begin for about a generation. But the two are likely to differ in degree rather than in kind; and since any precise quantitative estimates of the rapidity of the eventual decline will almost certainly be disproved by events, the two can conveniently be discussed together.

In view of current misconceptions it is perhaps necessary to begin by drawing the very obvious distinction between the effects of a *smaller* population and those of a *declining* population. It may be that if the population of England and Wales in 1937 were less than the actual 40 millions the economic welfare of the inhabitants would be greater than it is—though it would be very difficult to adduce any evidence for such a belief. But even if economic welfare would be greater with a population of 30, or 20, millions, it does not in the least follow that the process of reducing from 40 to 30 or 20 millions would be economically beneficial. Even Paradise is approached through Purgatory.

Our first objective is the effect of a falling population on industrial, or rather economic, productivity. The " net rate of reproduction " in this country (i.e. the extent to which the present generation of mothers are reproducing themselves) was in 1935 about 0.75, and if this were maintained, the population would eventually fall at the rate of one-quarter each generation. For the present, this may be taken as the maximum probable rate of decline. It so happens that an increase of one per cent. per annum in economic productivity per head (which is about the average rate actually attained in recent decades) would almost exactly suffice to offset this rate of decline in total population. If both these rates applied, then the total production of the country would remain stable. If the population were to fall less rapidly, or productivity per head to rise more rapidly, or both, total production would increase. There is consequently no reason to anticipate a catastrophic fall in total productive capacity.

There is, in fact, some reason to believe that productivity *per head* could increase more rapidly than in the past. For the ratio of land to labour, and probably of capital to labour, will increase. On the average,

the amount of land and capital available per worker will be larger than it would otherwise be. And this can hardly fail to increase potential productivity per head.

Emphasis must, however, be laid upon the word " potential." The last two paragraphs have been based upon the tacit assumption that the available resources of labour and capital would be as fully utilised as at present—that is, that there would be no increase in unemployment. That depends upon whether the resources of labour and capital are available in the industries and localities in which they are wanted. The nation's total productive capacity, and hence its total potential demand, may be maintained or even increased. But the constituents of the demand will change. For example, a population of 30 millions would certainly demand less bread than a population of 40 millions, even though its total purchasing power were unchanged. But if it still has the capital and labour in the baking industry to produce bread for 40 millions, waste and unemployment will ensue.

This problem is crucial. It is not enough to take the total working population, to multiply by an assumed rate of productivity and to announce the result as the total production of the country. By such means of calculation, the hundreds of thousands of workers marooned in the export trades since the war would be assumed to be in useful employment, whereas it is well known that they are not. The *potential* production of the country will remain unchanged or even increase slightly. Whether the *actual* production comes up to this potential depends upon whether the available resources of capital and labour can be transferred quickly enough from where they will not be wanted to where there will be a demand for their services. And as we know from our experience since the war, it cannot lightly be assumed that the transfer will be made.

The adaptability of the economic system is thus the crux of the problem. If the capacity for adjustment is equal to the demands made upon it, the total production of the country will be maintained, the standard of living will rise and we shall be spared the bad effects (e.g. on the railways) of a shrinking total volume of production. But if not, maladjustments will lead to unemployment. It therefore becomes important to examine the probable needs for adjustment and the probable variations in the adaptive capacity of the economic system.

The need for adjustment will arise out of the changing character of demand. The industries which will be worst hit will be those which are related not to the size of the population, but to the growth of the population. Foremost among these is the building industry. Up to the present very little of the demand for building has arisen from the replacement of existing houses, and almost all from the demand for additional houses. This depends, to speak accurately, on the growth in the number of families rather than in total population. There is a time-lag between the two quantities, but clearly families cannot go on increasing for long after total population falls. A demand for new houses in replacement of old houses may spring up, but it will be handicapped by the existence of a growing surplus of existing houses, which will be obtainable at low prices. When there are 11 million houses for 9 million families, it is hard to believe that there will be much new building.

A second set of industries which will suffer a decline in demand comprises those whose activity can be expected to vary with the size of the total population. Broadly speaking, these are the industries which provide the basic necessities of life. The most obvious is agriculture. As the standard of living rises, it is reasonable to suppose that there will be some increase in the consumption of food per head. But there is likely to be an even greater increase in the production of food per agricultural worker, owing to advances in chemistry and biology. If so, the number of people who can be employed in agriculture will fall with, or even faster than, the population. In the British case, this will be felt in the shape of smaller imports of food, and hence a declining demand for the export industries.

In one way and another, then, there will be considerable adjustments to be made. It is not quite impossible to get some idea of their order of magnitude. If the number of workers marooned in the export trades after the war be put at 1,000,000 (almost certainly an over-estimate), they represent less than one-tenth of the workers insured against unemployment. If the population were to decline by a quarter in thirty years, some industries, such as building, might suffer a very large fall in employment—say, by two-thirds—while others, such as agriculture, would shrink by one-quarter. Building in this country employs about a million workers, while the supply of food employs, directly or indirectly, something of the order of 5,000,000 people. In these two industries alone, then, there would be a shrinkage of nearly 2,000,000 workers. It is true, of course, that all industries will have a " natural " shrinkage of employment as the old men retire and are not replaced by an equal number of recruits. To this extent contraction will be painless. But there is no similar " natural " decrease in the productive capacity of industries, so far as physical capital or finance are concerned. The problem of adjustment will, therefore, be almost certainly greater than that which we faced in the post-war years—and have not yet solved.

What of the effects on the adaptive capacity? MR KEYNES recently argued in his Galton lecture that one of the effects of declining population will be to expand the supply of savings relatively to the demand for them. The normal effect of this, in default of radical redistribution of incomes or much lower interest rates, would be to cause a considerable wastage of resources—in a word, to make the recurrent slumps in trade deeper than they would otherwise be. Moreover, one of the most powerful stimuli to recovery from a depression—the automatic increase in demand due to rising population—would be lacking. For instance, the population of the United States in 1937 is about 7,000,000 larger than in 1929, and provision for the essential needs of these 7,000,000 people is one of the strongest influences that have made for recovery. Finally, as a last item in this doleful recital, account must be taken of the depressing psychological effect of chronically falling demand in many industries, with increasing surplus capacity.

These unfavourable factors may have been stated too strongly. But that they will have *some* validity can hardly be denied. If so, the conclusion is inescapable that the capacity for adjustment will decline just as the need for adjustment increases. There is, however, one offsetting factor which should not be overlooked. A stability, or decline, in total production, will tend to make the level of prices higher than it would otherwise have been, since it is unlikely that the quantity of money in circulation will be affected by population changes. This gentle inflationary effect will be welcome.

The moral of this analysis, as of last week's, is that the greatest need of the twentieth century will be for adaptability in the economic system. The increase of productive efficiency will be vital, as it has always been, and a fairer distribution of economic rewards will continue to be the demand of the under-privileged. But the peculiar and distinctive requirement of this century will be adaptability. The authoritarian states can secure it, if they will, but only at the sacrifice of all human freedom. A democratic economy can secure it too, if it will submit itself to the discipline of forethought and pre-arrangement. It should be possible to meet this last demand more completely than it has been met in the past century.

Expanding Steel Capacity

PERHAPS the most significant feature of the Import Duties Advisory Committee's report upon the condition of the British steel industry (reviewed in *The Economist* on July 10, page 61) is its reiterated emphasis upon expansion of capacity. Only five years ago the industry was lamenting its over-capacity, and drastic pruning seemed to be the only remedy for a situation brought about by war-time expansion and subsequent loss of exports. That some units in the industry were less efficient, technically, than their overseas competitors had been generally admitted since the publication of the Balfour Committee's report. There was grave doubt, however, in many quarters whether the outlook would ever be sufficiently promising to justify the large-scale investment of new capital necessary for effective reorganisation. No one foresaw that within five years the existing plant would be found inadequate, and that the Ministry of Munitions' estimate of a " normal " post-war output of 12 million tons would actually be exceeded. Yet to-day there is a shortage of steel capacity, and the I.D.A.C. report is mainly—and rightly—concerned, not with the elimination of redundant plant, but with the maintenance of supplies and the need for central regulation and planning of new construction. And the British Iron and Steel Federation has now charged itself with the duty not only of approving, but also of initiating proposals for the extension of capacity.

The magnitude of the revolution in the technique and organisation of the industry during the last six years is not generally appreciated. Its output has attained levels which it has never previously approached. Production of steel ingots and castings touched 9,717,000 tons in the peak year of the war, reached 9,636,000 tons in 1929 and fell to 5,203,000 tons in 1931. By 1935, however, it had risen to 9,859,000 tons, and last year totalled 11,705,000 tons. But in 1937 it is likely to be at least 12,500,000 tons, and it may even approach 13,000,000 tons; for by the end of this year the industry's productive capacity will have been increased to 13,500,000 tons.

The technical implications of this advance have been far-reaching. For the first time since the collapse of the post-Armistice boom, ample funds have been available for development. Since 1931, new expenditure has been of the order of one-fourth of the whole of the industry's present capital. A few comparisons between production in 1936 and in 1929 bring out the extent of the resulting increase in efficiency. Pig-iron output per furnace in blast has increased from 47,900 tons to 69,700 tons. Fuel consumption, per ton of pig iron, has fallen from a coal equivalent of 38.2 cwt. to 33.2 cwt. Nearly 45 per cent. of the total pig-iron output is now consumed in a molten condition, compared with 36 per cent. in 1929. In the steel industry as a whole the output per worker has increased by about one-quarter. The Import Duties Advisory Committee, it is true, points out certain weaknesses which still exist in the industry's technical structure—for example, there is still a need for a greater number of large and modern blast furnaces, and there is a strong case for the erection of another large basic Bessemer steelworks. It is clear, however, that the industry is much less vulnerable to technical criticism than it was five years ago.

Development, in fact, has followed two major lines. The first—and the less spectacular—represents simple reconstruction to eliminate bottle-necks and to improve general efficiency. Thus, the balance of existing works has been improved by combining coke-ovens, blast furnaces and steelworks, and by taking full advantage of the valuable process gases. The United Steel Companies, for example, are re-building their Appleby-Frodingham works at Scunthorpe, and have already reconstructed their Cumberland plant by the addition of new batteries of coke-ovens. Richard Thomas, similarly, is reconstructing its Redbourn works on a plan which includes the building of coke-ovens and their linking with the iron and steel works. Though Dorman Long's projects are, possibly, less far-reaching, they have involved, nevertheless, the complete reconstruction of the company's coking plant. Other projects include the erection of sintering and other plants for pre-process treatment of raw materials on the one hand, and the provision of additional mills of various types on the other.

Reconstruction work of this character has had a highly important function ; indeed, it has probably contributed most to the advance in efficiency in the industry as a whole. In many works, however, existing layouts did not readily lend themselves to renovation on these lines, and in their case complete rebuilding has frequently been found necessary, sometimes in a different locality. Much the most spectacular of these operations has been the erection of Stewarts and Lloyds plant at Corby, which was conceived from the outset in accordance with the principles of industrial location derived from the technical development of fuel economy. Formerly, it was cheaper to make the steel on the coalfield and to transport the iron ore; to-day, it is cheaper to move the coal. Moreover, the exclusion of foreign imports of cheap steel made by the Bessemer process induced the company to break with British tradition, and itself to employ the Bessemer process. Thus a complete composite unit has been built up, buttressed by long-term agreements with other concerns, like the Lancashire Steel Corporation, in order to safeguard the market for its production. The plant came into full operation last year. Experience, however, has already shown that the original plans were unduly conservative, and that more mills are required. The original project of a 40-inch blooming mill and a semi-continuous strip mill was supplemented last year by the decision to erect a 32-inch mill and a 24-inch tandem mill. These, in turn, are to be supplemented by a 24-inch continuous mill and a small strip mill, and even these extensions may conceivably be found inadequate in the long run. If the company, on leaving Scotland, had not come to an agreement under which Colvilles took over its plate business, there would to-day be a strong case for adding a plate mill to the Corby plant. The plan, as a whole, has been costly, and the original estimates of over £3,000,000 have been substantially exceeded; but after the inevitable growing pains, it now appears to be developing satisfactorily.

Second only in importance to the Stewarts and Lloyds scheme is that of Richard Thomas at Ebbw Vale, which embodies a change of a major technical interest—the introduction of the American process of continuous rolling of wide sheets. This is a complete break with traditional British methods of sheet and tinplate production, and experience in America—where 23 strip mills are already in use—suggests that it holds out the prospect of substantial economies in production costs. The old Ebbw Vale company's plant has been entirely scrapped, and on its site a new composite unit is being erected, to produce sheets and tinplates direct from coal and iron ore. The technical merits of the scheme are hardly open to question, in the light of American experience. Possible difficulties lie rather on the commercial side; for a substantial increase of demand may be necessary if the mill is to be fully employed without involving the old-style mills in substantial loss. The financial problems of a scheme costing £8,000,000 are also, inevitably, formidable. Judgment, therefore, may perhaps be deferred until the future course of demand for sheets and tinplates can be more closely forecast. Meanwhile there appears to be some possibility of the introduction of analogous processes by other firms. John Summers and Sons, of Shotton, for example, are reported to have placed contracts for a similar plant, despite Sir William Firth's claim to the possession of exclusive patent rights in this country.

Finally, three schemes have been carried out which are less fundamental in character, but which admirably illustrate current technical tendencies. The transfer of

some of the Whitehead Iron re-rolling plant from South Wales to Redbourn, Lincs, though quantitatively small, was symptomatic of the general trend towards the Midlands. Another South Wales development has been the building of the Guest Keen Baldwins blast furnaces and steelworks at Cardiff, replacing the old Guest Keen Nettlefold's works at Dowlais, which were originally based upon local (and now practically exhausted) ore deposits, by a modern plant on the coast, consuming imported ore and saving transport costs both on raw materials and on the finished products. This new plant, is now being expanded. A final scheme of long-term interest—upon which, so far, little progress has been made—is that of Colvilles. Technically, Scotland has hitherto been the most backward of the steel districts, partly for natural reasons (particularly the exhaustion of raw material supplies upon which the industry was originally based) and partly because of the depression on the Clyde. There are, in fact, no composite firms in Scotland. Colvilles, however, has been gradually acquiring and scrapping its rivals' plant, and is now in a quasi-monopolist position. The group is embarking upon a £2,500,000 development scheme, which includes the building of a cokery, blast furnaces, steel furnaces and a plate mill. Like the Richard Thomas scheme, this is certainly the correct technical policy. But its success, similarly, postulates the maintenance, or even the increase, of demand at or above its present boom level.

In all schemes such as these, at the present time, there must necessarily be a significant element of commercial risk. That the demand for steel and its products will, in future, rise well above its present level is unquestioned, but the industry, in the short run, is subject to wide cyclical fluctuations. Recent developments in the steel trade as a whole, however, show at least that those firms which were courageous enough to embark upon schemes of expansion at the beginning of the recovery period have been among those to whom recovery has brought most benefit.

Outlook for France

A WEEK ago (*The Economist*, July 17th, page 135) we discussed the fresh divorce of the franc from gold and the new taxation proposals of the Chautemps Government. Since then there have been further important developments, including a fresh break in the franc, the change in the Governorship of the Banque de France, and the Government's new economy plans. We comment on these measures on page 186 of this issue. What is the political, psychological and economic background for these far-reaching changes?

Economically, France is not a homogeneous country. On the contrary, she is divided as to one-third into the relatively rich North and as to two-thirds into the relatively poor South. The North is not wholly industrial, for it includes some of the wealthiest vineyards; while, conversely, the South includes the ports of Bordeaux and Marseilles and the Riviera littoral. In representation both in the Chamber and Senate the South naturally predominates. This division is politically important; and it is additional to the better-known line of political demarcation between Paris and "the Provinces." Industrially, France is still a country of small producers, which, in a sense, has never fully recovered from the loss of technical ability due to the expulsion of the Huguenots three centuries ago. The need for industrial consolidation has been emphasised more recently by the consequences of M. Blum's "new deal." To dwell solely on the increase in French production costs induced by last year's social reforms is to miss their main significance. Before their enactment the average French worker was much worse off than his compeers in England or the United States. Though the New Deal was hurried and ill-conceived in many ways, it was an act of fundamental justice, and French labour is rightly determined not on any account to relinquish many of its major concessions. The 40-hour week and even the five-day week have come to stay, though modifications may doubtless be made to meet the special needs of individual industries.

Recent visitors to France have been impressed by the declining political influence of the *rentier*, and all that he stands for. The old generation has been nearly hammered out of existence by the post-War depreciation of the franc, and the younger generation of investor is turning to other types of security. This has an important economic consequence. Politically, the French from time to time veer suddenly to the left, but they always drift gradually back to the right again. Last year's jerk to the left was unusually marked and has left permanent results, but the backward drift has already begun.

In the last resort, however, Frenchmen, whatever their political beliefs at home, retain their innate patriotism. Fear of foreign aggression is always a unifying force. To-day, even those Frenchmen who sympathise politically with the Spanish insurgents realise the need for withstanding the totalitarian States, and are indisposed to see Spain an appanage of Germany or Italy. The suspension of international control over the Pyrenees frontier under the non-intervention scheme was immediately and unanimously welcomed by all shades of French political opinion. Conversely, the unfounded rumour that General Franco was obtaining a sterling credit in London evoked feelings of uneasiness which were equally general and equally sincere.

Seen against this background, the significance of recent events may be readily appreciated. M. Blum resigned on his first defeat for three very good reasons. First, he was naturally anxious to throw upon his successor the burden of the fresh currency depreciation, the new taxes and the new economies; and so far as the support of his own party was concerned this was the surest way of "living to fight another day." Secondly, he was reluctant to make a change at the Ministry of Finance, even though it had become apparent that a change was essential. Finally, he was unwilling to inflict a period of prolonged political deadlock upon France at the moment when the international situation was seriously strained. He said as much in a speech on July 2nd, less than a week after his resignation. The following day there were unconfirmed reports of a movement of French troops towards Savoy.

The retirement of M. Labeyrie from the Governorship of the Banque de France is the direct consequence of the change of Government. The Banque de France has now become virtually part of the financial machinery of Government, and M. Chautemps and M. Bonnet, not unnaturally, desired to have their own Governor. Beyond that, it might be unwise to read significance into the change in the Governorship.

The initial depreciation of the franc in early July and the announcement of the new taxes took place quietly enough, but the effect on the consumer has still to be appreciated by the general public. Also, the franc has since fallen further. We suggested a week ago that M. Chautemps had told the bankers, in effect, that they could have a "strong" franc or a "weak" franc as they wished, and it looks as if they were beginning to make their choice. In any event, the French Exchange Fund can to-day give only limited support to the franc, and it may be wise to let the franc find its new level as quickly as possible. Certainly, little French capital will return from abroad until it has done so.

The attempt to divert the profit on the new revaluation of the Banque de France's gold into a fund for the support of the rentes market, on the other hand, appears ill-advised. It might have been preferable either to use the profit for the partial repayment of the new loan of Frs. 15,000 millions granted by the Banque de France, or to earmark a portion of the Banque's gold, equal to the profit, for employment by the Exchange Fund. In the present temper of the French investor the use of this profit as a support to the rentes is unhappily suggestive of Mrs Partington's mop.

Both internally and externally the franc is undergoing a fresh downward adjustment whose ultimate magnitude cannot yet be assessed. Theoretically, this should facilitate an expansion in the national income, expressed in terms of francs. The impression in France is that the whole of this additional income will accrue to Labour and to the Treasury, and none of it to the capitalist. If this view is correct, then the finance of the recent social reforms, wage increases and reductions in hours will be automatically provided, and the Budget problem will be alleviated. Admittedly, these results will be achieved at the *rentier*'s expense, but the *rentier*, as we have shown, has lost much of his former political power. In any event, an expansion of the national income provides the only permanent road by which France can escape from her financial troubles. The present financial reforms are but palliatives introduced in the hope of carrying the Treasury over the intervening critical period.

If these hopes are fulfilled and financial disaster is averted, France may be well served by her traditional powers of recuperation. She is still a creditor nation, but it is essential that her expatriated capital should be induced to return home again to finance the reorganisation and consolidation of her industries. Ultimately the depreciation of the franc and the expansion in the national income should restore the profitability of France's industries and benefit the capitalist in his turn. At the moment, the interests of Labour and the Treasury have priority, since the only alternative to the present policy may be social upheaval and financial breakdown. Ultimately, however, the capitalist must regain his faith in his country, and the Government must help him to regain it. This cannot be done quickly, and it may even be done too late—for time presses. All friends of France will hope that whatever travails are immediately before her, the vitality and resilience of her people will triumph in the end over economic vicissitudes.

Notes of the Week

The Palestine Debates.—The Lords on Tuesday, and the Commons on Wednesday, debated the proposals of the Royal Commission on Palestine, now accepted as a whole by the Government, and awaiting examination at Geneva at the end of this month by the League's Permanent Mandates Commission. In the Upper House, Lord Snell heralded the Labour Party's clearly reasonable demand in the Commons next day for examination of the proposals by a Joint Select Committee of both Houses before Parliament stood committed. Lord Peel hotly rejected Lord Snell's contention that the Government's precipitate acceptance of the Commission's recommendations was a confession of failure properly to administer the mandate and to preserve law and order. Both in the Lords and Commons the prevalent mood was one of disappointment, frustration and scepticism about the proposed partition of Palestine. Lord Samuel showed that the scheme would end in important racial minorities in both new States: There would be a Saar, a Polish Corridor, and five or six Danzigs in a country the size of Wales. Lord Melchett, his co-religionist, voiced the deep disappointment of Jewry at having its promised national home whittled down to the size of Norfolk. In the Commons the impressive speech of Mr Ormsby-Gore in support of the Government's acceptance of the proposals did not avail to prevent Mr Morgan Jones (for Labour), Sir Archibald Sinclair, Mr Amery, Mr Churchill and Mr Lloyd George from combining to force the Government's acceptance of a reasoned amendment to set up an adequate inquiry on the proposals after they had been discussed by the Mandates Commission at Geneva. This will precede any plan by the Government to implement the proposals, does not commit Parliament to the partition of Palestine, and gives the Lords and Commons the opportunity to examine the proposals more closely after the League's decisions or recommendations. This is the best solution of a vexatious problem. Time will help all parties concerned.

* * *

Mr Eden on British Interests.—The debate last Monday on the Foreign Office Estimates was as creditable and as interesting to all Parties as that, secured on the Labour Party's moving of the adjournment on Thursday of last week, was barren. The Labour Party, anything but splendidly isolated, precipitated themselves upon the British Non-intervention Plan on Thursday of last week, and attempted to torpedo it in advance by moving the adjournment. The Liberal Opposition took the reasonable line that it was the Government's plan for future discussion in the London Committee, and that to denigrate it beforehand was no service to Non-intervention as an aim, nor to the standing of a British Government charged with the onerous duty of reconciling bitterly opposed national aims in the London Committee. In the event, the Labour Party were ignominiously reduced to evading a division by putting up Mr Seymour Cocks to talk their motion out. On Monday of this week, in the big debate, Mr Eden began his wide survey of foreign affairs with an appeal to Japan and China to abandon the shifts and stratagems whose long continuance in North China had provoked such incidents as that now straining their mutual relations. He called for a return to a normal and reasonable status there—and his language made it clear that the British Government do not in any way view the Japanese regime in North China with complaisant eyes.

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Over Spain, the Foreign Secretary clearly reiterated his earlier pronouncements that Britain's interests were to preserve Spanish territorial integrity and the unfettered viability of that "main arterial road," the Mediterranean. He extended this British warning to cover the eastern shores of the Red Sea; but affirmed that the Government's foreign policy was not aimed at any other nation, and that there was room in the Mediterranean for the legitimate aims of other Powers as well. (Signor Mussolini may remark with some pleasure Mr Eden's reminder that there is no word for *vendetta* in English.) Once again Mr Eden warned other Powers that, while the latest British Plan may be modified in detail, its general scope and principles must be accepted as a whole; otherwise Europe would face that risk of imminent and general war which, to him, seemed to have sensibly receded in the last year. (His remarks on economic appeasement are commented upon in an article on page 165 of this issue.) Mr Eden repeated his earlier announcements of Government policy over the reform of the League of Nations; which is, apparently, to try to bring Germany and Japan back into the League by making it easier for "conciliation" to keep the peace. On this score, Mr Eden's words perilously approached equivocation; for, as many speakers reminded him later, to keep the peace one must nowadays be prepared to show more firmness than a pure preference for "conciliation." Conciliation that made a world safe for aggressors would be no more effective than the last war, and the League to which it gave birth, have been to make it safe for democracy. The Foreign Secretary concluded with an appreciation of the firm and close relations now subsisting between France and this country.

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Is Gibraltar Threatened?—The fireworks in Monday's debate were let off by Mr Churchill and Mr Lloyd George, who both demanded full information from the Government about the nature of the guns mounted during the last few months by the insurgents or their

foreign friends on Spanish soil near Gibraltar. Mr Churchill hinted that they were Ansaldo or Krupp howitzers capable of pulverising Gibraltar harbour and commanding the Straits. The Government, he said, should raise the question with General Franco at once, not wait till he was safely ensconced in power by aid of foreign helpers to whom he would owe much more than a debt of gratitude, which might well be discharged in other coin than cash. Mr Lloyd George made the same point, but insisted—in tune with Sir Archibald Sinclair, the Duchess of Atholl, and other speakers—that the Government should support France in not according General Franco belligerents' rights till foreign volunteers had been evacuated. He and the others, including the chief speaker for the Labour Party, Dr Dalton, made it clear that if the Plan failed—either through the nonfulfilment of this condition, or the lack of good faith on the part of the Fascist Powers who were in close league with each other—then the British and French Governments should revert to the international legal position, according to the recognised Spanish Government the right to buy and transport munitions anywhere at its own risk. The House betrayed an evident anxiety about the uncommunicativeness of Government spokesmen, notably Lord Cranborne, over the guns near Gibraltar; and there was little disposition to lend credence to the Government's military advisers who had, apparently, asserted that these guns were no menace to Gibraltar. In the questions on the protection of British ships by the Navy which preceded the debate, and throughout the debate itself, the House, including even the pro-Franco element among the Tory Die-hards, was manifestly uneasy about the implications of the *liaison* between the Spanish insurgents and the two Fascist Great Powers. Mr Eden's able, if a trifle too transcendental, discourse did little to calm the uneasiness.

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The Powers and Spain.—The British Plan for securing non-intervention in Spain was "approved in principle" by all the Powers on the Non-intervention Committee on Friday of last week; and discussion of its details and procedure began in the Chairman's Sub-Committee on Tuesday. Here, however, a deadlock quickly emerged; for the representative of Italy, supported by that of Germany, moved to secure official termination of the remaining Anglo-French naval patrol, but the reintroduction of supervision on the land frontiers of Spain—which would have meant giving the insurgents complete control of the sea, while the Spanish Government would have had the French land frontier blocked. The other Powers could not agree to this; and when Count Grandi and Herr Woermann went on to object to Lord Plymouth's proposal to take the questions of frontier supervision and evacuation of volunteers before that of belligerents' rights—the order in which the British Plan placed them—the deadlock on procedure was complete. The French and Russian Ambassadors have firmly adopted the British viewpoint; and it is reported from Paris that the French Government will never allow the land frontier supervision to be reinstated without control of Spanish ports, nor accord belligerents' rights till, as the British Plan stipulates, substantial progress with the evacuation of volunteers has been reached. Italy and Germany, after provoking the crisis by retiring from naval supervision and refusing to put anything in its place, have thus this week tried to distort the British Plan at the outset, in open defiance of Mr Eden's warning on Monday that the Plan must be accepted as an integral whole. So yet another adjournment is now spinning out the time.

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Meanwhile, in Spain there has been much military activity. The Government forces launched a big attack south-west of Madrid and have made considerable progress. The insurgents have counter-attacked there, and for the present the Government's gains are being held. Only on the northern coast sector have the insurgents retained the initiative; but even there, most of the activity seems to have been on the high seas against foreign ships—many of them British or under charter, manned by colleagues of "Potato" Jones of immortal memory. The losses on both sides this week have been heavy; and the biggest aerial combats of the campaign have occurred with, apparently, greater loss to the insurgents.

* * *

Naval Agreements.—At the Foreign Office last Saturday two naval agreements were signed. In the thick of an unrestricted armaments race it is satisfactory to be able to record the conclusion of even bilateral agreements for restriction of armaments. But the most encouraging point about the recently signed agreements is that the non-British party to one of them is Russia, and to the other Germany. For in diplomacy, as in geometry, Powers which agree with the same Power agree with one another. In each making its own separate naval agreement with the United Kingdom, the Third Reich and the Soviet Union are indirectly restricting their naval competition with each other, especially in the Baltic. Any step which promises to relieve the tension between the chief Fascist Power and chief Communist Power is a step in the right direction. The two new bilateral naval treaties bring Germany and Russia into the circle of naval Powers that have subscribed to the provisions of the multilateral naval treaty of 1936. No doubt the treaty of 1936 is a poor substitute for those of 1930 and 1922. Quantitative limitation has disappeared; only qualitative limitation remains; and even this has been accepted by only three of the five signatories of the Washington and London multilateral instruments. But the very fact that Italy and Japan have so far held aloof from the 1936 agreements makes it all the more satisfactory that Russia and Germany should now have come into line. The two new bilateral treaties that embody this happy result are both of them consequences of the Anglo-German bilateral naval treaty of 1935; for it was in pursuance of this that the Anglo-German negotiations were opened for bringing Germany into the ambit of the 1936 agreement. It soon became apparent that—owing to the fact of Russo-German competition in the Baltic—Germany could not be brought in without bringing Russia in too. There is thus at the moment a definite, though modest, measure of agreement for the restriction of naval armaments between five out of the seven naval Powers of the world. But the achievement remains precarious so long as Italy and Japan stand out; for their refusal to bind themselves has compelled the other Powers to qualify their agreements with one another by inserting "escape clauses." It is to be hoped that these may never have to be invoked.

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Boom and the Special Areas.—It needs no partisanship for the Government to discern evidence of persistent recovery in industry and trade. Iron and steel, shipbuilding and coal production are active and remunerative; and, as Mr Chamberlain and Sir John Simon were at pains to point out last week-end, the revival in heavy industries and the export trade has been specially potent in resuscitating the depressed areas. Since the passing of the Special Areas Act the number of wholly unemployed persons in these regions has fallen by 38 per cent. from 442,000 to 274,000. Both the Prime Minister and the Chancellor of the Exchequer were anxious to show that this happy conjuncture had not been brought about merely by the re-armament programme. While Government defence contracts have clearly been influential on Tyneside and Clydeside, there has been a higher rate of decline in unemployment in the Special Area of South Wales, where coal is the staple product—partly accounted for, however, by depopulation. All this is so far true. Last month's figures of employment in the whole country were the highest ever recorded. The number of insured persons at work on June 21st was 11,517,000, which was over half a million more than

on June 22, 1936. The Special Areas have clearly shared in this striking improvement. In Durham and on Tyneside in June, 1936, there were 135,891 unemployed; in June, 1937, there were 104,015. In West Cumberland in the same period unemployment fell from 11,986 to 10,030; in South Wales and Monmouthshire from 155,598 to 101,619; and in Scotland from 70,613 to 58,534.

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Only a rash observer, however, would attribute these changes entirely to the Government's Special Area policy. It was reported last week that the combined financial assistance given or promised to new or expanded undertakings in the Special Areas by the Treasury Fund, the Nuffield Trust, and the Special Areas Reconstruction Association has been just over £2,000,000. The expenditure of this sum, with an additional £1½ millions from other sources, will provide employment for 10,500 persons. Almost simultaneously with this report by the Commissioner came the announcement that Sir John Jarvis proposed to establish a trust of £200,000 to assist small enterprises on Tyneside, and especially in Jarrow; and the information in the seventeenth annual report of the Forestry Commissioners that, up to May, 1937, 14,100 acres of plantable land had been acquired in the Special Areas, and 86 forest holdings had been established or begun. All this is excellent, if limited in scope. A beginning has clearly been made with the policy of re-establishing the economic life of these areas on a broader and more secure basis. But international recovery has already achieved, or promised to achieve, more for them than public effort or Government contracts. World trade is at last rising steeply. Primary producers have been stimulated by higher commodity prices, and industrialised countries are being driven by shortages to seek their needs abroad. In this re-awakening the Special Areas are sharing, for coal, iron and steel, and engineering are the chief industrial beneficiaries of the improvement.

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Unemployment in the Areas.—No assessment of the prospects of the Special Areas would be complete without some exact knowledge of the classes of workers unlikely to benefit from the present tide of prosperity. The Ministry of Labour has made an analysis of unemployment in the Areas by duration, age and occupation. The total number of unemployed men on the live registers in West Cumberland, Durham and Tyneside, South Wales, and the Scottish Area, on March 15th, was 239,026. Of 187,852 in the Special Areas of England and Wales, 31,297 had little work in recent months, and 120,756 had been continuously unemployed for three months or more. Thus 64 per cent. of the unemployed men in the Special Areas of England and Wales had been unemployed for a protracted period. In the Scottish Area, too, this core of long-term unemployment was evident; some 56 per cent. had been out of work for three months or over. The grave problem of protracted unemployment is intensified by the age distribution of the sufferers. Nearly 70 per cent. in the Special Areas of England and Wales of the men out of work for three months or more were over 35. The 55,722 men over 45 are unlikely to gain from transference to other areas, nor are they apt to acquire new skill easily. In the Scottish area over 22 per cent. of the long-period unemployed were more than 45 years of age.

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The analysis by occupations was equally disturbing in its conclusions. Of the 149,217 men who had been out of work for three months or more, 47,779 were nominally coal-miners by trade—at a time when, both in Durham and Tyneside, and in South Wales, there is an acute shortage of skilled and employable miners. Of these workless miners, nearly 50 per cent. were over 45 years of age. Perhaps the chief ray of hope to be discerned in this analysis—which would have been much more informative if the Ministry had included figures of total workers available for employment and data for earlier periods—comes from the fact that over 66,000 of the long-period unemployed were between 25 and 44 years of age. The rate of employability should be high among these men. At the other end of the scale there is another serious problem. Over 16,000 in all the Areas are under 25 years of age, and have for the most part had no technical training at work. These are all problems for the Government to face. Their solution is the real test of current statesmanship.

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The Marriage Bill.—After great argument, the Marriage Bill has been returned by the Lords to face once more the temporal vicissitudes of Commons procedure. In the Lords it was early evident that rejection was improbable, and that although the Archbishop of Canterbury and a few adherents could not approve of the measure on religious grounds, they did not deem it their duty as legislators to oppose it. At one time, indeed, it seemed that the Bill might be slaughtered by its overzealous friends rather than its downright enemies. As it came from the Commons, this measure to extend the grounds of divorce to include desertion, cruelty and insanity was a series of avowed compromises. Most conspicuous among these shifts was the provision for a five-year waiting period after marriage, during which no divorce might be sought. Abolition of this clause in the Lords would have wrecked the Bill, since no time could have been found for House of Commons members to fight out their battles again. An undue number of con-

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troversial amendments was equally likely to pile up the measure on the rocks of private member procedure in the Commons. Ultimately, however, the Upper House rejected proposals to exclude insanity as a ground of divorce, other sweeping alterations both for and against the spirit of the Bill were rejected, and no change was made likely to cost the House of Commons more than a few hours' debate. The waiting period was reduced to three years, and judges were given powers of discretion to waive this requirement in special circumstances. The peers' debates have added the lore and acumen of the Church, the Law and Medicine to a measure justified, ultimately, by the dictum that "bad law makes hard cases."

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Guglielmo Marconi.—Italy, mother of great sons, has lost one of her greatest, and the world one of its rare geniuses, in the death in Rome on Tuesday morning of Senatore il Marchese Marconi. Marconi's indefatigable zeal in pursuing the implications and possibilities of the Hertzian electric waves has rightly associated his name more than any other with the development of wireless telephony and telegraphy. A Frenchman once said: *Toutes nos merveilleuses inventions sont aussi puissantes pour le mal que pour le bien.* That cannot be said of Marconi's work, to which the world's navigators by sea and air, the world's ordinary citizens in their homes, and countless of the aged, the sick, halt and blind, owe an undischargeable debt of gratitude. In the last fifty years of amazing scientific achievement Marconi's work challenges that of the first men to fly; but so far his has been the more pacific gift to mankind; and not even the far from effective abuse of his invention for propaganda purposes can lessen the lustre of an achievement which, in the history of human progress, will compare with, and may even supersede, that of the printing press.

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Cabinet Crisis in Prague.—After a long term of office, the Czechoslovak Coalition Cabinet of Dr Hodza suddenly resigned on Friday night of last week. The ostensible reason was the inability of the non-Agrarian groups in the Cabinet—Clericals, Socialists, Activist Germans, and others—to agree to the Agrarians' demand for a rise in the fixed wheat price under the Grain Monopoly Board of 8 kc. per 100 kg. and in other grain prices. The wheat monopoly in Czechoslovakia, a private preserve of the Agrarian Party maintained by the public purse and the price paid by urban consumers for bread, has been so worked in recent years as to make the country, normally a cheap grain-importing country, into a grain-exporting one this year for the first time. In the event, the Agrarians finally demanded the almost complete exclusion of the Catholic agricultural co-operatives from the Agrarian-controlled Grain Monopoly. The Right-wing Agrarian Ministers of Agriculture and the Interior, Zadina and Cerny respectively, stood pat on their demands; the Finance Minister refused to give more public money; and Dr Hodza, the moderate Agrarian Premier, preferred to resign.

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Actually, however, the cause of the crisis—long envisaged in these Notes—was the rapid movement of the Right-wing Czech Agrarians away from the Slovak Agrarians, Dr Hodza's moderate Agrarians, and *a fortiori* the Clerical and Social-Democrat Parties in the Coalition, towards the extreme Right-wing Opposition—the National Democrats and Business Party. Above all, these Right-wing Bohemian and Moravian Agrarians had recently been collaborating before the autumn local elections in the German districts with the Südetendeutsche Party of Herr Henlein to "dish" both the Activist German and other Parties, the colleagues of the Agrarians in the Cabinet! As a result the Right-wing Agrarians lost face in the country and, apparently, decided during the dog-days to demand dictatorial control over Dr Hodza's Coalition. Instead, they have only overset it; they did not get their desired "Cabinet of Officials," which would have strengthened their hold on the constituencies for the autumn elections; for Dr Hodza has remained loyal to President Benes. He has formed a stop-gap ministry of the same Cabinet *minus* the former Finance Minister; but he will face the big political reckoning in the winter. The new Defence programme, to cost Kc. 5-6,000 millions (£35-£40 millions) has increased the burden of the national debt service and the Agrarians want to increase the Budget by Kc. 500 millions (£3½ millions). Both inland and foreign long-term loans are difficult to conclude at present; and it seems that the temporary expedient of Treasury bills will be utilised to carry on till the political situation is cleared up in late autumn or winter.

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Jugoslavia in Convulsions.—The Concordat with the Catholic Church sponsored by Dr Stoyadinovitch's Cabinet—but mainly by the Catholic Minister of the Interior, Father Koroshetz—has released political passions in Jugoslavia. The Belgrade Serbian Orthodox crowds and their bishops and priests protested *en masse* on Monday. With the same heavy-handed measures which are suppressing free speech and a free Press everywhere in Jugoslavia under the now farcically familiar plea of protection from Communism, Father Koroshetz justified the police in breaking up the procession. Many priests were injured, one bishop having his skull fractured through a blow from a truncheon on his metal mitre. Thus, after his recent agreements with Italy and Germany—by no means popular, hence Father Koroshetz's attacks against all newspapers which he himself does not directly control, e.g. the famous Serbian liberal *Politika*—Dr Stoyadinovitch's para-Fascist regime has plunged the country's internal politics into a vortex of violence, and all with the excuse of defence against an almost mythical Communism. If, as reports aver, the Prince Regent Paul is really accepting responsibility for the Jugoslav Government's extraordinary policies, both domestic and foreign, he is estranging himself from the people to whom he was called by the assassination of his cousin. The late King Alexander's dictatorship was no success. And he was a king. Dr Stoyadinovitch and Father Koroshetz are playing with lighted matches in a bomb factory.

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Next Phase in Upper Silesia.—On July 15th expired the fifteen years' agreement under which Upper Silesia, both German and Polish, has been administered since—and in consequence of—the League Council's award of 1922. Fifteen years ago the Principal Allied Powers referred to Geneva the awkward question of the effect to be given to the results of the Upper Silesian plebiscite. The Council recommended that the Gordian knot should be cut by a partition of the plebiscite area, a thickly populated industrial district which was one and indivisible for every purpose except that of nationality. Accordingly the League proposed local restrictions, for a transitional period, upon the sovereignty of the two Governments between whom the territory was to be politically divided. This solution was accepted by all parties; and for the past fifteen years the Minorities Bureau, the Arbitral Tribunal and the Mixed Commissions—which were the special organs provided for in the League plan—have been working admirably for the common benefit of all the people of Upper Silesia. The inhabitants of the area have indeed benefited impartially whether they happen to speak Polish or German as their mother-tongue or to live, as a result of the partition, under the Polish or under the German flag.

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For all Upper Silesians alike, the expiry of this beneficent regime spells tragedy. For they are now left at the mercy of two Powers which are both dedicated to the worship of the idol of nationalism; and this idol is a Moloch who demands human victims. The story has a cogent moral for Palestine to-day. In the portion of Upper Silesia that has remained under the rule of Berlin, the anti-Jewish legislation of the Third Reich has now promptly been brought into force. And the Government at Warsaw—which denounced, in September, 1934, the minority protection treaty which it had concluded with the Principal Allied Powers as an integral part of the peace settlement—is now taking steps to apply its own agrarian laws and language laws in the portion of Upper Silesia that was awarded to Poland in 1922. Each Government cares less about promoting the welfare of its minority on the other side of the frontier than about asserting its own sovereignty on its own territory. "Let me stamp on your minority on my ground, and I will let you stamp on my minority on yours" is the tacit bargain which the two Governments are inclined to propose to each other. They are only too likely to arrive at a practical understanding on this basis—especially in view of the pact of January, 1934. The existence of this German-Polish Pact certainly diminishes the danger that the expiry of the Upper Silesian Convention may lead to international trouble; and this is all to the good as far as it goes. But it does not help the minorities who are now going to be sacrificed to the same idol on both sides of the line.

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Cost of Air-Raid Precautions.—Although the mock air raid carried out last week on Portsmouth and Southampton demonstrated, within the narrow limits of such an experiment, the efficacy of air-raid precautions and anti-aircraft measures in the absence of gas, the execution of safety plans has been delayed in most local areas for nearly two years. Courses of instruction have been given in many places, and ambulance services have been mobilised; but the larger provision of shelters, depôts, casualty stations, transport facilities and the protection of vital services and public buildings has hung fire. Only in rare places has this reluctance been due to political disapproval or pacifist principles. The common reason has been the unwillingness of local authorities to foot the bill. When the Home Secretary met representatives of local authorities on July 19th, he was empowered by the Government to offer 70 per cent. of the total cost of air-raid precautions, amounting actually to only 60 per cent. of the probable local expenditure, since the provision of gas masks had already been undertaken by the Government. His offer was refused.

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It was argued, on behalf of the local authorities, that these measures were an integral part of the programme of national defence, and therefore should be a national charge. Many conflicting principles are involved in this dispute. Clearly the immediate beneficiaries of expenditure on air-raid precautions are local residents. Equally clearly, however, the protection of Middlesbrough or Portsmouth is a national concern, which neither of the towns could easily finance adequately, even in part. On the whole, since the defence plan must be nationally conceived and will be directed by the Central Government, there is much to be said for the contention that its local application should be nationally paid for. Whether it is proper to exempt rates entirely from any contribution is another matter. But in view of the unsatisfactory nature of local rates as a mode of taxation and of the current tendency to substitute the proceeds of taxes for those of rates in local finance, a national payment will be fairest and simplest, provided an adequate measure of local responsibility can be ensured.

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Pedestrian Crossings.—The confused disregard of pedestrian crossings by all classes of road users, including the pedestrians themselves, has rendered largely nugatory a promising device for diminishing the casualty toll of the roads. It is well, therefore, that the Court of Appeal has called attention to the relevant regulation which amply defines the law.

> The driver of every vehicle approaching a crossing shall, unless he can see that there is not a foot passenger thereon, proceed at such a pace as to be able if necessary to stop before reaching the crossing.

With this order in mind, the Court reversed the decision of a lower court, which had ruled that, since a pedestrian had used a crossing when his sight of the road was obscured by a tram-car, he was responsible by his negligence for the damage he sustained when struck by a motor vehicle. The law is clear—and right. Without special roads and a reconstructed system of highways, junctions and crossings, life and limb are more important than time and temper. The motorist must give way, even though crossing succeed crossing every few hundred yards as repetitive memorials to Mr Hore-Belisha. Whether these legal safety-ribbons have achieved a tithe of what their enthusiastic pioneers expected may be doubted; but, until we have something much better, a well-defined and well-known law is a desirable adjunct to courtesy, common sense and caution.

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The Toll of Prosperity.—In his annual report for 1936 the Chief Inspector of Factories and Workshops, Mr D. R. Wilson, has not hesitated to impute responsibility for the alarming increase in serious accidents to the methods used to expand production in times of rising prosperity.

> A rising toll of death and injury must still be regarded as a penalty to be paid for increased prosperity. Increase in production is accompanied by expansion in means of production, and in particular by the installation of new machinery and plant. . . . *Too often immediate production is the main, if not the only consideration, with the result that the question of safeguarding is left to the last and machines are put into use before proper fencing has been provided.* [The italics are ours.]

These are grave words. In 1936, although the rate of accidents per hour worked did not generally increase, there were 176,390 serious accidents in factories, an increase of 18 per cent. over those in 1935. Deaths were 920, compared with 843 in the previous year. And in the main these increases were due, in the opinion of the Inspectorate, to work at high pressure and to the irresponsible installation of unguarded plant. The rising incidence of accidents was most marked in places like Lanarkshire, Glasgow, Middlesbrough and Gateshead, where iron and steel, heavy engineering and shipbuilding were booming again, and many of the recruited employees came from the adjacent Special Areas, with their speed and skill diminished by inactivity.

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Moreover, the speeding-up of processes and the increase of mechanisation have taken a heavy toll of juvenile life and limb. Like the recent reports of colliery

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inspectors, this annual report on factories stresses the rising risks to which boys and girls are subjected—partly because of their youthful "contempt for danger" but mainly because of the hazardous conditions in which they are permitted to work. The price recorded by this report is too heavy for the nation to pay for the boom. The Inspector has frankly voiced his alarm about these accidents, and about a number of gross cases of overwork, from which unscrupulous employers cannot be deterred by the inadequate penalties commonly inflicted. It may be that some workers "accept industrial risks as inevitable." It may also be that boys transferred from the Special Areas do not cavil at working illegally long hours to earn a few extra pence. But employers and managers must observe and enforce the law. A safe working environment must be provided, and weeks of seventy or eighty hours' work must no longer be allowed. The standard of conduct in these matters, when some employers habitually wait until the inspector's visit before fencing or guarding their new plant, and when textile machinery is increasingly started illegally soon in the day and shut down illegally late, is disturbingly and dangerously low.

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World Power Sources.—In these latter days the association of power, in the mechanical sense, with power-politics is increasingly intimate. The world's power resources, like its raw materials, are unequally distributed among different countries. The discovery and utilisation of new fuels, again, has had many political as well as economic repercussions. During the rise of modern industry timber was displaced by coal as the world's primary source of heat and power. For many years coal supplied a major part of the requirements of heat and power, but since the Great War the predominance of that fuel has been challenged by new power sources. Changes in the world's utilisation of the various sources since 1913, as estimated by the German Institute for Business Research, are shown in the chart below, where oil, natural gas, firewood and water power have been expressed in terms of a common denominator—i.e. units of coal. The proportion of the world's total heat and power derived from coal declined from 71.4 per cent. in 1913 to 56.6 per cent. in 1932. During the following three years, however, coal has maintained its share of total consumption, but the relative importance of timber as a source of heat and power has fallen steadily. Oil and natural gas, on the other hand, have steadily increased in importance, their contribution to the total supply of heat and power having risen from 5.9 per cent. in 1913 to 20.3 per cent. in 1935. The utilisation of water-power has almost trebled since 1913, its contribution to total requirements being 6.6 per cent. in 1935, against 2.4 per cent. in 1913. But, as the chart shows, coal is still the primary source of more than 50 per cent. of the world's requirements of energy and is unlikely to be displaced from its leading position in the foreseeable future.

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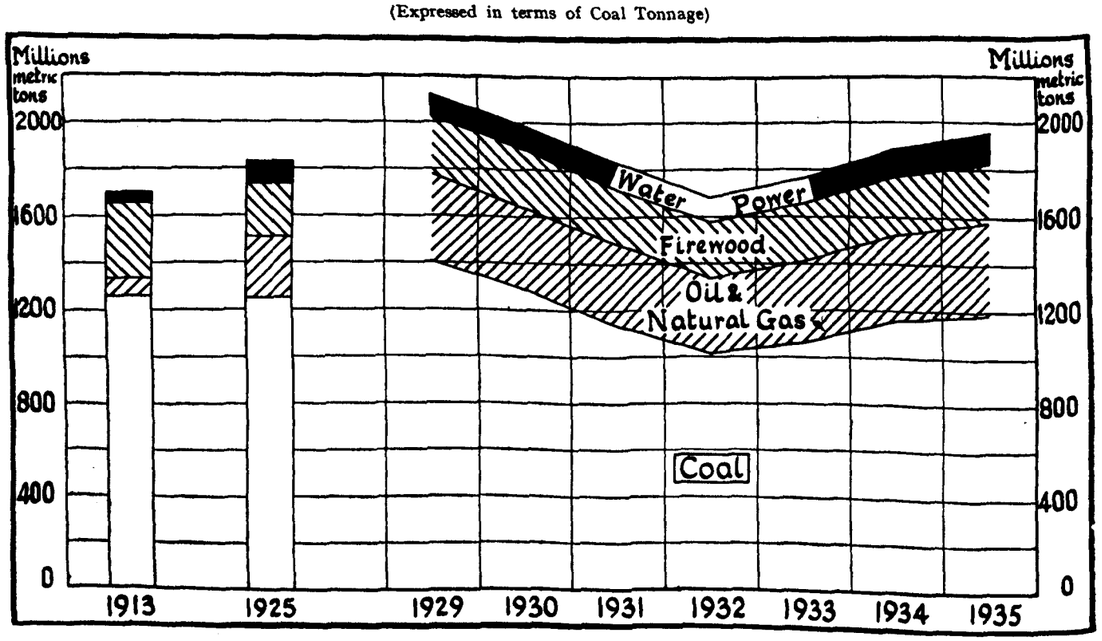
Industrial News.—So far there have been few indications of the usual seasonal decline in business activity between May and August. The latest reports from various industrial centres, given on page 220, indicate that the volume of operations in certain industries is at last declining a little, but the lull is likely to be much less marked than usual. Activity in the metal-using industries, in particular, is still tending to expand as fast as materials become available, and the cessation of operations in a number of steel mills which require repairs is aggravating the shortage of supplies. Some relief is expected later on when additional imports of steel, arranged after the recent reduction in duties, become available. New business in cotton goods continues to run below current output, partly owing to the uncertainty about the future of raw cotton prices. And, if the volume of new orders does not expand during the next few weeks, operations may have to be curtailed. The wool textile industry is still fairly active and expects to receive substantial orders for 1938 after the holidays. In general, prospects for the autumn are still encouraging.

* * *

Expanding World Trade.—Hitherto the improvement in world trade has been much smaller than the expansion of industrial activity. For example, the "Review of World Trade" for 1936, published by the League of Nations, reveals that the volume of international trade in 1936 was still 14½ per cent. below the 1929 level. The figures showing changes in the share of each country in total world trade, contained in this survey, are particularly illuminating. The data, which are expressed in terms of gold dollars, show that Britain's share of world imports rose further during the past year, from 17·46 per cent. in 1935 to 18·22 per cent. in 1936, against 15·93 per

THE WORLD'S POWER SOURCES, 1913, 1925 AND 1929-35

(Expressed in terms of Coal Tonnage)



cent. in 1929. The United States comes next with 11·24 per cent. of the total import trade in 1936, compared with 12·79 per cent. in 1929. Germany's and France's shares in 1935 were 7·90 per cent. and 7·09 per cent. respectively. The United States has maintained its leading position in the export trade, though its share of the total has fallen from 16·20 per cent. in 1929 to 11·70 per cent. in 1936. The United Kingdom was the second largest exporter last year, accounting for 10·61 per cent. of the total, against 11·15 per cent. in 1929. Germany's share of the world export trade in 1936 was 9·31 per cent., against 10·09 per cent. in 1929. Other countries follow at a considerable distance. For example, France's share of world exports in 1936 was only 4·50 per cent., while Canada, with 4·98 per cent., was fourth on the list in the past year. The League report contains a wealth of other interesting material, essential to the study of world trade tendencies.

* * *

Increased Cost of Living.—As a result of the marked increase in the prices of imported foodstuffs and raw materials and of the more modest rise in the cost of converting raw materials into finished products, the upward curve of the cost of living is tending to grow steeper. For example, the Ministry of Labour's index of the cost of living has risen by 6 per cent. during the past twelve months. Nevertheless, the cost-of-living index for July was still 3.7 per cent. below the figure for the corresponding month of 1929. Wage rates, on the other hand, are now as high as in 1929, and real wages based on average weekly rates are therefore still above the pre-depression level. The indications are, however, that recovery has now reached a stage where the increase in wage rates may no longer keep pace with the rise in the cost of living—a development whose implications are not wholly reassuring.

* * *

Rising Import Prices.—Both imports and domestic exports in June showed a marked increase in value over the corresponding month last year, amounting to 30.4 per cent. and 38.4 per cent. respectively. But owing to the increase in prices during the past twelve months, trade has shown a smaller expansion in volume than in value. As *The Economist* indices of Business Activity given on page 3 of the Trade Supplement show, the volume of imports of raw materials and partly-manufactured products last month was about 17½ per cent. higher, while that of domestic exports of manufactures was some 28½ per cent. higher, than in the corresponding month last year. Import prices, on the whole, have tended to rise faster than export prices, with a consequent modification in the terms of trade against this country. Changes in the average import prices of some of the principal commodities are given below:—

AVERAGE PRICES OF IMPORTS

Item	Unit	June, 1935	June, 1936	June, 1937	Change 1936 to 1937
		£	£	£	%
Wheat	cwt.	·303	·333	·564	+ 69
Chilled beef	cwt.	1·61	1·73	2·06	+ 19
Bacon	cwt.	4·33	4·09	3·96	− 2·7
Butter	cwt.	3·58	4·55	4·77	+ 4·8
Sugar, unrefined	cwt.	·29	·33	·43	+ 30·3
Raw cotton (⅞–1 staple)	cental	2·67	2·71	3·12	+ 15·1
Wool, merino greasy	1,000 lbs.	4·25	5·6	6·305	+ 12·5
Cottonseed	ton	5·56	5·51	7·01	+ 27·2
Motor spirit	1,000 galls.	14·72	16·14	19·5	+ 21·1
Rubber, raw	centals	2·59	3·07	4·29	+ 39·8
Copper (electrolytic)	ton	35·24	40·3	65·89	+ 63·5
Lead (unwrought)	ton	13·95	15·76	24·68	+ 46·5
Tin (blocks, etc.)	ton	228·78	194·3	255·04	+ 31·2
Zinc	ton	14·79	15·59	24·24	+ 50·6

The advance has been particularly marked in the case of wheat and non-ferrous metals. It is due mainly to the increase in consumption which has led to the exhaustion of surplus stocks accumulated during the depression. In the case of wheat a succession of crop failures was a contributory cause of the reduction of surplus stocks. Present indications, moreover suggest that the long-term trend of raw material prices remains upwards.

Trend of Export Prices.—The rise in the prices of imported primary and semi-finished products is reflected in the rise of average export prices. But as the cost of converting imported materials into finished products has risen considerably less than that of imported materials, the advance in export prices has been less marked on the average. Nevertheless, as the next table shows, some individual commodities have been considerably marked-up in price during the past year:—

AVERAGE PRICE OF EXPORTS

Item	Unit	June, 1935	June, 1936	June, 1937	Change 1936 to 1937
		£	£	£	%
Spirits	Proof gall.	1·28	1·17	1·31	+ 11·9
Tobacco	lb.	·102	·112	·112	...
Coal, large steam	ton	·832	·849	·887	+ 4·4
Coal, sized steam	ton	·762	·762	·929	+ 21·9
Galvanised sheets	ton	12·7	13·45	19·34	+ 43·9
Tinned plates	ton	19·84	20·4	24·35	+ 19·4
Steel tubes	ton	17·25	19·28	20·9	+ 9
Cotton yarn*	100 lbs.	5·74	5·9	6·49	+ 10
Cotton piece-goods bleached	1,000sq. yds.	17·2	17·52	20·8	+ 18·6
Cotton piece-goods, dyed in the piece	1,000sq yds.	26·25	25·0	28·3	+ 13·2
Worsted yarns (combed)	100 lbs.	12·7	14·47	16·32	+ 12·7
Woollen tissue†	100 sq. yds.	16·47	17·27	17·87	+ 3·4

* Unbleached up to No. 40 count. † All wool, 8 to 12 oz. per sq. yd.

In a number of industries, export prices have been raised more than proportionately to the increase in costs of production—of which the cost of raw materials is only a part. Consequently, many producers and exporters of coal, cotton goods and steel materials, for example, are now operating at a higher profit-margin per unit than a year ago. Thus, even if the terms of trade are now against this country, the rise in the purchasing power of primary producing countries has had two important consequences. Thus, the latter are not only able to purchase larger quantities of manufactures but they are paying prices which are more remunerative to many British exporters than those of a year ago.

* * *

Regulation of Steel Orders.— Ever since last winter consumers of iron and steel have been complaining about the scarcity of supplies and of the inability of the iron and steel industry to satisfy all their requirements. Steel producers, on the other hand, have maintained that the shortage is largely artificial in that it is due to the fact that consumers' orders exceed their actual requirements. It is difficult to ascertain to what extent these assertions are justified, but the following table, showing the trend of apparent steel supplies, indicates that, after making allowance for decreased imports and higher exports, the tonnage available for the home market during the first half of 1937 showed only a small increase over the second half of last year:—

BRITISH STEEL SUPPLIES
(in thousands of tons)

	Jan. to June, 1936.	July to Dec., 1936.	Jan. to June, 1937.
Steel output	5,743·4	5,954·8	6,338·4
Imports	722·7	763·6	621·2
Exports	1,050·9	1,155·6	1,349·7
Available supplies	5,415·2	5,562·8	5,609·9

Actually domestic consumption of steel during the first half of this year probably shows a greater increase than supplies, the deficiency having been made good from stocks previously accumulated. It appears, however, that consumers' stocks have now fallen to a low level. In order to improve the position an arrangement has now been concluded between steel producers and certain groups of consumers under which consumers'

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Funds £27,000,000
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B

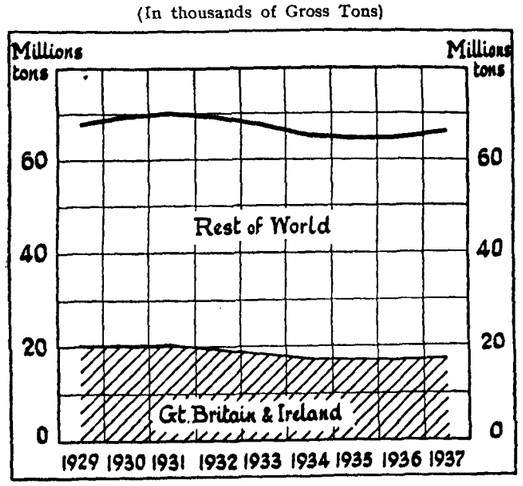
orders are to be based on actual prospective consumption for a trial period of eight weeks beginning on August 14th. Owing to the difficulty of ascertaining prospective requirements the scheme may not be easy to work at first, but sufficient experience may be accumulated during the trial period to establish the scheme on a more permanent basis and to achieve a better distribution of available supplies.

* * *

World's Shipping Capacity.—Concurrently with the enormous decline in the volume of international trade during the depression, the world's shipping capacity was reduced from its peak of 70.1 million gross tons in June, 1931, to 64.9 millions in 1935. Shipowners, therefore, were unprepared for the tardy, but all the more rapid, expansion of international trade since last summer. Freight rates, consequently, have leapt ahead, and *The Economist's* index for June shows an increase of no less than 73 per cent. on the corresponding month a year ago. Owing to the time taken in the construction of new vessels, the world's shipping capacity cannot be increased at short notice, and, as the accompanying chart shows, the present carrying capacity, though slightly higher than in 1935, is still below the pre-depression level. Incidentally, "Lloyd's Register of Shipping" for 1937 reveals a further decline in Britain's share of the world's total carrying capacity:—

BRITISH AND WORLD MERCANTILE SHIPPING CAPACITY SINCE 1929

(In thousands of Gross Tons)



While the volume of international trade has again reached, and may soon be expected to surpass, the pre-depression level, the world's shipping capacity is still 1.8 million gross tons lower than in 1929. Moreover, as the latest statistics of the Chamber of Shipping show, there is now practically no idle tonnage which can be put into commission. The volume of unemployed capacity in this country has fallen from 502,200 net tons to 61,200 net tons during the twelve months ended July 1st. The volume of new capacity under construction is steadily increasing, but the rate at which new tonnage becomes available is likely to be smaller for some time than that of the expansion in international trade. Consequently a further increase in freight rates during the remainder of this year is probable.

* * *

Industrial Profits: Some Additional Figures.—In a leading article in last week's issue of *The Economist* (page 117) we showed that the momentum of the rise in the earnings of British companies had been maintained, and even accelerated, in recent months; and that some 765 companies reporting in the June quarter of 1937 had increased their net earnings by nearly 20 per cent. The following table shows how the return on the capital of these companies varied in each of 25 industrial groups:—

REPORTS ISSUED DURING QUARTER ENDED JUNE 30, 1937.

Group	Debenture Capital	Rate of Int.	Preference Capital	Rate of Int.	Ordinary Capital	Rate of Div.*	Rate of Div a year ago†
	£	%	£	%	£	%	%
Breweries	13,569,245	4·0	13,135,964	5·1	14,375,180	16·3	14·0
Canals and docks	1,109,285	4·1	615,591	5·0	1,439,042	3·3	2·6
Electric lighting and power	5,503,110	3·8	4,390,993	5·9	8,439,427	9·2	8·0
Financial land and investment	30,215,875	4·7	15,894,924	5·0	47,345,708	4·1	3·8
Gas	2,667,298	3·9	2,793,514	2·8	13,189,329	5·2	5·6
Hotels and restaurants	5,935,140	4·3	10,228,748	6·1	5,837,999	10·7	10·4
Iron, coal and steel	18,878,042	4·3	34,315,675	3·5	64,691,062	7·0	4·5
Motor cycle and aviation	90,514	5·5	3,258,866	7·1	13,981,969	11·6	6·9
Oil	50,000	6·0	29,842,695	7·7	60,147,458	20·5	15·4
Rubber	1,007,038	7·1	3,142,949	5·1	28,847,506	5·9	3·9
Shipping	10,951,635	4·9	7,714,555	3·0	28,367,086	1·6	1·8
Shops and stores	9,058,223	4·4	10,427,138	5·7	11,330,390	16·5	15·6
Tea	820,688	5·5	5,028,451	5·7	13,793,658	8·3	7·5
Telegraphs and telephones	Nil	—	17,205,018	5·5	65,560,119	2·3	2·6
Textiles	16,230,263	5·3	20,089,939	4·1	37,817,131	5·8	6·7
Tramway and omnibus	3,353,894	5·1	4,069,560	6·4	6,623,555	9·3	9·2
Trusts	41,790,741	4·4	34,506,929	3·9	30,935,814	5·7	4·8
Waterworks	1,942,720	4·8	728,160	2·2	3,889,910	4·6	3·1
Building materials	120,000	4·5	4,295,463	5·6	4,361,872	10·3	10·2
Food, confectionery and drink	2,825,425	5·6	7,414,927	6·1	12,696,945	12·0	9·6
Electrical equipment	808,960	4·4	5,764,780	6·3	12,439,973	14·0	9·6
Newspapers, printing, etc.	14,307,414	4·3	20,319,880	5·7	16,260,580	12·1	11·1
Tobacco	Nil	—	885,000	4·7	1,312,587	7·6	6·3
Warehouse and trading	296,998	4·1	675,000	5·2	1,144,996	10·6	6·6
Miscellaneous	9,622,842	4·5	72,979,322	6·5	117,237,227	8·9	9·4
Total	191,155,350	4·5	329,724,041	5·4	622,066,523	8·5	7·3

* 765 reports. † 739 reports.

The figures reveal a much wider spread in average rates of preference dividend than of debenture interest. The lowest average rate paid on debentures is 3.8 per cent. in the electric lighting and power group, and the highest is 7.1 per cent. paid in the rubber group. The great majority of companies, however, have been able to issue their debentures on a basis of less than 5 per cent., and the average for all the companies in our table is no more than 4½ per cent. The average dividend on preference capital is nearly 1 per cent. higher, at 5.4 per cent., but the figures for individual groups range between 2.2 and 7.7 per cent. The preference share, in many instances, is a costly medium; in as many as seven groups the average rate paid this year was over 6 per cent. In twenty out of twenty-five groups the average ordinary dividend was higher this year than last. A final table, on page 218, shows that no group paid out more than 90 per cent. of its total profits in dividends, the average proportion for the 765 companies, as a whole, being as low as 70 per cent.

* * *

Australian Internal Borrowing.—The tactics of Australian Loan Council meetings are almost invariable. The optimistic coat-measurements submitted by the State Governments have to be adjusted to suit the cloth offered by the Commonwealth Bank and—in these days of its affluence—by the Commonwealth Government. This process has just been repeated at the July Council. The States asked for £19,868,000 for public works and £3,400,000 for the writing-down of agricultural debts. They are to receive £16,000,000, including £2,500,000 which will be allocated to the Commonwealth and re-transferred to the States for debt adjustment. In 1935-36 the aggregate loan programme was more than £10,000,000 higher. Last year it totalled £20,000,000, of which £2,340,000 was for funding budget deficits. On this occasion the deficits have been transformed into a surplus of about a million pounds, for the States and the Commonwealth together, though Queensland and Western Australia are still on the wrong side of the balance. Moreover, £9,700,000 was paid out in sinking funds during 1936-37. Thus, in spite of continued borrowing, the net increase of government debt will probably be very small this year. These facts bear startling witness to the complete reversal of Australian financial policy since the last boom period.

Overseas Correspondence

From Our Special Correspondents

United States

Business and Politics

NEW YORK, July 13.—The business and financial community is again giving unusual attention to the political arena. Feeling against the Administration is in another intense phase—and at the same time is tentatively hopeful. The legislation proposed at this session of Congress has not only been distasteful, but has also aroused much distrust among many hitherto not altogether unfriendly.

The Supreme Court "packing" measure and the proposal to reorganise the executive departments have seemed attempts to centralise power; and the rewritten Court bill is free from none of the criticism directed at the original. The wages and hours bill caused much apprehension, especially among smaller concerns and in the lower paying South. The proposal to blanket the country with agencies like the Tennessee Valley Administration has aroused opposition from coal and shipping, as well as utility interests.

Simultaneously with these proposals there occurred the epidemic of strikes. The most sensational of these—and probably the most numerous—have been directed by the Committee for Industrial Organisation, whose leader, Mr John L. Lewis, has been pointedly allied with the President. Responsibility for the labour disturbances has therefore been assigned to Washington. The extent and persistence of these troubles have caused much apprehension, which the charge of irresponsibility levelled against the unions has furthered. Business circles are now satisfied, however, that labour has received a major set-back.

Finally, public discussion within the Democratic Party about a possible third term for Mr Roosevelt as President has not been soothing to the state of mind aroused by the legislative proposals and the labour disturbances. The tradition against a third term is deep-rooted.

The President is obviously experiencing far greater opposition in Congress than on any occasion in his periods of office, and this opposition is preponderantly from within his own party. If the Supreme Court measure is to pass with any resemblance to the original proposal, it will only do so after a Senate battle as bitter as that which prevented American participation in the League of Nations. The bill to reorganise the executive has already been vastly altered, and the wages and hours bill, as now revised, would grant only a fraction of the power conceded by the original proposal.

The Effects of Taxation

Statements of corporation earnings for the second quarter of 1937 vary somewhat in the profit trends which they show. This is not surprising in view of the strikes, the movement of prices and other developments of the past three months. But one uniformly depressing factor is standing out with increasing clarity: that is, taxes. The levy on undistributed income enacted last year, and the Social Security Act assessments are particularly influential; and in longer term comparisons the increased income taxes and the variety of miscellaneous imposts cut sharply into the amount left for the equity-holder.

The following table shows the disparity which existed between first quarter earnings and business this year and in 1929, and the course in certain intervening years; 21 industrial groups, including a total of 227 companies, are included in the earnings series.

	First Quarter Industrial Earnings ($000,000)	Index 1929 = 100	Industrial Production First Quarter Average Federal Reserve Index (adjusted for seasonal 1923–25 = 100	1929 = 10
1929	396·6	100	118	100
1930	300·4	76	105	89
1932	16·6	4	69	58
1936	217·5	55	95	80
1937	319·4	80	116	98

Labour cost was doubtless a partial factor causing this discrepancy. Differences in the grade of goods produced was another: a lesser proportion of steel output is now heavy, high profit steel than in 1929; and building remains depressed while other less profitable industries are booming. But such analysis as can be made points to the higher taxes as the principal factor; in a broad sense these taxes are in fact largely labour costs, being mainly levied as a consequence of unemployment relief and the "amortisation" of unemployment and old age. While much of the tax bill is passed on to the consumer, it seems that social welfare is absorbing an increasing share of the return from industry.

Hire Purchase Developments

The course of instalment selling has aroused much discussion in recent months, though few facts have been available. Official estimates now indicate that the proportion of retail sales on credit in 1936 approximately equalled that of 1929, but that the proportion on instalment was slightly smaller. Retail sales in 1936 are given as $37,000 millions, with 12.1 per cent. on instalment and 33.7 per cent. on credit, the remainder being "open" credit, or "charge" accounts. Comparable figures for 1929 were $49,100 millions for retail sales, 13.2 per cent. on instalment and 34.1 per cent. on credit. The instalment total of $4,500 millions in 1936, however, was 25 per cent. above that of 1935, while total sales were only 12 per cent. more than in the preceding year.

These figures do not disclose fully the extent of instalment selling, for some amounts of money are borrowed, to be repaid in instalments, the expenditure of which is shown in retail sales as cash. Furthermore, some financing of sales occurs in other than retail lines. In the retail field, bad debt losses on instalment paper are reported as smaller in 1936 than in 1935, and the average period for which the paper was outstanding was very slightly less.

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NEW YORK PARIS BRUSSELS HAVRE ANTWERP

Nevertheless, 1936 was a year of rapidly improving business and incomes. The competition for business has led some firms to extend terms somewhat beyond the point of caution, and to finance merchandise which is non-repossessable. Some of the larger lenders are reported dissatisfied with the present situation, and plans are under way to lessen the length of contracts and to increase deposits. No sweeping move is apparently contemplated, but merely a precautionary trimming of sails.

France

Drastic Economies

Paris, July 22.—Economies have followed the new taxes. The Government has decided upon three measures. M. Fournier, the Second Governor of the Bank of France, has replaced M. Labeyrie as Governor. Thus, a liberal succeeds a supporter of exchange control. Secondly, a fund has been created to support rentes, which will be stocked by the revaluation of the gold stock of the Bank, on the basis of 43 milligrammes, compared with 49 milligrammes, which has been the gold content of the franc since the devaluation of October 1, 1936. This fund of 8,000 million francs will pave the way for a rapid conversion of the debt. Thirdly, huge economies will be realised. After the ordinary Budget was balanced by the latest decree-laws, there still remained an extraordinary Treasury deficit of 47,000 million francs for 1938. Some 25,000 millions of economies will be made; the extraordinary Budget containing military expenditure is fixed at 15,500 millions, and 7,000 millions represents the uncovered deficit of the public undertakings. These measures will be immediately applied, which will reduce the deficit for 1937 by 6,000 million francs. It has been emphasised that these economies will not reduce military pensions, nor major public works, by more than 3,400 million francs in 1938.

These measures are welcomed by public opinion, and notably by the Stock Exchange, where in two sessions the 3 per cent. rentes recovered by 5 points to 71.10 francs. How long the improved atmosphere will continue, nobody can say. The stiffening of opinion does not only appear in the speeches of the Prime Minister, who has declared that law will be rigorously enforced. It is shown in numerous small incidents, such as the punishments pronounced by judges against the makers of disorder.

Undoubtedly, the new calm results in part from the instructions given by trade unions to their members, and also from a certain weariness, and the fear of disturbances if another financial crisis had occurred. Moreover, there has been a counter-attack by the employers, evident in the recent hotel conflict. The resistance of liberals has hardened, because they perceived a threat of controls and autarky when the last Cabinet fell.

The Importance of Rising Prices

The anxiety of M. Bonnet, the Minister of Finances, is to regain public confidence before prices rise too far. This explains the formidable increase in taxation and the drastic economies. Perhaps these estimates will remain on paper, like the munificent projects of great public works under the former Cabinet. But time is short, and the past errors of deflation and reflation "without end" must not be repeated. The situation remains precarious, but there is no reason why, with the lessons of experience at hand, the new Government should not win in the end.

The Government's attempt to restore the authority of the State would be quickly hampered by the extremists, if public opinion were aroused by a fresh rise in the cost of living. This would provoke new social claims, and liberty would have been safeguarded, only to prove again its inability to further financial and economic recovery. The following table shows the rise of wholesale prices since June, 1936, and after the two devaluations:

	June, 1936	After the first devaluation (Oct. 3, 1936)	After the second devaluation (June 26, 1937)	July 17
General index	377	426	537	571
National products	421	464	565	581
Imported products	298	359	488	554
Foodstuffs	405	457	529	551
Vegetable foods	412	501	535	550
Animal foods	406	426	507	535
Sugar, coffee, cocoa	389	430	567	588
Raw materials	353	400	545	590
Minerals and metals	348	445	628	710
Textiles	279	314	460	517
Miscellaneous	401	424	545	560

The rise has been clearly most marked at each stage in the price of imports.

Germany

Increased Gold Exports and Cereal Imports

Berlin, July 20.—A feature of the June trade returns is the export of gold and silver, mainly of gold. The value of these exports in June reached Rm. 62 millions and in the half-year Rm. 76 millions. Imports of these metals in June were valued at only Rm. 8 millions and Rm. 147 millions in the first half-year. These gold movements are not shown in the Reichsbank's weekly returns. The large import of the earlier months is believed to have been paid for out of the exchange yield of expropriated foreign currency securities. The *Deutscher Volkswirt*, which is supposed to voice Dr Schacht, rejects the suggestion, made at the Congress of International Chambers of Commerce, about a foreign gold loan to the Reich, affirming that a loan would be useless unless debts were first regulated.

The index of wholesale prices on July 14th was 106.4, compared with 106.3 on July 7th. The cost-of-living index in June stood at 125.3, compared with 125.1 in May. Rebutting criticism of its index, the Reich Statistical Bureau mentions that an "*index family*" consists of parents with three children, aged 12, 7 and 1½ years; and that the bases of calculation are family budgets and the prices actually paid for 116 necessaries, whereby certain substitutes are taken in the place of standard but unobtainable foods. The index, the Bureau claims, is accurate to within 1 per cent.

Wheat imports in the first half-year amounted to 594,760 metric tons, with no export worth mentioning, compared with a net import of 24,000 metric tons in the whole of 1936. Maize imports were 399,000 tons, compared with 171,000 tons in the whole of 1936. The cost of bread cereals imported this year so far has been Rm. 87,900,000, against Rm. 6,500,000 in the same month of 1936. The crop report for July 1st describes all cereals except rye as being somewhat better than middling, but middling really means unsatisfactory.

The Bavarian Minister-President, Herr Koehler, has retired from his post as Director of the Business Group for Raw Materials in the Four Year Plan. Certain changes in organisation have been made in the Plan, including the foundation of a new Business Group for Foreign Trade, which is to foster exports. The *Frankfurter Zeitung* calls attention to the fact that the mere contents table of the "Reich Law Journal" for the first half of 1937 fills 715 pages, mostly dealing with administrative ordinances, for formal laws are few and usually merely lay down principles as the foundations for ordinances.

Large Rise in Foreign Trade

The reappearance in the recent returns of a passive foreign trade balance, which seems to have attracted attention abroad, was here taken calmly and had no influence on the Bourse. The last monthly import surplus (of Rm. 19 millions) was in April, 1935; and in June, 1935, exports only just balanced imports. The import surplus of last month was due to special circumstances, and the return as a whole is satisfactory and by no means foreshadows a reversion to unfavourable balances over any long period. The causes were the sudden rise in food imports and the large increase in imports of raw and half-manufactured materials, which were one-third higher than in June, 1936. The total increase in imports amounted to Rm. 57 millions, compared with May, and foodstuffs accounted for Rm. 27 millions. The main items were cereals, the June deliveries of which were about equal to those of all the preceding five months of the year.

That, with such large increases in imports of food and materials, the import surplus was only Rm. 23 millions was due to the simultaneous increase in exports, which totalled Rm. 481 millions, compared with Rm. 456 millions in May and Rm. 371 millions in June, 1936. In June, 1936, the value of exports actually decreased, though only by a very small sum. In general June is a poor month for exports; the increase this year must therefore be considered favourable. The trend, observed for a long time, towards increased exports of capital goods continues, and the June figures show large rises in ships, electrical goods and chemicals.

The trade balance for the first half-year showed an export surplus of Rm. 192 millions, compared with an import surplus of Rm. 131 millions in the first half of 1936. In 1936 more than three-quarters of the total export surplus of Rm. 550 millions fell in the second half of the year. In addition to the seasonal increase in exports which may be expected in the second half of this year, continuation of the cyclical increase is probable. This cyclical increase was evident in the first half of the year, when the value of exports was Rm. 2,711 millions, compared with Rm. 2,235 millions in the same period of last year. Unless imports of foodstuffs in the coming months are very heavy, there is no reason why the export surplus of 1936, which amounted to Rm. 550 millions, should not be reached or even exceeded. The following are the latest trade figures:—

	May	June	Jan.–June
	Millions of marks		
Imports			
I. Foodstuffs	169·4	196·4	942·1
(*a*) Livestock	6·3	6·6	46·5
(*b*) Animal foodstuffs	37·0	29·1	217·6
(*c*) Vegetable foodstuffs	99·2	132·6	520·3
II. Industrial goods	273·7	303·0	1,553·0
(*a*) Raw materials	164·9	184·2	936·7
(*b*) Semi-manufactured	79·5	87·3	437·4
(*c*) Manufactured	29·3	31·5	178·9
Total	447·3	503·6	2,519·2
Exports			
I. Foodstuffs	6·3	7·3	44·9
(*a*) Livestock	0·2	0·1	1·7
(*b*) Animal foodstuffs	0·6	0·6	3·7
(*c*) Vegetable foodstuffs	3·2	4·4	23·9
II. Industrial goods	449·4	473·5	2,665·8
(*a*) Raw materials	45·0	49·5	262·7
(*b*) Semi-manufactured	42·1	43·7	252·0
(*c*) Manufactured	362·3	380·3	2,151·1
Total	455·8	480·9	2,711·4

Iron and Steel Policy

Pig iron and steel output seems to be again increasing, though slowly. Pig iron production in the first half-year of 1937 was 7,710,300 tons, compared with 7,383,400 tons in the same period of 1936. The private "key" industries (machine manufacturing, etc.) are reported to have been getting only about half their proper steel rations. Nevertheless, the net export of iron and steel is 2½ times greater than in 1934, and the export of rolling-mill products has even reached the figure of 1929. In addition to the rise in world prices, an important factor in these increases is the wish to make a good showing when export quotas in the International Cartel come up for reconsideration in 1940. In some quarters the demand is made that exports should be restricted, because the shortage impedes the production of machinery for export. Exports of machinery give a much better yield of foreign exchange; but in authoritative quarters the remedy suggested is to restrict still further home consumption.

According to an official return stocks of commodities have of late increased, despite the depletion of raw materials. In particular, stocks of half-manufactured goods have risen. It is consequently denied that the extreme liquidity of the money market is due to realisations of goods. The number of unemployed fell in June to 649,000, compared with 1,315,000 in June, 1936. Railway goods traffic in May was 10.76 per cent. greater than in May, 1936. Industrial consumption of electricity is 21 per cent. higher than a year ago.

Hungary

The Regency Bill

Budapest, July 17.—Both Houses of Parliament have passed without any dissenting vote a Bill to extend the prerogatives of the Regent and containing certain provisions for his succession. The Bill is the first part of the constitutional reform promised by the Government. The Prime Minister, M. Darányi, declared that after the summer recess a Bill to extend the powers of the Upper House, and the long awaited Electoral Reform Bill, providing for secret ballot in all constituencies, would be submitted to Parliament.

The wholehearted co-operation of the leaders of the Opposition, notably Dr Eckhardt, of the Farmers' Party, and Dr Rassay, of the Liberal Party, with M. Darányi to extend the prerogatives of the Regent is much more than a friendly gesture or a political truce. It is a demonstration of faith in parliamentarism and in the strict maintenance of constitutional tradition, that the Head of the State is above political parties. In 1920 when Admiral Horthy was elected Regent for an indefinite period, the law did not provide for certain royal prerogatives, and there was no provision made for succession. The rights of Parliament are properly safeguarded in the new law, which enacts that besides the three names suggested by the Regent for successor Parliament can elect others by a majority of both Houses. The right of the Regent to veto legislation is so modified that a Bill twice vetoed by him but voted again by Parliament must become law after 15 days of its passing.

It should be pointed out that during the 17 years of the Regency there never was any clash between the Regent, Admiral Horthy, and Parliament, though there were numerous and important changes in the Government. The unanimous vote of the first part of the projected Constitutional Reform has undoubtedly strengthened the prestige of the Cabinet, though M. Darányi emphasised that the absence of any opposition must be ascribed to the high esteem of the people for the services rendered by the Regent to the nation in difficult circumstances.

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Satisfactory Financial Position

Before adjourning for the summer recess Parliament voted without alteration the Budget estimate for the financial year 1937-38. The results for the 11 months of the budgetary year 1936-37 are very satisfactory. Receipts of the administration proper amounted to 786.3 million pengös, compared with 728.9 million pengös in the same period of 1935-36; those of the State Undertakings totalled 387.6 million pengös, compared with 342.9 million pengös, an aggregate increase of 10 per cent. The expansion of revenue wiped out altogether the estimated deficit and in all probability there will be a surplus at the end of the financial year.

The satisfactory settlement of the so-called League Loan will enable the Treasury to effect considerable savings in its forthcoming accounts, because hitherto the full 7½ per cent. interest and the statutory sinking fund were entered in the estimates, though only 50 per cent. of the original interest was actually transferred, and no sinking fund payments were actually made.

Public opinion in Hungary responded favourably to the settlements effected in London; and there is every reason to believe that the present Administration will leave no stone unturned to restore Hungary's credit, though no new foreign borrowing is contemplated or encouraged.

Recovery Without Boom

The harvest does not promise so well as last year, but prices are satisfactory and marketing does not present the difficulties of the past four or five years. Recovery continues, but there is no spectacular boom in any industry. The money market is easier than at any time since 1930. Commercial banks, though complaining that saving deposits do not increase in sympathy with recovery in business, are eager to resume lending. The absence of any increase of saving deposits is due to direct investments in real estate, housing, stocks and bonds.

Since the collapse of the speculative boom in the stock market at the end of April, prices have recovered some of their losses and are around their level of last September. Bonds are in steady demand, and quotations are at their highest since 1931. Some of the mortgage bonds and the League Loan bonds are selling above par, and the 5 per cent. Internal Forced Loan at 82-83 is at a record high level.

That the British and American portion of the League Loan are selling at or above par in Budapest does not mean that their quotations are out of harmony with those of London and New York, where they sell at 60-62. Quotations in Hungary are calculated at the old rate of 16.80 pengös to the pound, and 3.40 pengös to the dollar, so that the discrepancy between the external and internal quotation is much smaller than it seems at first sight, if it is taken into consideration that the actual commercial value of the pound is 26 pengös. With the increased interest of 4½ per cent. in sterling, the net yield of the League Loan bonds in Hungary will be 6¾ per cent. in pengös, so that the present quotation is in line with the rate of interest ruling in the domestic capital market, where the Government's credit is rated somewhat higher than in foreign markets.

Canada

Encouraging Crop Forecasts

Ottawa, July 3.—The crop surveys of the Bureau of Statistics are more encouraging than they have been. All crops are doing well in Ontario, and even in Quebec and the Maritime Provinces, where weather has been unduly wet, pastures are in good condition and the hay crops are promising. The fruit crop in Eastern Canada should also do well. In Saskatchewan there is again, however, a black spot in the south where drought has prevented the grain from getting a good start; even heavy rains can hardly do more than provide the farmers with seed and feed from their crop. In Manitoba, Alberta and British Columbia prospects are favourable. Nevertheless, the number of western farming families on relief will be still large, and this expenditure may well upset Federal and provincial Budgets.

The situation in the province of Alberta still remains very critical for the Aberhart Ministry. When the provincial legislature resumed after a long adjournment, Mr Aberhart managed to get the support of the insurgent Social Crediters to defeat a non-confidence motion moved by a Liberal, and also for his Budget, whose orthodoxy nearly brought about its defeat some months ago.

Both factions of Social Credit seem to be unshaken in their faith in Social Credit theories; and Mr MacLachlan, the chairman of the Social Credit Board, has claimed that 85 per cent. of the Social Credit members of the legislature have signed a pledge to stand behind any scheme which may be evolved. There has, however, been no real healing of the feud within the party, and the view seems to be gaining ground that a change in leadership would be desirable.

Business Still Active

Business is reasonably satisfactory, and is better in the Maritime Provinces and in British Columbia than in the prairie provinces, Ontario and Quebec. The general index of the Bureau of Statistics rose from 110 on May 22nd to 110.7 on June 5th, but fell sharply in the following week to 107.7, which was 2.3 below the corresponding figure for 1936.

Sales of seasonal summer clothing have been smaller than expected because of wet, cool weather, but both wholesale and retail traders report that business is better than a year ago. Moreover summer tourist traffic promises to be larger than ever.

The heavy industries are still active, and the production of pig iron in May was 79,147 tons, compared with 68,138 in the previous month and 58,832 a year ago. The motor industry produced 23,458 vehicles in May compared with only 20,006 in May, 1936.

The mining industry is also still busy, although its profits have been curtailed by the fall in the price of non-ferrous metals; and there is still great nervousness about the future of the price of gold. A serious fall would make many low-grade mines in Canada unprofitable. All the forestry industries are doing well, and the newsprint industry is steadily regaining ground. The asbestos industry is very prosperous, and its exports in May amounted to 22,163 tons, more than double the figure for May, 1936. The volume of flour exports in May (348,866 barrels) was the lowest in this month for the last four years, but because of a sharp rise in the export price, which is $2 per barrel higher than it was a year ago, the total value of these exports was the highest recorded in this month.

In May the value of new construction ($24,170,000) was slightly below the April figure, but roughly 60 per cent. higher than the figure for May, 1936. The downward tendency of commodity prices has persisted, but there has been an encouraging expansion of employment, and the Government of Ontario has felt justified in cutting off from relief all single unemployed men. The banking situation is excellent and the last returns of the chartered banks showed that deposits had reached a new high level; money remains cheap and the Federal Government was able to place its latest issue of three-month Treasury bills at an average yield of 0.643 per cent., a rate which has once before been equalled but never surpassed for lowness.

Government Finance

In May the Federal revenues showed their largest gain in any month for many years, the total yield being $99,972,279, compared with $78,347,008 in May, 1936. Part of the gain is accounted for by the fact that payers of income tax have now to pay a minimum of one-third of their levy as the first instalment, instead of one-fourth as before. There is no disappointment about the meagre results of the Imperial Conference as nothing much was expected from it.

Stories have appeared in Canadian papers that the Government and the banks are worried about a steady inflow of "hot money" on a large scale, due to the fears of European investors who, having placed their funds in the United States, have now become alarmed about industrial troubles and about the possibility of new taxation directed against foreign investors. Apparently there has been some northward movement of this "hot money," but Treasury officials are not disposed to think that it has reached dimensions to create an embarrassing situation in the event of its sudden withdrawal.

Hearings before the Canadian Tariff Board initiated by domestic manufacturers have led to a controversy between the Board and the Customs branch of the National Revenue Department. The officials of the latter body refused to disclose publicly the prices of competing American manufacturers which were used as the basis for fixing valuations for tariff and dumping duties. The Board took strong objection both to the attitude of secrecy and the methods followed.

Letters to the Editor

Czechoslovakia's German Problem

TO THE EDITOR OF THE ECONOMIST

Sir,—May I take up (briefly, for fear of making too great demands on your space) some of the points in Mr Melville's interesting letter, published in your last issue.

I differ with Mr Melville on some important points of fact. For instance, I do not agree with him that all the grievances of the Czechoslovakian Germans are on the way to being remedied by the agreement of February 1st between the late Government of Dr Hodza and the Activist German leaders. Without questioning the Government's sincerity, I believe that their measures have had little practical effect. Again, I do not agree that Czechoslovakia is a democracy for the non-Czech half of the population. I believe it to be an imperfect democracy even for the Slovaks, while I am convinced that for the Germans, Magyars and Poles (who account, between them, for more than a quarter of the whole population) the present regime in Czechoslovakia is not essentially different in character from the regimes in the surrounding countries. Mr Melville, however, raises a question of policy which is to my mind still more important than these questions of fact, and it is on this that I chiefly want to join issue with him.

If I read him right, Mr Melville maintains that the Czechs cannot afford to try to come to an understanding with Herr Henlein's Südetendeutsche Partei because Herr Henlein will, Mr Melville thinks, propose terms which will be put into his mouth by Herr Hitler and which will be incompatible with the maintenance of Czechoslovakia's independence. Therefore, Mr Melville suggests, to call for a *rapprochement* between the Czechs and the Henlein Party shows a lack of "realism."

But, if "realism" is the touchstone, where would Mr Melville's policy lead the Czechs? Suppose they do persist in refusing to have any dealings with Herr Henlein, that does not dispose of the Südetendeutsche Partei. The party will certainly continue to exist and also to retain the allegiance of a substantial following among the 3¼ millions of Czechoslovakian Germans. If the Czechs insist on making an enemy of the Henlein Party, they will have to try to repress it. And if they do involve themselves in this, which of two alternatives is the more likely: that the Czechs will succeed in suppressing the Henlein Party? Or that the Third Reich will intervene forcibly on the Sudetic Germans' behalf? The second alternative is surely the more probable one—and the more so because, in such circumstances, it is not at all likely that Great Britain would think of intervening on behalf of Czechoslovakia. Therefore, in my belief, Mr Melville's policy for the Czechs leads straight to the destruction of Czechoslovakia's independence; and as I am at one with him in wishing to see her independence preserved, I deprecate his attitude towards the Henlein Party.

If, without offence, I may parody Mr Melville's concluding words, I will add that, to my mind, Mr Melville "has not had sufficient realism" to face the implication of the facts that there are 3¼ million Germans in Czechoslovakia and that this German minority (constituting one-fifth of the total population of Czechoslovakia) adjoins the frontiers of a German Reich which is more than four times as big and as strong as Czechoslovakia. In view of these facts, I suggest that Czechoslovakia is bound in the long run to make friends with Germany, if she is not prepared to forfeit her existence.

There is a lesson for the Czechs to-day in the history of the Habsburg Monarchy. The Monarchy perished in 1918 because Austro-Hungarian statesmen had taken the view that, on account of the presence in the Monarchy of a Czech and a Jugoslav minority, the Monarchy could not afford to make friends with Russia and Serbia. Mr Melville recommends Czechoslovak statesmen to take a corresponding line towards their German minority and their German neighbours. Is this really good advice?

I am, Sir,
Yours faithfully,

York. Arnold J. Toynbee.

The Gold Problem

TO THE EDITOR OF THE ECONOMIST

Sir,—In your June 12th issue you consider two solutions of present gold difficulties: first, redistribution through Government action; second, restrictions upon new mining of gold.

You fail to consider a third solution that in the past two or three thousand years most effectively supported the value and price of gold, i.e. the free circulation of gold coin. I am well aware of the serious objections to this solution. All these objections, however, run counter to the well-settled experience of thousands of years.

Moreover, they run counter to the very foundation of gold's value. The scarcity of the yellow metal exists only when gold is permitted to circulate freely and satisfy human vanity. Once that appeal to human affections is either restricted or suppressed, gold automatically becomes over-abundant and loses its value.

You could create a similar over-abundance of diamonds, or any other commodity. Remove the desire for any commodity and its value will tend to evaporate.

Unless this unnatural and absurd dilution of gold's value ceases, it will become ever more difficult to maintain its market price.

Yours very truly,
Samuel Laufbahn.

New York.

The Fourth National Government

TO THE EDITOR OF THE ECONOMIST

Sir,—In your issue of the 17th instant you publish an interesting survey of the past performances of the National Government, and refer to Mr Chamberlain's pronouncement as head of the present Government. You state, with reference to one of the factors which they claim as successful, i.e. "sound finance," that "the Government can properly be given nearly full marks." This appears to me to be a most amazing statement. Here is a Government which makes no attempt to deal with the National Debt; has suspended the Sinking Fund; is branded as a defaulter in the United States of America; and proposes an expenditure on armaments during the next five years of £1,500,000,000, involving borrowing £400,000,000 in time of peace, an income tax of 5s. in the pound, not to speak of sur-tax, totalling taxation per head of £19, the highest in the world, and practising inflation of the currency by continuous issues of inconvertible paper money which depreciate the value of the pound.

These are a few of the well-known counts in the indictment of the Government's finance and you state they "can properly be given nearly full marks." Such a statement takes one's breath away. If this record entitles the Government to nearly full marks, what must a Government do to be given no marks at all?

I am, Sir,
Your obedient servant,

34 Queen's Gate Gardens. D. M. Mason.

Books and Publications

Mr Senior

IN the history of English economic thought, it has been too long customary to assume that there was a barren gulf between the age of the classicists—Adam Smith and his successors and emendators, Ricardo and Malthus—and the years following 1862, when Jevons' paper was delivered before the British Association. To the eradication of this bad habit Miss Marian Bowley devotes her critical and analytical appreciation*—indeed, she has succeeded in her aim of making it a rehabilitation—of Nassau Senior, first Drummond Professor of Political Economy in the University of Oxford. It is a profound, original, scholarly, and informative interpretation of Senior's work and place in the development of economics which Miss Bowley has produced. Although here and there the style limps, and the schematic structure of the book jolts the mind of the reader, the author has succeeded in her ambitious task: to lay bare the nature of Senior's contribution to economic theory, to applied economics, and to the principles of government.

Nassau William Senior was born in 1790 and died in 1864. He did not come on to the economic scene until 1821, when he published a penetrating article on the Corn Laws in the *Quarterly Review*. At thirty-one he had acquired a considerable practice as conveyancer. He had been Vinerian scholar at Oxford, a friend of Archbishop Whately (as a preface to whose *Logic* he wrote, in 1825 or earlier, his *Definitions in Political Economy*), but he was never a " practising member " of the Philosophical Radicals. He was too much of a Whig for that. As a son of the country manse, he had a strong bent towards land, agriculture, and the agricultural labourer's lot, which deteriorated so badly after 1815. It is therefore interesting that in that very year he told his sister his ambition was to improve the lot of the agricultural labourer, and of the poverty-stricken classes in general. Between 1815 and 1821, then, he approached the tense and lively economic discussions of Ricardo, Malthus, McCulloch, and the lesser luminaries *via* the law of real property, the incidence of tithe and local rates (Speenhamland coloured his vision for many years), and the fundamental source of all agrarian disputes: the nature of rent. One of Senior's contributions to English economic theory was his application of the principles of rent to other factors. In 1823, the year Ricardo died, he became a member of the Political Economy Club; and from 1825 to 1830—as again from 1847-52—he was Drummond Professor. Senior's legal approach made him a shrewd business man, as well as a realistic economist; he put Archbishop Whately into American stocks which showed 11 per cent!

Miss Bowley uncovers, from a wealth of detail, Senior's development of the utility theory of value—" net advantage"—of both goods and services after Ricardo's death; his realistic denial of the cost of production theory; and his strangely modern versions of monetary theory and international trade. She shows that Senior's *Political Economy* in 1836 was the most powerful influence bringing English economic theory away from the Ricardian direction, more into line with Continental developments along the path blazed by Say.

In a final section, the author handles a complex subject—the object of Senior's life—his drafting, at Lord Melbourne's request, of the Reform of the Poor Law in 1834. Here, Miss Bowley clearly shows by considerable citations from Senior's writings that much, if not all, of the Webbs' criticism of Senior for his allegedly *laissez faire* attitude, was completely misconceived. Senior took his stand on the right of the labourer to protection and maintenance of his personal capital, his skill, by the State, and on the right to education at the public expense. He was not very *laissez faire*, and certainly no bigot! Perhaps this explains why Walter Bagehot, the Radical editor of *The Economist*, had so profound a respect for the man who, throughout his life and even in his wife's diary, was known as " Mr Senior." Under the same title Bagehot wrote a moving obituary in these columns in 1864. And it is good to learn from Miss Bowley's exhaustive analysis of his work that, before long, we may expect the biography of the man by his granddaughter, Mrs St. Loe Strachey. At any rate, Miss Bowley has ably rehabilitated a neglected but important economist. Her book deserves wide circulation. It should find it among those who now begin to appreciate the crucial importance of the period 1820-1860 in our economic and social history. Nassau Senior was an intellectual adornment of that period.

* "Nassau Senior and Classical Economics." By Marian Bowley. Allen and Unwin. 358 pages. 15s.

Shorter Notice

" Hitler's Conspiracy against Peace." By S. Erckner. Gollancz. 288 pages. 6s.

" A former staff officer in the German Army " reveals the alleged plans of the Nazi authorities for the next war. The German objective is defined as a German world created by conquest, and the beginnings in armament, propaganda and foreign policy are here described. Herr Erckner shows how Holland, Poland, Czechoslovakia and Switzerland are on the line of march, but how the real enemy is France. The major problems, however, are economic. The policy cannot succeed without colonies and raw materials. The war cannot end in victory unless swiftly won before supplies have been exhausted. The importance of North Africa and therefore of Spain in the campaign against France is suggested, and the whole argument is based on quotations and references from German sources. The net effect is telling and to a point convincing, but Herr Erckner proves too much. The springs of such a conspiracy may indeed lie in Nazidom, but its operation cannot feasibly be envisaged by Germany to-day.

Books Received

Prelude to 1937. By F. J. C. Hearnshaw. John Murray. 180 pages. 5s.

Trade Centres and Trade Routes. By Eugene Van Cleef. D. Appleton—Century. 308 pages. 15s.

Review of World Trade, 1936. League of Nations Publications. Allen and Unwin. 91 pages. 2s. 6d.
This valuable report is discussed on page 176 of this issue.

The Problem of International Investment. A Report by a Study Group of Members of the Royal Institute of International Affairs. (London) H. Milford. 373 pages. 18s. net.

Atkin's Manual, 1937. (London) 495 pages. No price stated. This annual publication by a leading firm of dealers in the electricity supply and equipment share market contains full particulars of the capital, financial record and personnel of utility companies at home and abroad. The new edition matches the high standard of earlier volumes, and will be welcomed by the electricity share investor.

Basic Physical Training. By Margaret Morris. 278 pages. Heinemann. 10s. 6d.
Miss Margaret Morris, the founder of the movement that bears her name, has recently received just recognition of her pioneer work in the realm of physical training by her appointment to the supervisory body of the Government's national physical fitness campaign. In this book she sets forth 55 exercises in diagram, with explanatory comment, whose aim is to secure physical fitness for the average occupied man and woman with perfect balance and fluidity of movement. They adapt and analyse normal and natural muscular movements of whose nature her readers will probably be quite unaware. She rightly lays great emphasis on breathing exercises. Her book should help forward the growing movement in all classes for a fitter nation.

The Agricultural Register, 1936–37. (Oxford) Agricultural Economics Research Institute. 325 pages. 5s. net.

Official Publications

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

Palestine Royal Commission: Report. Cmd. 5479. 6s. 6d. net.

Exchange Equalisation Account. Memorandum on the Proposed Resolution. Cmd. 5498. 1d. net.

Customs Tariffs of the Colonial Empire. Part III. West Indies. 4s. net.

Report of the Commissioner of Police of the Metropolis for the year 1936. Cmd. 5457. 1s. 3d. net.

MONEY AND BANKING

The Banking Half-Year

THE publication of the leading joint-stock banks' statements of accounts for June 30th provides a useful opportunity for an examination of the general banking trend. The banks' supply of cash is divided into two parts, namely (1) coin and notes in the tills of their various branches and in their local currency reserves; and (2) their balances at the Bank of England. The amount of till-money is under the control of the banks; for they can always draw on the Bank of England. In practice each branch holds in till-money about 5 per cent. of its deposits. The size of the banks' balances at the Bank of England, however, is largely determined by the monetary authorities, namely the Government and the Bank.

If we assume that the joint-stock banks maintain a 10 per cent. ratio of cash to deposits, it follows that the ratio of their balances at the Bank of England to their deposits is 5 per cent., the remaining 5 per cent. being till-money. That leaves 90 per cent. for earning assets, on the presumption that the banks' capital and disclosed reserves can be set off against the value of their premises. By a well-established canon of banking practice, the sum total of investments plus advances is not as a rule much in excess of 70 per cent. of deposits, the remaining 20 per cent. being left for more liquid assets.

This is the framework of a British bank balance sheet. The crux of the whole matter is the size of the total bankers' deposits at the Bank of England. To illustrate this point, let us set out a hypothetical bank balance sheet, expressing every item as a multiple of a quantity x, which is assumed to represent the size of that bank's balance at the Bank of England:—

	Amount	Ratio to Deposits
Liabilities :—		
Deposits	20x	100
Assets :—		
Cash—		
(*a*) Balance at Bank of England	x	5%
(*b*) Till-money	x	5%
Balances, short money and discounts	4x	20%
Investments and advances	14x	70%

Given a balance at the Bank of x, a banker knows that he needs x of till-money, and that he can take up 4x of the more liquid assets and 14x of investments and advances. That will give him deposits of 20x, and will also give him his correct ratios of 10 per cent. cash and 70 per cent. investments plus advances. This is the framework within which he must act.

Before we can apply this broad analysis to the actual position at June 30, 1936 and 1937, there are certain reservations to be made. The first is that Lloyds and Martins, but not the other banks, use the detailed form of accounts recommended by the Cunliffe Committee. In their case advances have a narrower (and more accurate) meaning than in the case of the other banks, and their ratio of advances to deposits tends, therefore, to be smaller. Next, two of the " big five " banks refrained from participating in the £40 millions sterling credit which was granted last winter to the French railways and is still outstanding. The remaining banks rank their shares of the credit among advances. Finally, as a result of the South American bank merger of July, 1936, Lloyds Bank no longer shows its share-holding in the Bank of London and South America as a separate item. Instead, its investments include an item of about £3,000,000, called " investments in other banks."

With these reservations, we may set out the available figures in three tables, the first two embracing eight banks, and the last table the " big five " alone.

DEPOSITS, ACCEPTANCES AND CASH ON JUNE 30TH

	Deposits		Acceptances and Engagements		Cash		Balances and Cheques	
	1936	1937	1936	1937	1936	1937	1936	1937
Barclays	414·2	429·6	7·7	8·8	49·1	50·6	12·7	14·6
Lloyds	395·6	413·1	29·3	37·4	45·9	49·4	14·6	14·9
Midland	467·5	487·6	17·1	21·8	43·0	50·9	18·4	16·0
National Provincial	308·2	312·5	8·4	8·6	30·2	31·5	8·9	10·5
Westminster	356·4	364·9	23·7	22·6	37·7	40·3	11·4	11·5
Total	1941·9	2007·7	86·2	99·2	205·9	222·7	66·0	67·5
District	74·9	76·8	5·4	9·9	7·6	8·1	2·2	2·4
Martins	92·0	90·2	5·4	8·0	10·9	10·6	3·3	3·4
Williams Deacon's	35·9	36·5	1·9	1·4	4·2	3·9	2·0	2·3
Grand Total	2144·7	2211·2	98·9	118·5	228·6	245·3	73·5	75·6

EARNING ASSETS ON JUNE 30TH

	Call Money		Discounts		Investments		Advances	
	1936	1937	1936	1937	1936	1937	1936	1937
Barclays	23·6	26·0	54·6	43·6	110·0	107·8	175·5	198·6
Lloyds	25·2	27·4	56·3	53·0	105·0	112·7	155·3	164·5
Midland	26·6	35·8	74·0	59·8	121·0	118·0	191·9	214·4
National Provincial	25·1	20·7	41·5	35·5	89·0	88·4	121·4	133·7
Westminster	29·0	26·5	55·6	44·2	106·4	112·8	126·5	140·1
Total	129·5	136·4	282·0	236·1	531·4	539·7	770·6	851·3
District	5·4	7·8	7·0	3·1	28·8	29·7	27·8	29·9
Martins	5·0	5·4	5·8	3·3	35·9	28·0	34·8	43·4
Williams Deacon's	6·4	5·4	1·3	0·3	11·7	12·8	12·1	13·4
Grand Total	146·3	155·0	296·1	242·8	607·8	610·2	845·3	938·0

RATIO OF CASH AND ASSETS TO DEPOSITS ON JUNE 30TH

	Cash		Discounts		Investments		Advances	
	1936	1937	1936	1937	1936	1937	1936	1937
	%	%	%	%	%	%	%	%
Barclays	11·9	11·8	13·2	10·2	26·6	25·1	42·4	46·2
Lloyds	11·6	11·9	14·2	12·8	26·5	27·3	39·3	39·8
Midland	9·2	10·4	15·8	12·3	25·9	24·2	41·0	44·0
National Provincial	9·8	10·1	13·5	11·3	28·9	28·2	39·4	42·7
Westminster	10·6	11·1	15·6	12·1	29·8	30·9	35·5	38·5
Total	10·6	11·1	14·5	11·8	27·4	26·9	39·7	42·4

Broadly speaking, there has been a general increase in cash, earning assets and deposits, but as the banks do not disclose their balances at the Bank of England as distinguished from their till-money, it is impossible to estimate the size of x, which is the basic and causal factor in their accounts.

How has this increase in bankers' deposits at the Bank come about? And is it fortuitous or an act of deliberate policy? The position is obscured by the banks' practice of augmenting their total cash when they draw up their half-yearly balance sheets, and by the market's practice of forcing the Government to borrow from the Bank of England in order to supply the banks with additional cash. To avoid any consequent distortion, we may use the figures of the Bank of England's return on June 23rd of each year as a basis of comparison. The principal changes since a year ago are these:—

	£ millions
Gold	+ 110
Note circulation	+ 49
Fiduciary note issue	— 60
Reserve	+ 1
Securities in banking department	— 2
Public deposits	— 5
Bankers' deposits	+ 4

The largest movement is in gold. Some months ago the Bank took over £60 millions to relieve the Exchange Account, off-setting it by the reduction in the fiduciary note issue. The remaining £50 millions was taken over to support the expansion in the note circulation and to obviate a contraction in the Reserve and also in bankers' deposits. Thanks to a possibly fortuitous reduction in public deposits, bankers' deposits have actually risen during the past year.

Finally we come to the distribution of the banks' earning assets. Theoretically, after deducting cash and balances, etc., from deposits, an increase of £47 millions was possible. The actual changes were:—

	£ millions
Call and short loans	+ 9
Discounts	− 53
Investments	+ 2
Advances	+ 93
Net total	+ 51

A year ago the ratio of investments plus advances to deposits was only 67.1 per cent., and the banks thus had some margin in hand below the normal ratio of just over 70 per cent. To-day, thanks to the £93 millions growth in advances, the ratio is 69.3 per cent. The leeway has been considerably reduced; and for this reason —quite apart from the uncertain trend of the gilt-edged market—the banks have been unable to add much to their investments.

We thus arrive at the main conclusion suggested by the bank balance sheets. The ratio of investments plus advances to deposits is now nearly up to its effective limit, and the banks can no longer buy securities, or substitute advances for discounts, unless they simultaneously realise securities. The only way of escape from this dilemma is a further increase in x, namely bankers' balances at the Bank of England; and this implies a deliberate expansion of the credit base. In short, granted the continuance of Government defence borrowing, the technical banking position suggests that the choice now lies between an expansion of credit, which, in existing circumstances, would have something of an inflationary character, a rise in the long-term rate of interest, or possibly a deliberate regulation of non-Governmental borrowing. It may be that in the event we shall experience a combination of all three.

Financial Notes

Further Moves in France.—After an attempt to hold the franc at about Frs. 128 to the pound, the French authorities had to abandon control temporarily, and the pound at once rose to over Frs. 130. The authorities have since intervened at times, but rates have been very irregular, with the discount on three months' francs running at times up to a wide margin. It rather looks as if the authorities both realise the meagre size of the gold resources in the possession of the Exchange Fund and are also disposed to let the franc find its natural level without undue delay. Meanwhile the tax decrees have been followed up by three new moves. First there is the change in the Governorship of the Banque de France, commented upon below. Next the Banque de France's gold reserves have been written up from a basis of 49 milligrammes to one of 43 milligrammes per franc, thus raising the Banque's total gold stocks from Frs. 48,900 to Frs. 55,600 millions. The resulting profit of 6,700 millions is to be used to constitute a special fund for the support of *rentes*. This proposal is of doubtful efficacy, and it would have been better either to earmark this profit against the Banque de France's new loan of Frs. 15,000 millions to the Government, or to divert an equivalent quantity of gold from the Banque to the Exchange Fund. Still, the new basis of valuation only equals an exchange of about Frs. 112.50 to the pound, so that there is room for further writing-up so soon as the new value of the franc is definitely established. This, however, will require legislation. The final proposal is that of economies to supplement the recent tax decrees.

The French Economies.—Complete details of the proposed economies are so far lacking, and it is possible that their publication has been deferred pending the creation of a more favourable atmosphere. According to the latest information available, the balancing of the ordinary Budget for 1938 through the new tax decrees still left a total deficit of Frs. 47,000 millions, after including the extraordinary Budget and the advances to the railways and *collectivités publiques*. Economies of Frs. 25,000 millions for 1938 are now proposed, the extraordinary Budget including defence expenditure being fixed at Frs. 15,500 millions, and Frs. 7,000 millions now representing the deficit of the *collectivités publiques*. These economies are to take effect at once, and our Paris correspondent calculates that they will yield Frs. 6,000 millions of relief to the expenditure for the remainder of the current year to December 31st. A week ago we estimated that after allowing for the Banque de France's loan and the yield to December 31st of the new tax decrees, there was still a gap of Frs. 12,000 millions. Half this gap will be covered by these new economies, and the remaining half should be filled without undue difficulty if all goes well. The immediate reception of the new economy proposals was favourable and there was a recovery in *rentes*, but it remains to be seen how they work out in practice.

* * *

The Banque de France.—The change of Government in France has been followed by the retirement of M. Labeyrie from the Governorship of the Banque de France. It will be recalled that M. Labeyrie was appointed Governor in June, 1936, immediately after M. Blum's assumption of office. M. Labeyrie, who by profession was a civil servant with no previous banking experience, retained his former position of Procurator-General at the Court of Accounts, and he will remain in this position after his retirement from the Banque de France. He is succeeded by M. Fournier, who has been First Deputy-Governor of the Banque since 1930, and who has had a long experience of central banking. M. Guiraud, the Second Deputy-Governor, succeeds M. Fournier, and is in turn succeeded by M. Yves de Boisanger, Director-General of the Finance Ministry. M. Labeyrie's appointment obviously indicated the closer contact of the Banque de France with the Government of the day, and it was quickly followed by the new law reforming the constitution of the Banque de France. Now that a new Government has taken office, with a pronounced reorientation of financial policy, it was easy to see why a change in Governorship at the Banque was thought advisable, and it is also significant that an experienced central banker has been appointed to the post. The liaison between the Government and the Banque will no doubt continue, but it is clear that M. Chautemps wished to make an appointment which would command the confidence of the banking world.

* * *

Australia's "Macmillan Report".—To judge from the cabled summaries so far available the report of the Australian Banking Commission is not a startling document. The nationalisation of the trading banks is definitely rejected by a five-to-one majority of the members of the Commission, but recommendations are made for the development of the central banking functions of the Commonwealth Bank. Thus it is suggested that the Commonwealth Bank may with the consent of the Treasury require the trading banks to maintain for a limited period minimum balances with it, in addition to the trading banks' own till-money. No specific ratio of these minimum balances to the trading banks' own deposits is prescribed, nor does the report suggest the circumstances in which this power should be exercised. The report also recommends the conclusion of a new agreement between the Commonwealth Bank and the trading banks, giving the former certain powers of mobilisation over the latters' London funds. The voluntary Exchange Mobilisation Agreement is to be continued, with contributions to the mobilisation fund remaining in excess of Australia's external debt service requirements. The note issue is to be based on a normal fiduciary note issue of £A60 millions, subject to limited increases with the consent of the Treasury. Miscellaneous recommendations relate to the compilation of bank accounts and statistics, the systematic revision of collection charges within the Commonwealth, and the licensing of new banks. There are also suggestions for the foundation of new mortgage banks, as well as institutions to finance small industries. Dr Earle Page, the acting Prime Minister, in accepting these last recommendations, has announced that legislation will be introduced to found a mortgage bank attached to the Commonwealth Bank, and also says that the Commonwealth Bank is examining the question of the provision of capital for small industries. For the Commonwealth Bank to undertake either of these functions itself is inconsistent with its development as a central bank. On the other hand there are English precedents, such as the Banker's Industrial Development Company, for the formation by the Commonwealth Bank of subordinate and semi-independent institutions for these purposes.

* * *

The Australian Pound.—The Banking Commission accepts the present value of the Australian pound, and recommends the continuance of its link to sterling. It also endorses the Bank of New South Wales' action, when it took the lead early in 1931 in bringing about a fresh depreciation of the Australian pound to its present level. The recommendation of a reasonably stable rate of exchange carries with it the implication that an adequate supply of both Australian currency and sterling must always be forthcoming at that rate, and this raises the question of London funds. The trading banks will naturally be jealous of surrendering to the Commonwealth Bank complete control over their London funds, but as a matter of broad principle they should be controlled by the central bank. On the other hand, the trading banks possess the longer experience. Another point, which it is hoped will be brought out more clearly in the full text of the report, is the relation of the trading banks' London funds, their till-money and their balances at the Commonwealth Bank to their own total deposits. To the extent that the trading banks regard their London funds as part of their cash, any sudden depletion of London funds due to inequalities in Australia's balance of payments might create internal banking stringency. One object of the proposed extension of the Commonwealth Bank's central banking powers should be the provision of greater elasticity in this direction, and it will be of interest to see what the Commission has to say in detail on this matter. Meanwhile we may note that the trading banks do not regard the whole of their London funds as equivalent to cash, but we agree with the recommendation that more information should be available regarding their size.

* * *

Japan's Gold Revaluation.—The Japanese Government has decided that the Bank of Japan's gold reserves shall be written up from a basis of 1.33 yen per gramme to one of 3.50 yen per gramme. On the old basis of valuation, the par of exchange between the yen and sterling was 24.58d. per yen, but on the new basis, and after allowing for the depreciation of sterling in terms of gold, the revaluation makes one yen equal to 15⅜d. The current rate of exchange is 14d., so that there is still a margin of 10 per cent. available for further revaluation of the Bank of Japan's gold if such a course is thought desirable. Regarded from another angle, at the present sterling rate of exchange the Bank of Japan's gold is now revalued at the equivalent in yen of 127s. per ounce, against the London price of about 140s. per ounce. The Bank of Japan's gold holdings, valued at the old price, were returned on June 5th last at 531 million yen. Revaluation will raise them to 1,400 million yen, yielding a profit of 869 million yen. Also gold amounting to 1,400 million yen gives a 100 per cent. cover to the note circulation. This profit, of course, will be appropriated by the Government, and according to one report will be used to establish an Exchange Equalisation Account. This in turn will be used in part to buy newly-mined gold for shipment abroad. The reactions of this on the internal credit structure remain to be seen, though the creation of an Exchange Account is legitimate enough. Still it is clear that the Japanese Government are in need of funds both to cover their budgetary requirements and to provide for the adverse trade balance—both a consequence of military expenditure. The revaluation of the central bank's gold holdings was in these circumstances too obvious a chance to be missed.

* * *

June Clearing Bank Averages.—The War Loan dividend payment at the beginning of June depleted public deposits at the Bank of England and necessitated some Ways and Means borrowing. All this money found its way into the clearing banks, and this is the main explanation of the month's expansion of £8.1 millions in clearing bank cash, for the increase in the note circulation was offset by further gold purchases by the Bank of England. The banks' calling operations for the half-year's balance sheets only occurred right at the end of the month, and so had only a limited effect upon the monthly average returns.

(In £ millions)

	June, 1936	Feb., 1937	March, 1937	April, 1937	May, 1937	June, 1937
Capital and reserves	131·8	132·5	132·5	132·5	132·5	132·5
Acceptances, etc.	103·8	115·0	122·2	126·2	125·5	124·1
Deposits (including undivided profits, etc.)	2,191·4	2,236·2	2,206·6	2,213·6	2,217·7	2,255·1
Total liabilities	2,427·0	2,483·7	2,461·3	2,472·3	2,475·7	2,511·7
Cash	221·6	226·9	222·4	226·2	229·6	237·7
Cheques, balances and items in transit	66·6	64·2	67·3	64·6	68·7	73·0
Money at call	152·6	161·2	164·8	171·6	163·4	168·2
Discounts	327·5	305·1	246·2	239·5	242·8	257·5
Investments	626·2	655·8	651·9	646·0	641·4	638·2
Loans and advances	858·8	888·0	918·8	930·6	936·6	947·4
Investments in affiliated banks	25·1	23·5	23·5	23·5	23·5	23·5
Cover for acceptances, premises, etc.	148·6	159·0	166·4	170·3	169·7	168·2
Total assets	2,427·0	2,483·7	2,461·3	2,472·3	2,475·7	2,511·7

With £8.1 millions more of cash in hand, the banks could theoretically add £72.9 millions to the earning assets, thereby increasing their deposits by £81.0 millions. Actually deposits only rose by £37.4 millions, so that the banks' cash ratios were strengthened. As regards earning assets, there was a somewhat surprising increase of £14.7 millions in discounts—during a month when the banks were reluctant buyers of bills. Between May and June, however, tender issues of Treasury bills rose by £13 millions, taking the average for each month. Advances have risen by £10.8 millions. In consequence the banks have had to make a slight reduction in their investments, for even so the ratio of advances plus investments to deposits still stands at just over 70 per cent.

* * *

The Foreign Exchanges.—The fresh depreciation of the franc, discussed in previous notes, has made the Paris rate very jumpy, the more so as the French Control has only been giving spasmodic support. After breaking to Frs. 133 over the week-end, the spot rate for francs was brought back abruptly by the French Control on Monday to Frs. 130¾, but was then left free again with the result that by Thursday morning it had depreciated to Frs. 135. Later in the day it came back to Frs. 133½. Three months' francs were offered up to Frs. 6 discount and one month's up to Frs. 2½ discount. The New York rate has been inactive at $4.98¼, with three months' dollars still at 1⅜ cents premium. Guilders have been strong. There have been further reductions in the Netherlands Bank's buying rate for dollars, the total movement for the week being from Fl. 1.81½ to Fl. 1.80⅞. The sterling rate for guilders has also been firm at Fl. 9.01⅛. Belgas have been weak with the spot rate up from

bel. 29.50 to bel. 29.62. The premium on three months' belgas has also disappeared, the latest rate being either side of par. It is realised that Belgium is not indifferent to the reactions of the fresh depreciation of the French franc, and when the franc has found its new level, Belgium may have to consider the position of the belga. As a result of the weakness of the dollar, gold has now fallen to below 140s. per ounce, the price at Thursday's fixing being 138s. 6½d. per ounce, this price leaving no premium over the dollar parity.

* * *

The Money Market.—The increase in bankers' deposits has made conditions easier. There was only a moderate amount of calling by the clearing banks, who on the whole were ready to lend freely. There were some reports of slightly firmer rates for "outside" money, but generally speaking credit remains plentiful with no real change in conditions.

	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½–⅝	½	½	½
Short loan rate :—				
Clearing banks	½–¾–1*	½–¾–1*	½–¾–1*	½–¾–1*
Others	½–⅝	½	½	½–⅝
Discount rates :—				
Treasury bills	½–⅝	½	½	½
Three months' bank bills	⅝	11/16–⅝	11/16–⅝	11/16–⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The clearing banks have been buyers of Treasury bills at ½ per cent., but last week only £35 millions of Treasury bills were issued, and the tender rate dropped to only a fraction of a penny above ½ per cent. This week £40 millions of bills are being offered, but with money more plentiful it is doubtful if the rate will prove much better.

* * *

The Bank Return.—This week the note circulation is practically unchanged, but it is now at its lowest point for the present, as the holiday currency expansion is due to begin. As the Reserve and Proportion are now unusually low, it seems very likely that the Bank will have to buy fresh gold.

BANK OF ENGLAND

	July 22, 1936	June 30, 1937	July 7, 1937	July 14, 1937	July 21, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	238·8	326·4	326·4	326·4	326·4
Note circulation	443·6	488·4	494·4	493·4	493·1
Banking Department :—					
Reserve	53·1	38·9	32·9	33·9	34·2
Public deposits	19·9	10·8	15·2	23·1	17·5
Bankers' deposits	98·2	140·5	88·5	89·2	97·2
Other deposits	38·5	40·2	37·2	37·1	38·1
Government securities	95·8	140·6	96·6	104·0	107·4
Discounts and advances	6·5	6·3	9·0	8·8	5·8
Other securities	19·4	23·7	20·4	20·7	23·4
Proportion	33.9%	20·3%	23·3%	22·7%	22·4%

In the banking department there is a drop of £5.6 millions in public deposits in spite of the receipt of the mid-monthly excise duty payments. Government securities have risen by £3.4 millions, and there were suggestions in the discount market of a small amount of special buying of bills. As a result of these changes bankers' deposits have risen by £8.0 millions. It is clear that the low level of the Reserve is not being allowed to contract the supply of joint-stock bank cash.

* * *

Standard Bank of South Africa.—The annual report of this important bank reflects very clearly the unexampled prosperity of South Africa in the course of the last year. Total deposits have risen from £73,709,555 to £84,277,804, a rise of 15 per cent. within twelve months. The note circulation has increased from £608,156 to £736,133, deposits, current and other accounts from £57.9 millions to £66.0 millions, and bills discounted and advances to customers from £29.6 millions to £36.4 millions. These figures speak for themselves. There has been a decline in cash in hand and with bankers from £13.0 millions to £11.4 millions, and the reserve ratio has fallen from 17.6 per cent. to 13.6 per cent. The latter figure is still high, even after making all allowances for the different standards of this country and South Africa. At the general meeting held this week the chairman alluded to the general prosperity of South Africa. He said that the rise in world prices was helping South African agriculture, though in some ways it was adding to the costs of her secondary industries. The bank itself had been able to write back advances previously considered doubtful, as the result of the continued prosperity of the Union. The directors recommend a doubling of last year's 2s. bonus to the shareholders. The dividend of 5s. is left unchanged.

* * *

National Bank of Australasia.—Another of the Dominion banks has published an annual report that adds to the now almost monotonous record of Imperial prosperity. The symptoms of recovery shown by the statistics of the National Bank of Australasia, though considerable, are not so overwhelming as those of the Standard Bank of South Africa. Total deposits have risen from £47,496,677 to £51,499,254, a rise of 8 per cent. against the Standard Bank's 15 per cent. The omnibus item of coin, bullion, Australian notes, cash at bankers and at short notice in London, which constitutes the cash reserve of this bank, has, however, risen from £5.6 millions to £6.0 millions, an almost equal rise proportionately. Bills receivable in London have risen from £3.6 millions to £4.5 millions, and holdings of Commonwealth Treasury bills have risen from £2.7 millions to £3.6 millions. Unfortunately the recent developments of the Commonwealth Bank make a proper comparison of the liabilities this year and last year impossible. Government deposits, which were £334,449 last year, have vanished, and the item of other deposits has been metamorphosed into deposits and other accounts including reserve for contingencies. If these are to be taken as equivalent, there has been a rise from £37.7 millions to £42.2 millions. This bank has also raised its dividend, the increase being from 5 per cent. to 5¼ per cent.

* * *

The National City Bank.—The latest accounts of this leading New York bank illustrate some of the recent American banking trends, including the raising of minimum reserve requirements, the growing demand for bank credit, and the reduction in bank investments. These latter tendencies are finding their counter-part in Great Britain. The following are the salient features of the National City Bank's accounts:—

	June 30, 1936	June 30, 1937	Intervening Change
		($ millions)	
Cash, etc.	482·8	549·8	+ 67·0
U.S. Government securities	622·6	419·4	−203·2
Loans, discounts, etc.	551·9	710·2	+158·3
Deposits	1,730·0	1,807·8	+ 77·8
Ratio of cash to deposits	27·9%	30·4%	...

There have also been smaller increases during the past year in investments other than "Governments." The increase in cash is largely traceable through the Reserve system to the continued gold influx, but owing to the higher reserve requirements the total of member bank excess reserves for the whole country has fallen from $2,670 millions to a mere $870 millions. The change-over from "Governments" to loans, discounts and other investments is very marked—particularly from the viewpoint of the Washington Administration.

THE STOCK EXCHANGE

Outlook for Tea Shares

To the general investor, the tea share market is among the most difficult for successful dealing. Its peculiar seasonal movements can be, and are, turned to professional profit, but are largely unappreciated by the layman. It may produce an appearance of activity when other markets are in the doldrums; but more often speculative activity elsewhere diverts attention from tea shares for weeks on end. And, by general admission, tea shares enjoy something less than a free, wide and regular market on the Stock Exchange.

Is the recent interest in tea shares a flattering but deceptive movement, based on advancing prices for a few packages of new season's Northern Indian teas? The main auctions do not begin until next month. So far, Northern Indian teas for the season 1937-38 average 15.53d. per lb., compared with 13.78d. for 1936-37, but only a small quantity has been sold. But the averages for *the calendar year* 1937 to date, compared with 1936, show unmistakable improvement. Both Northern and Southern Indian teas are 1½d. higher at 14.28d. and 14.54d. respectively. Ceylon teas show a greater increase, from 14.37d. to 16.06d. per lb. These calendar year figures have special significance for the investor. Though they bridge two seasons, they cover the accounting periods of the great majority of companies.

It frequently happens in the plantation industries that improved market conditions coincide with the publication of indifferent trading results. Actually, our records of industrial profits show that the 138 tea company reports received during the year to June 30th last showed net profits of £2,556,000—an increase of 20.3 per cent. over the 1935-36 total. But of the companies considered, no fewer than 89, with total profits of £1,810,000, issued their reports in the June quarter, and these showed a mere advance of 1.3 per cent. During the whole year to June, the average rate of ordinary dividend was 7.7 per cent. against 5.7 per cent. During the past quarter alone, it was 8.3 per cent. against 7.5 per cent.

This order of advance is not impressive for a period during which normal profits have been restored for most commodities. In a broad sense, the basic problems of restriction no longer apply to such commodities as rubber, copper and tin. Consumption has rapidly expanded, and producers are now assured of prices which offer satisfactory returns. But tea is an article of consumption which, like coffee but unlike wheat, has little strategic significance. The problem of tea is concerned with the resumption of a natural increase in consumption. The International Committee has estimated that the margin between demand and *potential* output next year will be 315 million pounds, i.e. 37 per cent. of world absorption at last year's rate. And consumption shows no strong and striking response to rising world economic standards. For 1931, world absorption was computed at 901,200,000 lbs. The figure fell steadily to 854,308,000 lbs. for 1934, improved somewhat in 1935, but fell back to 858,106,000 lbs. last year after the increase of 2d. per lb. in the British duty. Admittedly, these statistics do not show changes in blenders' stocks; but they cannot be considered impressive.

Tea shareholders, altogether, would be rash to count on any increase in demand likely to fill any large part of the gap in the near future, despite the stimulus of propaganda under the genial influence of Mr T. Pott. On the other hand the restriction screw can hardly be tightened by reducing permissible exports much below the present 87½ per cent. The extension of the restriction scheme promises no prompt solution of the problem, but it still seems inevitable. Meanwhile planters are encouraged to manufacture better quality tea, and the consumer benefits. There have been occasions when rising prices have closed the "concertina" between common and fine teas but, on the whole, the conception of a "normal" margin between fine and common teas has lost much of its pre-restriction significance. Incidentally, the International Committee's writ does not run in China, Japan and Formosa, which shipped 17 per cent. of the world's exports last season.

Tea is not a single elemental commodity. The blenders are accustomed to vary their demand for different grades according to the nature of the supplies which are offered. One weakness of the restriction scheme is that it makes no distinction between common and fine grades, and for technical reasons its operation is necessarily inflexible. Ostensibly, the trend of existing stocks is favourable, for bonded warehouses have no more than 148,669,000 lbs. in stock—the lowest figure since 1927. Without returns, however, of blenders' stocks—which have never been disclosed—the evidence is incomplete.

These considerations appear to limit the long-term scope for tea shares within relatively narrow limits. Common teas should remain firm, and auction prices as a whole may well have an upward trend in the near future. But the market in Mincing Lane is often vitally influenced by the decisions of a few large buyers. Some allowance, again, must be made for possible increases in production costs for the current year, though the expenses of tea gardens are usually steadier than those, say, of rubber estates. Given these broad facts, the investor will be inclined to pay greatest attention to the shares of companies whose costs are already low, whose crop is being marketed at favourable prices, whose capital costs per planted acre are reasonable, and whose

OPERATING DATA AND INVESTMENT RECORD OF SELECTED TEA COMPANIES

District and Company (Accounts cover Calendar years in every case)	Ord. share Cap. (all £1 denomination)	Capital per acre	Output per Acre		Costs per lb.		1d. per lb. on 1936 Crop = % on Ord.	Average price realised to date		Ord. Dividends two latest years		Share Prices		Yield
			1935	1936	1935	1936		1936–37 Season	1937–38 Season	1935	1936	High 1936	Present	
Assam	£	£	lbs.	lbs.	d.	d.	%	d.	d.	%	%	s. d.	s. d.	%
Budla Beta	300,000	84	741	775	13·86	14·15	3·8	17·43	16·36	7	5	46 3	30 0	3·3
Jhanzie	418,000	69½	540	557	10·56	11·07	3·3	14·45	14·34	7½	6	36 3	28 6	4·2
Jorehaut	400,000	29	594	621	10·56	10·29	5·8	14·05	14·02	10	8	52 6	38 9	4·1
Jokai	578,175	55½	735	727	10·95	11·16	6·0	14·54	14·43	10	8	48 6	39 0	4·1
Doom Dooma	265,000	49½	730	706	11·70	11·65	5·6	16·41	16·53	15	12½	55 6	48 0	5·2
Dooars														
Dooars	327,600	50	566	622	9·40	9·57	5·3	N.A.	14·39	15	12½	49 0	46 6	5·4
Nedeem	270,000	53	548	538	9·64	9·24	8·7	12·08	14·58	5	6	43 0	30 0	4·0
								1936	1937					
Ceylon														
Galaha	292,000	61*	389	422	N.A.	N.A.	3·6	14·63	16·17	7½	6½	30 0	28 0	4·6
Lunuva	815,128	53½*	574	601	8·40†	8·20†	3·1	13·53	15·80	8	9	39 9	35 0	5·2
Nuwara Eliyah	280,000	96	663	715	11·41†	11·49†	3·1	20·62	20·67	17	18	87 6	72 6	5·0

* Including some rubber. † Cost f.o.b.

equity shares are most responsive to an upward movement in tea prices. Above all, it is essential to select shares in which tolerably free dealing conditions exist.

The table at the foot of the preceding page analyses the position of a number of leading Northern India and Ceylon companies. It does not give an exclusive selection, but rather illustrates the criteria which must be satisfied even for a short-term interest in tea shares. The table takes no account of the increase in export quotas from 82½ per cent. to 87½ per cent. as from April 1st. For the full year, however, this amounts to 86¼ per cent., and thus represents a 4½ per cent. increase in maximum potential shipments this year. An increase of this order is, however, of less importance than potential price-cost relationships. It would be reasonable to leave some margin for increased costs, although our sample of companies shows that increases and decreases balanced each other last year. The price outlook for the autumn sales is promising, but not yet conclusive. Interpretation of the Indian company averages for the 1937-38 season must bear this point in mind. The averages, in fact, show comparatively few decisive advances to which the "1d. per lb. on 1936 crop" multiplier can be related for valuing the ordinary shares.

In the Ceylon list, where "calendar year to date" averages appear, the rising trend is more apparent, except for the finest grade producers like Nuwara Eliyah which have scarcely derived any benefit from restriction through rising prices. If a share of this sort, however, is fairly valued on a 5 per cent. dividend yield basis—the return is on the low side, but the company's earnings record in recent years is sound—Lunuva might surely stand somewhat higher, in view of its low costs and capitalisation, the rising auction prices for its crop, and its present yield basis of 5.2 per cent. The recent new issue, in these circumstances, appears sensibly devised, for it has financed the purchase of an adjoining estate. This policy might with advantage be considered by other concerns, for partition of small separate properties often rules out the most economical methods of working. The two companies in the Dooars group offer examples where investment on the basis of the 1937-38 averages so far recorded might eventually prove misleading. These concerns have sold only the smallest proportion of their new season's teas, and while their prospects may be considered good if prices at the post-holiday auctions continue favourable—for both shares show a good response to rising prices—a present purchase involves a step in the semi-darkness.

On the whole, so far as these and other Indian companies are concerned, the best advice to the investor is to watch the weekly sales returns for a decisive price trend. Speculative profits—in moderation—may be obtained from taking a view now, in the expectation of an autumn rise. But for short-term investment purposes nothing will be lost by awaiting Mincing Lane's clearer signals. The long-term tea shareholder is usually a person with family affiliations with the industry, who has accustomed himself to its vagaries. He himself would be among the first to recognise that the industry's basic problem—that of finding outlets for its vast potential supplies—has not yet been solved. And if his holdings include shares of the highest quality producers he will certainly have been unimpressed, so far, by the blessings of restriction.

Investment Notes

Counterpoint in the Markets.—Market conditions remain more suspended than animated. Prices have been steady in the first week of the traditionally inactive Bank Holiday Account, but there has been general complaint of lack of business. From the viewpoint of Stock Exchange members, this apathy is the more disappointing because this year's series of falls has brought prices down to a level which—on any criterion but that which presupposes a further decline—is unquestionably attractive. A year ago, the Actuaries' indices put the average yield on gilt-edged (2½ per cent. Consols) at 2.92 per cent. and on industrial equities at 3.72 per cent.—a difference of 0.80 per cent. To-day, the gilt-edged yield is 3.35 per cent. and the equity yield 4.39 per cent.—a difference of 1.04 per cent. This year, in fact, industrial dividends and ordinary share prices, after uniting for four years in an inspiriting part-song, have changed from harmony to counterpoint.

* * *

The extent to which rising profits have lately synchronised with stationary or falling prices is brought out by the following table, which contrasts the average rates of ordinary dividend paid by certain important groups of companies (analysed in our table of industrial profits on page 178) with the indices of share values for broadly similar groups, computed by the Actuaries:—

Group	*Economist* Figures		Actuaries' Index Figures				
	Average Rate of Ordinary Dividend Paid in		Average Share Values (Dec., 1928=100) in Mid-July			Average Yield on Mid-July Prices	
	1936	1937	1936	1937	Change	1936	1937
	%	%			%	%	%
Breweries	14·0	16·3	147·1	144·1	− 2·0	3·99	4·44
Electric light and power	8·0	9·2	133·7	118·2	− 11·7	3·82	4·52
Gas	5·6	5·2	131·5	121·6	− 7·5	4·49	4·85
Iron and steel	4·5	7·0	78·5	74·9	− 4·6	3·81	5·07
Coal			100·7	120·6	+19·8	3·36	3·75
Motors, etc.*	6·9	11·6	58·3	48·8	− 16·3	4·04	4·99
Oil	15·4	20·5	82·1	96·4	+17·4	3·27	6·67
Shipping	1·8	1·6	16·3	25·3	+ 55·3	0·81	1·76
Shops and stores	15·6	16·5	85·4	74·6	− 12·7	3·66	3·89
Textiles†	8·7	5·8	40·9	46·3	+ 12·9	2·23	2·31
Electrical equipment	9·6	14·0	143·2	146·3	+ 2·2	3·81	4·37

* *Economist* figures include motor, cycle and aircraft companies; Actuaries' figures refer to motor companies.
† "Textiles" in *Economist* figures, "Cotton" in Actuaries' classification.

In seven of the ten groups, the average rate of ordinary dividend has been higher this year than last. In six groups, share values are lower to-day than a year ago. Even where values have risen, they have not kept pace with increased dividends. The average yield figures of the Actuaries (like those of share values) are based on a much smaller sample of companies than our that there is no single group which does not offer the investor a higher percentage income now than a year ago. The difference would seem to reflect both an adjustment to higher interest rates in general, and a diminished readiness to discount a further prospective rise in earnings.

* * *

Defending the Rentes.—It was a Frenchman who first emphasised the therapeutic value of self-persuasion. But it is doubtful if this week's proposal to set up a fund for maintaining the price of rentes has even the advantages of economic Couèism. When companies buy their own shares the law steps in. And when Governments attempt to manufacture an artificial price for their own wares, the effect is not to inspire confidence, but rather to increase distrust. Within the limits of a consistent credit policy, arguments may be advanced for official interest in the market for Government securities. An "open-market policy" is a recognised means of intervention by the authorities in well-organised monetary centres, and if the new fund were designed as a contribution to the machinery of an effective money market (which Paris sadly lacks), its intention would merit high praise. But when intervention means merely manipulation for what, in a less exalted context, would be called "rigging the market," it seems no more promising of success than the arbitrary maintenance of a currency above its proper level. The wherewithal for this defence fund will be obtained from the profits from the revaluation of the gold reserve of the Bank of France in consequence of the devaluation last autumn, which we discuss on pages 170 and 186. If this fund is expected to fulfil a policy of cheap money, in close co-ordination with the Stabilisation Fund, its success seems highly improbable. The Government has eschewed the proposal to convert rentes, which would involve *force majeure*, and the rentes defence fund proposal has been well received by the Bourse. But more fundamental measures to increase the attractiveness of Paris for the rentier's funds will be needed before cheap money is realised. A rentes defence fund merely palliates a symptom without removing a cause.

* * *

Wall Street.—A decidedly more optimistic sentiment has prevailed on Wall Street this week. It has been held in London for some time that the present economic conditions and future prospects in America would justify a higher level of security prices than Wall Street operators have thought reasonable. Stock markets, and Wall Street in particular, operate on hunches more than on reason. And it has been Wall Street's hunch that things in America were not as good as they might seem to the outsider. Wall Street feared a slump, or at least that rising costs would wipe out any possible increase in profits; it feared the principles of the New Deal, disliked the passing of initiative from New York to Washington, and could find nothing good to say for the Dragon in the White House. Many operators saw Wall Street condemned to a long vista of 500,000-share days, which spelled depression if not ruin. And the ever-present emissaries of the Securities and Exchange Commission were as obnoxious to Wall Street as mosquitoes, whose buzzing, according to Wall Street was useless but irritating. It was to be expected, therefore, that the President's difficulties at Washington over the Supreme Court Bill would release an upward movement, and this lasted until the New Deal supporter, Senator Barkley, was elected to lead the Democratic Party in the Senate in place of the late conservative Democrat, Senator Robinson. That choice caused a slight setback. Steels, rails and utilities were prominent in the advance—all of them stocks which might be expected to benefit from a defeat for the President and a weakening of the Administration's support for labour organisation. Fortunately, these are not the only reasons for optimism concerning security prices in America. They may have served their purpose if they open the eyes of Wall Street to the much sounder underlying reasons which justify confidence in the future progress of the American economy.

* * *

Taxing the Foreigner.—Mr Marriner Eccles chairman of the Federal Reserve Board, has make public a plan to increase the federal taxation on investments in America belonging to non-resident aliens. From the American viewpoint the present situation is neither just nor expedient. Non-resident foreigners are now liable to a 10 per cent. withholding tax, but they do not pay surtaxes or capital gains taxes. It is now proposed to increase the withholding tax to some 25 per cent. and to make the foreign holder's income liable to surtax and his capital gains to taxation on the same basis as those of resident Americans. The foreigner may avoid payment of the withholding tax only by filing an income return with the authorities and paying such taxes as he may then have levied against him according to the American schedules. There are a number of motives behind the decision of the American authorities. The Federal Treasury will gain income, and it will be easier to prevent evasion of the proper taxes by such American citizens as are able at present to disguise themselves as non-resident aliens. It will obviously put difficulties in the way of investment in America by foreigners for income or capital, although America may still retain its attractiveness as a relatively safe refuge for those fleeing from the wrath which has visited European centres. The attempt to discourage the inflow of hot money is more prominent in the mind of the Administration than any desire to discourage that almost legendary phenomenon—normal overseas investment. In the past, the State Department has discouraged similar measures in

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Imperial Chemical Industries Limited	Govt. Gold Mining Areas (Modderfontein) Cons. Ltd.
Burma Corporation Ltd.	Robinson Deep Limited
Atlas Electric and General Trust Ltd.	Distillers Company Ltd.
Gas Light and Coke Co.	Imp. Tobacco Co. (G.B. & I.) Ltd.
Imperial Continental Gas Assoc.	Ind, Coope & Allsopp Limited
Burmah Oil Co. Ltd.	Associated Newspapers Limited
London County Freehold & Leasehold Properties Limited	Daily Mail & General Trust Limited
London Brick Co. Ltd.	Griffiths Hughes Proprietaries Limited
British Plaster Board Ltd.	J. & P. Coats Limited
Boots Pure Drug Co. Ltd.	
J. Lyons & Co. Ltd.	
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order to assist its own policy of freeing the channels of international trade, but Mr Eccles now expects to receive assistance from the State Department.

* * *

The measure does provide evidence of a leaning toward a closed economic system which is becoming increasingly evident in America as a result of internal pressure and as a reaction to the meagre response so far given by the Great Powers of the world to Mr Hull's overtures. This tendency might be checked, for the door is still open for an effective trade agreement between America and the Empire. The British investor is threatened by the proposals, for, if they are implemented, he will become liable to double taxation from American and British authorities on a punitive scale. But here also the remedy lies to some extent in British hands. There is a clear case for an agreement between the two nations on double taxation in principle, and it is strengthened by considerations of financial interest. A breathing spell for negotiation is available, since legislation is not expected during the present Congress. But it is dangerous to suppose that this scheme to impose taxation on the foreigner will prove as abortive as past proposals, for the Administration is now completely informed on the holding of foreigners in America, and must be fully prepared to make its proposals effective.

Company Notes

Building Material Shares. — The market may dislike the word "slump," but, in its valuation of typical building material shares, it has for some time been acting as though the building boom was over. The recent experience of representative companies does not, *prima facie*, warrant a lowering of their investment status: the setback in the total profits of London Brick was of small significance, while the improvement in total profits of other companies was in most cases at a satisfactory rate. The latest profits of British Plaster Board (which show an increase from £411,931 to £564,396) and of Williams and Williams are also encouraging at first sight. An analysis of some typical companies follows:—

Company (and date of accounts)	Total Revenue	Earned for Ordinary		Ordinary Dividend	Ordinary Shares	
		Amount	Rate		Price and Denom.	Yield (%)
	£	£	%	%	s. d.	£ s. d.
London Brick (Dec. 31)—						
1934	586,406	376,194	24·7	22½	} 58 9 (£1)	7 13 3
1935	594,041	383,516	24·4	22½		
1936	591,569	406,044	22·6	22½†		
Marston Valley (Mar 31)—						
1935	104,818	71,713	20·6	20	} 10 0 (5s.)	10 0 0
1936	135,472	98,152	28·5	20		
1937	181,349	120,092	23·1	20		
Assocd. P. Cement (Dec. 31)—						
1934	810,037	351,239	10·0	10	} 91 3 (£1)	4 18 6
1935	1,104,194	782,729	23·0	20		
1936	1,149,494*	879,617	26·0	22½		
British Plaster Board (Mar. 30)—						
1935	139,000	126,810	50·5	40	} 35 3 (5s.)	7 1 9
1936	411,931	302,424	60·5	50		
1937	564,397	405,855	71·6	50		
Williams & Williams (Apr. 30)—						
1935	32,589‖	16,971	17·8	5	} 10 3 (5s.)	7 7 0
1936	46,397‖	26,416	28·1	10		
1937	66,153	43,653	28·3	15		

* After deducting sundry reserves. † Also capital bonus of one £1 ordinary share per £9 stock. ‖ After interest paid.

The market's apprehensions, however, now have some statistical support. Following a 28 per cent. fall in the value of building plans in May, the June preliminary returns show a 13.2 per cent. fall compared with June, 1936. For the first six months of the year, housing plans passed were valued at £33.7 millions, against £39.5 millions, and non-residential building has made good only part of this fall, and the total for all classes is £57.8 millions, against £61.5 millions for January to June last year. The divergence of trend between house and other building has been evident for some time past, and is reflected by the difference of yield between brick shares and other building material issues. Cement shares now offer a higher return, but present dividends are expected to be at least maintained. Cement companies share not only in continued industrial expansion, but also in the public works activity which, it is urged, should be developed in times of depression. Nor need the investor ignore the potentialities of improvement and maintenance of existing buildings, as compared with new construction. But the market is probably right in taking a sober view of the future demand for bricks, for assuming a continued decline in dwelling-house building and a growing use of concrete, a yield exceeding 7½ per cent. may not be as excessive as it seems even for so sound a concern as London Brick.

* * *

Southern Railway Statement—The market was well satisfied with the Southern Railway statement on Thursday, when an interim dividend of 2 per cent. was declared on the preferred ordinary stock, compared with 1 per cent. last July. An immediate advance to 93½ was recorded by Southern preferred, and other rail stocks responded similarly. Whether succeeding statements will rival the merits of the Southern announcement, however, remains to be seen. Passenger receipts for the half-year show an increase of £403,000, but goods traffics, with a fall of £65,000, are disappointing compared with the progress recorded by the other three lines. Railway expenditure, however, has increased by the moderate amount of £188,000, and 44½ per cent. of the increase in railway gross receipts has thus been retained net. With the addition of £60,000 from net receipts from steamboats, etc., net revenue has increased by £210,000. These figures show a striking improvement over those recorded for the first half of 1936, when a fall of £17,000 in net revenue was recorded. They plainly suggest that the long-term advantages of electrification are becoming an important factor in net revenue possibilities. With the full dividend on the preferred stock assured, the bulls of Southern deferred come into their own. The half-year's results in fact suggest that other things being equal, the much-canvassed 2 per cent. earnings figure may yet be approached. But such estimates must remain conjectural until outstanding questions of charges and wages are decided. The London and North Eastern statement was awaited as we went to press.

* * *

W. and T. Avery.—The ordinary shares of W. and T. Avery are among that select list which does not attract speculative attention, but is cherished by the investor for steady expansion of earning power. For the past decade this weighing machine concern has paid 15 per cent. on its ordinary capital, but its progressive character is marked by periodical capital bonuses—50 per cent. in 1928 and 20 per cent. in 1935—when the directors are satisfied that dividends can be maintained on the increased capital. The company, by common report, has been operating at full pressure during the past year, and an increase of £20,000 in profits to £209,195 may be regarded as satisfactory. The 15 per cent. dividend is covered by earnings of nearly 24 per cent. compared with 21 per cent. for 1935-36, as the following table shows:—

Years to March 31st

	1935	1936	1937
	£	£	£
Profit	155,386	189,502	209,195
Depreciation	22,471	29,987	32,550
Fees	8,829	9,914	10,000
Preference dividend	11,565	11,565	11,349
Ordinary Shares:			
Earned	*112,521*	*138,036*	*155,296*
Paid	81,628	98,764	97,608
Earned (%)	*20·7*	*21·0*	*23·9*
Paid (%)	15*	15	15
Reserve	30,000†	37,363	55,000†
Carried Forward	60,483	62,392	65,080

* And 20 per cent. capital bonus. † Pensions Reserve received £100,000 from General Reserve in 1935 and £10,000 from revenue in 1937.

These advantages explain why the £1 ordinary shares, which have fallen from 90s. to 81s. this year, still yield no more than £3 14s. per cent. The company, of course, is affected by the trend of business generally, and it should enjoy some participation in a recovery of world commerce. And its precision work can probably be turned to armament purposes in case of need. The company's financial circumstances are strong, and though it is difficult to forecast any rapid upward movement in the shares, they have all the attributes of a sound long-term holding.

* * *

Griffiths Hughes Questions—The full report of Griffiths Hughes Proprietaries offers no mitigation of the decidedly disappointing showing made by the preliminary figures of the operating company, and of the reduction in the parent company's dividend from 17½ per cent. to 11 per cent. Nor is the fall in trading profits from £444,801 to £221,650 accompanied by any explanation in the report. Meanwhile the £1 shares of the holding company have fallen from 32s. 6d. in May to a present level of 25s. 7½d., and at this price they offer the significantly high yield of £8 12s. per cent. Next week's meeting will provide an opportunity for a frank discussion of the company's circumstances, of which all concerned should take full advantage. For the present shareholders can only fall back on inference. Some investors paid up to 62s. 6d. per share for a holding in a company whose main asset is goodwill arising from successful salesmanship, and whose main expenses are advertising costs necessary to build up and maintain its goodwill. But the accounts have never given any indication of the quantitative importance of these advertising costs. For analytical purposes the history of the operating company's trading profits has been as follows:—

Years to March 31st

	£		£
1930	191,187	1934	447,346
1931	275,370	1935	452,205
1932	479,956	1936	444,801
1933	437,884	1937	221,650

These figures exclude any income received from subsidiaries, and up to 1934 they are taken from the prospectus. As they stand, they afford a record of rapid advance between 1930 and 1932, of noteworthy stability at a high level from 1932 to 1936, and of steep and unlooked-for recession in 1937. Is the rapidity of that descent, in a period of advancing economic prosperity, attributable wholly to general trading causes? A full statement of the part which advertising and other special or non-recurring items have played each year since 1932 seems essential before any investment significance can be attached to the profits figures, or any deductions whatever can be drawn as to the correct market value of the shares.

* * *

Distillers' Progress.—Sir Alexander Walker's speech at the Distillers' meeting on July 16 corroborated the view that the company's stock is of the type which a substantial investor may lock away in a japanned box with the certainty of present security and ultimate appreciation. Although the whisky and potable spirit side of the business remains a leading—and improving—profit earner, the Distillers' group of companies comes every year nearer to filling a rôle akin to that of Imperial Chemical Industries, as a supplier of essential raw materials to modern industry. Its industrial alcohol sales further increased last year. This branch is certainly not yet profitable enough to be more than a second string to the group's original business. But the board's policy of encouraging a wide increase in consumption by low prices is bearing fruit in lower manufacturing costs. Sales of "Discol," a motor fuel whose alcohol content is solely supplied by Distillers, are also showing a steady rise. There has been progressive development in the chemical sections of the business. Production of plaster board has continued to expand. The market for carbonic acid gas has so largely developed that Distillers has supplemented its plants at Dagenham and Hull by new units installed at Bankhall and Hammersmith. All this clearly gives special point to the company's conservative financial policy. The chemical side offers immense potentialities, but its capital requirements, in the interim, will be substantial. The company will eventually have many winners, but it must frequently back several runners for a place. In short, Distillers shares are less a market counter than a gilt-edged equity with equal proportions of each element.

* * *

City of London Brewery.—The market has always shrewdly surmised that City of London Brewery and Investment Trust had impressive capital profits at its disposal, arising from the sale of certain assets of Nalder and Collyer's Brewery (its subsidiary) to Ind Coope and Allsopp last year. But these profits, whatever their amount, remain beyond the deferred stockholders' grasp. The Nalder and Collyer's report does indeed show that £1,617,993 has been taken to reserve as a capital profit—a figure which appears to square with the reported sale price and the book value of the assets sold. No part of these profits, however, appears to have been brought into account by the Trust, which has declared a 20 per cent. capital bonus on the deferred shares without paying a cash dividend. This operation appears to be designed to straighten out the capital structure on the basis of a permanent increase in the Trust's investment holdings, part of which (presumably arising from the Ind Coope and Allsopp shares received last year) is already shown in the Trust's holdings. The ultimate treatment of these capital profits and the proper dividend basis for the deferred shares would seem to merit discussion at the meeting. At the present price of 18s. 9d. cum rights, the 5s. deferred units yield no more than 1¾ per cent. on last year's earnings.

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Tate and Lyle Policy.—The publication this week of a statement " for information " regarding the 6 per cent. preference shares of Waterloo Sugar Estates (Trinidad) completes a further stage in the development of colonial sugar supplies by Tate and Lyle. Sir E. W. Tate gave a general outline of the company's new policy at the last general meeting in December. In October, the company had acquired a substantial financial interest in Caroni Sugar Estates, also a Trinidad grower. Tate and Lyle provided a preference dividend guarantee and technical assistance, and in return appointed three directors to the board and obtained an equity interest. Following the formation of the British Sugar Corporation, and the agreement between the beet sugar growers and the refining industry, the returns from the company's beet sugar interest may now be regarded as stabilised. The new policy appears to be linked with the fact that sugar from Empire sources last year amounted to 80 per cent. of the company's trade for home consumption. It is advantageous to increase this proportion, and the company's provision of funds and technical advice to colonial growers should prove a good investment. In the case of Waterloo Sugar, Tate and Lyle guarantee the dividend on 320,000 6 per cent. £1 preference shares until 1947, and subscribe 265,200 5s. ordinary shares, 2s. 6d. paid, out of 520,000 shares.

* * *

Tanganyika Concessions Report.—A net loss of £78,156 is reported for 1936 by Tanganyika Concessions, resulting from a sale of Union Minière shares at less than book value. Receipts from dividends and interest, in fact, totalled £71,594, compared with a mere £4,202 for the previous year. Signs of progress, therefore, are apparent, but they are not yet of a far-reaching nature. Taking the company's main interests in turn, the Union Minière capital reorganisation has been effected, and the Concessions Company has increased its interest to 176,581 shares. The Union Minière accounts showed a net profit, converted into sterling, of £1,232,160 last year, compared with £680,090, and Tanganyika Concessions ranks for a net dividend of £106,000 on its holding. In future, Tanganyika Concessions will rank for 4 per cent. of any excess of distributed profits over Frs. 93,150,000. This is perhaps the most promising part of the company's holdings, for Union Minière is now producing at the rate of 180,000 tons of copper per annum, at a current price some £20 higher than last year. Kentan Gold Areas and Rhodesia-Katanga are still in various stages of development. The large interest in the Benguela Railway still stands in the balance sheet at £6,571,877, but traffics have not improved to the point at which any precise value can be placed on these interests. Improving receipts, moreover, must first be devoted to providing adequate sums for renewals, and it can only be said that the present book figure is substantially in excess of the true current value. Again, Tanganyika Concessions guarantees principal and interest on African Railway Finance 2 per cent. debentures to the extent of £1,467,000. This company's assets consist largely of " B " preference shares in Tanganyika Concessions. To date, £449,000 has been advanced on loan to this concern, and while the annual charge will be reduced by £25,000 in future, the ultimate settlement of the sum outstanding depends wholly on the potential marketability of Tanganyika Concessions " B " preference shares above their present level of 15s. Since they are convertible into ordinary shares until 1943, their prospects in turn depend upon the movements of the ordinary shares, now at 13s. 9d. It is difficult to foresee a recovery in earnings on a sufficient scale to enable the company to adjust its balance sheet in the near future, or to justify an immediate improvement in the ordinary shares.

* * *

Other Company Results—Results from nearly seventy additional companies are included in our usual summary of profit and loss accounts, which appears on page 219. Of this total, however, more than twenty reports come from rubber companies. The industrial companies include *Scribbans, Threlfall's Brewery* and *W. Barratt*, and the list is discussed in detail under the heading " Shorter Company Comments " on page 220.

* * *

Company Meetings of the Week.—Reports of this week's company meetings will be found from page 201 onwards. The *Distillers Company* meeting is discussed on page 193. Sir Francis M. Voules, at the *Kuala Muda Rubber Estates* meeting, commented favourably on the prospects for the company's large holding in Kepong (Malay) Rubber Estates and on the statistical position of rubber. The chairman of *Victoria Falls and Transvaal Power*, reported on his recent visit to South Africa, and expressed satisfaction with the company's co-operative relations with the Union Government. Despite disturbances of the price of gold, mining activity was maintained and the company's sales of power had increased. At the first *New Broken Hill* meeting, Lord Horne referred to the satisfactory results of drilling operations, and to the advantages of co-operation with the Zinc Corporation. The chairman of *Eastwoods Cement*, Mr Horace Boot, declared that the lull in house building had been more than offset in the case of cement by construction of roads, aerodromes, factories and public works. At the meeting of *Eastwoods Flettons*, Mr Boot reported continued progress, and emphasised that increased public and industrial construction was taking the place of house-building. Addressing *Consolidated Tin Smelters* shareholders, Mr E. V. Pearce drew attention to the fact that costs were the lowest on record, and expressed optimism regarding the future of the tin industry. Mr Walter Fletcher emphasised that *Hecht Levis and Kahn* had benefited from rubber market activity and that stocks were well covered by forward sales. Mr E. Russell Polden mentioned to shareholders of *Amalgamated Dental* that increased dental services were an essential corollary of the physical fitness campaign. Mr Eric Macfadyen, at the *Straits Plantations* meeting, reported favourably on the steady prospects for copra, and the efficient production of palm oil on the new property recently purchased. Mr W. Garfield Weston said that *Allied Bakeries*, with 2,786 employees, 17 bakeries, 86 shops, and 494 bread routes in operation, was now the largest of its kind in the country. The successful policy of buying properties with reversionary values was discussed by Mr Philip E. Hill at the *Covent Garden Properties* meeting. At the *Zinc Corporation* meeting, Lord Horne outlined the successful results of the past year's varied activities. The improved prices of lead and zinc accounted for increased proceeds from production, which greatly exceeded the increased costs. Investments in associated companies showed satisfactory results, the prospects for New Broken Hill Consolidated were good, the technical working of the mine was in excellent order, and the readjustments of the Australian organisation were proceeding favourably. Mr G. Kingsley discussed the successful results of *Merlimau Pegoh*, and stated that the statistical position of rubber was sound. At the *Standard Bank of South Africa* meeting Sir Samuel H. Wilson commented on the prosperity attained by the Union, and the central part played by the gold-mining industry. Mr E. B. Ridsdel, chairman of *Chungloon Rubber*, welcomed the increased export allowance permitted by the Restriction Committee. At the meeting of *H. E. Proprietary*, Sir Frederic Hamilton declared that world gold stocks were not too high, and that the rate of supply would tend to diminish in the future. The record profit of *United Dominion Trust* was discussed by Mr J. Gibson Jarvie. Their Trust had decided to offer the 75,000 ordinary shares still unissued. Sir Edward Rosling, reporting improved results by *Bukit Rajah Rubber*, praised the success of the Regulation Scheme. The chairman of *Bristol Aeroplane*, Mr W. G. Verdon Smith, stated that the works were now employed to full capacity. The company is assisting in the production of Bristol aircraft and engines by other companies within the " Shadow Scheme."

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: AUGUST 10 **ACCOUNT**: AUGUST 12

THE first week of the three-week holiday account has begun in dull style. Holidays at home, diplomatic moves in the non-intervention deadlock, and the war on Peiping do not make for good markets. Some of the international stocks have done well, but gilt-edged are lower, industrials featureless, and Kaffirs weak.

Gilt-edged opened easier, amid idle conditions. War Loan fell below par once more, and there was considerable evidence of " swapping " from longs into shorter dated stocks like 2¾ per cent. Funding and the National Defence Bonds. The further corporation borrowing on more favourable terms to the borrower checked the recent activity in corporation scrips. Dominion issues were also less active, and the recent premiums were not maintained on the Cape Town and Commonwealth scrips.

The dangerous situation in North China produced heavy falls in Japanese and Chinese issues, and a recovery on Wednesday was based on premature reports that peace might be preserved. Falls of several points were common throughout this group. Greek bonds were still responsive to the forthcoming debt negotiations. In the Brazilian list, American purchasing of the 6½ per cent. issue of 1927 was reported, and the 5 per cent. loan of 1903 was also in demand. Funding issues, however, were sold, on the idea that the new debt settlement might seek a reduction of interest.

The home rail market remained under the shadow of the wage tribunal hearings, and would not commit itself to a view on good traffics in advance of the dividend announcements. The Southern Statement, discussed on page 192 put the market in better spirits. London Transport " C " stock provided a redeeming feature, with a steady recovery to 81. At first, the Argentine list was completely idle, but a good batch of traffics helped the ordinary stocks to secure fractional improvements.

Only small support was given to home industrials at first, and business became even more subdued later. The trans-Atlantic section was the most impressive, International Nickel and U.S. Steel responding to Wall Street's bullish mood. Johnson and Phillips and Telegraph Construction were the bright features in the electrical equipment section. Motors improved slightly but changes were rarely important. Handley Page opened higher, but aircraft shares were generally dull, with Rolls Royce particularly affected. In a firm opening market, moderate improvements in steel shares were recorded, but the later tendency was uncertain and easier. Chinese Engineering were an especially weak feature on the critical situation.

In the brewery market, the South African Wines results were adversely received, after a sharp rise in the shares in anticipation of the results. Distillers improved in mid-week, and fractional advances were reported in other brewery issues. Fixed price store shares moved to lower levels, and International Tea were a conspicuously weak feature. The improvement in freight rates assisted shipping shares. Uncertain changes ruled in the miscellaneous section, and building material shares were affected by the June building plan figures. On the other hand, some of the engineering issues registered small improvements.

The oil share market showed a welcome improvement, for which the strength of the American market appeared partly responsible. Trinidad issues, in particular, were in good demand, but the twin Eagles experienced a sharp setback on Wednesday afternoon on news of further labour troubles on the Mexican fields.

Rubber shares continued quiet, and the pervading dullness deepened into something approaching depression with the fall of the commodity below ninepence. Dealings were in any case very small, and there is no solid ground for uneasiness. Tea shares were surprisingly bright, but this feature was not entirely pleasing. Prices were over-sensitive to a small public investment demand, for the market has been practically cleared of shares in the last few weeks. The outlook for tea shares is discussed on page 189.

There were few changes of any consequence in the Kaffir market amid a general atmosphere of depression. West Wits. were particularly weak, and the technical disturbances from Johannesburg have not ceased. Activity in copper shares was not marked, though the tone was on the whole firm. The best prices, however, were not maintained.

Tin shares continued relatively bright, though as the week advanced they presented a more uneven appearance. The general tone was good enough to withstand some professional profit taking.

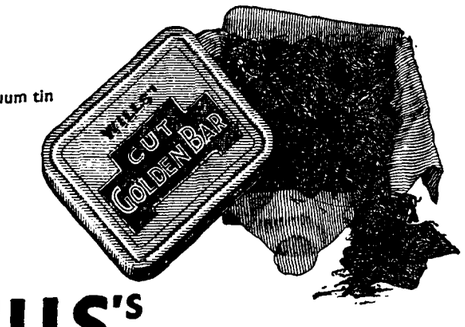
(*Continued on page* 198)

GOLDEN MOMENTS

The Men's Singles

'Vantage striker—he leads 6 to 5 in the fifth set. A fizzing service, but a brilliant return and the match is over—a new Champion. What a Golden Moment it must be for him as he makes the winning stroke.

But even he cannot buy a better tobacco than "Cut Golden Bar" at a shilling an ounce. But it must be Wills's.



2 oz. Vacuum tin



WILLS'S CUT GOLDEN BAR

READY RUBBED
In 2 oz. Pocket Vacuum Tins and 1 oz. Airtight Tins.
FLAKE FORM
In 2 oz. Vacuum Tins and 1 oz. Packets.

1/- AN OUNCE

Issued by The Imperial Tobacco Company (of Great Britain and Ireland), Ltd. C9 87 6

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to July 21, inclusive Highest	Lowest	Name of Security	Price, July 14, 1937	Price, July 21, 1937	Rise or Fall	Yield July 21, 1937 £ s. d.
				British Funds				
87¼	82⅝	84 13/16	73⅝	Consols 2½%	75	74½	−½	3 7 4
116¾	112¾	113	105⅜	Do. 4% Red. at par on or after Feb. 1957 (n)	107x	107	...	3 10 0
102 7/16	100	101 5/16	94¾	Conversn. 2½% 1944-49	95½	95	−½	2 17 6
105⅞	103 5/16	103 5/16	97⅜	Do. 3%, 1948-53	98¼	98½	...	3 4 0
108 3/16	104½	106 11/16	99⅝	Do. 3½% after 1961	100¼	100	−¼	3 11 3
111 11/16	107	108	105	Do. 4½% 1940-44	105⅝	105⅝	...	2 10 6
121¼	116½	117½	111 11/16	Do. 5% 1944-64	112¼	112¼	...	3 1 0
95 13/16	92⅛	92½	84¼	Funding 2½% 1956-61	85½	85½	...	3 7 0
...	...	93¾	89⅞	Funding 2¾% 1953-57	90¼	90¼	...	3 7 0
104½	101	101⅝	92⅞	Funding 3% 1959-69	93½	93½	...	3 7 0
119½	115⅝	116⅝	109	Funding 4% 1960-90	110	110	...	3 7 9
117 5/16	113⅞	114⅝	107⅝	Victory Bonds 4%	109	108½	−½	3 11 6
108 3/16	104¼	105 11/16	99⅝	War Ln 3½% after 1952	100⅜	99⅝	−⅝	3 10 4
98½	94¾	96 13/16	85	Local Loans 3%	85⅞	85½	−¼	3 10 2
103¼	101½	101⅝	99¼	Austria 3% 1933-53	100x	100	...	3 0 0
76½	70½	72	62	India 2½%	65½	65	−½	3 16 11
89½	83½	85½	74⅜	Do. 3%	77	77	...	3 17 11
100	96	98¾	87	Do. 3½%	91	91	...	3 16 11
120⅝	116	119½	112¼	Do. 4½% 1958-68	113½	113½	...	3 11 3
107	104	105¾	103¼	U.K. & Arg. 4% A (1947)	103¼	103¼	...	3 11 6
				Dom. & Col. Govts.				
113⅝	109½	109⅞	105	Australia 5% 1945-75	106	106	...	4 2 2
106½	102¾	104½	101	Canada 4% 1940-60	104	104	...	2 16 3
118⅝	114	116½	112⅝	Gold Coast 4½% 1956	113	113	...	3 10 1
120	117	117½	114	Nigeria 5% 1950-60	114x	114	...	3 12 5
114½	108	109⅞	104	N. Zealand 5% 1946	106	106	...	4 2 2
109⅞	106½	107⅝	104	Queensland 5% 1940-60	104	104	...	3 11 5
117¼	113⅝	114	110½	S. Africa 5% 1945-75	111	111	...	3 8 2
				Foreign Governments				
...	...	103	97	Argentine 4½% Str. Bds	100x	100	...	4 10 0
102	90	105	98	Austria 7% 1957	103x	103	...	6 14 4
93	82	90	84½	Do. 4½% 1934-59	85½	85	−½	5 15 3
72½	71½	73	68⅝	B. Aires (Prov.) 3½%	71½	71	−½	4 18 7
97½	95½	100½	96	Belgian 4% red. by 1970	100	100	...	4 1 0
27½	14	30½	24½	Bulgaria 7½% Loan	27½	29½	+2	8 9 6m
89¾	65½	89	84	Brazil 5% Fund. 1914	88½	86	−2½	5 16 3
23½	16	28	23½	Chili 6% (1929)	24½	24½	...	2 9 0v
84½	66	94½	81½	China 5% (1912)	89	86½	−2½	5 15 7f
95½	80	101⅝	89½	Do. 5% (1913)	95x	93½	−1½	5 6 11f
112	95½	106	103½	Czechoslovakia 8%	105½	105	−½	7 11 0
110	98	100	92½	Danish 3%	96x	96	...	3 2 0
70	57	72⅝	51½	Danzig 6½% (g) (1952)	60½	63	+2½	9 2 9
106½	102	105½	101	Egypt Unified 4%	101½	101½	...	3 18 6
25½	17½	18	13½	French 4% (British)	14½	14½	...	5 7 0
69½	53	65	53	German 7% Dawes Ln.	65	64	−1	10 18 9
46	34	49½	35	Do. 5½% (Young Ln.)	46	45½	−½	12 1 9
40	29	38¾	30	Greek 6% Stab. Ln.	35½	38½	+3	6 4 8w
45½	35½	46	38	Do. 7% Refugee	43½	45½	+2	6 4 8w
52	39½	62	47½	Hungary 7½%	60½	60½	...	6 4 0h
90½	79½	88¾	75	Japanese 5½% 1936-65	82½x	78	−4½	7 7 11
97½	83	94¾	81	Do. 6% (1924) red 1959	88½x	83½x	−5	7 11 0
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 9 0
53½	41	61	54	Peru 7½% 1922	60	60	...	...
93½	60	83	56	Poland 7%	59	58	−1	12 1 3
15½	8¾	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113½	114	+½	4 2 6
92½	79	95½	91	Do. C. Certs. (3% Max.)	95½	95½	...	3 2 10
				Corporation Stocks				
27⅝	22	25	22	Berlin 6% 1932-57	25	25	...	...
119½	116	118	111	B'mgham 5% 1946-56	114	114	...	3 3 8
120	117	119	113½	Bristol 5% 1948-58	116	116	...	3 9 0
84	64	82	64	Danzig 7% (i) (1950)	70	72	+2	8 13 4
121½	117½	119½	116	E. London 5% 1960-70	116½	116½	...	3 18 0
97½	93½	95½	83½	L.C.C. 3%	84	84	...	3 11 5
106½	85½	103½	97½	Seine (Dpt of) 4½% 1952	98½x	97½	−1	4 14 9

Prices, Year 1937 Jan. 1 to July 21, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) (c) %	%	Name of Security	Price, July 14, 1937	Price, July 21, 1937	Rise or Fall	Yield July 21, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	114	114	...	3 14 0
				LONDON PASSENGER TRANSPORT BOARD—				
123⅝	110½	2¼	2¼	4½% "A" 1985-2023	116½	115½	−1	3 15 0
135	121½	2½	2½	5% "A" 1985-2023	125⅛	125⅛	...	3 16 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 4 9
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 0
90½	77	2½(b)	1½(a)	"C" 1956 or after	79½	81	+1½	4 18 9
90½	86	1½	1½	Met. Wat. Bd. "B" 3%	88	88	...	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 7 2
				British Railways				
65½	55⅝	½(a)	2½(b)	G. Western Ord. Stk.	64½	63½	−1	4 14 6
6½	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5½	5	−½	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	10½	10	−½	Nil
100½	89¾	4½(c)	5(c)	Do. 5% Pref. 1955	96	96	...	5 7 2
29½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	28	27	−1	1 17 1
79½	64½	3½(c)	4(c)	Do. 4% 1st Pref. Stk.	73½	73	−½	5 9 7
35½	27½	Nil (c)	1½(c)	L.M.S. Ord. Stk.	34	33½	−½	3 14 8
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	79	78½	−½	5 1 11
92½	80	2(a)	2(b)	4% Pref. Stk.	87	86	−1	4 13 0
27⅝	21 13/16	Nil(c)	½(c)	Southern Def. Stk.	22½	22	−½	2 5 6
96½	87½	1(a)	4(b)	Do. 5% Pref. Ord. Stk.	93	93	...	5 7 6
125⅝	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 5 10
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	19	−1	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	10½	10	−½	Nil
36½	24⅝	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25½	25	−½	Nil
31½	20	Nil	Nil	B.A. Western Ord. Stk.	23	22½	−½	Nil
34½	24½	Nil	Nil	C. Argentine Ord. Stk.	25½	25	−½	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	4	6½	+2½	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	12	12	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	87½	87½	...	2 5 9
37	34½	2(c)	2(c)	Costa Rica Ord. Stk.	36	34½x	+½	5 15 11
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	25	24½	−½	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
82/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
[illegible]	86	†2(a)	†3(b)	San Paulo Ord. Stk.	90½	88½	−2	5 13 0†
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5½	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 21, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) (c) %	%	Name of Security	Price, July 14, 1937	Price, July 21, 1937	Rise or Fall	Yield July 21, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0e
376	334½	6(a)	6(b)	Bank of England Stk.	342½	341½	−1	3 10 3
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/-x	75/-	...	3 14 0
48/3	40/-	3(b)	2½(a)	Barcl. (Dom. &c.) A £1	42/6	43/-	+6d	2 13 0
10⅞	9½	3½(a)	4½(b)	Bk. of Australasia (£5)	9½	9½	...	4 3 3
£49½	£44½	8(c)	8(c)	Bk. of Montreal ($100)	£45½	£45	−½	3 11 0e
29⅝	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27½	27½	...	3 3 0
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	95/-	...	6 6 4
17	14 5/16	7(a)	7(b)	Chtd. of India (£5)	15	14⅞	−⅛	4 8 0
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	15/-	14/4½x	−3½d	3 12 0e
94/-	83/9	16⅔(b)	16⅔(a)	District A £5, £1 pd.	85/-	83/9x	+5d	3 19 3
58/-	51/-	5(b)	5(a)	Do. B £1 fully paid	52/6	51/3x	−3d	3 18 0
108/9	93/9	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	10⅞	10⅞	...	4 2 3
121¾	108½	3(b)	2½(a)	Hong. and S. ($125)	£116	£109x	−£4½	5 0 11
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/-	60/-x	+2d	4 0 0
10 5/16	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9½	9⅝x	+1/16	3 15 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	91/-	88/-x	−1/5	3 12 9
44½	39	4(a)	11(b)	Nat. of Egypt £10	39½	39½	...	3 15 6
47⅝	39	9(a)	9(b)	Nat. of India £25, £12½ pd	42	41½	−½	5 8 0
16¼	14⅝	15(b)	15(a)	Nat. Prov. £20, £4 pd.	14⅞	14 15/16x	+⅛	4 1 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	465	463	−2	3 13 6
16½	14 5/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 4
101/4½	90/6	18(b)	18(a)	Westminster £4, £1 pd.	93/6	91/6x	−2d	3 19 0
				Discount Cos.				
94/6	65/-	10(b)	7½(a)	Alexanders £2, £1 pd.	67/6x	67/6	...	5 3 6
6⅝	5½	5(b)	5(a)	National A £2½ fully pd.	6½	6½x	...	4 1 0
16 5/16	13	17(b)	9(a)	,, B £7½, £2½ pd.	13½	13¼x	−6d	4 18 0
54/9	44/3	6½(b)	3¾(a)	Union £1 of stock	45/-x	45/-	...	4 9 6
				Insurance				
32	26 13/16	40(a)	50(b)	Alliance £1, fully pd.	27½	27	−½	3 6 0
15 13/16	13⅝	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	14½	14½	...	2 16 0†
10 13/16	9½	20(a)	20(b)	Com. Un. £1, fully pd.	10½	10½	...	3 18 0
6 5/16	5½	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5½	5½	...	3 2 0
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30½	30	−½	3 6 6
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1¼, fy. pd	12⅞	12½	−½	2 13 0
21¼	18⅝	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22¼	19	†26½(b)	†25(a)	Pearl (£1), fully paid	20½	20x	...	2 11 0†
16 13/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16⅞	16½	...	3 14 6
37⅝	33½	†93⅓(c)	†95⅓(c)	Prudential £1 A	34	33½	−½	2 17 6†
114/-	103/9	†43⅓(c)	†50(c)	Do. £1, with 4s. paid	107/6	105/-	−2/6	1 18 0†
11 5/16	9 13/16	11(a)	19(b)	Royal Exchange (£1)	10⅝	10⅝	...	2 18 0
9½	8 13/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅞	8⅞	...	3 12 6
19½	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	17	16½	−½	3 19 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	85/-	85/-	...	3 2 0
8⅝	7½	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7⅞	7⅞	...	2 6 0†
21	18⅝	†17½(a)	†30(b)	Yorkshire £1, fully pd.	19	19	...	2 11 0†
				Investment Trusts				
311½	277	3½(a)	8½(b)	Anglo-American, Deb.	282	282	...	4 5 1
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/1½	1(c)	Nil (c)	Atlas Electric, etc. £1	5/9	5/6	−3d	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	12/-	12/-	...	3 1 9
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	144½x	144½	...	4 10 0
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	265	265	...	4 3 0
336	282	5(a)	8(b)	Invest. Trust Def.	290	285	−5	4 11 3
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	273	270x	+½	4 5 2
181½	171	3(a)	4½(b)	Merchants Trust Ord.	174½	172½	−2	4 6 11
302	288	7(b)	5(a)	Metropolitan Trust	294	290x	+1	4 2 9
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 16 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	229	3(a)	7(b)	Trustees Corp. Ord.	230½x	230½	...	4 6 9
253	222	7(b)	4(a)	United States Debenture	222½	225½x	+7	4 17 7
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	16/-	16/-	...	1 11 6
37	28	Nil	Nil	Australian Estates, etc.	28½	28½	...	Nil
45/-	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/- fy. pd	33/-	33/-	...	4 11 0
30/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	33/9	33/9	...	5 18 6
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	43/-	†2½(a)	†8⅔(b)	Daily Mail & General £1	43/6	43/9	+3d	5 2 6†
9⅝	8½	†3½(b)	3⅓(a)	Dalgety £20 £5 pd.	8½	8⅜	−⅛	4 15 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	27/-	27/-	...	6 6 0
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	36/-	36/-	...	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	28/1½	27/6	−7½d	4 7 0
14½	10½	Nil	Nil	Peruvian Corp. Pref. Stk.	11	11	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/3	...	6 14 0
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	46/3	45/7½	−7½d	4 8 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	88/9	88/9	...	2 16 3k
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	34/-	34/-	...	4 14 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	133/6	133/6	...	3 12 0†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	91/-	91/-	...	4 7 9
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	72/-	72/-	...	3 18 0
22/4½	17/10½	6(c)	20(t)	City of London Def. 5/-	18/6	18/9	+3d	5 7 6
94/6	86/6	6(a)	14(b)	Courage Ord. £1	90/6	90/6	...	4 7 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	109/-x	109/-	...	4 2 0
143/-	118/9	17(b)	12(a)	Guinness (A) Ord. Stk. £	138/9	136/3	−2/6	4 5 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	119/-	118/1½	−10½d	4 13 3
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/-	...	4 16 9
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	100/-	100/-	...	4 14 3
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	69/6	69/6	...	4 19 0
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	80/-	80/-	...	4 10 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	104/-	104/-	...	4 6 0†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	65/-	64/4½	−7½d	6 10 0
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	45/-	43/9	−1/3	4 11 5
27/6	21/3	5(c)	6(c)	Walker (P) & R. Cain £1	24/6	24/6	...	4 18 0
88/-	72/-	12(b)	8(a)	Watney Combe Def. £1	82/9	82/9	...	4 6 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/6	30/6	...	7 5 6
4/4½	2/6	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/9	47/9	−1/-	4 4 3
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	9/3	9/-	−3d	4 9 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 8 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	36/6	35/6	−1/-	4 5 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	42/6	...	3 15 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	12/6	12/6	...	1 19 3
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	27/-	27/3	+3d	5 1 3
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/3	13/-	−3d	3 16 0
87/6	76/6	5(a)	15(b)	Cory, William, Ord. £1	85/-	87/-	+2/-	4 12 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	52/6	50/7½	−1/10½	2 7 6
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	73/9	72/6	−1/3	3 17 3
37/3	30/10½	†2½(a)	†8½(b)	Guest Keen etc. Ord. £1	34/4½	34/4½	...	3 9 6†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3½% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½% (i) Interest reduced to 5% (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 21, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) (c) %	%	Name of Security	Price, July 14, 1937	Price, July 21, 1937	Rise or Fall	Yield July 21, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	3⅜(a)	10(b)	Hadfields 10/-	33/-	33/-	...	4 2 6
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/6	6/6	...	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	34/4½	34/4½	...	2 18 0
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	34/4½	34/4½	...	2 18 0
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/6	17/-	−6d	2 6 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	14/-	14/-	...	3 8 0
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	24/9x	25/-	+3d	5 12 0
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	23/3	23/-	−3d	5 8 9
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	48/9	48/9	...	4 2 0
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/6	41/6	...	5 15 3
57/6	47/6	11(c)	12(c)	S. Durham Steel & Iron Ord. £1	47/6	47/6	...	5 1 0
33/6	25/7½	5(c)	6(c)	S. Durham Steel & Iron B Ord. £1	27/6	27/6	...	4 6 6
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
60/6	52/3	†6(b)	†3(a)	Staveley Coal, etc. £1	59/4½	60/-	+7½d	3 0 0†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	39/4½	39/4½	...	3 16 0
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	32/6	32/6	...	4 12 4
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/6	13/9	+3d	7 5 8
28/1½	20/7½	Nil	Nil	Thornycroft, John, £1	22/6	22/6	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-	7/9	−3d	3 4 6
$129½	$76½	Nil	Nil	U. States Steel $100	$112½	$119½	+$7	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	30/9	31/-	+3d	4 17 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	29/3	28/9	−6d	3 9 7
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	33/1½	32/6	−7½d	4 12 4
49/4½	40/10½	6(c)	10½(c)	Weardale Steel etc. Df £1	42/6	42/6	...	5 0 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	120/-x	120/-	...	5 16 8
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	65/-	65/-	...	4 12 6
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/3	7/6	+3d	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	7/9	7/9	...	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/-	6/9	−3d	Nil
15/6	10/1½	Nil	Nil	Calico Printers £1	10/9	10/9	...	Nil
55/-	45/6	10(c)	10(c)	Coats, J. and P. (£1)	46/10½	46/3	−7½d	4 6 6
54/4	50/7½	7(b)	3½(a)	Courtaulds £1	51/3	50/9x	+2d	4 2 6
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	42/6	43/1½	+7½d	4 12 6
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	9/3	9/3	...	Nil
38/3	33/-	3(a)	5½(b)	Linen Thread Stk. (£1)	36/3	36/3	...	4 13 9
69/3	60/6	†12½(c)	†12½(c)	Patons & Baldwins £1	61/3x	61/3	...	4 1 0†
23/9	16/6	2½(b)	2(a)	Whitworth & Mitchell £1	18/9	17/6	−1/3	5 2 10
				Electrical Manufacts.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	48/-	48/-	...	4 1 9
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	97/6	100/-	+2/6	4 0 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 0 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	57/6	57/6	...	1 1 10
37/6	30/-	Nil	Nil	English Electric £1	33/-	33/-	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	80/-	81/-	+1/-	4 6 6
23/-	18/6	3¾(a)	15(b)	Henleys (W. T.) (5/-)	19/3	19/3	...	4 14 0
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	42/6	45/-	+2/6	4 9 10
35/-	31/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	4 12 4
				Electric Light, &c.				
$32	$18	40 cts	50 cts.	Brazil Trac., no par	$24⅝	$25⅞	+1¼	...
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 8 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	26/6	27/6	+1/-	4 7 3
38/9	32/-	3½(a)	4(b)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	7½(b)	3(a)	County of London £1	48/6	49/-	+6d	4 7 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	40/-	40/-	...	4 10 0
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	33/6	34/-	+6d	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/6	36/6	...	4 6 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	32/6	32/-	−6d	4 7 9
56/6	45/9	6(b)	4(a)	North Metropolitan £1	48/-	48/9x	+1/6	4 2 1
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	36/6	36/6	...	4 7 0
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/-	39/-	...	4 2 0
				Gas				
27/-	23/3	5⅔(a)	5⅔(b)	Gas Light & Coke £1	25/3	25/3	...	4 9 3
163½	147½	4(a)	6(b)	Imp. Continental Stk.	150½	150½	...	6 13 0
26/9	23/-	2½(a)	2½(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 7 6
120	107	3(b)	2½(a)	S. Metropolitan Stk.	108½	108½	...	5 3 9
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	41/3	41/3	...	3 12 9†
50/4½	38/9	50(c)	50(c)	Austin 5/-	44/4½	45/-	+7½d	5 11 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/-	23/3	−9d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	32/6	32/6	...	5 0 0
33/9	25/6	5(c)	6(c)	Ford Motors £1	26/10½	26/3	−7½d	4 11 5
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	3/-	3/-	...	2 10 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	66/3	...	4 10 6
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	95/7½	95/7½	...	4 2 0
43/9	36/3	†15(c)	45(c)	Morris Motors 5/- Ord.	36/9	36/6	−3d	6 4 0
15/3	9/7½	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/-	73/9	+9d	6 2 0
6⅝	4 13/16	7½(a)	15(b)	Rolls-Royce £1	5⅝	5 9/16	−1/16	4 4 0
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	130/-	132/6	+2/6	3 17 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/9	...	Nil
10⅝	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	9	...	2 4 6
8/7½	6/-	Nil	Nil	Cunard £1	6/6	6/6	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	28/-	27/-x	−5d	2 5 0
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	32/-	32/-	...	2 10 0
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/6	24/-	−6d	4 3 4
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/9x	38/9	...	3 12 3
53/9	38/3	5(c)	9(c)	Bah Lias £1	42/6	41/3x	−3d	4 7 3
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	27/6	27/6	...	4 6 9
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	38/9	38/9	...	4 2 8
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	37/6	38/9	+1/3	4 2 8
36/6	26/10½	Nil(c)	5(c)	Linggi Plantations £1	27/6	27/6	...	3 11 6
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/1½	5/1½	...	3 18 6
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/6	37/6	−1/-	4 0 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/10½	4/10½	...	4 2 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	41/6	41/9	+3d	4 15 0
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	38/9	38/9	...	6 8 9
132/-	85/3½	5(a)	20(b)	Anglo-Iranian £1	86/3x	87/6	+1/3	(s)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	38/9	39/-	+3d	4 16 0
32/3	17/9	Nil	Nil	Attock £1	28/9	28/1½	−7½d	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/7½	3/7½	...	Nil
126/3	104/4½	5(a)	22½(b)	Burmah Oil £1	121/3	125/-	+3/9	4 8 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	44/4½x	48/9	+4/4½	5 3 0
32/4½	16/9	10d psc	11d psc	Mexican Eagle (Mex. $4)	17/9	17/6	−3d	4 18 0
11/6	5/7½	Nil(c)	3⅓(c)	Phoenix Oil £1	6/6	6/6	...	10 16 0
£52½	£42½	5(a)	11½(b)	Royal Dutch (fl. 100)	£45½	£46	+½	3 0 0
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	107/6	108/9	+1/3	3 12 6†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	132/6	133/9	+1/3	4 1 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	50/7½	52/6	+1/10½	5 14 0
				Miscellaneous				
26/3	22/3	5(c)	5(c)	Aerated Bread £1	23/1½	23/1½	...	4 6 3
35/-	29/6	8(c)	9(c)	Allied Newspapers £1	30/-	30/-	...	6 0 0
20/3	17/4½	Nil(c)	5(c)	Amal. Dental Def. £1	17/9	17/9	...	5 12 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	30/-	30/7½	+7½d	4 11 0
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/-)	21/-	21/-	...	5 3 6
18/1½	12/6	7½(b)	7(a)	Assocd. Brit. Picture 5/-	14/9	15/-	+3d	4 14 0
24/3	21/-	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	22/-	21/3	−9d	6 5 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	92/6	91/3	−1/3	4 18 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	77/6	77/6	...	3 17 6
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	63/9	63/9	...	5 0 6

Prices, Year 1937 Jan. 1 to July 21, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) (b) (c) %	%	Name of Security	Price, July 14, 1937	Price, July 21, 1937	Rise or Fall	Yield July 21, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	51/-	52/-	+1/-	2 15 0
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/-	30/7½	+7½d	4 18 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	22/6	22/6x	+6d	4 9 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	21/6	21/6	...	8 7 9
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	50/-	47/6x	−1/-	4 14 9
55/6	44/3½	7½(c)	10(c)	British Aluminium £1	50/6	52/3	+1/9	3 16 6
39/4½	35/4½	2⅔(a)	5(b)	British Match £1	38/-	37/9	−3d	3 19 3
6⅞	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6⅝	6 9/16	−1/16	3 3 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	102/6	101/3	−1/3	2 19 3
83½	77	...	...	Cable & Wir. Holding A. Ord.	83⅛	80⅛	−3	Nil
106⅝	104	5½(c)	5½(c)	Cable & Wir. Holding 5½% Pf.	104⅝	106	+1½	5 3 9
8 13/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8½	8 7/16	−1/16	4 3 6r
23/1½	13/9	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	14/6	14/-	−6d	10 14 0
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	21/-	20/3	−9d	4 19 3
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	46/3xr	...	4 6 6
38/6	32/-	8(c)	9(c)	Dunlop £1	33/6	34/4½	+10½d	5 4 6
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	50/-	50/-	...	6 0 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	20/6	20/6	...	4 18 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/6	33/6	...	5 4 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	19/6	...	5 2 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	56/3	57/6	+1/3	3 9 7
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/9	6/3	−6d	Nil
48/7½	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	47/6	47/6	...	3 19 0
166/3	136/3	15(b)	5(a)	Harrisons & Cros. Def. (£1)	140/-	137/6	−2/6	2 18 6
91/10½	82/6	5(a)	13½(b)	Harrods £1	85/-	85/-	...	4 6 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/3	...	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	35/-	35/-	...	4 11 3
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	37/3	37/6	+3d	4 5 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/3	17/3	...	Nil
9 3/32	7⅝	†7½(a)	†17½(b)	Imperial Tobacco £1	7½	7⅜	−⅛	3 8 6†
$75 5/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$61¾	$64⅞	+$3⅛	3 1 7n
22/3	13/-	8(a)	8(b)	International Tea 5/-	15/6x	14/-	−1/6	5 15 0
76/3	58/6	22½(c)	22½(c)	London Brick £1	60/-	58/9	−1/3	7 11 3
6 13/16	5⅝	8⅓(a)	14⅔(b)	Lyons (J.) Ord. £1	6¼	6¼	...	3 11 6
90/7½	63/9	15(a)	25(b)	Marks & Spencer 'A' 5/-	68/9	66/3	−2/6	3 0 0
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	5/-	5/6	+6d	5 9 0
5 13/16	4½	15(b)	7½(a)	Murex £1 Ord.	5½	5	−½	4 10 0
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/9	43/9	...	5 9 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	42/6	42/6	...	4 14 0
67/-	44/4½	22½(b)	12½(a)	Prices Trust Ord. (5/-)	51/3	49/4½	−1/10½	4 8 0
67/-	60/-	3⅓(a)	11⅔(b)	Radiation Ord. £1	61/3	61/3	...	4 18 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3	106/3	...	4 4 0
18/9	13/6	†5(a)	†8½(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	14/9	16/3	+1/6	3 1 6
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/7½	+7½d	4 19 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	46/3	46/3	...	6 9 9
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	87/-	87/-	...	4 4 0
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	61/3	60/7½	−7½d	3 6 6
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/7	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	69/4½	70/-	+7½d	4 5 0d
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	85/-	85/-	...	4 15 0
112/6	87/6	13⅞(b)	3⅞(a)	Turner & Newall £1	91/3	90/7½	−7½d	3 18 0
46/10½	37/9	3⅓(a)	4(b)	Unilever £1	40/-	40/-	...	3 12 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/6	55/-	−6d	4 11 6
34/9	24/-	10(b)	6½(a)	United Molasses 6/8	30/-	30/-	...	3 9 0
10½	8 11/16	30(c)	40(c)	Utd. Tob. (South) Ord. £1	9	8¾	−¼	4 10 6
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	41/3	41/3	...	6 0 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	38/-	37/3	−9d	4 16 6
96/3	71/3½	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	73/9	73/9	...	4 1 0
				Mines				
81/10½	56/3	85(c)	95(c)	Ashanti Goldfields (4/-)	58/-	57/6	−6d	6 13 0
24/3	15/9	(e)6(b)	e7½(a)	Burma Corp. (Rs. 9)	18/-	18/-	...	5 4 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	4/9	4/10½	+1½d	Nil
123/9	64/9	20(c)	6½(a)	Cons. Glds. of S. Af. £1	70/-	68/9	−1/3	5 16 3
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	33/9	33/9	...	8 18 0
16 13/16	11½	95(b)	95(a)	Crown Mines 10/-	12½	12½	...	7 16 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	70/-	65/-x	−1/-	6 2 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	46/3	45/-	−1/3	10 8 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	12½	12⅝	+⅛	2 6 0
32½	17 5/16	Nil	Nil	Rio Tinto £5	20	20	...	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	66/3	65/-	−1/3	2 5 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	9	9	...	10 0 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	147/6	147/6	...	5 14 0
19 13/16	6 5/16	Nil	Nil	W. Witwatersrand 10/-	7½	6¾	−¾	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	18/9	...	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	July 21, 1937	Compared July 14
Municipal and Gen.		
1st British	47/9-48/9	...
2nd British	29/6-30/3	−3d
3rd British	24/3-25/-x	...
4th British	21/--21/9	...
For. Govt. Bond	22/3-23/-	−3d
Limited Invest.	23/0-23/9	−3d
Mid. & Sthn. Inv.	21/3-22/-	...
Scot. & N.C. Inv.	21/3-22/-	...
Bank - Insurance		
Bank-Insur. Uts.	19/6-20/6	...
Insurance Units	20/9-21/9x	...
Bank Units	18/6-19/6	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	17/--18/-x	...
British Empire		
British Empire "A"	22/4½ bid	−1½d
Do. "B"	10/4½ bid	...
Do. Cum.	17/10½ bid	+1½d
Do. Comp.	19/--20/-	+1½d
Do. First Unit	21/9-22/3	...
National		
National "A"	32/9 bid	−1½d
Do. "B"	22/1½x bid	...
Do. "C"	19/6-20/6	...
Do. "D"	20/--21/-	−3d
Do. Inv. Group	15/4½-16/4½x	...
Amalgamated Certs	22/--23/-	−3d
Century	19/4½-20/4½	...
Commercial	21/4½ bid	−3d
Gilt-edged	18/3-18/9x	...
Scottish	18/9-19/9	...
Universal	20/10½-21/10½	...
First Provincial		
First Prov. "A"	21/3-22/3	...
Do. "B"	17/6-18/6	...
Do. Reserves	17/6-18/6	...
British General		
Capital Securities	10/1½-10/4½	...
British General "A"	21/4½-22/4½	...
British General "B"	20/10½ bid	+1½d
British General "C"	19/10½-20/10½	...
First Recovery	7/9½ bid	+3½d.

Name and Group	July 21, 1937	Compared July 14
Rubber & Tin	1/9½-1/11	...
Keystone.		
Keystone	18/6-17/6	...
Do. 2nd	16/--17/-x	...
Do. Flexible	18/1½-19/1½	...
GoldProd.Dep.Rec.	20/6x bid	−3d
Do. 2nd Series	15/4½-16/4½x	−1½d
Do. 3rd Series	12/--13/-x	+1½d
Rand Certificates	17/1½x bid	−6d
Oil Certificates	28/- bid	+6d
"15 *Moorgate*"		
Hundred	20/9-21/9	+1½d
Investors Flexible	17/--18/-	...
Do. Gas & Elec.	13/4½-14/4½	...
Do. General	19/--20/-	...
Do. 2nd General	16/10½-17/10½	...
Do. Gold	13/10½-14/10½	−1½d
Prov. Investors	16/9-17/9	...
Security First	18/1½-19/1½x	...
F.T.M.		
Aviation & Univer.	9/6-10/-	...
Domestic	8/6-9/-x	...
Protected		
Protected 1st	22/6-23/6	...
Do. 2nd	20/3-21/3	...
Do. 3rd	15/6-16/6	...
Allied		
British Indus. 1st	20/6-21/6	...
Do. 2nd Series	18/--19/-	−3d
Do. 3rd Series	19/3-20/3	...
Do. 4th Series	19/9-20/9x	...
Elec. Industries	18/--19/-x	...
Metals and Minerals	16/3-17/3	...
Selective		
Selective "A"	17/10½-18/10½	...
Do. "B"	18/3-19/3	...
British Transport	17/6-18/6	...
Bank Insce. & Fin.	17/--18/-x	...
Brewery Trust Untt	16/6-17/6	...
First Convrsn Truss2	2/10½-23/4½	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 13½ annas per share of Rs. 9. Taken at 16 annas to one rupee. † Free of Income Tax. (v) Yield worked on a 35% basis. (w) Yield worked on a 12½% basis. (t) Special Jubilee bonus. (s) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. (z) Last year's dividend equal to 18¾% on increased capital on which yield is worked. Yield at 25 per cent. = £5 14s. 3d.; at 18¾ per cent. = £3 16s. 6d.

(*Continued from page* 195)

"FINANCIAL NEWS" MARKET INDICATORS

	July 15	July 16	July 19	July 20	July 21	July 22
Approximate total of bargains recorded in S.E. List	7,985	7,990	7,850	5,785	5,595	6,225
Corresponding day 1936	*9,125*	*9,691*	*9,850*	*9,232*	*9,239*	*9,602*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100).....	110·4	110·3	110·2	110·1	110·0	109·7
Index of 20 Fixed Interest Securities (1928=100).....	127·2	127·2	127·2	127·1	127·0	127·0

Highest 1936 : Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936 : Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937 : Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937 : Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

ACTUARIES' INVESTMENT INDEX

The Actuaries' Investment Index of 177 industrial ordinary shares showed little variation on Tuesday last at 82·6, compared with 82·8 a week ago and 82·5 a month ago. The respective yields are 4·39, 4·36 and 4·40 per cent. at these dates. A selection of component indices is given below :—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100) Month ago	Week ago (July 13, 1937)	This week (July 20, 1937)	Yield (%) Month ago	Week ago (July 13, 1937)	This week (July 20, 1937)
Higher this Week :						
Electric light and power (16)	117·7	117·6	118·2	4·54	4·54	4·52
Oil.....(5)	89·9	95·6	96·4	6·51	6·65	6·67
Lower this Week :						
Building materials .....(5)	92·8	92·9	92·1	5·82	5·80	5·86
Iron and steel .....(12)	122·1	75·4	74·9	4·83	5·05	5·07
Home rails .....(4)	77·7	80·5	78·7	2·78	2·68	2·72
Stores and catering .....(17)	76·7	75·2	74·6	3·98	3·85	3·89
Breweries and distilleries (21)	144·3	145·1	144·1	4·40	4·39	4·44

NEW YORK STOCK EXCHANGE

THE upward tendency of prices on Wall Street which was evident last week became much more pronounced at the opening of business on Monday. Difficulties for the President at Washington were jam for Wall Street, and the Far Eastern troubles would be solved, it was hoped, by the unlimited capacity of the Chinese to compromise. Industrial news at home was excellent. Steels, agricultural implement shares, and rails were better, and even Western Union improved despite the concern of the market over the possible effect of rising wages upon this company's securities. On Tuesday turnover went over the million mark, with rails leading in the hope that a possible rise in freight rates would more than compensate for whatever wage increases were found inevitable. Motors, mail order shares, and even utilities were better, the latter moving up as the prospects of victory for the President were marked down. Toward the end of business in mid-week, prices came down slightly on the election of Senator Barkley as leader of the Democratic party in the Senate, but on Thursday this was forgotten and prices moved ahead rapidly. Prices on the bond market were very firm. Electricity output for the week to July 17th was 13·2 per cent. up on the corresponding week of last year, and reached a new high record. *Iron Age* estimates steel mill activity for the current week at 82 per cent. of capacity, against 83 per cent. for last week, and anticipates that there will be an early rise in activity.

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

	1936 Lowest Apr. 29	1936 Highest Nov. 10	1937 Lowest June 16	1937 Highest Mar. 10	Beginning of Year 1937	July 7, 1937	July 14, 1937	July 21, 1937
347 Industrials ...	112·7	145·9	130·2	155·7	143·2	139·3	140·2	143·0
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	53·4	52·4	53·1
40 Utilities	91·2	111·0(e)	89·3	116·4(t)	111·7	95·7	95·5	97·8
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	117·8	118·3	120·7
Average yield* ...	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (s)	3·53%	4·13%	4·12%	4·02%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (t) January 13th.

HOTEL WESTMINSTER
Le Touquet

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

Highest*	Lowest†	July 14	July 15	July 16	July 17	July 19	July 20	July 21
180·3	147·4	159·6	160·4	160·1	160·3	163·3	164·9	163·5

*March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	July 15	July 16	July 17*	July 19	July 20	July 21
Stock Exchange—						
Shares (No. Thous.)	740	700	250	950	1,200	980
Bonds (Thous. $) ...	6,740	6,620	2,340	5,810	7,730	7,470
Curb—						
Shares (Thous.) ...	187	172	85	221	222	229

* Two-hour session.

	July 14, 1937 (Close)	July 21, 1937 (Close)	July 22, 1937 (Latest)
1. Rails & Transport			
Atchison	80⅛	84⅛	85
Balt. and Ohio	28⅛	29⅛	29½
B.M.T.	19⅝	23⅛	23
Can. Pacific	11⅞	11⅞	11⅞
Ches. and Ohio	55	53⅞	54½
Gt. Nthn. Rly. Pf. ...	50	51⅜	51⅜
Illinois Central	24⅛	25⅜	25⅛
N.Y. Central	39½	41⅞	42⅛
Nor. Pac.	29⅜	30⅛	31
Pennsylvania R.R....	39⅛	39½	39⅝
Southern Pac.	46½	49	50⅛
Southern Rly.	31⅞	34½	35⅛
Union Pac.	131	131	...
Greyhound Cp. New	16⅛	15⅞	15⅞
2. Utilities and Communications			
Am. Waterworks ...	18½	19½	20
C'wealth & S'thern	2⅜	2⅛	2⅞
(Cons. Gas of N.Y.) now Cons. Edison	36⅜	39⅛	40
Col. Gas & Electric	12½	13⅛	13⅜
Elec. Bond & Share	18	18⅛	19⅛
Nat. Pwr. and Lt. ...	10	10⅜	10⅛
North American ...	25⅜	27⅛	27⅛
Pac. Gas & Electric	30½	32⅜	32⅜
Pac. Lighting	44½	45	...
Pub. Service N.J. ...	41	42⅜	43
Stan. Gas & Elec. ...	7⅞	9	9⅛
United Corp.	5⅛	5⅜	5⅛
United Gas Imp. xd	12⅞	13⅛	13⅛
Am. Tel. & Tel. ...	169⅛	170	171
Int. Tel. and Tel. ...	11⅞	12	12⅛
Western Union	46	49	50
Radio	9	9⅛	9⅛
Radio B. Pref. New	69⅜	69	69
3. Extractive and Metal Industries			
Am. Rolling Mills ...	37⅛	36⅜	36⅛
Beth. Steel xd	92⅞	93⅜	95
Beth. Steel Pref. xd	118½	119⅜	...
Republic Steel	39⅞	39⅜	40
U.S. Steel	113⅜	116⅛	117⅛
U.S. Steel Pref.....	133⅛	136⅛	136⅜
Alaska Juneau xd....	12	12	12
American Metal	51⅛	52	51⅜
American Smelting	91⅞	93⅛	93⅞
Anaconda	55⅜	56⅜	57⅛
Bohn Aluminium ...	43	43	42⅜
Cerro de Pasco	71	63	64⅜
Int. Nickel	61⅛	64	65
Kennecott xd.....	59⅜	59⅜	59⅜
Patiño Mines	15	16	16
Texas Gulf Sulph....	36⅛	38⅜	39½
U.S. Smelt. xd	91	92	92
Vanadium Corp. ...	30⅜	30	30⅜
Atlantic Refining xd	30⅜	31	30⅛
Phillips Petroleum....	61⅛	61⅜	62
Shell Union	28	28⅜	29
Shell Union Pref.	104⅛	104⅞	...
Socony Vacuum ...	21	21⅜	21⅛
Stand. Oil Calif. ...	44⅞	44⅞	44⅞
Stand. Oil N.J.	70⅜	71⅛	71⅜
Texas Corp. xd	63	64⅛	64
4. Manufacturing			
Briggs	41⅞	41⅜	43⅜
Chrysler	101⅛	110⅜	113⅛
Electric Autolite	38	38⅛	39⅜
General Motors ...	52⅛	55⅛	56⅛
Hudson Motor Car	15⅜	15⅞	16⅜
Murray Corp. ...	12⅜	12⅞	13⅛
Nash Kelvinator ..	18⅜	19⅛	19⅛
Packard Motor Car	9⅛	9⅛	9⅛
Bendix Aviation ...	19⅜	20	20⅜
Boeing Airplane...	33	33⅜	34
Douglas Aircraft ...	57⅛	57⅛	58⅛
United Aircraft ...	30⅛	30⅜	30⅜
Air Reduction ...	72⅛	75⅛	75
Allied Chemi xd.	230	234	236
Col. Carbon	121⅛	121⅞	...
Comm. Solvents...	13⅜	14⅛	14⅛
Dupont	156	163	162⅛
Union Carbide ...	103	101⅛	101⅛
U.S. Ind. Alcohol	31	31⅛	31⅜
Allis Chalmers ...	68⅜	69⅛	70⅜
General Electric...	56⅛	57⅜	58⅛
Westinghouse.....	148	151⅛	153⅜
American Can. xd	104	106	107⅜
Addressograph ...	30⅛	33	32⅛
Caterpillar	97	97⅛	98
Cont. Can. xd ...	55⅞	58⅜	58⅛
Ingersoll Rand ...	129⅛	132	132
Intntl. Harvester	113⅜	113⅜	115
Johns Manville ...	130	130	130
Am. Radiator ...	20⅛	21	21⅛
Corn Products ...	63⅛	62⅛	62
J. I. Case and Co.	173	175	180
Glidden	45	45	...
Gen. Am. Transpt.	68	69	...
Allied Mills	23⅛	24⅛	24⅛
Celanese of Amer.	36⅜	38⅛	38⅛
Ind. Rayon New ..	38	37⅞	37⅞
Colgate Palmolive	18⅛	18⅜	18⅛
Eastman Kodak xd	178⅛	180	...
Gillette xd	15	15⅛	15⅛
United Air Lines	17⅜	20	20
Lambert Co.	19⅛	82	82⅛
Loews xd	80	36⅛	37⅛
20th Century Fox	35⅛		
5. Retail Trade and Food			
Montgomery Ward	61	63⅛	63⅛
J. C. Penney Co.	96⅛	97⅛	...
Sears Roebuck xd	91⅛	94	94⅛
United Drug	12⅛	11⅞	12
Walgreen xd	29	28⅛	...
Woolworth	45⅛	46⅛	46⅛
Borden	23⅛	24⅛	24⅛
Gen. Foods	38	38	38⅛
Kroger Grocery ...	21⅛	21⅛	21⅛
Nat. Biscuit xd ...	23⅛	23⅛	23⅛
Nat. Dairy	20⅛	20⅛	20⅛
Standard Brands..	12⅛	12⅛	12⅛
Am. Tobacco B.	78⅛	80	80⅛
Liggett Myers B...	98⅛	100	99⅛
Lorillard	22⅛	21⅛	22
Reynolds Tob. B.x	50⅛	51⅛	51⅛
National Distillers	30⅛	30⅛	30⅛
Schenley Distillers	43⅛	44	43⅛
6. Finance			
Commercial Credit	63	62⅛	62⅛
Atlas Corp.	15⅛	15⅛	15⅛
Com. Invest. Trust	67	66⅛	66⅛

NEW CAPITAL ISSUES

FURTHER British and South African corporation borrowing has been carried out this week. The market was somewhat critical of the decision to raise the price for the *Finchley* loan to 101, although its effective life is four years shorter than the Blackpool issue. This young borough, however, evidently appeals to the corporation stock investor, and the issue was soon subscribed. The size of the issue—£500,000—no doubt contributed to its success, but it is understood that heavier issues are in preparation for Essex, Bradford and Manchester. *Johannesburg* quickly follows Cape Town, with a conversion offer of 3½ per cent. stock at 99, a point dearer but with five years' shorter life. This issue, however, is unlikely to provide so large a meal for the stags, for the conversion list remains open until Wednesday next. The offer of 4½ per cent. debenture stock by *Hugh Stevenson* is largely for conversion purposes. It is satisfactorily covered by assets and earnings, and the company's record is progressive. The capital of *Rippingilles* consists of £50,000 6 per cent. preference shares of 10s., and £60,000 in 5s. ordinary shares. Some 75,000 preference shares are offered at par, and 180,000 ordinary shares offered at 80 per cent. premium. This company's net assets are valued at £104,478, and are acquired for £125,000, of which £95,000 is in cash. The profits record is of the now customary pattern. It shows that profits have been doubled during the last four years, with a particularly sharp rise in the latest year. While the ordinary shares show an earnings ratio of 15·1 per cent. on the issue price, it must be emphasised that this is based on a highly prosperous year. The average over the four years is slightly under 10 per cent. The prospectus also refers to special Government business, which presumably cannot be permanent in character. The *Grassmoor Company* issues 80,000 6 per cent. preference shares at 21s. These shares are a well-secured colliery preference issue, and while they are likely to have a somewhat restricted market, the prospect of expanding dividend cover should add to their investment status. A line of £250,000 *Chesterfield* 3½ per cent. stock, redeemable 1962, has been placed this week. Other statements for information only include *Waterloo Sugar Estates* (*Trinidad*) to which reference is made on page 194, *Aberdeen, Edinburgh and London Trust*, and *Roadways Transport Development*. *Salts* (*Saltaire*) have also offered £350,000 5 per cent. non-secured loan stock, at par, to existing debenture and shareholders.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended July 17, 1937 : *Dr. £150,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	1,951,500	1,249,475	733,025
To Shareholders only	348,466	...	845,398
By Stock Exchange Introduction	Nil	...	Nil
By Permission to Deal.....	2,117,615	...	3,117,720

Total Capital Raised—	Including Conversions £	Excluding Conversions £
1937 (New Basis) ...	389,169,074	341,325,903
1937 (Old Basis).....	243,085,548	197,674,312
1936 (New Basis) ...	292,857,548	202,229,360
1936 (Old Basis).....	205,135,109	115,481,022
January 1 to date (Old Basis)—		
1935	242,654,049	118,098,526
1934	285,147,944	112,174,863
1928	...	279,750,156

Total offered for Subscription—	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936...	642,017,245	494,139,765
1935...	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936...	402,470,003	255,570,993
1935...	548,351,393	236,147,637
1934...	410,980,300	169,108,700
1933...	467,921,500	244,780,500
1928...	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	290,001,762	49,558,282	1,765,859	341,325,903
1937 (Old Basis).....	181,958,323	15,715,989	Nil	197,674,312

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	155,383,260	22,508,790	163,433,853	341,325,903
1937 (Old Basis).....	141,444,342	155,467,260	41,245,364	197,674,312
1936 (New Basis)	73,839,709	26,531,487	101,858,164	202,229,360
1936 (Old Basis).....	61,015,048	13,692,182	40,773,792	115,481,022
Whole Year (Old Basis)—				
1928.....	212,917,900	45,062,600	111,177,600	369,158,100
1933.....	222,064,300	12,733,700	9,982,500	244,780,500
1934.....	102,769,300	21,461,000	44,878,400	169,108,700
1935.....	167,185,509	31,696,741	37,265,387	236,147,637
1936.....	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935.....	193,599,713	48,806,822	115,118,905	357,525,440
1936.....	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Finchley Corporation.—Issue of £500,000 3½ per cent. stock at 101 per cent. to repay existing mortgages and temporary loans. Repayable at par December 15, 1959, or after December 15, 1957, at three months' notice. Borough's Charter of Incorporation granted in 1933. Population, 1931 Census, 58,964. Now estimated at 65,000. General rate, 1937–38, 9s. 6d. in £. Rateable value, April 1, 1937, £840,881 ; 1d. rate in £ estimated to produce £3,380. Total net debt, March 31, 1937, £1,478,864 ; electricity, £374,036 ; housing, £476,711 ; general public services, £628,117. List closed 9.25 a.m., July 21st. Oversubscribed.

The Grassmoor Company, Ltd.—Issue of 80,000 6 per cent. cumulative £1 preference shares at 21s. each. Acquires collieries near Chesterfield with estimated life exceeding 50 years. Net assets, £380,528. Profits, before providing for depreciation, years : 1934, £21,917 ; 1935, £34,360 ; 1936, £58,624.

BY OFFER FOR SALE

Rippingilles, Ltd.—Offer for sale of 75,000 6 per cent. 10s. cumulative preference shares at par and 180,000 5s. ordinary shares at 9s each. Manufacturers of oil, gas and electric cooking appliances at Birmingham. Profits, after depreciation, years ended March 31 : 1935, £14,879 ; 1936, £16,256 ; 1937, £24,051. Net assets acquired £104,478 for £122,500 (goodwill £16,672). Ridgeford Trust, Ltd., have subscribed for 75,000 preference shares at par, and for 180,000 5s. ordinary shares at 8s. 6d. net. Lists closed 9.5 a.m., July 21st. Preference shares heavily oversubscribed.

BY STOCK EXCHANGE INTRODUCTION

Chesterfield Corporation.—Issue of £250,000 3½ per cent. stock which has been sold privately at par. Redeemable at par on September 1, 1962. Proceeds replace short term loans and meet expenditure for electricity, sewage works and erection of Town Hall. Estimated population 64,530. Net debt, March 31, 1937, £2,604,342, of which £425,538 is in respect of productive undertakings and £1,300,791 for housing. Present rateable value, £365,595. Total rates 14s. 6d. in £.

Waterloo Sugar Estates (Trinidad), Ltd.—Issued capital 520,000 5s. ordinary shares and 320,000 6 per cent. £1 cumulative preference shares. Acquires 14,407 acres, of which approximately 12,107 acres are planted with sugar cane and 2,300 acres with coconuts, and sugar factory and modern coconut drying plant. Purchase price £320,000, to be satisfied by allotment of preference shares. Messrs Tate and Lyle and Kleincoort Sons and Company have agreed to subscribe respectively for 265,200 and 254,800 5s. ordinary shares at par. Profits, before charging depreciation, years ended June 30, 1934, $33,412 ; 1935, $70,103 ; 1936, $187,858.

Roadways Transport Development, Ltd.—Issued capital 150,000 £1 ordinary shares and 150,000 5½ per cent. cumulative participating £1 preference shares which Messrs Cohen, Laming, Hoare, have agreed to subscribe for 20s. net. Total assets, £617,465. Profits, years 1934, £11,163 ; 1935, £20,409 ; 1936, £26,486.

Aberdeen, Edinburgh and London Trust, Ltd.—Issue of £150,000 4 per cent. second debenture stock, repayable at par September 1, 1960, or after September 1, 1950, at three months' notice. Issue placed at 99 per cent., less commission ½ per cent.

ISSUES TO SHAREHOLDERS ONLY

De Havilland Aircraft.—Issue of 200,000 £1 ordinary shares at £2 each (one new for every three held on July 5th). Ranks for dividend after payment of any dividend in respect of year ending September 30, 1937.

Metal Box Company.—Issue of 110,966 £1 ordinary shares at £3 each.

Victors Stores.—Issue of 500,000 1s. shares at 1s. 6d. each.

Silentbloc.—Issue of 125,000 2s. shares at 12s. each (one for every seven held).

Salts (Saltaire), Ltd.—Offer to debenture holders and shareholders of £350,000 5 per cent. non-secured loan stock at par, repayable at 101 December 31, 1959, or after 1941 at 104 per cent. on three months' notice. Net assets March 31, 1937, £982,964. Proceeds to finance increased wool stocks, to purchase three new subsidiaries and holding in Salts (Ireland), Ltd. Profits after depreciation and debenture interest years ended March 31 : 1935, £156,548 (including £24,424 non-recurring) ; 1936, £241,777 ; 1937, £188,527.

CONVERSIONS AND REPAYMENTS

Hugh Stevenson and Sons, Ltd.—Issue at par of £285,000 4½ per cent. mortgage debenture stock. Holders of £234,686 6 per cent. mortgage debenture stock may convert at par, with additional £4 10s. in cash for every £100 converted. Remaining £25,525 for development of business. To be redeemed at 102½ per cent. by November 1, 1977, by cumulative sinking fund of £2,850, commencing in 1938, or after May 1, 1947, at 102½ at six months' notice. Net assets, £700,834. Profits, after depreciation, years : 1934, £50,052 ; 1935, £42,256 ; 1936, £55,079. List closed 9.5 a.m., July 21st. Oversubscribed.

City of Johannesburg.—Offer of conversion to holders of £1,000,000 5½ per cent. stock 1937-52 into 3½ per cent. stock at the rate of £99 per cent. Holders of existing stock to receive six months' interest on September 1, 1937, and £1 cash. To be repaid at par on September 1, 1952. Population June 30, 1936, approximately 472,300. Total debt April 30, 1937, £10,528,000. Net outstanding debt £8,974,589. Surplus revenue year to June 30, 1936, £60,493. Rateable value: land, £51,177,700 ; buildings, £61,591,047.

WHITE DRUMMOND
& COMPANY LTD.
(ESTABLISHED 1900)
CAPITAL ISSUES
9 CLOAK LANE, LONDON, E.C.4
TELEPHONE · CITY 5201

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	July 14, 1937	July 21, 1937
Allied Newspapers Ord. 20/–	33/–	33/–	3/3–2/9 dis	3/3–2/9 dis
Do. 6½% 1st Pref. 20/–	27/6	27/6	1/1¼–1/4¼ pm	1/1¼–1/4¼ pm
Australia 3½% 1950–52	96½	21½	¾–¾ dis	1–¾ dis
Blackpool 3½% Stk.	100½	25	...	¾–¾ pm
Blyvooruitzicht Gold 10/–	...	...	2/0–2/6 pm	11/6–12/–
Boulton and Paul 5½% Pref. 20/–	20/–	10/–	9/3–9/9	9/0–9/3
Brotherhood (Peter) Ord. 10/–	25/–	10/–	1/1¼–1/4¼ pm	5/3–5/9 pm
Do. 5½% Pref. 20/–	20/–	10/–	1/9–2/3 pm	2/3–2/9 pm
Cape Town 3½%	98	28	¾–1 pm	⅝–¾ pm
Collett (J.) Ord. 4/–	6/–	6/–	5/10½–6/4½	5/10½–6/4½
County of London Electric 4% Pref. £1	20/6	5/–	par–6d pm	1½d–7½d pm
Do. 3½% Debs.	94½	20	1–¼ dis	1–¼ dis
Dorchester Hotel 4½% Deb.	97	35	2½–1¾ dis	3–2 dis
Fenner (J. H.) Ord. 5/–	7/–	7/–	6/9–7/–	6/10½–7/1½
Do. 5½% Pref. 20/–	20/–	20/–	19/9–20/3	19/9–20/3
Finch (B.) and Co. Ord. 2/–	2/–	2/–	1/7½–1/10½	1/6–1/9
Do. 6% Pref. 10/–	10/–	10/–	9/3–9/9	9/6–10/–
First Conv. Invest. Trust £1	...	...	23/0–23/6	22/10½–23/4½
Grimsby, etc. Water 3½%	99	99	...	99½–99½
Imperial Airways £1	...	...	2/6–3/– pm	2/1½–2/7½ pm
Kelly and Kelly Ord. 4/–	...	...	3/10½–4/4½	4/0–4/3
L.C.C. 3½% 1956–62	100½	75½	¾–¾ pm	¾–¾ pm
Leeds 3½% 1957–62	101	26	1¼–1¾ pm	1¼–1¾ pm
Lewis (J.) Properties 4½% Pref. £1	20/–	10/–	9d–3d dis	9d–3d dis
Lindsay Parkinson Pref. 20/–	20/–	20/–	...	21/6–22/–
Mallinson (Wm.) 5½% Pref. £1	20/6	20/6	21/0–21/6	21/6–22/–
Met. Water Sydney 4% Debs.	100	30	1¼–1¾ dis	1¼–1½ dis
Odeon Theatres Ord. 5/–	5/–	5/–	9/6–10/–	9/4½–9/10½
Do. 5% 1st Deb.	99	25	3½–2¾ dis	3–2½ dis
Polperro Tin 2/6	...	...	3/1½–3/7½	3/0–3/6
Scottish Power 4% Pref. £1	20/–	10/–	6¾d–9¾d pm	7½d–10½d pm
Steel Corporation of Bengal 4½% Deb.	£100	20	2¾–3½ pm	2½–2¾ pm
Trianco Ord. 1/–	1/–	1/–	1/4½–1/7½	1/4½–1/7½
Do. Ptg. Pref. 10/–	10/–	5/–	1/3–9d dis	1/3–9d dis
Union Cinema Subsidiary Props. 5% Pref.	20/–	10/–	10/1½–10/7½	9/3–9/9
West Riding County Council 3½%	100½	70½	1¼–1½ pm	1–2 pm

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 17, 1937. (c) Week ended July 16, 1937.		Miles Open	Gross Receipts, week ended July 18, 1937 (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (28 weeks) (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937	9,738	283	201	111	312	595	5,602	5,520	3,140	8,660	14,262
	1936	3,746	279	195	98	293	572	5,417	5,318	2,811	8,129	13,546
(c) L. & N. Eastern	1937	6,320	472	336	228	564	1,036	8,819	9,479	6,990	16,469	25,288
	1936	6,333	445	329	212	541	986	8,418	9,058	6,540	15,598	24,016
L. M. & Scottish	1937	6,877	727	493	216	709	1,436	13,489	13726	7,305	21,031	34,520
	1936	6,898½	682	476	219	695	1,377	12,946	13323	6,814	20,137	33,083
Southern ...	1937	2,153	402	63	26	89	491	8,556	1,699	855	2,554	11,110
	1936	2,154	379	64	30	94	473	8,099	1,752	868	2,620	10,719
Total	1937	19088	1884	1093	481	1674	3,558	36,466	30424	18290	48,714	85,180
	1936	19131½	1785	1084	559	1623	3,408	34,880	29451	17033	46,484	81,364
(b) Belfast & Co. Down	1937	80	7·6	...	...	0·3	7·9	66·4	...	...	14·0	80·4
	1936	80	6·6	...	...	0·4	7·0	68·7	...	...	15·7	84·4
(b) Great Northern	1937	543	21·1	...	...	8·4	29·5	274·3	...	...	263·2	537·5
	1936	543	19·8	...	...	8·7	28·5	274·2	...	...	276·9	551·1
(b) Great Southern	1937	2,076	46·6	...	...	37·1	83·7	903·3	...	...	1146·9	2050·2
	1936	2,124	46·6	...	...	36·9	83·5	913·9	...	...	1159·6	2073·5

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935 :— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 :— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936 :— 2 weeks to July 17, 1937 ...	+ 46	+ 108	+ 85	+ 32
Weekly average second half 1937...	+ 23	+ 54	+ 42½	+ 16
Latest week 1937 compared with 1936	+ *23*	+ *59*	+ *50*	+ *18*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending July 17, 1937	£566,500	+ 12,000
Aggregate 3 weeks to July 17, 1937	£1,710,500	+ 17,800

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or –	Gross Aggregate Receipts 1937	+ or –
INDIAN							
		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	13	June 30	1,330	‡4,98,700	+ 35,815	43,06,580	+ 1,69,789
Barsi Lt. Ry.	12	20	202	‡32,800	– 3,900	3,66,500	– 4,600
Bengal&N.Western	13	30	2,111	‡10,67,236	+1,06,783	1,08,46,941	+ 7,91,894
Bengal-Nagpur	13	30	3,268	‡23,69,000	+1,03,623	2,40,88,334	+20,22,535
Bombay, Bar. & C.I.	15	July 10	3,072	‡28,58,000	+2,33,000	3,60,81,000	+25,94,000
Madras & S. Mahr....	13	June 30	3,229	‡21,67,000	+1,24,451	2,02,07,000	+ 1,85,539
Rohilk'd & Kumaon	13	30	572	‡1,80,822	+ 21,044	20,81,850	– 34,238
South Indian	12	20	2,592	‡14,77,740	– 24,981	1,25,33,225	– 14,438

‡ 10 days.

CANADIAN

		1937		$	$	$	$
Canadian National	28	July 14	23586	3,770,754	+ 257,479	102,274,179	+10087363
Canadian Pacific ...	28	14	17228	2,675,000	+ 173,000	72,102,000	+4,825,000

SOUTH AMERICAN

		1937					
Antofagasta (Chili and Bolivia)	29	July 18	834	£15,880	+ 2,040	470,400	+ 78,000
Argentine N.E.....	3	17	753	‡162,700	– 3,400	381,500	– 5,700
				*£10,093	+ 368	23,666	+ 994
B.A. and Pacific ...	3	17	2,806	‡1,343,000	+ 29,000	3,238,000	– 37,300
				*£83,313	+ 6,381	200,869	+ 9,081
B.A. Central	52	June 30	...	£381,600	+ 15,700	7,487,300	+1,867,000
B.A. Gt. Southern...	3	July 17	5,084	‡1,977,000	+ 125,000	4,550,000	– 174,000
				*£122,643	+ 14,212	282,258	+ 8,641
B.A. Western.....	3	17	1,930	‡765,000	+ 50,000	1,718,000	+ 18,000
				*£47,457	+ 5,595	106,575	+ 7,032
Central Argentine...	3	17	3,700	‡2,507,550	+ 286,250	6,068,500	+ 618,300
				*£155,555	+ 25,502	376,457	+ 57,324
Central Uruguayan..	2	10	980	d133,155	– 11,458	185,594	– 45,926
				e£15,049	+ 136	20,976	– 2,841
Cordoba Central ...	3	17	1,218	‡687,000	+ 53,000	1,740,000	+ 116,000
				*£42,620	+ 5,500	107,940	+ 12,840
Entre Rios	3	17	810	‡235,900	+ 17,100	533,700	+ 26,300
				*£14,634	+ 1,824	33,108	+ 3,397
G. Westn. of Brazil	29	17	1,082	£5,900	...	210,700	– 13,100
Leopoldina.....	29	17	1,918	Ms1764000	– 77,000	49,842,000	+6,606,000
				£23,373	+ 2,125	637,466	+ 143,912
Leopoldina Termnl..	29	17	...	Ms.347,000	+ 20,000	10,132,000	+ 528,000
Nitrate	27	15	397	a£2,908	– 3,587	89,753	+ 13,698
Paraguay Central ...	3	17	274	$4,190,000	+1600000	9,895,000	+3,088,000
Salvador.....	3	17	100	Col. 12,900	– 700	30,482	+ 439
San Paulo	28	11	153½	Ms2540000	+ 274,000	73,105,000	+4,499,000
				£33,867	+ 6,864	910,482	+ 93,765
United of Havana...	3	17	1,353	£19,820	+ 3,234	45,702	+ 9,997

* Converted at average official rate during week ended July 10, 16·12 pesos to £.
o Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. d Receipts in Uruguayan currency.
e Converted at "controlled free rate." g Year to June 30th. § 4 days.

OTHER OVERSEAS

		1937		£	£	£	£
Egyptian Delta Light Railways	13	June 30	621	‡6,266	+ 383	55,784	+ 4,617
Egyptian Markets...	28	July 15	...	£1,235	– 187	47,685	– 918
Mexican Railway ...	1	7	483	$255,700	+ 29,400	...	...

‡ 10 days.

SUEZ CANAL RECEIPTS

		1937		£	£	£	£
Suez Canal.....	27	July 10	...	‡272,900	– 39,800	5,978,300	– 64,300

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine ...	28	July 15	325	$604,497	– 37,797	17,901,311	+ 239,525
B. Aires Lacroze ...	52	June 30	...	†$21,490	– 1,818	3,513,881	– 158,673
Burnley, Colne and Nelson Jt. Trspt.	28	July 17	80	£5,289	+ 298	...	...
Calcutta Tramways.	28	17	...	Rs. 1,24,460	+ 5,079	28,73,871	+ 1,51,987
Liverpool Corp.	15	14	...	£31,805	+ 2,890	471,984	+ 34,152
Madras Electric.....	28	15	...	‡Rs. 57,139	+ 3,031	6,70,731	+ 28,682

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or –	Receipts to Date 1937	+ or –
Benguela.....	6	June 30	Gross	£40,200	+ 17,313	158,037	+ 51,113
			Net	£24,564	+ 15,538	72,237	+ 48,012
Manchester Ship Canal...	6	June 30	Gross	£114,490	+ 8,299	665,571	+ 14,606
Rhodesia Rlys.	8	May 31	Gross	£411,689	+ 122,938	2,932,177	+ 637,171
Midland Uruguay	12	June 30	Gross	$ 82,000	+ 6,844	963,255	+ 86,129
				£9,288	+ 1,677	105,598	+ 19,171
N.W. of Uruguay	12	June 30	Gross	$19,500	+ 181	261,296	+ 9,146
				£2,204	+ 253	28,633	+ 3,726
Uruguay Northern	12	June 30	Gross	$7,400	– 543	106,747	+ 5,814
				£838	+ 34	11,695	+ 1,754

OIL OUTPUTS

ANGLO-ECUADORIAN OILFIELDS, LTD.—The production for June is cabled as 22,718 tons.

THE ANGLO-IRANIAN OIL COMPANY, LTD.—Production in Iran for the month of April amounted to 824,000 tons, making a total of 3,043,000 tons for the first four months of 1937. Production in Iran for the month of May amounted to 827,000 tons, making a total of 3,870,000 tons for the first five months of 1937.

THE VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended May 22, 1937, was: Bolivar District, 867,642 barrels; Maracaibo District, 24,179 barrels; total, 891,821 barrels. Production for the week ended May 29, 1937, was: Bolivar district, 915,736 barrels; Maracaibo district, 24,562 barrels; total, 940,298 barrels. Production for the week ended June 5, 1937 was: Bolivar District, 961,729 barrels; Maracaibo District, 23,606 barrels; Total 985,335 barrels. Production for the week ended June 12, 1937 was: Bolivar District, 987,266 barrels; Maracaibo District, 20,744 barrels; total, 1,008,010 barrels. Production for the week ended June 26, 1937, was: Bolivar district, 947,984 barrels; Maracaibo district, 20,978 barrels; total, 968,962 barrels. Production for the week ended July 3, 1937, was: Bolivar District, 915,881 barrels; Maracaibo District, 23,876 barrels; Total, 939,757 barrels. Production for the week ended July 10, 1937, was: Bolivar district, 825,154 barrels; Maracaibo district, 23,487 barrels; total, 848,641 barrels. Production for the week ended July 17, 1937, was: Bolivar district, 880,116 barrels; Maracaibo district, 23,065 barrels; total, 903,181 barrels.

COMPANY MEETINGS

ZINC CORPORATION, LIMITED

YEAR OF GRATIFYING PROGRESS

INCREASED REVENUE AND DISTRIBUTION

BOARD'S SOUND POLICY OF DEVELOPMENT AND PRODUCTION

VISCOUNT HORNE ON ENCOURAGING OUTLOOK

The twenty-sixth ordinary general meeting of The Zinc Corporation, Limited, was held, on the 21st instant, in the Hall of the Chartered Insurance Institute, 20 Aldermanbury, London, E.C.

The Rt. Hon. Viscount Horne of Slamannan, P.C., G.B.E. (chairman of the corporation), presided.

The secretary (Mr. F. A. Crew) having read the notice convening the meeting and the report of the auditors,

The Chairman said:—Ladies and gentlemen,—The annual accounts of the corporation have been before you for some weeks and I need not occupy your time in traversing the various items in detail. I propose to deal only with those outstanding matters which disclose themselves in the results of the year's working and influence our policy for the future.

The period which I am now about to pass in review is one of gratifying progress. After several years of doubt and difficulty we have arrived at a stage when we can look upon what we have achieved with reasonable satisfaction and upon our prospects with a glow of encouragement. The mine has given us a higher grade of ore; the mill has afforded us a better yield with more efficient recoveries; and the markets have, except in the case of silver, taken our products at higher prices. Our plans for the future reflect our rising hopes but, as we believe, exceed in no degree the limits of well-founded expectations.

For the success by which we have been brought to this position we are chiefly indebted to our managing director, Mr W. S. Robinson, whose foresight and administrative ability always command our admiration. (Applause.) We are glad to welcome him again in this hall to-day and to thank him for the services which he has rendered to us, both in Australia and in London. (Hear, hear.)

BENEFITS FROM TREATMENT OF BETTER GRADE ORE

In 1936 the corporation's revenue was adversely affected by a temporary decrease in production, but the decline was more than offset by the benefits obtained from treating a better grade of ore with improved recoveries and the realisation of our lead and zinc at higher prices. The latter showed a considerable improvement in the last quarter of the year, raising the average prices per ton, in comparison with 1935, by £3 6s. 10d. to £17 12s 6d. in the case of lead and by 17s. 2d. to £15 0s. 8d. in the case of zinc. Silver, however, showed a serious decline in the twelve months, the average being 21.66d. fine or 9.64d. per oz. lower than in 1935. I ought to remind you that the figures in the mine trading account with which I am now about to deal are expressed in Australian currency.

The gross value of mine production includes profits arising from the sales—at prices in excess of book values—of lead in stock which was carried forward from the years of severe depression. In 1935 the revenue from this source was £A34,407 and in 1936 £A64,909. The total value of mine production in 1936 amounted to £A1,509,611, or an increase of approximately £A206,000 on the previous year.

COSTS

Costs, including transport and realisation, were nearly £A105,000 greater than in the previous year. The increase in mining, treatment, and smelting costs reflects the conditions of the new industrial agreement governing wages and hours at Broken Hill and Port Pirie, plus the general increase in the cost of all supplies and services. The increased cost of mine development and administration is the result of our policy of expansion which I will refer to later. Mining royalty fluctuates with mining profits and was therefore higher last year than in 1935.

INCREASED REVENUE FROM INTEREST AND DIVIDENDS

In the profit and loss account—expressed in sterling—our revenue from interest and dividends on investments, together with sundry receipts, reached the satisfactory total of £78,523. If we leave out of account special non-recurring revenue in the previous year, this amount shows a gain of over £11,000. The greater part of our revenue under this heading came from our investments in associated enterprises, while the smaller part is derived from gilt-edged securities, which naturally yield a lower rate of interest.

PROFITS AND DIVIDENDS

The total profit from mine-trading account, interest, dividends, etc., reached £433,434 sterling, or nearly £50,000 more than in the year 1935. (Hear, hear.) After providing for taxation and directors' fees, both of which were affected by the increased profits, we carried £369,436 to the appropriation account. With the amount brought forward we had £424,144 available for distribution this year, against £379,083 in the previous year. After reappropriating £50,000 for special development—i.e. shaft-sinking work—and meeting the preference dividend to the amount of £49,138, we decided to pay participating dividends to the amount of £269,649, an increase of £67,000. This distribution represents a total of 6s. per share, against 4s. 6d. per share distributed in respect of 1935. The balance carried forward is £55,357, or slightly more than in the previous year. I hope you will agree with me in regarding these results as satisfactory. (Hear, hear.)

BALANCE SHEET ITEMS

Turning to the balance sheet you will note that leaving out of account the £15,000 which we received from the transfer of the southern leases, the item "Mining property machinery, plant and equipment" has increased by approximately £105,000, all of which arises from the sinking of the new shaft and erection of the new plant necessary to extend our output. During the year, however, we increased our reserve for general purposes, including depreciation and contingencies, by £50,000.

A year ago I explained to you the reasons for the large increase then shown in our holdings of Government securities. We desired to have investments which would be immediately available to meet the requirements of our policy in regard to development and equipment. This year our Government securities show a decline of about £200,000, due to realisations prompted by the high prices of these stocks and the low interest return on their market value. Had we retained our full holding of Government securities we should to-day have been facing a not inconsiderable drop in their price in the market. The proceeds of our sales have been temporarily utilised at more favourable rates of interest. It is interesting to note that while our holdings of Government securities are lower by approximately £200,000, our liquid and quick assets—the latter including concentrates and metals in hand in course of realisation—together with the net balance of sundry debtors are approximately £250,000 better than a year ago. Of this sum cash deposits and loans at call amount to £135,000. These increases have occurred during a period when we spent over £104,000 on our new shaft and plant. During the current year the expenditures under these headings will be substantial and the cash resources shown in the accounts are not, I think, unnecessarily large. (Applause.)

INVESTMENTS IN ASSOCIATED COMPANIES

Our investments in associated companies show an increase of about £113,000, the greater part of which is due to the transfer to the New Broken Hill Consolidated, Limited, of our interest in Barrier South, Limited, which a year ago figured in our accounts as a holding in a subsidiary company valued at £53,215. We now hold approximately 600,000 shares in the latter company, of which about 100,000 were at December 31st last paid as to 3s. and the balance fully paid up to 5s. These shares stand in our accounts as

an investment in an associated company at approximately £90,000, which was their actual cost to us. Current market quotations for them are very substantially greater.

Our investments in associated industries as I explained to you on a previous occasion include 337,055 shares of £1 each—or over 25 per cent. of the capital—in Broken Hill Associated Smelters Proprietary, Limited, the company which handles all our lead concentrates in its smelters at Port Pirie, South Australia. They include also our interest, costing £120,000, in the Electrolytic Refining and Smelting Company of Australia, Limited, which has smelters at Port Kembla, N.S.W., and treats among other things the slags and residual materials of Port Pirie ; our interests in Imperial Smelting Corporation and Improved Metallurgy, Limited, handling in the United Kingdom much of our zinc concentrates ; Metal Manufactures, Limited, fabricating in Australia a portion of our metals ; and the Western New South Wales Electric Power Proprietary, Limited, supplying us with all our light, power and compressed air requirements at Broken Hill. Certain relatively less important interests are also included. Our policy as to investments in related industries is governed by the same principles as that of our associates in the North Broken Hill and Broken Hill South Companies. It may be shortly stated as directed to fortifying our joint efforts to handle more efficiently and profitably the main products of our mines. (Applause.)

CONSERVATIVE VALUATION

We regard these investments as essential to the development and well-being of our business. They in fact form a very important part of it, and we apply the same rigid rules to them regarding book values as are adopted for our fixed assets. The value of those engaged in essential services to us, such as power smelting and fabricating of metal, depends very largely on the successful operation of our mine, and it would obviously be dangerous to apply any but conservative estimates in the determination of their values. The present book value of our interests in associated companies you may certainly regard as very conservative and our aim is to keep it always so, in order that in all circumstances the shareholders' capital shall be adequately protected. (Hear, hear.) Valued as part of going concerns it would not be unreasonable to say that our interests in related industries were worth over a million pounds sterling, while their realisable value in case of emergency would obviously be much less.

In accordance with the policy I outlined to you at a previous meeting, we have taken an interest in the Commonwealth Aircraft Corporation, in which we have 50,000 shares paid up at present to the amount of 6s. 3d. per share. This company, 90 per cent. of the capital of which is held by the Broken Hill Proprietary, North Broken Hill, Broken Hill South, Orient Steam Navigation Company, Imperial Chemical Industries, and ourselves, has, at the invitation of the Commonwealth Government and as a contribution to the defence of the Commonwealth, entered into the manufacture of aircraft and aero engines in Australia. Its factory is now in course of construction at Melbourne and arrangements have been made to construct a considerable number of aircraft in accordance with the orders and requirements of the Commonwealth Government. (Applause.)

During the year we have added to the investment reserve account over £34,000 from the surpluses over book value which we realised on sales of investments, thus raising the account to £109,000. On the other side of the balance sheet our reserves and undistributed balance of profits now total £695,749, against £601,718 in the previous year. The provision for taxes, royalty, etc., shows a substantial but necessary increase. Altogether I think I may fairly claim that the balance sheet indicates a strong financial position. (Hear, hear.)

NEW BROKEN HILL CONSOLIDATED, LIMITED

You will recall that at our meeting in 1935, in referring to our interest in Barrier South, I mentioned to you that the exploration and special development work then proceeding on our main leases might justify an early start being made with the active prospecting of the southern areas. I emphasised the fact that work of this character in its initial stages was obviously speculative and that any risks attaching to it should not be permitted to affect the working of our main property. At the same time I added that there should be reserved to our shareholders a prior right to find the working capital. At our last annual meeting I again referred to this matter and told you that preliminary work appeared to us to justify seeking the necessary capital for the further exploration and development of the property, but, adhering to our previously expressed policy of not prejudicing the finances of the Zinc Corporation itself, I stated that this would be done through the formation of a separate company. I detailed to you the capitalisation of the new company and the preferential rights which would be reserved to the shareholders in the Zinc Corporation for supplying necessary resources. Since our last meeting the new company —the New Broken Hill Consolidated—has come into active operation and all our shareholdings in Barrier South, Limited, plus the property known as our Southern leases, have been duly transferred to it in the terms of the prospectus. The new company issued 1,250,000 shares of 5s. each at par in September last to provide working capital. Shareholders in the Zinc Corporation, Limited, very freely availed themselves of the right reserved for them to subscribe a portion, while the holding of the Zinc Corporation itself in the new company represents over 600,000 shares, approximately 30 per cent. of its entire issued capital.

At the first general meeting of the shareholders of the new company, held yesterday, I described its position and its prospects so far as they can be determined to-day. A copy of the report of that meeting will be circulated to the shareholders of the Zinc Corporation, Limited, along with details of to-day's proceedings. The two companies have agreed to a policy of close co-operation in development and equipment which will be of substantial advantage in the saving of capital expenditure and in reduction of working costs to the shareholders in both. I think we are entitled to regard the prospects of the new company and our investment in it with satisfaction. (Applause.)

THE MINE

The report of our technical managers and consulting engineers—Messrs Bewick, Moreing and Company—which has been circulated to our shareholders, deals with the year's work at the Zinc Corporation mine at Broken Hill and indicates the very satisfactory progress which has attended our underground operations. Ore reserves have increased by 100,000 tons, notwithstanding the extraction of 364,000 tons during the past year. These ore reserves are at and above the thirteenth level, which is 1,832 feet below the surface. While the figures represent a conservative estimate based on conventional methods of calculation, they do not, as I have pointed out to you before, define the limits of reasonable ore expectations founded on our exploration and development work. We know that the ore body maintains its satisfactory values and dimensions far below our present deepest workings, and it is on this knowledge we base our policy of expansion to which I will refer shortly.

Last year I informed you that the site for the new shaft, which had become an urgent necessity, had been selected some 500 ft. east of Block 5 shaft. This shaft, which is located on what is believed to be the centre of future operations, was designed to give sufficient capacity for the expected requirements of your mine, and in addition to be of service in the working of the adjoining property in which we are so deeply interested. Rapid progress has been made with the work of sinking the new shaft by simultaneous advance from crosscuts driven from different levels. Subject to the absence of unforeseen circumstances, it now looks as if this shaft—I think the largest yet sunk in Australia—will be completed to the 11th level—1,573 ft.—by the end of January and to 2,200 ft., or the 16th level, by about the end of May. Those responsible for this work are to be congratulated on their efforts. (Applause.) Contracts have been let for important items of the permanent equipment, but I regret to say that there have been serious delays in deliveries by British manufacturers which unfavourably affect our plans.

One of the essentials for the economic working of large ore bodies is an ample and cheaply handled supply of filling for stope support. As the workings are steadily deepening, the sand-filling passes through the old upper workings require attention. It was therefore decided to provide an independent line of supply direct from the surface to the No. 8 level, whence filling would be distributed by conveyor belts to the various operating points in the workings below that level. This new sand-pass was commenced in the year under review and has since made good progress. When in operation it should quickly repay its capital cost by a reduction in working expense. (Applause.)

THE MILL

The results of the efforts of our metallurgical staff are shown by the further improvement in the already high recoveries of the three metals, lead, silver, and zinc. An improvement is also shown in the grade of the lead concentrate. The work of those in control of the department merits our high commendation. (Applause.)

THE SMELTERS

The work done at the Port Pirie plant of the Broken Hill Associated Smelters continues to be highly satisfactory, and we again have reason to congratulate Mr Yates, the manager, and his staff on their work. These smelters are now running to capacity, producing approximately 200,000 tons of lead and 8,000,000 oz. to 10,000,000 oz. of silver annually. (Applause.)

PRODUCTION POLICY

I would like to take advantage of this opportunity to refer to our policy of development and production. As you know, it is now some ten years since we decided on a policy of expansion, reasonably in accord with what we believed to be the ore resources of our property. This policy was severely affected and delayed during the recent years of depression, but within the limits of our financial resources it has been steadily pursued. In 1927 our output was about 260,000 tons—by 1930 we had raised it to about 335,000 tons, and in 1935 to over 375,000 tons per annum, with a slight improvement in the grade of ore treated. Next year the capacity of the mine to produce, and the mill to treat, will be approximately 440,000 tons ; in 1939 550,000 tons, in 1940 680,000 tons, and thereafter 730,000 tons per annum. (Applause.) I desire to make it clear that these figures are estimates of what our capacity to produce will be and are not to be taken as definite expectations of production. While our mine will be opened up to produce and our plant extended to treat largely increased tonnages, our actual output in the future will obviously be governed by the industrial and commercial conditions then ruling. If we were not reasonably confident that these would be favourable and would permit us to expand our output we would not, of course, have started out on our present programme. It is of interest to note that in the four weeks just ended we mined 35,000 tons of ore—a record. (Applause.)

POLICY MORE THAN JUSTIFIED

Our policy is admittedly a bold one, but not more so than is justified by our estimates of the resources of your property. Apart from the increased dimensions and larger equipment of the new shaft, which was required in any case, it has necessitated a complete reconstruction of all surface buildings and equipment and the erection of a new mill which with the existing mill will be capable of handling the increased output. The new and existing mills will be brought into line and will incorporate the various mechanical and metallurgical improvements effected in recent years and, by close attention to design and control, it is anticipated that costs and efficiencies will be satisfactory.

Our policy of expansion creates the necessity for a housing scheme for our employees which is now being formulated and which I hope will shortly be in operation. (Hear, hear.)

The capital expenditure involved in opening up and equipping your mine to produce, say, three times as much as it did ten years ago is substantial. I am pleased to be able to say, however, that a profitable investment policy and wise utilisation of our income has enabled us to make provision for this purpose without calling on you for any additional capital and without interfering with your dividends. (Applause.)

THE OUTLOOK

Notwithstanding a continuance of scares and alarms the world as a whole, and certainly our part of it, is much better off to-day than it was a year ago. I can see no reason why it should not be much better off a year hence provided that we can on the one hand escape the calamity of international quarrels, and on the other hand avert the folly of artificial attempts to keep down the price level. (Applause.) There are, it is admitted, many possibilities of trouble, but to-day they don't look quite so alarming or so numerous as those of a year ago. In the interim, as it is well to remember, the world has been making progress—in some cases great progress. Both inclination and reason place me among the optimists. I believe the future will be better than the past. In November, 1935, speaking in this hall to the shareholders of a company with which we are associated, I had the temerity to predict that the real problem of the world would very soon be one of scarcity rather than over-supply. I claim that evidence is accumulating in support of this view. Iron, steel, coal, coke, certain non-ferrous metals, shipping tonnage are some of the things which to-day are really scarce in many, if not all, parts of the world ; and the list is being added to steadily. If Governments really fulfil their promises for a higher standard of living there will be little chance of a surplus in essential commodities and no likelihood of a price level which leaves the producer or worker in the industry without his reward. A higher standard of living and a low commodity price level are not companionable. Those who fight for a low commodity price level are in reality fighting for a lower standard of living. (Applause.)

INCREASED CONSUMPTION OF CORPORATIONS CHIEF PRODUCTS

The consumption of the corporation's chief products is still increasing and the statistical positions in most cases are sound. Subject to any adverse international and financial development, I think we can reasonably expect a continuance of profitable prices. No reasonable man wants boom prices—we only desire such values as fairly reflect the relation between supply and demand. These should, according to my forecasts of the future, be profitable to producers.

But in considering the outlook it is necessary for me to draw your attention to special factors affecting future costs. The industrial agreement which governs wages and hours at Broken Hill and Port Pirie as modified in 1936 provided for the payment of a lead bonus, which varies with the price of lead. On a price between £24 and £25 sterling for lead this bonus reaches its peak —viz. £2 Australian currency per week to each employee. This bonus is intended to and does give the workers a definite share in the prosperity of the industry. As it is an addition to wages it naturally, as the lead price rises, adds to the costs of mining, milling and smelting. Rates of freight in the South Australia railways also vary with metal prices, but here I am glad to say the serious difficulty I mentioned to you a year ago has been satisfactorily settled. In addition there has been a very sharp rise in the c.i.f. cost of timber—of which we use about 4,000,000 feet in a year—and of all other supplies. Coke and coal are higher both in first cost and in freighting, while a serious advance on overseas rates of freight and great scarcity of tonnage add materially to our expenses. It is hoped that these material increases in our costs will be at least compensated for by higher prices for our products. (Hear, hear.)

METAL PRICES

Up to date this year metal prices have ruled at higher levels, as the following figures show:—

	Average 1936	Average 6 months 1937	Latest price
Lead ...	£17 12 6	£26 17 8	£23 8 9
Zinc ...	£15 0 8	£25 2 4	£22 12 6
Silver (fine)	21.66d.	22.05d.	21.5d.

While dealing with metal prices I think I should warn shareholders against accepting loose estimates of the increased revenue coming to us from zinc concentrates owing to higher prices for the metal. Zinc concentrates only contain approximately 53½ per cent. of zinc, and, apart from heavy transport costs, call for expensive metallurgical treatment from which recoveries are relatively low. It will interest you to learn that at present our concentrates increase in value to us by from 5s. to 7s. per ton—according to the range of metal prices—for every £1 rise in the price of zinc.

NATIONAL DEFENCE CONTRIBUTION

You will probably expect me to say a few words on a subject upon which I have frequently and firmly expressed my views in other places. The National Defence Contribution as originally proposed placed a most unfair and, in fact, intolerable burden on progress. It heavily penalised new enterprise while permitting all fixed revenues to escape. No reasonable man can fail to recognise the necessity of an additional tax for national defence and no reasonable man would object to paying it so long as the burden of it is fairly distributed. (Hear, hear.) A universal protest, in which I played a part, killed the first proposals. The new impost, while it still involves what may be regarded as the unfair principle of a tax on the profits of a company rather than a tax on those who receive them, is certainly easier to justify, and in view of the necessity from which it sprang, will be readily, if not cheerfully, borne by the community. I would not have referred to this matter even at this length had it not been for the constitution of this corporation. Its business interests, as you know, are centred in Australia ; a substantial portion of our capital is owned by Australians ; and all our staff and employees are Australians. The first proposals for a National Defence Contribution would have penalised them by an intolerable burden of taxation which the Australian domiciled companies, also working at Broken Hill and associated with us in smelting at Port Pirie and Port Kembla, would not have had to pay. The only way in which we could have met this situation would have been by altering the domicile of this corporation. Even the new proposals affecting the Australian proprietors, as they do, may have unfavourable repercussions. The extent and incidence of taxation to-day adds in

no small degree to the difficulties surrounding the conduct of an inter-Empire business such as ours.

TRIBUTE TO STAFF

We shall issue to you with the report of to-day's proceedings a small illustrated brochure prepared by the officials at your mine. This will give you a clear idea of what has been and is being done at Broken Hill and, I hope, prove both of value and of interest to you, as well as bring you close to those on the job. The new programme has made great calls on our staff. We are greatly indebted to our manager at Broken Hill, Mr A. J. Keast, who has worked untiringly and with great enthusiasm in the interests of both shareholders and employees. (Applause.) On Mr Carey, the chief engineer, much of the responsibility for the complete re-equipment on the surface has fallen. We have nothing but praise for his efforts. Mr Mawby at the mill has more than maintained the excellent results to which his past record has accustomed us. Mr George Fisher has succeeded to the underground managership during a period of great expansion in the mine, and we congratulate him on his success. I have mentioned the principal officials individually, but this is not intended in any way to detract from the appreciation we feel for the efforts of all our staff and employees. I could not omit to mention also the great advantage we derived from a visit by Mr E. A. Loring, of Messrs Bewick, Moreing and Company, whose presence at Broken Hill, together with Mr Edquist, during this difficult period of energetic development was of great assistance to us.

READJUSTMENTS OF AUSTRALIAN ORGANISATION

The expansion of the corporation's activities has not been limited to Broken Hill. In what we may term our associated activities—including power, smelting, metal manufacturing, transport and realisation—there has naturally been a comparable increase, and the growth of these interests has demanded some readjustments in our organisation in Australia. Our corporation was originally designed for a mining and ore treatment company, whereas now we are really an important industrial undertaking. Our friends Messrs Bewick, Moreing & Company have at our request agreed to act in future as technical managers and consulting engineers to our mines and works at Broken Hill and we have established our own office in Melbourne for handling our commercial and financial affairs and for taking part in the control of our associated industries. The separation of the technical from the commercial and financial sides of our business is, we believe, necessary to the successful conduct of an industrial undertaking such as ours. The new arrangement, I am glad to say, secures to us a continuance of the services of our friends Messrs Bewick, Moreing and Company on the technical side and at the same time enables us to build up our own commercial organisation.

We propose to send to Australia this year our very accomplished secretary, Mr F. A. Crew, to assist in the reorganisation of our Melbourne and Broken Hill offices. Mr Crew's services to our corporation can scarcely be exaggerated, and we have every confidence in his ability to perform this function with complete success. We are fortunate in possessing a local board in Melbourne of great knowledge and prudence, the members of which have devoted themselves to our interests. One of them, Mr M. L. Baillieu, is now on a visit to London, thus giving us valuable opportunities for consultation.

SATISFACTORY PROSPECTS

In concluding my address to you I need scarcely assure you that you have a great mine, the development and equipment of which, in reasonable accord with its estimated ore resources, will shortly be completed. If we can be certain of peace among the nations, I believe that with our prospects of increased output and reasonable expectations as to the metal market, you will be justified in expecting an increased reward for your support of an enterprise which now ranks as one of the most important industrial undertakings in the Commonwealth of Australia. (Applause.)

The Chairman concluded by moving the adoption of the report and accounts.

Mr Robert W. Skipwith (vice-chairman) seconded the motion, and after some congratulatory remarks by Mr Caverhill it was carried unanimously.

The retiring directors (Mr J. R. Govett and Captain Oliver Lyttelton, D.S.O., M.C.) were re-elected; and the auditors (Messrs Monkhouse, Stoneham and Company) were re-appointed.

The proceedings terminated with a cordial vote of thanks to the chairman, directors and staff.

STANDARD BANK OF SOUTH AFRICA, LIMITED

CONTINUED PROGRESS IN THE UNION

INCREASED BONUS AND CARRY-FORWARD

The one hundred and twenty-fourth ordinary meeting of the Standard Bank of South Africa, Limited, was held, on the 21st instant, at Southern House, London.

Brig.-General Sir Samuel H. Wilson, G.C.M.G., K.C.B., K.B.E., who presided, said that owing to the continued improvement in the general economic conditions prevailing in South Africa, recoveries had been made in respect of some of the doubtful accounts for which it had been considered advisable to make provision in the past; and the reserve fund had been increased to £3,000,000 by the transfer of £500,000 from the contingencies account, thus restoring to the reserve fund the major part of the amount of £664,170, which it was deemed expedient to transfer from it to the contingencies account in 1932.

The deposit, current and other accounts now stood at just under £66,000,000, an increase of eight millions on the figures for last year. Drafts outstanding and acceptances under credits had risen by approximately £500,000, and customers' bills, etc., for collection by about £1,300,000.

Cash in hand and at call and short notice showed a reduction of nearly £2,000,000. Investments had increased by about £2,500,000; bills of exchange purchased showed an increase of approximately £1,500,000; and bills discounted, advances to customers and other accounts showed a rise of just under £7,000,000.

PROFIT AND ALLOCATIONS

After making an appropriation to contingencies account, there was a balance of profit of £556,587, as against £477,535 at March 31, 1936. The directors had appropriated £75,000 to writing down bank premises, and recommended that £125,000 be allocated to the officers' pension fund, and that a final dividend of 5s. per share be paid, together with a bonus of 4s. per share (making a total of 14 per cent. for the year), carrying forward £149,292, as against £142,705 a year ago. The bonus represented an increase of 2s. per share on that paid in respect of the previous year. He was sure that shareholders would be satisfied with the strength of the bank's position as disclosed by the figures submitted.

ECONOMIC CONDITIONS IN SOUTH AFRICA

The remarkable degree of prosperity attained by the Union in 1935 was maintained during the year, and it was evident that the country remained relatively one of the most prosperous in the world. In its contributions to the welfare of the Union, both directly and indirectly, in the form of taxation, dividends, stores purchased and wages, the gold-mining industry had maintained its position as the pivot of the country's financial progress, and it would be difficult to overestimate the stimulus it had imparted to industrial and commercial life in South Africa. The recent wide fluctuations in the shares of gold-mining companies would appear to have been in a great measure due to public expressions of opinion which had cast doubt on the part which gold played, and was destined to play, in the economic life of the world. The resulting uncertainty had naturally caused some hesitation in putting into force some projected plans for expansion in the mining industry, but signs were not lacking that confidence was being restored, and there appeared to be no reason to believe that there had been any serious change in the fundamental conditions upon which the economic welfare of the Union was based.

The welcome general improvement in world commodity price levels during the year materially strengthened the position of the agricultural industry as a contributory factor in the development of South African prosperity. Other export industries in the Union, notably the diamond trade, had also benefited from the more favourable conditions prevailing overseas, but the increased cost of raw materials was now becoming more pronounced in secondary industries.

Notwithstanding the rise in production costs, industrial activity in the Union developed materially during the year, which was marked by the establishment of many new factories and undertakings. The remarkable expansion of the building industry recorded in 1935 was maintained, and interest again centred at Johannesburg, where the value of building plans passed during 1936 amounted to nearly ten million pounds, as against about six and three-quarter millions in the previous year.

The report was unanimously adopted.

BRISTOL AEROPLANE COMPANY, LIMITED

WORKS EMPLOYED TO CAPACITY

SUCCESS OF "BRISTOL" AEROPLANES

The annual meeting of the Bristol Aeroplane Company, Limited, was held, on the 22nd instant, at Filton, Bristol.

Mr W. G. Verdon Smith, C.B.E., who presided, said:—Ladies and gentlemen,—The operations of the company for the year 1936 resulted in a net trading profit, after providing for depreciation, of £387,756, which, with transfer fees £644, yielded a total income of £388,400. After charging directors' fees and interest on temporary borrowings and making provision for income-tax liability, the balance of net profit is £295,088. Including the balance forward of £40,232, the total available profit was £335,321.

DISTRIBUTION OF 22½ PER CENT.

The directors have placed £100,395 to the credit of general reserve, the dividend on the 5 per cent. cumulative preference shares required £22,875, the interim dividend on the ordinary shares paid in December last at the rate of 7½ per cent., less income tax, absorbed £68,625, and the directors now recommend the payment of a final dividend on the ordinary shares of 15 per cent., less income tax, making a total distribution for the year on the enlarged ordinary capital at the rate of 22½ per cent. The balance remaining to be carried forward is £8,425, and this amount is considered sufficient having regard to the substantial sum now standing to the credit of the company's general reserve fund.

The net premium on the 1,200,000 ordinary shares issued in July last has been added to the general reserve. This addition, with the amount already at the credit of that fund and the further sum allocated from the year's profits, brings the total of the general reserve up to £1,100,000.

On the credit side of the balance sheet, fixed assets, after writing off depreciation, show an increase of no less than £678,136. This important sum represents very considerable extensions of the factories, plant and equipment, and offices. These additions yielded increased output and profit during the year under review, but obviously the full benefit of the expenditure will only be reflected in the future trading profits.

The directors would have desired that the issue of the report should have taken place at an earlier date. This has not been possible owing to the time required for the settlement of prices to be paid to the company for a substantial portion of the greatly increased volume of work performed during the year; indeed, the final prices the company will be paid under certain contracts have not even yet been arrived at. There may therefore be additional profits for last year; but as the matter is still under discussion, I can only refer to it without attempting to forecast the ultimate outcome.

HIGH QUALITY AND PERFORMANCE

Reasons of national policy require that full details of our activities should not be made public. During the year this company's manufacturing resources have been employed to their maximum capacity, while the highest standard of quality and performance of the company's aircraft and aero engines has been maintained. Progress in design has received constant attention, and the new "Bristol" sleeve valve air-cooled series of engines is now in production. I may say that the new "Bristol" Hercules fourteen-cylinder engine, which employs the sleeve-valve principle, is the most powerful type-tested British aircraft engine in existence at the present time. We are confident that the merits of our sleeve-valve types of engine will be recognised as outstanding and that we can look forward to large and profitable sales, not only in this, but in many foreign countries, from which already a considerable demand for the supply of the engine has been received.

Beyond the output of aero engines in our own works in large numbers, "Bristol" engines have been adopted, as I informed you last year, by the Government for manufacture under an emergency programme by what is known as the "Shadow Industry." Under this scheme, "Bristol" engines are being manufactured in specially erected factories by a group of companies consisting of five of the principal motor-car manufacturers. At the request of the Air Ministry, this company has also joined the group and has undertaken the erection, equipment and management of a Shadow Factory. This factory is, of course, entirely separate from the company's ordinary business.

BLENHEIM MACHINES

On the aircraft side, the "Bristol" Blenheim, a type of medium bomber, is in active production in our own works, and, in addition, one of the leading motor-car companies has been entrusted with the erection and equipment of a shadow factory in which is to be built a large batch of this type of aircraft. Another manufacturer has also received a contract for Blenheim machines to be produced in existing aircraft works. Another type of aircraft has been successfully designed, but our company is already so fully occupied that another aircraft manufacturing company has been given a contract for its production.

You will realise from this short account of the company's affairs that in addition to its own manufacturing operations, the company has been called upon to assist in the production of aircraft and engines by other companies on a substantial scale.

ROTOL AIRSCREWS, LIMITED

This company, in conjunction with the Rolls-Royce Company, has embarked upon a new enterprise in connection with controllable pitch airscrews. For some years we have regarded the improvement and development of airscrews as of considerable importance in relation to aero engines, and we have carried out a considerable amount of research and development in our own works. We had acquired manufacturing licences for two types of controllable pitch airscrews, and our friends, the Rolls-Royce Company, had also been working along similar lines. It was considered by that company and ourselves that mutual advantage would result if we pooled our technical knowledge and manufacturing resources in a joint effort to develop and produce the latest and most efficient type of airscrew.

A company with a capital of £250,000 has been registered under the name of Rotol Airscrews, Limited, the capital of which will be subscribed equally by the two companies. The new company has been furnished with a competent technical staff and is already at work. It has acquired premises in Gloucester as a temporary measure pending the completion of a new factory which is in course of erection and equipment with up-to-date and efficient machinery on an excellent site two or three miles from the City of Gloucester.

OUTSTANDING PERFORMANCES

I must not conclude without referring to some of the recent outstanding performances by the company's products, both aircraft and engines. In September last, the world height record of 49,944 feet was achieved by Squadron-Leader Swain, flying a "Bristol" aeroplane equipped with a "Bristol" Pegasus engine. Then three weeks ago a height of 53,937 feet was reached by Flight-Lieutenant Adam, also flying a "Bristol" aircraft with a "Bristol" Pegasus engine. Subject to confirmation by the international body, the height then reached constitutes the new world altitude record.

The company has supplied for many years past "Bristol" engines to the Imperial Airways Company and the company's latest types of engine have taken their full share in the highly successful long-distance flights carried out by the Empire flying boats of Imperial Airways. These performances culminated this month in the first Transatlantic crossing by air in both directions by a British commercial aircraft, the machine to accomplish this feat being the Imperial Airways Flying Boat "Caledonia," fitted with four "Bristol" Pegasus engines.

SALES ABROAD

That the high quality of "Bristol" engines continues to be appreciated in many foreign countries is shown by the substantial sales which have been effected during the year. The fact that "Bristol" engines are being constructed under licence in various foreign countries is also evidence of their high reputation.

National policy in this country with regard to air defence has undergone important changes during the last two or three years, and it is now considered essential that the country should provide itself with greatly increased aircraft resources. This company has made strenuous efforts to cope with the Government's requirements in accordance with this policy, and it is fortunate that in spite of the long period of lean years when the aircraft industry received orders on a very meagre scale, technical research and development were not neglected by us. Thus, when the necessity arose, the company's progressive policy with regard to new types of aircraft and engines has helped to put Great Britain in a position of being unrivalled in regard to design, technique and quality of aircraft.

The report and accounts were unanimously adopted.

THE DISTILLERS COMPANY, LIMITED

RECORD NET PROFIT—DIVIDEND AND BONUS OF 22½ PER CENT.

IMPROVED HOME AND OVERSEAS TRADE

The sixtieth annual general meeting of the Distillers Company, Limited, was held in the North British Station Hotel, Edinburgh, on the 16th instant, when Sir Alexander Walker, K.B.E., presided in the unavoidable absence of Mr. Thomas Herd, the chairman of the company.

Sir Alexander Walker, in the course of his speech, said:—I propose to deal with the various activities of the company in sections.

Our grain whisky distilleries have been operating at almost their maximum output throughout the year, and the demand still appears to be likely to continue. In view of this, your board have decided to reconstruct Cambus Distillery, which was destroyed by fire in 1914. Cambus enjoyed the reputation of being the finest grain whisky produced in Scotland, and, with this distillery in production the trade should be assured that, along with our other distilleries, there should be ample quantity and variety available to meet their requests.

The malt distilleries have also experienced a similar demand, and during the year we operated no fewer than twenty-eight malt distilleries, and are arranging to reopen several others which have been silent for some time.

The home trade shows an improvement during the year, and the popularity of the various group brands increases year by year. Each unit in our group carries ample matured stocks to ensure continuity of quality and age in order to maintain the confidence which the public have in them.

In the export field our turnover for the year discloses a very substantial improvement upon that of last year, and I am glad to think that our reputation abroad follows the popularity of the home market. This increase in export is the more remarkable in spite of the fact that we are, in many countries, subjected to heavy taxation, and, in addition thereto, exchange rates in many instances remain unfavourable.

Our Dominion and Colonial trade shows a very steady upward tendency, and the progressive demand for our brands in the United States of America is very encouraging.

Referring to the gin interests owned by the company, of which the best known is "Gordon's," I may state we are very well satisfied with the progress made during the year, both at home and abroad.

INDUSTRIAL ALCOHOL

The industrial alcohol trade has shown an increase during the year also, and, although prices leave comparatively small margins, the increase in sales and the economic efficiency of our distilleries are factors in keeping down the costs of manufacture. A supply of this spirit at these low prices has enabled many new manufactures to be started in this country, and the high standard of our spirit, both methylated and unmethylated, is appreciated by these trades. You will be interested to note that the sale of Cleveland "Discol," the alcohol content of which is solely supplied by us, shows a steady rise, and is approved more and more by motorists.

The yeast trade, of which you are aware we have a very large proportion, has been maintained about the same level as last year. The control of this production through our laboratories, as well as the excellent delivery facilities we provide through our selling agency, the United Yeast Company, have enabled us to retain our trade satisfactorily with the exception of the Irish Free State, where the prohibitive duties have to some extent shut out our goods.

CHEMICALS

There has been progressive development in the chemical section of the company, and there may emerge during the current year the manufacture of new products to meet the needs of our clientele, and this may necessitate considerable outlay on buildings and plant.

As indicated last year, new discoveries and syntheses, based on alcohol or alternative raw materials, are continually being brought to our notice, whether from our own research laboratories or from abroad. We cannot afford to disregard any new discovery which, in quality or cost, may displace our existing processes, and which are well within the area of the chemical industry which we consider our function to develop.

It is often disconcerting to forecast which of several new processes may prove to be the most economic, having regard to the changes taking place in the raw material market, and we may be compelled, to use the language of our sporting directors, "to back two or three for a place." This has been the practice of some of the largest chemical companies on the Continent and in the United States, and there is no alternative if we are to hold our place in the industry.

You will appreciate the need of conservative finance and ample resources to cover the risks inevitable in this type of business.

BOTTLES

During the year your directors entered into an arrangement with the United Glass Bottle Manufacturers, Limited, whereby our various group companies interested in British Bottles, Limited, exchanged their shares for a substantial holding in the foregoing company. We believe that this combination will facilitate the application of the latest technical and practical manufacturing plant and processes and thereby secure economy in operation. We are certainly confident that this arrangement will result to the advantage of both companies concerned.

"GYPROC"

You are aware of our interest in the production of "Gyproc" Plaster Board, and the sales of this commodity have continued to expand to the extent that the capacity of our Rochester factory has been over-taxed. The new factory, referred to at the last meeting, will shortly be completed at Shieldhall, Glasgow, and we expect it to be in production within the next few weeks. The prospects for the sale of "Gyproc" in Scotland are very promising, particularly in view of the activity in industry.

CARBONIC ACID GAS

The market for carbonic acid gas shows steady development, more particularly in respect of its solid form known as dry ice, under our brand name of "Cardice." Our plants at Dagenham and Hull have been fully occupied, and new units have been installed at Bankhall and Hammersmith to meet any additional requirements of the trade. This will give us an excellent system of geographical distribution throughout the country.

ACCOUNTS

Dealing now with the accounts, I wish to touch on those items which appear to call for comment. The additions which your board have considered it desirable to make to the reserve fund, fire insurance fund and superannuation and provident fund are on the same scale as last year. As regards the superannuation and provident fund, I have to explain that it is our aim to establish this fund on an investment basis sufficient to take charge of the payments under the superannuation scheme which at present form an increasing charge against the profits of the company. As the satisfactory position of the company to-day is in no small measure due to the unremitting activities of your staff, the board are confident that this provision for their welfare has your cordial approval.

Loans to and from subsidiary and associated companies are both slightly lower than at the close of the preceding year. These balances fluctuate from year to year in the normal course, and no significance attaches to the variations from last year's figures. As you are aware, the parent company is the depository of the surplus funds of our subsidiary and associated companies which are applied by your board in the manner best designed to serve the interests of the group.

Sundry creditors, reserves for taxation and contingencies and credit balances are up by £550,015, compared with last year. This increase is due in large measure to the increased balances owing to trade creditors on revenue and capital account, an addition to the reserve for taxation, and a further augmentation of the reserve against inter-company transactions.

The first two items on the assets side of the balance sheet, land and buildings and plant and utensils, have been written down by £110,856 from last year. Revenue has borne the expenditure on repairs and renewals which was on a higher scale than usual during the year under review. It is perhaps unnecessary to mention that the further reduction in the book value of these assets does not connote any decrease in their earning capacity, but furnishes evidence of the policy of the board in fortifying the company against any encroachment in the sphere of its activities.

INVESTMENTS

Sundry investments appear in the balance sheet at £6,387,780, a figure which is £872,922 in excess of the corresponding figure of last year. To a considerable extent this increase is accounted for by an addition to our holding of gilt-edged securities.

Investments in subsidiary companies show an increase of £435,150. Full provision has been made for all contingencies in the accounts of our subsidiary companies. In addition, all investments held by your company are carefully scrutinised by your board, and provision made where necessary against the values at which they stand in our books.

Increased activity in the production of potable spirit accounts for the increase of £94,654 in stocks as compared with last year. The last item calling for comment is cash, which, at the substantial figure of £3,147,819 is £252,625 greater than last year. To the extent of £1,252,233 this balance falls to be applied in payment of final dividends and bonus, if approved at this meeting.

This completes my survey of the balance sheet. You will have gathered from my remarks that full provision has been made for all contingencies. There is, I think, no necessity to emphasise the obvious benefits to be derived from our policy of strengthening the reserves and liquid resources of the company, having regard to the progressive growth in the company's commitments and activities at home and overseas, and the vicissitudes and risks which attend the manufacture and sale of the diversified products of the group.

NET PROFIT OF £2,458,416

Turning now to the profit and loss account, you will observe that the net profit for the year available for appropriation to reserves and for dividends, amounts to £2,458,416, an increase on last year's figure of £136,839. This profit constitutes a record in the history of the company, and it is proposed, as you will observe from the report, that it should be partly applied towards making an increased distribution on the ordinary stock. After giving effect to the appropriations detailed in the report, the balance carried forward at the credit of profit and loss account amounts to £343,249.

The directors feel sure that you will share their satisfaction in the continued success which has attended the activities of the company during the year under review, a year which incidentally marks the Diamond Jubilee of your company.

You may wish me to give some indication of the future—perhaps the most dangerous ground on which a chairman may venture. We can, I think, look forward at any rate to another year of reasonable prosperity, but you must be aware that there has been recently a very rapid rise in the price of cereals and practically all our materials, which, undoubtedly, will affect costs sooner or later. It is possible, however, that economies may to some extent moderate these increased costs of operation, apart altogether from the possibilities of adding new productions.

DIVIDEND AND BONUS

I have now much pleasure in moving the adoption of the report, which recommends a final dividend on the preference stock of 3 per cent., less tax, making, with the interim dividend of 3 per cent. already paid, a dividend of 6 per cent., less tax, for the year, also a final dividend on the ordinary stock of 12½ per cent., less tax, making, with the interim dividend of 7½ per cent. already paid, a dividend for the year of 20 per cent., less tax, also the payment of a bonus of 2½ per cent., less tax, on the ordinary stock, and carrying forward to next year a sum of £343,249 1s. 5d.

The report and accounts were unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to:—

The Reporting Manager,

THE ECONOMIST,

8 Bouverie Street,

Fleet Street,

London, E.C. 4.

Telephone: Central 8631

UNITED DOMINIONS TRUST, LIMITED

FURTHER RECORD IN PROFITS

The fifteenth annual general meeting of United Dominions Trust, Ltd., was held, on the 21st instant, at Regis House, King William Street, London.

Mr J. Gibson Jarvie (Chairman and Managing Director), in the course of his speech, said: Ladies and gentlemen, for a succession of years it has been my privilege annually to announce to you a record both in the volume of business and in profits earned. The year just ended is again a record, and the report and accounts in your hands disclose a position of strength which should make you well satisfied with the security and value of your investment.

The profit for the year, after making provision for rebate of interest, bad debts, and contingencies, has now reached £201,802, £3,290 has been paid in directors' fees and £41,030 has been allocated to income tax and provision for National Defence Contribution.

In all departments the volume has increased during the year under review. Industrial activity has created a bigger demand for equipment and there has been a corresponding need of credit facilities. As we are prepared to finance the sale and purchase of every kind of machinery, no reputable manufacturer or trader need any longer work under the handicap of obsolete or inefficient plant for lack of the money to buy.

Although it is frequently difficult to persuade a manufacturer or trader or contractor to change over from the extension of credit on the old-fashioned open and rather haphazard method to the system of organised credit which we offer, once having made the change it is our almost invariable experience that the number of transactions passed by them through this office increases.

The agricultural department which we organised a few years ago has expanded considerably, and to-day it is handling an important volume of business, and we are rendering a notable service to this very important industry. The facilities we offer the farmer cover livestock and dead stock, and there are many farmers in Great Britain who have cause to thank us that their farms are now adequately supplied with livestock and the mechanical devices which modern conditions have made essential.

Our business is not only well spread through many industries—and this is a material factor in the stability of the company—it is also well spread throughout Great Britain and Ireland. During the year we have opened four additional branch offices in districts where our business has grown sufficiently to justify them, and further offices will be opened as required. There is a need for the kind of credit facilities we offer, and we have evolved a banking technique suited to the need. Experience and results have justified us.

AMPLE FACILITIES FOR CREDIT-WORTHY

The extent of our service to the community is measured and limited by the legitimate demand made on us by those whom we exist to serve. We cannot force anyone to use the credit we offer; we dare not extend it to the unworthy. We offer medium and long-term credit where that kind of credit can be profitably and efficiently used.

In deciding to form our first Dominion subsidiary in South Africa we were influenced by the fact that conditions appeared to be favourable and because some of our British connections requested our services there.

We hope and intend that each new subsidiary may eventually become an important and essential part of the financial machinery of the country in which it is operating, toward the end that it may contribute something of economic value and forge one more enduring link between the Empire countries.

OFFER OF SHARES

Your board have decided that the time has come to offer the 75,000 ordinary shares still unissued. By the issue of these shares we shall bring our ordinary capital to the round half-million pounds, and we shall again substantially increase our general reserve.

With regard to the offer of preference shares that offer is being made to you on behalf of the Bank of England on generous terms. When the Central Institution first took an interest in your company the authorities were actuated by a desire to render a particular service at a critical time.

The report was unanimously adopted, and a final dividend of 11½ per cent., making 17½ per cent. for the year, was approved.

NEW BROKEN HILL CONSOLIDATED, LIMITED

PROGRESS OF DIAMOND DRILLING

The first ordinary general meeting was held, on the 20th instant, in London.

The Right Hon. Viscount Horne of Slamannan, P.C., G.B.E. (chairman of the company), in the course of his speech, said:—The authorised capital of the company is £600,000, divided into 2,400,000 shares of 5s. each, and at the date of the balance sheet 2,018,110 shares had been issued. Of these, 768,110 shares were issued as fully paid against the transfer of the shareholdings in Barrier South, Limited, the leases to the south of the property of Barrier South, Limited, and the holdings in Aplite and Gresham Syndicates; 1,250,000 shares were issued for cash, upon which at the date of the balance sheet 3s. per share had been called up, though payments in advance had been received to the amount of £7,541.

You will recall that shareholders of Barrier South, Limited, were offered the right to exchange their shares on the basis of five shares of this company for each £1 preference share of Barrier South, Limited, and one share of this company in exchange for two ordinary shares of 2s. each in Barrier South, Limited. This offer was open for acceptance up to September 15, 1936. As there were a number of shareholders in Barrier South who, for one reason or another, were not able to lodge their acceptances within the period, the directors agreed to accept any applications lodged before December 31st. As a result, 3,417 additional shares of this company's capital have been issued and to-day New Broken Hill Consolidated, Limited, holds 75,816 preference shares out of a total issue of 76,078 preference shares and 584,897 ordinary shares out of an issue of 672,879 shares of the capital of Barrier South, Limited. There appears to be now no reason for maintaining the Barrier South, Limited, as a separate company and steps will shortly be taken to terminate its existence.

At the date of the balance sheet the company had nearly £175,000 in cash or at short call, and since that date the instalment of 2s. per share—due on March 15th—has become payable, representing, after allowing for the amount paid in advance, £117,459. The total liquid assets at June 30th were approximately £285,000—£120,000 Australian Government securities and £165,000 cash and deposits.

SATISFACTORY INDICATIONS

Since the incorporation of the company diamond drilling operations on Barrier South property have been carried on continuously. Five boreholes have been sunk and the detailed results, which have been notified through the Press, are reviewed in the report of the consulting engineers and technical managers, Messrs Bewick, Moreing and Company, which accompanies the directors' report.

The results of the drilling operations I regard as highly satisfactory. They indicate the continuance of the ore body now being so successfully worked in the adjoining property of the Zinc Corporation, Limited, and provide grounds for the belief that widths and values will be maintained. Furthermore, they afford reasonable proof that the broad section of the lead lode enters your property at a shallower depth than originally estimated. You will, of course, understand that we are dealing with diamond drilling results, which, while they may be regarded as giving reasonable indications, cannot yet be accepted as conclusive evidence of widths and values.

CO-OPERATION WITH ZINC CORPORATION

The whole of the work on the property is being carried out for us under the direction of our managers, the Zinc Corporation. After seven months of continual consideration between our representatives and the Zinc Corporation, a scheme is now in course of completion which will provide for the closest possible association of the two companies. Co-operation in mining under one management and ore treatment in one mill will save this company a great amount of capital expenditure and provide for the speediest opening up of your property to the point of production. The advantage to the Zinc Corporation by saving in capital expenditure and working costs will also be considerable.

It is as yet too early for any estimate as to the date of production to be mentioned. You may rest assured, however, that every effort will be made to bring your property into the revenue-producing stage at the earliest possible date. I shall be disappointed if we do not commence production before 1940. Subject to the course of metal prices, I consider the outlook for this company to be quite satisfactory.

The report and accounts were unanimously adopted.

H. E. PROPRIETARY, LIMITED

SIR FREDERIC HAMILTON ON THE FUTURE OF GOLD

Presiding at the annual general meeting of H. E. Proprietary, Ltd., held on Monday, Sir Frederic Hamilton (Chairman) dealt with the board's attitude and policy on the gold question, and said:—

In the first place it is well to remember that this question of gold goes very deep. Investors do not necessarily escape risk by not holding gold shares. If the price of the metal were to be drastically lowered, and violent deflation were to follow, as it certainly would, industrial profits would vanish and goods of all kinds would decline in price. If again we had to rely on a managed currency altogether divorced from gold a great deal would depend upon the managers, who in effect would represent the political party that happened to be in power. In that case confidence in the guarantees against violent inflation would assuredly be weakened and fixed interest bearing securities, and even money at the bank, would lose in real value.

Eminent authorities have expressed widely different opinions regarding the functions and value of gold, but, important as these differences are, there is an absolutely overwhelming consensus of authority upon one point, and that is, that in the present stage of our economic evolution credit must have a physical basis, and that for a variety of reasons that basis can only be gold. There is a general measure of agreement that universal demonetisation of the metal would mean universal chaos, and for all practical purposes that possibility can, I think, be excluded. There remain, however, certain further questions of great importance to investors. Is there too much monetary gold in the world? Is it desirable to lower the price as expressed in dollars and pounds? Would such a reduction necessarily have a deflationary effect on commodities generally?

PRESENT GOLD OUTPUT

Roughly speaking, the monetary gold in the world, as expressed in the depreciated currencies, has doubled in the last five years, and the annual output since 1929 has increased by about 75 per cent. in weight, and has trebled in terms of currency. These are impressive figures, and if there were the faintest chance of such a rate of increase being continued it would be necessary either for the countries buying gold to sterilise their purchases on a large and increasingly expensive scale or, alternatively, to contemplate a marked and disorderly rise in their internal price levels. It is largely the fear of these alternatives that has been responsible for the recurrent scares of the last six months.

There are, however, several considerations which suggest that this fear is altogether exaggerated. In the first place there is no reason to think that there is a surplus of gold for the world as a whole. Dishoarding has largely increased the stocks of monetary gold, but that is a non-recurrent process which has probably nearly come to an end, and which in certain circumstances might easily be reversed. As to the increase of output, two factors must be borne in mind. It is mainly due to the largely increased Russian production.

PRICES AND PRODUCTION

Another factor, the importance of which has, I think, been unduly minimized, is that any general increase of prices will tend to reduce gold production. So far gold mining has been getting the best of both worlds—a greatly increased price for its product and almost stable mining costs. That, of course, will not continue indefinitely, and the tendency to rising costs is already noticeable, especially in countries dependent wholly upon white labour. What is equally important is that mines, like mortals, are always dying, and every rise in the general price level increases the initial capital cost of bringing a new mine into production. Those factors will necessarily tend to diminish the rate of supply.

The assumption that there is too much gold in the world is probably due to some extent to maldistribution having created a kind of optical illusion. In the long run we have to legislate either for a world that remains for peace or a world that is mad and wicked enough to go to war. In the first case maldistribution would be remedied, and there would be none too much gold to support the structure of credit which increasing prosperity would call for. In the latter case currencies unbacked by gold would cease to possess any outside purchasing power whatever. In our view gold will remain a store as well as a measure of value for more years than the present or the succeeding generation need concern themselves with.

The report was unanimously adopted.

THE VICTORIA FALLS AND TRANSVAAL POWER COMPANY, LIMITED

SUBSTANTIALLY GREATER SALES OF CURRENT

POLICY OF REDUCING CHARGES CONTINUED

The annual general meeting of the Victoria Falls and Transvaal Power Company, Limited, was held, on the 20th instant, at Winchester House, Old Broad Street, London, E.C.

Mr Arthur E. Hadley, C.B.E., the chairman and managing director, presided and, in presenting a satisfactory account of the company's business for the year 1936, said:—

The net profit after providing for taxation and all other requirements amounted to £586,365, against £543,076. The maximum dividend of 10 per cent. had again been paid on the preference shares and a dividend of 12 per cent. on the enlarged ordinary share capital of £2,500,000. The reserve fund had been brought up to £400,000 by the addition thereto of £100,000, and a further £16,000 had been added to the renewals fund.

REDUCTION IN CHARGES

The sales of power amounted approximately to 2,300 million units, an increase of 17 per cent. over those for 1935. The company's tariffs were designed to give effect to the policy of reducing the price of power as business increases. As a result of lower prices, a further reduction of £93,000 had been made in the amount charged to consumers. Notwithstanding the attention recently given to the price of gold and the effect it has had on market values, there has been no diminution of activity on the Reef. From a careful review of the outstanding notified demands and of the steps being taken by the mining industry with regard to further developments in the company's area of supply, it was expected that Klip Station will be fully loaded up to its capacity of 420,000 kw. shortly after completion early in 1940 and that further demands will require to be met. The question of a further generating station is receiving attention, and the problems arising in connection therewith are being studied in co-operation with the Electricity Supply Commission of South Africa.

The Commission was formed by the Government of the Union of South Africa to supply electricity to Government departments, etc., and also to co-operate with the then existing undertakings. The company's co-operation with the Electricity Supply Commission dates back to the year 1924, soon after the Commission had been established. As a result of this co-operation both the Witbank and Klip Stations were owned by the Commission, but were constructed and operated by this company. The policy of co-operation had proved to be very satisfactory, and it was anticipated that, if a new station is found to be necessary to meet the increasing demands of the company's consumers, it will be handled broadly on the same lines as the Witbank and Klip Power Stations. The transmission and distribution of the increasing number of units, together with the expansion of the company's compressed air plant and other services, call for a large outlay of capital. The works undertaken during the past year and those at present forecast involve an expenditure of £1,940,000.

PROGRESS OF LIVINGSTONE INSTALLATION

Progress was being made with a small hydro installation at the Victoria Falls for supplying Livingstone. It was expected that the plant would be completed about the end of the year. As a result of the establishment of the large copper mines in Northern Rhodesia, that territory had become a great wealth-producing country, producing wealth exceeding £10,000,000 a year on copper alone. It was not inconceivable that this might lead to some new and increasing activities in Livingstone.

From the beginning of the current year certain changes had been made in the organisation in South Africa. Dr Bernard Price, O.B.E., who had held the position of general manager and chief engineer for the last ten years, had at his request been relieved of the routine management of the company's business. He remains as the company's resident director and has been appointed its principal representative and adviser on all commercial and technical matters in South Africa. Mr T. G. Otley, formerly deputy general manager, has been appointed to succeed Dr Price as general manager. The board is confident that the management in South Africa is in most competent hands.

In the early part of this year the chairman paid a visit to South Africa to be present while the changes in the organisation were taking place and to review the company's properties and meet its consumers and the authorities with whom it is concerned.

TRIBUTE TO STAFF

Mr Hadley conveyed on behalf of the board and the shareholders to the staff in London and South Africa their thanks for the loyal and able way that they have carried out their duties.

He also referred with deep regret to the deaths of Sir Henry Birchenough and Major Wills, who had been directors since the formation of the company. In their places the board had appointed Mr D. O. Malcolm and Mr. J. B. Braithwaite.

The report and accounts were adopted, and the retiring directors, Dr B. Price, Messrs. F. Astley Cooper, D. O. Malcolm and J. B. Braithwaite, were re-elected, and Messrs Cooper Brothers and Company were re-appointed auditors.

AMALGAMATED DENTAL COMPANY, LIMITED

INCREASING DEMAND FOR DENTAL SERVICE

The thirty-second annual general meeting of the Amalgamated Dental Company, Limited (formerly Claudius Ash, Sons and Company, Limited, and De Trey and Company, Limited), was held, on the 16th instant, in London.

Mr E. Russell Polden (the chairman) said that during the past year there had been no fresh developments to produce beneficial effects in international trading, with which this company was immediately concerned. Home trade, however, had further progressed to the advantage of the company, but, being organised for business in all parts of the world, members would realise that full effects of the endeavours of the company could not be expected under the unsettled conditions that existed to-day.

The future of the industry, as affecting increased demand for dental commodities, was assured. In his view a point of progress in this respect was now reached far in advance of what might reasonably have been anticipated even two or three years ago. He referred particularly to the marked progress in so far as the recognition of the essential need of dental services was concerned. In Great Britain we had experienced the setting up of an authoritative body to lead the nation to the realisation of a greater measure of physical fitness. It was almost trite to say that care of the teeth was an essential contribution to any such scheme. The present situation demanded the active collateral support of a well-organised and efficient service in the essential materials and appliances necessary to the work of the dentist. The Amalgamated Dental Company was in the position fully to meet the responsibilities falling upon the dental industry in this respect.

The report was unanimously adopted.

BUKIT RAJAH RUBBER COMPANY, LIMITED

IMPROVED RESULTS

The ordinary annual general meeting of the Bukit Rajah Rubber Company, Limited, was held, on the 21st instant, in London.

Sir Edward Rosling (the chairman of the company), who presided, said:—The results for the past year, when compared with the previous season, show a marked improvement, the profit amounting to £20,947, as against £10,805.

The price obtained shows an improvement of something over 2¼d., and the proposed allocation of the profit is shown on the front page of the report. The crop harvested amounted to 1,186,533 lb., of which we were allowed to export 976,313 lb.

The improvement in the market price is entirely due to the satisfactory working of the International Scheme for Regulating Exports. I think there is a very general wish that this regulation should be continued for a further period of five years, when the present term comes to an end on December 31, 1938.

You will have seen from the report that the directors have decided not to undertake any replanting at present. The Malayan authorities have given permission to open 250 acres of our reserve land, the Rubber Institute of Malaya directing the methods by which the opening is to be undertaken.

In regard to the current season, with our assessment increased by 50,000 lb. as from July, together with the exportable allowance now running at 90 per cent., the prospects justify a more hopeful outlook than we have been able to indulge in for some time past.

We have contracts running at present for 1937 for 300 tons at the equivalent of 10¼d. London landed terms, and 120 tons for 1938 at the equivalent of about 10¾d., also London landed terms.

The report and accounts were adopted.

HECHT, LEVIS AND KAHN, LIMITED

RECORD PROFIT

The twelfth annual general meeting of this company was held, on the 16th instant, in London.

Mr Walter Fletcher (the chairman) said that last year he had pointed out in regard to the outlook that they were in the midst of a considerable lull, but that the company was likely to surmount the difficulties arising from lack of trading. Rubber, in common with every other commodity and most shares, had been subject to one of the largest and most widespread bouts of activity which they had ever seen. The result was a record profit for the company.

In pursuance of their normal policy, at the date of the balance sheet the whole of their stock, valued at £2,378,478, was hedged by forward sales. They would draw particular attention to that point as they had frequently been asked whether the stock they held was not in reality a long position; he could not place too much emphasis on the fact that the running of positions for long periods was avoided as far as possible.

The profit on trading, including reserves formerly made for depreciation of investments and not now required, amounted to £228,090. Those reserves amounted to £16,839, having been charged against profit and loss in previous years and, being no longer required, had been written back. They proposed to pay a final dividend of 15 per cent., making 20 per cent. for the year, and a cash bonus of 15 per cent. With the proposed additions the reserves would amount to £100,479. There had also been added to the general reserve £35,395, representing the increase in value of an investment in an associated company.

The directors recommended a bonus issue of preference shares to the ordinary shareholders to a nominal amount equivalent to 10 per cent. upon the ordinary share capital, and an extraordinary general meeting would be held on July 29 to give effect to these proposals. The dividend equalisation account of £36,000, which had been started with the ultimate object of evening out dividend and bonus distributions, plus general reserves, gave the total reserve of £146,874 and showed an increase of approximately £70,000 from the past year's results.

The report and accounts were unanimously adopted.

ALLIED BAKERIES, LIMITED

SATISFACTORY EARNING POSITION

The second annual general meeting of Allied Bakeries, Limited, was held, on the 19th instant, at Winchester House, Old Broad Street, London.

Mr W. Garfield Weston, the chairman, who presided, said that the company was now the largest of its kind in this country. It had, at the date of the balance sheet, 2,786 employees; it operated 17 modern bakeries, owned 86 shops and operated 494 bread routes. It to-day had an issued capital of £1,125,173 in preference and ordinary shares, but it was only in the latter part of the year under review that the whole of that capital was earning dividends for the company.

Owing to the dates of acquisition of additional businesses during the year they had only been able to bring into the profit and loss account part of the profits earned by those companies during the year, so that it showed only the net sum of £96,464 received as dividends, but the total profits actually earned by their subsidiaries in the period under review had amounted to £156,390.

If, therefore, the profits of their subsidiaries during the current year showed neither expansion nor diminution, it would appear that, after allowing for management expenses, the interest on the issued preference capital would be covered nearly five times, and the earnings yield on the ordinary capital would be considerably above the satisfactory earnings shown in the balance sheet.

The cash position had been built up substantially and now stood at £67,000. The cash balances of the combined companies stood at £168,443, to which must be added the marketable securities in the hands of their subsidiaries, whose total at the date of the balance sheet was £76,668, or a total of liquid assets amounting to £245,111.

It was the policy of the company to buy British, and so far as was possible the company would continue to support the agriculture and industries of this country and the Empire. Current business was maintaining the levels reached last year, and, though the troubled state of the world made it impossible to forecast the future price level of commodities in which they were interested, he could see no factor of sufficient importance that was likely to retard their progress.

The report and accounts were unanimously adopted.

EASTWOODS FLETTONS, LIMITED

CONTINUED PROGRESS

The tenth ordinary general meeting of Eastwoods Flettons, Limited, was held, on the 20th instant, at River Plate House, London.

Mr Horace Boot, M.Inst.C.E., M.I.Mech.E., M.I.E.E. (the chairman), presided, and in the course of his speech said: The company has continued to make good progress. Production has been well maintained at the Kempston Works, having regard to adverse weather conditions.

The trading profits of the period are somewhat disappointing, as the production and sales were seriously affected during the winter months, when between January and March last brick-making everywhere was interrupted by adverse weather conditions. It is fortunate that our make for the full year should have been reduced by only two or three million bricks. Lower production, however, has the effect of increasing works costs at every stage, and we found it impossible to recover the lost ground prior to March 31st. The lower trading profits were substantially offset by increased dividends on investments and by reduced overhead charges.

There is left to be carried to the balance-sheet a net profit of £52,363. We recommend the payment of a final dividend on the preferred shares of 10 per cent., making 15 per cent. for the year, and a dividend of 2s. per share on the deferred shares, leaving to be carried forward the sum of £8,789, compared with £8,850 brought in.

Actually there is something like a brick shortage at the moment, if one speaks in terms of specific grades for particular destinations. The return of fine weather and the disappearance of clouds from the political horizon has led to an influx of orders which includes the arrears of previous deliveries.

The total production of bricks in the United Kingdom during the year 1936 amounted to 7,912 millions, which is an increase of practically 100 per cent. during the past ten years. The feature of the trade has been the diminution of speculative house building and the substitution of increased construction in the way of public and industrial buildings. The industry, therefore, is likely to be in a more healthy state during the next few years than ever before.

The report and accounts were unanimously adopted.

EASTWOODS CEMENT, LIMITED

RECORD PROFIT

The twelfth ordinary general meeting of Eastwoods Cement, Limited, was held, on the 20th instant, at River Plate House, Finsbury Circus, London, Mr Horace Boot, M.Inst.C.E., M.I.Mech.E., M.I.E.E. (the chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The directors recommend the payment of a final dividend at the rate of 11 per cent. less tax, making a total of 16 per cent. for the year, leaving to be carried forward the sum of £11,977, which compares with £10,381 brought in.

Somewhat larger sums than usual have been expended this year on repair and maintenance, in addition to which the company has had to meet the increased cost of coal, paper, sacks, steel and maintenance materials generally, together with certain adjustments in works wages.

Coal supplies have been very irregular and difficult since the Quota Scheme has been in vogue, and in the opinion of our federation should receive more serious personal attention of the Minister of Mines than has been accorded. The increases in price have in many instances been exorbitant, and the position is aggravated by the inability to obtain adequate, regular and suitable supplies, and often of very poor calorific power, with a high ash and moisture content, thus showing grievous profiteering by the colliery owners.

It will be noticed that the net profit for the year is the highest yet recorded since the formation of the company in 1925. The temporary lull in speculative house building has been more than offset in the case of cement by large-scale construction of roads, aerodromes, public works, harbours and industrial and factory buildings, which involve increasing demands on the manufacturer. Our "Durocrete" (rapid hardening) and "Eastwoods" (ordinary) brands have been supplied to some of the most important of these schemes, and we are holding contracts for part requirements of H.M. Office of Works, Ministry of Transport, the largest of the railway companies and several important county and municipal authorities. I should be unduly pessimistic if I did not say that I look forward with confidence to the continued success of your company.

The report and accounts were unanimously adopted.

CHUNGLOON RUBBER ESTATE (1932), LIMITED

SATISFACTORY RESULTS ACHIEVED

SOUND FINANCIAL POSITION

MR E. B. RIDSDEL'S SPEECH

The fifth ordinary general meeting of the members of the Chungloon Rubber Estate (1932), Limited, was held on July 22, 1937, at Winchester House, Old Broad Street, London, E.C., Mr E. B. Ridsdel (chairman of the company) presiding.

The representative of the secretaries and commercial agents (Messrs E. B. Ridsdel and Company, Limited) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, the report and accounts having been in your hands for the past week, with your permission I will take them as read. The results achieved during the year, you will agree, I am sure, are very satisfactory, and it is very pleasing to us to be able to recommend the payment of a final dividend of 6 per cent., making 10 per cent., less tax, for the year.

PURCHASE OF ADDITIONAL AREA

Before dealing with the accounts, I would like to direct your attention to the reference made in the report to the acquisition of another estate. The new property, which adjoins our own, consists of 121.86 acres, of which 105.98 acres are planted. When I visited the property about two years ago I was then impressed with the possibilities attached to the purchase of this additional area, and, having regard to the fact that the purchase has been carried through by the allotment of 40,000 fully paid shares of 2s. each—equivalent to only £38 per planted acre—I think you will agree that the purchase has been made on very reasonable terms. The visiting agent, commenting upon the new area in a report received from him about a fortnight ago, states:—"I think the rubber can best be described by saying that it is more or less identical with ordinary Chungloon Estate rubber and should give the same yields. This is only natural, as the two properties adjoin and have similar soils."

The chief value to the company in the purchase made is that the new area can be worked without any increased capital costs, such as buildings. Moreover, owing to its situation, no increase in general charges is necessary under the heading of supervision.

CROP FIGURES

From the report it will be observed that during the year we harvested a crop of 239,723 lbs. of rubber, which, compared with last year, represents an increase of 22,000 lbs. Of the quantity produced, 179,241 lbs. were sold, realising 8.68d. per lb., equivalent to approximately 9½d. per lb. landed London, which compares favourably with the average landed London price for the year of 8.70d. per lb.

Our f.o.b. cost for the year was 3.323d. per lb., which, compared with last year, shows a decrease of approximately ¼d. per lb. This must also be considered very satisfactory, as during the year wages had to be increased about 20 per cent., apart from a similar increase in regard to estate supplies.

RESULTS OF YEAR'S WORKING

As will be seen from the accounts, the profit earned, after providing for depreciation and all other charges, amounts to £3,621 14s. 7d., or approximately 15 per cent. on the issued share capital of the company appearing in the balance sheet. Allowing for the interim dividend of 4 per cent. which has already been paid, we are now left with £2,618 12s. 8d. to deal with. Out of this sum we recommend the payment of a final dividend of 6 per cent., less tax, making 10 per cent., less tax, for the year, which, calculated on the present issued capital of the company, namely £29,077 8s., will absorb £1,744 12s. 11d., leaving £2,119 9s. 9d. to be carried forward, as against £1,245 10s. brought in. It will be appreciated that the 40,000 fully paid shares which were issued in satisfaction of the purchase price for the neighbouring estate acquired, now rank for dividend.

Turning to the balance sheet, it will be observed that our financial position is sound. Cash in hand, War Loan, debtors and rubber stocks total £7,171 13s. 3d., and, after deducting creditors, the net liquid position is £6,199 14s. 3d. Compared with last year this shows an improvement, after allowing for the interim dividend paid, of approximately £1,450.

CONDITION OF ESTATE

As regards the estate, the condition generally is satisfactory throughout. During the year 26.34 acres were replanted, and this year the replanting of a further 55 acres is being undertaken. These areas, in addition to the 172 acres planted during 1930-33, will be budded, which will still further increase the yielding capacity of the property.

So far as the future is concerned, world stocks of rubber have dropped appreciably during the year ended May 31st last, and now represent only slightly over four months' supply. To counter this, the Restriction Committee have increased export allowances for the six months to December 31st next, to 90 per cent. of standard production assessments. As, however, a great many estates have been tapping on what is known as the A.B.C. system for some time past, it remains to be seen how many estates will be able to produce the 90 per cent. to which they are entitled. I am glad to say that we anticipate no difficulty in this respect; in fact, we are hoping that our standard production assessment may be increased.

NO FORWARD CONTRACTS

I do not think there is anything further I can tell you except that we have no forward contracts, and shall, therefore, be able to take advantage of any rise in the selling price of the commodity.

I will now move:—"That the directors' report and accounts for the year ended March 31, 1937, together with the auditors' report thereon be and they are hereby approved and adopted." I will ask Mr Martin to second this resolution, but, before putting it to the meeting, I shall be pleased to answer to the best of my ability any questions you may care to ask.

Mr W. Egerton Martin, J.P., seconded the resolution, and it was carried unanimously without question or comment.

The dividend as recommended was approved; the retiring director, Mr E. B. Ridsdel, was re-elected; and the auditors, Messrs Fitzpatrick, Graham and Company, having been re-appointed, the proceedings terminated.

KUALA MUDA RUBBER ESTATES, LIMITED

RESUMPTION OF DIVIDENDS

The twelfth annual general meeting of Kuala Muda Rubber Estates, Limited, was held, on the 19th instant, at 19 Fenchurch Street, London.

Sir Francis M. Voules, C.B.E. (the chairman), in the course of his speech, said:—The profit for the year amounted to £50,525. Debenture interest absorbs £12,600, and note interest £544. We have paid off the balance of the 7 per cent. notes, £18,900, provided £8,360 for income tax, and written off the year's expenditure on replanting, and we recommend a dividend of 3 per cent. (less tax).

We are proceeding with the replanting programme of which I spoke last year. We hope to have about 150 acres replanted this autumn and by October or November, 1938, this figure should be increased to 500 acres.

Our large holding of shares in Kepong (Malay) Rubber Estates provided us with dividends amounting to 8 per cent. during our financial year. Since the end of the year we have already received a further dividend of 8 per cent., and, granted favourable market conditions, we may reasonably expect another distribution before our current year ends. As against the value shown in our balance sheet of 2s. 4½d. the market value of these shares to-day is 4s. 9d. The rubber regulation scheme, now entering its fourth year, continues to function with great effectiveness, and all sections of the planting industry will welcome its continuance on similar lines on its expiration next year.

World stocks outside the regulated areas at May 31, 1937, are estimated at 396,500 tons, compared with 541,200 tons a year previously. These world stocks represent about four months' consumers' requirements, as against about 6½ months' supplies a year previously. From a statistical viewpoint, rubber is in a sound position.

Personally, I consider that the outlook for rubber producers is very promising and that we may look forward to better returns to set off against the lean years through which we have been passing.

The report was unanimously adopted, and the conversion of the shares into stock was approved.

OVER ONE HUNDRED AND TEN YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
INSURANCE COMPANY
ASSETS - EXCEED £16,000,000
FIRE LIFE ACCIDENT MARINE
Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 45 Pall Mall S.W.1

COVENT GARDEN PROPERTIES COMPANY, LIMITED

CAPITAL INCREASE APPROVED

The thirteenth ordinary general meeting of the Covent Garden Properties Company, Limited, was held, on the 16th instant, at the Hotel Victoria, London.

Mr Philip E. Hill (the chairman), in the course of his speech, said:—You will have seen from the accounts before you that the profit for the year, before providing for directors' fees, taxation and debenture interest, amounts to £281,000 odd. The income from rents, tolls and interest on investments amounts to £252,387, an increase of some £24,000 over last year's figure. The balance of revenue arises from the profit on sale of properties, which amounts to £29,208.

Last year I foreshadowed an increase in our revenue during the next two years of £30,000, of which £24,000 has materialised during the present year, and the balance should be more than made up in 1938. For the tenth successive year, the directors are recommending an ordinary dividend of 7½ per cent.

The policy of the board has not been merely to confine itself to the purchase of properties producing fixed incomes, but also to buy properties with reversionary values. In the latter case, of course, it has meant taking a smaller present income than one would receive on ordinary purchases. The success of this policy is evidenced by the fact that during the last ten years the company has realised from the sales of properties alone upwards of £400,000 and, on the basis of the last valuation, the difference between the book value and the estimated selling value was equivalent to over 100 per cent. on our ordinary shares.

At an extraordinary general meeting to be held following this meeting, you will be asked to authorise the increase of the ordinary share capital to £1,300,000 by the creation of a further 650,000 ordinary shares of £1 each. If you agree to this step being taken, we have decided to issue the whole of these ordinary shares, on bonus terms, to existing ordinary shareholders. The board are of opinion that the dividend of 7½ per cent. on the increased capital should be maintained.

The report was unanimously adopted, and at a subsequent extraordinary general meeting the increase of capital was unanimously approved.

CONSOLIDATED TIN SMELTERS, LIMITED

LOWEST COSTS ON RECORD

The eighth ordinary general meeting of Consolidated Tin Smelters, Limited, was held, on the 20th instant, at the Institute of Chartered Accountants, London, Mr Ernest V. Pearce, Assoc.Inst.M.M. (chairman and managing director), presiding.

The Chairman, in moving the adoption of the report and accounts, said: In view of the special circumstances with which we have had to contend during the year covered by the accounts, our results cannot, I think, be considered unsatisfactory.

Our net income from subsidiary companies and investment totals £223,444; this is £45,509 less than the corresponding figure of the previous year. The other items to the credit of revenue account show the small decrease of £150. Our total revenue therefore is down by £45,659. On the other hand, our expenses show a decrease of £1,000, with the result that the net balance on revenue account is £216,473, compared with £261,132 in the previous year. Your directors recommend that a dividend of 6 per cent. be paid on the ordinary shares. It is not a pleasing duty to inform shareholders of a decrease in the rate of dividend, but your board are convinced that in conserving the resources of the company by adding to the reserve, writing down the shares in subsidiary companies, and providing for the National Defence Contribution tax, they have adopted a policy which is sound, and in the best interests of the shareholders.

Regarding the future of the tin industry, I see no reason to-day to vary the optimistic opinion which I expressed in my speech last year. The International Tin Control Scheme has, as you are doubtless aware, been renewed for a period of five years, from January of this year.

I can assure you that there has not been the slightest indication of any slackening in the endeavours of the staff either to improve the smelting process or to reduce costs. You will appreciate that, with costs of all materials rising, the latter is not an easy matter, but I am happy to be able to tell you that our costs to-day are the lowest in our records—the best proof of the efficiency to which I have referred.

The report was unanimously adopted.

MERLIMAU PEGOH, LIMITED

SUCCESSFUL RESULTS—INCREASED DIVIDENDS

The twenty-seventh ordinary general meeting of this Company was held, on the 21st instant, in London.

Mr G. Kingsley (the chairman), in the course of his speech said: Our rubber crop realised 2½d. per lb. more than the average price obtained during the previous year and our net income was more than doubled. As a result we are in the satisfactory position, after adding £8,000 to the special cultivation reserve, to recommend payment of a final dividend of 12 per cent., making a total of 15 per cent. for the year, against 7½ per cent. paid last year.

The subsidiary companies all made good progress during the year. The Consolidated Eastern Plantations earned in round figures £59,100, against £27,700 in the previous year.

The Central Johore Rubber Estates had an excellent year, and at their annual meeting this week a dividend of 15 per cent. is being recommended, against 5 per cent. last year.

The condition of all the plantations has been maintained, and I think I am safe in saying that the properties throughout the group were in better fettle at the end of the financial year than at the beginning.

If releases remain at 90 per cent. for the first quarter of 1938 the average exportable allowance for this financial year will be 87½ per cent. of standard, against 66⅔ last year, an increase of over 30 per cent. Crops from Merlimau Pegoh and our chief subsidiary C.B.P., Limited, are estimated in round figures at 7,500,000 lbs., against 5,800,000 lbs. last year, so both these companies should do well.

The market for rubber, in common with other markets, is passing through a period of hesitation and inactivity, but the statistical position is inherently sound, and I see no reason for undue anxiety or pessimism.

Last year I drew attention to the vital importance to the industry of a renewal of the Rubber Regulation Scheme upon its expiry. I have no reason to change my views on this subject, and I am glad to say that the general consensus of opinion appears to be overwhelmingly in favour of a continuance of control.

The report was unanimously adopted and the dividend as recommended was approved.

STRAITS PLANTATIONS, LIMITED

FAVOURABLE RESULTS

The annual general meeting of The Straits Plantations, Limited, was held, on the 19th instant, at 1-4 Great Tower Street, London, Mr Eric Macfadyen (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The year has been a good one for the company; copra has shared in the rise in commodity prices. If the 1929 price is taken as 100, averages for recent years have been 40 in 1934 (the worst year), 55 in 1935, and 67 in 1936. The sharp rise which reached its peak in January was not maintained, but the present price of £16 15s. is still above the average realised for the crop of our financial year ending March and the outlook continues quite favourable.

Vegetable oils, being largely interchangeable in use, constitute really one market. Their total is given as about 8,000,000 tons a year, of which some 900,000 tons come from coconuts. Each crop is affected by seasonal variations and the differences between good and bad cropping years, but the spreading of these over the oil market as a whole diminishes their effect on prices. The year 1936-37 was only a moderate one for coconuts grown in the Far East and our crop remained at just over 8,000 tons of copra, as in 1935-36, to which figure it had grown fairly steadily from 6,400 tons in 1929-30. The current year's indications are good and we anticipate a resumption of the up-grade.

The year's profit is £43,340, and the proposed dividend of 8 per cent. is well within our means.

The production of palm oil, undertaken by the recent purchase of a property, all in bearing, near our coconut estates, falls naturally within our sphere. We have taken over a tried and capable staff, and made very satisfactory arrangements for expert advice. The planted area has no superior in the country. The large area of reserve land is first class, and we have it in mind to proceed with development here if the results of operation of the present planted area fulfil our hopes. We embark on this new activity in the belief that we shall later look upon this year as marking the initiation of a very advantageous new departure.

The accounts were unanimously adopted, the dividend of 8 per cent. approved, and a resolution was passed to convert the company's shares into stock.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 17, 1937, amounted to £16,124,000, against ordinary expenditure of £9,906,000. After allowing for a reduction in Exchequer Balances of £262,484, the operations for the period, as shown below, reduced the gross National Debt by £6,481,000, to approximately £7,987 millions.†

(000's omitted)

	£		£
Public Department Advances	+ 7,330	Treasury Bills	— 12,865
2½% Nat. Defence Bonds	+ 4	P.O. and Teleg. Act, 1935	— 800
		National Savings Certs.	— 150
	+ 7,334		— 13,815

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

Revenue	Total Receipts into the Exchequer: April 1, 1936, to July 18, 1936	April 1, 1937, to July 17, 1937	Week ended July 18, 1936	Week ended July 17, 1937
ORDINARY REVENUE	£	£	£	£
Inland Revenue—				
Income Tax	20,768,000	23,724,000	3,043,000	3,448,000
Sur-tax	4,640,000	5,480,000	150,000	280,000
Estate, etc., Duties	25,920,000	27,690,000	1,580,000	1,560,000
Stamps	4,870,000	5,200,000	430,000	380,000
Other Inland Revenue Duties	100,000	120,000	...	...
Total Inland Revenue	56,298,000	62,214,000	5,203,000	5,668,000
Customs and Excise—				
Customs	60,916,000	65,256,000	3,085,000	3,691,000
Excise	32,500,000	32,800,000	6,000,000	4,700,000
Total Customs and Excise	93,416,000	98,056,000	9,085,000	8,391,000
Motor Vehicle Duties‡	5,747,000	5,906,000	179,000	807,000
Post Office (Net Receipt)	4,800,000	5,030,000	700,000	850,000
Crown Lands	290,000	260,000	...	...
Receipts from Sundry Loans	2,031,019	1,738,796	27,905	...
Miscellaneous Receipts	1,886,112	1,956,888	1,200	408,412
Total Ordinary Revenue	164,468,131	175,161,684	15,196,105	16,124,412
SELF-BALANCING REVENUE				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	17,600,000	18,820,000	900,000	950,000
Total	182,068,131	193,981,684	16,096,105	17,074,412

Expenditure	Total Issues out of the Exchequer to meet Payments from: April 1, 1936, to July 18, 1936	April 1, 1937, to July 17, 1937	Week ended July 18, 1936	Week ended July 17, 1937
ORDINARY EXPENDITURE	£	£	£	£
Interest and Management of National Debt	84,418,666	86,804,624	378,582	506,176
Payments to Northern Ireland Exchequer	1,490,449	1,837,379	...	...
Other Consolidated Fund Services	922,699	1,427,002	20	...
Total	86,831,814	90,069,005	378,602	506,176
Total Supply Services (excluding Post Office and Broadcasting)‡	153,315,000	159,686,950	13,500,000	9,400,000
Total Ordinary Expenditure	240,146,814	249,755,955	13,878,602	9,906,176
SELF-BALANCING EXPENDITURE				
Post Office Vote and Vote for Broadcasting	17,600,000	18,820,000	900,000	950,000
Total	257,746,814	268,575,955	14,778,602	10,856,176

‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate revenue from April 1, 1937, to July 17, 1937, is shown below:—

(000's omitted)

	£		£
Expenditure	249,756	Revenue	175,162
		Decreases in balances	355
		Gross borrowing £72,314	
		Less—	
		New Sinking Fund* 1,916	
		Old S. Fund, 1907–8 9	
		Net borrowing	74,239
	249,756		249,756

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

	July 18, '36	Mar. 31, '37	July 17, '37	Movement Week ended July 17, '37
Ways & Means Advances Outstanding:	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	26,570,000	23,595,000	24,750,000	+ 7,330,000
Treasury Bills outstanding	806,020,000	674,595,000	855,495,000*	—12,865,000
Total Floating Debt	832,590,000	698,130,000	880,245,000	— 5,535,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £35,000,000 Treasury Bills were opened on July 16, 1937. The amount applied for was £79,020,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 5d. about 45 per cent. and above in full; Saturday at £99 17s. 6d. and above in full. The average rate per cent. was 10s. 0·99d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	73,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 9, 1937	40,000,000	77,565,000	36,000,000	0 11 0·17
July 16, 1937	35,000,000	79,020,000	35,000,000	0 10 0·99

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended June 26, 1937	520,867	390,650
Week ended July 3, 1937	630,810	473,107
February, 1916, to July 3, 1937	1,297,814,821†	1,019,798,952

At the end of April 1937, the amount remaining to the credit of investors in Savings Certificates, excluding interest, was £389,726,807.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, JULY 21, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued:—		Government Debt	11,015,100
In Circulation	493,133,361	Other Government Securities	184,048,671
In Banking Department	33,273,264	Other Securities	4,924,878
		Silver Coin	11,351
	526,406,625	Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
			526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	107,448,697
Rest	3,507,448	Other Securities:—	
Public Deposits*	17,502,357	Discounts and Advances £5,830,086	
Other Deposits:—		Securities £23,369,041	
Bankers £97,181,330			29,199,127
Other Accounts £38,149,737		Notes	33,273,264
	135,331,067	Gold and Silver Coin	972,784
	170,893,872		170,893,872

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

Both Departments	Amount, July 21, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	493,133,361	— 272,443	+ 49,538,673
Public deposits	17,502,357	— 5,618,345	— 2,432,475
Bankers' deposits	97,181,330	+ 8,008,808	— 1,031,769
Other deposits	38,149,737	+ 1,020,534	— 318,177
Total outside liabilities	645,966,785	+ 3,138,554	+ 45,756,252
Capital and rest	18,060,448	+ 12,079	— 47,445
Government debt and securities	302,512,468	+ 3,389,342	— 52,013,140
Discounts and advances	5,830,086	— 2,988,749	— 630,969
Other securities	28,293,919	+ 2,722,411	+ 8,388,282
Silver coin in issue department	11,351	+ 2,546	— 688,860
Coin and bullion (bank's reserves)	327,379,409	+ 25,083	+ 90,653,494
Reserves of notes and coin in banking department	34,246,048	+ 297,427	— 18,885,179
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	22·4%	— 0·3%	— 11·5%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	50·1%	— 0·8%	+ 10·6%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
June 30	526,407	488,444	10,785	140,533	40,155	Nil	2
July 7	526,407	494,425	15,255	88,541	37,155	Nil	2
,, 14	526,407	493,406	23,121	89,173	37,129	Nil	2
,, 21	526,407	493,133	17,502	97,181	38,150	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
1937	£	£	£	%	£	£	£	£	%
June30	195,152	4,839	327,320	38⅛	140,603	6,279	23,680	38,876	20⅛
July 7	195,098	4,889	327,294	51⅛	96,625	9,035	20,433	32,870	23⅛
„ 14	195,162	4,829	327,354	50⅜	103,961	8,819	20,743	33,949	22⅜
„ 21	195,064	4,925	327,379	50⅛	107,449	5,830	23,369	34,246	22⅛

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to July 7	19,913,740	1,152,689	1,996,798	23,063,227
Week ended July 14	777,621	42,444	71,716	891,781
Week ended July 21	659,461	42,460	73,238	775,159
Total to date, 1937	21,350,822	1,237,593	2,141,752	24,730,167
Total to date, 1936	18,455,323	1,125,886	1,936,066	21,517,275
Increase or decrease in 1937	+2,895,499	+ 111,707	+ 205,686	+3,212,792
	− 15·7%	− 10·1%	− 10·6%	− 14·9%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,781
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL

(000's omitted)

	Week ended July 17		Month of June			Aggregate Totals January 1 to July 17	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days:			25	26			
	£	£	£	£	%	£	£
BIRMINGHAM	3,333	2,667	9,988	10,853	+ 8·6	75,332	77,315
BRADFORD	657	756	3,592	4,280	+19·1	27,861	30,330
BRISTOL	1,245	1,255	4,905	5,896	+20·2	34,985	35,431
DUBLIN	4,974	5,205	—	—	—	164,788	170,633
HULL	827	915	3,221	3,770	+17·0	23,289	26,420
LEEDS	1,164	1,043	3,455	4,191	+21·3	26,890	29,899
LEICESTER	794	820	2,802	3,282	+17·1	21,025	21,893
LIVERPOOL	6,441	6,162	23,279	27,683	+18·9	173,444	204,169
MANCHESTER	9,744	10,725	39,719	48,340	+21·6	287,710	319,648
NEWCASTLE	1,209	1,487	5,336	6,165	+15·5	37,066	41,478
NOTTINGHAM	514	542	1,808	2,175	+20·2	14,638	15,181
SHEFFIELD	1,067	944	4,119	4,622	+12·2	28,412	31,557
	31,969	32,521	102,224	121,257	+18·6	915,320	1,003,954

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in *The Economist* for August 15. Turkey in June 26. Egypt, in July 3. Bank of International Settlements, Denmark, Lithuania, in July 10. Bulgaria, Estonia, Greece, Hungary, Federal Reserve Reporting Members, in July 17.

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

U.S.F.R. Banks	July 23, 1936	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937
Resources					
Gold Certificates on hand and due from the Treasury	8,185,320	8,834,910	8,835,410	8,835,410	8,833,900
Total reserves	8,490,950	9,158,690	9,123,470	9,152,780	9,162,810
Total cash reserves	293,440	313,310	277,660	307,820	318,930
Total bills discounted	3,390	9,930	13,020	15,030	12,170
Bills bought in open market	3,090	3,800	3,670	3,590	3,280
Total bills on hand	6,480	13,730	16,690	18,640	15,450
Industrial advances	29,570	22,150	21,780	21,760	21,660
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,466,460	2,562,070	2,564,660	2,566,590	2,563,310
Total resources	11,669,410	12,496,480	12,436,190	12,594,740	12,489,870
Liabilities					
Federal Reserve notes in actual circulation	3,976,860	4,206,480	4,252,420	4,213,900	4,197,870
Aggregate of excess member-bank reserves over requirements	2,990,000	870,000	880,000	960,000	870,000
Deposits—Member-bank—reserve account	5,935,130	6,900,290	6,826,710	6,927,950	6,858,300
Government deposits	519,320	92,810	100,940	90,230	183,740
Total deposits	6,754,310	7,276,170	7,212,350	7,292,810	7,299,870
Capital paid in and surplus	301,800	305,650	305,700	305,800	305,860
Total liabilities	11,669,410	12,496,480	12,436,190	12,594,740	12,489,870
Ratio of total reserves to deposit and F.R. note liabilities combined	79·1%	79·7%	79·6%	79·5%	79·7%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,634,000	12,318,000	12,376,000	12,423,000	12,404,000
Treasury and National Bank Currency	2,497,000	2,551,000	2,552,000	2,551,000	2,553,000
Liabilities					
Money in Circulation	6,153,000	6,448,000	6,524,000	6,457,000	6,436,000
Treasury Cash and Deposits with Federal Reserve Banks	2,955,000	3,538,000	3,612,000	3,640,000	3,711,000

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	July 23, 1936	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937
Total gold reserves	3,237,920	3,479,000	3,368,820	3,432,940	3,463,770
Total bills discounted	2,500	4,910	5,710	8,570	5,840
Bills bought in open market	1,100	1,540	1,410	1,340	1,130
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	671,460	737,380	738,040	740,820	737,780
Deposits—Member-bank—reserve account	2,640,740	3,064,440	2,956,830	3,026,780	3,000,620
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·3%	84·3%	83·9%	83·9%	84·2%

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

Assets	July 20, 1936	June 21, 1937	June 28, 1937	July 5, 1937	July 12, 1937	July 19 1937
Gold and English sterling	16,004	16,011	16,011	16,011	16,009	16,009
Other coin, bullion and cash	6,538	5,223	5,532	5,236	5,665	5,304
Money at short call—London	19,236	37,461	36,484	31,553	31,228	33,976
Short-term loans	3,217	3,877	2,567	4,186	3,705	3,566
Securities	75,335	76,591	76,591	76,590	76,590	76,587
Discounts and advances	8,522	9,383	9,328	10,391	10,336	10,495
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	66,541	86,501	86,784	84,773	84,205	85,882

BANK OF CANADA.—In $'s (000's omitted)

Assets	July 15, 1936	June 30, 1937	July 7, 1937	July 14, 1937
Reserve, of which	190,986	202,135	201,465	202,864
Gold coin and bullion	179,910	181,543	181,524	181,499
Investments	112,078	144,230	138,943	140,786
Liabilities				
Note circulation	100,412	133,141	135,801	136,177
Deposits: Dominion Government	14,799	14,590	12,333	13,749
Chartered banks	187,867	189,836	183,887	184,391
Ratio of reserves to notes and deposit liabilities	62·9%	59·8%	60·5%	60·6%

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

Assets	July 17, 1936	June 18, 1937	June 25, 1937	July 2, 1937	July 9, 1937	July 16 1937
Gold coin and bullion	22,899	25,069	24,409	23,234	23,232	22,868
Bills discounted: Foreign	7,967	6,270	6,285	4,772	4,405	4,850
Investments	1,737	1,729	1,729	1,729	1,729	1,729
Other assets	11,743	12,405	11,599	12,458	11,390	10,623
Liabilities						
Notes in circulation	13,616	15,124	15,416	17,035	16,013	15,282
Deposits: Government	1,963	2,572	2,168	1,585	1,578	1,982
Bankers	24,742	18,675	18,526	17,589	17,476	17,125
Ratio of cash reserves to liabilities to public	53·6%	58·7%	58·8%	58·5%	58·3%	58·8%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	July 17, 1936	July 2, 1937	July 9, 1937	July 16, 1937
Gold coin and bullion	44,42,17	44,41,57	44,41,57	44,41,57
Rupee coin	65,12,05	56,90,92	57,21,68	57,91,02
Balances abroad	2,75,97	19,95,92	17,50,14	16,89,92
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,28	27,37,23	27,37,25	27,37,45
Investments	5,93,45	7,76,24	8,06,59	8,49,10
Liabilities				
Note circulation	1,63,87,09	1,87,49,16	1,88,14,78	1,83,83,99
Deposits: Government	6,60,01	9,69,57	9,75,41	9,45,33
Banks	33,11,17	28,93,02	31,57,78	33,77,78
Ratio of gold and sterling to liabilities	55·8%	59·7%	59·6%	59·4%

* Held against notes.

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

Assets	July 17, 1936	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937
Gold	54,686,583	54,859,163	48,859,221	48,859,359	48,859,412
Advances on Gold Coin	1,276,826	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	16,718,546†	10,632,791	11,394,964	11,192,215	9,980,005
Bills bought abroad	1,257,755	1,023,693	970,240	868 900	868,901
Advances on securities	4,652,950	4,789,063	5,842,729	5,036,376	4,935,448
Loans to State without interest: (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	4,439,025	21,379,738	22,166,269	23,913,748	23,886,810
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,368	5,641,368	5,641,368	5,641,368
Other assets (excluding forward exch.)	3,640,724	3,828,772	4,235,010	4,089,264	4,626,997
Liabilities					
Notes in circulation	85,280,307	85,985,288	88,686,728	88,643,277	88,414,988
Public deposits	1,445,852	2,209,005	2,088,239	2,206,816	2,982,022
Private deposits	6,186,988	15,611,240	11,920,996	10,326,329	9,066,904
Other liabilities	2,656,870	2,648,243	2,672,995	2,660,711	2,654,184
Ratio of gold reserve to sight liabilities	58·8%	52·8%	47·5%	48·2%	48·6%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936.
† Includes fcs. 10,644,398,000 Treasury Bills.

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

Assets	July 15, 1936	June 30, 1937	July 8, 1937	July 16, 1937
Gold	72,037	68,954	68,988	69,031
Of which deposited abroad	24,524	19,359	19,359	19,359
Reserve in foreign currencies	5,092	5,786	5,682	5,948
Bills of exchange and cheques	4,367,487	5,322,731	4,958,412	4,814,530
Silver and other coin	202,149	162,184	175,326	213,414
Advances	42,044	54,561	37,591	36,924
Investments	530,022	403,994	403,436	403,441
Other assets	542,988	716,178	706,425	704,769
Liabilities				
Reserves	473,561	493,177	493,177	492,997
Notes in circulation	4,129,922	4,991,599	4,793,340	4,666,009
Other daily maturing obligations	804,735	880,335	697,663	707,165
Other liabilities	203,601	219,477	221,880	231,906
Cover of note circulation	1·86%	1·58%	1·55%	1·6%

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

Assets	July 16, 1936	June 17, 1937	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937
Gold	3,743,455	3,648,473	3,688,204	3,755,667	3,702,832	3,681,028
Silver and other coin	54,344	50,894	50,724	47,564	44,096	43,994
Securities	1,404,225	1,370,123	1,390,977	1,420,686	1,405,865	1,397,750
Advances	77,047	34,092	32,965	34,799	32,686	33,489
Liabilities						
Notes in circulation	4,419,442	4,401,287	4,417,814	4,506,325	4,514,430	4,491,030
Deposits: Govt.	9,886	139,795	165,425	223,862	195,429	171,265
Other	1,038,856	748,917	766,032	714,503	659,031	677,365

MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balances June, 1937	Barclays Bank, Limited	Coutts and Co.	District Bank, Limited	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	National Provincial Bank, Limited	Westminster Bank, Limited	Williams Deacon's Bank, Limited	Aggregate
Assets	£	£	£	£	£	£	£	£	£	£	£	£
Coin, bank notes and balances with the Bank of England	45,404	2,105	7,804	4,130	42,446	8,926	52,538	3,635	33,435	37,206	3,712	241,341
Balances with and cheques in course of collection on other banks in Great Britain and Ireland	11,768	857	2,437	1,115	11,797	3,323	15,750	337	7,950	10,659	1,825	67,818
Items in transit	...	...	...	...	4,626	850	...	...	...	...	...	5,476
Money at call and short notice	24,670	2,671	8,829	11,878	29,789	5,082	30,457	4,730	23,332	23,770	5,702	170,910
Bills discounted	49,942	1,246	2,451	790	51,945	2,584	67,196	1,493	32,147	48,889	307	258,990
Investments	107,802	9,068	29,978	13,258	115,673	28,464	119,300	15,565	89,114	112,730	12,773	653,725
Advances to customers and other accounts	194,730	11,192	29,467	10,778	164,403	44,275	212,813	15,970	130,592	135,832	13,357	963,409
Liabilities of customers for acceptances, endorsements, etc.	9,095	589	9,726	2,890	38,071	8,234	22,190	324	9,104	22,890	1,327	124,440
Bank premises account	7,465	412	1,554	740	7,617	2,623	9,943	686	7,362	5,297	1,083	44,782
Investments in affiliated banks and subsidiary companies	6,967	...	...	...	3,325	...	7,745	...	2,514	2,993	...	23,544
	457,843	28,140	92,246	45,579	469,692	104,361	537,932	42,740	335,550	400,266	40,086	2,554,435
Ratio of cash to current, deposit and other accounts	10·74	8·24	10·19	10·12	10·43	10·07	10·72	9·45	10·82	10·37	10·29	10·52
Liabilities												
Capital paid up	15,858	1,000	2,976	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	77,286
Reserve fund	10,250	1,000	2,976	530	9,000	3,300	11,500	1,120	8,000	9,320	800	57,796
Current, deposit and other accounts	422,640	25,551	76,568	40,819	406,805	88,647	489,994	38,453	308,967	358,723	36,084	2,293,251
Acceptances, endorsements, etc.	9,095	589	9,726	2,890	38,071	8,234	22,190	324	9,104	22,890	1,327	124,440
Notes in circulation	...	...	...	...	6	20	...	1,343	...	13	...	1,382
Reduction of bank premises account	...	...	...	280	...	...	...	...	...	...	...	280
	457,843	28,140	92,246	45,579	469,692	104,361	537,932	42,740	335,550	400,266	40,086	2,554,435

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

Assets	July 20, 1936	June 21, 1937	June 28, 1937	July 5, 1937	July 12, 1937	July 19, 1937
Gold	629,234	1,227,185	1,245,899	1,245,886	1,245,868	1,257,875
Silver	21,176	19,747	19,144	19,192	18,158	18,492
Home bills discounted	37,270	18,169	18,043	14,865	14,487	14,551
Loans and advances in current account	125,409	166,944	178,189	170,478	165,996	166,878
Liabilities						
Notes in circulation	747,404	804,631	820,562	847,542	833,343	824,770
Deposits	87,207	640,081	664,544	625,880	633,635	655,445

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

Assets	July 18, 1936	June 19, 1937	June 26, 1937	July 3, 1937	July 10, 1937	July 17, 1937
Gold and silver	107,520	124,310	124,640	133,560	133,510	132,650
Discounts, advances and other investments	71,900	76,960	76,260	77,950	77,760	75,970
Foreign bills	2,660	4,770	4,900	4,880	4,630	5,070
Other assets	10,280	78,870	77,860	72,610	69,300	72,050
Liabilities						
Notes in circulation	158,400	194,150	193,800	197,670	201,910	197,420
Deposits and bills payable	22,230	77,020	76,090	77,700	69,310	74,930

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

Assets	July 15, 1936	June 15, 1937	June 23, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Gold	1,428,314	2,624,357	2,624,360	2,624,397	2,624,407	2,624,414
Of which held abroad	192,206	534,469	534,469	534,469	534,469	534,469
Discounts	81,095	11,273	11,373	11,043	11,205	7,101
Confederation Bills	52,850	12,450	11,550	11,550	11,550	16,150
Advances	73,921	30,957	30,027	30,712	30,326	29,016
Securities	45,215	15,715	14,917	14,825	14,817	14,907
Liabilities						
Notes in circulation	1,250,725	1,324,076	1,330,213	1,408,616	1,379,253	1,482,222
Deposits	369,878	1,353,022	1,360,252	1,319,674	1,340,383	1,363,375

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

Assets	July 15, 1936	June 22, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Gold reserve	432,735	464,789	464,968	465,192	465,547
Government securities: Swedish	28,500	2,000	2,000	2,000	2,000
Foreign	75,640	30,896	31,780	49,709	50,413
Gold abroad not included in the gold reserve	76,751	68,975	68,948	68,914	68,861
Balances with foreign banks	216,176	210,829	215,058	207,543	206,447
Bills payable in Sweden	11,021	12,278	12,633	12,598	12,451
Bills payable abroad	216,692	655,924	660,407	651,665	655,665
Advances	33,806	26,620	27,371	27,612	28,020
Liabilities					
Notes in circulation	726,831	821,584	872,098	806,496	812,296
Deposits: Government	192,394	196,970	212,371	162,064	149,605
Banks	293,107	618,879	573,508	686,106	700,003
Other	15,952	12,117	11,068	10,307	10,447

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

Assets	July 15, 1936	June 22, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Coin and bullion (gold reserve)	118,866	118,843	118,843	118,843	118,843
Balance abroad and foreign bills	77,837	101,487	104,963	113,031	125,770
Funds provisionally placed in gold, not included in the gold reserve	76,248	75,921	75,921	75,921	70,331
Norwegian and foreign governments securities	41,434	79,556	79,869	79,781	82,232
Discounts and loans	216,141	180,252	180,076	174,171	165,420
Liabilities					
Notes in circulation	374,864	404,425	414,566	415,104	418,119
Deposits at sight	116,392	102,460	92,667	96,345	93,645

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

Assets	July 15, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Cash reserve—Gold coin and bullion	242,835	242,962	242,975	242,991	243,002
Other foreign exchange	87,631	98,955	100,089	103,502	104,519
Bills discounted	220,863	189,398	190,337	191,700	193,566
Federal debt	624,444	620,122	620,122	620,152	620,152
Liabilities					
Notes in circulation	886,407	788,250	895,843	842,480	839,792
Deposits	286,118	352,981	244,929	308,137	311,124

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

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

Assets	June 3, 1936	May 5, 1937	May 12, 1937	May 19, 1937	May 26, 1937	June 2, 1937
Gold	910,264	914,305	914,341	914,380	914,399	914,420
Balances abroad	528,119	615,702	618,251	617,062	613,756	606,650
Discounts	356,991	319,107	319,054	305,254	312,640	320,022
Securities	106,045	124,422	124,421	124,439	124,439	124,561
Government loans	1,045,511	1,042,899	1,042,899	1,042,900	1,042,900	1,042,900
Liabilities						
Notes in circulation	2,069,320	2,049,583	2,024,368	2,017,090	2,006,336	2,058,827
Government deposits	547,499	533,088	530,095	507,196	499,098	417,509
Bankers' deposits	365,922	537,731	570,844	594,902	614,953	620,169
Other deposits	101,091	109,616	108,103	101,057	100,039	132,341
Foreign commitments	34,682	43,118	43,096	43,193	44,466	44,413

HOTEL WESTMINSTER
Le Touquet

CENTRAL BANK OF ARGENTINA
In paper pesos (000,000's omitted)

Assets	June 30, 1936	Apr. 30, 1937	May 15, 1937	May 31, 1937	June 15, 1937	June 30, 1937
Gold at home	1,224	1,224	1,224	1,224	1,224	1,224
Gold abroad and foreign exchange	106	338	269	262	330	344
Non-interest bearing Government Bonds	119	119	119	119	119	119
Treasury Bonds	399	399	399	399	398	398
Liabilities						
Notes	1,013	1,165	1,157	1,137	1,152	1,165
Government deposits	158	128	138	135	135	120
Bankers deposits	326	450	339	363	427	437
Certificates against Treasury Bonds	345	373	373	367	367	358
Ratio of gold and foreign exchange to note and sight liabilities	88·0%	89·3%	90·7%	90·5%	91%	90·7%

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.*
(000's omitted)

Assets	July 15, 1936	June 6, 1937	June 15, 1937	June 23, 1937	July 15, 1937
Gold	2,698,279	2,578,005	2,577,530	2,579,224	2,576,804
Balances abroad and foreign currency	27,228	441,580	412,915	394,089	376,899
Discounts and advances	1,639,420	2,074,914	1,899,427	1,831,102	1,892,071
State notes debt balance	2,035,245	2,016,858	2,016,736	2,015,945	2,014,760
Liabilities					
Bank notes in circulation	5,443,954	5,688,643	5,454,230	5,293,492	5,606,818
Deposits	774,105	694,294	709,871	779,222	455,958

* First return showing effects of devaluation, October 15, 1936. † Includes proceeds of Swiss loan for Postal Savings Bank of Kc. 322½ millions.

NATIONAL BANK OF JUGOSLAVIA
In dinar (000's omitted)

Assets	July 15, 1936	June 30, 1937	July 8, 1937	July 15, 1937
Cash reserve:				
Gold at home and abroad	1,532,530	1,677,733	1,683,718	1,684,097
Other foreign exchange	430,681	880,358	776,839	762,009
Bills and advances against security	1,598,408	1,629,737	1,621,573	1,597,932
Government advances	1,660,965	1,650,636	1,650,699	1,650,741
Liabilities				
Notes in circulation	4,780,080	5,474,161	5,501,658	5,459,591
Sight deposits	1,658,682	2,215,643	2,245,145	2,315,281
Time deposits	50,000	50,000	50,000	50,000

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

Assets	June 30, 1936	June 5, 1937	June 12, 1937	June 19, 1937	June 26, 1937
Gold and gold exchange	11,040,577	15,853,319	15,862,674	15,862,785	15,862,839
Commercial bills	5,308,211	6,085,693	6,084,693	6,029,765	6,059,077
Agricultural and urban advances	2,446,557	2,074,267	2,074,232	2,068,926	2,069,083
Treasury bills issued against losses on credit	5,760,911	6,356,423	6,357,908	6,359,936	6,360,257
State debt and advances to Treasury	5,633,095	4,624,385	4,624,385	4,624,386	4,624,386
Liabilities					
Notes in circulation	22,268,079	26,101,284	26,090,687	26,020,654	25,974,838
Other sight liabilities	8,547,634	13,064,945	13,028,603	13,342,985	13,014,626
Long-term liabilities	4,388,336	3,667,457	3,722,171	3,422,618	3,272,764

† First return after decree of November 7, 1936, was November 14th.

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

Assets	July 10, 1936	June 10, 1937	June 20, 1937	June 30, 1937	July 10, 1937
Gold	365,298	414,491	416,008	422,861	424,347
Foreign exch. and balances	10,033	41,394	37,826	31,583	27,281
Bills discounted	631,166	500,347	489,633	521,522	527,103
Loans against securities	130,391	28,256	27,623	41,736	32,197
Treasury bonds discounted	55,619	36,716	32,187	34,652	40,539
Securities	108,950	134,682	134,688	134,576	134,300
Liabilities					
Notes in circulation	991,094	962,773	939,429	989,481	960,785
Sight liabilities	192,068	274,849	283,407	256,086	284,855

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

Assets	July 15, 1936	June 23, 1937	June 30, 1937	July 8, 1937	July 15, 1937
Gold reserve	544,651	602,955	602,938	602,919	602,908
Gold abroad not included in the gold reserve		116,383	89,589	37,426	37,003
Foreign correspondents	1,132,139	1,904,205	1,948,690	1,972,977	2,010,563
Foreign bills, bank notes, and coupons	85,250	91,483	93,150	93,780	90,073
Inland bills and other home loans	968,812	1,130,170	1,113,608	1,062,111	1,042,620
Finnish and foreign bonds	529,622	457,147	457,139	529,241	544,091
Liabilities					
Notes in circulation	1,417,258	1,824,222	1,859,068	1,811,281	1,799,634
Government deposits at sight	138,753	299,117	267,646	229,626	290,423
Other deposits at sight	656,201	855,254	863,952	1,007,473	992,684
Ratio of ordinary cover to liabilities at sight	71·75	76·11	76·25	76·67	76·99

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

Assets	July 13, 1936	June 14, 1937	June 21 1937	June 28, 1937	July 5, 1937	July 12, 1937
Gold coin and bullion	46,411	77,461	77,463	77,463	77,465	77,466
Silver coin	16,171	15,366	15,296	15,317	15,304	15,362
Foreign currency	7,919	42,298	40,978	40,593	39,199	39,241
Treas. notes and small change	14,223	9,506	8,714	8,975	9,420	9,594
Short-term bills	50,731	51,800	51,563	51,206	50,914	50,767
Loans against securities	62,777	69,766	70,905	70,678	69,136	68,432
Liabilities						
Notes in circulation	34,529	46,007	46,866	46,814	46,537	45,972
Deposits	20,519	21,206	21,396	21,386	21,387	21,341
Current accounts	90,968	115,530	114,243	114,303	111,539	113,061
Government accounts	46,268	75,151	74,678	75,280	72,727	71,233

‡ Gold francs up to and including September 28, 1936, only.

BANK OF DANZIG.—In Danzig gulder (000's omitted)

Assets	July 15, 1936	Apr. 30, 1937	May 14, 1937	May 31, 1937	June 15, 1937	June 30, 1937	July 15, 1937
Gold coin and bullion	20,792	29,566	29,572	29,579	28,115	28,118	28,117
Danzig subsid. coin	4,567	4,121	4,623	4,412	4,819	4,134	4,580
Balances abroad and foreign bills	10,100	2,394	2,312	2,229	3,672	3,097	2,405
Discounts	14,872	12,557	12,804	12,910	12,951	13,025	13,794
Liabilities							
Notes in circulation	28,571	32,654	29,649	31,515	29,357	32,961	30,483
Deposits on demand	7,206	12,966	15,893	13,164	15,844	12,120	15,615

BANK OF JAPAN.—In yen (000's omitted)

Assets	July 4, 1936	June 12, 1937	June 19, 1937	June 26, 1937	July 3, 1937
Gold coin and bullion	525,045	533,904	522,396	523,710	519,458
Other coin and bullion	66,197	53,813	55,559	54,886	56,342
Discounts	537,482	474,392	482,058	489,240	579,826
Advances	183,238	258,602	260,756	263,547	265,343
Advances on foreign bills	28,246	29,999	55,790	32,077	29,999
Government bonds	481,648	665,980	662,767	854,185	827,961
Liabilities					
Notes	1,364,115	1,367,003	1,428,265	1,570,914	1,538,579
Government deposits	2,236,349	336,012	294,040	351,971	297,903
Other deposits	60,610	75,144	59,852	87,928	69,785

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	July 15, 1937	July 16, 1937	July 17, 1937	July 19, 1937	July 20, 1937	July 21, 1937	July 22, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts							
3 months' do.							
4 months' do.							
6 months' do.							
Discount Treasury Bills—							
2 months'							
3 months'							
Loans—Day-to-day							
Short							
Deposit allowances: Bank							
Discount houses at call							
At notice							

Comparison with previous weeks

	Short Loans	Bank Bills: 3 Months	Bank Bills: 4 Months	Bank Bills: 6 Months	Trade Bills: 3 Months	Trade Bills: 4 Months	Trade Bills: 6 Months
1937	%	%	%	%	%	%	%
June 24							
July 1							
,, 8							
,, 15							
,, 22							

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	July 16, 1937	July 17, 1937	July 19, 1937	July 20, 1937	July 21, 1937	July 22, 1937
New York, $	‡4·86⅝	4·96⅜–97	4·96⅜–97⅛	4·96⅜–97⅛	4·97⅛–98⅛	4·97⅛–98⅛	4·98⅛–98⅜
Montreal, $	4·86⅛	4·97⅛–98	4·97⅛–98⅛	4·97⅛–98⅛	4·98⅛–99⅛	4·98⅛–99⅛	4·98⅛–99⅛
Paris, Fr.	124·21	128–130½	130–132½	130½–133	132½–133½	131½–134	133–135½
Brussels, Bel.	35·00(a)	29·48–54	29·52–57	29·51–56	29·55–61	29·56–62	29·60–64
Milan, L.	92·46	94½–⅛ / 94·40½	94⅛–⅜ / 94·40½	94⅛–⅜ / 94·48½	94½–⅝ / 94·52½	94·69½	94·67½
Zurich, Fr.	25·22½	21·65–74	21·69–76	21·68–73	21·70–74	21·70–73	21·69–73
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225½–226½	225½–226½	225½–226½	225½–226½	225½–226½	225½–226½
Madrid, Pt.	25·22½	70–100(l) / 62·75[f]	70–100(l) / 62·75[f]	70–100(l) / 62·75[f]	70–100(l) / 62·75[f]	70–100(l) / 62·75[f]	70–100(l) / 62·75[f]
Lisbon, Esc.	110	110–110½	110–110½	110–110½	110–110½	110–110½	110–110½
Amst'd'm, Fl.	12·107	9·00½–02	9·02–03	9·02–03	9·02–03½	9·01½–03	9·00½–02½
Berlin, Mk.	20·43	12·33–36	12·34–36½	12·33–36	12·34–38	12·35–38	12·35–38
Registered Marks	(c)	41·46	41·46	41¼–46½	41–46	41–46	40¼–45½
Vienna, Sch.	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen.	27·82	24½–25½	24½–25½	24½–25½	24½–25½	24½–25½	25–25½
Prague, Kc.	164½	142½–¾	142½–¾	142½–¾	142½–143	142½–143	142¾–143½
Danzig, Gul.	25·00	26–26½	26–26½	26–26½	26–26½	26–26½	26–26½
Warsaw, Zl.	43·38	26–26½	26–26½	26–26½	26–26½	26–26½	26–26½
Riga, Lat.	25·22½	24½–25½	24½–25½	24½–25½	24½–25½	24½–25½	24½–25½
Buchar'st, Lei	813·8	660–680	660–680	660–680	680–680	660–680	660–680
Const'ple, Pst	110	617* / 624k	617* / 624k	617* / 626k	617* / 626k	617* / 626k	618* / 627k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit.	48·68	28½–29½	28½–29½	28½–29½	28½–29½	28½–29½	29–30
Sofia, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅛–¼	97⅛–¼	97⅛–¼	97⅛–¼	97⅛–¼	97⅛–¼
Bt. India Rup.	† 18d.	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛	18 1/16–⅛
Hong Kong, $	†	14⅛–¼	14⅛–¼	14⅛–¼	14⅛–¼	14⅛–¼	14⅛–¼
Kobe, Yen	†24·58d.	13 9/16–14	13 9/16–14	13 9/16–14	13 9/16–14	13 9/16–14	13 9/16–14
Shanghai, $	†	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜
Singapore, $	† 28d.	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼
Batavia, F.	12·11	8·98–9·02	8·98–9·02	8·97½–9·02½	8·98–9·02	8·97½–9·01½	8·97½–9·01½
Rio, Mil.	†5·899d.	3 1/16–⅛	3 1/16–⅛	3 1/16–⅛	3 1/16–⅛	3 1/16–⅛	3 1/16–⅛
B. Aires, $	11·45	16·35–44 / 16·12k	16·38–44 / 16·12k	16·40–46 / 16·12k	16·40–50 / 16·12k	16·43–50 / 16·12k	16·44–50 / 16·12k
Valparaiso, $	40	128e(l)	128e(l)	128e(l)	128e(l)	128e(l)	128e(l)
M'video, $	† 51d.	27⅞–28½ / 39⅛*b	27⅞–28½ / 39⅛*b	27⅞–28½ / 39⅛*b	27⅞–28½ / 39⅛*b	27⅞–28½ / 39⅛*b	27⅞–28½ / 39⅛*b
Lima, Sol.	17·38	18⅞–19⅛	18⅞–19⅛	18⅞–19⅛	18⅞–19⅛	18⅞–19⅛	19–20
Mexico, Pes.	9·76	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Manila, Pes.	†24·66d.	24½–¼	24½–¼	24–24 1/16	24–24 1/16	24–24 1/16	24–24 1/16
Moscow, Rbls.	...	30⅛	31	31¼	31¼	31 1/16	31 1/16
B'ngkok, Baht	†21·82d.	21¼–22	21¼–22	21¼–22	21¼–22	21¼–22	21¼–22

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅛ since dollar devaluation on February 1, 1934. § Par, 197·10 1/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement (k) under Anglo-Turkish Agreement. (l) Nominal

II.—Forward Rates
(Closing quotations)

London on		July 16, 1937 Per £	July 17, 1937 Per £	July 19, 1937 Per £	July 20, 1937 Per £	July 21, 1937 Per £	July 22, 1937 Per £
New York, cent.	1 Month	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16	(p) ⅛–1/16
	2 ,,	¼–⅛	¼–⅛	¼–⅛	¼–⅛	¼–⅛	¼–⅛
	3 ,,	1⅜–1⅛	1⅜–1⅜	1⅜–1⅜	1⅜–1⅜	1⅜–1⅜	1⅜–1⅜
Paris, frs.	1 Month	(d) 2¾–2⅞	(d) 1⅞–2⅛	(d) 2–2⅛	(d) 2–2⅛	(d) 1⅞–2⅛	(d) 2¼–2⅜
	2 ,,	3¾–4⅛	3⅜–4⅛	3⅜–4⅛	3⅜–3⅝	3¼–4	3⅜–4
	3 ,,	6–6½	5⅜–6½	5⅜–5⅝	5⅜–5⅝	5⅜–5⅝	5⅜–5⅞
Amsterdam, c'nt	1 Month	(p) 1–½	(p) 1–½	(p) 1⅛–⅛	(p) 1⅛–⅛	(p) 1⅛–⅛	(p) 1¼–⅛
	2 ,,	1⅞–1⅝	1⅞–1⅝	1⅞–1⅝	1⅞–1⅝	1⅞–1⅝	2–1⅝
	3 ,,	2⅝–2¼	2⅝–2½	2⅝–2⅝	2⅝–2⅝	2⅝–2⅝	2⅞–2⅝
Brussels, cent.	1 Month	(p) 1⅛–¼	(p) 1–Par	(p) Par	(p) 1–Par	(p) 1–par	(p) 1–par
	2 ,,	2–1	2–1	1–Par	2–1	1–par	1–par
	3 ,,	4–3	3–2	2–1	2–1	1–par	1–par
Geneva, cent.	1 Month	(p) Par	(p) Par	(p) Par	(p) Par	(p) par	(p) 1–par
	2 ,,	Par	Par	Par	1–Par	1–par	1–par
	3 ,,	Par	Par	Par	1⅛–¼	1–par	1⅛–¼

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES
The Irving Trust Company cables the following money and exchange rates in New York:—

	July 22, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 14, 1937	July 21, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—			Selling Rates			
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	1	1	1	1	1
Commercial accept., 90 days	⅝	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	July 22, 1936	July 7, 1937	July 14, 1937	July 21, 1937
London—		Old par	4·8666			
60 days	Dollars for £1	New par	5·02⅛	4·8437	4·96	4·97½
Cable			5·02⅛	4·9525	4·9687	4·9837
Cheques		8·2397	5·02½	4·9512	4·96½	4·98½
Paris ....cheques	Cents for 1 franc	6·63	6·61½	3·8662	3·8825	3·72½
Brussels ,,	Cents for 1 belga	23·54	16·89	16·835	16·845	16·855
Switzerland ,,	Cents for 1 franc	32·67	32·72	22·90	22·94	22·945
Italy ,,	Cents for 1 lira	8·91	7·89½	5·26	5·26	5·26
Berlin ,,	Cents for 1 mark	40·33	40·34	40·15	40·23	40·265
Vienna ,,	Cts.forAustrn.shig.	23·82	18·89	18·76	18·79	18·80
Madrid ,,	Cents for 1 peseta	32·67	13·72	...	...	...
Amsterdam ,,	Cents for 1 guilder	68·06	54·985	55·10	55·26	
Copenhagen ,,	Cents for 1 kroner	45·37	22·42½	22·11	22·18	22·25
Oslo ,,			25·25	24·89	24·97	25·045
Stockholm ,,			25·90	25·54	25·61	25·70
Athens ,,	Cents for 1 drachma	1·29½	0·94⅜	0·91	0·91⅛	0·91½
Montreal ,,	Cents for Can. $1	109·31	99⅛	99⅜	99⅛	99⅜
Yokohama ,,	Cents for 1 yen	84·40	29·33	28·80	28·93	28·99
Shanghai ,,	Cents for 1 dollar	...	30·25	29·80	29·60	29·65
Calcutta ,,	Cents for 1 rupee	61·80	37·98	37·40	37·54	37·62
Buenos Aires ,,	Cents for 1 peso	...	33·48	30·73	30·82	30·91
Rio de Janeiro ,,	Cents for 1 milreis	11·96	8·47	8·32	8·37	8·40

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES
The sight selling rate for Colombia on New York was fixed on July 1st at 175·80 per 100 United States dollars. This rate applies to holders of permits buying in the "open" market. Quotations for other centres were given in our issue of July 3rd, page 49.

Exchange rates for South Africa and Australasia and overseas bank rates also appeared in the above issue. The French bank rate was reduced on July 6th from 6 to 5 per cent.

The Bank of London and South America, Ltd., has received telegraphic advice from the Valencia Branch that the gold surcharge for payment of Spanish customs duties has been fixed for the period July 21st to 31st at 148·25 per cent. The previous rate was fixed as from July 11th at 141·86 per cent.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended July 22, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD
(Into and from United Kingdom)

Imports: From	Bullion*	Coin†	Exports: To	Bullion*	Coin†
	£	£		£	£
British S. Africa	2,257,113	...	Anglo-Egyptian Sudan	700	...
Tanganyika	9,452	...	Bombay, via other ports	...	825
Kenya	5,011	...	Straits Settlements	3,427	1,817
Uganda	3,427	...	Finland	47,558	...
British India	135,924	...	Netherlands	...	12,940
British Malaya	11,125	...	France	3,000	...
Australia	28,755	...	Switzerland	2,370	11,171
New Zealand	19,197	...	Jugoslavia	149,525	...
Trinidad & Tobago	25,502	...	Egypt	...	650
Germany	2,878	...	U.S.A.	1,017,111	...
Netherlands	5,642	...	Other countries	226	...
Sumatra	2,149	...			
Belgium	221	...			
France	307	2,029			
Switzerland	7,714	...			
Venezuela	8,570	...			
Other Countries	629	272			
Totals	2,523,616	2,301	Totals	1,220,490	16,232 / 11,171

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown *in italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports: From	Bullion*	Coin†	Exports: To	Bullion*	Coin†
	£	£		£	£
New Zealand	1,878	...	N. Rhodesia	...	9,699
Netherlands	...	359	S. Rhodesia	...	26,877
Belgium	17,168	70	Nyassaland	...	23,345
France	...	527	Anglo-Egyptian Sudan	910	...
Switzerland	...	96	Aden and Dependencies	100	18,900
Japan	11,638	...	Bombay, via other Ports	42,940	...
Argentina	5,391	...	Straits Settlements	1,700	2
Other countries	...	2,229	Canada	11,212	...
			Netherlands	...	50
			France	6,125	...
			Portugal	1,557	...
			Italy	7,210	...
			Hungary	48,400	...
			Egypt	2,725	...
			Saudi Arabia	57	13,125
			U.S.A.	8,930	...
			Other countries	804	790 / 121
Totals	36,075	2,229 / 1,052	Totals	133,670	60,763 / 32,146

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown *in italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between July 16th and 22nd. Details of previous movements appeared in the issue of July 3rd, page 49.

GOLD MARKET

Messrs Samuel Montagu and Company write on July 21, 1937:—

The Bank of England gold reserve against notes amounted to £326,406,625 on July 14th, showing no change as compared with July 7th.

In the open market about £950,000 bar gold was available at the daily fixing during the week. Further weakness of the dollar has led to the establishment of still lower prices, the quotation of yesterday marking a fresh low point for the current year.

The premium over the dollar parity which on July 15th was 2d., contracted to ½d. on July 16th, and remained at that level until July 20th, when it disappeared. On July 21st there was again a premium amounting to 1d.

Two consignments of gold from Russia, each valued at about £900,000, are reported to be on their way to London.

The s.s. "Malojа," which sailed from Bombay on July 17th, carries gold to the value of about £251,000.

SILVER MARKET

The market has remained small, with only spasmodic Indian interest upon the buying side, whilst offerings have comprised resales by tired bull operators and small China sales. Influenced to some extent by the weaker dollar, the tone has been heavy and the tendency downward, prices to-day at 19 1/16d. for cash and 19⅞d. for forward comparing with 20d. for both deliveries on July 14th.

The market, though still sluggish, would probably respond readily to any fresh factor.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d	d.	d.	1937 Cents
July 15	140 1½	12 1·51	19 1/16	20	
,, 16	140 1	12 1·55	19 1/16	20	July 14 to July 20 inclusive 45
,, 17	139 11	12 1·72	20	20	
,, 19	139 11	12 1·72	19 1/16	20	
,, 20	139 8	12 1·98	19 1/16	19⅛	
,, 21	139 8	12 1·98	19⅛	19⅛	
Average	139 10·75	12 1·74	19·927	19·958	
July 22	139 6½	12 2·11	19⅛	19⅛	

The highest rate of exchange on New York recorded during the period from July 15th to 21st was $4·98½, and the lowest $4·96⅜.

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

OTHER STATISTICS

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
				%	%
BANKS					
Bank of Montreal	$2 p.s.	Sept. 1	Same	...	...
TEA AND RUBBER					
Bah Lias Rubber	5%*	Aug. 14	Nil*	...	...
Beaufort Borneo Rubber	...	Sept. 23	...	5	2
Bidor Rubber	...		...	12	7½
Djapoera Rubber	...	July 30	...	5	1½
Merah Rubber	...	...	First	3½	Nil
Padang Jawa Rubber	...	...	...	4	Ni
Siginting Rubber	...	...	...	9	2
Sungei Gettah Rubber	5%†	...	...	8	4
Tonghurst Rubber	5%†	...	...	9	5
MINING					
Glynn's Lydenburg	7½%*	Aug. 25	Same	...	...
Kaduna Prospectors	7½%*	Aug. 12	Same	...	...
Kent (F.M.S.) Tin	10%*	Aug. 11	...	...	...
Pataling Tin	20%*	...	15%*	...	...
Rambutan	2½%*	July 31	Same	...	...
Tehidy Minerals	1½%*	July 28	Same	...	...
Yellowdine Investments	...	...	...	(s) 3/10ps	...
OTHER COMPANIES					
Alpha Cement	(t)5%*	...	Same	...	...
Anglo-American Telegraph Ord.	15/–%*	July 31	Same	...	...
Barratt (W.) and Company	7%†	...	6%†	11	10
Benn Brothers ord.	10%†	...	Same	15	15
Do. def.	2/– p.s.†	...	Same	3/– p.s.	3/– p.s.
Blackburn (Thomas)	...	...	First	5	...
Bluestone and Elvin	7½%*	Sept. 1	6%*	...	...
Blythe Colour Works	5%*	Aug. 4	Same	...	...
Bolton (Thomas) and Sons	7½%*	...	...	10	7½
Bournemouth and Poole Electricity	6%*	Sept. 16	Same	...	...
Brazilian Warrant 7 per cent. pref.	...	Aug. 11	...	7	7
Brewery and Commercial Investment (def.)	8½%†	Aug. 14	Same	12	12
Brick Investments	...	...	...	5	5
Brixton Estate	22½%*	July 31	Same	...	...
Byard Manufacturing	5*	...	...	...	...
Commercial Gas	2½%*	Aug. 16	Same	...	...
Continental and Industrial Trust	4%†	July 29	3½%†	5½	5
County of London Electric	3%*	Sept. 30	Same	...	...
Darnell (J.) and Son	5%*	Aug. 13	Same	...	...
Davies and Metcalfe	5%*	Aug. 23	...	...	...
Edinburgh and Dundee Investmt.	5½%†	...	4½%†	7½	6½
Ellis and Goldstein	6%*	...	...	...	...
Finance and Industrial Trust	...	...	...	5	Nil
Ferrier, Pollock and Company	†2/6 p.s.	...	Same	...	...
Foreign and Colonial Investment Trust	2%*	July 31	Same	...	...
Freeder Crepe Mills	4%*	Aug. 16	3½%*	...	...
Freedlands	6%†	July 31	First year	12	...
General Hydraulic Power	2½%*	Aug. 31	Same	...	...
Gloucester Railway Carriage	...	...	...	2½	Nil
Goulding (W. H. and M.)	3%†	...	...	6	6
Greenfriar Investment	1½%*	Aug. 16	Nil*	...	...
Humber Graving Dock	2½†	Sept. 3	Same	4	4
Kendall and Gent	5%*	...	Nil*	...	...
Law Debenture Corporation	4%*	Aug. 3	Same	...	...
London Electric and General Trust	...	...	...	5½	5
London Electric Supply	3%*	...	Same	...	...
London Stockholders Investment Trust	1¼%*	July 24	First since 1931	...	...
Lotus, Ltd.	2½%*	July 30	Same	...	...
McDougall's Trust	6%†	...	4½%†	10	7½
Manchester Palace of Varieties	...	...	...	20	20
Mappin Stores (Brazil) "A" and "B" Ord.	...	Aug. 4	...	2	Nil
Metropolitan Electric	3%*	Aug. 9	Same	...	...
Metropolitan Trust	5%*	July 31	Same	...	...
National Canning	...	...	...	8½	8½
Olds Discount	5%*	Aug. 12	7½%*	...	...
Outram (George) and Co.	5%*	Aug. 12	Same	...	...
Port of Beira Development ("A" and "B") (1/–)	...	...	...	10·8d.ps	5d. ps
Range Boilers	5%*	...	Same	...	...
Richmond (Surrey) Electric	3%*	Sept. 16	Same	...	...
Romney Trust	2%*	July 31	1%*	...	...
Saker Bartle (South Africa)	5%†	...	First period	10	...
Scottish United Investors	2%*	Aug. 14	Same	...	...
Second British Assets Trust	2½%*	Sept. 1	2%*	...	...
Selecta Gramophones	...	...	...	5	4½
South African Distilleries, etc.	...	...	...	20	10
South British Investment	4%†	...	Same	6	6
South London Electric	3%*	Sept. 30	Same	...	...
South Metropolitan Gas	2½%*	Sept. 2	Same	...	...
Sparrow, Hardwick and Company	3%*	...	2½%*	...	...
Spratt's Patent	5%*	Aug. 7	Same	...	...
Telegraph Construction, etc.	5%*	Aug. 4	Nil	...	...
Thomas Marshall (Maribeck)	7½%*	July 31	Same	5	2½
Threlfall's Brewery	10%†	...	9%†	18	17
Tilling and British Automobile Traction	5%*	Sept. 1	5%*(a)	...	...
Tottenham and District Gas	3½%*	Aug. 11	Same	...	...
United City Property Trust	4½%†	...	...	7½	7½
United States and General Trust	2%*	Aug. 16	Same	...	...
Yorkshire Electric Power	3%*	...	Same	...	...

(s) To be paid in Australian currency.
(a) Present dividend paid on £4,000,000 of capital against £3,333,333.
† Free of income tax.
(t) Paid on increased capital.

SECURITY FIRST TRUST.—Distribution of 6d. net per sub-unit, payable on August 1, 1937. This fourth distribution since the inception of the Trust, is in respect of all dividends and other income received from January 5, 1937, to July 17, 1937.

SCRIBBANS AND COMPANY.—Final at rate of 5 per cent. per annum on ordinary, making 5 per cent. actual for year ended April 30, 1937, against 5½ per cent. Final on deferred at rate of 14·16 per cent., making 14·16 per cent. actual for year, against 15·583 per cent.

COMMERCIAL BANK OF AUSTRALIA.—Final dividend, 3½ per cent., as before, making 6½ per cent. for year, against 5½ per cent., payable August 20th in Australian currency.

BRITISH STEAMSHIP INVESTMENT TRUST.—Final dividend of 3½ per cent. on deferred stock, against 3 per cent., making 6 per cent. for year, against 5 per cent. In addition a special cash bonus of 5 per cent. is to be paid to commemorate the fiftieth year of the trust.

THRELFALL'S BREWERY.—Net profit £303,836 against £282,526. Final dividend on ordinary shares, 10 per cent., making 18 per cent. for year, against a final dividend of 9 per cent. making 17 per cent. for year.

McDOUGALLS TRUST.—Final dividend on ordinary shares 4 per cent. and bonus of 2 per cent., making 10 per cent. for year ended June 30, 1937. Last year final dividend 4½ per cent., making 7½ per cent. for year.

TILLING AND BRITISH AUTOMOBILE TRACTION.—Interim dividend 5 per cent. on ordinary capital of £4,000,000, against an interim of 5 per cent. on a capital of £3,333,333.

YELLOWDINE INVESTMENTS, LTD.—Yellowdine Investments, Ltd., has paid a dividend of 3s. 10d. (Australian currency) per share. The shareholding in this company is divided between Commonwealth Mining and Finance, Ltd., Anglo-Australian Gold Development, Ltd., Gold Fields Australian Development, Ltd., and Great Boulder Mining and Finance, Ltd.

SOUTHERN RAILWAY.—Interim dividend on preferred ordinary stock of 2 per cent., against 1 per cent. a year ago. (For 1936 a final of 4 per cent. was paid, making the full 5 per cent. for the year.)

BANK STATEMENTS

MIDLAND BANK LIMITED

The following is a summary of the figures given in the Statement of Accounts of the Midland Bank, Ltd., made up on June 30, 1937, in comparison with the position shown by the Bank on December 31, 1936, and June 30, 1936.

	June 30, 1936	Dec. 31, 1936	June 30, 1937
LIABILITIES	£	£	£
Capital paid up	14,248,012	14,248,012	14,248,012
Reserve fund	11,500,000	11,500,000	11,500,000
Current, deposit and other accounts (including profit balance)	467,452,184	488,364,201	487,595,481
Acceptances and confirmed credits on account of customers	10,183,313	11,054,418	14,043,622
Engagements on account of customers	6,879,838	7,545,855	7,727,054
	510,263,347	532,712,486	535,114,169
ASSETS			
Coin, bank notes and balances with the Bank of England	43,026,530	52,941,374	50,917,497
Balances with, and cheques in course of collection on other banks in Great Britain and Ireland	18,379,183	22,092,096	15,983,554
Money at call and short notice	26,553,574	28,887,886	35,791,530
Investments	120,990,284	127,892,099	117,998,856
Bills discounted	21,102,902	21,791,113	32,860,755
British Treasury bills	52,883,844	52,822,885	27,127,628
Advances to customers and other accounts	191,859,141	189,516,488	214,387,887
Liabilities of customers for acceptances, confirmed credits and engagements	17,063,151	18,609,273	21,770,676
Bank premises	9,145,811	8,891,253	8,857,868
Other Properties and work in progress for extension of the business	950,022	994,343	935,382
Shares in Yorkshire Penny Bank, Ltd.	750,000	937,500	937,500
Capital, reserve and undivided profits of— Belfast Banking Co., Ltd.; The Clydesdale Bank, Ltd.; North of Scotland Bank, Ltd.; Midland Bank Executor and Trustee Co., Ltd.	7,578,905	7,745,236	7,745,236
	510,263,347	532,712,486	535,114,169
Contracts running for sale of Foreign Currencies, covered by purchases to a corresponding amount	12,068,590	8,555,169	7,016,708

INDUSTRIAL PROFITS SUPPLEMENTARY FIGURES

(See Note of the Week on page 178)

PROFITS, DIVIDENDS, ETC., IN SEPARATE INDUSTRIAL GROUPS

(Reports issued in Quarter ended June 30th, 1937)

Group	Net Profit after Payment of Debenture Interest	Ordinary Dividend		Preference Dividend		To Reserve, etc.	
	£	£	%	£	%	£	%
Breweries	4,033,567	2,348,640	58·2	681,805	16·9	1,003,122	24·9
Canals and docks	94,153	47,583	50·6	31,255	33·2	15,315	16·2
Electric lighting and power	1,338,964	775,247	57·8	261,237	19·5	302,480	22·7
Financial, land & investment	3,516,730	1,953,564	55·6	795,906	22·6	767,260	21·8
Gas	909,972	685,761	75·4	77,602	8·5	146,609	16·1
Hotels and restaurants	1,469,763	624,694	42·5	628,173	42·6	218,896	14·9
Iron, coal & steel	10,028,222	4,540,335	45·2	1,201,110	11·9	4,286,777	42·9
Motor, cycle and aviation	3,835,668	1,619,781	44·5	233,032	6·4	1,782,855	49·1
Oil	17,788,205	12,331,827	69·3	2,304,180	12·9	3,152,198	17·8
Rubber	2,472,187	1,704,162	68·9	161,592	8·5	606,433	24·8
Shipping	2,877,633	447,857	15·6	232,493	8·1	2,197,483	76·3
Shops and stores	4,149,944	1,880,753	44·8	594,272	14·3	1,694,919	40·9
Tea	1,810,312	1,139,691	62·9	286,919	15·8	383,702	21·3
Telegraphs and telephones	2,745,831	1,502,629	54·7	952,878	34·7	290,324	10·6
Textiles	3,417,570	2,185,885	63·9	823,333	24·1	408,352	12·0
Tramway and omnibus	1,559,618	615,766	39·5	261,653	16·8	682,199	43·7
Trusts	3,885,125	1,778,398	45·8	1,369,323	35·2	739,404	19·0
Waterworks	297,605	177,074	59·5	16,310	5·5	104,221	35·0
Buildg. materials	1,047,757	450,875	43·0	241,098	23·0	355,784	34·0
Food, confectionery and drink	2,716,154	1,528,553	56·3	452,852	16·7	734,749	27·0
Electrical equipment	3,826,018	1,750,195	45·8	363,458	9·4	1,712,363	44·8
Newspapers, printing, etc.	4,703,099	1,964,242	41·7	1,162,544	24·7	1,576,313	33·6
Tobacco	199,981	100,142	50·0	41,669	20·8	58,170	29·2
Warehouse and trading	195,381	121,543	62·2	34,862	17·9	38,976	19·9
Miscellaneous	21,971,169	10,454,576	47·6	4,715,379	21·5	6,801,214	30·9
Total	100,690,626	52,707,571	52·3	17,922,935	17·8	30,060,120	29·9

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Prefce. Amount	Appropriation: Dividend Ordinary Amount	Appropriation: Dividend Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Banks											
Hibernian Bank	June 30*	29,167	40,715	69,882	...	30,000	12	10,000	29,882	40,597	11
Munster and Leinster Bank	June 30*	41,984	69,171	111,155	...	45,000	12†	22,500	43,655	68,027	12†
Provincial Bank of Ireland	June 30*	34,104	37,680	71,784	...	25,312	12½	10,000	36,472	35,147	12½
Queensland National Bank	June 30	19,936	74,820	94,756	...	74,375	4¼	...	20,381	73,649	4
Breweries											
Groves (John) and Sons	May 31	...	16,487	16,487	4,137	7,500	5	3,833	1,017	(b)	(b)
Kay's Atlas Brewery	June 30	39,934	15,496	55,430	2,994	9,453	10	3,000	39,983	14,714	10
South African Distilleries	June 30	1,055	253,386	254,441	41,250	200,000	20	11,700	1,491	160,919	10
Threlfall's Brewery	June 30	339,832	352,684	692,516	26,514	247,504	18	83,848	334,650	322,861	17
Financial, Land, etc.											
B. R. Finance Company	Mar. 31	*Dr. 2,022*	1,245	*Dr. 778*	...	...	...	...	*Dr. 778*	(b)	(b)
Brick Investments	June 30	8,367	9,463	17,830	7,518	1,927	5	4,459	3,926	9,478	5
British Industries, &c. Trust	June 30	10,898	17,743	28,641	18,000	...	...	...	10,641	13,909	Nil
Central Commercial Proptys.	June 30	7,858	41,353	49,211	14,809	11,200	15	14,940	8,262	34,419	15
City of Aberdeen Land	June 30	1,451	13,169	14,620	1,525	11,086	21	500	1,509	12,618	20
City of London Brewery, &c.	June 30	60,917	185,245	246,162	67,888	{ 89,188 ...	10(a) 20(t)	...	89,086	188,795	{ 10(a) 6(t)
City of San Paulo Imprts.	Feb. 29	242,147	38,923	281,070	...	...	...	...	281,070	86,158	Nil
Finance and Industrial Trust	June 30	376	8,321	8,697	2,235	5,481	5	...	981	14,824	Nil
Hutchinson Printing Trust	Dec. 31	11,586	37,746	49,332	33,750	...	...	365	15,217	36,926	Nil
Cork Improved Dwellings	June 30*	1,875	1,136	3,011	...	1,125	7½	...	1,886	1,313	7½
Gt. Ntn. Telegraph (Holding)	June 30	237	84,973	85,210	...	84,978	23½	...	232	84,976	23½
London Electrical and General Trust	June 30	15,458	28,790	44,248	14,293	10,058	5½	5,000	14,897	20,178	5
McDougalls Trust	June 30	46,180	179,025	225,205	50,000	127,387	10	10,000	37,818	175,976	7½
O-Cedar Consolidated Trust	Mar. 31	8,268	1,127	9,395	...	...	...	...	9,395	1,118	Nil
Trading Investment Co.	June 30	264	17,831	18,095	11,586	3,786	2½	2,500	223	(b)	(b)
United City Property Trust	June 30	8,055	26,544	34,599	8,030	11,395	7½	5,000	10,174	22,670	7½
Hotels, Restaurants, etc.											
Hyde Park Hotel	Apr. 30	...	2,712	2,712	...	...	...	2,712	...	*Dr. 1,438*	Nil
Iron, Coal and Steel											
Armstrong Whitworth Secs.	Dec. 31	*Dr2934783*	15,116	*Dr2919667*	...	...	...	...	*Dr 2,919,667*	*Dr18,326*	Nil
Avery (W. and T.)	Mar. 31	62,392	166,644	229,036	11,349	97,607	15	55,000	65,080	149,601	15
Crossley Brothers	Apr. 30	28,403	45,453	73,856	20,170	...	...	26,000	27,686	34,249	Nil
Crossley-Premier Engines	Apr. 30	3,915	42,685	46,600	8,250	15,625	12½	16,800	5,925	(b)	(b)
Head, Wrightson and Co.	Apr. 30	17,480	52,698	70,178	34,883	7,875	5	20,000	7,420	45,056	Nil
Sheffield Steel Products	Mar. 31	*Dr. 35,633*	1,015	*Dr. 34,618*	...	...	...	...	*Dr.34618*	*Dr.13908*	Nil
Rubber											
Bertam Consolidated	Mar. 31	24,270	54,474	78,744	...	49,538	14	3,600	25,606	27,008	7½
Bidor	Mar. 31	6,996	6,150	13,146	...	6,000	12	4,000	3,146	2,345	7½
Burma	Mar. 31	4,810	17,536	22,346	...	13,421	6	5,000	3,925	6,769	Nil
Chungloon	Mar. 31	1,246	3,622	4,868	...	2,748	10	...	2,120	789	4
Djapoera	Mar. 31	194	4,879	5,073	...	3,250	5	1,600	223	2,011	1½
Durian Sebatang	Mar. 31	1,227	3,009	4,236	...	2,250	4	679	1,307	957	Nil
East Asiatic	Mar. 31	20,248	69,758	90,006	...	60,000	7½	5,000	25,006	44,962	5
Harewood	Mar. 31	3,422	4,455	7,877	...	3,850	3½	...	4,027	839	Nil
Jabi	Mar. 31	1,848	7,742	9,590	...	5,525	8½	...	4,065	2,373	5
Java Produce	Mar. 31	*Dr. 11,537*	16,607	5,070	...	...	...	4,739	331	*Dr. 2,566*	Nil
Jeram	Mar. 31	1,587	11,848	13,435	...	8,914	6½	2,500	2,021	5,443	5
Juru	Mar. 31	1,356	6,075	7,431	...	4,400	5½	1,500	1,531	3,671	3½
Laras (Sumatra)	Mar. 31	23,584	38,543	62,127	...	9,856	5	37,822	14,449	18,078	Nil
Malayan	June 30	2,529	3,319	5,848	...	3,054	6	1,438	1,356	589	Nil
Merah	Mar. 31	964	4,256	5,220	...	2,975	3½	530	1,715	980	Nil
Padang Jawa	Mar. 31	1,386	3,389	4,775	...	3,000	4	250	1,525	156	Nil
Parana	June 30	*Dr.22,340*	(s)32,100	9,760	...	...	...	...	9,760	(b)	(b)
Prang Besar	Mar. 31	11,908	18,346	30,254	...	8,540	10	12,100	9,614	4,517	4½
Prye	Mar. 31	173	5,198	5,371	...	2,481	2½	2,022	868	1,915	1½
Rini (Java)	Jan. 31	3,323	5,669	8,992	...	5,750	20	1,400	1,842	2,705	5
Sungei Gettah	Mar. 31	7,536	7,780	15,316	...	7,200	8	...	8,116	2,951	4
Sungei Timah	Mar. 31	697	6,750	7,447	...	5,783	7½	1,000	664	4,181	5
Tonghurst	Mar. 31	1,033	2,512	3,545	...	2,260	9	...	1,285	1,137	5
Shops and Stores											
Barratt (W.) and Company	June 30	22,928	133,236	156,164	35,000	34,000	11	64,136	23,028	131,829	10
Mappin Stores (Brazil)	Feb. 28	*Dr. 1,525*	5,580	4,055	...	3,322	2	...	733	9,178	Nil
Tea											
Assam Frontier	Dec. 31	452	25,814	26,266	10,500	10,500	1½	2,500	2,766	26,168	Nil
Trusts											
British Steamship Invest.	June 30	292,336	108,296	400,632	13,763	150,712	11(c)	...	236,157	87,350	5
Land Revenues Trust	June 24	1,015	19,421	20,436	2,380	8,116	5	4,725	5,215	14,854	5
Palmerston Investment	June 30	2,026	10,718	12,744	...	8,160	6	2,500	2,084	9,675	6
Other Companies											
Amalgamated Roadstone	Mar. 31	6,508	37,937	44,445	10,500	21,000	6	...	12,945	(b)	(b)
Bolton (Thomas) and Sons	Mar. 31	17,031	154,094	171,125	...	50,000	10	96,210	24,915	98,296	7½
General Theatre Corporation	Mar. 31	50,835	137,292	188,127	...	52,500	15(a)	81,133	54,494	98,356	12(a)
Gloucester Railway Carriage	Mar. 31	7,669	9,201	16,870	...	9,844	2½	...	7,026	2,472	Nil
Griffiths Hughes Proprietaries	May 31	6,770	167,576	174,346	41,594	124,687	11	...	8,065	249,627	17½
Hollychrome Bricks	June 30	934	23,676	24,610	...	16,500	15	7,000	1,110	21,481	15
Montague L. Meyer	May 31	15,633	147,779	163,412	6,050	14,063	50	115,020	28,279	24,015	10
National Trading (S.A.)	Mar. 31	4,206	29,562	30,018	3,183	20,000	16	5,000	1,835	(b)	(b)
O-Cedar, Ltd.	Dec. 31	456	5,417	9,623	...	1,406	12½	4,000	4,217	5,691	12½
Saker Bartle (S.A.)	Mar. 31	...	51,595	51,595	12,567	27,500	10	...	11,528	(b)	(b)
Scribbans and Company	Apr. 30	30,714	105,781	136,495	...	{ 64,281 21,427	5 14·167(t)	19,074	31,713	127941	{ 5½ 15·583t
Thorn Electrical Industries	Mar. 31	4,409	28,640	33,049	469	15,000	20	12,500	5,080	(b)	(b)

(c) Includes a special bonus of 5 per cent. to commemorate the 50th year of the Trust. * For half-year. (a) Paid on preferred ordinary shares. (t) Paid on deferred stock. (s) Eighteen months. (b) No comparable figure.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE irregular tendency noted a week ago has again been evident, price movements being indeterminate. In many cases business has been restricted and the markets generally appear to be awaiting a fresh lead.

It was rumoured this week, following Monday's meeting of a sub-committee of the International Tin Committee, that the latter body was contemplating the re-establishment of a buffer pool for the better control of tin prices. Such a step is, however, unlikely to be taken in the near future; for the Committee is not anxious at present to raise prices further and the re-constitution of the buffer pool would withdraw supplies from the market. Tin prices were actually slightly easier this week, while lead and spelter declined on reports of rising production. Copper, although in quiet demand, recovered after last week's fall. Business in rubber was on a very narrow scale and prices sagged below 9d. per lb. for the first time this year. Cotton was also marked down in response to favourable crop reports, but other textile figures were mainly unchanged.

The recent rise in the price of wheat was checked by absence of demand and news of rainfall in Western Canada. Although rain is now of little use except for late-sown wheat, it appears that the Canadian crop may be better than some of the more pessimistic observers had predicted. In contrast to wheat, maize was firmer, on a more active demand. The Mincing Lane tea auctions showed a firm tone, but the market in sugar was quiet and barely steady. On the London Provision Exchange quotations were generally firm, while egg prices were steady.

Following last week's rise, prices in the United States developed a reactionary tendency. Thus Moody's daily index of staple commodity prices (December 31, 1931 = 100) declined from 208·4 to 207·7 in the week ended Wednesday, the latter figure comparing with 200·4 a month ago and 177·8 on the corresponding day last year.

COAL

SHEFFIELD.—On the inland market, demand for house coal has turned very quiet, due in some measure to the fact that there has been no general summer reduction in prices. Industrial demand is very strong, and prices are firm. Best locomotive hards are being well taken up. Graded steam coal is scarce, particularly singles and smalls. Coke of all descriptions is scarce. In blast furnace qualities the output is fully sold. Large patent oven coke is very firm, full supplies being difficult to arrange. Some collieries are crushing large coal to meet the shortage of coking coal. Export inquiries have fallen away, shippers being hampered by the scarcity of suitable tonnage. All qualities are easily obtainable. Output in the South Yorkshire coalfield has been hindered this week to some extent by the haulage hands' wages dispute, a number of unofficial strikes having occurred. The chief cause of the trouble is the drop of 5 per cent. in the monthly wage ascertainment, which the youths engaged in this work complain virtually wipes out the advance of sixpence per day granted last year.

NEWCASTLE-ON-TYNE.—So far as foreign trade is concerned, the North East coal market is quiet, there being little inquiry from abroad. On the other hand, home industrial trade is brisk, which, combined with foreign contracts made some time ago, provides sufficient business to keep collieries working regularly. Northumberland steam collieries are steady, there being little doubt that present prices will be maintained owing to the large amount of trade booked ahead. Durham gas coal and bunkers are offered freely, but there is still a persistent demand for coking classes.

GLASGOW.—The Lothian collieries resumed this week, and one or two pits were working in Ayrshire, but elsewhere holidays were general. Market conditions were therefore quiet. Producers appear to be comfortably placed for orders for the restart, and a gradual expansion of demand over the coming weeks is to be expected. Certainly the Lothians have had little to offer for new prompt business this week, washed treble nuts alone being available in any quantity. Libau Electricity Works invite tenders for the supply of 15,000 tons of washed smalls and steam coal for delivery August–February.

SHORTER COMPANY COMMENTS

COMPANY RESULTS OF THE WEEK.—Good progress is shown by THOMAS BOLTON. Profits have advanced from £98,296 to £154,094, and the ordinary dividend is raised from 7½ to 10 per cent. HOLLYCHROME BRICKS have earned slightly higher profits, but the dividend is maintained at 15 per cent. The profits of SCRIBBANS have suffered a set-back, which has compelled a reduction in the ordinary and deferred dividends. Net profits for the year to April were £105,781, compared with £127,941 for 1935-36. The GENERAL THEATRE CORPORATION reports better trading results, for profits have increased from £98,356 to £137,292, and the preferred ordinary shareholders receive 15 per cent., compared with 12 per cent. for the previous year. Among brewery concerns, THRELFALL'S BREWERY reports an increase in net profits from £322,861 to £352,684, thus permitting the raising of the dividend from 17 to 18 per cent. McDOUGALLS TRUST profits are only slightly higher at £179,025, but the dividend has been raised from 7½ per cent. to 10 per cent. In the engineering group, HEAD WRIGHTSON show an increase in profits from £45,056 to £52,698, while CROSSLEY BROTHERS' net earnings have been increased from £34,249 to £45,453. The ordinary dividend of W. BARRATT has been raised from 10 to 11 per cent., but the net profit is only slightly higher at £133,236. The record of this week's rubber companies is impressive BERTAM CONSOLIDATED has doubled its profit—£54,474 against £27,008—and has raised its dividend from 7½ per cent. to 14 per cent. EAST ASIATIC shows a profit of £69,758 against £44,962, the dividend being raised from 5 to 7½ per cent. LARAS (SUMATRA) whose profits are more than doubled at £38,543, have resumed dividends with a 5 per cent. payment. Other large concerns whose profits show decided improvement include BURMA, JAVA PRODUCE, JERAM, and PRANG BESAR.

BANKS

NATIONAL CITY BANK OF NEW YORK.—Leading items in the balance sheet of the National City Bank of New York as at June 30, 1937, and June 30, 1936, are compared in the following table :—

	June 30, 1936	June 30, 1937
ASSETS	$	$
Cash and due from banks	482,847,279	549,793,277·03
U.S. Government obligations	622,644,698	419,401,464·82
State and municipal bonds	101,487,261	92,891,746·00
Other bonds and securities	106,256,881	140,441,108·95
Loans, discounts and bankers' acceptances	551,930,592	710,217,081·27
LIABILITIES		
Deposits	1,730,019,146	1,807,822,047·23
Liability as acceptor, endorser, etc.	45,432,421	44,426,198·90
Undivided profits	10,805,481	13,746,581·15
Balance sheet total	1,969,852,055	2,006,169,216·52

MISCELLANEOUS

TRUST OF BANK SHARES.—The managers announce that the semi-annual management charge will be reduced from ¼ of 1 per cent. to 1/8 of 1 per cent. of mean market value of the fund. Similar reductions are being arranged for other trusts in the Trust of Insurance Group.

THOMAS BOLTON AND SONS.—Gross trading profit £232,870, an increase of £69,790. After all expenses £140,165 was earned on the ordinary. Final ordinary dividend 7½ per cent., against 5 per cent., making 10 per cent., against 7½ per cent.

CABLE AND WIRELESS, LIMITED.—INDEX NUMBERS.—The index numbers are all shown upon a comparable basis. Monthly figures reduced to working day average. Working day average of comparable receipts year 1929 = 100.

	1930	1931	1932	1933	1934	1935	1936	1937
January	96·0	76·3	73·4	69·9	71·8	73·2	71·2	85·8
February	95·7	81·2	82·9	71·7	74·7	74·4	73·3	84·6
March	94·5	79·6	77·8	70·4	72·8	76·2	76·0	90·6
April	94·9	74·5	71·4	71·8	71·6	74·6	71·6	83·7
May	86·2	68·8	67·7	70·7	73·1	72·5	67·6	78·6
June	86·0	66·6	64·7	70·1	70·1	70·2	70·3	73·5
July	80·8	64·7	63·2	67·5	68·9	66·7	70·3	
August	82·1	61·8	69·6	65·9	70·7	67·1	69·1	
September	81·4	73·0	71·4	67·9	70·3	75·5	70·7	
October	82·5	77·8	73·2	72·1	73·6	78·8	75·9	
November	80·4	79·0	73·0	71·8	71·3	72·7	80·5	
December	87·1	83·6	78·8	76·7	80·7	80·1	96·4	

AERONAUTICAL CORPORATION OF GREAT BRITAIN, LTD.—A meeting will be held on August 20th at Grotrian Hall to consider a resolution that the company be wound up voluntarily. The liquidator proposed is Mr. B. C. Gotelee, who was a member of the shareholders' committee.

SCRIBBANS AND COMPANY, LTD.—Trading profit for year ended April 30, 1937, £150,085, against £193,347 for previous year. To depreciation £20,357, against £18,518. To development reserve £30,000 as before. Ordinary and deferred dividends £85,708, against £95,908. Carry forward raised from £30,714 to £31,713.

TRUST OF INSURANCE SHARES.—Progress report for sixth half-year of Trust to June 30, 1937, announces distribution of 3·7119d. net per Unit, making, with the previous half-yearly payment, a total for the Trust year of 6·5577d. per unit, tax free. The half-yearly management remuneration has been reduced from one-sixteenth of one per cent. of the mean market value of the fund to one-twentieth of one per cent.

MEXICAN EAGLE STRIKE.—The London financial agents of the Mexican Eagle Oil Company are advised that a strike of the workmen in the Poza Rica field began on July 21st, negotiations in connection with a list of petitions presented by the workmen having broken down.

TAQUAH AND ABOSSO MINES.—Net profits for year to March 31, 1937, were £141,038, an increase of £5,480. Final dividend of 31½ per cent. makes total of 43¾ per cent., against 50 per cent. for 1935–36. Carried forward, £47,410, subject to directors' extra remuneration and to proposed transfer of £10,000 to tax reserve, against net balance of £29,419 brought in. Proposed to increase authorised capital by £50,000 to £350,000 and to offer shareholders one new 4s. share for every five shares held at 25s. per share.

GOLD FIELDS RHODESIAN DEVELOPMENT.—Advance of £56,508, to £266,353, in profits is announced for year to May 31, 1937. There has been written off expenditure on prospecting, £565, against £10,353. Sums of £110,000, against nil, is reserved for depreciation, and £25,000, against nil, is transferred to reserve. Ordinary dividend 10 per cent., as before. £28,670 forward, against £26,315 last year, when £69,562 was written off investments.

NICARAGUA 5 PER CENT. LOAN PLAN.—The Republic of Nicaragua proposes further to reduce the interest to 4 per cent. on its 6 per cent. (now 5 per cent.) sterling loan of 1909 Stamped Assented bonds. The redemption date is to be extended by 13 years to 1957. The acceptance of the plan is recommended by the Council of foreign bondholders.

CARDIFF.—Current business on the Cardiff market continues comparatively restricted, but shipments have been well maintained, and last week they totalled 430,000 tons, compared with 433,400 tons the previous week and 349,300 tons in the corresponding week last year. Little improvement is anticipated in the current demand for the rest of the month, but confidence is expressed that with the approach of the autumn the market will recover its recent strength. The comparative easiness of the market position during the past few weeks was marked by a revival of efforts on the part of buyers to depress prices, but under the new system of central control these have been firmly resisted, and there has been no reduction in quotations for forward deliveries. Stocks of large coals have slightly increased, but there is still a shortage of best washed and sized grades. Coke prices are very firm, and quotations for patent fuel and pitwood are unchanged.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that the effect of the holiday season in the producing districts is now apparent, for it has accentuated the difficulty of placing orders and securing deliveries. On the other hand, the temporary cessation of operations at some of the steelworks, particularly in Scotland, is welcomed by the pig-iron branch of the industry, as it affords an opportunity of accumulating stocks and overtaking arrears of orders.

There are no signs of any relief from the pronounced scarcity of foundry iron, and the consuming works continue to operate on hand-to-mouth supplies which are distributed by the makers in accordance with the rationing scheme. The situation of the steelworks has been strengthened by the purchases of foreign iron arranged by the British Iron and Steel Federation; but there is a distinct shortage of hematite.

The demand for semi-finished steel continues at a high level, and although British works producing this class of material are operating at capacity, the output is much below the requirements of the consuming industries. It is hoped that the imports of this description of steel as a result of the reduction in the duties will considerably improve the position of consumers.

Home demand for finished steel shows no sign of subsiding, and the requirements of the market are well in excess of the supplies available. There is a good export inquiry; but trade with some of the overseas markets is showing a seasonal decline.

MIDDLESBROUGH.—Very little new business is heard of in pig iron. Slightly larger deliveries of Cleveland foundry pig iron are being made, but users have to obtain supplies from other areas when possible. East Coast hematite is also in strong demand, and sales have been made for supply over the next two months. Prices of Cleveland and hematite pig iron remain unaltered. Quantities of French pig iron are now being offered on the market.

The extension of the control of supplies of structural steel on the basis of deliveries made during 1936 is of assistance to finished steel manufacturers. Larger supplies of Continental semi-finished steel are expected, which will tend to ease the position of re-rollers. The price of finished iron has now been advanced by 27s. 6d. per ton, the price for common iron bars now being £13 5s. per ton. Heavy steel scrap is in good demand at fixed prices. Good Durham blast-furnace coke remains at 40s. per ton delivered furnaces.

SHEFFIELD.—There is little change in the condition of the iron and steel market, and new business is of very small proportions, a state of things which seems likely to persist for some time, as sellers have hardly anything to offer. Foundry iron business is a trifle less difficult to transact. Users of basic and forge iron are not finding it easy to place orders. A keen look-out is kept for any odd lots of material, however small, but these are rarely to be picked up. A still further increase in Derbyshire output is being talked of. The position in hematites is unaltered. Makers are accepting contracts less freely than was the case a few weeks ago, which suggests that they are fairly well committed over the next few months. The delay in the announcement of the revised prices for finished iron has now ended, quotations having this week been officially advanced by 27s. 6d. The new prices are: Marked bars, £15 15s.; crown bars, £13 5s.; No. 3 bars, £11 12s. 6d.; No. 4 bars, £12 2s. 6d.; hoops and strip, £14 2s. 6d. These prices will operate as from July 1 to December 31.

Demand for basic and acid steel billets continues unabated, and new orders are accepted subject to long delay in delivery. Wire rods, strip and bars are in full request. The output of stainless steel sheets is being increased to meet the ever-expanding demand. Structural steel business continues to develop.

GLASGOW.—During the holidays a large amount of repair work is being carried out, some quite extensive alterations and repairs being undertaken during the present week. Trade circles are looking forward to a period of great activity at all the plants, where it is expected that operations will be continuous until the next holiday break, which is at the end of the year. West of Scotland re-rollers expect that a good share of the additional tonnage of Continental material which has been released will be allocated to them, and so enable them to keep their mills fully employed. Like others they have many months' work on order books.

CARDIFF.—All the heavy branches of the iron and steel industry in South Wales continue active, and the scrap position is easier than it has been for some time past. The most recent of the output returns of the tinplate industry shows production at 74·99 per cent. of allotted capacity. Shipments at Swansea last week totalled 8,896 tons, compared with 4,618 tons in the corresponding week last year, while stocks in warehouses and in vans, at 2,439 tons, were less than one-fourth the reserves in the corresponding period of 1936. Prices of tinplates, galvanised sheets, steel bars and pig iron are unaltered.

OTHER METALS

COPPER.—Although turnovers remain small, the market has developed a firmer tone, the cash price showing a gain of £1 3s. 9d. on the week. Quiet conditions have also prevailed in the United States, rumours of a revival of restriction being the only notable feature of the week. Restriction, however, is unlikely to be re-imposed while prices are rising—especially in view of the fact that last month's increase in stocks, which probably provided the basis for this week's rumours, was due to slackening consumption rather than to the growth of production.

Sales on the London Metal Exchange: 950 tons on Monday, against 675 tons last week; 1,950 tons on Tuesday, against 1,200 tons last week; 1,600 tons on Wednesday, against 1,050 tons last week. Domestic spot was quoted at 13·95 cents per lb. in New York on Wednesday, against 13·70 cents a week ago and 13·57½ cents a month ago. Wednesday's official closing price for standard cash in London was £56 15s. to £56 16s. 3d. per ton, compared with £55 11s. 3d. to £55 13s. 9d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 10,037 tons, showed a decrease of 367 tons, while stocks of rough copper, at 8,796 tons, were 200 tons larger.

LEAD AND SPELTER.—Mainly in consequence of reports of rising production, prices were weaker. The world's lead smelter output (excluding Spain) amounted to 671,217 metric tons in the first five months of this year, according to the Metallgesellschaft, against 590,210 metric tons in the corresponding period of last year. Excluding the United States, the total was 488,209 metric tons, an increase of 56,053 tons. Production in May—again excluding Spain and the United States—at 102,151 metric tons, was the highest monthly figure ever attained.

According to the same source, world output of smelter zinc advanced from 606,478 metric tons in January–May, 1936, to 667,099 metric tons in the first five months of 1937. Production outside the United States this year aggregated 451,131 metric tons, against 417,582 metric tons last year. These figures disclose a satisfactory buoyancy of production; but since stocks are small and buyers fairly active it is unlikely that rising output will threaten the present price structure.

Sales of lead on the London Metal Exchange: 1,100 tons on Monday, against 1,350 tons last week; 1,850 tons on Tuesday, against 1,000 tons last week; 1,150 tons on Wednesday, against 650 tons last week. The New York quotation on Wednesday was 6·00 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £23 15s. to £23 17s. 6d. per ton, compared with £24 16s. 3d. to £24 17s. 6d. last week.

Sales of spelter on the London Metal Exchange: 750 tons on Monday, against 1,250 tons last week; 1,000 tons on Tuesday, against 2,900 tons last week; 850 tons on Wednesday, against 1,500 tons last week. Wednesday's quotation in East St. Louis was 7·00 cents per lb., against 7·00 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £22 12s. 6d. to £22 15s. per ton, against £23 to £23 1s. 3d. last week.

TIN.—Tin has again been a steady market. Business was small and price fluctuations narrow, the cash quotation showing a trifling net decline on the week. Recent reports of drought difficulties in Malaya have been officially denied this week. It appears that only a few smaller companies have been affected by water shortage and that this will not stop Malaya from fulfilling her quota. Moreover, plenty of rain has fallen this week. In Bolivia the change in the presidency, which at first caused concern in London tin circles, has actually proved beneficial for the tin producers. For the new President intends to stimulate production by all possible means.

On Monday a sub-committee of the International Tin Committee held a private meeting in London. Although no statement was issued, it is believed that the formation of a new buffer pool was discussed. This course has been advocated in certain circles recently, but British producers are opposed to it. Whether a new buffer pool will in fact be formed remains doubtful; but the adoption of such a course would probably cause prices to rise since the whole of the current output is urgently needed to keep the market stable.

Sales of tin on the London Metal Exchange: 375 tons on Monday, against 410 tons last week; 300 tons on Tuesday, against 475 tons last week; 200 tons on Wednesday, against 550 tons last week. The New York quotation on Wednesday was 60·00 cents per lb., against 60·10 cents a week ago and 55·85 cents a month ago. Wednesday's official closing quotation in London for standard cash was £266 10s. to £266 15s. per ton, compared with £266 15s. to £267 a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,389 tons, a decrease of 398 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £15 1s. to £15 1s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £69 to £70 per ton, ex warehouse, as against £68 last week. Chinese wolfram for "July–August" shipment was quoted at 69s. to 71s. per unit, c.i.f., compared with 64s. 6d. to 65s. 6d. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce compared with £10 a week earlier.

TEXTILES

COTTON—Manchester.—Conditions have not been favourable for an increase in trade. Raw cotton prices have been easier, and political news from abroad has caused a good deal of anxiety. In the circumstances, buyers of yarn and piece-goods have restricted their commitments, and very few spinners and manufacturers have been able to sell the output of the machinery. The slightly bullish acreage estimate of the United States Government has been followed by a continuance of favourable reports relating to the progress of the crop. Undoubtedly, the weather at the present time in most parts of the belt is ideal for the plants. A bearish Government production forecast is expected at the beginning of next month.

There has been rather more discussion in trade circles concerning the length of time during which spinners and manufacturers can stand the slack demand which has been experienced for many weeks without some weakness in prices showing itself. Makers of cloth with wide looms have still plenty of work to go on with, but producers of narrow widths are not so satisfactorily situated. Spinners of yarn remain in a strong position owing to good order lists and the protection which is given by the legalised price agreements. There continues much pressure for the delivery of American counts. It is quite unnecessary to go into any detail as to the cloth business done during the week. For export and the home trade, buying has been confined to small lots to meet urgent wants. A restricted turnover has again taken place in the yarn market, but most sellers have not been at all concerned, and the output in American and Egyptian descriptions is being well absorbed.

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COTTON PRICES

	1937				Corresponding Date	
	June 30	July 7	July 14	July 21	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	6·94	6·86	7·02	6·71	6·89	7·39
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	9·85	10·00	10·06	9·94	8·07	10·50
Yarns—32's twist ..... per lb.	13⅞	13¾	14	13⅜	10½	11½
„ 40's weft ..... per lb.	12¾	12¾	13	12⅞	10⅜	11⅛
„ 60's twist (Egyptian) ..... per lb.	19½	19½	19½	19½	15⅛	17⅛
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 20 3	s. d. 20 3	s. d. 20 3	s. d. 20 1	s. d. 17 6	s. d. 18 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	27 8	27 8	27 8	27 5	24 4½	25 9
38-in. ditto, 38 yds., 15 by 16, 10 lb.	11 6	11 6	11 6	11 5	10 5	10 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 6	10 8	10 6	10 5	9 3	9 6

WOOL.—Bradford.—The strong finish of the fourth series of Colonial sales shows that the raw material is in a very sound position, though the advance in prices over those ruling at the close of the May series was not very marked. A gradual increase in confidence as the auctions proceeded led to bigger operations, a feature being the activity of the Continent. Slipes improved considerably from their rather weak position during the opening days, notwithstanding adequate supplies, and the improvement of ½d. to 1d. per lb. on opening prices indicates that the home trade in particular will need these wools during the forthcoming somewhat long interval. The home trade is credited with having purchased 37,500 bales, the Continent 24,500, the carry-over being 22,000 bales. The next series begins on September 14, this being the longest vacation of the whole year.

The general position of Colonial wool can be regarded as sound. Consumption is perhaps hardly as big as earlier in the year, but mills generally are busy, and most machinery is running. During the next month or six weeks, considerable new orders should be placed for the spring and summer of 1938, and although every effort has been made on the part of wholesale cloth buyers to push cloth prices back to near where they stood a year ago, higher prices seem inevitable. Most mills continue to be fairly busy, although some spinners are running only three days per week. The outlook for prices favours a continuance of to-day's rates, and greasy merino combing wools are likely to be scarce during the next two months.

GRAIN MARKETS

WHEAT.—Shipments have been unusually small during the past week and business restricted. Prices are a shade lower. This check to the upward movement of prices was partly due to the news of good rainfall in many parts of Canada towards the end of last week. While it is true that this rainfall came too late to be of use except for late-sown wheat, it appears that the Canadian crop may not be quite so small as was at one time feared. Meanwhile, crop news from the United States remains favourable.

On Wednesday last, "July" futures were quoted in Chicago at 122 cents per bushel, against 126 cents the week before and 113⅜ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship, 55s. 6d. per 496 lbs., against 56s. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 54s. 9d., against 55s. 3d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 649,000 quarters, against 905,000 quarters in the previous week and 1,086,000 quarters in the corresponding week a year ago.

FLOUR.—Although home-milled flour is unchanged in price, imported descriptions are lower. Trading remains quiet. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 43s. 6d. per 280 lbs., as against 43s. 6d. a week ago; delivered inner London, 43s., as against 43s. a week ago. Manitoba patents, ex store, 41s. 9d. to 43s. 3d., as against 43s. to 44s. 6d. a week ago. Australian, ex store, 33s. 6d. to 34s. 6d., as against 33s. 9d. to 34s. 6d. a week ago.

BARLEY.—"July" futures were quoted at 71¼ cents per bushel in Winnipeg on Wednesday, as against 74⅛ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, not quoted, against 36s. to 42s. last week. Californian, ex ship, 52s. to 54s., as against 49s. 6d. to 58s. a week ago. Chilean, brewing, ex ship, 44s. 9d. to 50s., as against 44s. 9d. to 50s. a week ago.

OATS.—On Wednesday, "July" futures were quoted at 35⅛ cents a bushel in Chicago, against 43⅛ cents a week ago and 40⅛ cents last month. Quotations in London, Wednesday: "English black," at farm, 28s. to 29s. per 336 lbs., as against 28s. to 29s. a week ago; "English White," at farm, 28s. to 29s., as against 28s. to 29s. a week ago; mixed Canadian feed (Vancouver), landed, 27s. 6d. per 320 lbs., as against 27s. 9d. a week ago.

MAIZE.—In response to a more active demand, the market shows a firmer tendency. "July" futures were quoted on Wednesday at 116⅛ cents per bushel in Chicago, against 126⅛ cents a week ago and 117⅛ cents last month. Quotations in London, Wednesday: "Plate," landed, 29s. per 480 lbs., as against 28s. 9d. a week ago; "Plate," ex ship, 28s., as against 27s. 9d. a week ago; "Plate," "July," 28s., as against 27s. 9d. a week ago; yellow maize meal, ex wharf, was quoted at £7 7s. 6d. per ton, as against £7 5s. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935-1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	July 22, 1936	Dec. 30, 1936	July 14, 1937	July 21, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb.	82⅞	84⅛	92⅛	129	151½	145⅞
Chicago (No. 2, Winter)— Cents per 60 lb.	99⅛	101½	104⅛	136½	126	122

The visible supply of wheat in Canada amounts to 37,979,000 bushels against 40,603,000 bushels last week, and 75,810,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to July 17	59,590	43,615	53,433	80,590
46 weeks to July 17	10,003,000	13,155,471	13,042,611	10,672,292
Average price of English wheat per cwt.	s. d. 5 6	s. d. 5 7	s. d. 7 0	s. d. 9 9

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
July 15, 1933	27,081	11,390	4,678	6 8	6 11	5 10
July 14, 1934	50,590	6,874	11,671	5 8	7 3	6 4
July 20, 1935	43,615	3,276	4,652	5 7	6 6	7 8
July 18, 1936	53,433	2,946	12,403	7 0	6 4	6 4
July 10, 1937	67,562	3,340	9,021	9 7	9 7	9 2
July 17, 1937	80,590	2,400	9,764	9 9	9 6	9 6

OTHER FOODS

BACON.—Bacon met a sustained demand and the tone was firm for all descriptions. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 96s.; Canadian, 90s.; Danish, 96s.; against 90s., 84s., and 91s. last week. Arrivals in London last week included: Danish 13,774 bales; Canadian, 5,172; Dutch, 2,626; Lithuanian, 1,089, and Polish, 3,055; as against 13,994, 7,406, 2,399, 1,105 and 3,344 bales, respectively, in the previous week.

BUTTER.—The firm tone was maintained, with prices showing a fresh rise on the week. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 117s.; Australian, choicest salted, 115s. to 116s.; Danish, 125s.; compared with 114s., 113s. and 120s., respectively, a week ago.

CHEESE.—New Zealand was scarce and rather dear, with prices of other makes about unchanged. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: Canadian, finest white, new, 72s., and New Zealand, finest coloured, 71s. to 71s. 6d.; against 78s. and 70s., respectively, a week ago.

COCOA.—The spot quotation in New York on Wednesday was 8 7/16 cents per lb., as against 7 15/16 cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November-January," was quoted at 37s. 6d. sellers per 50 kilos., c.i.f. Continent, against 36s. 3d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 4,081 bags; delivered, for home consumption, 5,461 bags; exported, 99 bags; stocks, 269,402 bags, against 174,685 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 8 cwt.; delivered, for home consumption, 50 cwt.; exports, 5 cwt.; stocks, 1,933 cwt., against 10,118 a year ago. Central and other South American: Landed, 609 cwt.; delivered, for home consumption, 1,913 cwt.; exported, 283 cwt.; stocks, 104,122 cwt., against 107,023 last year. Other kinds: Landed, 557 cwt.; delivered, for home consumption, 2,924 cwt.; exported, 121 cwt.; stocks, 108,781 cwt., against 153,241 last year.

EGGS.—The market has continued firm, with prices showing little alteration. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15-15½ lb.) realised 15s. to 16s. per 120, against 14s. 9d. to 15s. 3d. last week; while Danish (15¼ lb.) made 11s. to 11s. 3d., as against 10s. 6d. to 11s. last week.

FRUIT.—Business at Covent Garden continues good, and a fair level of prices is maintained, states *The Fruitgrower*. The medium supply of strawberries still available meets a steady sale, while raspberries remain a prominent line. Black and red currants, of fine quality, sell well, and cherries and gooseberries are also active items. A few English early green apples have put in an appearance; Australasian apples are a slow trade, and quotations are lower. Australian pears, however, are inquired for, and are dearer. Hothouse grapes and peaches have eased on heavier arrivals, but nectarines show little change. South African oranges are steady in price, but Brazilian have eased. Lemons are in better supply, and are consequently cheaper. Grape fruit enjoy a steady sale.

MEAT.—At Smithfield market on Wednesday last, Argentine chilled hindquarters were quoted at 3s. 10d. to 4s. 2d. per 8 lbs., as compared with 4s. 2d. to 4s. 6d. a week ago. New Zealand frozen mutton was 3s. 4d. to 3s. 10d. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,165 tons, a decrease of 465 tons on the corresponding week last year. Beef and veal accounted for 4,520 tons, mutton and lamb 2,717, and pork and bacon 515, as compared with 4,700, 2,826 and 661 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntock, August-October, was quoted at 4 7/16d. per lb., sellers, c.i.f. Rotterdam-Hamburg, against 4 7/16d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 2 11/16d. per lb. sellers, compared with 2 11/16d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, 3 tons; delivered, 1 ton; stocks, 2,058, against 1,755 last year. White, landed, 12 tons; delivered, 12 tons; stocks, 11,546 tons, compared with 12,261 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. per cwt., ex warehouse, on Wednesday, as compared with 10s. per cwt. a week ago. "July-August," in singles to Continent and U.K., was quoted at 9s. to 9s. 3d. per cwt., against 9s. last week. Movements in London last week were as follows: Landed, 201 tons; delivered, 69 tons; stocks, 2,047 tons, against 2,035 a year ago.

SUGAR.—The London market was quietly steady, but in New York a weaker tone was evident. The New York spot quotation was 3.42 cents on Wednesday, as compared with 3.50 cents per lb. last week and 3.45 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August" delivery at 6s. 6½d. to 6s. 7d., against 6s. 7d. to 6s. 7½d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports 12,064 tons, against 3,922 in the previous week and 9,537 in the same week of 1936; deliveries, 15,257 tons, against 17,484 and 17,140 tons, respectively; stocks, 163,889 tons, against 167,082 and 129,044 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 16, 1936	12·27	12·07	13·35	10·34	10·09	11·51	12·41
June 17, 1937	14·67	14·62	15·06	13·11	12·45	13·70	14·51
„ 24, „	15·60	14·50	15·16	14·16	12·28	13·77	14·96
July 1, „	15·12	14·49	15·09	13·37	12·24	13·76	14·78
„ 8, „	15·34	14·38	15·12	14·64	12·25	13·69	14·83
„ 15, „	15·31	14·50	15·15	13·12	12·50	13·84	14·92

At this week's public auctions in Mincing Lane, 13,536 packages of Indian and 25,917 packages of Ceylon tea came up for disposal. The demand for Indian was good, with common and medium sorts showing a tendency to harden in price. Ceylon teas were also in active demand at rather higher rates.

VEGETABLES.—At Covent Garden this week, according to *The Fruitgrower*, supplies of tomatoes have considerably increased and prices are consequently lower. Cucumbers, on the other hand, are in rather short supply and sell at firmer rates. Lettuce has been in irregular demand, while green peas, runner beans and marrows are cheaper in response to larger supplies. Prices for cabbage and cauliflower are well maintained. Supplies of English new potatoes at London markets remain ample for requirements and, since most consignments require to be cleared quickly, prices are easier. At the Borough Market on Tuesday, Eclipse, Sharp's Express, British Queen and Majestic ranged from 7s. to 8s. 6d. per cwt., against 7s. to 9s. a week earlier.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets have turned quieter but are steady. Under the influence of the rise in wheat prices, linseed maintains its value, but very little business is passing in either Indian or Plate seed. Shipments from South America continue at a fair level, and the exportable surplus of Argentine seed is rapidly diminishing. It appears likely that the United States may be in the market for some time in view of the small domestic crop, which is officially estimated to produce up to 200,000 tons of linseed. Although this figure accords with trade expectations, the critical time for the new plants has yet to come. Last season the yield was no more than 148,000 tons. The condition appears to be satisfactory, but the small Canadian crop has suffered from drought and heat. The quantity of linseed now on passage to Europe is 104,400 tons (including 34,500 tons from India). That afloat for the United States and Canada is put at 54,300 tons against only 6,000 tons a year ago. The shipment of the new Indian crop is proceeding only slowly. The outlook in Argentina is moderately satisfactory; more rain is needed to nourish the newly-sown seed.

Cottonseed has sharply declined, but some buying interest has developed. For new crop £7 13s. 9d. has been paid for October shipment and rather less for later positions. Vegetable oils generally are steady. Linseed oil is in fair demand for near delivery, and prices are about 5s. per ton below the highest last week, but still 10s. above the opening quotation on July 1st. Cotton oil is dearer but demand is only moderate. Egyptian crude offers at £27 10s. per ton (naked) ex Hull. Oilcakes are steady and in normal demand for the season.

RUBBER.—Trading in London has again been quiet and the market has been featureless. Prices are a shade lower than a week ago. The International Committee met on Tuesday and made no change in the quotas. The next meeting was fixed for September 28th.

The spot price in New York on Wednesday was 18 1/16 cents per lb., compared with 19 cents per lb. a week ago and 19 1/16 cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 9d. per lb., as against 9 1/16d. on the corresponding day last week. In forward positions business has been done at 9 1/16d. to 9⅛d. for "August" shipment, as against 9⅛d. to 9 1/16d. a week ago. Stocks in London and Liverpool at the end of last week totalled 41,645 tons, against 42,175 tons a week earlier. A year ago stocks amounted to 116,975 tons.

FURS.—The market has been reactionary during the past fortnight, and prices have turned easier. This spell of weakness followed the decline in prices at the 13th Leningrad sale, where losses of between 10 and 20 per cent. compared with the previous sale were common. It is believed likely that an easier tone will be displayed at the Hudson's Bay Company's London summer sale. This sale, which opens next Wednesday, will probably last for two or three days only. Business will be limited to certain kinds of furs, the most important being beaver, mink, musquash and South-West African "Persian" lamb.

The National City Bank of New York

(Incorporated with limited liability under the National Bank Act of the United States of America)

Established 1812

Head Office:
55 Wall Street
New York

Seventy-one Offices in twenty-three Foreign Countries

London Offices:
36 Bishopsgate
E.C.2
11 Waterloo Place
S.W.1

Condensed Statement of Condition as of June 30, 1937

INCLUDING DOMESTIC AND FOREIGN BRANCHES

ASSETS

Cash and Due from Banks and Bankers		$ 549,793,277.03
United States Government Obligations (Direct or Fully Guaranteed)		419,401,464.82
State and Municipal Bonds		92,891,746.00
Other Bonds and Securities		140,441,108.95
Loans, Discounts and Bankers' Acceptances		710,217,081.27
Customers' Liability Account of Acceptances		23,909,693.07
Stock in Federal Reserve Bank		3,637,500.00
Ownership of International Banking Corporation		8,000,000.00
Bank Premises		51,130,151.77
Other Assets		6,747,193.61
Total		$2,006,169,216.52

LIABILITIES

Deposits		$1,807,822,047.23
Liability as Acceptor, Endorser or Maker on Acceptances and Bills	$58,968,961.89	
Less: Own Acceptances in Portfolio	14,542,762.99	44,426,198.90
Items in Transit with Branches		5,046,056.38
Reserves for:		
Unearned Discount and Other Unearned Income		4,966,139.00
Interest, Taxes and Other Accrued Expenses		6,308,193.86
Dividend		2,604,000.00
Capital	$77,500,000.00	
Surplus	43,750,000.00	
Undivided Profits	13,746,581.15	134,996,581.15
Total		$2,006,169,216.52

Figures of Foreign Branches are as of June 25, 1937.

Securities carried at $105,247,848.45 in the foregoing statement, consisting of $73,481,216.32 of United States Government Obligations, $18,913,391.52 of State and Municipal Bonds, and $12,853,240.61 of Other Bonds and Securities, are deposited to secure $79,730,626.93 of Public and Trust Deposits, and for other purposes required by law.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, July 21st

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

CEREALS AND MEAT	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	5	4	9	
Eng. Gaz. av., per cwt.	9	9		
Barley, Eng. Gaz. av.	9	6		
Oats,	9	6		
Maize, La Plata, landed 480 lb.	29	0		
Flour, Lon. stan. ex mill, 280 lb.	41	9		
RiceNo.2 Burma,per cwt.	9	0	9	3
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	8	5	8
Argentine chilled hinds	3	10	4	2
Mutton, per 8 lbs.—				
English wethers	5	4	6	0
N.Z. frozen ,,	3	4	3	10
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	4
Pork, English, per 8 lbs.	4	10	5	2
OTHER FOODS				
BACON—				
English per cwt.	96	0		
Irish	95	0	99	0
Danish	96	0		
Dutch	95	0		
HAMS—				
Canadian	106	0	108	0
United States	106	0	108	0
BUTTER—				
Australian	115	0	116	0
New Zealand	117	0		
Danish	125	0		
CHEESE—				
Canadian per cwt.				
New Zealand	71	0	71	6
English Cheddars				
Dutch	54	0	60	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. per cwt.	36	0	36	6
Trinidad	65	0	70	0
Grenada	58	0	60	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	52	0		
Colombian, good	58	0	62	0
Costa Rica, med. to good	84	0	90	0
East Indian ,, ,, ,,	70	0	90	0
Kenya, medium	58	0	72	0
EGGS—				
English per 120	15	0	16	0
Danish	11	0	11	3
FRUIT—Oranges—				
S. African boxes	10	0	17	0
Brazilian boxes	9	6	13	0
Lemons, Malaga ... cases				
,, Sicilian ... boxes	22	0	27	0
Apples: Amer. (var.) bris.				
,, (var.) boxes				
,, Australian	9	6	13	6
Onions—				
Valencia, case				
Egyptian, bags	6	6		
Grapes, Almeria, barrels				
Grapefruit, Brazilian	17	0	21	0
,, S. African	16	0	22	0
LARD—				
Irish, finest bladders	66	0	74	0
U.S. per cwt.	67	6	68	9

	s.	d.	s.	d.
POTATOES—				
English new per cwt.	7	0	8	6
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3		
White Muntock	0	6		
Cinnamon—1st sort, per lb.	0	9		
Cloves—Zanzibar, per lb.	0	8½		
Ginger—per cwt.—				
African	59	0		
Jamaica, ord. to good	65	0	95	0
Mace per lb.	1	10	2	4
Nutmegs, 65's	0	11½		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm., c.i.f. U.K./Cont.	6	6½		
B.W.I., crystallised	17	6	19	3
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	19	10½		
Cubes	24	1½	24	7½
Crushed	22	4½		
Granulated	20	3	21	5½
Home Grown	20	1½	20	4½
TEA—				
Indian—per lb.—				
Pekoe				
Broken Pekoe	1	2	1	3½
Orange Pekoe				
Broken Orange Pekoe	1	2½	1	7
Ceylon—per lb.—				
Pekoe	1	2½	1	7½
Broken Pekoe	1	2½	1	5
Orange Pekoe	1	2½	1	7½
Broken Orange	1	2¼	1	8½
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
,, strips	0	9	1	6
East Indian leaf	0	7	1	10
,, strips	0	6	1	9

TEXTILES				
COTTON—	d.			
Mid-American per lb.	6·71			
Sakellaridis, f.g.f.	9·94			
Yarns, 32's twist	13½			
,, 60's twist	19½			
FLAX—	£	s.	£	s.
Livonian ZK per ton	82	0	86	0
Pernau HD	84	0	85	0
Slanetz Medium...1st sort	90	0	92	0
HEMP—				
Italian P.C. per ton	66	0		
Manilla, July-Sept. "J2"	35	0		
Sisal, African	25	0	28	0
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.-Sept.	£21/3/9			
Daisee 2/3 c.i.f. Dundee Oct.-Dec.	£20/7/6			
SILK—	s.	d.	s.	d.
Canton per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	8	3	9	3
Italian—raw, fr. Milan	8	6	10	0

	d.			
WOOL—				
English Southdown, greasy, per lb.	18½			
,, Lincoln hog, washed	17½			
Queensland, scd. super cmbg.	31			
N.S.W. greasy, super cmbg.	19			
N.Z., grsy., half-bred 50–56	18½			
Crossbred 40–44	16			
Tops—				
Merinos 70's average	40			
,, 64's ,,	38			
Crossbred 48's	26			
,, 46's	25			
MINERALS				
COAL—	s.	d.	s.	d.
Welsh, best Ad'ty...ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6		
Sheffield, best house, at pits	22	0	22	6
IRON AND STEEL—				
Pig, Cleveland No. 3, d/d. ton	101	0		
Bars, M'brough	265	0		
Steel rails, heavy	202	6		
Tin plates per box	25	6	26	0
METALS—	£	s.	d.	£ s. d.
Copper, Electrolytic, ton	63	5	0	64/0/0
Sheets (Strong)	93	0	0	
Standard	56	15	3	56/16/3
Lead, Eng. pig... per ton	26	0	0	
Soft foreign	23	15	0	23/17/6
Spelter G.O.B.	22	12	6	22/5/0
Tin—English ingots	267	0	0	
Standard cash	268	10	0	266/15/0
MISCELLANEOUS				
CHEMICALS—	s.	d.	s.	d.
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2½	0	3½
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump per ton	8	10	8	15
Ammonia, carb. ton	27	0	28	0
Sulphate			7	5
Arsenic, lump per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	7	9		
Potash—Chlorate, net	0	4	0	4½
Sulphate per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0		

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/– per ton
1 and up to 4-ton loads 41/– per ton

	£	s.	d.
COPRA—			
S.D.Straits c.i.f., per ton	16	17	6
DRUGS—	s.	d.	s. d.
Camphor—			
Japan, refined... per lb.	2	4	
Ipecacuanha per lb.	7	9	
HIDES—			
Wet salted—Australian per lb.	0	6½	0 7½
West Indian	0	4½	0 5½

	s.	d.	s.	d.
Cape	0	6½	0	7
Dry and Drysalted Cape	0	9½	0	9
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8
Best cow	0	6½	0	7
Best calf	0	7	0	11
INDIGO—				
Bengal, gd. red.-vio. to fine per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	3	2	6
Bark Tanned Sole	2	6	3	3
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	9
Bellies from DS do.	0	5	0	6½
Do. Eng. or WS. do.	0	6½	0	9½
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/11 lb.	1	3	1	8
VEGETABLE OILS—	£	s.	d.	
Linseed, naked, p. ton net	30	0	0	
Rape, refined	38	0	0	
Cotton-seed, crude	28	0	0	
Coconut, crude	24	17	6	
Palm	23	7	6	
Oil Cakes, Linseed, Eng., per ton	9	2	6	
Oil Seeds—Linseed—				
La Plata, p. ton, July	13	7	6	
Calcutta—per ton	15	3	9	
	s.	d.		
Turpentine, per cwt.	37	0		
PETROLEUM PRODUCTS—				
Motor Spirit, No. 1, London	1	6½		
Petroleum, Amer. rfd. bri. London..per gall.	0	10½		
Fuel oil, in bulk, for contracts, ex instal. Thames—				
Furnace...per gall.	0	3¾†		
Diesel...per gall.	0	4¼†		
ROSIN—				
American per ton	19/10/0		21/15/0	
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	9		
Fine hard Para per lb.	0	10		
SHELLAC—				
TN Orange ... per cwt.	46	0	49	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. ,,	8	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	25	6		
TIMBER—	£	s.		
Swedish u/s 3 x 8 ... per std.	24	0		
,, 2½ x 7 ... ,,	23	10		
,, 2 x 4 ... ,,	21	0		
Can'dn Spruce, Dis. ,,	24	10		
Pitchpine per load	11	0		
Rio Deals per std.	35	0		
Teak per load	27	0		
Honduras Mahg. logs ... c. ft.	0	12		
African ,, ... ,,	0	6		
Amer. Oak Boards ,, ... ,,	0	6		
,, Ash ,, ... ,,	0	6		
English Oak Planks ... ,,	0	6		
,, Ash ,, ... ,,	0	7		

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	July 22, 1936	June 23, 1937	July 14, 1937	July 21, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 104⅛	Cents 113⅛	Cents 126	Cents 122
Maize, nearest future, Chicago, per bushel	94⅛	117⅛	126⅛	116⅛
Oats, nearest future, Chicago, per bushel	38⅛	40⅛	43⅛	35⅛
Rye, nearest future, Chicago, per bushel	72	86⅛	95⅛	92⅛
Barley, nearest future, Chicago, per bushel	63	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	7⅛	9⅛	9⅛	9⅛
,, Santos No. 4, cash per lb.	9⅛	11⅛	11⅛	11⅛
Cocoa, Accra, nearest future, per lb.	6·15	7·13	7·54	7·95

	July 22, 1936	June 23, 1937	July 14, 1937	July 21, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·70	Cents 3·45	Cents 3·50	Cents 3·42
Cotton, middling, spot, per lb.	13·14	12·71	12·97	12·17
Rubber, smoked sheet, spot, per lb.	16 1/16	19 1/16	19	18 1/16
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·22½	13·57½	13·70	13·95
Copper "Electrolytic," Export prompt, per lb.	9·45	13·80	13·92½	14·17½
Spelter, East St. Louis, spot, per lb.	4·80	6·75	7·00	7·00
Lead, spot, per lb	4·60	6·00	6·00	6·00
Tin, "Straits," spot, per lb.	44·00	55·85	60·10	60·00

(a) Nominal.

THE ECONOMIST

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An Eventful Session

THE Parliamentary session which began in the first week of last November is now to all intents and purposes ended, though Parliament is to be adjourned rather than prorogued, so that it can be speedily summoned in case of need. The session has been one of much legislative achievement, of surprises on the domestic political scene, and of alarums and excursions in the foreign field. In its course the Government, and the Conservative Party which directs it, have lost one leader and found another. The BALDWIN epoch has come to an end and the CHAMBERLAIN regime has opened auspiciously. Indeed, largely owing to progressive demoralisation in the Labour Opposition, the Government's stock stands firmer at the close of this session than it has at the end of any session since the expedient of a National Government was first tried.

The Spanish cloud has overshadowed every debate on foreign affairs. The House has not always been divided in opinion. Sometimes, as when the Government tried to deny British shipping the naval protection against the depredations of pirates on the high seas to which it was clearly entitled, or when Ministers affected to dismiss the idea that Gibraltar and other British interests might be threatened by the Italian and German intervention in Spain, members of all parties expressed their concern in no uncertain way. It is perhaps permissible to detect a certain hardening in British foreign policy since the advent of MR CHAMBERLAIN to the Prime Ministership. Similar diagnoses have led to disillusion before, and it is too soon to be sure of the Government's resolution; but there is no mistaking the degree to which the temper of the country and of the Commons has strengthened against the power-politics of dictators during the session.

At home, apart from the retirement of LORD BALDWIN, attention has been largely claimed by the most colossal re-armament programme ever undertaken by this country in time of peace. This has not only been the direct concern of the Government and of Parliament, leading to repeated skirmishes over the Co-ordination of Defence; it was also the indirect cause of the pother about the Budgetary and post-Budgetary versions of the National Defence Contribution. The session has produced a notable State Paper in the Palestine Report and an even more notable Private Member's Bill in MR HERBERT'S Matrimonial Causes Act. Outside Westminster, a "general election in miniature" (as MR CHAMBERLAIN described the twelve recent by-elections) showed, in a selected list of safe Conservative seats, an alarming slump in the total poll to below half of the electorate and a drop in the Conservative and Labour votes alike. Still further afield, the work of the last Parliament has been capped by the assumption of office in a majority of Indian Provinces by the Congress Party.

Of all these events, those of N.D.C., the Marriage Bill and the Palestine proposals were the most instructive;

for they showed that a Government with an overwhelming majority cannot ignore the dictates of public opinion freely expressed by Members of all Parties in the Commons. On N.D.C., which bore the evidences of too personal and too secretive preparation, the Government declined to capitulate in the Budget debate itself, though they could have done so with decorum. After amending it in the Finance Bill, they had to jettison it and bring in a revised version. MR A. P. HERBERT'S Marriage Bill, at first only the proposals of an Independent Private Member, quickly attracted a very large body of support in both Houses of Parliament, and so became one of the major legislative achievements not only of the session but also of the decade—almost a generation after a Royal Commission had recommended most of the reforms. To have prevailed on Party Whips, the Church and the Government no longer to block the progress of a clamant reform—as had repeatedly been done during the last twenty years—is a remarkable achievement for a Private Member. Over the Palestine proposals, again, the House had the sense that things were being unduly and dangerously rushed; that they were being jockeyed into mere "rubber-stamping" of decisions taken by the Cabinet without due deliberation of the contingencies.

These three surprises in the session may well mark a turn in our Parliamentary tide, which has too long been merely drifting Members along towards apathy and frustration. It is a very encouraging sign that representative government can still liberate the wellsprings of political energy and endeavour in the representatives of the people.

On the less surprising, less contentious side, the session has also been productive. The Public Order Act, banning political uniforms and regulating processions, was almost universally welcomed as a defence of democracy, as well as of law and order. The raising both of Ministers' and of M.P.s' salaries shows that there is at least no awareness at Westminster of any disgust with Parliamentarianism. The welfare of the people has been advanced by an overdue Factories Act, by the extension of contributory pensions to black-coated workers and by the first beginnings of a campaign for physical fitness. Another notable achievement has been the transfer to the jurisdiction of the Ministry of Transport of several thousand miles of "A" roads. On the other hand, the session has had its failures. The Bill to buy out the owners of mineral royalties has been held up by sectional interests, and the revised Bill to strengthen the powers of the Coal Mines Reorganisation Commission has not yet made its appearance. The Government's proposals to rationalise the distribution of electricity encountered considerable opposition inside and outside Parliament, and it remains to be seen whether this is to be another case in which special interests are able to impose a veto on Cabinet and Parliament.

Thus, on the whole, the session has been remarkably fruitful, both in constructive legislation and in lively political feeling in Parliament. Despite his blunder over N.D.C., MR CHAMBERLAIN has made an auspicious beginning; and if his Government tackles the many outstanding causes of social and economic grievance in the country—for example, nutrition of the people, commercial policy, the Distressed Areas—with an access of new zeal, it will raise its stock further next session. The perils of foreign affairs threaten at any moment to make social progress either impossible or irrelevant; and, even without war, the frenzy of re-armament cannot diminish in Britain until it recedes elsewhere. But a healthier, better-nourished, socially more contented people is the best insurance against national weakness; and to achieve that there remains much to be done which this, or another, Government could still do.

The Economics of Holidays

THIS week, a few days before the beginning of the crowded rush of August holidays, the announcement has been made that nearly 600,000 workers in the engineering trades will in future be entitled to a week's annual leave with pay. The decision follows hard upon the appointment by the MINISTER OF LABOUR of a committee to consider the statutory provision of paid holidays and the launching by the trade unions of a campaign to secure this reform.

The seething holiday crowds of this week-end, and the way in which most working people perforce spend their holidays, add point to this development. Barely a hundred years ago, when the Bank of England had thirty-three holidays each year, most people had none by law and few by custom. The Reformation undermined the old "holydays." The Industrial Revolution finally destroyed them and left only the Protestant Sabbath as a day of rest. Since then, however, holidays have become a national institution. Hours of work have been reduced, half-holidays have been made statutory, wages and salaries have risen; and applied science, through the train, the bicycle, the motor car and the bus, has thrown open the road to the sea and the countryside.

Nevertheless, the lives of the majority of British citizens still pivot round the four secular Bank Holidays, established by Act of Parliament in 1871, and an annual week or so snatched from work and still, more often than not, unpaid. There are weeks each year in certain industrial towns when factories, offices, schools and even shops close down. In some places, like Stockton and Newcastle, these annual festivals coincide with an annual race meeting. In Lancashire, custom, within the last fifty years, has created the Wakes, when one after another the great cotton towns take a week's holiday and their inhabitants disperse in thousands to Blackpool, Douglas, or, sometimes in these days, anywhere between the Scillies and Venice.

The big revolution in transport first made possible the modern holiday. The railway first fronted Brighton's Regency façade with Victorian trippers and planted Blackpool on a few flat miles of coast. The steamer first took the Londoner to Margate and Southend and the Glaswegian to Dunoon and Rothesay. A new industry came into being, which had the beach, the bathing machine and the boarding-house as its stock-in-trade, and was dependent, like most other industries, on the excellence of its communications and the proximity of its markets. A few facts about this extensive and ramified business may be of interest.

Its centre is still at the seaside. Between 1911 and 1921 the population of Blackpool rose by 64 per cent., of Margate by 63 per cent., of Bridlington by 59 per cent., and of Southend by 50 per cent.* These towns are, in part, outer dormitories of great cities and residential centres for the wealthy and the retired; but for the most part they have grown in response to the needs of holiday-makers. And on the whole the direction of holiday travel has changed very little with the years. People who have saved for months still pass their annual interlude more often than not on the nearest beach. It is true that over 60,000 people will leave England for the Continent or on cruises this week-end; that passports are being issued at the rate of 3,000 a day; that camping has grown a hundredfold in a decade; and that the number of cars on the road has doubled in five years. But for the majority of holiday-makers, a holiday still begins with a train journey to the sea. Nor do the majority of holiday-makers go for long. Nearly 70 per cent. of the passenger journeys (excluding workmen's journeys) on the main-line railways in the five holiday months from May to September last year were on day, half-day and evening tickets.

* The increase is slightly exaggerated because the 1921 Census was taken in June instead of April.

But, while habit and limited resources confine the mass of the people to old courses (which they follow in ever-rising numbers), modern enterprise and the competitive efficiency of municipalities and travel agencies have organised a host of new devices for their pleasure. The illuminations at Blackpool and Southend and the Tattoo at Aldershot have become almost national institutions. Between July 31st and August 7th this year over 100,000 people will come from places as far afield as Aberdeen to view the Navy dispersed at Chatham, Portsmouth and Plymouth. Four hundred camping coaches on the railways will in a few weeks provide a novel relaxation for some 12,000 people. Cruises and Continental holidays are more popular than ever before, and will this year attract over 150,000 people in August alone. Thus, on the fringe of the great majority who habitually seek seaside resorts with highly organised amusements, there is a growing minority who take their holidays in novel and refreshing ways. Wales, the Lakes and Scotland are full of walkers and climbers. The Youth Hostels Association has 60,000 members. Everywhere is the ubiquitous bicycle, numbered in its millions, and the more lordly motor-car.

Home touring by motor-car is estimated to have risen by 16 per cent. this year compared with last, and by nearly 100 per cent. in five years. Touring abroad has made even greater strides, having increased by more than 30 per cent. in the past twelve months alone. Where drivers were content five years ago to limit their daily journeys to 100-150 miles, they now travel over 200; and as many as 3½ million people are now in a position to make this decision.

The railways, however, invented the British holiday, and still in the main sustain it. On Friday and Saturday of this week more than a quarter of the population of Great Britain will be moved by rail; and 3 millions will pass through London's termini in only forty hours. Some 43,000 passenger carriages, with accommodation for 2½ million people, will travel 4 million miles in two days. This astonishing August peak of holiday traffic involves a serious problem for railway traffic organisers, which is to-day growing more rather than less difficult. The following table, taken from Ministry of Transport statistics, illustrates this point:—

PASSENGER JOURNEYS ON THE MAIN-LINE RAILWAYS
(excluding workmen and commercial travellers)

	1926	1931	1936
May	29,749,623*	56,224,783	51,930,801
June	39,055,836*	54,593,059	60,010,566
July	57,412,381	62,979,785	64,230,734
August	67,208,045	69,110,470	76,208,549
September	54,876,210	52,753,280	55,061,377
	248,302,095	295,661,377	307,442,027

* Travelling affected adversely by the General Strike.

The concentration of holiday traffic in August increases as the years pass. This year over 250,000 people will leave the Midlands alone in the first fortnight of August. School holidays are largely responsible, since they focus the departure of family parties to the sea or the country on a single month. Proposals for the spreading of scholastic vacations are frequently made, but common experience tends to suggest that if there is any institution more conservative than the English holiday, it is the English school.

For most people, consequently, a holiday means a crowded time at a crowded place. Few travellers to-day could endorse Hazlitt's injunction to travel alone. But it is still true that "the soul of a journey is liberty." All these holiday-makers are seeking the freedom of change: to walk instead of to ride; to think instead of to work; to talk instead of to listen; or even to hit the same golf-ball on a different course, or to see the same cricketer perform on a different ground. And even if the change is usually one of degree rather than kind, it is good and necessary for men to seek in recreation an antidote for the increasing nervous and physical strain of modern life.

The fixing of paid holidays for the 11½ million persons in employment in this country might, in the long run, be a sound investment, viewed from the narrowest standpoint of increased industrial efficiency alone; and it would be a notable reform of our social life. Future Factory Acts may apply the "paid week" or the "paid fortnight" to all workers. Meanwhile, as means and opportunities widen, variety in holiday fashions will spread; and we may eventually find solitude on beaches and crowds on the mountain tops.

World Trade Recovery

WITHIN the last few months there has been an acceleration of the pace of world trade revival. The causes and probable duration of the movement may be controversial, but its extent is a matter of statistical record. The latest of the admirable surveys of the League of Nations* shows that during 1936 prosperity (or something so closely resembling it as to be indistinguishable from the genuine article) extended its beneficial influence to a widening circle of countries and industries. And in the first half of 1937, according to monthly figures compiled by the same authority, this tendency has been even more strongly marked. The moment, accordingly, is opportune for a survey, in broad perspective, of the course of production, trade and prices during the last eight eventful years.

The chart given overleaf presents the essential facts for such an inquiry, in graphic form. We are indebted to the League's statisticians for basic figures of the volume of trade and industrial production; the course of wholesale prices (in terms of sterling) is shown by our own index. We have used annual averages throughout, except for 1937, where the figures relate to the first quarter of the year. The production figures, unavoidably, exclude the output of the U.S.S.R.

The devastating effect of the slump, and the course of subsequent recovery, are strikingly revealed. Between 1929 and 1932 the volume of world trade declined by fully 25 per cent. and that of industrial production by nearly 40 per cent., while sterling wholesale prices fell by 32 per cent. Manufacturing activity, in other words, declined much more rapidly than international trade. All three indices reached their lowest level almost at the same time, and all three took an upward turn in 1932-33. Their subsequent movements, however, have been far from uniform. Trade and prices have advanced more slowly than industrial production. Last year, the production index was within 4 per cent. of the level of 1929, but the leeway was as much as 14½ per cent. in the volume of trade index, and 21 per cent. in the prices index. This year, however, both prices and international trade have taken a sharp upward turn, which has brought them within hailing-distance of the pre-depression level. The tardiness of their earlier recovery and the suddenness of their later revival alike demand special explanation.

* "Review of World Trade, 1936," League of Nations Publications, 1937. II A.9. 91 pages. 2s. 6d. British agents, Allen and Unwin.

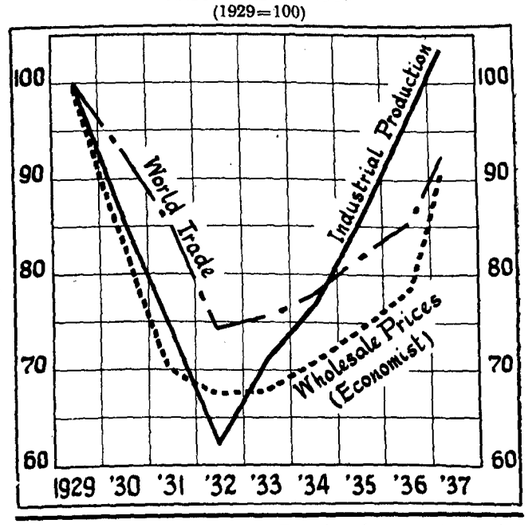
To find a satisfactory explanation of these changes, we need to go back to the early years of depression. Between 1929 and 1932 industrial production and the wholesale prices of primary products both fell catastrophically. But the fall in the prices of primary products was considerably more marked than the decline in the prices of manufactures. The terms of trade, in other words, moved against primary producing countries, and the *volume* of trade in primary products consequently fell less steeply than in manufactures. The figures prepared by the League bring out the remarkable fact that the quantity of foodstuffs entering international trade in 1932 was only 11 per cent. smaller than in 1929. The volume of trade in raw materials and partly-manufactured articles, on the other hand, had declined by 18½ per cent. and the volume of trade in manufactured goods by no less than 49 per cent. Conversely, between 1932 and 1936, when industrial production showed a rapid expansion, the volume of trade in raw and partly-finished materials and in manufactures also advanced, while trade in foodstuffs tended to decline. By 1936, the gap, as compared with 1929, had widened to 14½ per cent. in the case of foodstuffs entering international trade, while in those of raw and partly-finished materials and of manufactures it had narrowed to 4½ per cent. and 24½ per cent., respectively. The further decline in food imports can be traced, in a large measure, to the policy of national self-sufficiency adopted by a number of countries, but the same policy has been less effective in restricting trade in raw materials and manufactures. A dictator may command his people to eat potatoes instead of wheat, and home-grown apples instead of bananas and oranges; but he cannot bring native supplies of tin, copper, nickel and iron ore into existence overnight by decree. And the re-armament policy of many countries has actually increased their imports of raw materials and certain kinds of manufactured goods.

Up to the middle of 1936, however, recovery in the prices of raw materials was delayed by the existence of large accumulated stocks. This factor has now largely ceased to operate; for surplus stocks of many materials have been exhausted and productive capacity has again been fully employed. And, as demand has continued to expand, prices at last have responded by rising sharply in recent months. Thus, the terms of trade are now turning in favour of primary-producing countries, which can command a larger volume of manufactures per unit of their exports of raw materials. Moreover, trade between industrialised countries is tending to increase owing to the decreasing ability of these countries to satisfy domestic needs from internal resources.

Scarcely a single country has failed to experience a substantial improvement in foreign trade during the past year. In the tables at the foot of this page we have set out the average monthly value of the imports and exports of the principal industrial and primary-producing countries in the calendar years 1929 and 1936, respectively. We have added a supplementary column showing the percentage rise in the figures for the first five months of this year as compared with the corresponding period of 1936, which in many ways is the most significant feature of all. The latest rise, it will be seen, has been common to both industrial and primary-producing countries. It has been conspicuous, naturally, in countries which have devalued their currencies during the last twelve months, but its dimensions have been almost equally striking in many other cases to which this explanation does not apply. Incidentally, the expansion in the figures for the United Kingdom, this year, has been less than in those of numerous other countries.

Present indications suggest that the underlying tendencies discussed in this article are likely to remain in

WORLD INDUSTRIAL PRODUCTION, TRADE AND PRICES SINCE 1929
(1929=100)



evidence in the near future. Despite the recent reaction in certain commodity markets, the trend of prices of primary products is still upwards, and the terms of international trade seem likely to move further against countries exporting mainly manufactured articles. The total volume of international trade may soon surpass all previous records, despite the many obstacles put in its way by tariffs, quotas, prohibitions and exchange controls—though trade per head of the world's population is still appreciably smaller than in 1929.

Nevertheless, in some ways, this newly-found prosperity rests on precarious foundations. Apart from the obstinate resistance of vested interests to any widespread removal of trade barriers, there is a lack of confidence in the political outlook, and vast armament programmes absorb a high proportion both of public revenue and of industrial activity. There, as the League's Economic Committee has pointed out, is a vicious circle which it is the task of statesmanship to break.

IMPORTS AND EXPORTS OF TWENTY-THREE COUNTRIES

(Monthly average figures are given throughout)

TABLE A.—MAINLY INDUSTRIAL COUNTRIES

Countries	Imports 1929	Imports 1936	Imports Change, Jan.-May 1937, comp. Jan.-May, 1936	Exports 1929	Exports 1936	Exports Change, Jan.-May, 1937, comp. Jan.-May 1936
	(in millions)		%	(in millions)		%
Germany ... Rm.	1,120·6	351·5	+15·1	1055·3	397·3	+19·2
Belgium ... Fr.	2,961	1,758	+35·6	2,649	1,644	+34·6
and Luxembourg						
U.S.A. ... ... $	361·6	202·0	+40·3*	429·8	201·6	+27·5*
France ... ... Fr.	4,852	2,117	+63·8	4,178	1,288	+49·4
Italy ... ... Lira	1805·6	501·2	+139·1	1,269·7	455·2	+155·0
Japan ... ... Yen	180·7	225·2	+40·2	175·1	219·3	+23·4
Netherlands ... Fl.	229·4	84·7	+55·6	165·8	62·2	+64·7
U.K. ... ... £	92·6	65·7	+17·5	60·8	36·7	+17·6
Switzerland ... Fr.	227·5	105·5	+73·6	174·8	73·5	+43·0
Czechoslovakia Kc.	1663·5	659·1	+46·5	1,708·1	667·3	+51·9

TABLE B.—MAINLY PRIMARY-PRODUCING COUNTRIES

Countries	Imports 1929	Imports 1936	Imports Change, Jan.-May, 1937, comp. Jan.-May, 1936	Exports 1929	Exports 1936	Exports Change, Jan.-May, 1937, comp. Jan.-May, 1936
	(in millions)		%	(in millions)		%
S. Africa ... £	6·6	7·0	+19·1	7·8	9·3	− 7·2
Argentine ... Peso	163·3	93·1	+19·6	180·6	137·9	+101·8
Australia ... £	10·7	7·2	+ 4·9	7·9	10·6	+26·8
Canada ... $	108·3	52·9	+29·2*	102·1	85·7	+21·0*
China (excl. Manch.) $	...	78·5	+30·9	...	58·8	+44·5
Denmark ... Kr.	142·9	119·3	+25·6	134·6	110·6	+14·7
India ... Rupee	208·6	101·9	+15·7	268·8	150·4	+25·8
Irish F.S. ... £	5·0	3·3	+ 5·7	3·9	1·8	+ 4·9
Norway ... Kr.	88·6	76·4	+53·2	61·9	56·2	+22·6
New Zealand ... £	4·0	3·6	+32·1	4·5	4·7	+22·1
Poland and Danzig Zloty	259·3	83·6	+22·4	234·5	85·5	+19·2
Sweden ... Kr.	148·6	134·9	+29·2	151·0	125·5	+26·4
U.S.S.R. Rouble	321·5	112·7	+ 5·6*	337·1	113·3	+ 9·9

* Figures for January to April.

Nazi Economic Policy

ON July 3rd (page 6), we discussed the effect of Germany's re-armament, and her efforts to attain a wide measure of self-sufficiency in her production of minerals and metals. We now propose to consider the steps she has already taken to achieve her objective, and their implications both for herself and for other countries.

The restrictive economic regulations and decrees already issued under the Nazi regime make a formidable list. The first batch of regulations date from August, 1934. Subsequently, by a decree of April 28, 1935, quotas were assigned for the consumption of certain metals, based on the figures for the first quarter of 1934, and were fixed at 30 per cent. for copper, 10 per cent. for nickel, and 30 per cent. for tin. On May 2, 1935, the use was prohibited of copper, nickel, lead, tin, mercury, chromium or cobalt in any form for the manufacture of products for domestic use, except in unavoidable cases. This prohibition, however, did not apply to manufactures for export. Ordinances issued by the Reich Controller of Base Metals last October further restrict the use of non-ferrous metals in the building and machine construction industries. A set of six decrees by General Göring, regulating the recruitment of labour, came into force on November 6, 1936. These include provisions which tax employers who do not take apprentices, and compel establishments employing ten or more workers to take in specified numbers of persons above forty years of age. A law of December 1, 1936, against economic sabotage, provides the death penalty for persons who secrete money or property abroad. Another decree, of the same date, compels owners of mineral properties to conduct mining, prospecting or drilling operations when called upon by the authorities. All rights to work such properties, whether they have been conveyed by the State or have been acquired by contract, will be forfeited if the lessee fails to comply, within a stipulated period, with an order to begin or to resume mining.

Further regulations have been issued this year. A decree of January 26 last compels all private persons who neither manufacture nor trade in metals, to place any stocks of platinum, silver, copper, lead, nickel, tin, or zinc which they may possess (with some minor exceptions) at the disposal of the Boards of Control for Non-Ferrous or Precious Metals, respectively. Few hoarders of these metals seem likely to receive full commercial value for them, and some may lose as much as 50 per cent. of their original purchase price. Last, but not least, the measures announced last May Day allot quotas to the chief branches of the German iron and steel trades. The re-armament industry is given first preference, followed by machine construction, mining, shipbuilding, boiler-making and the motor industry; private house-building has a very low quota. Nazi control extends to all branches of economic life. Strikes are prohibited by legislation, and wage rates, for the most part, remain frozen at the levels of the depression of 1932. Last year the tax on companies was raised from 20 per cent. to 30 per cent., and other regulations include the subscription to a Government loan of all increases in dividends over 6 per cent. and all payments (whether increased or not) above 8 per cent. of par value, and provide for contributions towards a fund for subsidising national exports and for various measures intended to finance the Government's programme of work creation and re-armament.

Only last week-end, it was announced that a new State corporation—to be known as the Reichswerke A.G. for Mining and Smelting, under the name of Hermann Göring—has been set up under the Four Years' Plan, of which General Göring is the head, compulsorily to acquire mining rights and royalties in return for its own shares. Its aim is to unite concerns which have failed fully to utilise (however that is to be determined) Germany's own iron-ore resources, and to undertake that work on its own account; and in this way it is hoped to force the private concerns into greater exploitation of the poor quality German ores, or to do it by the new State corporation.

Germany is vigorously pressing her search for substitutes for materials she has hitherto imported under increasing foreign exchange difficulties. Plastic products are displacing metals; home-produced aluminium and zinc are replacing tin, copper and, to a minor extent, lead. Research is being largely centred on the metallurgy of an extensive range of light alloys and on the preparation of heavy metal alloys as substitutes for foreign base metals. Though plastics are mainly used for moulding purposes, they are increasingly competing with and displacing metals, porcelain and rubber. Last year Germany produced 55,000 tons of synthetic resins—this figure representing a seven-fold increase in three years. By their use she is dispensing with large amounts of lubricants. It is estimated that 40,000 tons of copper have been saved by using aluminium instead. The requirements of the Post Office for copper for overhead transmission lines declined from 58,400 tons in 1929 to 3,800 tons in 1936. Some seven tons of copper have been saved in the construction of every locomotive by State railway specifications. Phosphor-zinc ("Metallophos") is replacing phosphor-copper in refining operations.

Tin consumption is being reduced in a variety of ways. Tin foil has disappeared and aluminium has taken its place. For containers, non-metal coatings and aluminium are being used. A whole series of alloys, containing little or no tin, have been developed, such as the "B.N. Metall" for machine bearings. Tin may no longer be used in gas and water systems, and the employment of lead tubes for plumbing and sanitary work has been forbidden; in future, zinc-coated or bitumen-treated steel pipes will be used instead. In the manufacture of machinery, the possibility is being examined of the substitution of aluminium, steel or copper-plated steel for copper. Zinc is extensively replacing brass and bronze. A new zinc alloy, "Z.L.2," has been produced, which contains only 1½ per cent. of copper and 4 per cent. of aluminium. Other zinc alloys with a small amount of aluminium—called "Zamak"—are widely manufactured under an American licence. White zinc and lithophane are displacing lead paints. Cadmium is also being used as a substitute for tin; a new alloy of zinc and cadmium, for example, is believed to be superior for bonding sheet steel than welded jointing. Germany is already the world's leading producer of magnesium and its alloys, with an output of 35,000 tons of a world total of 50,000 tons. The alloy "Elektron" is extensively used in aircraft parts, and forms the core of incendiary bombs. For machining purposes it offers numerous advantages. With it, deeper cuts can be taken on a lathe, and a greater working speed maintained than with any other material, except wood.

We may proceed to review the conclusions suggested by this survey of Germany's economic policy. Her position is distinguished both for its strength and its weakness. For years to come Germany must necessarily import nearly half of her fuel oil requirements. She must needs supplement her meagre and low-grade iron ores from abroad and procure all her major ferro-alloy minerals from relatively distant countries. Despite her energetic policy of increased home production and substitution, she must still buy large quantities of tin, copper, lead and mercury. Her potash supplies are plentiful, and her requirements of nitrate can all be satisfied by the fixation of atmospheric nitrogen. About half her consumption of sulphur is met by her by-product industry. But her production of basic slag must be supplemented by phosphate imports, and foreign countries supply the bulk of her bauxite and beryl.

Undoubtedly, she has in part surmounted her deficiency in minerals, but only at a price. Her production costs are frequently high, and the erection of plants for her synthetic petroleum and metallurgical industries is estimated to have cost her Rm. 1,000 millions. Apart altogether from ideological questions, her unofficial, but extensive, intervention in Spain may be directly related to her deficiency in "strategic" minerals—such as iron ores, cupriferous pyrites, mercury, lead, manganese ore, phosphate, tin and tungsten—of which Spain is an important potential supplier. Her economic penetration of Morocco is being carried out with characteristic energy. The Riff iron mines and the less important lead mines near Mellila are in process of reorganisation by German experts and the ores are being despatched to Germany.

Since Herr Hitler announced Germany's Four-Year Plan, last September, her difficulties have increased. Up to, approximately, the end of 1936, her apparent shortage of metals, which exchange difficulties had accentuated, was due mainly to the fact that she was consuming (and possibly accumulating) raw materials on a very considerably increased scale. More recently, the exchange question has grown more acute, and metal prices have risen steeply in world markets. Her foreign trade is based on a series of bilateral transactions conducted in many cases under clearing agreements. The results of her economic excursions into Southern and Eastern Europe have so far been disappointing, and their relative failure explains Dr Schacht's approaches to Belgium for supplies of copper and vegetable oils from the Congo in exchange for German manufactures, and his expressed approval of the principle of economic *rapprochement* with Russia.

As yet, however, there is no sign of a change of heart, or even of emphasis, among those who control German policy.

Notes of the Week

Royalty Visits Ulster.—After their recent visit to Scotland it was natural that the King and Queen should also visit Northern Ireland. They spent Wednesday in Belfast, and the occasion was marked by fervent demonstrations of loyalty. Before the visit, however, bomb outrages on the railways at the frontier with the Irish Free State were perpetrated by associates of the Irish Republican Army, in order to prevent persons from the Irish Free State going up to Belfast for the occasion. It is unfortunate that the relations between the neighbouring and nearest British Dominion, the Irish Free State, and the United Kingdom have still not improved sufficiently to enable a Royal Visit to be made there. The evil effects of the tariff war, Mr de Valera's and the Irish Republicans' explicit antipathy to the crown as a symbol of the Commonwealth, and their agitation for a United Ireland including the six counties, combine to perpetuate the ill-feeling. There was a time, long before Home Rule, when Queen Victoria's Ministers advised her against making a visit to Ireland. She went, and the visit was an amazing success. A repetition of this in our day seems remote. British sentiment towards the aims and activities of Mr de Valera's Government is more sympathetic than it was a few years ago. Is it too much to hope that his Government will show a more accommodating, less frigidly formal attitude in the future?

* * *

Our National Defences.—The Liberal Party were commendably enterprising on Tuesday in using their right to choose a Supply Day debate to pursue an inquiry about the state of the Government's plans for defending the domestic population in time of war. Sir Archibald Sinclair, in moving a reduction of £100 in the Vote for the salary of the Minister for Co-ordination of Defence, observed at the outset that Sir Thomas Inskip had been given neither executive authority nor responsibility for financial allocations between the Services. The Liberal Leader asked about the state of our home defences against aerial attacks by bomb and gas, and about the re-location of key industries and factories; urged that vulnerable areas should be scheduled and special provisions made for their inhabitants; and inquired about the switching-over of food and other supplies from Eastern to Western ports. Mr Lees-Smith, who followed for Labour, supported Sir Archibald's contention that Sir Thomas's powers were not great enough, and went on to emphasise our need to improve anti-aircraft equipment. Mr Churchill, in trenchant mood, observed that if we could be sure of peace for seven or ten years, the ground might master the air and remove the blackmailing terror of marauding aircraft; meanwhile, he supported Sir Archibald's inquiries, and repeated his own earlier request for details about the guns opposite Gibraltar. Sir Arthur Salter urged the need to distribute inland storage of foodstuffs at less vulnerable points, and asked for financial and administrative action to enable adequate stores for more than the proverbial six week's supply to be built up.

* * *

Sir Thomas was at pains to extricate himself from alleged responsibilities for all kinds of defensive work and planning. He was only there, he said, to co-ordinate, to keep Service plans in close concert, and to hold the activities of the multifarious branches of the Committee of Imperial Defence together. On the more detailed side of home defence, zoning the country had already been done, and the dispute over financial responsibility with local authorities would not arrest the execution of plans, some of which, especially for defence from aerial attack, had shown remarkably successful results. Sir Thomas said the guns opposite Gibraltar were no real menace —though if they were part of "a larger design" against British interests the question would have to be differently approached. This reply roused Mr Amery to indignation at its inadequacy; and the House as a whole, though it rejected the Liberal motion by 306 votes to 141, was manifestly disquieted and dissatisfied, not with Sir Thomas, but with his office, its scope, and the evasive nature of the Government's pronouncements. On Thursday, Sir Samuel Hoare retrieved the situation by announcing that a Bill was being drafted to put Government expenditure on air-raid precautions on a statutory basis, and that local authorities would be brought into conference. The Bill would be retrospective to January 1st of this year.

* * *

Twenty Years After.—Mr A. P. Herbert's Marriage (Matrimonial Causes) Bill was accepted by the Commons on July 23rd, with all the Lords' amendments. This signal success of a private and independent member of the House was greeted with a salvo of Parliamentary cheers; and Mr Herbert has since been the recipient of nation-wide congratulations. When the amended Bill was debated by the Commons, a general sympathy with its sponsor for his gallant and determined campaign was evident. The House had clearly decided not to stymie on the last green a measure which had been driven on a long handicap through the rough and bunkers of private-member procedure. There was an evident feeling that public opinion was now largely behind Mr Herbert in his efforts to implement the reform proposals of the Royal Commission, which recommended the mitigation of the divorce laws twenty years ago. The fears of a British Reno expressed by critics of the Bill are not likely to be realised. There will inevitably be an immediate rush to take advantage of the measure by unfortunate people who for years have had no redress. But once the retrospective effects of the Act have been worked off, the institution of marriage will be subjected to no threat; and the social sign of Mr Herbert's work will be, not licence or levity, but probably greater happiness in marriage.

* * *

Reactions in Palestine.—The proposals for the partition of Palestine are now before the Mandates Commission of the League. Meanwhile the debates of last week in the British Houses of Parliament have had some interesting reactions in Jewish and Arab circles. Perhaps the outstanding feature of the debates was that, in spite of the universal hesitation to accept partition, scarcely anything in the way of constructive alternative was put forward, except by Lord Samuel. His suggestion that Palestine be governed by a federal council, under which each community would manage its own affairs, and that the Jews accept an over-riding limit on immigration which would secure that their number would never exceed a certain minority percentage of the Palestine population, has been received with a great deal of favour in Arab quarters, but has been bitterly denounced by the Palestine Jews. The latter deplore the lack of parliamentary criticism of the immediate restriction of Jewish immigration to a rate of 12,000 a year, although it appears that uncertainty about the future is already acting as a natural check on immigration. Arab intransigence has been somewhat weakened by the non-committal attitude of neighbouring States, except Iraq, and on both hands there appears a greater readiness to discuss practical compromises. The idea of a Round Table Conference is gaining favour. Partition may yet prove, like the Judgment of Solomon, more effective as a threat than as a solution.

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The Congress and the Moslems.—The primary effect of the Congress acceptance of office in the Indian provincial Governments has been an immense improvement in the political atmosphere of the country. A secondary and minor effect has been a revival of the differences between the Moslems and the Congress, which is predominantly Hindu. The latter has been anxious to assert the national character of its mission by including Musselmen in its Ministries. In some provinces it has been successful; in others, such as Orissa, where none of the Moslem members of the Assembly has been willing to accept the Congress ticket, the quest has had to be suspended. Certain Moslem organisations actually appealed to the Governor of Orissa to use his special powers to secure the representation of their community in the Cabinet. He replied that the suggested course was impracticable, and that he had no reason to believe that the legitimate interests of the Moslem minority would suffer through their not being represented among the Ministers. There is clearly a sharp difference of opinion among Moslems themselves. Mr. Jinnah, the President of the All-India Moslem League, has denounced those members of the League in the United Provinces who, it was reported, were about to link up with the Congress, declaring that if they had a shred of conscience they would resign their seats and seek re-election under their new colours. He spoke with scorn of the "stray Moslems here and there" who had accepted office in Congress Ministries; the League was better without men who betrayed their community for the sake of jobs.

* * *

Unemployment Assistance.—The second annual report of the Unemployment Assistance Board for 1936 has been the more eagerly awaited because it includes the period, from November 16th, in which the Unemployment Act of 1934 was first fully implemented. The 1934 Act was intended to co-ordinate under the Board the relief of all able-bodied unemployed, whether insured or not; but the Board's much-criticised Regulations were suspended under the "standstill" arrangement of February, 1935, and did not become fully effective, in a revised form, until November of last year. This administrative change is, however, almost obscured in the report by evidence of the effect of industrial recovery upon long-period unemployment. The cost of payments, which was £42,607,000 in 1935, fell in 1936 to £39,297,000. The effect of the new Regulations was to increase the average allowance from 23s. to 23s. 9d., and actually to raise 37 per cent. of the assessments. The number of applicants in Great Britain fell from 735,665 on January 20th, 1936, to 603,734 on December 14th, a decline of 16.3 per cent., which was greater than the fall in unemployment among the insured in the same period. This demonstration of a definite decline in long-period unemployment is a useful comment on the static analysis of unemployment in the Special Areas recently made in the *Ministry of Labour Gazette;* and shows that the long-unemployed are not in the main unemployable. As the Board claim: "the generality of applicants . . . are no different in character and aptitude from the claimants to unemployment insurance benefit or the persons employed."

* * *

Derelict Unemployed.—Industrial recovery, states the report of the Unemployment Assistance Board, has been unavailing to help three classes of workers: young men without training or experience, men with their health and vigour sapped by enforced idleness, and older men over 45 years of age. Many of the young men in mining areas and large industrial centres have never worked, and are often reluctant to enter the courses of training offered by the Board. The men over 45 years of age, and especially the 25 per cent. over 55, are unlikely to obtain work again. Thus, their allowance becomes a pension for old age, and the importance of providing amenities for their idleness — clubs and allotments — is urged by the Board. The persons deficient in health and vigour are able-bodied and not sick, but unlikely to be taken on by employers. Here is a task for the national health services and the experts in physical fitness and nutrition. Not only are there these derelict and difficult classes of persons in receipt of assistance, but also derelict and difficult areas. While the number of applicants fell in 1936 by 30 per cent. in Birmingham and 29.8 per cent. in Middlesbrough, it fell by only 3 per cent. in Carlisle, 7.4 per cent. in Cardiff, and 7.8 per cent. in Swansea, compared with a decline in Great Britain of 16.3 per cent. The most deeply affected is the aged coal miner, whose unhappy prominence was underlined in the Ministry of Labour's analysis of the Special Areas.

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The Means Test.—The difficulties of the Means Test, which aroused a storm two years ago, have been overcome as far as possible. The Unemployment Assistance Board have walked warily; they have provided, in the words of their annual report, "a period of transition from the local standards which had formed the basis of transitional payments to the general standard of the revised Regulations." In the beginning they were assailed as bureaucrats. Accordingly, by an extensive and flexible use of Advisory Committees under the 1934 Act, they have added local knowledge and a personal touch to the enforcement of their Regulations. Not all the acute administrative problems of the past have gone. The average allowance of 23s. 9d. is not large in view of movements in the cost of living, and the allowances for large families still fall short of the B.M.A. standard. The Means Test is still inherently unpleasant to apply, although there is now more elasticity in the assessment of family resources. On the whole, however, the Report suggests the conclusion that the Government's plan " to take the dole out of politics " has been more successful than at one time seemed likely.

* * *

The Government's Milk Policy.—A White Paper was issued on Thursday evening with the details of the Government's decisions on the very vexed question of milk policy. The most important recommendation of the recent Reorganisation Commission was that the legal power of price-fixing should be taken out of the hands of the producer-elected Marketing Boards and entrusted to an independent Milk Commission. Reason and public policy stood behind this proposal; but the vested interests, both of the farmers and of the large distributors, were opposed. The vested interests have won. There is to be a Milk Commission, but its powers are to be purely those of recommending and reporting. The bulk of the White Paper is concerned with the conditions under which public money will continue to be provided for the milk industry. There is to be a scheme of " price-insurance " to prevent a serious drop in the price of manufacturing milk. Exchequer payments will be made if the average prices of imported butter and cheese fall below 100s. and 56s. a cwt. respectively. (The present prices are about 115s. and 72s. a cwt.) The Exchequer is also to contribute part of the funds for the payment of premiums for accredited milk, tuberculin-tested milk and milk from attested herds. These payments are estimated to amount to nearly £2,000,000 in 1939-40, but the scheme is so designed that the cost will fall off thereafter. The White Paper envisages the continuance of the Milk-in-Schools programme and promises further proposals for securing cheaper milk for maternity and child welfare centres. There is also a vague reference to " provisions to facilitate the improved organisation of the distributive service." Many of these proposals are subject to commendation or criticism in detail. But the major disappointment of the White Paper is that it completely misses the opportunity to affect that thoroughgoing overhaul of the present illogical and inequitable organisation of the milk market which is so patently necessary. It is apparent that we are to continue to be " more planned against than planning."

* * *

Non-intervention Extraordinary.—The procedure on the British plan to patch up controlled non-intervention in Spain has gone through yet another metamorphosis in the last week. Like a musical work by a minor composer, it does not easily reach a conclusion, but goes on in fits and starts, now on this new theme, now on that; and it seems that when it does finish it may be on an unharmonious compromise between discords. Last Sunday it was announced that the British Government, in order to escape from the deadlock into which the German and Italian attitudes had plunged the plan by refusing to discuss belligerents' rights before discussing withdrawal of volunteers, had decided to ask forthwith the other twenty-six Governments on the London Committee to accept or reject the plan as a whole, by giving specific replies before noon on Thursday of this week to seven questions summarising the salient features of the plan. Count Grandi had a long talk with the Prime Minister on Wednesday; and, largely as the result of it, Italy notified her acceptance of all points in the questionnaire on Thursday. But, with Germany, Italy reserves her attitude over belligerents' rights and withdrawal of volunteers—which is taken to mean that these Powers make acceptance by both sides in Spain of any detailed proposals a condition of their own agreement. The British Government have been widely expected to seize the occasion of the Parliamentary recess to conclude some kind of a deal with the German and Italian Governments without fear of exacting scrutiny; but there is as yet little reason to believe that the Government have any intention of embarking on a course which would isolate them from France and rivet them to the Rome-Berlin axis. So far they have stood firm on their demand that the withdrawal of volunteers should be certified as having made substantial progress before belligerents' rights are accorded.

* * *

Activity over Spain.—During the past week the bitterest fighting of the Spanish conflict has been taking place on a wide front round Madrid. The Government's drive to the south-west, which at one time went so far as to recapture Brunete, was checked this week by a violent counter-attack along the insurgent's line of positions from Teruel up to Guadalajara, and from the Guadarrama range round to the south-east of the capital. Vast numbers of Moors, Spaniards and Italians, and of German and Italian aircraft and artillery were employed by the insurgents, who reduced many of the Government's advanced posts to ashes. In the air, the Government seem to have held their own by summoning every machine into action; but this has left Barcelona, Valencia and the Basque country denuded of Government aircraft, and severe bombing from the air has occurred there; in Barcelona, it is reported that civilians have been machine-gunned from the air by German aircraft in the service of the insurgents. The aim of the insurgent forces is to strike to the coast from the Guadarrama, separate Barcelona, Madrid and Valencia from one another, and then roll up each section of Government territory in the way Vizcaya has been rolled up, piecemeal. But the Government forces are now showing that, despite divided counsels at home, they are more effective militarily than they were. They are holding the insurgents; and despite big losses on both sides, anything approaching a final decision in the field before winter puts an end to operations seems now beyond the bounds of possibility. This is the worst of the outlook before General Franco.

* * *

On the Razor's Edge in China.—Another week has passed without our seeing Japan and China formally at war with each other; but that is the best that can be said. Peace has already been broken in many places, and the *détente* which appeared to have been achieved at the close of last week has since been reversed by wild outbreaks of fighting. Meanwhile, Mr Eden has announced in the House of Commons that the forthcoming Anglo-Japanese conversations have been put off pending an improvement in the situation in North China. While conversations have been continuing at Tokyo between the Japanese Foreign Minister and the Chinese Ambassador without success, and while Japanese military preparations have been continued without being carried to the length of a full-dress mobilisation, the reported agreement between the Japanese military authorities on the Continent and the Hopei-Chahar Political Council seems to have been locally torn up. This agreement was said to have been reached on the 19th and to have been kept secret for fear that its terms, if published, would produce an explosion of Chinese feeling, and goad the Government at Nanking into action under penalty of an intolerable loss of face if they were to let such a surrender pass. However that may be, the Chinese Thirty-Seventh Division—the troops who had come into conflict with the Japanese in the first instance, and whose withdrawal was the crucial point in the Japanese demands—seem to have made the issue a question of military honour and to have refused to budge. Fierce fighting has broken out again both at Wangping, north-west of Peking, and at Langfang, down on the Peking-Tientsin Railway. By far the most serious engagement, however, took place on Thursday when, in the early hours, Chinese troops tried to capture Japanese military positions outside Tientsin. Wholesale fighting occurred; the Japanese aircraft reduced districts of the Chinese city to ruins; and Japanese artillery completed the work. Eventually the Chinese troops fell back. Meanwhile in Peiping the Japanese succeeded in forcing the General of the recalcitrant Chinese 29th Army and the Mayor of the city to retire to Paotingfu, 80 miles off; and they then set up a regime of their own. This reduces the risk of general war; but President and Marshal Chiang Kai-shek has yet to declare his hand.

* * *

President and Senate.—Mr Roosevelt's obstinate attempt to drive his plan for the reform of the Supreme Court through Congress has ended in defeat at the hands of the Senate. On Friday of last week it became finally clear that a majority could not be secured even for the compromise Bill which would have limited his new appointments to the Court to one a year. His supporters were compelled to agree to the substitution of a second compromise Bill which confines itself to reforms of procedure and leaves both the size and membership of the Supreme Court untouched. That this is a clear defeat for the President is undoubted. That it is his own fault is only slightly less certain, as it is very probable that, if he had been ready to compromise at an early stage of the controversy, he could have obtained a great deal of what he wants. The President has much with which to console himself. He has frightened the Court into a mood of liberalism, and by so doing he has probably protected his policies from further sweeping judicial vetoes. He has persuaded one Justice to resign, and it will surprise nobody in Washington if further resignations soon follow. The Court remains untouched, but it is not likely to be nearly such an obstacle to the New Deal in the future as in the past. It may very well turn out that Mr Roosevelt has won a victory in substance, even though he has suffered a very sharp defeat in form.

* * *

The outcome of this bitter controversy illustrates once more the peculiar position which the Constitution, and the Supreme Court as its guardian, occupy in American political life. As is pointed out in a special Survey of the American scene, printed on pages 238-242 of this issue of *The Economist*, constitutional arguments in the United States are based upon fundamental dogmas which are matters of conscience rather than of reason. Every country has these articles of religion which are unintelligible to foreigners; they must be accepted rather than understood. Englishmen will need henceforth to accept the United States' veneration for an antiquated and illogical Constitution in the same spirit as Americans accept Britain's retention of a monarchy to which the same epithets have frequently been applied.

* * *

Church and State in Jugoslavia.—The dramatic conflict between Church and State in Jugoslavia has had consequences that may have a deep and enduring effect upon the history of the country. On July 23rd the Lower House of the Parliament at Belgrade passed all three readings of the Bill enacting the new Concordat with the Vatican by 167 votes to 127; in the early hours of the following morning, the Patriarch, Varnavas, of the Serbian Orthodox Church, died; and the coincidence of these two events has excited the feelings of the Orthodox to fever heat—the more so as they believe that the Patriarch died of a broken heart. The Bill was not passed without three expulsions and ten resignations of deputies from the Government party; and last Sunday the Serbian Holy Synod, which is the governing body of the Serbian Orthodox Church, retorted by excommunicating all members of the Government and of Parliament who voted for the Bill or worked for it. The deadly earnest of this ecclesiastical ban became apparent when the Minister of Justice, Dr Subotic, who is the leader of the Dalmatian Serbs, was turned out of the Orthodox cathedral at Belgrade by the ecclesiastical authorities as he was attempting to pay his respects, on the Government's behalf, to the coffin containing the body of the Patriarch. The Holy Synod have refused the Government's offer to give the Patriarch a State funeral; and a Belgrade deputy who came to sign the book of the Patriarchate as a would-be conciliatory gesture, was recognised by the crowd as a supporter of the Concordat and was badly beaten up. It is thought that those pro-Concordat deputies who represent districts where the population is Orthodox will now hardly venture to visit their constituencies. Officially, nothing more will happen till the Bill comes before the Senate in the autumn.

* * *

The position is paradoxical in the extreme. Dr Stoyadinovitch and Father Koroshetz have tried to placate the Catholic Croats by the Concordat without offering them their desired measures of autonomy and popular liberties. They have failed; for the Croats, more mindful of constitutional than religious liberties, have used the popular ferment among the outraged majority of Orthodox Serbs to make an alliance with the Serbian Opposition; and, finally, the Government have antagonised the Serbian people by the Concordat—Moslems as well as Orthodox and Jewish Serbs. Many people were killed by the police at the funeral procession on Thursday. All Orthodox Ministers save the Minister for War—the Army has been against the Government's flirtation with Italy—have to take a religious oath. Their position in the country has been rendered virtually untenable. It seems that the retirement of the Prince Regent, Prime Minister, and of Father Koroshetz, the Minister of the Interior, from Belgrade to the country is more than diplomatic. We may soon see another Government in Jugoslavia; and next time it will be hard for Dr Stoyadinovitch to retain the confidence of both Prince Paul and the country.

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A Royal Economic Project.—King Leopold of the Belgians has taken an interesting initiative in the economic field. On Friday of last week he addressed a letter to his Prime Minister, M. Van Zeeland, urging the need for an economic organism to study the fundamentals of a free and co-operative world economic organisation. The King's letter says such an organism should be characterised by its universality, permanence, and independence of national influences; and he emphasises the need for close economic collaboration between the nations, on a footing of equality, at a time when they stand in such great danger of becoming irreconcilably split into two antithetical political groups. M. Van Zeeland's final discussions with his coadjutor, M. Maurice Frère, are now taking place on the draft report which is to be presented to the British and French Governments, who first charged M. Van Zeeland with his mission to inquire into the first necessary steps to freer trade. While the spirit and aim of King Leopold's initiative is wholly commendable, it is to be doubted if yet another fact-finding international commission is the best step towards a freeing of trade from its restrictions. We have had plenty of such impartial inquiries—permanent at the League of Nations' economic secretariat, temporary at world economic conferences since 1927 up to the present Committee on access to Raw Materials, the International Chamber of Commerce's Congresses, and M. Van Zeeland's own inquiry—and each has been frustrated by the lack of political will in the various governments to implement the unanimous findings of economic experts from all countries. There is much to be said for permanent convocation of the different nations' economists at some central organisation; but these same experts' views would necessarily be those put forward at Geneva and in other international bodies. The International Chamber of Commerce which has just concluded its Congress at Berlin with eminently sane and practicable conclusions on the very points emphasised by King Leopold. There is a real danger by this time that the drive for freer commerce will become dissipated in repetitive and redundant fact-finding committees. Virtually all the facts relevant to the first steps towards freer trade are already known. If King Leopold's proposed organism would galvanise governments into willing and achieving the aims set before them by economic experts, it would be eminently worth setting up. Otherwise, in default of these governments' goodwill, it is likely to be either sterile or unnecessary. In this matter, and by this time, deeds, not words, are wanted.

* * *

The Film Quota.—The White Paper containing the Government's proposals for legislation to replace the existing Film Quota Act shows that the Board of Trade has, in the main, followed the line of least resistance by including those proposals which are likely to arouse least opposition in the industry. The main principle of the quota remains. The chief amendment is the so-called "quality test," designed to prevent the inclusion in the quota of so-called "quota quickies," which have no entertainment value whatever. In future, a film which has cost less (in labour cost) than £1 a foot or £7,500 in all is not to qualify for the quota unless it is approved as having especial merit. This test of cost is unsatisfactory. The proviso will let through the cheap but good film, but it will not exclude the dear but bad. The Board of Trade has, however, come to the conclusion that any other method of establishing a standard of quality would come up against insuperable practical difficulties. An attempt is also made to assist the export of British films. It is to be provided that any renter who distributes a British film abroad is to be relieved of a corresponding proportion of his obligation to distribute British pictures in Great Britain. In other words, if the American firms show British films in America, they are relieved of the necessity of making films in this country. Whether this provision — or any of the others — will have the desired effect, remains to be seen. But it is typical of the complicated paternalism of the whole scheme. Ten years of the existing Act have not encouraged the layman to accept the argument that protection of the British film industry will produce a plentiful supply of good British films. In these circumstances, is it really in the interests of the British public not merely to maintain the quota but to increase it?

* * *

Higher Railway Charges. — After hearings which lasted sixteen days and are estimated to have cost £100,000, the Railway Rates Tribunal have granted the application of the amalgamated railway companies for an increase from October 1st next of 5 per cent. on standard and exceptional charges. The increase, however, is subject to certain provisions, whose broad effect is that charges of less than 10d. per ton for merchandise and coal, and of less than 5d. for workmen's tickets, will not be increased. The companies' suburban passenger fares within the London Passenger Transport area are unaffected. The decision, indeed, was more or less a foregone conclusion, once the railways had succeeded in establishing the fact that the proposed increases would lessen the gap of about £16 millions between their contemporary net revenue and their standard revenue under the Railways Act of 1921. In his evidence during the hearings Sir Ralph Wedgwood, for the railways, produced certain figures which may thus be summarised:

FOUR MAIN LINES—COMBINED ESTIMATES.

	£
Revenue.	
(1) Total Revenue, all sources, 1936	162,384,907
(2) Estimated Revenue, 1937, on existing rates and charges	169,109,000
Estimated Increase	*6,724,107*
(3) Revenue in full year, presuming addition of 5 per cent. to charges†	174,718,700
Increase, as compared with (2)	*5,609,700*‡
Working Expenses.	
(4) Working Expenses, 1936	126,654,346
(5) Estimated Expenses, 1937*	133,654,346
Estimated Increase	*7,000,000*
Net Revenue.	
(6) Net Revenue, 1936	35,730,561
(7) Estimated Net Revenue, 1937, before increased charges [(2) less (5)]	35,454,654
(8) Ditto, presuming Revenue as in (3).....	41,064,354

† Apparently allowing for increased charges in a full year, in terms of estimated revenue, in 1937.

‡ Of which £5,333,593 within the jurisdiction of the Railway Rates Tribunal.

* On present known conditions for prices and wages.

The figures are necessarily tentative. The course of future gross receipts and, still more, the effect of a probable further rise in material and wage costs are both incapable of precise estimation at this stage. Renewals and maintenance charges—especially for timber and steel—and fuel costs, particularly for coal, have already increased, and will rise even more sharply in the near future when the benefit of existing long-term contracts expires. The decision of the Staff Tribunal on the Unions' application for improved wages and working conditions will not be known until after the holiday ; but it is a safe assumption that the railways have already taken into consideration the possibility at least of the reinstatement of the final 1½ per cent. of the 1931 "cut."

* * *

Effect on Revenue.—A final factor is the precise increase of revenue which the 5 per cent. surcharge will bring. Apart from the low-rated traffics which are unaffected by the decision, it may be presumed that the application by the railways of their new powers will be determined by strategic as well as arithmetical considerations. The companies are apparently satisfied that passenger fares can carry a moderate increase. And, even so, the amount paid per mile by the average passenger will still be well below the effective rate only a few years ago. The facilities which have steadily increased the high proportion of passenger traffic carried at less than full fares—particularly the institution of penny-a-mile monthly return tickets throughout the year—have been equivalent, in effect, to a progressive lowering of passenger fares. The present decision is the first serious break with that policy. On the goods side the railways will be anxious to lose as little as possible of any traffic which happens to be particularly vulnerable to road competition, such as the carriage of newspapers and periodicals. In theory, the application of the permissible increase may be general; in practice, the railways retain their power to quote exceptional rates. Sir Ralph Wedgwood's estimate of a net benefit of £5,300,000 already represents a substantial whittling down of a purely arithmetical increase, on a basis which we indicate in a Note in our Stock Exchange Section on page 255. The companies' spokesman before the Staff National Tribunal has already suggested that the estimate may be lowered further. If the eventual figure is in the neighbourhood of £4½ millions (which is not unlikely), stockholders may wonder if it will leave much over after a potential rise in wages. The days of high dividends are not yet.

* * *

Industry this Week.—With the approach of the holiday there has inevitably been some slackening of the *tempo* of business activity; but the indications are that the decline has been of less than normal seasonal dimensions. In iron and steel, for example, the supply position remains almost as stringent as ever. New business, however, has been reduced by holidays and by the difficulty of finding manufacturers who can accept orders for reasonable delivery. The strength of the market in industrial grades of coal and coke is a reflection of the sustained needs of British industry; but business in house coal is seasonally quiet. Outputs have been affected by holidays in Scotland and by strike troubles in South Yorkshire. In contrast to the normal seasonal trend, output of rayon yarn and waste, according to the *Board of Trade Journal*, rose by no less than 1,880,000 lbs. to a peak of 14,060,000 in June. The cotton industry, on the other hand, is passing through a quiet spell. Buyers are operating from hand to mouth in consequence of the bearish outlook for raw cotton prices; and new business was very restricted this week. In the jute trade, also, a quiet spell is being experienced, the main factor being holidays among producers.

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Outlook for Wheat.—At this season the world's wheat markets are mainly under the influence of North American crop news. And in recent weeks Canadian weather reports have been making the headlines. Hot, dry weather has caused a progressive deterioration of the Dominion's growing crops and it is highly unlikely that 200 million bushels will be harvested from the prairie provinces, against an abnormally small crop of 212 million bushels last year. If this modest outturn is achieved Canada's new crop surplus will amount to less than 100 million bushels. In the United States, on the other hand, the winter wheat crop has been yielding excellently; and, apart from a certain amount of rust damage, the condition of the growing spring wheat is satisfactory. Broomhall accordingly puts the total United States output at 850 to 900 million bushels—which would give an exportable surplus appreciably larger than that of Canada. Meanwhile, among the importing countries, a poor harvest is indicated in Germany, Belgium and parts of France, with the prospect of a good outturn in Italy and Greece. The carry-over from the present season will certainly be small and the coming season's requirements may be little more than covered by the new crops. In the circumstances the recent rather irregular recovery in Liverpool prices from a low level of barely exceeding 8s. per cental to a present figure of over 9s. 6d. appears soundly based. Actually, the tendency of the markets has been reactionary this week, on better Canadian weather news, but a moderate further rise in wheat prices may well occur.

* * *

Parliament and Prices.—The debate in the Commons on July 28th about the movement of the cost of living, distinguished by an incisive and objective speech by Mr Grenfell, scarcely aroused the attention it deserved from a jaded House. Mr Grenfell's thesis was that the cost of living in the past four years had risen unduly in relation both to wage levels and wage movements. On the one hand, many workers were living on the verge of poverty. Coal-miners, for instance, earned an average of only £130 a year, which left little margin for advancing prices. This point was emphasised by Mr Graham White, who stated that, whereas the minimum weekly expenditure on food for proper nutrition according to the British Medical Association was 7s. per head, some 4½ million people actually spent only 4s., and another 9 million only 6s. Mr Grenfell further urged that it was untrue to say that recent increases in wages had kept pace with the rising cost of living. Since 1933, the cost of living index (based on 1914 = 100) had advanced 17 points, representing an increased national expenditure of £255 millions and a rise in working-class expenditure of at least £155 millions—extremely tentative calculations.

* * *

It is notoriously difficult to assess the money value of wage increases over a period of years; and in starting at 1933 Mr Grenfell chose the most favourable basis for his own argument. But, from Mr Colin Clark's computation that total wages rose some £60 millions between the end of 1933 and the close of the first quarter of 1936, and the Ministry of Labour's calculation that between the end of 1933 and the end of 1936 some 4–5 million workers received wage advances totalling perhaps £40 millions, it seems unlikely that the total increase has been so great as Mr Grenfell's estimated increase in working-class expenditure. But the wage increases of the last 3 years have been largely concentrated in the last 18 months, and the *tempo* of wages has probably been recently as great as that of prices. While it is true that potatoes have gone up 40 per cent., bacon 30 per cent. and bread 33 per cent. in the last four years, it is also true that (as the chart in the following Note shows) food prices have risen less than the general index of cost of living since 1920. While undoubtedly, as critics of the Government argued, the policy of protection and regulation has levered up food prices in recent years, part of the current rise is due to the fact that food prices fell much more rapidly than other prices in the depression years. The restoration of remunerative levels for primary producers is a necessary condition, as Government spokesmen pointed out, for the re-establishment of international prosperity. More.

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over, both earnings and employment are very much higher than they were three or four years ago, which is not reflected in any mere analysis of wage rates. Nevertheless, proper nutrition and an adequate supply of necessaries are the foundations of working-class health and happiness. While lower real wages and full employment may be socially preferable to high real wages and high unemployment—if the community must choose between two evils—the figures cited by Mr Grenfell are at least a salutary warning.

* * *

The Cost of Living.—By way of a footnote to this week's Parliamentary discussion, we reproduce below a chart tracing changes in the cost of living since 1920. The continuous line represents the Ministry of Labour's complete index (July 1914 = 100) which covers food, rent, clothing, fuel and light and miscellaneous items; while the dotted line represents food prices only. Compared with the pre-war period, the rise in food prices during the period under review has been less than the advance in the cost of living as a whole. After the collapse of the post-war price boom, both curves had an approximately stationary trend until 1925, when the return to the gold standard ushered in a period of deflation. With the onset of the depression in 1929 the fall became steeper, and food prices declined more rapidly than the complete index, since foodstuffs were largely imported. Both curves have risen gradually since the end of 1933 and the upward movement is now gaining momentum. The complete index for July was 155, against 146 a year ago, while the food index rose to 140, compared with 129 in July, 1936.

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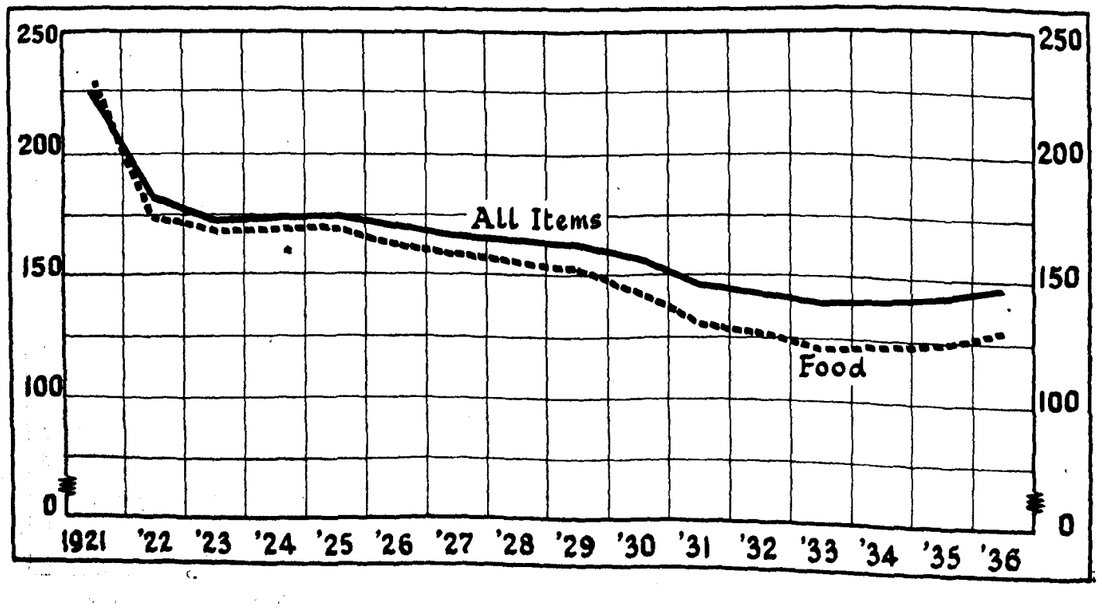
Australia and Anglo-American Trade.— Mr Lyons has let the cat out of the bag. Many people had wondered why the Imperial Conference, which was launched amid fervent generalities about the need for economic appeasement, could not proceed beyond generalities in its conclusions — especially as its members had had before them the vitally important concrete proposals for an Anglo-American trade pact. The Australian Prime Minister has now admitted that the chief blame for this indecision did not lie with the British Government. The latter considered, he said in a statement a few days ago, that an Anglo-American agreement would demonstrate to the world that Empire preference, which had done so much to promote trade within the Conference, was not an obstacle to the improvement of trade outside it. The Australian delegation had replied that they could not consider modification of the Ottawa treaty without going into the whole question of revision, or of substituting a new Anglo-Australian agreement altogether. Australia had also declared that her attitude to any such proposals would be determined by the prospects of obtaining increased markets—a vital consideration. She viewed with great concern the American demand for lower tariffs on goods on which Australian producers now enjoyed a preference. It is, indeed, difficult for a government with a general election in prospect to take anything on trust, and perhaps it is as well that the difficulty should be frankly exposed.

* * *

Proposed Tin Buffer Pool.— Propaganda for the establishment of a tin buffer pool, which has been in progress for a number of weeks, has changed to bitter controversy in these last few days. More or less interested parties have made statements for and against the proposed pool, but the attitude of the International Tin Committee is still uncertain. It is scarcely conceivable, however, that the Committee would contemplate a revival of the ill-advised and ill-managed buffer pool of 1934, which brought disorder to the tin market and produced violent and dangerous fluctuations in tin prices. The Committee's policy has lately been, by general agreement, liberal and far-sighted, but the relative inflexibility, both of production and of consumers' demand, has prevented any significant relaxation in the market position. The formation of a reserve stock may be under consideration as a means of making the Committee's policy more effective. But all the countries, except Malaya, are well in arrears with their quotas and have little chance of making up the leeway within the next few months. Total supplies from restricting and non-restricting countries are only large enough to cover current requirements, and the accumulation of a pool from current production would greatly increase the existing scarcity of supplies. As Malaya is at present the only country which is producing at a satisfactory rate, she would necessarily provide the bulk of the pool

FOOD PRICES AND THE COST OF LIVING

(Ministry of Labour Indices, July 1914=100)



stocks. This, she considers, would be unjust, in view of the fact that her tin industry is only now recovering the losses suffered owing to the artificial scarcity of Straits tin supplies during the lifetime of the previous pool. Is there not a more excellent way? Clause 18 of the new tin agreement gives the seven restricting countries permission to accumulate up to 25 per cent. of their standard tonnages in the form of tin metal and tin concentrates within their frontiers. Such a stock accumulated after the recovery of tin production, would provide the best buffer, and render the tin policy flexible enough to prevent dangerous speculation and wide price fluctuations.

* * * *

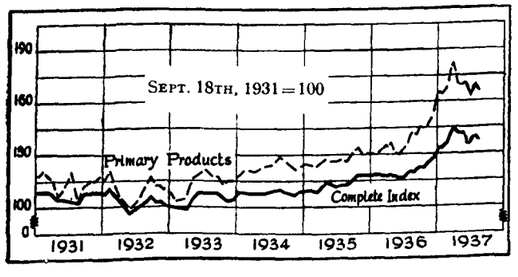
Reaction in Wholesale Prices.—The past fortnight has witnessed a slight reaction in British wholesale prices. For primary products alone it amounts to 0.8 per cent. and for all commodities to 0.4 per cent. In the United States the reaction was more marked, for *The Economist's* primary products index number has fallen by 4.8 per cent. Heavy declines in cereal and cotton prices are the explanation here. The general Irving Fisher index number has only fallen by 0.2 per cent. The latest French index number shows that since June French wholesale prices have risen by 8.7 per cent. This movement reflects the new depreciation of the franc, and has not yet caught up with it.

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	Primary Products: British (sterling)	Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933								
July 26th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	136·7	162·4	113·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	113·0	...	95·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·1	18·8	135·8	97·8
July 28th	140·2	167·1	171·8	164·5	133·8*	2130·2*	...	97·9*

* These figures refer to July 21st.
† Monthly averages.

We publish below a chart showing the course of *The Economist's* complete index of British wholesale prices, as well as of our index of the prices of primary products in this country from 1931 onwards.



The chart shows that British wholesale prices remained above their level at the end of last year, but that the year's net increase in the prices of primary products is now less extensive. Details of our index number follow:

The Economist INDEX

(1927 = 100)

	Sept. 18, 1931	June 30, 1937	July 14, 1937	July 28, 1937
Cereals and meat	64·5	91·2	92·6	92·6
Other foods	62·2	67·5	67·6	67·2
Textiles	43·7	70·7	71·9	70·7
Minerals	67·4	106·5	108·1	108·6
Miscellaneous	65·8	86·1	85·8	85·6
Complete index	60·4	84·3	85·0	84·7
1913 = 100	83·1	116·0	116·9	116·5
1924 = 100	52·2	72·8	73·4	73·1

Declines during the past fortnight included wheat, flour, potatoes, cocoa, cotton, most non-ferrous metals and rubber. There were increases in bacon, tea, butter, wool tops and copper.

* * *

Co-operation in Tramp Shipping.—On Friday last week British tramp ship-owners, meeting at the Chamber of Shipping, expressed approval in principle of proposals to continue co-operation on a voluntary basis when the Government's subsidy arrangements expire at the close of the year. The grant of a subsidy of £2 millions by the British Shipping (Assistance) Act of 1935, and its subsequent extension for a further two years, were conditional upon the re-organisation of the industry, the minimising of domestic competition and the establishment of co-operation between British and foreign owners. No subsidy will in fact be paid for 1937, since freights are well above the 1929 level; but the provisions of the Act remain in force till the end of this year. In view of the agreement reached last week-end, co-operation will thereafter be continued, at the Government's request, on a basis devised and controlled by the industry itself, but backed by sanctions to secure its enforcement. Details have still to be worked out, but it is proposed to continue existing arrangements for minimum freights and conditions, standard forms of charter and the regulation of tonnage to prevent excessive accumulation in particular markets. When the owners of 90 per cent. of British tramp tonnage have certified their agreement, the new scheme is to be given a trial run for two years. It is unlikely that consent will be withheld; but the testing time for the new scheme is not yet. The expansion of world trade and the reduction of idle shipping tonnage make it easy at present to maintain the level of freight rates. On the other hand, many countries—especially the United States and this country — are rapidly building new merchant ships; and in about a year's time there will be a great increase in merchant tonnage entering into commission. If by that time world trade has not increased very much more than in recent months, idle tonnage, the expression of acute competition for freights, may again increase. When circumstances become less favourable, co-operation may be more difficult to secure. But the proposed scheme represents at least an attempt to mitigate the potential effects of a return to depression in one of the most cyclical of all industries.

THE
COMMERCIAL BANK OF SCOTLAND
LIMITED

Incorporated by Royal Charter and Act of Parliament
PAID-UP CAPITAL - - - £2,250,000
RESERVE FUND - - - £3,050,000

ESTABLISHED 1810

Roosevelt and America

Last October The Economist *published a supplement analysing the condition of America under the New Deal. President Roosevelt is now in his second term of office, and second terms are notoriously different from first terms. In the following pages an observer recently returned from America surveys the present situation, and the possible effects upon the fortunes of the President and the Democratic Party of the Senate's refusal to alter the constitution of the Supreme Court.*

PRESIDENT ROOSEVELT'S second term of office will, in all probability, be one of the most critical periods in American history, for in it choice will have to be made of alternative methods of dealing with a considerable number of fundamental problems. The first term of shock tactics in handling the urgent problems of the depression is over; the New Deal in essence was the pursuit of reform so that recovery might appear; now that recovery is here, what is to happen to reform? What is to be the outcome of the campaign against the Supreme Court? Is America to desire economic internationalism, or a closed economy? Is American influence in international affairs to be used to strengthen the democratic nations, or is isolationist neutrality to be her aim? Will the business world accept the new principle of collective power for labour unions, or is the fight for the old principles of American individualism to be carried to a bloody end? Will the labour movement, led by Mr Lewis, collapse into ineffectiveness and be suppressed through public objection to lawlessness, or will it become a responsible part of American industry? And, not least, what is to be the future of the Democratic party? Is it to split into fragments and leave the Republicans to regain their old power, or is it to remain politically intact so that it may inherit seventy fat years after its seventy years in the wilderness?

American recovery is now an established fact. A revival in some consumers goods industries, based in part on Federal disbursements for relief, in part on the vastly improved position of the farmers' income in relation to the cost of goods he buys, in part on what are termed natural causes, has spread to some durable consumers goods and producers goods. The most important of the durable consumers goods industries, housing, is laggard. The output of automobiles is now at about the peak which may reasonably be expected from a survey of the possible market during the next five years, assuming that there is no repetition of the abnormal demand which was stimulated by the speculative boom of 1929. The steel industry was working at nearly its practical limit before the strikes developed, and output has now been restored nearly to the previous level. There has been a substantial rise in national income.

It seems to be popular, at least in New York, to underestimate the extent of American recovery, and to doubt the probability of sustained recovery for several years ahead. This is in part a result of the changed conditions which now prevail in the stock market world. The effect of the various control measures adopted by the Securities and Exchange Commission has been to limit the volume of business on stock exchanges, and to make professional operators' profits more uncertain. It is probable that Wall Street's loss is the country's gain.

But more important than Wall Street discontent is the prevalence of depression psychology in America. The scars of the depression are not yet forgotten, nor are the lessons of the dangerous boom of 1929. On the whole, the business world approved of the attempt made earlier in the year by the Administration to check the rise in commodity prices and slow down the pace of economic advance. Recovery was assumed to be the sounder for its slower pace. But the business world is by no means so approving of the other actions of the Administration. If the President were to do what the business men seem to want, he would at once balance the budget, cut relief both for economy's sake and to make available a cheaper supply of labour, abandon his campaign against the utilities and stop ranting about economic royalists. In other words, now that recovery is here, he should forget about reform.

REFORM FIRST

The President's reply has been to move still further toward reform. Asked if he expected the gross national debt to level off in July at about $36,000,000,000 he replied in effect that this was the wrong way to approach the problem. Some time ago he spoke of the urgent need of the one third of the nation which was ill-housed, ill-clothed, ill-fed. The President has been working with committees of investigation which have more than substantiated his views, and later in the year he proposes to discuss the implications either in his press conference or in a fireside talk over the radio. The problem is to raise the purchasing power of the lower third of the nation, by this means to raise the national income and, incidentally, bring in sufficient revenue to the Federal treasury to balance the budget and to reduce the debt.

According to his critics, these are merely smooth words which he could have used at his first inauguration; in the intervening time he seems to have learned nothing of economic fact and lost nothing of his desire to spellbind. But, pending his own exposition later in the year, the outline of a plan is already evident. A skeleton can be constructed from the policies of the Federal Reserve System, recent taxation methods, the desired reorganisation of executive functions, the federal encouragement given to labour unions and collective bargaining, the proposed control of minimum wages and maximum hours of labour, the agricultural programme, the Government's activity in the utility field, social security legislation and the relief programme, the proposal to develop regional development boards, and the report on probable future inventions and their consequences on government policy. It is yet to be seen whether the skeleton made of these and similar parts can be made to walk and take unto itself flesh, or whether it will turn out to be merely "a hodge-podge, a pot-pourri, a rag-bag, a rigmarole, a salmagundi, a farrago, a gallimaufry, a crazy quilt in the early Haricot pattern, or a good American turkey hash with the fuss-and-feathers left in."

During the past year the reserve requirements of the reserve system have been levered up to protect the banking system from the possible inflationary effects of a steady inflow of gold. The timing and extent of this operation may be evidence of a conscious long-term plan. The income velocity of money, or the annual national income dividend by demand deposits, was about 3 for some years prior to 1929. In the depression this velocity of circulation fell below 2, and subsequent recovery has raised the figure to 2. If by 1939-40 the income velocity of money has risen to about its pre-depression figure, and the present stock of money does not increase, the national income will be about $92,000 millions. This is about the level which would be obtained if the 1936 national income is assumed to be increased by 20 per cent. for increase in numbers of employed, 5 per cent. for increase in output per worker, and 25 per cent. for increase in prices. It is possible that the income velocity of money may not rise as high as 3, since there have been changes in banking practice since 1929. But in so far as these figures mean anything they suggest that to prevent an excessive rise in prices as unemployment falls to its minimum, the present volume of demand deposits should not be allowed to rise.

The recent proposal of Mr Eccles, Chairman of the Board of Governors of the Federal Reserve System, that full taxes should be levied on holdings of securities by non-resident aliens is evidence of a desire to stop the tide of gold which accompanies the flow of capital to America, and so help to protect the American banking system from an inflationary impulse. It is to be expected, further, that an increase in other earning assets of the banking system will be offset to some extent by Treasury fundings of short-term securities. It seems reasonable to expect that with executive influence powerful in the Federal reserve system, monetary policies will be chosen according to the long-term standards implicit in the reform programme. But it has yet to be seen whether the Federal reserve system has sufficient control over the whole banking structure of America, or whether the failure to make the system universal at the time of the 1933 crisis will set a fatal limit to its powers.

Two recent taxation steps have been decidedly reformist rather than inducements to recovery. The tax on undistributed corporate profits is intended to force distribution of corporate earnings and prevent accumulation of excessive savings which may lead to exaggerated depression in the downswing of the trade cycle, and over-investment during the upswing. This is an attack primarily on big corporations. Out of nearly 450,000 corporations reporting in 1933, under 15,000 reported net earnings of $15,000 and over, yet these companies earned over 90 per cent. of the total corporate net income. It is claimed for the tax that it will lead to increased consumption expenditure by the smaller stockholders who will benefit from higher dividends. The second reformist step is the attack on rich men for evading taxes. It is not disputed that most evasions are legal; if it were otherwise the Treasury could apply legal remedies. The campaign is designed to create a public standard of conduct which will discourage tax evasion by the rich, and the use of their brains by the best lawyers to invent new ways of nullifying the intention of the law.

LAW AND THE UNIONS

To the vast majority of Englishmen the right of labour to organise in unions, and to bargain collectively with representatives of employers, is accepted as self-evident, and the objections raised by employers in America seem to be just one more evidence of the backwardness of American social thought. But this overlooks the fact that many Americans who otherwise favour collective bargaining have objected strongly both to the behaviour of the unions and the attitude of the federal and some State authorities. The National Labor Relations Act (or Wagner Act) of 1935 is admittedly a one-sided document. Its purpose was to give legal protection to collective bargaining. Inevitably it concentrated on the rights of labour and on the penalties to be imposed upon recalcitrant employers. Supervision of the conduct of labour disputes is given to a National Labor Relations Board. But the Act contains the much-disputed clause: "Nothing in this Act shall be construed so as to interfere with or impede or diminish in any way the right to strike." This led to the charge that the Act penalised the employer at the same time that it encouraged irresponsibility in the employee.

For some time many employers tried to ignore the Act, in the hope that the Supreme Court would find it unconstitutional. But the Supreme Court saw Mr Roosevelt's big stick, and the Wagner Act found favour. Mr Lewis made the issue alive with the public as well as with employers by his aggressive use of strikes. According to the Wagner Act a union with a majority of employees enrolled in it can exercise monopoly bargaining powers, and the Board has power to supervise elections to prove the membership of the unions. The unions working with Mr Lewis's Committee for Industrial Organisation did not use this procedure, presumably for the good reason that they had no majority.

In the automobile industry the sit-down strike proved completely effective. There was indignant protest from employers against violation of property rights which found considerable support among the public; but on the other side of the argument a claim was made that employees had a moral property right in their jobs. Governor Murphy of Michigan conducted successful arbitration conferences, and emerged as an aspirant for the Democratic nomination for President in 1940.

LEWIS AND GIRDLER

In the steel industry the course was not so smooth for labour, although the prospect must have seemed good at first since Mr Myron Taylor, chairman of the United States Steel Corporation, which generally leads the industry, had reached voluntary agreement with Mr Lewis. But Mr Girdler, of Republic Steel, backed up by the other independent steel companies, thought otherwise. Picketing was the weapon of the unions, and armed police the reply of the companies. The picketing was by no means peaceful, and in several plants a majority of employees found themselves forcibly restrained from going to work. The work-willing employees, aided no doubt by the companies, began to organise; vigilantes were enrolled and sentiment swung against the strikers and against Mr Lewis. The right of the American workman to his job was a far more powerful battlecry against the CIO unions than the rights of property. Governor Earle of Pennsylvania, another possible candidate for the Democratic nomination, decided to reverse his declaration of martial law under which he had closed some factories not successfully picketed by the CIO.

The massacre of pickets by the Chicago police put Mr Girdler in an uncomfortable position from which he is not yet clear; but the day was lost for the CIO. Law and order must be maintained, was the growing demand of the public; though it is one of the oddest tricks of fate that Mr Girdler and the Steel Companies should pose as the champions of this demand.

Mr Lewis lost the battle. But it is a poor general and a poorer army which cannot afford to lose a battle without losing the campaign. The cause of the CIO has suffered from the speed with which the movement spread, and from the lack of sufficient centralised control to prevent irresponsible strikes in defiance of signed agreements. The history of American trade unionism shows that authority in the past has always been with the local, not with the central executive. Mr Lewis has had to give every local dog his day. His aim has been to organise the men as rapidly and as strongly as possible; he would agree that ultimately legal means must be found to enforce the responsibility of unions, but time enough to talk about laws when you have your unions. As a result of the steel strikes responsibility will probably soon be thrust upon him; but Mr Lewis intends to continue his fight. He has the coal industry in his hand; his ally, Sydney Hillman, controls the clothing workers; the automobile industry, bar Mr Ford, is organised, and the U.S. Steel Corporation is the most important unit of the steel industry. He is organising federal employees, and is negotiating with the shipping unions. Ahead of him lie minor campaigns in textiles, shoes, oil, and eventually, when the time is ripe, a major fight with Henry Ford. To Mr Lewis defeat in the independent steel companies is only a battle lost; he hopes to win the campaign. With strongly organised unions, the labour movement can afford to meet the future with confidence. John Lewis himself would probably refuse to forecast what lies round the corner, since he is a strategic organiser, not a maker of labour philosophies; but it is not reasonable to suppose that a strong labour movement will be content with mere economic and industrial equality with its employers.

It is possible that the loss of the first round against the independent steel companies may be more than a temporary set-back for labour; Mr Lewis's plans for the future may come to nothing and he himself may rapidly lose his present position of dominance. This would be in accordance with the previous experience of militant labour campaigns. But there are several reasons why this is not probable. Most important of these is the presence of an administration at Washington which is friendly to labour, and desires for more than reasons of political advantage to see an effective system of collective bargaining established throughout the country. A second reason is that thirty-eight States have Democratic Governors, and some of the most important industrial States, such as Pennsylvania, Ohio and Michigan, have pro-labour Governors. For the first time in the history of America stubborn employers will not be able to use the forces of the law to exterminate labour organisers; for the first time the legal and police powers may be used in an impartial manner; in some States they may be used to support labour. And a third reason is that the general public is not so disposed as in the past to damn all labour organisations as the work of foreigners and therefore of communists; America is realising that its problems are those of a settled and no longer of an expanding economy. But Mr Lewis, or his unions, may alienate public sympathy. He has already lost ground since his strike campaign opened, and unless he can hold his troops in check he may have to anticipate not a long and powerful future, but a quick decline.

LABOUR AND WASHINGTON

The Administration has been severely criticised for its part in the disputes: the President was silent when he should have condemned. The Secretary of Labour seemed openly to approve of labour's illegal activities. When the President did speak, his words were found unpalatable by his critics. Mr Girdler was reported at first to have reached an agreement with the unions which he refused to put in writing because the Lewis movement was irresponsible. The President's comment was that to put in writing what you have already agreed is a matter of common-sense. This was called prejudicing the issue by his opponents. The critics claim that the President did not condemn labour because he was under the thumb of Mr. Lewis, or at least because there was too much political dynamite in a snub for his labour supporters. To an English observer there is more to be said for the Administration's attitude. The dice have been loaded against labour right up to the present Administration. Collective bargaining power for labour must come, and it is highly desirable that it be obtained in as peaceful a manner as possible, so that there shall be no irreconcilable split between labour and employers. The demand that law and order should be enforced seemed suspiciously like the old anti-union attitude in a new guise. If unions could be sued, if their funds could be impounded by court order, their offices closed and other legal restraints applied, they could be strangled at birth. Nothing would give greater pleasure to many industrialists of the extreme school, who encouraged the cry of responsibility for unions for all they were worth. But responsibility can be fairly imposed only if the unions' right to exist is also recognised by industry and protected by law. On more than grounds of political expediency it may be argued that the President did right to hold his hand, and hope that the labour movement would discipline itself.

The next step now will probably be amendment of the Wagner Act, possibly along the lines of Senator Vandenberg's proposals, to require the incorporation of unions, and their submission to the control of law. The President went on record some time ago in favour of this step, and the principle of legal responsibility has been accepted by Mr Lewis. In previous years such regulation would have spelled the end of collective bargaining, but times have changed since the Supreme Court validated the Wagner Act.

One of the most important weapons of the extended reform plan will be federal control of minimum wages and maximum hours of work. These matters are dealt with at present in the Black-Connery Bill, which will doubtless be amended considerably before it becomes law. The essential clauses of the present bill set up a National Labour Board, with power to specify maximum hours of work and minimum wages for any class of labour; and alternatively to determine minimum fair wages. At present it is not decided whether Congress shall write into the bill the extreme limits of hours and wages, or whether this shall be left to the Board. The scale discussed at present is not less than 40 cents an hour for a 35-hour week, a maximum work week of 40 hours, and an upper limit to the minimum fair wage of $1,200 a year. Under the bill the Board would apparently have power to fix higher minimum wages than 40 cents an hour for any class of labour, which may be interpreted as labour in any geographical region, any industry, any craft or degree of skill, and even any factory. And further, one version of the bill empowered the Board to protect labour conditions against unfair competition from goods produced in other regions where labour is not so highly paid.

If this bill becomes law, and the standards set are appreciably higher than the existing practice, the economic consequences will be very far-reaching. One of the most important uses to which it can be put is to attack the wage differentials which now exist between southern and northern labour. Some progress in reducing wage differentials was made under the old N.R.A. Many of the industries in which the lowest wages are paid and longest hours worked are in the South, and many of the workmen are negroes. So that if the present bill is to have any great effect, it must achieve it by an attack on the inferior economic position of the southern negro, even more than on that of the underpaid industrial worker of the north and east. The further the operations of this law are pushed, the greater becomes the vested interest of labour in extending its share of federal protection, and the greater the pressure on America to turn towards a closed economy.

WOOING THE FARMER

Under the Soil Conservation Act much can be done that was ruled out when the AAA was declared unconstitutional by the Supreme Court; within smaller limits the Federal Government can still encourage the farmers to grow desirable crops and not grow crops which threaten to be in surplus. The pressure for legislation is now concentrated on the Ever Normal Granary and Farm Tenancy plans, which became prominent during the 1936 presidential election. Mr Secretary Wallace is handling a difficult problem in a discreet and skilful manner. It is his tactic to have the farmers' organisations adopt the desired agricultural programme as their own, so that it comes to Washington as their plan, rather than Mr Wallace's. And one reason for the slow progress in agricultural legislation is that the farmers are enjoying greater prosperity than for some time past, are looking forward to a better year still, and consequently are less insistent upon Government assistance.

The farmers are the most important political group in the country, for in most State legislatures the farming community is given much greater representation than the cities. Every party must woo the farmer, and it is Mr Roosevelt's difficulty that the farmer is conservative in times of prosperity. Accordingly the Secretary of Agriculture has one of the most critical jobs at Washington, and Mr Wallace has handled it so well that he ranks high among candidates for the Democratic Presidential nomination in 1940. An important clue to the progress of the agricultural programme is the size of the farmers' crops during the coming seasons. The farmer is doing well at present; but if a large farm surplus should develop which cannot be disposed of without a collapse in farm prices and a shrinkage in farmers' income, then the farmer will come back to Washington. If by then the political sentiment is set towards extension of Mr Hull's programme, and if world prices favour it, the farm surplus may be disposed of in foreign markets without any growth of Washington control; but if the trend sets the other way, the farmer will become much more eager for the Ever Normal Granary, crop insurance, and other assistance.

The Social Security Act was passed in 1935. Its aims were admirable; old age pensions and unemployment insurance should have been adopted long ago, in the opinion of English critics at least. But the achievement seems to justify most of the criticisms of the Act which were expressed at the time. Under the Act it is proposed to guarantee future pensions by accumulating a reserve fund of over $40,000 millions to be invested in Government securities, of which the supply at present is only $36,000 millions. The Government is to protect its future liabilities by investing in its own securities, a piece of financial bookkeeping which leaves the pensioner where he started. His protection is, and will remain, the credit and taxing power of the Federal Government.

But more serious criticism of the Social Security Act is based on its effect upon State pension systems. The Federal Government, under the Act, subsidises State old-age pensions systems up to one-half the amount contributed by the State, with a maximum of $15 per month per pensioner. It was hoped that this would help to establish a fairly uniform rate of pensions throughout the States, but in fact it seems to have stimulated the use of State pensions as elements in the political machinery. At the end of 1936 Mississippi was paying $3.92 a month pensions, and California $31.36 a month. Political pressure, not need or financial solvency, seems to have determined the scope of State pensions systems; this perhaps should have been expected from the first, but it does not promise well for the future of social security.

The President's insistence upon an appropriation of $1,500 millions for relief during the present financial year was disturbing evidence to his critics of lack of desire to balance the Budget. Relief rolls have been cut, as the protest strikes of WPA workers testify, and considerable numbers of workers have been re-employed in industry; yet there remains a large body of unemployed upon which statistical information is as unreliable as ever. It is possible that the number of workers in employment could increase by some seven or eight millions during the next three years without reducing the normal unemployment below three millions. Yet a large number of these, if not unemployable, are over forty-five and not likely to find work until the pressure for labour becomes acute. Until then the State has the choice of providing relief approximating more and more to straight dole as the pressure for a balanced Budget increases, or of leaving the unemployed to fend for themselves in the expectation that an increased supply of labour will depress the market price and increase the outlets in private industry. It is obviously impossible for the present administration to adopt the latter plan, even if it were theoretically unassailable.

PLANS: NOW AND FOR EVER

Not the least important element in the collection of administration policies is the development of cheap power on the familiar lines of the TVA. An extension of this programme covers the planned development of American resources in seven large regions instead of through the too small divisions of the forty-eight States, and a still further extension attempts to prepare in advance for such scientific and industrial inventions as may reasonably be expected within the next generation. Cheap power is still at the bottom of many Government ambitions; the power trust is still a popular dragon for a would-be Saint George to slay. The enormous power project now under construction in the North-West is magnificent as an engineering feat and as a symbol of the President's vision of an America planned by economic regions; but as an economic proposition it seems to be useless until some 20 millions of population can be settled in the region. But between the Federal Government and such vast schemes of planning still stands the Supreme Court; which accounts in large part for the President's determination to have that body confine itself to law and forget its political and economic predilections.

One very important aspect of this miscellany of administration policies is its reaction upon America's foreign relations. Mr Hull has been the leader of the move to lower trade barriers; and the President is said to have pictured himself leading the European world back to peaceful sanity and to have liked the picture. Both lines of attack seem to be reaching a difficult stage, if not a dead end. The economic problem is complicated by the heavy flow of gold toward America, representing the transfer of vast capital sums away from Europe, both for the prospect of income and capital gains in America and for the political refuge offered from the instability of Europe. And the Hull programme of generalising through the most-favoured-nation clause the benefits he may secure from bilateral trade agreements has come to a halt at the barriers of the British Empire. American opinion finds it hard to appreciate the apparent reluctance of the Empire to welcome the visitor. The Empire is being offered economic and incidental political benefits of great value at practically no cost; yet the Canadians do not seem to have been willing to translate their fine sentiments into concrete fact; the Australians have indulged in an anti-American trade policy which has led to their exclusion from the benefits of the most-favoured-nation clause; and the sincerity of Britain is doubted.

If Britain wishes to secure the benefits of economic co-operation with the American people three points at least must be covered: co-operation in solving the gold and hot-money problem; a serious offer in settlement of the war debt, of a size that can be presented to Congress with hope of acceptance; and a serious trade agreement.

The scepticism which is induced by the slowness of economic negotiations is strengthened in American eyes by the political behaviour of Britain. The temper of the American is anti-war, expressed in neutrality legislation which is rapidly turning isolationist. The majority of Americans are probably isolationist in any case, but they have been strengthened by the distrust of Britain which has developed among many liberals. Britain's conduct in the Manchurian affair, in Abyssinia and now over Spain throws great doubt, in their opinion, on the sincerity of her democratic beliefs.

Our own actions, or the accident of timing, have given them the impression that we are rebuffing the first serious American overtures toward world co-operation since the war, excepting only the Stimson approaches during 1931 and 1932, at which time America was not so anti-dictatorial in sentiment. The weight of the economic and political programme, discussed earlier, tends to drag America back toward a closed economic system, and there are signs that not even the State Department is prepared for ever to fight this trend.

It is apparent that the collection of policies known as the New Deal, 1937 style, is more than a hodge-podge, but less than a coherent unity. Such unity as it has and some of its confusion comes from the President; the lack of coherence reflects the procedure imposed by the political channels of Washington. When the President is interested in a subject, a Committee is appointed to study it, and eventually to issue a voluminous report. Upon this the administration's group of brilliant young lawyers seize and prepare a thing called a bill, which is a summary of the whole study, a brief to Congress, plus a set of ingenious devices to get past the Supreme Court. This emerges from Congress in a more or less unrecognisable form, in which the kernel desired by the administration may or may not remain. Given the existing division of functions, with the existing organisation of Executive offices, and with the present crisis-conscious drive from the White House, probably nothing better could be expected. The Englishman may indeed marvel that so many good things emerge.

In the President's mind it is evident that two modifications of existing practice are necessary if he is to have power to pursue his aims in the future. The first, a liberalisation of the Supreme Court, is by far the more important; the second is a re-organisation of the executive offices so that he may have efficient powers to carry out the functions imposed upon him by the Constitution. Discussion of the latter will probably be postponed to

next session, while the war against the Supreme Court has just been brought to a temporary conclusion.

THE SUPREME COURT

To an Englishman not indoctrinated from birth with worship of a written constitution the battle over the Supreme Court seemed one of meaningless words. Absurd to fight for an independent judiciary above political influence, when the Supreme Court is essentially a political body. Absurd that nine men, appointed for life, and frequently as a reward for past political services, should have power to reject legislation approved by a President and a Congress fresh from a sweeping electoral victory. Still more absurd to defend this undemocratic power in the name of democracy.

But the old shibboleth exerted its old power over the American people, and the President helped to defeat himself by introducing his proposals for Court reform in too devious a manner. The Supreme Court defeated him by changing its mind, giving him the victory, and approving laws which in its previous temper would have been found unconstitutional. The President continued to press his fight; was forced to compromise with a proposal which would give him power to appoint only one supplementary judge a year, but found the Senate unwilling to go even so far, and finally had to drop the whole matter as it affected the Supreme Court. His defeat is modified by probable victory on legislation to amend procedure in the lower federal courts which will make it impossible for the constitutionality of a federal law to be challenged without opportunity for the Attorney General to defend for the Government, will permit transference of appeals direct to the Supreme Court and so save time, and will prohibit the issue of injunctions suspending operation of federal law by merely one judge. These changes, which will probably be accepted by the Senate, together with the changed attitude of the Supreme Court will give the President most of the powers he needs to press his new version of the New Deal. He need not fear that the Supreme Court will again change its mind, since one conservative judge has already resigned, and it is strongly rumoured that the President will soon have the resignations of two more. His future troubles will come more from the legislators than from the judges.

What is to be the effect of this technical defeat on the future of the President and of the Democratic party at the next election? It can be argued that what has happened is a healthy release from the domination of Washington affairs by the President. The Supreme Court has won independence by giving the substance of submission; the Senate has exerted its independence but will not become irresponsible; the President has gained reform of the Supreme Court but has been put in his place. Now we shall return to the system of separated powers and responsibilities. This is an argument peculiarly attractive to the American, but not very convincing to an Englishman. In the opinion of most English commentators from Bryce to Brogan, the American political system can only meet the needs of the changing times if it is dominated by a powerful President, who is the nearest thing at Washington to a direct representative of the American people. If the substance of victory against the Supreme Court is to lead to better results in the future the President must be granted the Executive reform for which he asked earlier in the year, and on which Congress will have to debate in the next session. A Senate feeling its own power, ready to take the bit between its teeth, may not easily grant the necessary reforms.

One frequently-discussed way out of the quandary is for the President to push ahead with all his aims, and put himself at the head of a new political party whose national unity would be comprised not of intersectional bargains, but of a coherent liberal political philosophy. The omens are strongly against any such development at present. A prominent rôle in the new party would have to be played by labour, and labour is split with no signs of reconciliation; Roosevelt would be able to count only on the CIO, whose membership is estimated at slightly less than that of the American Federation of Labour. Equally important would be the farmers' *bloc*, and identity of interests between labour and farmer would be hard to establish. The farmer is not yet persuaded that his future lies with a new radical party. In the South the President would lose the conservative vote, but would not gain compensating political strength from the negroes who would support his programme, since they would not find it easy to register their votes.

Nor is there yet any sign of reorganisation of the conservatives into a coherent party which would of itself create the need for a left wing opposition. The Republican conservatives carry no conviction with their outraged protests against the Democrats. The Democrats, we are told, use corrupt methods; so did the Republicans in the past, and so will they in the future. There is as yet very little sign of a determination among business men to rule themselves and their practices according to a higher standard of social morality. Yet, until business men change their own behaviour and become a socially responsible group, machine politics will continue their rule.

THE DEMOCRATS IN 1940

It seems therefore that the issue is simply whether the Democrats have consolidated themselves sufficiently during their term of office to be able once again to defeat the Republicans in 1940. Writing in "The American Political System," in 1933, Mr D. W. Brogan said of the Democratic party:—

> The victory of 1932 is probably meaningless in relation to party fortunes . . If by a miracle of political boldness and sagacity, a new orientation could be given to national policy and that were accompanied by a revival of business, the Democrats might dig themselves in, but such a new course would require a degree of boldness and coherence which the Democrats, no more than their rivals, have had any chance of developing. If they remain content to be "maintained by the business interests as a combined lightning rod and lifeboat," they will give way to the Republicans as soon as the major party has got its breath back. If they start on a really new tack, they will split or cease to be the old Democratic party.

The development which Mr Brogan then thought most unlikely may in fact materialise. Mr Roosevelt has given boldness and some coherence to the Democrats; Mr Farley has dug the party in. If the President can retain his grip over his party, his voters, and himself, and can consolidate his programme, if he can secure increased executive power from Congress, there is a reasonable possibility that the Democratic party can establish itself securely. The Republican party owed a large part of its long reign from the time of the Civil War to the mere fact that it always won; its policies were no sounder, its politics no more honest, its politicians no more capable than those of the Democratic party. But its political machines held power, and to him that had went the rewards. The "Hoover Depression" changed all that, and "Who ever heard of Landon?" did nothing to restore the Republicans' lost ground.

In 1932 Mr Hoover lost; in 1936 Mr Roosevelt won. The problem is whether the Democrats can win in 1940. Economic conditions in 1940 will have a large, but not a decisive, significance. A lot will depend upon the candidate. A minor Roosevelt of the Earle or Murphy type hardly seems to be the most promising choice, since the need will probably be for someone more sober and consistent, who can consolidate the gains of the past rather than lead the party into fresh adventures. Mr Secretary Wallace is the most promising candidate. But the election must be won by the party,' not by a man; and the possibility of such a victory will depend very largely upon the political skill of Mr Roosevelt and his Congress during the rest of his term.

Overseas Correspondence

From Our Special Correspondents

United States

Changing Opinion

New York, July 20.—In a broad view of events, this year looks increasingly like a period of transition. Current appraisal of the nature of this transition presents considerable difficulty, for so far it could equally well be interpreted as a purely cyclical phenomenon, as a mere change of pace and *tempo*, as a period of "consolidation" in the upward movement, or as a more basic and non-cyclical change in the social, political and economic trends which emerged in 1932-33. Whatever the explanation, there are many evidences of substantial differences from recent years.

Politically, the temper of the country has moderated substantially; the public no longer has much taste for new and sweeping legislation or for baiting the rich. None of the President's most desired measures has been enacted, although the Congressional session has already dragged through six and a-half months. Even if some enactments do result, they will be vastly different from the President's original proposals. The complete failure of the revelations about tax evasion and avoidance to evoke any public response, and the support which Mr Girdler obtained in fighting the steel strike, are signs of the new attitude. Probably very few people are really satisfied about current unemployment and relief, housing, or the long-term position of agriculture; but the demand for sweeping reforms seems to have subsided.

The forward sweep of labour organisation has been at least slowed down. The loss of the steel strike, the stigma of irresponsibility which Mr Girdler successfully pinned on the movement, the jurisdictional disputes between the various organisations, more generally noticeable higher costs, and the more extreme methods used in some places by the organisers, have evoked considerable resistance to the unions' demands. A lack of well-disciplined and cohesive organisation has been disclosed. And a closer agreement about objectives and the rôle of Government is also called for.

In agriculture, large crops are being marketed this year after four years of extensive governmental and drought restriction of output. Partly because of poorer crops elsewhere, and partly because of the small carry-over from last year, good prices are being realised, and, generally speaking, the rural regions are more prosperous than for a long time. But adequate supplies in most lines this year will tend to restore carry-overs and to raise the question of new governmental intervention next season. The large crop this year may also change the balance of foreign trade in merchandise, which in recent years has been influenced by the need for some agricultural imports.

Business at a Peak

The new fiscal year just opened will, according to current official expectations, be the first in seven when no expansion of Government debt in public hands will occur. Another small deficit is anticipated, but it will be absorbed by the Government departments. The absence of a balanced Budget and of fiscal debt retirement at a time of prosperity is, however, disconcerting and may involve penalties in the next depression. But the expansion of outstanding debts at least has been ended, except for gold buying, and securities for this purpose may be absorbed by trust funds if the inflow diminishes as some people expect.

Expansion of the supply of money has also come to a halt. The earning assets of banks are at the same level as a year ago and deposits are smaller than at the beginning of the year. This is an abrupt change from the rapid increases of the several preceding years. Cessation of public financing by the Treasury and the possible diminution of the rate of gold inflow seem to make marked growth unlikely for some time to come.

In industry, many branches are working close to capacity, and the rapid enlargement of output which has marked recent years appears to be at an end. Steel and machinery, which with automobiles have been the major expansionist industries of the recovery period, can increase output but little from the present levels. Building, though still greatly subnormal, has moved forward rapidly; but from the movement of prices and costs appears now to be virtually at capacity. Since the building industry was the most demoralised of any major activity by the depression, this is probably true. To judge by these industries alone—and many others are in somewhat similar position—the business *tempo* of recent years is not likely to continue.

The Economics of Diplomacy

Fiscal officials have for some time been of the opinion that heavier taxes should be imposed upon alien investments here; the State Department has been reluctant and wary about such action. The Wages and Hours Bill has brought demands for compensatory tariff protection. In some cases labour's demands for higher wages have been countered by the argument of competing imports at lower labour costs. The domestic opposition to Secretary Hull's reciprocal trade programme is the same as that encountered by every Government that seeks to lower tariffs, quotas or other restrictions. Moderation of the trade union movement and of the President's Labour Bill are probably therefore of some consequence to our trade relations and policies abroad.

Reactions to the recent visit of M. Van Zeeland showed the restraints on the conduct of foreign relations. The Press discussed the visit in sympathetic terms, and the Belgian Premier seemed personally popular in his few public appearances, but an undertone of caution was never absent.

The recent monetary agreements with China and Brazil have not evoked any public comment, but if further moves of a similar kind occur the opposition to foreign loans is almost certain to recur. And the question whether the Neutrality Act and the Chinese agreement may soon be in conflict has already arisen. The passing of each war debt instalment date is still noted and the regular payments by Finland are remarked. The Foreign Bondholders' Protective Council recently reported that 38.5 per cent. of a calculated $5,374 millions principal amount of foreign dollar bonds were in default as to principal, sinking fund or interest at the end of 1936, compared with 34 per cent. at the end of 1935; 522 issues were tabulated, with 237 shown to be deficient in some manner. A tabulation by the Institute of International Finance shows somewhat different totals, but indicates that 39.5 per cent. of foreign dollar bonds were calculated to be in default in some manner at the year-end, against 38.2 per cent. at the end of 1935.

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France

Political Compromise

Paris, July 29.—The import surplus for the first six months of 1937 exceeds 9,000 million francs, and imports of coal, which represent 20 per cent. of total imports, are 100 per cent. higher than in the same period of 1936. "No human agency," the Prime Minister has said, "can preserve from poverty a country which must steadily increase its imports of necessaries. If discipline is not observed in production, the social reforms will be endangered." Thus in the new Popular Front Cabinet, M. Bonnet represents the engine, and the Socialist ministers the brake.

The leaders are co-operating in a general economic and social compromise. But the rank and file continue their guerilla skirmishes. M. Chautemps has been constrained to declare that: "Above parties and their demagogical feuds, there is the Nation." The Right maintains that, for the success of the present experiment, a revision of the 40-hour week must be added to the financial measures. The rise in prices, however caused, does not make the action of M. Bonnet any easier. The Right hopes for the formation of a national coalition Cabinet like that of M. Van Zeeland; while the Left hopes that, after the financial maturity of October, when 5,500 millions of middle-term bonds are due, and after the election of delegates for the Senate, the Radical-Socialist Congress at the end of October will adopt a less conservative attitude.

Meanwhile, the main characteristics of French economy are: the decline of the yield of production, a slight recrudescence of unemployment, and great activity in the tourist industries. The Government, now armed with the new financial powers and with new reserves of funds to support the franc and the Rentes, should benefit from the dissension among the Left parties and from the uncertainty of the Right parties, who admit that even if a National Government is inevitable, it would be least dangerous under the cover of a Chautemps Cabinet.

Sharp Rise in Imports

Imports in June were valued at 3,707 million francs and exports at 1,997 millions; the import surplus was 1,710 million francs compared with 1,300 millions in the preceding month. That is the largest surplus of the year, except for February, when it was nearly 2,000 million francs. Compared with June, 1936, imports show an increase of 100 per cent. and exports of 73 per cent. Statistics of the quantities involved show that the principal increases have been in coal imports and iron exports. The sharp increase in imports is explained by new fears of devaluation which have led producers to increase their stocks. Though slight, the improvement in exports is a favourable sign.

Foreign trade in the first six months of 1937 was as follows:—

	Value (thousands of francs)	
Imports (first six months):—	1936	1937
Foodstuffs	3,623	5,112
Raw materials	6,536	12,033
Manufactured goods	1,789	3,136
Totals	11,949	20,284
Exports (first six months):—		
Foodstuffs	1,087	1,565
Raw materials	2,034	3,891
Manufactured goods	4,082	5,578
Totals	7,204	11,035

The difference between imports and exports of raw materials is greater than the whole import surplus. Imports of coal were valued at 2,000 million francs or 1,000 million francs more than in the first six months of 1936. The balance of trade in manufactured goods, which is generally active, has deteriorated, and in June was actually passive, as the result of rising French prices.

Impending New Decrees

New decrees will be issued in the near future. The first will effect a vast reorganisation of the railways and a better co-ordination of rail and road. The second will determine the distribution of the economies, to amount to about 6,000 million francs in 1938 between the various departments. The third will embody measures to arrest the rise in prices and to increase production. The main goal of the Government is to make a voluntary conversion of the Rentes as soon as possible, and the end of the decrees has been fixed for August 31st.

Fiscal Receipts Increase

Total fiscal receipts in June were 3,183 million francs, of which 2,665 millions were ordinary receipts. Comparison with the Budget estimates and with the receipts of 1936 is as follows:—

	Receipts	Increases compared with Estimates	Rec'ts. 1936
June, 1937	2,330	+ 438	+ 319
Six months, 1937	14,410	+ 1,685	+ 1,139

Unemployment on July 17th was 315,593 (221,188 men and 94,405 women), a fall of 889 compared with the preceding week and of 109,281 compared with a year ago.

Germany

Grain Crop Confiscated

Berlin, July 28.—The past week brought two important innovations in State control and State industrial enterprise. The entire bread cereals crop is to be confiscated; a Reich joint-stock company is to be founded to exploit ore resources and to develop the production of iron and steel.

Both are emergency measures, taken in consequence of past governmental mistakes and miscalculations. The fragmentary Economic Plan of the Third Reich has so far had unsatisfactory results. Given by its National-Socialist initiators a Soviet-Russian label, it has never followed the thorough principle of their Russian instructors; but has had a piecemeal, makeshift character, in which little consistency may be discerned except a desire to escape from the immediate trouble of the day, usually induced by lack of foresight.

Since 1933, there have been (including the present year) four unsatisfactory crops. In the main, the cause was bad weather, but Government half-measures of restriction and compulsion also impeded the automatic adjustment of farming to changing market conditions; and a decline in area sown is one of the causes of this year's meagre crop. Already two years ago the town had to be protected against starvation by the fixing of maximum food prices, by requiring part delivery of crops, and by partially restricting the use of bread cereals for livestock feeding.

Now that these half-measures have failed, resort has been had to the Soviet-Russian expedient of commandeering crops wholesale, and to the Soviet-Russian method of treating offenders with inordinate severity. The whole responsibility for the failure of the food campaign has, at least by implication, been put on the farmer.

Food and Fodder Policy

The new decree prescribes that all bread grain, mainly rye and wheat, must be delivered. The only exception is grain required by the farmer and his dependents for their own consumption or seed. This compulsory delivery makes it impossible to use rye or wheat for feeding livestock. But that is also expressly forbidden.

This is a reversal of policy, for only a short time ago the consumption of rye was encouraged. In future, bread grain disposed of in violation of the new rules may be confiscated; persons violating the rules through negligence may be imprisoned for a year; and persons who deliberately violate them may in extreme cases be sent to penal servitude and fined unlimited sums.

This measure raises the fodder question in a new, more acute form, all the more because livestock is increasing, the number of pigs in the past twelve months having risen by nearly 2 per cent. Of a rye crop of about 7½ million tons, 2 to 2.3 million tons have hitherto been used for feeding livestock; about 1.6 million tons has remained for human consumption on the farms; and about 3.4 million tons have been marketed. Of a wheat crop amounting recently to about 4.6 million tons, some 500,000 tons have been used for fodder and 600,000 tons by the farmer for bread.

Under the new system the Food Minister undertakes to supply fodder in sufficient quantity. This will, in the main, be foreign maize and barley. The next crops will probably be rather worse than those of 1936, which were unsatisfactory. Already in the first half of this year maize imports have reached 578,000 tons, compared with 172,000 tons in the whole of 1936; and very much more will be needed.

Reich Undertakes Steel Production

The Reich Company for mining ore and smelting iron, entitled also "Hermann Göring," is also a makeshift measure. One motive is the shortage of iron and steel. This is shown by the fact that a chief feature is to be the construction of ironworks. Under a thoroughgoing planned economy the steel shortage would have been foreseen, or rather prevented, either by the timely expansion of output or the restriction of consumption. Inasmuch as the steel demand is mainly for armaments and public works which were certainly foreseen, such a policy could easily have been adopted. But the shortage was allowed to increase until even supposedly privileged "key" industries were getting only half of their steel ration; and so far from the industry being encouraged to expand, it was hampered, not only by vetoes against raising capital, but also by direct prohibitions against new plant or increased capacity.

As the new Reich Company is part of the Four Year Plan, it may perhaps claim to be justified by foreign exchange considerations. But only a short time ago foreign exchange considerations were adduced to retard the already very rapid development of native ore mining. The 18 million tons of iron ore imported in 1936 cost over Rm. 168 millions. The argument was that cheap steel was much more important than the saving of payments for ore from abroad. Against payments of Rm. 123 millions in 1935 for foreign ore, the export of iron goods brought in foreign exchange to the value of Rm. 1,100 millions net.

Herr Hitler, however, in a speech early this year implied that the Reich could revert to the autarky in ore enjoyed at some remote time in the past. The chief of the Reich Board for Raw Materials and Shop Materials now declares that, within four years, half of the iron ore demand will be met from home resources. Obviously, there is here the usual confusion; and it seems that there is only one good reason for the new ore campaign, and that is self-sufficiency in time of war.

Domestic Ore Production

The capital of the new Reich Company is not stated, and it will in part consist of private mining rights. Works will be erected in the ore domains of the Salzgitter (Brunswick), in Baden and Franconia. A decree of General Göring prescribes that owners of mineral rights may be amalgamated for the purpose of exploiting claims. The new Reich company has already commissioned the Berlin Brassert Kommanditgesellschaft to construct ironworks of a very modern kind.

The present ore position is as follows. After imports fell to 3,451,600 tons in 1932, they rose to 14,061,000 tons in 1935 and 18,469,300 tons in 1936; 8,248,200 tons came from Sweden, 6,859,800 tons from France, and 1,067,700 tons from Spain. In 1935, before the Civil War, Spain delivered 1,320,600 tons. Home ore production is already encouraged by smelters being compelled to take certain fixed quantities.

Home production fell to 1,340,000 tons in 1932, and rose to 6,044,000 tons in 1935 and 6,651,000 tons in 1936. Some 16,000 persons were employed. The greatest ore-producing district was the Peine-Salzgitter, with a production in 1936 of about 2,100,000 tons; then came Siegerland with 1,700,000 tons, and the Lahn-Dill district with some 700,000 tons. There are ninety-five separately exploited fields, and those of Thüringia, Saxony, and South Germany produce 1,600,000 tons.

The average iron content, always low, has recently fallen further in consequence of the working of ever poorer fields; and it was only 33.2 per cent. in 1935, compared with 35.8 per cent. in 1932. In recent years the greatest expansion has been in the Peine-Salzgitter district; but though this district produced in 1935 more ore than its chief competitor, Siegerland, the total iron content was lower. The ore production of 6,044,000 tons in 1935 yielded only 1,849,000 tons of iron. In the present year the expansion has continued and the output of ore was 3,890,000 tons in the first six months, compared with 3,040,000 tons in the same half of 1936.

Holland

Sterling Advance Prevented

Amsterdam, July 20. — Since the disturbance created by the recent depreciation of the French franc settled conditions have not yet set in again on the Amsterdam foreign exchange market. Nevertheless, attention is not so much focussed upon the declining rate of the franc as upon the large offers of dollars. In view of this abundant supply of dollars, the Netherlands Equalisation Fund is gradually reducing its purchasing rate for dollars. This corresponds with a rise in the gold value of the guilder. Last week the Equalisation Fund brought the purchasing rate for dollars down to 1.81½.

This policy is caused not only by a desire to avoid having to absorb an excessive amount of dollars, but also by a desire to counteract a rise in the sterling rate. Sterling is again displaying a tendency to advance in relation to the dollar, and it is said that this is attributable to sales of gold by Japan to the United States; the dollars thereby acquired by Japan are converted into sterling. If, therefore, the dollar rate in this country is maintained at a certain level, the advance of sterling in relation to the dollar inevitably finds expression in a rise in the rates for sterling over here.

Declining Interest Rates

The firm tendency of State and municipal loans is attracting attention to the position of the Netherlands capital market. The process of hammering down interest rates is still in progress, and the unprecedented liquidity of the Amsterdam money market suggests that the end of this process is not yet in sight. A great number of municipal conversion loans has been one result, and the usual rate of interest for these has fallen now to 3½ per cent. Because of the liquidity of the money market and the rising Government revenue, the situation of the State finances has improved considerably. Ordinary Government revenue from direct taxation in the first half of this year amounted to 57,775,000 guilders, compared with 52,021,000 guilders in the first half of last year. Other revenue was 209,115,000, against 175,980,000 guilders last year.

The returns of the Finance Ministry on July 15th show that the Netherlands Exchequer is quite comfortably situated as regards cash resources. The credit balance bearing no interest at the Netherlands Bank amounted to no less than 101,170,505 guilders. For several months in succession there has been no need to issue Exchequer bonds to provide cash for State requirements, and the floating debt has been reduced considerably. The total floating debt, which amounted to about 675 million guilders at the beginning of the year, has been reduced by more than half in the course of the ensuing six months.

These are signs that the financial situation of this country has vastly improved. This is reflected by the quotations for State loans; the 3 per cents. are slowly moving towards par level. The opinion is gaining ground that the Government will embark quite shortly upon the conversion of some of the outstanding loans at 4 per

cent. and higher, bringing them to a 3 per cent. basis. Some 1,870 million guilders' worth of these bonds were outstanding on December 31, 1936.

Rising Cost of Living

Economic developments continue to proceed satisfactorily. Unemployment is steadily falling, and on June 26th the number of registered unemployed had dropped to 310,996 persons. Since October, 1936, that is, since the devaluation of the guilder, the number of unemployed has always been below the corresponding month of the preceding year. During the first quarter of 1937, unemployment was lower than in the first quarter of 1936, 1935 and 1933, but higher than in the first quarter of 1934, when a temporary recovery was perceptible. In the second quarter of 1937 unemployment fell not only below the total for the corresponding quarter of 1934 but even below the 1932 level.

A gradual advance in the cost of living, however, has cast a shadow over the picture. The index of the cost of living for workmen's families (pre-war = 100) was 137.9 in June, 1937, compared with 136.2 in May, 1937, and 132.0 in September, 1936, the month of the guilder devaluation. The advance is, therefore, 1.2 per cent. compared with May, 1937, and 4.5 per cent. compared with September, 1936.

Revival of Foreign Trade

The foreign trade returns for the month of May show that imports rose from 128.3 million guilders in May to 139.8 million guilders in June, and exports from 90.2 million guilders to 94.6 million guilders. Neither imports nor exports reached in June the record levels of the post-devaluation period attained in April; exports were about 6.5 million guilders and imports 2.4 million guilders below the figures of that month. Nevertheless, in the corresponding month of last year the value of imports only amounted to 76.9 million guilders and of exports to 53 million guilders. The import surplus rose from 38 million guilders in May to 45.2 million guilders in June, the highest figure since the devaluation in September, 1936.

The following table summarises the trade returns, quarter by quarter, during recent years:—

	Imports (In million guilders)				Exports (In million guilders)			
	1934	1935	1936	1937	1934	1935	1936	1937
1st quarter ...	276	226	233	336	168	160	156	246
2nd quarter ...	261	229	234	410	171	159	163	286
3rd quarter ...	251	228	243		196	174	194	
4th quarter ...	250	253	307		177	182	233	
Entire year ...	1,038	936	1,017		712	675	746	

These quarterly figures clearly show the sharp recovery in foreign trade since last year. In the second quarter of 1937 the value of exports was 123 million guilders higher than in the corresponding quarter of 1936, compared with an improvement of 90 million guilders comparing the first quarter of 1937 with the corresponding quarter of the previous year.

Argentina

Soaring Value of Exports

Buenos Aires, July 17.—The great expansion of exports which has characterised recent months is slowing down. This is partly seasonal, but is also because the circumstances which caused the boom were largely temporary. The figures for June were considerably lower than in preceding months. The value was nevertheless more than half as much again as in the same month of last year. The volume of Argentine exports during the first half of this year was the highest ever recorded. The value was only a shade lower than in the first half of 1920, the peak year. For the purpose of comparison the figures for each of the last 10 years are given herewith:—

Year	Volume in tons (January to June, inclusive)	Value in Pesos
1928	9,236,984	1,346,303,676
1929	9,396,569	1,221,092,058
1930	9,358,658	796,816,872
1931	9,185,525	753,180,226
1932	9,667,714	757,827,863
1933	7,376,262	580,703,256
1934	7,665,033	717,626,233
1935	8,702,151	849,210,595
1936	9,032,930	723,302,767
1937	11,278,154	1,409,047,103

The increase in the value of exports in the first half of 1937, compared with 1936, is almost wholly accounted for by grain and linseed, which rose by 184 per cent. Pastoral products (meat, hides, wool and dairy produce) rose only by 23.2 per cent. The rise in imports is very slowly approaching the rise in exports, and the effects of the boom are far yet from being felt in all spheres of economic life. Foreign trade during the first five months of 1937 and the previous year was as follows:—

Year (5 mths.)	Imports	Exports (in Pesos)	Export surplus
1936	458,420,033	621,473,194	163,053,161
1937	546,910,578	1,254,276,730	707,366,152

In the first five months imports rose by 19.3 per cent., and exports by 101.8 per cent. Much the biggest increase in imports was in iron and manufactures, the value of which rose by 21,150,503 pesos. Next came machines and vehicles with an increase in value of 15,208,389 pesos, and textiles which rose in value by 8,813,372 pesos. Great Britain supplied 20.1 per cent. of the total Argentine imports compared with 21.9 per cent. in the same period of last year. The United States came next with 15.8 per cent. against 14.55 per cent. last year.

In view of the eminently satisfactory condition of business, importers are demanding the removal of emergency measures imposed during the depression, and especially the 10 per cent. surcharge on all imports which was decreed in October, 1931. A note has been sent by the Importers' Union to the Chamber of Deputies asking that, in next year's Budget, provision be made for the gradual reduction of the surcharge. Apart from the abolition of basic prices for grain and linseed, the narrowing of the margin between the buying and selling rates of exchange, and the lightening of taxation, Argentina is still living under the regulations imposed by the crisis.

While there have been light rains in the Southern part of the cereal zone, the north of the country is reported to be very dry, especially Córdoba and Santa Fé, the two provinces which suffered from the great drought of 1935. In the Central and Southern zones of Argentina sowing is proceeding well.

The Claims of the Railways

On July 14 the Argentine newspapers published details of a note addressed to the Minister of Public Works by the four big British-owned Railways—the Buenos Aires Great Southern, Buenos Aires Western, Central Argentine, and Buenos Aires and Pacific Railways. The note asks for an answer to the request made at the beginning of the year for authority to increase certain rates. The companies invested money in the railways when the country was only a vast undeveloped plain, and now claim the right to receive a fair reward for their work. If they are refused it, they claim that ownership of the lines is worthless.

So long as interest could not be paid through causes beyond the control of the State, the companies did not complain. They linked their destiny with that of the country and accepted the same fate. As the result of various laws which have been passed since 1917 (the note observes), the former flexibility and elasticity of rates have disappeared. In consequence no modification of tariffs could be effective until five months after it had been announced. The modification of the reduced basic rates which was proposed to the National Railway Department early last January was still being studied. In the meantime the companies had seen the

prices of cereals and of all articles they carried rising without any improvement in their own financial position. In addition, the railways had to cope with a considerable increase in their working costs owing to the rise in the price of fuel and materials. The note points to the prosperity of the country and urges the right of the railways to share in it.

The proposed increase in rates could not be called a sacrifice for the country, they allege, because Argentina was now in a position to bear the economic burden without difficulty. The note asks when adequate remuneration will be accorded if it is refused now, when the volume and value of products carried are at record levels. The railway depression is still going on, they say, and can only be checked by a quick favourable decision on the question of tariffs. Such a decision would improve Argentine credit in the centres which provided most of the railway capital. In those centres, it is stated, there is a conviction that the poverty of the companies is due chiefly to exchange losses, that is, to actions of the Argentine Government which, while developing the wealth of the nation, have put obstacles in the way of the financial stability of the railways.

Commenting on this note, the newspaper, *La Nación*, says that the rise of cereal prices in World markets cannot yet be considered permanent, since it is due to factors which are uncertain and independent of Argentine economy. The State cannot truthfully be accused of neglect or indifference to the interests of the companies, since they have always treated them with consideration. Further, the newspaper urges the railways to display the moderation shown in the past and have the patience to await the effects of the collaboration, co-ordination, and organisation begun by the State in order to estimate more justly the true situation of the railway industry.

Letters to the Editor

British Banks' Reserves

TO THE EDITOR OF THE ECONOMIST

Sir,—In the article on the banking half-year which appeared in your issue of July 24th there are certain passages which seem at first sight to suggest, unless I misread them, that it is not an increase in the amount of a bank's reserve which increases its capacity to lend and invest, but an increase in that part of a bank's reserve which it holds in the form of a balance with the Bank of England.

As a matter of theory it is the amount of the reserve, in whatever form it may be held, which is material in this connection, and it would seem from the following figures that there is no divorce between theory and practice in this matter.

	Bankers' Balances with the Bank of England	*Reserve of the ten London Clearing Banks*	*Short Loans, Bills, Investments and Advances of the ten London Clearing Banks*
		(Million £) (Averages for each year) (000,000 omitted)	
1933 ...	100	212	1,752
1934 ...	100	212	1,676
1935 ...	97	215	1,791
1936 ...	96	221	1,924

The figures may be of interest to your readers as showing that the Bank of England's weekly figures relating to bankers' balances are no index of the capacity of the deposit banks to make loans and investments, and do not necessarily throw any light on the question whether the banking system has been expanding or contracting the volume of bank credit.

There was naturally some compression of language in your article, and I assume that the passages referred to owe their origin to this compression and not to any divergence from orthodox views.

I am, Sir,
Yours faithfully,
London, S.W. G. D. Rokeling.

[Our argument depends upon these two facts: (*a*) that the joint-stock banks' cash comprises their till-money plus their balances at the Bank of England; (*b*) that the banks' till-money as a rule is equal to 5 per cent. of their deposits. The causal factor is the size of their balances at the Bank of England, since these govern earning assets, which determine deposits, which, in turn, determine till-money; and all in such a way that balances at the Bank plus till-money equal about 10 per cent. of deposits. The movements in the figures of bankers' balances and reserves, quoted by Mr. Rokeling, are too small to prove much either way; and in any case bankers' balances at the Bank of England comprise those of all British banks and not of the ten London clearing banks alone.—Ed. *Econ.*]

War Debt and the Price of Gold

TO THE EDITOR OF THE ECONOMIST

Sir,—Three important periods of history, which have demonstrated the relationship between the price of gold and the debt accumulated through the waste of wars, have been either passed over or ignored by economists. These periods are as follows:

1. Prior to the formation of the Bank of England in 1694, the costs of wars were liquidated, in part, through the reduction of the gold content of the gold coins then in circulation. The price of gold in London was written up from 18 shillings per ounce in 1250 to 100 shillings per ounce in 1694.

2. The Bank of England was formed in order that British trade might expand. The credits issued were self-liquidating and were substituted for payments in gold. This system of the substitution of credits for gold was so successful that by the time of the Napoleonic Wars, public borrowers contracted credits that were not self-liquidating. There was no further write up in the price of gold to offset the increase of the debt incurred by the Napoleonic Wars. A marked difference exists between short-term credits, which are self-liquidating, and public obligations incurred in an emergency, such as a war, which are unsecured and cannot be paid off through the turning of goods into cash.

3. Following the World War and the break in prices in 1921, the debts accumulated and issued to pay for the cost of the War were not liquidated by a further write up in the price of gold. Instead, we had a further extension of credits, both international and domestic. These new credits were issued despite the fact that the total money cost of the War was about 186 billion dollars. If we deduct from this amount the net money cost of the War to the Russians and the Central Powers Group, the net money cost of the War to the Allies was about 102 billion dollars.

The money cost of the War to France and Great Britain was partly liquidated, when in 1928 France wrote down her total pre-war and post war debt from approximately 464 billion francs to about 92 billion francs, and Great Britain in 1931 wrote down her total debt from approximately 7·7 billion pounds sterling to 5·1 billion pounds sterling.

A study of the ratio of the present monetary gold stock of Great Britain, France and the United States to their total Government debt when compared with 1913 shows that, while in 1913 the total gold stock of England, France and the United States amounted to $2,134,408,350, the total debt of England, France and the United States amounted to $10,857,471,500. The total gold stock of these three countries was 19·66 per cent. of their total debt. In 1936, the total gold stock of England, France and the United States was $9,829,690,850, while the total debt of these three

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countries was $58,033,066,760. The total gold stock in 1936 was, therefore, 16·94 per cent. of the total debt of the three countries. These figures do not give any consideration whatsoever to the gold requirements of the rest of the world, especially Central Europe. Assuming, however, that the same relationship existed as in 1913, the present gold stock of England, France and the United States would have to be written up 16·07 per cent.

It seems pretty clearly established, therefore, that insomuch as some form of credits, based on gold, which are self-liquidating will have to be created in order to bring Central Europe back to a reasonable state of solvency, the ratio of the gold held by the three countries in question to their present total debt should be written up to at least 25 per cent. of their total debt.

We agree with Sir Henry Strakosch that we must expect a gradual but steady rise in prices, but in our opinion this price rise is dependent almost entirely on the revival of the total volume or tonnage of world trade. It has been proved that following the British suspension of gold payments in September, 1931, there was no price rise of any importance in Canada, Great Britain or Japan until mid-summer 1936, when the demand for raw material for armaments developed. It would seem to us, therefore, as the British and American price levels are to-day almost exactly in line, measured in gold, namely about 71 per cent. of 1913, that when the politicians are forced to take action they will authorise an increase in the price of gold rather than resort to the printing press.

Returning, therefore, to our principal thought, that insomuch as the total debt of the leading industrial countries cannot be liquidated at the present gold content of their currencies, and furthermore that the world's monetary gold stock is inadequate for the extension of self-liquidating credits necessary to restore world trade to a normal tonnage, it would seem to us that an agreement could be reached between the United States Treasury and the British Treasury by which a gradual rise in the price of gold could be maintained and announced in advance. This rise in the price of gold could be accompanied by a flexible rediscount rate.

Yours very sincerely,
DOUGLAS W. CLINCH.

48 Wall Street,
New York.

Small Company Prospectuses

TO THE EDITOR OF THE ECONOMIST

SIR,—You have given investors some timely guidance by your article on Prospectuses Good and Bad. It is to be hoped that you will extend your help to another deserving section of the public.

Small company flotations continue. Men who have built up suitable businesses are being approached by people associated with recently-formed issuing houses and persuaded that a public flotation will bring them immediate cash gains, new working capital, greater profits in the future, and considerable prestige. At one time, as many of your readers know, those responsible for new issues would not undertake "small" flotations. The number of shares available for the public was too few for a market, and the expenses necessary for issue were too great for equity to all concerned. Newcomers have utilised shares of low denomination and Offer for Sale facilities to overcome the first objection and obscure the second. A likely consequence is loss to the unfortunate men whose businesses they convert. The following illustration is from one among many recent issues.

The assets to be acquired by the new company were valued at £86,900, and the annual profit average was taken as £15,500. The purchase consideration included £53,000 cash and 190,000 shares in the new company. At par the latter were valued at £38,000, and at issue price, £47,500; so that goodwill was £4,100 on par valuation and £13,600 on the other.

The flotation finance may be summarised as follows :—

Asset Items		*Capital Items*	
Assets acquired from old company	£86,900	*Public :* 390,000 shares (4s.)	£78,000
New cash	25,000	390,000 premiums (1s.).....	19,500
Goodwill	13,600	*Original Shareholders :* 190,000 shares (4s.)	38,000
Expenses and profits of issue.....	19,500	190,000 premiums (1s.)	9,500
	£145,000		£145,000

Before flotation the original owners had net assets of £86,900, less £13,000 due to preference shareholders, say, £73,900; and they were entitled to all the profits after payment of about £650 preference dividend, say, £14,800 or so annually in recent years. After flotation they had £40,000 in cash and in net assets of the new company nineteen fifty-eighths of £(86,900 plus 25,000), say, £76,700 in all. If their share of future profits is to equal their earlier average of £14,800 or so annually, the new company must earn about £14,800 × 58/19, or more than £45,000 annually, which none of them thinks it will.

Thus, for a change in the cash proportion of their assets, accompanied by about £3,000 increase in the total of those assets, they must contemplate a reduction clearly greater than £3,000 annually in their share of future profits. The promoters did not mention this. It may be observed that the latter appear to have made about £5,550 gross profit on the issue, the difference between £19,500 and the published expense of £13,950. As usual, the public are supposed to have paid these expenses, not the original shareholders. If public participation in small enterprises is to be encouraged, issue methods should be devised whereby expenses are fair to all concerned.

Those interested may note that simple reasoning establishes an upper limit for issue expenses and profits if original owners of a business are not to suffer loss from the conversion and the earning rate of new assets is assumed equal to that on the old. Let E denote issue expense and profit, G the goodwill purchased, C the cash for new working capital, and A the valuation of acquired assets, then, where there is one class only of shares, E must not exceed G × C/A.

Applying this rule to the illustration above we see that issue expense should have been limited to £(13,600 × 25,000)/86,900 or about £3,920; and if the illustration is typical it is clear that a large gap has to be bridged before small flotations are fair to shareholders both old and new. Perhaps both classes would benefit if before parting with their money or other assets they had, as a legal right, a summary of the proposed flotation finance in some such form as that used above.

I am, Sir,
Yours faithfully,
AN INDUSTRIAL EXECUTIVE.

[This letter is discussed in a leading article on page 253. —ED., *Econ.*]

Books and Publications

In Search of a Remedy

NOT many years ago, the "ups and downs" of business were regarded, like human ailments, as inevitable and inescapable. Economists have, however, refused to take these things for granted, and much time and thought has been devoted to seeking some logical explanation for the alternation of prosperity and depression.

Many causes, cures and preventive measures have been suggested. But the economic doctors still disagree in their diagnosis and prescriptions. The curious layman is accordingly perplexed and even irritated. In times of crisis he turns to the ready cure-alls of witch-doctors, or awaits a sign from the accredited experts with a growing lack of confidence.

Steps are being taken which may restore his faith. The recent grave depression prompted the Assembly of the League of Nations, seven years ago, to resolve upon an attempt to co-ordinate the analytical work in progress on the nature and causes of slumps. The first task was to examine existing theories, to notice points of agreement or controversy, and, if feasible, to formulate on the basis of present knowledge a consistent explanation of depressions.

This task was entrusted to Dr Haberler, who has now produced by far the best summary of current theories

of the trade-cycle*—a little over-simplified at times, perhaps, but none the less a major achievement. He begins by examining the purely monetary explanation of the trade cycle; and then proceeds to tackle the variety of over-investment theories, whose central theme is the changing relationship between the production of capital goods and consumers' goods. These latter views now unquestionably hold the field, and Dr Haberler has distinguished three variations: those who find a monetary explanation for the disequilibrium between the output of these two types of goods; those who put it down to changes in investment opportunities; and those who give technological reasons.

Dr Haberler does not rest content, however, to investigate only the more respectable views. Underconsumption theories, psychological explanations, harvest theories and even sunspot correlations are patiently sifted and seriously examined. His task of sorting out this multitude of arguments and opinions is not easy because different economists are prone to say the same thing in widely different ways—or even to devise a new language from the technique of mathematics. But Dr Haberler's painstaking search is never deterred by merely accidental divergences of expression.

At the end he goes on to fit together what he has found. The arrangement of his Chinese puzzle is courageous and almost complete. Here and there the pieces do not quite fit, and sometimes Dr Haberler inevitably intrudes his own personal opinions, stoically excluded for the greater part of this work. But in a mere two years he has done what might have taken some men a lifetime. He does not claim finality for his exposition, but he has drawn together our stock of knowledge.

Moreover, he teaches a vastly important lesson. The most serious gap in our knowledge of the trade cycle is in its international aspects. Even in the most recent studies of the trade cycle international implications have been neglected, whereas nothing is more evident in experience than the growing interdependence of nations. If any progress at all is to be made in the control of fluctuations in trade and industry, it can only be by conscious co-operation. Dr Haberler has shown both the wisdom and experience of such an approach, not only in theory but equally in common practice.

All these conclusions are now to be tested by the evidence of historical data. The Economic Intelligence Service of the League will proceed from these assembled theories to the observed facts. An excellent start has been made to a great project; and we may only hope that the task will be carried to a fruitful end with equal skill, industry and integrity. Action for the welfare of the whole world might well be the outcome.

Shorter Notices

"India's Balance of Indebtedness, 1898–1913." By Y. S. Pandit. Allen and Unwin. 210 pages. 10s. 6d.

This admirable treatise by Mr Pandit of Bombay is the first study of its kind about India between the eventful years 1898–1913. The author acknowledges in handsome terms his indebtedness to Professor Jacob Viner, on whose classic treatise on "Canada's Balance of Indebtedness" the present work is modelled. The period examined was one of increased foreign borrowings by India and of increasing foreign demand for her products; and the gold exchange standard was being gradually introduced into India. This study supports the contention that the rise of prices in India during the opening decade of the century was primarily due to changes in the volume of her foreign trade, especially to her expanding exports, rather than to the imperfections of the gold exchange standard. There are lucid chapters about balances of trade, service transactions and non-commercial transactions; and a critical examination of the amount of foreign capital invested in India. This is a sound book for study and reference. It is to be hoped that Mr Pandit will find time to bring his studies nearer to modern times.

* "Prosperity and Depression." By G. von Haberler. League of Nations Publications. Allen and Unwin. 363 pages. 7s. 6d.

"The Peace Year Book for 1937." National Peace Council. 418 pages. 2s.

Not the least illuminating features of this useful book of reference are the maps by J. F. Horrabin and two selected cartoons by Low. They add point to a notably sound collection of information about the peace movement at home and abroad, the League of Nations, the International Labour Organisation, mandates, armaments and the traffic in arms. The review of international affairs which prefaces these reference details is concise and lively; and, among the appendices, those on raw materials, world production and trade, and the cost of warlike preparations are especially worthy of notice. Here are the facts about peace work and war costs in a cheap and handy form.

Books Received

A Programme of Financial Research. Report of the Exploratory Committee on Financial Research of the National Bureau of Economic Research. Vol. I. (London) Macmillan & Co. 81 pages. 4s. 6d. net.

The Nation's Sea-Fish Supply. By E. Ford. The Buckland Lectures for 1936. (London) Edward Arnold & Co. 112 pages. 3s. 6d. net.

La Réadaptation Economique de la Sarre à l'Allemagne (1935–36). By A. Zimmermann. (Paris) Librairie du Recueil Sirey. 926 pages. 30 frs.

La questione petrolifera italiana. By C. Alimenti. (Turin) Giulio Einaudi Editore. 279 pages. L. 15.

Offenmarktpolitik zur Konjunkturregelung. By F. Sarcw, (Munich) Duncker & Humblot. 111 pages. Rm. 4·20.

Britain is Pawned. By V. Pantin. (London) P. S. King & Son, Ltd. 114 pages. 5s. net.

The Digest Year Book of Public Companies in Australia and New Zealand for 1937. Edited by A. J. Jobson. (Sydney N.S.W.) Jobson's Publications, Ltd., 115, Pitt Street. 331 pages. £1 net. Post free.

Volkswirtschaftslehre und Rechtswissenschaft. By G. Del Vecchio. (Jena) Verlag von Gustav Fischer. 304 pages. No price stated.

A Guide to the Library of Commerce. Edited by the City Librarian. (Bristol) Central Public Library. 80 pages. No price stated.



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MONEY AND BANKING

Groom *v.* Crocker

INSURANCE policies that cover a third-party risk contain almost invariably what is known as a take-over clause, which appears to give to the insurance company the entire control of all claims made against the insured. To this rule motor policies are no exception. Any motorist who looks through his policy will find in it some such words as these:—

> The company is entitled to take absolute control of all negotiations and proceedings, and is entitled to use the name of the insured to settle and/or defend any claim, and it reserves the right to abandon the same at any time.

The object of the clause is clear. It is to put the defence of any claim into the hands of one party and—on the principle that the man who pays calls the tune—it chooses the hands of the insurance company, on which any loss will ultimately fall. That clause is the holy of holies of every motor policy, and no company would think of issuing a policy lacking this clause.

From this essential clause there arose the curious dispute of *Groom v. Crocker and Others*, which has been before the Courts in the last few weeks and has raised an astonishing volume of interest and heat in the general public. Mr William Groom was in 1934 driving his brother, Mr Aubrey Groom, when the car collided with a lorry. The lorry came out of a side road, cut across the bows of the Groom car, swung round sharply on to its own course, brought its helm round too far, and finally hit the Groom car a crack on the starboard quarter. The passenger, Mr Aubrey Groom (whom for clarity's sake we will take the liberty of calling Aubrey, while his brother shall be called William), was badly injured, having amongst other things a fractured skull and a number of serious cuts.

The first thing that happened was that the police took proceedings against the driver of the lorry and secured a conviction. Then Aubrey, as he had every right to do, laid his plans for recovering damages and issued a writ both against the owners of the lorry and against William, while William (who was less seriously injured) also took action against the lorry owner to recover his damages.

So far the case is plain and ordinary, but now a complication arises. William's car was insured with the National Farmers Union Mutual Insurance Society, and the lorry was insured with the Motor Union Insurance Company; and it so happened that these two offices had at the same time another collision in which they were interested on different sides. To avoid unnecessary strife it was decided that the two offices should go fifty-fifty and, irrespective of their actual liabilities, should halve the gross total of the two claims combined.

Under the take-over clause in their policy, the National Farmers instructed Messrs Crocker, who acted—as solicitors always act in third-party claims—nominally for the insured, actually for the insurer. Their duty, as they saw it, was to conduct the case in such a way as to produce the lowest damages for the insurer, whom they regarded as *de facto* their client. They knew that, owing to the arrangement between the two insurance offices, it did not matter to their client whether Aubrey established his claim against William or against the lorry. All that mattered was that the damages should be kept as low as possible. They consulted counsel informally, and on counsel's advice they decided that Aubrey would be likely to obtain higher damages from the lorry-owners than from William, and that the right thing in the interest of their *de facto* client was to admit that William was negligent, leaving the lorry to drop out of the case altogether. This was done, and Aubrey in the action recovered £924 damages from William.

At this point the case was apparently over. But William was dissatisfied. Messrs Crocker maintained throughout that he knew what was being done; but he denied it. I did not know, he said, that Crockers, who were acting for me, were going to admit negligence, and I never would have admitted it. Why should I have a black mark standing against my record, when the lorry-driver had been fined for bad driving and everything pointed to the fault being entirely his? I object to this slur being put on me, without my knowledge, by my own solicitor, and I will not sit down under it. William therefore started an action on his own account against Messrs Crocker and the National Farmers. He claimed damages from both of them, on two grounds: (a) negligent handling of his case and (b) libel. It is part of the topsy-turvy complications of the story that the same firm of solicitors which had in the first lawsuit acted for Aubrey against William now acted for William against Crockers and the National Farmers.

In this action various questions were left to the jury, who found against both defendants on both points. They awarded £1,000 for negligence and £1,000 for libel against the National Farmers, and the same sums against Crockers. Thus the strange position was reached that the brother who was badly injured got £924, and the brother who was said to have for one moment been negligent in his driving was to receive £4,000.

After legal argument, Mr Justice Hawke over-ruled the jury in the matter of the National Farmers. Of the soundness of his judgment there can be no question. They cannot by any stretch of language be said to have been negligent and William's counsel admitted that the jury's verdict could not stand. The libel alleged against them was this phrase used in a letter from head office to an agent:—

> If we had repudiated liability we ran a very serious risk of the Court holding a different view and giving a decision against us.

Into that almost platitudinous reference to the uncertainty of litigation the jury read a libel so serious as to merit £1,000 damages, despite the privilege of a departmental communication. The obvious comment is that juries move in a mysterious way their wonders to perform, and that the judge's common sense in over-ruling them prevented a grave miscarriage of justice. Damages against the company would have been grossly wrong.

But what of Messrs Crocker? Their position was different, for they were in law acting for William; and though they had been instructed to protect the interests of the insurance company they came into court as solicitors for William against Aubrey. It may well be true that Aubrey did not regard his brother as the defendant and would not, but for the insurance behind him, have started an action against him at all. But that does not alter the fact that Crockers were William's solicitors; and the judge emphasised strongly the duty that they owed to him irrespective of any insurance interests that might lie in the background. But did not the take-over clause justify Messrs Crocker in taking whatever line best suited the insurance company? The judge held that it did not, and that a defendant, even with this clause in his policy, cannot be called on to give his case away or to sit down while it is given away for him. The interests of a client, in law, cannot be disregarded in favour of some other party (not legally concerned in the suit) whom the solicitor regards *de facto*, as his client. The take-over clause does not entitle the solicitors to "throw away the insured and put whatever imputations on him they like." On these grounds he held that the jury's damages against the solicitors both for mishandling the case and for libel must stand; and, further, that the damages recovered by Aubrey from William must be made good by the solicitors. He has, however, granted a partial stay of execution, pending consideration of an appeal.

With the judgment there would appear to be a considerable measure of agreement in the popular mind, but its implications are worth study. The take-over clause is intended to give the insurance company the right to settle even if the insured motorist disagrees; and thousands of cases are settled every week by payments which the insured regards as uncalled-for, excessive, absurd and preposterous. Few motorists believe that they are responsible for an accident. It is common form for a motorist to say that the insurance company threw away his case, and that if he had had control of it himself the result would have been very different. Does this judgment give him the control of his own case, despite the take-over clause? It looks very much as though it does. Here is the relevant passage in Mr Justice Hawke's judgment:—

> He did not think the policy meant that the insurance company could do what they liked and disregard the interests of the insured, but they might take what steps they thought proper in the course of conducting the defence, and if the insured did not like their methods or the views they took as to the proper method of conducting any defence they could tell him to go away.

The meaning of this seems to be that when the insured disagrees with the insurer he can go away and conduct the case through other solicitors for himself; that he may conduct it not in accordance with the view the insurance company takes, but with the view that he takes, of a proper settlement, the insurance company remaining liable for whatever damages may result. That the insurance company would remain liable seems to be unquestionable. If it did not the whole purpose of compulsory insurance would be frustrated, and the insurance company would have a defence against the third party which the Road Traffic Acts never meant to give it.

The effect of this judgment, if we have interpreted it correctly, and if it were generally acted on by insured motorists, would be to increase enormously the cost of settling claims and to force insurance premiums up—possibly to two or three times their present figure. Take away from the insurer the right which he has always believed himself to have under the take-over clause, and the whole basis of rating motor risks must be revolutionised. And it is very difficult to read into Mr Justice Hawke's judgment any meaning except this—that the motorist may disagree with the insurance company in the handling of the claim and express his disagreement in appropriate action.

It may perhaps be suggested that the real moral of this case is to do away with the legal fiction that the motorist is the defendant. Let the action be brought, it may be argued, not against the motorist, but openly against the company that insures him. Given compulsory insurance and the Act that allows the third party the right of direct action in certain circumstances against the insurer, the legal fiction has already worn thin. If the motorist were openly short-circuited, and action were brought straightway against the insurer, the ground would be cleared and the machinery of litigation would be simplified. Let the solicitor appear in court as solicitor for the party who has, in truth, instructed him. There will doubtless be ample opportunity to discover, in future, whether this view will prevail.

Financial Notes

The French Economies.—Fresh details of the proposed French economies are gradually becoming available. As we pointed out last week, the objective is to reduce a total deficit for 1938 from Frs. 47,000 to Frs. 22,000 millions. This requires a saving of Frs. 25,000 millions, to be achieved partly by new taxation and partly by reduction in expenditure. Towards this end, the balancing of the ordinary budget is expected to get rid of a deficit of Frs. 8,000 millions, while the recent increase in railway rates and fares will yield Frs. 2,500 millions. This provides Frs. 10,500 millions as a beginning, thereby reducing the deficit from Frs. 47,000 to Frs. 36,500 millions. The new railway reorganisation plan, together with reductions in the deficits of the Paris and Seine local governments, and also after allowing for certain minor economies, is expected to yield a further Frs. 14,500. Thus the final deficit is to be reduced to Frs. 22,000 millions. This deficit will consist in part of direct Government borrowing up to Frs. 15,000 or Frs. 16,000 millions, of which about Frs. 10,000 millions will be required for re-armament and Frs. 3,000 millions for public works. The remaining Frs. 6,000 or Frs. 7,000 millions represents the final railway deficit. At the present rate of exchange the proposed rearmament borrowing is equal to £77 millions sterling, or to almost exactly the amount of our own annual defence borrowing. It seems fair to suggest that the new French Government is making a reasonable effort to straighten out the country's finances, but much depends upon the future trend of prices, wages and costs and still more on its success in commending the confidence of the Chamber. On the whole a rising trend of prices should help to balance the budget, as theoretically it should expand revenue more than expenditure, and so these new estimates should stand the test of actual experience. The real crux is whether the Government can attract back sufficient funds from abroad to reconstitute the country's gold reserves and also to provide the funds which will have to be borrowed to meet even this lesser deficit.

* * *

World Monetary Policy.—Sir Charles Addis has contributed an outstanding article to *The Quarterly Review*, entitled "The New Monetary Technique." In it he brings the banking experience of a lifetime to bear upon the fundamental changes that have followed our suspension of the gold standard in 1931. The subordination of gold, the growth of Exchange Funds, the spread of economic nationalism and the increasing intervention of the State in matters of commerce, all come under his review. It is not surprising that he feels very uneasy at these changes, but he equally recognises that change is inevitable. The first important doubt he expresses arises from the fact that the new monetary technique has, as the result of the past few years' recovery, operated on a rising market. Can it prove equally successful, he asks, on a falling market? This is a very pertinent question, though it carries the important qualification that in the opinion of many authorities the new monetary technique was a leading instrument of recovery. Sir Charles also complains that the mystery enveloping Exchange Funds creates an atmosphere of doubt and hesitation, and so is a deterrent to enterprise. There is some substance in this allegation, which really merges in the larger fact that monetary policy has passed under the direct control of Governments. Still this is not an argument against Exchange Funds *per se*, but against excessive secrecy of operation; and in England, at least, this secrecy is already being mitigated. We agree entirely with Sir Charles' prediction that we are never likely to return to the old gold standard, but almost certainly to some modified form. We also agree with his condemnation of economic nationalism, and with his plea for a *via media* to be shared by Capitalism and Socialism. The questions he raises are of grave importance and we shall have occasion to discuss some of them at greater length in the future. Our main purpose to-day is to call attention to this valuable contribution to modern monetary theory and practice.

* * *

Export Credits.—This week the Royal Assent is being given to a new Bill placing the Export Credits Guarantee Department (which insures British exporters both against the insolvency of their foreign customers and against the risk of payment being prevented by exchange restrictions) upon a permanent basis. Hitherto the Department has had to limit its guarantees to a maximum of £26 millions to be outstanding at any one time, and though of course the total amount of British

export trade guaranteed during the year was considerably in excess of this amount, it had become apparent that a higher limit was desirable. The new Bill fixes this at £50 millions. Also the Department has hitherto enjoyed only temporary powers, so that it was not able to give any new guarantee later than 1940, or to cover any liability extending beyond 1950. These time limits have now been removed. The Department is also being allowed certain new powers. Thus it may cover exports consisting of a proportion of imported goods, while its medium-term guarantee of foreign contracts placed with British engineering firms is also widened to cover the cost of local labour, etc., incurred at the site of the contract. The recent world rise in shipping freights and the re-employment of idle tonnage has also made it possible for the Department to cover foreign orders for new tonnage placed with British yards. Hitherto there has been an objection to this, on the ground that the new tonnage would compete with British shipping, but it was pointed out that one consequence of this restriction was simply to divert orders from British to foreign yards. For these reasons, the Department is now prepared to consider applications in cases where the new ship is certain to be built somewhere, so that the only question outstanding is whether or not a British yard secures the order. The Export Credits Guarantee Department has certainly established itself as a useful component of our foreign trade machinery; and in these days of exchange restrictions and other Government interference in trade, a Government department is in a position to obtain vital information which is not available through private inquiry. Its transfer insurance scheme has saved exporters to Spain from heavy loss, while its medium-term credit scheme was recently nstrumental in obtaining for our heavy industries an important Turkish contract. We are glad to see that its powers are being extended and made permanent.

* * *

Gold—a South African View.—The Deputy-Governor of the South African Reserve Bank, Dr M. H. De Kock, in his speech at the annual meeting of stockholders on July 28th, took the opportunity of making some reassuring remarks on gold. He said that the Reserve Bank had throughout the past four months experienced no difficulty in disposing of South Africa's weekly gold output at ruling market prices, nor was any difficulty anticipated in the future. The gold industry, he added, was continuing to consolidate its sound position by building up large ore reserves. He condemned the suggestion of any restriction on the output of gold on the ground that any tampering with the production of a commodity, which served as a basis for currencies, would introduce another artificial speculative factor, and that public distrust of the efficacy of control would be bound to occur from time to time. He welcomed the current and prospective increase in the supply of gold as the very factor which would render possible a restoration of the gold standard. A greater supply of gold would assure countries that they could return to the gold standard without any loss of elasticity in their monetary systems. It would also compensate for the maldistribution of the world's monetary gold stocks. As a short-term view there is considerable force in these arguments, though Dr De Kock passed over the fact that South Africa has only been able to sell her gold during the last few months because the British and American authorities remained willing to buy it.

* * *

The Foreign Exchanges.—The franc has once more been brought under control by the French authorities. After depreciating to Frs. 135 to the pound, the spot rate was brought back first to Frs. 133 and later to Frs. 132⅞. Unlike British practice, the French authorities have also intervened in the forward market. This week they have brought the discount on one month's francs down from Frs. 3 to Frs. 1½, and the three months' discount down from Frs. 7 to Frs. 4. It is an open question how long the resources of the French Exchange Fund will last, but so far many operators have regarded a spot rate of Frs. 135 as being the present limit of depreciation. It was noticeable that business fell away when that rate was reached, and this suggests that dealers then ceased to sell and held off the market altogether. Dollars have been reasonably steady, with fluctuations mainly depending upon the amount of Japanese selling. At one time sterling touched $4.98½, but the rate has since fallen to $4.97¾. The British Control took the opportunity of the recovery to below $4.98 to sell a few dollars. Belgas were weak on Monday at Bel. 29.63, as there was a sudden rumour that the new depreciation of the French franc would force Belgium into a new devaluation. This rumour quickly subsided, and the rate improved to Bel. 29:53, later weakening to Bel. 29.57. Forward belgas are quoted at either side of par. There was some offering of guilders towards the middle of the week. This was merely because some Dutch dealers who had been short of guilders were squaring their books in preparation for the holidays.

* * *

The Money Market.—At the Treasury bill tender of July 23rd the discount market only secured 19 per cent. of the total allotment of £40 millions. In consequence brokers were not greatly in need of funds this week, nor were they eager to sell bills to the banks. Money therefore remained very comfortable, with little calling by the banks, and the banks were also ready to buy September and October Treasury bills when available.

	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½	½	½–½	½–½
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

Outside money is, if anything, more plentiful, and in one or two cases loans have been obtainable at less than ½ per cent. Fresh loans can also be obtained at ½ per cent. against bonds, but outstanding bond money is still renewed at ⅝ per cent.

* * *

The Bank Return.—The holiday expansion in the note circulation has begun, and this week a new high record of £498.3 millions has been established. Next week the circulation will exceed £500 millions. In the absence of any gold purchases by the Bank, the Reserve has fallen to £29.2 millions, and the Proportion to the unusually low figure of 19.1 per cent.

BANK OF ENGLAND

	July 29, 1936	July 7, 1937	July 14, 1937	July 21, 1937	July 28, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	239·9	326·4	326·4	326·4	326·4
Note circulation	448·6	494·4	493·4	493·1	498·3
Banking Department :—					
Reserve	52·4	32·9	33·9	34·2	29·2
Public deposits	42·3	15·2	23·1	17·5	10·5
Bankers' deposits	75·2	88·5	89·2	97·2	104·3
Other deposits	39·4	37·2	37·1	38·1	37·3
Government securities	96·4	96·6	104·0	107·4	114·4
Discounts and advances	7·1	9·0	8·8	5·8	5·8
Other securities	19·1	20·4	20·7	23·4	20·8
Proportion	33.3%	23·3%	22·7%	22·4%	19·1%

In spite of the week's currency withdrawals by the public, bankers' deposits have risen by £7.1 millions, and are once more over £100 millions. The causes of this increase are first a drop in public deposits and, second, an increase of £7.0 millions in Government securities held by the Bank. It is clear that every effort is being made to keep money easy during the holiday expansion in the circulation.

THE STOCK EXCHANGE

Small Company Prospectuses

THE Macmillan Committee made a break both with tradition and proverbial philosophy by concerning themselves, *de minimis*, with the plight of the relatively small company which had outgrown local and private financial facilities but was too small really to be a public market proposition. That was six years ago, and in the interim a number of special agencies, with high repute and substantial backing, have been created to fill the gap. Their work has been conscientious, praiseworthy and, within its limits, useful. But current report has it that many potential clients are tending to bypass the institutions created ostensibly for their especial benefit, and to go direct to the market, which in theory should be closed to them. Recent issue figures lend colour to this view; for while small company prospectuses have represented only a minor part of the £200 millions raised by prospectus and public offerings in the London capital market during the first seven months of this year, their number has been impressively large.

We have made an analysis of all issues, by prospectus or offer for sale, between January 1 and July 24, 1937, of company shares or debentures involving a total money subscription of less than £150,000. This upper limit is conservative, for many companies with considerably greater capital fall short of being "large" concerns. We find that some 45 companies have offered new shares to a total of £3,441,506 at par and £4,725,098 at the average prices of issue, which thus included a premium of 37 per cent. The average amount obtained from the market by each of these "small" companies was £76,500 at par and £105,000 at issue prices. In certain cases, however, the issue did not take the form of a straight capitalisation, but was subdivided into preference and ordinary shares. Altogether some 62 blocks of new shares were created, and the average per block was reduced to £55,400 nominal value and £76,100 cash subscription.

In view of the smallness of these figures, it would seem that subscribers, in many cases, must needs have obtained a security which is far from liquid. The chief difference between the private and the public subscriber to a developing business is that the former is and the latter is not, as a rule, prepared to lock up his money without the assurance that, in case of need, he can realise his investment readily and quickly, at a price. It is true that the great majority of the companies concerned have subsequently obtained facilities for dealings in their shares on the London Stock Exchange. But permission to deal does not in itself make a market. There are times when even the carrying out of an order for one or two hundred shares of a company with a capital of over a million may alter the market price by 10s. or more. But if the total in issue is little more than £50,000 in nominal value, there is a serious danger that, when the initial marketing operations in connection with the issue have been completed, wide and free dealing may be impossible for long periods together. Much depends, of course, on the identity of the promoters and issuing houses. Whether an issue be large or small, an efficient and substantial "shop" will do its best to ensure a two-way movement, as far as possible, even if this involves the warehousing of substantial supplies of its own issues for lengthy periods. The true disability of the unduly small issue is that it either does not attract the really responsible and influential issuing house, or that it does attract the small mushroom group, which is anxious to to take its profits and get the shares off its hands as quickly as may be.

One legacy which the 1928-29 issue boom has bequeathed to the market in 1937 is the intensive exploitation of the share of small denomination—1s., 2s., 5s., etc.—as a device for increasing marketability. Actually, of the 62 issues in our list, 51 were in shares of less than £1 each. It would be highly convenient if marketability were increased in precisely inverse proportion to the size of an individual share; for a small company might rank among market leaders merely by issuing a million or two counters of a farthing each. In practice, unfortunately, there are obvious limitations to the rule. A large company may widen its appeal by having its stock quoted in units of £1 instead of £100. But the process of sub-dividing the already minute is less likely to widen the market for the genuine investor than to facilitate manipulative dealings by attracting the gambler who prefers small stakes.

As a sidelight on the question of marketability we have taken the London Stock Exchange *Supplementary List* for last Monday, July 26th, and examined the "markings" for the 13 new securities issued by the "small" companies during the month of January last. The results are given in the following table:—

MARKINGS IN LONDON STOCK EXCHANGE "SUPPLEMENTARY LIST" (July 26, 1937)

Small Company Issues in January, 1937	Nature and Denomination of Shares	Number of Markings on July 26	Date of Most Recent Recorded Dealings
Company A	Ord. 2s.	1	July 26
,, B	6% C. Pref. £1	None	June 29
,, C	2s. shares	None	July 23
,, D	5% 1st Deb. Stk.	*	*
	6% C. Pref. £1	*	*
	Ord. 5s.	None	July 16
,, E	6% C. Pref. £1	None	July 12
,, F	2s. shares	None	July 7
,, G	2s. shares	*	*
,, H	10s. share	15	July 26
,, I	6% C. Pref. £1	None	July 7
,, J	Ord. 4s.	1	July 26
,, K	Ord. 5s.	*	*

* Not quoted.

The evidence is not conclusive, for the marking of bargains is not compulsory. The record as it stands, however, suggests that, although no stock in the list has been in existence for as long as seven months, market dealings are already quiet, intermittent and irregular. Of the 13 shares, four have no quotation; and of the residual nine only one is really active (with 15 quotations). Two have a single "mark," and six have no recorded dealings for periods ranging from the preceding business day to a month back.

On page 248 of this issue of *The Economist*, a correspondent who signs himself "An Industrial Executive," criticises small company issues on other grounds. Dissection of the terms of a recent issue impels him to conclude, first, that the original owners made a bad bargain in terms of future income, and secondly, that an oppressively large part of the issue proceeds was absorbed by expenses. Our correspondent's argument that the first owners should expect to suffer no diminution of their income, after selling for cash approximately 67 per cent. of their total interest in the business, smacks of eating one's cake and having it. The same remark applies to his suggested formula for fixing the upper limit of issue expenses. But there is substance in the writer's real argument in both cases. To convert a successful business from the "workshop" stage to the "factory" stage is a difficult, delicate and

undoubtedly hazardous operation. Every private soldier is, of course, a potential field marshal, every office boy a potential managing director, and every garage mechanic a potential Lord Nuffield. For that matter, someone or another must hold the winning ticket in the Calcutta Sweepstake. But, in fact, blanks are more common than prizes, and respectable mediocrity more common than business genius. From the vendor's viewpoint, it may sometimes be better to go on adding one to one, and to be successful even in Lilliput, than to fail disastrously among the giants. And for investors the moral is that the financing of young businesses is a specialised activity for which they, as outsiders, have few qualifications, either by way of knowledge or experience.

Our correspondent's second point concerns the burden of expenses on small issues. These expenses are incurred, broadly, under three heads—stamp duties, *expertise* and publicity. The last two—and to some extent the first—are a species of overhead charge which is incapable of being reduced below a certain point, however modest the profits taken by promoters and intermediaries. In the instance cited, expenses and profits of £19,500 were equivalent to 20 per cent. of a total of £97,500 obtained in cash from the public, and to 78 per cent. of the £25,000 remaining in cash as a net addition to the company's resources, after meeting all payments to vendors and intermediaries. In other words, the company had to spend £19,500 in order to gain £25,000 of new capital. By no stretching of terms can this proportion be described as anything but onerous. This example need not necessarily be taken as representative. We are justified, however, in saying that a small company which uses the market's facilities starts inevitably with a heavier *relative* burden of dead assets than the large or medium-sized concern.

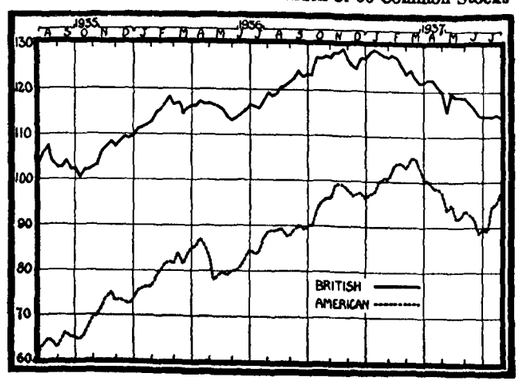
Altogether, there appears to be a point below which company financing in the open market is definitely uneconomic. And there is strong evidence that some recent new company issues have come near the limit or below it. We have confined our criticisms to the intrinsic and inevitable disadvantages of small company issues—restricted marketability, speculative prospects and heavy, non-productive initial expenditure. We have said nothing of the possibility of over-capitalisation, though this danger may be presumed to be greatest when normal promotional profits, *ex hypothesi*, are least. On the whole, we must conclude that the issue market has not solved the basic difficulty to which the Macmillan Committee drew attention, merely by extending its facilities to businesses which the Committee believed to be outside its economic scope.

Investment and Company Notes

Course of Share Values.—The stock markets have enjoyed not only an improved tone but an increase in business this week. But the best that can be said for July as a whole is that, for the first time since January, a month has passed without seeing prices lower at its end than at its beginning. That the bull market has suffered a serious check this year is made clear by the chart which we publish on this page. Ordinary share values have, in fact, declined since January with a rapidity almost identical with that of their advance in the second half of last year. They have now receded approximately to the level at which they were becalmed for five months between February and July, 1936. To this experience, that of Wall Street stands in strong contrast. Wall Street, like London, had an indeterminate period in the middle of last year, and a slight setback in November and the first part of December, which was fully recovered by the middle of January. Thereafter, however, share values in America rose for a couple of months while they were falling in Great Britain, and it was only in March that Wall Street turned downwards in unison with London. By the beginning of last month, American prices were close to the level at which progress had been interrupted in the spring of 1936, and in that respect their position was not, after all, very different from that of British prices. During the past month, however, a strong revival has been recorded in America, which has had no parallel in London. That the movement has succeeded in raising average prices by nearly 10 per cent. at a time when foreign money was, on balance,

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES DURING THE PAST TWO YEARS
(1928 = 100)

British: "Financial News" Index of 80 Ordinary Shares
American: "Standard Statistics" Index of 50 Common Stocks



being withdrawn from New York, suggests that its chief stimulus came from a revival of domestic confidence in the home outlook. If Wall Street maintains its present trend for long, it is unlikely that London will be wholly unaffected. The immediate continuance, therefore, of London's improved sentiment may be a welcome possibility, given a respite from disturbing political headlines. Industrial news remains almost uniformly good and overseas trade is expanding. But the evidence still throws no certain light on the longer term trend in the market.

* * *

Investment Appetite and Policy.—The authorities who lead the capital market, like a famous Grandee of Spain, from behind, have taken full advantage of the improvement in demand for new high-grade securities on the eve of the holiday—which would have been even more welcome had it occurred a month ago. This week a wholly new borrower has, by permission of the management, made a first appearance on any stage and has been received with *éclat*. The Iraq loan for £1 million, with a life of 15 years and an average yield of 5.1 per cent., was largely "stagged." Although the British Treasury has no responsibility, direct or indirect, for the financial affairs of Iraq, the market regarded the loan as mainly a sterling area offer, carrying a political risk by no means negligible but probably limited in practice by Britain's treaty rights and Service arrangements. Hard on the issue came details for a Middlesex loan of £3½ millions of 20-25 year 3½ per cent. stock, offered at 101. The significant features of this offer were its relatively large amount and its confirmation of the authorities' decision to screw up the issue price by a half-point as compared with earlier successful but more modest operations. The market appears, this time, to have been nicely judged, and underwriters may be released, with very little in the matter either way. At least three further sizeable issues are in the immediate foreground, but the holidays are close at hand. Presumably all concerned would like to make any necessary interruption as short as possible. But over-eagerness and undue exigence in the past have frequently delayed the delivery of the golden eggs, and it might be good policy, in deciding the time and price of future issues, to allow a little for the market's infirmity.

Railway Charges Decision.—The laconic statement issued by the Railway Rates Tribunal this week fell upon a market which had, broadly speaking, already discounted the success of the Railway Companies' application. After an initial rise in the stocks on Wednesday, the traffics proved disappointing, and the gains were not held. The broad potential effects of the decision are indicated on page 234 of this issue. From the market viewpoint, clearly, the first consideration is the effect of the higher charges upon gross revenues. It is evident that the more optimistic market forecasts (which assumed that the companies would obtain the full benefit of the 5 per cent. increase) require scaling down. In his evidence before the Tribunal, Sir Ralph Wedgwood, chief general manager of the London and North Eastern Railway, adopted a much more cautious view, which allowed for diversion of traffic. He put the increase for passenger receipts at 3½ per cent., with 3 per cent. for general merchandise, 3½ per cent. for other minerals and 4 per cent. for coal. Presumably these estimates, which must be regarded as instructed guesses, would now require some slight modification in view of the exclusion of suburban passenger fares in the London Transport Area, of freights less than 10d. per ton and workmen's fares under 5d. For calculating earnings possibilities, Sir Ralph's statement of potential revenue increases in a full year (using an estimate for 1937 based on the traffics for the first 23 weeks only as a datum) is not entirely suitable, but it provides a jumping-off point for net revenue estimates.

* * *

The following figures show the estimated outcome of 1937, on this basis, and the estimated addition to railway receipts and other revenues in a "future" year:—

GROSS RAILWAY RECEIPTS AND OTHER REVENUE (NET)
(In £ 000's)

	L.M.S.		L.N.E.R.		G.W.R.		S.R.	
	Estimate 1937	Yield of 5% Increase	Estimate 1937	Yield of 5% Increase	Estimate 1937	Yield of 5% Increase	Estimate 1937	Yield of 5% Increase
Passenger	25,063	816	16,746	505	10,799	359	16,091	332
Goods.....	39,236	1,344	47,580	1,585	16,261	559	4,775	163
Total receipts.	67,986	2,357	49,455	1,733	28,534	983	23,154	537

The figures take no account of variations in wages and other costs. The total estimated gains amount to £5.6 millions, of which £5.3 millions refers to charges within the jurisdiction of the Railway Rates Tribunal. If we assume that the increased receipts for 1937, compared with 1936, are roughly balanced by additional working expenses at current rates of wages and material prices, the increase in available revenues resulting from higher charges which falls into the current railway year should amount to £1.4 millions. But an estimate of the additional cost of a restoration of the final wage cuts might be put at £2.4 to £2.5 millions for all the companies from August 12th to December 31st. The National Wages Tribunal has not yet delivered its findings, but it is significant that on Wednesday the two parties were invited to express their views regarding the effect of the increase in charges announced on the previous day. It would, altogether, be premature to count on a substantial rise in net revenues for this year, although the broad effect in future should be to preserve some part, at least, of any further gains in traffics. for the stockholder. Even this conclusion, however, is subject to the possibility of increased costs for materials and stores.

* * *

L.N.E.R. Statement.—The half-yearly dividend season began with a flourish with the Southern statement, and the market's inspiration was increased by the L.N.E.R. announcement. Investors, indeed, may wonder whether in some respects they are not too good, compared with the evidence submitted before the Rates Tribunal. The London and North Eastern statement, in particular, shows that net receipts for the first half of the year rose by no less than £770,500—equivalent to nearly 1.2 per cent. for the second preference stock, which received ½ per cent. last year. The first preference and redeemable preference stocks receive an interim dividend of 1 per cent.—the first half-yearly payment since 1931. The statement reveals that gross receipts of railway and ancillary businesses and miscellaneous net receipts increased by £1,222,400 during the half-year, while the estimated increase in expenditure is put at £451,900, leaving a net increase of £770,500. The directors' cautious references to the pending decisions on charges and wages were naturally unheeded by the market in view of these results. It is, indeed, remarkable to find that 63 per cent. of the increase has been saved net. Although passenger receipts increased by 4.69 per cent. and goods by 4.96 per cent., advancing costs of operation are reflected in increased passenger and goods engine mileages of 3.09 and 4.89 per cent. respectively. The explanation may lie in the board's reluctance to embark on extensive renewals programmes while costs are rising, and the special effect of the Coronation must also be considered. The statement, therefore, gives the bulls of L.N.E.R. second preference stock (now at 30) some scope for their optimistic forecasts of a 2 per cent. dividend, but they may reflect that it is not all-revealing.

* * *

L.M.S. Disappointment.—The L.M.S. statement, perhaps, accords with the more conservative estimates of the effects of advancing costs, but it came as a considerable disappointment to the market on Thursday. "Street" gossip had toyed with the prospect of resumed interim payments on the £95 millions of ordinary stock at ¼ or even ½ per cent. The statement, however, crushed such optimism. Full interim payments are announced on the preference stocks, as a year

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ago, but the ordinary stock receives no interim dividend for the seventh successive year. In fact, the L.M.S. has retained net only 22 per cent. of its total increase in revenues. The total gain for the half-year was £1,410,000, but of this sum no less than £780,000 was absorbed by increased costs of wages and materials and £320,000 for the cost of moving the additional traffic, leaving £310,000 retained net. But for increased costs the company would have retained 77 per cent. of its gross gains—a figure which is sufficiently close to the L.N.E.R. results to suggest grounds for comparison. The L.M.S. may have been less fortunately placed regarding contracts for supplies, but probably the main explanation lies in development policy. The half-year's increase in net revenue is equivalent to one-third of one per cent. on the ordinary stock, which reflected the market's disappointment by falling to 34 on Thursday.

* * *

Insurance Share Index—*The Economist* insurance share index shows a fall during the past quarter from 4,800 to 4,656 (1913 = 1,000). The quarterly index number has reacted by 8·4 per cent. from the end-December level of 5,111. The indices are based on the course of an investment of £1,000 in the ordinary shares of each of the twenty-four concerns represented, with allowance for bonus issues by assuming the sale of rights and a purchase of additional shares. The course of component shares is set out below :—

	1932	1933	1934	1935	1936	Mar. 31, 1937	June 30, 1937
Alliance	1,638	1,979	2,208	2,316	2,525	2,310	2,184
Atlas	3,000	3,182	3,452	3,667	3,968	3,682	3,619
Caledonian	4,183	4,655	4,820	5,032	5,464	5,535	5,284
Commercial Union	3,352	3,918	4,449	4,894	4,870	4,354	4,571
Employers' Liability	1,775	2,162	2,355	2,405	2,540	2,477	2,322
Equity and Law	2,076	2,784	3,733	4,670	5,909	6,785	6,428
General Accident	7,250	9,114	10,165	12,099	14,716	15,332	14,332
Gresham Fire	2,118	3,238	4,651	5,166	5,016	4,381	4,381
Guardian	2,538	3,158	3,272	3,487	3,793	3,487	3,436
Legal and General	5,678	7,580	10,068	11,735	13,716	12,678	11,913
Life Assoc. of Scotland	2,080	2,669	3,186	3,667	3,932	3,994	3,828
London and Lancashire	3,808	4,409	4,673	5,039	5,676	5,077	4,769
London Assurance	1,783	2,280	2,687	2,996	3,293	3,202	3,153
North British & Merc.	3,990	4,666	4,984	5,995	6,975	6,497	6,306
Northern	1,904	2,078	2,149	2,364	2,597	2,448	2,388
Phœnix	1,666	1,945	1,970	2,089	2,177	1,996	2,063
Prudential	2,146	2,740	3,195	3,387	3,669	3,357	3,213
Royal Exchange	2,896	3,664	4,204	4,805	5,499	5,114	4,990
Royal	2,464	2,656	2,828	3,129	3,366	3,097	3,054
Scottish Life	2,583	3,174	3,708	4,382	4,761	4,382	4,270
Scot. Union & National	3,803	4,335	4,732	4,996	5,490	5,176	5,028
Sun Fire	2,364	2,889	3,088	3,271	3,316	3,067	3,022
Sun Life	2,040	2,349	2,632	2,972	3,375	3,022	3,274
Yorkshire	2,731	3,212	3,401	3,575	4,091	3,762	3,711
Average	2,911	3,535	4,025	4,497	5,031	4,800	4,656

Of the twenty-four shares represented, Gresham Fire is unchanged, while four shares—Commercial Union, Employers' Liability, Phœnix and Sun Life—are higher than at the end of March. The nineteen instances of decline are usually of a moderate character.

* * *

Furness, Withy Outlook.—The market expressed its disappointment with the resumption of ordinary dividends by Furness, Withy at no higher rate than 3 per cent. by marking down the £1 ordinary stock units to 27s. cum dividend. The present price of 30s. is associated with buying of shipping shares in general and with a well-founded belief in the long-term prospects of the company itself. That confidence has been strengthened by Lord Essendon's speech at the meeting this week. In its financial aspects, the chairman's address illuminated certain points which were not altogether clear from the accounts. He disclosed, for instance, that the increase of £313,282 in deposits due to subsidiary companies arose from the central control of surplus balances. Again, of the fourteen subsidiaries (six shipowning concerns and eight others) four shipping subsidiaries paid no ordinary dividends, although their financial positions have been materially strengthened. In a balance sheet which was something less than an epitome of clarity, it was obvious that the fleet was very conservatively valued. Lord Essendon properly underlined this source of financial strength. Shipping property is £320,000 lower than a year ago, after providing for the sale of two steamers and the depreciation provision, but including payments for new tonnage. A revaluation of the fleet at to-day's replacement cost, less depreciation, would show a substantial surplus over book values. The high cost of new building, however, does not represent a disadvantage, for the company has covered its requirements for new tonnage, while high costs will prevent any excessive building during the next year or two. Shipping costs are, however, rising considerably; wage cuts have been restored, shore labour is dearer, fuel has advanced in some cases by as much as 70 per cent., while stores and repairs cost more. And, as chairman of a liner group, Lord Essendon emphasised that such concerns neither plumb the depths nor scale the peaks to the same extent as tramp shipping. He is, however, a convinced exponent of the advantages of co-operation, and would be glad to see the same measure of co-operation in the liner trades as the tramp shipowners, assisted by subsidy, have achieved. But the improvement in liner shipping has been material, and if so cautious a judge as Lord Essendon anticipates that improvement will continue for some time to come, stockholders may surely retain their interest with confidence.

* * *

Associated British Picture.—Although the Stock Exchange rightly takes a cautious view of cinema finance, the accounts of Associated British Picture Corporation (like those of General Theatre recently) show that high profits are now being earned from the exhibiting branch. Total profits reached the record level of £1,265,829 for the year to March last, and the 18 per cent. dividend is covered by earnings of no less than 49 per cent., after providing for appreciable increases in interest and depreciation. The following table analyses the strong upward trend of earnings during the past three years :—

	Years to March 31, 1935	1936	1937
	£	£	£
Profit	656,725	926,483	1,265,829
Fees and taxes	93,398	74,405	163,406
Depreciation	125,000	150,000	175,000
Mortgage interest	145,176	86,422	60,769
Debenture interest	47,397	128,805	172,010
Preference dividend	65,827	93,000	91,500
Ordinary shares :—			
Earned	*179,927*	*393,851*	*603,144*
Paid	120,125	148,703	220,797
Earned (%)	*15·0*	*33·1*	*49·2*
Paid (%)	10	12½	18
General reserve	162,806	200,000	375,000
Carried forward	83,481*	88,998†	96,346

* After crediting £149,698 undistributed profits of Associated British Cinemas. † After writing off £39,631 debenture issue expenses.

The directors have again followed a cautious distribution policy, setting aside as much as £375,000 to general reserve, which raises the total of the fund to £1¾ millions—some £125,000 in excess of the issued ordinary capital. The balance sheet shows the effect of a consolidation of activities during the past year. British International Pictures and two other subsidiaries have been liquidated, and their assets are now carried directly in the Corporation's balance sheet, with a consequent reduction of interests in subsidiaries from £2,428,457 to £931,839. No direct reference is made to the purchase of 250,000 "B" (non-voting) shares in Metropolis and Bradford Trust—the first part of a transaction which included the purchase of the 5,100 "A" voting shares (which carry control of the Trust and of Gaumont British) "as soon as practicable." Sundry investments have jumped from £17,148 to £841,375, an increase which presumably reflects this acquisition. Shareholders will hope that Mr John Maxwell will discuss the present position of the company's relations with Gaumont-British at the meeting next month. On present indications, the plan appears to have reached an *impasse*, and there is no apparent likelihood of an immediate solution. In view of the large sum at present involved in an interest which has a strategic importance stopping short of control, the position warrants further elucidation. The Corporation's financial situation (backed by a consolidated balance sheet) appears sound. The 5s. ordinary shares stand at 15s. 6d. and yield 6 per cent.

* * *

U.S. Steel Earnings.—The payment of all outstanding arrears on United States Steel 7 per cent. preferred stock is not an event of decisive market importance. The overhauling of arrears ($9¼ remained at the beginning of the year) proceeded steadily from the end of May, and the final $1¼, together with the quarterly payment of $1¾, completes the task within eighteen months. The market was disappointed with the absence of a common dividend, but Wall Street observers were impressed by the accompanying earnings statement. This shows that earnings for the June quarter were equivalent to $3·43 on the common stock, compared with 75c. last year. For the half-year, $5·99 was earned, against 41c. Wall Street had little inclination to respond to this news, and the common stock which closed at $116⅞ on Tuesday, reacted to $115 on Thursday. During the June quarter operations averaged 88.4 per cent. of capacity, against 82·6 per cent. for the March quarter. Trading profits totalled $53·7 millions, of which depreciation absorbed $16·3 millions, and preferred dividends and arrears $25·2 millions, leaving a surplus of $11 millions for the quarter. The way is now clear for common dividends. They may not be such as would justify the present price, according to British notions of dividend yields; but from the American point of view, the clearance of preference yields enables the market to adjust the price-earnings ratio to a more favourable basis. So, while the announcement of full payments was discounted well in advance, it provides scope for a further advance in the shares if conditions remain favourable.

* * *

Prices Tailors' Prosperity.—Comparison between leading concerns in the same line of business often provides the investor with a useful yardstick, for he can sometimes infer the trend of profits of one company from the progress or retrogression of the other. It happens that the multiple tailoring business this year provides him with an example of this kind. The Montague Burton results, which were announced recently, gave an impression of stability rather than positive progress. Prices Tailors, whose chairman announced his intention to double the number of depots (which numbered 290 in June last year) is the chief competitor of Montague Burton, which controls 570 shops. Both businesses appear to be enjoying a secular expansion of turnover, but during the past year Prices Tailors made greater progress, reckoned in terms of profits. The operating company announces a profit, subject to audit, of £521,000 approximately, compared with £446,470 for the previous year to June 30th. After providing £92,500 for depreciation and £40,000 for income tax, the available balance for reserves and dividends is increased by £225,725 to £544,437. Prices Trust, which owns the ordinary capital, receives a dividend of £192,000 net, compared with £162,000 for 1935-36. Dividends totalling 45 per cent. will be distributed by the Trust for the year to September 30th compared with 30 per cent. last year. The "Fifty Shilling Tailors" group thus appears to have protected itself effectively against rising costs during the year, and the figures also suggest that new stores quickly become profit-earning. The ordinary shares of the Trust have a "group" gearing, for the parent company's revenues must first cover its own preference requirements and the debenture and preference dividends of Prices Tailors Properties (which owns certain of the stores), before the preference shares of the Trust rank for payment. At 50s. 10½d. the Trust's ordinary shares yield £4 12s. per cent.

Griffiths Hughes Meeting.—Although at last Wednesday's meeting Sir Bertram Hyde Jones disposed of the suggestion that last year's serious fall in the profits of Griffiths Hughes was associated with the trend of advertising expenditure in previous years, he was diffident in expressing an opinion regarding the results of the current year's trading. Shareholders, therefore, will find his recital of special causes which affected last year's profits less reassuring than they might have hoped. Currency devaluations, Sir Bertram stated, accounted for "a large part" of the drop in profits. It is, indeed, evident that the company has been unable to increase the prices of its products in overseas markets fully to compensate for the reduced sterling value of local currencies. It is somewhat surprising, however, to find that the constitutional crisis had so marked an effect, from which the company is "just recovering," upon Empire business. Nor would investors have expected so considerable an effect from the fears of a patent medicine tax which were in circulation comparatively late in the company's financial year. Doubtless, these factors combined to affect profits adversely. The trend of advertising costs, however, is the most considerable feature in the profits equation. And the figures which the chairman gave suggest that considerably increased sums have been expended recently. Expressed as a series of index numbers, with the year to March 1931 as base, the figures for subsequent years have steadily grown as follows :—

YEARS TO MARCH 31ST

(1930–31 = 100)

1932	120	1935	140
1933	129	1936	140
1934	130	1937	162

The recent increase in expenditure has been partly compelled by competition, and partly led by increased sales. Last year, however, much of the additional expense was on account of new products, and although it was charged to revenue, it is expected to produce a fuller return in the future. In view, however, of the large trading interests which the company appears to enjoy in devalued currency areas it would seem premature to expect a rapid recovery of profits. Griffiths Hughes Proprietaries £1 ordinary shares therefore appear to be fairly valued at 25s. 7½d.

* * *

British Celilynd Questions.—In October last year, the board of British Celilynd announced that arrangements had been completed for the sale of patent rights in the company's process to an American concern. This statement obtained wide publicity, and the 5s. shares (issued in February last year) jumped to 22s. 6d. No such *éclat* was sought for the first report, covering a period from November 30, 1935, to May 31, last. The document, which does not appear to have been circulated to the press, shows a trading loss of £9,746 and a total debit of £11,976 for the period—a result which is disappointing but not necessarily irretrievable for a company developing a new process. Considerations of initial losses, however, are unimportant compared with the position disclosed in the report. The chairman's promise to deal with the question of foreign rights at this week's meeting was clearly well-advised. The hopes of last October are now apparently represented in the balance sheet by a note of a "contingent liability in respect of litigation pending in connection with the sales of certain foreign rights of the company." A sale of rights to "a territory in the Near East" has, however, been

HOTEL WESTMINSTER
Le Touquet

effected for a consideration of £11,000 in shares. Has this item any relation to the agreement, reported at the statutory meeting, for the disposal of rights for "a territory in the Middle East" for £20,000? The shares now stand at 2s. There have been changes in the board since last year, and it certainly seems that the original directors would have been less cruel had they been at less pains to be kind, and had left to individual shareholders the process of counting chickens before they were hatched. So British Celilynd finds itself with cash holdings of less than £10,000 and more liabilities to meet than debtors. Equally serious is the disclosure that the selling arrangements have proved unsuitable, "having regard to the actual use for which Celilynd products are particularly applicable." The meeting on Thursday revealed that this statement referred to the abandonment of the agreement with Wiggins, Teape, which was an attractive feature of the prospectus. Unfortunately, however, the proceedings were more productive of noise than information regarding the company's future.

* * *

Rhokana Profits.—The market was expecting an impressive profits statement from Rhokana Corporation, and it has not been disappointed. Estimates for the year to June show a profit of £2,010,000, subject to income tax, after providing debenture interest, depreciation and development expenditure. The profit, however, does not include any dividend in respect of the Corporation holding in Mufulira Copper Mines. This level of net profits is well over three times the 1935–36 figure of £602,000. Production of blister copper rose from 25,057 long tons to 46,247 long tons, and of electro copper from 25,342 to 29,007 long tons. This combined tonnage of 75,000 tons compares with the anticipated capacity of 120,000 tons, which should result from recent plant extensions by the end of this year. Half way through the company's year, the copper restriction scheme was removed, and the current copper price of £57 is well above the level at which, by common report, the participants might reimpose curtailment of output. In terms of equity earnings, the latest profits represent some 79 per cent., and an interim dividend of 25 per cent. has already been paid, compared with 12½ per cent. for the previous year. At the current price of £14, the £1 shares are valued on an earnings basis of 5.65 per cent. Present prospects suggest that the current year's earnings may surpass these results.

* * *

Rubber Results and Prospects.—Mincing Lane begins to suspect that Malaya will produce her 90 per cent. quota this year, just as an impressive batch of rubber company reports is completed—the reverse paradox to that shown by the tea market. There is no inevitable link between 90 per cent. quotas and ninepenny rubber, although the achievement of this rate of production would more than cover the present rate of consumption. Although the rise in Malayan output in June came as a shock to the market, native production—or rather, sales—appears to have accounted for a considerable part of the increase, while, on the consumption side, manufacturers' demand continues sparing. There is, therefore, no conclusive testimony whether the price of rubber—now struggling to regain 9d.—will register any marked movements for some time to come. Investors who have regarded ninepence as a "comfortable" figure for rubber may not be so well impressed by 8 13/16d. They may, however, derive comfort from the calculation that for the year to March last, quotas averaged 66 per cent., while for the nine months following the average will be 87 per cent. Between April, 1936, and November, rubber climbed slowly from 7½d. to 8½d., and the average of 8·68d. for the whole year to March was, in fact, slightly below to-day's price. But it must be admitted that while shares can be found on a reasonable yield basis, in relation to these figures, the material for a wide speculative advance is far to seek. With costs tending to rise, it cannot be expected that rubber companies will show an advance in profits for the current year comparable in magnitude with that achieved last year. We set out below the progress of five leading concerns since 1935–36 :—

YEARS TO MARCH 31ST

Company (and Denomination)	Total Profits		Earned for Ord.		Earned %		Paid %		Ord. Shares	
	1936	1937	1936	1937	1936	1937	1936	1937	Price	Yield (%)
	£	£	£	£					s. d.	£ s. d.
Anglo-Java (1s.)	84,518	166,131	22,273	95,002	2·1	8·9*	2½	7½*	1 4½	5 9 0
Bertam Cons. (2s.)	28,625	57,360	24,611	52,314	7·0	15·0	7½	14	4 1½	6 15 6
Bukit Mertajam (2s.)	31,041	77,173	26,167	63,053	7·0	13·6	8	12½	3 10½	6 10 6
East Asiatic (2s.)	53,094	76,860	43,576	69,759	5·6	9·1	5	7½	2 10½	5 5 6
Laras Sumatra (2s)	31,026	60,247	...	721	Nil	0·4	Nil	5	1 9	5 14 0

* On increased capital.

Anglo-Java acquired a further area of rubber this year, and it has, of course, a considerable area of rubber and coffee in Java which will enjoy a full year's benefit from the devalued guilder. Bukit Mertajam has obtained its claim for a larger assessment. Other features favouring the companies are recorded in the directors' reports: small increases in acreage or assessments, provision for additional labour force, new factories, and—in the case of Laras (Sumatra)—a financial reorganisation last year which cleared the way to a resumption of dividends recently, after seven years' absence from the list. It is possible, of course, to find shares which are at least as responsive to rising rubber prices, but for a collection of florin and shilling issues this list covers a good field.

* * *

Other Company Results. — About thirty-five additional company results are analysed in our usual table on page 276 and discussed in detail under the heading "Shorter Company Comments," on page 275. The list includes *G. H. Downing, Associated Breweries, Geo. Bassett* and *S. Hoffnung.*

* * *

Company Meetings of the Week.—Reports of company meetings appear in this issue from page 264 onwards. The *Furness, Withy* and *Griffiths Hughes Proprietaries* meetings are discussed in notes on pages 256 and 257. Dr J. H. Hinchcliff, addressing shareholders of the *Irish Sugar Company*, reported another successful year, and described the outlook as more promising than appeared likely earlier this season. At the *Anglo-Dutch Plantations of Java* meeting, Sir Robert Williams emphasised that tea showed an increased profit and an improving statistical position, while rubber prospects were good, and results from the Soekamandi estate were very satisfactory. Mr A. F. Goodrich reported that *Bukia Mertajam Rubber* had obtained an increased assessment of 6,005,079 pounds for 1937. Mr Philip E. Hill attributed the reduction of *Scribbans* profits to the rise in the price of raw materials. At the *Southern Kinta* meeting, Captain Oliver Lyttelton commented on the strong financial position of the company and related the increased dividend to the increased production quota. The advantages of the policy pursued by *Finance and Industrial Trust* in making its principal investments in rubber companies were discussed by Mr E. B. Ridsdel. The chairman of *Threlfall's Brewery* reported good progress, reflecting the improved conditions on Merseyside and in the Lancashire cotton trade. At the meeting of *Gold Fields Rhodesian Development*, Mr D. Christopherson discussed the past year's increase in revenue, and gave a satisfactory account of the company's present holdings. The record profits of *McDougalls Trust* were attributed by the chairman, Mr Kenneth E. Moore, to the company's policy of specialisation. Mr Herbert Guedella at the *San Paulo Improvements* meeting, referred to an important advance in land prices. Improved results and proposals for settling arrears of preference dividend in the near future for *Tanganyika Concessions* were forecast by Sir Reginald Wingate.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: AUGUST 10 ACCOUNT: AUGUST 12

THE second week of the holiday account has shown better form than most observers had expected. Whether the recovery is due to the automatic projection of the much-canvassed autumn improvement, to the remoteness of Peiping or to the waiting period in the non-intervention deadlock, is open to argument. But in almost every section of the "House" recovery has been the keynote. Gilt-edged have tended to improve, despite the weight of new issue business. Industrials have made consistent progress of a few coppers per day, with really impressive rises in the shipping group. And even Kaffirs, at long last, are arousing from their long stagnation.

The attractions of a date were still operative in the gilt-edged market, where the Funding issues made the best showing. War Loan and Old Consols, after initial improvements, were steady in mid-week. New scrips in the corporation market remained firm, despite the appearance of the Middlesex issue.

In the foreign market, Far Eastern bonds followed the day-to-day fluctuations in the military situation with uneasiness, and the serious mid-week news depressed prices severely. Brazilian issues remained in demand, in anticipation of better terms in a new debt settlement, and the movement spread from the unsecured issues to the Fundings. Apart from a rise in Greek issues, the European section remained dull.

Home rails have enjoyed a spate of good news, and the market made the best of it, until the appearance of rather indifferent traffics and the disappointing L.M.S. decision. We refer to the railway rates decision and this week's half-yearly statements on page 255. L.N.E.R. second preference made further progress on the statement, but the all-round advance on the freights decision was checked on Wednesday. A distinctly better tone was evident in the Argentine rail market, and under the lead of good traffics, both ordinary and prior charge stocks made headway.

There was not much activity in the industrial market, but the tone was good throughout the week. Transatlantics were the exception, irregularity appearing early and becoming marked as the week progressed. Motors provided a number of interesting features, Standard enjoying particularly lively dealings. There was little doing in aircraft shares, but the general impression was not unsatisfactory. A good appearance was presented by iron and steel issues, Stewarts and Lloyds leading the way, while Hadfields were strong on the announcement of the increased interim.

Breweries showed considerable improvement, early buying of Distillers beginning a fairly general advance, which, however, was slightly checked on Thursday. The favourable outlook for shipping shares attracted considerable buying, and the encouraging Furness, Withy report maintained the market interest. Dealings in the building group were small and the general tone was easy. Electrical Equipment shares remained firm, and General Electric, in particular, showed an advance.

Conditions were quiet in the oil share market, Trinidads being particularly dull owing to the labour unrest. Despite some profit-taking in Anglo-Iranian and Burmah Oil early in the week, an underlying firmness and a steady demand for the leaders was evident. On Wednesday afternoon, advance reports of a reduction in the price of petrol produced a considerable reaction, but the market showed a commendable recovery on Thursday.

Rubber shares continue dull, with slight declines in some cases. Business dwindled to low ebb, but hopes of brisker conditions, based on an expected recovery in the commodity price, were prevalent. The scarcity of tea shares continued and the supply became only slightly freer as the week advanced. A consistent demand for Indian shares still reveals an acute shortage of shares.

Following a good start, Kaffirs became firmer and buying was remarkably brisk. The general advance of prices was helped by good quarterly reports, and a further recovery was generally anticipated despite some irregularity on Thursday. Coppers improved a little, and the market was encouraged by the Rhokana profits (see page 258).

"FINANCIAL NEWS" MARKET INDICATORS

	July 22	July 23	July 26	July 27	July 28	July 29
Approximate total of bargains recorded in S.E. List	6,225	6,225	9,385	8,400	8,505	7,125
Corresponding day 1936	*9,602*	*9,824*	*9,850*	*7,179*	*8,139*	*8,949*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	109 7	110·1	110·4	110·6	111·0	111·4
Index of 20 Fixed Interest Securities (1928=100)	127·0	127·1	127·1	127·2	127·3	127·3

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 Feb. 28).

ACTUARIES' INVESTMENT INDEX

The Actuaries' index of 177 industrial shares stood at 83·0 on Tuesday last, against 82·6 a month ago, and 85·0 a year ago. The corresponding yields are 4·37, 4·39, and 3·70 per cent. We give below the usual monthly indices of fixed interest groups (which show a fall on the month), and a selection of the separate equity share indices :—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Year ago (July 28, 1936)	Month ago (June 29, 1937)	This week (July 27, 1937)	Year ago (July 28, 1936)	Month ago (June 29, 1937)	This week (July 27, 1937)
Fixed Interest:						
2½% Consols (1)	150·8	133·2	132·2	2·95	3·35	3·37
Misc. industrial deb. (20)	125·5	121·7	121·3	3·93	4·08	4·09
Misc. industrial pref. (47)	122·4	118·1	117·2	4·20	4·39	4·43
Ordinary:						
Building materials (5)	102·7	93·6	91·2	4·72	5·76	5·93
Coal (7)	101·1	121·8	119·7	3·34	3·66	3·78
Cotton (6)	41·5	46·7	46·1	2·17	2·34	2·33
Iron and steel (12)	79·4	74·1	75·7	3·75	5·03	5·04
Oil (5)	83·5	93·7	98·9	3·25	6·19	6·42
Electric supplies (10)	144·8	144·1	146·3	3·75	4·44	4·37
Home rails (4)	69·5	78·9	83·7	1·54	2·74	2·60

NEW YORK STOCK EXCHANGE

MARKETS closed at the end of last week on a rising trend, for which the defeat of the President's proposals to reform the Supreme Court was largely responsible. Utilities, motors and steels were all higher. But this week prices have drifted downward. Wall Street is determined to have its political worries, and since the Supreme Court issue was settled, it began to be troubled because the President may be able to keep Congress in session for some time longer. In addition, the railroad results were found disappointing, and there was some anxiety over the anticipated U.S. Steel earnings statement. Later, weakness continued on the failure of U.S. Steel to declare any dividend on the common shares, on the renewed outburst of strikes at the Republic Steel plant, and on the war developments in the Far East. Utility issues are reaping the rewards of the political situation, and the continued increase in output of electricity. Shares benefiting from the high farmers' income were inclined to harden. *Iron Age* estimates steel mill activity at 85 per cent. of capacity, against 82 per cent. for last week.

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

	1936		1937		Beginning of Year 1937	July 14, 1937	July 21, 1937	July 28, 1937
	Lowest Apr. 29	Highest Nov. 10	Lowest June 16	Highest Mar. 10				
347 Industrials	112·7	145·9	130·2	155·7	143·2	140·2	143·0	142·2
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	52·4	53·1	51·9
40 Utilities	91·2	111·0(c)	89·3	116·4(t)	111·7	95·5	97·8	99·8
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	118·3	120·7	120·3
Average yield*	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (s)	3·53%	4·12%	4·02%	4·04%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (s) February 10th. (t) January 13th.

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

Highest*	Lowest†	July 21	July 22	July 23	July 24	July 26	July 27	July 28
180·3	147·4	163·5	164·1	164·5	165·7	165·3	165·4	162·8

*March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	July 22	July 23	July 24*	July 26	July 27	July 28
Stock Exchange—						
Shares (No. Thous.)	960	910	510	900	740	870
Bonds (Thous. $)	6,660	7,960	2,750	5,230	6,540	6,450
Curb—						
Shares (Thous.)	180	230	130	294	200	191

* Two-hour session.

(*Continued on page 262*)



LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Name of Security	Price, July 21, 1937	Price, July 28, 1937	Rise or Fall	Yield July 28, 1937 £ s. d.
				British Funds				
87½	82⅝	84 11/16	73⅛	Consols 2½%	74¼	74¼	...	3 7 4
116¼	112⅞	113	105⅝	Do. 4% Red. at par on or after Feb. 1957 (n)	107	107¼	+ ¼	3 8 6
102 7/16	100	101 5/16	94⅞	Conversn. 2½% 1944-49	95	95¼	+ ¼	2 17 0
105¾	103 3/16	103 3/16	97⅛	Do. 3%, 1948-53	98¼	97¾x	+ ¼	3 4 0
108 9/16	104⅞	106 11/16	99⅝	Do. 3½% after 1961	100	100¼	+ ¼	3 10 9
111 11/16	107	108	105	Do. 4½% 1940-44	105⅝	105⅝	...	2 10 6
121⅛	116½	117½	111 11/16	Do. 5% 1944-64	112¼	112⅝	+ ⅜	3 0 0
95 11/16	92½	92⅛	84⅞	Funding 2½% 1956-61	85½	86	+ ½	3 6 0
...	...	93¾	89⅞	Funding 2¾% 1953-57	90⅛	91⅜	+1¼	3 6 0
104⅛	101	101⅝	92⅞	Funding 3% 1959-69	93⅝	94	+ ⅜	3 6 0
119½	115¾	116⅝	109	Funding 4% 1960-90	110	110¼	+ ¼	3 6 6
117 3/16	113⅞	114¾	107⅝	Victory Bonds 4%	108⅝	109	+ ⅜	3 11 0
108 1/16	104¼	105 13/16	99⅝	War Ln 3½% after 1952	99¾	100	+ ¼	3 10 3
98⅛	94⅝	96 13/16	85	Local Loans 3%	85⅛	85⅛	...	3 10 2
103¼	101½	101¾	99½	Austria 3% 1933-53	100	100	...	3 0 0
76⅛	70⅞	72	62	India 2½%	65	65⅛	+ ⅛	3 16 4
89⅛	83⅛	85½	74⅝	Do. 3%	77	77⅛	+ ⅛	3 17 5
100	96	98¾	87	Do. 3½%	91	91	...	3 16 11
120⅝	116	119¼	112¼	Do. 4½% 1958-68	113⅛	113⅛	...	3 11 3
107	104	105¼	103⅛	U.K. & Arg. 4% A (1947)	103⅛	103⅛	...	3 11 6
				Dom. & Col. Govts.				
113⅝	109¼	109⅞	105	Australia 5% 1945-75	106	106	...	4 2 2
106¼	102½	104¼	101	Canada 4% 1940-60	104	104	...	2 16 3
118⅝	114	116½	112⅝	Gold Coast 4½% 1956	113	113	...	3 10 1
120	117	117½	114	Nigeria 5% 1950-60	114	114	...	3 12 5
114¼	108	109⅜	104	N. Zealand 5% 1946	106	106	...	4 2 2
109⅞	106⅝	107⅝	104	Queensland 5% 1940-60	104	104	...	3 11 5
117⅛	113⅜	114	110½	S. Africa 5% 1945-75	111	111	...	3 8 2
				Foreign Governments				
...	...	103	97	Argentine 4½% Str. Bds	100	101	+1	4 9 0
102	90	105	98	Austria 7% 1957	103	103	...	6 14 4
93	82	90	84½	Do. 4½% 1934-59	85	85	...	5 15 3
72¾	71½	73	68⅝	B. Aires (Prov.) 3½%	71	72	+1	4 17 9
97¾	95¼	100¼	96	Belgian 4% red. by 1970	100	100	...	4 1 0
27¾	14	30¼	24½	Bulgaria 7½% Loan	29½	30½	+1	8 3 11m
83¾	65½	89	84	Brazil 5% Fund. 1914	86	85½	− ½	5 17 6
23¾	16	28	23½	Chili 6% (1929)	24½	24½	...	2 9 0v
84¾	66	94½	81½	China 5% (1912)	86½	86	− ½	5 16 0f
95¾	80	101⅝	89½	Do. 5% (1913)	93¾	92	−1¾	5 8 8f
112	95½	106	103½	Czechoslovakia 8%	105	105	...	7 11 0
110	98	100	92½	Danish 3%	96	96	...	3 2 0
70	57	72¾	51½	Danzig 6½% (g) (1952)	63	63	...	9 2 9
106¼	102	105½	101	Egypt Unified 4%	101½	102	+ ½	3 18 0
25¾	17½	18	13½	French 4% (British)	14⅝	13½	−1	5 11 1e
69¾	53	65	53	German 7% Dawes Ln.	64	64	...	10 18 9
46	34	49½	35	Do. 5½% (Young Ln.)	45½	45	− ½	12 2 9
40	29	40¾	30	Greek 6% Stab. Ln.	38¼	40½	+2	5 18 4w
45½	35½	48½	38	Do. 7% Refugee	45½	48½	+3	5 15 4w
52	39½	62	47½	Hungary 7½%	60¼	60¼	...	6 4 0h
90¼	79½	88⅝	75	Japanese 5½% 1936-65	78	78	...	7 7 11
97¾	83	94⅝	81	Do. 6% (1924) red 1959	83½x	82½	−1	7 13 3
144¾	105	120	110½	Norwegian 4% 1911	115	115	...	3 9 0
53¾	41	61	54	Peru 7½% 1922	60	60	...	...
93¾	60	83	56	Poland 7%	58	58	...	12 1 3
15¼	8¾	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	114	113½	− ½	4 3 0
92½	79	95½	91	Do. C. Certs. (3% Max.)	95½	95½	...	3 2 10
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932-57	25	25	...	...
119½	116	118	111	B'mgham 5% 1946-56	114	114	...	3 3 8
120	117	119	113½	Bristol 5% 1948-58	116	116	...	3 9 0
84	64	82	64	Danzig 7% (i) (1950	72	71	−1	8 16 8
121½	117½	119½	116	E. London 5% 1960-70	116½	116½	...	3 18 0
97¾	93¾	95¼	83¾	L.C.C. 3%	84	84	...	3 11 5
106½	85½	103¼	97¾	Seine (Dpt of) 4½% 1952	97½	97½	...	4 14 9

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 21, 1937	Price, July 28, 1937	Rise or Fall	Yield July 28, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	114	114	...	3 14 0
				London Passenger Transport Board—				
123¾	110¼	2¼	2¼	4½% "A" 1985-2023	115½	115½	...	3 15 0
135	121¼	2½	2½	5% "A" 1985-2023	125½	125½	...	3 16 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 4 9
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 0
99¾	77	2½(b)	1½(a)	"C" 1956 or after	81	82	+1	4 17 7
99¾	86	1½	1½	Met. Wat. Bd. "B" 3%	88	88	...	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 7 2
				British Railways				
67⅝	55¾	½(a)	2⅜(b)	G. Western Ord. Stk.	63½	66½	+2⅞	4 10 7
6¼	4¾	Nil	Nil	L. & N. E'st'n Def. Stk.	5	5¼	+ ¼	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	10	11¼	+1¼	Nil
100⅞	89½	5(c)	1½(a)	Do. 5% Pref. 1955	96	98	+2	5 3 6
31½	21	Nil(c)	¾(c)	Do. 4% 2nd Pref. Stk.	27	30½	+3½	1 12 9
79½	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	73	74¾	+1¾	5 7 5
36⅞	27⅞	Nil (c)	1½(c)	L.M.S. Ord. Stk.	33½	35	+1½	3 11 5
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	78½	79	+ ½	5 1 3
92¼	80	2(a)	2(b)	4% Pref. Stk.	86	86	+ ¼	4 13 0
27⅝	21 13/16	Nil(c)	¾(c)	Southern Def. Stk.	22	23½	+1½	2 2 7
98⅞	87⅞	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	93	94	+1	5 6 5
125⅝	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 5 10
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	19	19½	+ ½	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	10	11	+1	Nil
35¾	24	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25	27	+2	Nil
31¾	20	Nil	Nil	B.A. Western Ord. Stk.	22½	23½	+1	Nil
34½	24½	Nil	Nil	C. Argentine Ord. Stk.	25	27	+2	Nil
6¾	4	Nil	Nil	C. Uruguay Monte V.	6½	5½	−1	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	12	12	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	87½	88½	+1	2 5 2
37	33½	2(c)	2(c)	Costa Rica Ord. Stk.	34½x	34½x	...	5 15 11
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9¼	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	86	†2(a)	†3(b)	San Paulo Ord. Stk.	88½	87½	−1	5 14 3†
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5⅛	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 21, 1937	Price, July 28, 1937	Rise or Fall	Yield July 28, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0e
376	334½	6(a)	6(b)	Bank of England Stk.	341½	341½	...	3 10 3
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/-	75/-	...	3 14 0
48/3	40/-	3(b)	2⅜(a)	Barcl. (Dom. &c.) A £1	43/-	43/-	...	2 13 0
10⅝	9¼	3¼(a)	4¼(b)	Bk. of Australasia (£5)	9⅝	9⅝	...	4 3 3
£49¾	£44¾	8(c)	8(c)	Bk. of Montreal ($100)	£45	£45	...	3 11 0e
29⅝	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27¼	27¼	...	3 3 0e
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	95/-	...	6 6 4
17	14⅞	7(a)	7(b)	Chtd. of India (£5)	14¾	14¾	...	4 8 0
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	14/4½x	13/9x	−7½d	3 16 6e
94/-	82/1½	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9x	83/9x	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	51/3x	51/3x	...	3 18 0
108/9	93/9	†2¼(b)	3¼(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	10⅞	10⅞	...	4 2 3
121⅞	108½	3(b)	2½(a)	Hong. and S. ($125)	£109x	£112	+£3	4 18 3
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	60/-x	60/6x	+6d	3 19 0
10 1/16	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9½x	9x	− ½	3 19 6
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	88/-x	88/-x	...	3 12 9
44½	39	4(a)	11(b)	Nat. of Egypt £10	39½	39½	...	3 15 6
47¾	39	9(a)	9(b)	Nat. of India £25, £12½ pd	41½	41½	...	5 8 0
16¼	14½	15(b)	15(a)	Nat. Prov. £20, £4 pd.	14 13/16x	14 13/16x	...	4 1 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	463	461	−2	3 13 9
16½	14 5/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 0
101/4½	90/-	18(b)	18(a)	Westminster £4, £1 pd.	91/6x	91/-x	−6d	3 19 6
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	67/6	65/-	−2/6	5 7 9
6⅛	5¼	5(b)	5(a)	National A £2½ fully pd.	6¼x	6¼x	...	4 1 4
16 1/16	12½	17(b)	9(a)	" B £7½, £2½ pd.	13⅜x	13⅜x	...	4 18 0
54/9	44/3	6¼(b)	3¾(a)	Union £1 of stock	45/-	45/-	...	4 9 0
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27	27	...	3 6 0
15 11/16	13⅝	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	14¼	14½	...	2 16 0†
10⅝	9⅛	20(a)	20(b)	Com. Un. £1, fully pd.	10¼	10½	...	3 18 0
6 7/16	5	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5⅝	5⅜	− ⅛	3 5 0
35¾	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30	30	...	3 6 6
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1⅛, fy. pd	12¼	12¼	...	2 13 0
21½	18⅛	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22½	19	†26½(b)	†25(a)	Pearl (£1), fully paid	20x	20x	...	2 11 0†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16½	16½	...	3 14 6
37⅞	33½	†93⅓(c)	†95⅓(c)	Prudential £1 A	33⅞	33⅞	...	2 17 6†
114/-	103/9	†43⅓(c)	†50(c)	Do. £1, with 4s. paid	105/-	105/-	...	1 18 0†
11 7/16	9 9/16	11(a)	19(b)	Royal Exchange (£1)	10⅜	10⅜	...	2 18 0
9½	8 9/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅞	8⅞	...	3 12 6
19¾	16⅛	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	16¼	16¼	...	3 19 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	85/-	85/-	...	3 2 0
8⅞	7¼	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7⅞	7½	− ⅛	2 5 3†
21	18½	†17½(a)	†30(b)	Yorkshire £1, fully pd.	19	18⅞	− ⅛	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	282	275	−7	4 7 3
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	5/6	5/6	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	12/-	12/3	+3d	3 1 0
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2¼(a)	4(b)	Guardian Investment	144½	144½	...	4 10 0
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	265	265	...	4 3 0
336	282	5(a)	8(b)	Invest. Trust Def.	285	285	...	4 11 3
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	270x	270x	...	4 5 2
181½	171	3(a)	4½(b)	Merchants Trust Ord.	172½	172½	...	4 6 11
302	288	7(b)	5(a)	Metropolitan Trust	290x	290x	...	4 2 9
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	229	3(a)	7(b)	Trustees Corp. Ord.	230½	230½	...	4 6 9
253	222	7(b)	4(a)	United States Debenture	225½x	225½x	...	4 17 7
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	16/-	15/6	−6d	1 12 6
37	28	Nil	Nil	Australian Estates, etc.	28½	31½	+3	Nil
45/-	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/- fy. pd	33/-	34/9	+1/9	4 8 0
34/3	25/-	10(c)	10(c)	Charterhouse Inv. £1	33/9	33/9	...	5 18 6
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	42/6	†2½(a)	†8⅔(b)	Daily Mail & General £1	43/9	42/6	−1/3	5 6 0†
9⅛	8	†3½(b)	3⅞(a)	Dalgety £20 £5 pd.	8⅝	8½	− ⅛	5 0 0
30/6	25/-	3½(a)	6(b)	Forestal Land £1	27/-	27/3	+3d	6 4 0
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	36/-	35/-	−1/-	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	10½	Nil	Nil	Peruvian Corp. Pref.Stk.	11	10½	− ½	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/3	...	6 14 0
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	45/7½	45/-	−7½d	4 8 8
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	88/9	90/-	+1/3	2 15 0b
37/9	31/-	2½(a)	8½(b)	Barclay Perkins £1	34/-	34/3	+3d	4 13 9
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	133/6	136/-	+2/6	3 11 0†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	91/-	92/-	+1/-	4 6 9
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	72/-	73/-	+1/-	3 16 0
22/4½	17/7½	6(c)	20(t)	City of London Def. 5/-	18/9	18/-	−9d	5 9 6
94/6	86/6	6(a)	14(b)	Courage Ord. £1	90/6	91/-	+6d	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	109/-	113/3	+4/3	3 19 0
143/-	118/9	17(b)	12(a)	Guinness (A) Ord. Stk. £	136/3	136/6	+3d	4 4 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	118/1½	118/9	+7½d	4 12 0
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/-	...	4 16 9
109/6	98/9	†11⅓(b)	8(a)	Mitchells & Butlers £1	100/-	103/1½	+3/1½	4 11 6
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	69/6	73/3	+3/9	4 15 0
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	80/-	82/6	+2/6	4 8 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	104/-	108/6	+4/6	4 2 6†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	64/4½	63/9	−7½d	6 13 3
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	43/9	43/9	...	4 11 5
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	24/6	25/-	+6d	4 16 0
88/-	72/-	12(b)	6(a)	Watney Combe Def. £1	82/9	83/9	+1/-	4 4 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/6	29/6	−1/-	7 12 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	47/9	48/3	+6d	4 3 0
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	9/-	9/6	+6d	4 7 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 8 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	35/6	37/3	+1/9	4 0 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	42/6	...	3 15 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	12/6	12/9	+3d	1 18 9
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	27/3	28/3	+1/-	4 19 9
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/-	12/-	−1/-	4 3 3
88/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	87/-	87/-	...	4 12 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	50/7½	50/-	−7½d	2 8 0
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	72/6	73/1½	+7½d	3 16 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	34/4½	36/-	+1/7½	3 6 6†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (k) Yield on 3½% basis. (h) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 21, 1937	Price, July 28, 1937	Rise or Fall	Yield July 28, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	33/-	33/6	+6d	5 6 0
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/6	6/-	−6d	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	34/4½	34/4½	...	4 7 6
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	34/4½	34/4½	...	2 18 0
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/-	16/6	−6d	2 8 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	14/-	14/-	...	3 8 0
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/-	25/3	+3d	5 10 6
28/9	22/0	5(c)	6⅔(c)	Ruston & Hornsby £1	23/-	23/-	...	5 8 9
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	48/9	50/-	+1/3	4 0 0
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/6	41/6	...	5 15 3
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	47/6	50/-	+2/6	4 16 0
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	27/6	27/-	−6d	4 9 3
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
61/3	52/3	†6(b)	†3(a)	Staveley Coal, etc. £1	60/-	61/3	+1/3	2 18 9†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	39/4½	42/-	+2/7½	2 11 9
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	32/6	32/6	...	4 12 4
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/9	13/9	...	7 5 8
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	22/6	20/-	−2/6	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	7/9	7/9	...	3 4 6
$129½	$76½	Nil	Nil	U. States Steel $100	$119½	$117½	−$2	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	31/-	31/9	+9d	4 14 6
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	28/9	29/9	+1/-	3 7 0
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	32/6	32/6	...	4 12 4
49/4½	40/10½	6(c)	10⅓(c)	Weardale Steel etc. Df £1	42/6	42/6	...	5 0 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	120/-	120/-	...	5 16 8
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	65/-	65/-	...	4 12 6
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	7/9	8/-	+3d	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	6/9	7/-	+3d	Nil
15/6	10/-	Nil	Nil	Calico Printers £1	10/9	10/6	−3d	Nil
55/-	44/9	10(c)	10(c)	Coats, J. and P. (£1)	46/3	45/-	−1/3	4 9 0
54/4	50/7½	7(b)	3½(a)	Courtaulds £1	50/9x	51/6x	+9d	4 1 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	43/1½	...	4 12 6
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	9/3	9/6	+3d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/3	37/-	+9d	4 12 0
69/3	60/3	†12½(c)	†12½(c)	Patons & Baldwins £1	61/3	60/7½	−7½d	4 2 0†
23/9	16/6	2½(b)	2(a)	Whitworth & Mitchell £1	17/6	17/6	...	5 2 10
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	48/-	48/-	...	4 1 9
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	100/-	100/-	...	4 0 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 0 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	57/6	57/6	...	1 1 10
37/6	30/-	Nil	Nil	English Electric £1	33/-	33/-	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	81/-	83/-	+2/-	4 4 3
23/-	18/6	3⅓(a)	15(b)	Henleys (W. T.) (5/-)	19/3	19/-	−3d	4 15 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	45/-	47/-	+2/-	4 5 0
35/-	31/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	4 12 4
				Electric Light, &c.				
$32	$18	40 cts	50 cts.	Brazil Trac., no par	$25⅞	$26⅝	+ ⅞	...
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 8 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	27/6	28/-	+6d	4 5 9
38/9	32/-	4(b)	3½(a)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	7½(b)	3(a)	County of London £1	49/-	49/-	...	4 7 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	40/-	39/-	−1/-	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/6	36/6	...	4 6 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	32/-	32/6	+6d	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	48/9x	48/9x	...	4 2 1
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	36/6	37/-	+6d	4 6 0
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/-	39/-	...	4 2 0
				Gas				
27/-	23/3	5⅔(b)	5⅔(a)	Gas Light & Coke £1	25/3	25/3	...	4 9 3
163½	147	4(a)	6(b)	Imp. Continental Stk.	150½	148½	−2	6 14 8
26/9	23/-	2¼(a)	2¾(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 7 6
120	107	3(b)	2½(a)	S. Metropolitan Stk.	108½	108½	...	5 3 9
				Motors and Cycle				
52/3	40/7½	†5 1/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	41/3	41/3	...	3 12 9†
50/4½	38/9	50(c)	50(c)	Austin 5/-	45/-	45/7½	+7½d	5 8 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	23/3	23/-	−3d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	32/6	32/6	...	5 0 0
33/9	25/6	5(c)	6(c)	Ford Motors £1	26/3	26/3	...	4 11 5
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	3/-	2/9	−3d	2 15 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	66/3	...	4 10 6
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	95/7½	97/6	+1/10½	4 2 0
43/9	35/-	†15(c)	45(c)	Morris Motors 5/- Ord.	36/6	35/9	−9d	6 6 0
15/3	9/6	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/9	76/3	+2/6	5 18 3
6⅝	4 11/16	7½(a)	15(b)	Rolls-Royce £1	5 1/16	5 1/16	...	4 4 0
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	132/6	140/-	+7/6	3 12 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	9/-	+3d	Nil
10⅝	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	10	+1	2 0 0
8/7½	6/-	Nil	Nil	Cunard £1	6/6	6/6	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	27/-x	29/6x	+2/6	2 0 6
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	32/-	34/-	+2/-	2 6 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/-	23/3	−9d	4 6 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/9	38/3	−6d	3 14 0
53/9	38/3	5(c)	9(c)	Bah Lias £1	41/3x	40/-x	−1/3	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	27/6	27/6	...	4 6 9
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	38/9	38/9	...	4 2 8
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	38/9	40/-	+1/3	4 0 0
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	27/6	26/3	−1/3	3 16 2
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/1½	4/10½	−3d	4 2 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	37/6	37/3	−3d	4 1 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/10½	4/9	−1½d	4 4 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	41/9	42/-	+3d	4 13 0
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	38/9	39/4½	+7½d	6 6 0
132/-	85/-	5(a)	20(b)	Anglo-Iranian £1	87/6	87/-	−6d	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	39/-	38/6	−6d	4 18 0
32/3	17/9	Nil	Nil	Attock £1	28/1½	30/7½	+2/6	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/7½	3/9	+1½d	Nil
128/9	104/4½	5(a)	22½(b)	Burmah Oil £1	125/-	128/9	+3/9	4 4 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	48/9	48/1½	−7½d	5 4 0
32/4½	16/7½	10d psc	11d psc	Mexican Eagle (Mex. $4)	17/6	17/-	−6d	5 8 0
11/6	5/7½	Nil(c)	3¾(c)	Phœnix Oil £1	6/6	6/9	+3d	11 2 9
£52½	£42¾	5(a)	11½(b)	Royal Dutch (fl. 100)	£46	£46⅞	+ ⅞	3 18 0p
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	108/9	110/7½	+1/10½	3 12 3†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	133/9	131/3	−2/6	4 3 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	52/6	53/9	+1/3	5 10 9
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	23/1½	22/6	−7½d	4 8 11
35/-	29/6	8(c)	9(c)	Allied Newspapers £1	30/-	30/-	...	6 0 0
20/3	16/10½	Nil(c)	5(c)	Amal. Dental Def. £1	17/9	17/6	−3d	5 15 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	30/7½	30/7½	...	4 11 0
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/-)	21/-	21/-	...	5 3 6
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/-	15/6	+6d	6 0 0
24/3	20/9	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	21/3	21/-	−3d	6 7 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	91/3	...	4 18 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	77/6	76/3	−1/3	3 18 0
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	63/9	63/9	...	5 0 6

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 21, 1937	Price, July 28, 1937	Rise or Fall	Yield July 28, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	52/-	52/-	...	2 15 0
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/7½	30/7½	...	4 18 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	22/6x	22/6x	...	4 9 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	21/6	20/9	−9d	8 12 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	47/6x	50/-x	+2/6	4 10 0
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	52/3	53/6	+1/3	3 14 6
39/4½	35/4½	2½(a)	5(b)	British Match £1	37/9	37/6	−3d	4 2 0
6 7/16	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6 5/16	6¼	− 1/16	3 4 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	101/3	102/6	+1/3	2 18 0
83½	77	...	...	Cable & Wir. Holding { A. Ord.	80½	81½	+1	Nil
106⅝	104	5½(c)	5½(c)	Cable & Wir. Holding { 5½% Pf.	106	106	...	5 3 9
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8 7/16	8½	+ 1/16	4 2 6v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	14/-	13/-	−1/-	12 6 9
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	20/3	19/-	−1/3	5 4 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	46/3xr	46/3	...	4 6 6
38/6	32/-	8(c)	9(c)	Dunlop £1	34/4½	34/6	+1½d	5 4 0
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	50/-	47/-	−3/-	6 8 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	20/6	20/3	−3d	4 19 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/6	33/6	...	5 4 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	19/3	−3d	5 3 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	57/6	58/9	+1/3	3 8 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/3	6/3	...	Nil
49/3	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	47/6	48/9	+1/3	3 17 0
166/3	136/3	15(b)	5(a)	Harrisons & Cros. Def. (£1)	137/6	137/6	...	2 18 6
91/10½	82/6	5(a)	13½(b)	Harrods £1	85/-	83/9	−1/3	4 8 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/3	...	Nil
62/6	33/9	9(c)	8(c)	Imperial Airways £1	35/-	35/-	...	4 11 3
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	37/6	38/6	+1/-	4 2 9
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/3	17/-	−3d	Nil
9 5/16	7⅞	†17½(b)	†7½(a)	Imperial Tobacco £1	7⅞	7⅞	...	3 8 6†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$64⅞	$65¼	+ ⅜	3 1 4n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	14/-	14/-	...	5 15 0
76/3	56/4½	22½(c)	22½(c)	London Brick £1	58/9	57/-	−1/9	7 18 0
6 11/16	5⅞	8⅓(a)	14⅓(b)	Lyons (J.) Ord. £1	6½	6⅛	− ⅛	3 12 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	66/3	65/-	−1/3	3 1 9
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	5/6	5/6	...	5 9 0
5 11/16	4½	15(b)	7½(a)	Murex £1 Ord.	5	4 15/16	− 1/16	4 11 0
46/4½	40/6	2½(a)	9⅔(b)	Phillips (Godfrey) £1	43/9	42/-	−1/9	5 12 6
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	42/6	42/6	...	4 14 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	49/4½	50/-	+7½d	4 10 0
67/-	60/-	3½(a)	11⅔(b)	Radiation Ord. £1	61/3	61/3	...	4 18 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3	106/3	...	4 4 0
18/9	13/6	†5(a)	†8⅓(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	16/3	17/6	+1/3	2 18 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/7½	60/7½	...	4 19 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	46/3	45/-	−1/3	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	87/-	87/-	...	4 4 0
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	60/7½	60/-	−7½d	3 6 9
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	70/-	70/-	...	4 5 0d
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	85/-	85/-	...	4 15 0
112/6	87/6	13⅔(b)	3⅜(a)	Turner & Newall £1	90/7½	92/6	+1/10½	3 15 6
46/10½	37/9	3½(a)	4(b)	Unilever £1	40/-	41/3	+1/3	3 10 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/-	55/-	...	4 11 6
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	30/-	32/6	+2/6	3 7 0
10½	8 11/16	30(c)	40(c)	Utd. Tob. (South) Ord. £1	8⅞	9	+ ⅛	4 9 0
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	41/3	40/-	−1/3	6 5 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	37/3	37/3	...	4 16 6
96/3	71/3¾	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	73/9	73/9	...	4 1 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	57/6	61/3	+3/9	6 3 0
24/3	15/9	(e)6(b)	e7½(a)	Burma Corp. (Rs. 9)	18/-	18/1½	+1½d	5 1 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	4/10½	5/3	+4½d	Nil *
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	68/9	79/4½	+10/7½	4 19 0
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	33/9	37/6	+3/9	8 0 0
16 13/16	11½	95(b)	95(a)	Crown Mines 10/-	12½	13⅛	+ ⅞	7 4 3
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	65/-x	67/-x	+2/-	6 0 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	45/-	52/-	+7/-	9 2 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	12⅜	13⅛	+ ¾	2 5 0
32½	17 3/16	Nil	Nil	Rio Tinto £5	20	21	+1	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	65/-	67/6	+2/6	2 5 0
14⅛	8½	90(b)	90(a)	Sub Nigel (10/-)	9	9⅝	+ ⅝	9 4 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	147/6	167/6	+20/-	5 1 0
19 11/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	6½	8⅛	+1⅝	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	22/6	+3/9	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	July 28, 1937	Compared July 21
Municipal and Gen.		
1st British	48/--49/-	+ 3d
2nd British	29/6-30/3	...
3rd British	24/6-25/3x	+ 3d
4th British	21/--21/9	...
For. Govt. Bond	22/--23/-	− 1½d
Limited Invest.	23/3-24/-	+ 3d
Mid. & Sthn. Inv.	21/3-22/-	...
Scot. & N.C. Inv.	21/6-22/3	+ 3d
Bank - Insurance		
Bank-Insur. Uts.	19/3-20/3	− 3d
Insurance Units	20/9-21/9x	...
Bank Units	18/6-19/6	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	17/--18/-x	...
British Empire		
British Empire "A"	22/7½ bid	+ 3d
Do. "B"	10/7½ bid	+ 3d
Do. Cum.	18/1½ bid	+ 3d
Do. Comp.	19/--20/-	...
Do. First Unit	22/--22/6	+ 3d
National		
National "A"	32/9 bid	...
Do. "B"	22/6x bid	+ 4½d
Do. "C"	19/6-20/-	− 3d
Do. "D"	20/3-21/3	+ 3d
Do. Inv. Group	15/7½-16/7½x	+ 3d
Amalgamated Certs	22/6-23/6	+ 6d
Century	19/6-20/6	+ 1½d
Commercial	21/6 bid	+ 1½d
Gilt-edged	18/3-18/9	...
Scottish	19/--20/-	+ 3d
Universal	21/1½-22/1½	+ 3d
First Provincial		
First Prov. "A"	21/3-22/3	...
Do. "B"	17/6-18/6	...
Do. Reserves	17/6-18/6	...
British General		
Capital Securities	10/3-10/6	+ 1½d
British General "A"	21/7½-22/7½	+ 3d
British General "B"	21/- bid	+ 1½d
British General "C"	20/--21/-	+ 1½d
First Recovery	7/7½ bid	− 1½d

Name and Group	July 28, 1937	Compared July 21
Rubber & Tin	1/9½-1/11	...
Keystone.		
Keystone	18/9-19/9	+ 3d
Do. 2nd	16/3-17/3x	+ 3d
Do. Flexible	18/3-19/3	+ 1½d
GoldProd.Dep.Rec.	22/4½x bid	+1/10½
Do. 2nd Series	16/6-17/6x	+ 1/1½d
Do. 3rd Series	12/7½-13/7½x	+ 7½d
Rand Certificates	18/9x bid	+1/7½
Oil Certificates	28/3 bid	+ 3d
"15 Moorgate"		
Hundred	20/9-21/9	...
Investors Flexible	16/9-17/9	− 3d
Do. Gas & Elec.	13/6-14/6	+ 1½d
Do. General	19/--20/-	...
Do. 2nd General	16/10½-17/10½	...
Do. Gold	14/3-15/3	+ 4½d
Prov. Investors	16/9-17/9	...
Security First	18/1½-19/1½x	...
F.T.M.		
Aviation & Univer.	9/9-10/3	+ 3d
Domestic	8/6-9/-x	...
Protected		
Protected 1st	22/6-23/6	...
Do. 2nd	20/3-21/3	...
Do. 3rd	15/6-16/6	...
Allied		
British Indus. 1st	20/6-21/6	...
Do. 2nd Series	18/--19/-	...
Do. 3rd Series	19/3-20/3	...
Do. 4th Series	19/9-20/9x	...
Elec. Industries	18/--19/-x	...
Metals and Minerals	16/6-17/6	+ 3d
Selective		
Selective "A"	18/--19/-	+ 1½d
Do. "B"	18/6-19/6	+ 3d
British Transport	17/--18/-	...
—	17/--18/-x	...
Bank Insce. & Fin.	16/6-17/6	...
Brewery Trust Unt		
First Convrsn Trust	22/10½-23/4½	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 13⅓ annas per share of Rs. 9. Taken at 16 annas to one rupee. † Free of Income Tax. (v) Yield worked on a 35% basis. (w) Yield worked on a 12½% basis. (t) Special Jubilee bonus. (s) Last year's dividend equal to 18¾% on increased capital on which yield is worked. (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 15s. 0d.; at 18¾ per cent. = £3 16s. 0d. (p) Allowing for Rate of Exchange.

(*Continued from page 259*)

	July 21, 1937 (Close)	July 28, 1937 (Close)	July 29, 1937 (Latest)
1. *Rails & Transport*			
Atchison xd	84½	83⅝	81½
Balt. and Ohio	29⅜	27½	27
B.M.T.	23½	23⅛	23⅜
Can. Pacific	11⅜	11⅛	11⅛
Ches. and Ohio	53⅜	37⅜	37⅜
Gt. Nthn. Rly. Pf.	51⅜	50⅜	50½
Illinois Central	25⅜	24	23½
N.Y. Central	41⅜	39⅜	39½
Nor. Pac.	30½	29½	29½
Pennsylvania R.R.	39½	38	37½
Southern Pac.	49	47⅜	47⅜
Southern Rly.	34⅜	31⅜	31⅜
Union Pac.	131	129	128
Greyhound Cp. New	15⅜	15⅛	15⅜
2. *Utilities and Communications*			
Am. Waterworks	19½	20⅜	20⅞
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅜	3	2⅞
Col. Gas & Electric	39½	39	38½
Elec. Bond & Share	13½	14⅛	14⅜
Nat. Pwr. and Lt.	18⅜	20⅛	20⅛
North American	10⅜	11⅛	11⅛
Pac. Gas & Electric	27½	27⅜	27⅜
Pac. Lighting	32½	33	32⅜
Pub. Service N.J.	45	45½	...
Stan. Gas & Elec.	42⅜	43⅜	43⅜
United Corp.	9	9⅜	9½
United Gas Imp. xd	5⅜	5⅞	5⅞
Am. Tel. & Tel.	13½	14½	13⅞
Int. Tel. and Tel.	170	172	...
Western Union	12	11⅜	11⅜
Radio	49	48⅜	48⅛
Radio B. Pref. New	9½	9	9
	69	67½	...
3. *Extractive and Metal Industries*			
Am. Rolling Mills	36⅜	36½	37⅛
Beth. Steel xd	93⅜	93½	94⅜
Beth. Steel Pref. xd	119½	118	...
Republic Steel	39⅜	37⅝	37⅜
U.S. Steel	116½	114⅜	114⅞
U.S. Steel Pref.	136⅜	136⅜	136⅜
Alaska Juneau xd	12	11⅛	12
American Metal	52	50	...
American Smelting	93½	93	92⅜
Anaconda	56⅜	56½	56⅜
Bohn Aluminium	43	43⅜	43
Cerro de Pasco	63	75	74⅜
Int. Nickel	64	64⅜	65
Kennecott xd	59⅜	60½	60⅜
Patiño Mines	16	15⅛	15⅛
Texas Gulf Sulph.	38⅜	39½	39
U.S. Smelt. xd	92	90	...
Vanadium Corp.	30	28⅞	28⅞
Atlantic Refining xd	31	29½	29⅜
Phillips Petroleum	61⅜	61	61
Shell Union	28⅜	28⅜	28⅜
Shell Union Pref.	104½	104⅜	104⅜
Socony Vacuum	21⅛	21⅜	21⅜
Stand. Oil Calif.	44⅞	44⅜	44⅜
Stand. Oil N.J.	71⅜	70	70⅛
Texas Corp. xd	64⅜	63⅛	63⅜

	July 21, 1937 (Close)	July 28, 1937 (Close)	July 29, 1937 (Latest)
4. *Manufacturing*			
Briggs	41⅜	43	43
Chrysler	110⅜	111⅛	111½
Electric Autolite	38⅛	38⅛	38⅛
General Motors	55⅞	54⅛	53⅜
Hudson Motor Car	15⅜	15⅜	15⅜
Murray Corp.	12⅜	13⅜	...
Nash Kelvinator	19⅛	18⅝	18⅜
Packard Motor Car	9⅛	9⅛	9
Bendix Aviation	20	20⅛	20⅞
Boeing Airplane	33⅜	33⅜	33½
Douglas Aircraft	57½	57½	57⅜
United Aircraft	30½	29½	29½
Air Reduction	75⅛	73	73
Allied Chemi xd.	234	238	238
Col. Carbon	121⅛	121⅞	...
Comm. Solvents	14⅛	14⅜	14½
Dupont	163	160	160
Union Carbide	101⅛	101½	101⅛
U.S. Ind. Alcohol	31⅛	32⅛	32⅛
Allis Chalmers	69⅛	66⅜	67½
General Electric	57⅜	57⅜	57⅜
Westinghouse	151⅛	151	150⅛
American Can. xd	106	108	107⅜
Addressograph	33	33	...
Caterpillar	97⅛	99	98⅛
Cont. Can. xd	58⅛	56	55⅝
Ingersoll Rand	132	130	130
Intntl. Harvester	113⅜	113½	113⅜
Johns Manville	130	132	133
Am. Radiator	21	21⅛	21⅛
Corn Products	62⅛	62½	62½
J. I. Case and Co.	175	178	178
Glidden	45	44⅜	44
Gen. Am. Transpt.	69	68	67½
Allied Mills	24⅜	25	25
Celanese of Amer.	38⅛	37⅜	37⅜
Ind. Rayon New	37⅜	37⅜	...
Colgate Palmolive	18⅜	18½	18
Eastman Kodakxd	180	180	180½
Gillette xd	15⅛	14⅜	14⅜
Lambert Co.	20	19⅜	...
Loews xd	82	84	85
20th Century Fox	36⅛	36⅛	36⅜
5. *Retail Trade and Food*			
Montgomery Ward	63⅛	62	62⅛
J. C. Penney Co.	97⅛	97⅜	98
Sears Roebuck xd	94	93⅜	94
United Drug	11⅞	12	12⅛
Walgreen xd	28⅛	27⅜	...
Woolworth	48⅞	49⅛	49
Borden	24⅛	24⅜	24⅜
Gen. Foods	38	37⅛	37⅜
Kroger Grocery	21⅜	22	21⅜
Nat. Biscuit xd	23⅜	24	24
Nat. Dairy	20⅜	21	21
Standard Brands	12⅛	12	12⅛
Am. Tobacco B.	80	82⅛	82⅛
Liggett Myers B	100	101⅛	101⅛
Lorillard	21⅛	21⅝	21⅝
Reynolds Tob. B.x	51⅛	52⅛	52⅛
National Distillers	30⅛	29⅜	29⅜
Schenley Distillers	44	43	43
6. *Finance*			
Commercial Credit	62⅛	61⅛	61½
Atlas Corp.	15⅛	15⅜	...
Com. Invest. Trust	66⅛	65½	66

CAPITAL ISSUES

THE stags have been drinking their fill up to the eve of the holiday. The *Iraq* loan provided an obvious attraction, with its sizeable yield of £5 1s. 8d. to redemption and a flat yield of 4½ per cent. As we point out on page 254, Iraq is a youthful kingdom with an untried investment record, but the loan is in principle well secured, and has evidently attracted buyers for mixing purposes. The queue of municipal borrowers has again moved up—on this occasion following a £3½ millions issue by *Middlesex County Council*, of which, however, half has been taken firm. This is a bigger operation than the market would have welcomed even a week ago, particularly at a point over par, but the borrower enjoys high standing, and stronger market conditions ensured its prompt subscription. *Arnott and Harrison* have offered 4s. shares at 5s. This company incorporates two precision engineering and die-casting concerns, and its profits record follows the familiar recovery pattern. The company has a small capital, but its industrial connections appear to be extensive. The shares are of principal interest to the speculative operator. *Lea-Francis Engineering* issues 720,000 2s. shares at par, for which permission to deal will be sought of the Birmingham Stock Exchange. The prospectus, which shows that British Mutual Banking Company are acting for the issue, discloses that the business taken over from a concern of similar name has been operating at a loss for some years under receivership. Applicants, therefore, must recognise the speculative nature of the new undertaking, and should consider the possibility that the Birmingham Stock Exchange might decide to postpone the grant of facilities until the results of the first year's trading of the new company were available. A statement for information only has been published by *Victory Real Estate Company*.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended July 24, 1937: *Dr. £100,000*

	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	4,647,000	...	4,640,750
To Shareholders only	1,861,197	190,000	1,984,973
By Stock Exchange Introduction	130,000	...	127,750
By Permission to Deal	1,071,787	...	1,777,280

Total Capital Raised—	Including Conversions	Excluding Conversions
	£	£
1937 (New Basis)	397,789,818	349,756,645
1937 (Old Basis)	249,801,271	204,200,035
1936 (New Basis)	308,159,502	214,491,514
1936 (Old Basis)	210,782,623	118,398,536
January 1 to date (Old Basis)—		
1935	247,335,299	122,352,226
1934	288,579,794	114,057,056
1928	...	281,630,013

Total offered for Subscription—	Including Conversions	Excluding Conversions
	£	£
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,079

Destination of Capital (Excluding Conversions)

	United Kingdom	British Empire (excluding United Kingdom)	Foreign Countries	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	296,742,004	49,756,282	3,258,359	349,756,645
1937 (Old Basis)	188,921,298	15,786,239	1,492,500	204,200,035

Nature of Borrowing (Excluding Conversions)

	Debentures	Preference	Ordinary	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	159,917,760	24,003,472	165,835,413	349,756,645
1937 (Old Basis)	145,852,092	15,811,204	42,536,739	204,200,035
1936 (New Basis)	76,100,229	28,094,600	110,296,685	214,491,514
1936 (Old Basis)	62,552,798	14,267,182	41,578,556	118,398,536
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Middlesex County Council.—Issue of £3,500,000 3½ per cent. stock at £101 per cent. First payment £1 15s. per cent., April 1, 1938. Proceeds for capital expenditure. Redeemable at par April 1, 1962, or after April 1, 1957, at three months' notice. Rateable value, April 1, 1937, £19,386,300. Population, 1931 Census, 1,638,728. Mid-1936 estimate, 1,940,400. Net debt, March 31, 1937, £17,729,680. Lists closed 9.5 a.m., July 29th. Oversubscribed.

Lea-Francis Engineering (1937), Ltd.—Issue of 720,000 2s. shares at par. Acquires Lea and Francis, Ltd., motor-car, motor-cycle and cycle manufacturers of Coventry. Assets acquired: freehold premises, plant and loose tools, £31,561; jigs, drawings, stocks valued by directors at £31,439. Total valuation, £63,000. Premises acquired for £20,000. Machinery, plant, designs, etc., acquired for £46,500, of which £8,500 cash and £46,500 in 2s. shares. Estimated profits, assuming sale of 1,000 cars, £21,000. Working capital £31,000. Contracts received value exceeding £100,000. List closed 9.1 a.m. July 28th.

BY OFFERS FOR SALE

Kingdom of Iraq.—Baring Brothers and Company offer for sale £1,000,000 4½ per cent. sterling bonds at £94 per cent. Secured by a first charge upon all revenues from the exploitation of petroleum and allied products. 'Iraq is an independent sovereign State. Redeemable by January 5, 1952, by cumulative semi-annual sinking fund of 5 per cent. per annum for purchase of bonds not exceeding par, or at 102 from July, 1942, to January, 1947, at two months' notice, and at par thereafter. There is no public debt. Receipts in dinars (1 dinar = £1), 1935–36, 5,357,502; expenditure, 4,413,016. 1936–37 (provisional): receipts, 5,984,496; expenditure, 4,611,027. Lists closed 9.50 a.m. July 28th. Heavily oversubscribed.

Arnott and Harrison, Ltd.—Offer for sale of 375,000 4s. ordinary shares at 5s. per share. Manufacturers of special tools and equipment. Combined profits of company and Peter Brasshouse, Ltd. (fully-owned subsidiary): August 11, 1934, to August 31, 1935, £11,408; year to August 31, 1936, £19,142; ten months to June 30, 1937, £27,272. Net assets acquired (excluding goodwill) £88,497 for £95,000, payable £65,000 in cash and £30,000 in shares. Underwriters' Trust, Ltd., subscribes for 375,000 4s. ordinary shares at 4s. 9½d. per share net. List closed 9.1 a.m. July 28th. Oversubscribed.

BY STOCK EXCHANGE INTRODUCTION

Victory Real Estate Company, Ltd.—Issued capital, 162,732 10s. shares. Cost price of all the company's properties, comprising 24 blocks in London suburbs and the Home Counties, £280,130. New properties to the value of £52,700 have been purchased since the beginning of the year. Properties valued at £293,468 (£133,680 freehold, £159,788 leaseholds). Average life of leases, 60 years. Profits, after depreciation, years to July 31: 1935, £6,664; 1936, £6,682; 5 months to end of 1936, £2,930. Ordinary dividends, 1934–35, 7½ per cent.; 1935–36, 6¼ per cent.; 5 months to end of 1936, 3 per cent. Total assets, December 31, 1936, £252,672. Messrs Kitching and Tabraham to subscribe for 32,000 10s. shares at par, with option until November 18 to subscribe at par for 37,268 unissued shares.

PRIVATE PLACING

London and Clydesdale Trust.—A line of £100,000 3½ per cent. debenture stock, 1960–70, has been bought by Capel and Company, and placed at 100, free of stamp and commission, including about two months' accrued interest.

BONUS ISSUE

Drightside Foundry and Engineering Company.—Ordinary shareholders registered August 21st are to receive bonuses of one ordinary for every two ordinary shares held. A further 25,000 £1 ordinary shares are offered at 40s. per share in proportion of one for every four held.

ISSUES TO SHAREHOLDERS ONLY

Cow and Gate.—Issue of 200,000 7½ per cent. preference shares at 28s. 6d. each (one new share for every two shares held on July 22nd).

Maritime Shipping and Trading.—Issue of 150,000 3s. ordinary shares at par (one share for each share held). Issue for purpose of reducing bank overdraft.

Ransomes and Rapier.—Issue of 59,000 10s. ordinary shares at 17s. 6d. (one new share for every eight ordinary shares held on July 15th).

Savory and Moore.—Issue of 38,697 6 per cent. cumulative £1 preference to shareholders and debenture stockholders at 21s. 6d. each (to rank for dividend from July 1, 1937).

Selama (Malaya) Rubber.—Issue of 55,000 2s. shares at 2s. 6d. each (one new share for every ten held July 20th).

Siginting (Negri Sembilan) Rubber.—Issue of 600,000 2s. shares at 2s. 1½d. each (12 new shares for very 13 held July 12th).

Covent Garden Properties Company, Ltd.—Issue of 650,000 ordinary shares of £1 each at 26s. 6d. per share (one new for every ordinary share held).

Palestine Electric Corporation, Ltd.—Issue at par of 500,000 4½ per cent. second redeemable cumulative £1 preference shares. Proceeds for completion of Reading power-house and extensions of plant and transmission lines. Further issue of capital probable later.

Van Emden (Dutch Guiana) Gold Mines.—Issue of 50,000 shares of 5s. each at 21s. each, one new share for every seven held. Issue to provide funds to bring Mayo Concession to initial production stage.

CONVERSIONS AND REPAYMENTS

Allen West and Company.—The directors are arranging to repay the first and second debentures, bank overdraft, guaranteed overdraft of a subsidiary company, etc. They offer 470,000 ordinary shares of 5s. at par and £225,000 4½ per cent. first mortgage debenture stock at 99 per cent. Shareholders can apply for three new ordinary shares for every 10 ordinary shares held.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	July 21, 1937	July 28, 1937
Allied Newspapers Ord. 20/-	33/-	33/-	3/3–2/9 dis	29/9–30/3
Do. 6½% 1st Pref. 20/-	27/6	27/6	1/1½–1/4½ pm	28/6–29/-
Australia 3½% 1950–52	96½	21½	1½–⅝ dis	⅝–¼ dis
Blackpool 3½% Stk.	100½	25	⅝–¾ pm	1½–1⅝ pm
Boulton and Paul 5½% Pref. 20/-	20/-	10/-	9/0–9/3	9/1½–9/4½
Brotherhood (Peter) Ord. 10/-	25/-	10/-	5/3–5/9 pm	4/9–5/3 pm
Do. 5½% Pref. 20/-	20/-	10/-	2/3–2/9 pm	2/6–3/- pm
Cape Town 3½%	98	28	⅝–¾ pm	1–1½ pm
Collett (J.) Ord. 4/-	6/-	6/-	5/10½–6/4½	5/10½–6/4½
Dorchester Hotel 4½% Deb.	97	35	3–2 dis	2½–1½ dis
Fenner (J. H.) Ord. 5/-	7/-	7/-	6/10½–7/1½	6/6–6/9
Do. 5½% Pref. 20/-	20/-	20/-	19/9–20/3	19/9–20/3
Finchley 3½%	101	5	...	½–⅝ pm
Grassmoor 6% Pref. £1	21/-	21/-	...	3d–9d pm
First Conv. Invest. Trust £1	...	...	22/10½–23/4½	22/10½–23/4½
Grimsby, etc. Water 3½%	99	99	99½–99⅝	99½–100
Imperial Airways £1	...	...	2/1½–2/7½ pm	1/10½–2/4½ pm
Kelly and Kelly Ord. 4/-	...	...	4/—4/3	3/10½–4/1½
L.C.C. 3½% 1958–62	100½	75½	⅝–⅞ pm	1½–2 pm
Lindsay Parkinson Pref. 20/-	20/-	20/-	21/6–22/-	20/10½–21/4½
Mallinson (Wm.) 5½% Pref. £1	20/6	20/6	21/6–22/-	21/10½–22/4½
Do. 6% Pref. 10/-	10/-	10/-	...	9/9–10/3
Met. Water Sydney 4% Debs.	100	30	1½–1⅞ dis	1⅜–1⅛ dis
Odeon Theatres Ord. 5/-	5/-	5/-	9/4½–9/10½	9/3–9/9
Do. 5% 1st Deb.	99	25	3–2½ dis	3½–3⅛ dis
Polperro Tin 2/6	...	...	3/0–3/6	3/1½–3/7½
Rippingilles Ord. 5/-	9/-	9/-	...	7/9–8/3
Salts (Saltaire) 5% Loan	...	...	...	1 dis–par
Steel Corporation of Bengal 4½% Deb.	£100	20	2½–2⅜ pm	1½–2½ pm
Stevenson (H.) 4½% Debs.	100	50	...	⅜–1½ pm
Union Cinema Subsidiary Props. 5% Pref.	20/-	10/-	9/3–9/9	9/6–10/-

OIL OUTPUTS

APEX (TRINIDAD) OILFIELDS, LTD.—The results for June are as follows: Production of oil, 32,150 tons; deliveries, 38,330 tons. Production has been affected by the closing down of operations during the oilfields strike; it is now understood that the men are on the point of returning to work.

THE ATTOCK OIL COMPANY, LTD.—Production for May, 23,228 barrels. Production for June, 23,228 barrels.

THE BRITISH BURMAH PETROLEUM CO., LTD.—A cablegram has been received from Burma reporting the production of crude oil by this company as 42,301 barrels for the month of June, 1937.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for June, 57,691 barrels. Shipments for June, 39,285 barrels. Production for the week ended July 10th, 13,671 barrels. Production for the week ended July 17th, 13,159 barrels.

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
				%	%
RAILWAYS					
London & North-Eastern Railway:					
4% Non-cum. 1st Pref. Stk.	1%*	Aug. 14	Nil*	...	...
5% Red. Pref. 1955	1¼%*	Aug. 14	Nil*	...	...
Metropolitan Rly. Surplus Lands	1⅜%*	...	Same	...	...
Southern Rly. Pref. Ord.	2%*	Aug. 11	1%*	...	...
BANKS					
Bank of New South Wales	(s)6/- p.s.	Aug. 26	(s) 5/- p.s.*	...	...
Canadian Bank of Commerce	2%	Sept. 1	Same	...	...
INSURANCE					
Employers' Liability Assurance	30%*	Sept. 24	Same	...	...
TEA AND RUBBER					
Kepitigalla Rubber	...	Aug. 17	...	4·16	...
MINING					
Pattani Tin	5%*	Aug. 6	Same	...	...
Southern Siamese Tin	...	Aug. 12	First	8	Nil
OTHER COMPANIES					
African Theatres	10%*	Aug. 28	Same	...	...
Artizans and General Dwellings	3%*	Sept. 9	Same	...	...
Associated British Picture	11%†	...	7½%†	18	12½
Associated Provincial Picture	4%†	...	Same	6	6
Baddington's Breweries	2½%*	...	Same	...	...
Baird (William) and Co.	10%†	...	...	13	10
Bairds and Dalmellington	4%*	Aug. 12	Nil*	...	...
Bearpark Coal and Coke	5%*	Aug. 12	2%*	...	...
Belfast Ropework	3%†	...	...	5½	5
Bent's Brewery	5%*	...	Same	...	...
Bolding (John) and Sons	5%*	Aug. 11	Same	...	...
Bridgewater Estates	3%*	...	Same	...	...
Braby (Frederick) and Co.	5%*	Sept. 1	...	...	...
British Wagon	8¼%*	...	Same	...	...
Cambuhy Coffee and Cotton	...	Aug 24	...	7	Nil
City of Buenos Ayres Tramways	1/3 p.s.*	Aug. 16	Same	...	...
City of London Electric	3½%*	Sept. 30	Same	...	...
Civil Service Co-operative Trust	2%*	...	...	...	...
Clifford Motor Components	10%†	...	...	15	7½
Consett Spanish Ore	...	...	...	10	10
Davis and Timmins	(a) 10%*	...	5%*	...	...
Dublin United Tramways	2*	...	Same	...	...
Eburite Containers	5%*	Sept. 1	...	...	...
Enfield Cable Works	10%*	...	Same	...	...
E.N.V. Engineering	5%*	Aug. 27	4%*	...	...
Flettons	7½%*	July 31	Same	...	...
Gabriel Wade and English	...	Aug. 12	...	8	5
Gas Light and Coke Co.	5‡*	...	Same	...	...
Greenwood (John) Millers	7%†	...	6%†	12	11
Hadfields	(a) 7½%*	Aug. 31	3½%*	...	...
Heenan Beddow and Sturmey	5%*	Aug. 16	...	...	...
Hillhead Hughes	5%*	Aug. 14	Same	...	...
Hoffnung (S.) and Company	...	...	...	7½	5
Imperial Tobacco (Great Britain and Ireland)	‡71%*	Sept. 1	Same	...	...
Jones' Sewing Machine	3%†	...	Same	6	6
Kendall and Gent	5%*	Aug. 7	...	...	...
Law Land	4%*	Sept. 1	Same	...	...
Linen Thread	3%*	...	Same	...	...
Liverpool Daily Post, etc.	10%*	...	Same	...	...
London Associated Electricity	3%*	...	Same	...	...
London Commercial Sale Rooms	5%*	Aug. 19	Same	...	...
McNamara and Co.	‡2½%*	...	Same	...	...
Mather and Platt	4%*	...	Same	...	...
New Monckton Collieries	...	Aug. 31	...	4‡	2½‡
Norton and Biddulph Collieries	5%*	Sept. 1	2½%*	...	...
Nuttall's Breweries	3%†	...	...	5	2½
Parkes (Josiah) and Sons	4%*	Aug. 12	...	...	...
Perry and Co.	5*	Aug. 31	Same	...	...
Prices Tailors	...	...	...	109	92½
Prices Trust	31½%†	...	22½%†	45	30
Quaglino's	5%*	Aug. 10	Same	...	...
Randall (H. E.)	2½%*	July 30	Same	...	...
Read Brothers	2½%*	Sept. 1	Nil*	...	...
Rowton Houses	2½%*	Sept. 30	Same	...	...
Ryder and Son (1920)	...	Aug. 9	...	5	5
Sackville Estates	2%*	Aug. 31	Same	...	...
Scottish Waggon	4%*	...	Same	...	...
Second Clydesdale Investment	3%†	Aug. 12	2%†	5	4
Second Scottish Western Investmt.	...	Aug. 12	...	4	3
Sheffield Pure Ice	5%†	Aug. 4	Same	10	10
South Suburban Gas	3%*	...	Same	...	...
Squirrel Confectionery	‡5%*	Aug. 31	...	...	...
Stephen Smith and Company	7½%†	...	Same	12½	12½
Sunderland and South Shields Water	3½%*	Sept. 1	Same	...	...
Third Guardian Trust	2%*	...	1½%*	...	...
Third Scottish American Trust	13%†	Aug. 20	12%†	19	18
Toogood and Sons	...	Sept. 4	...	3	4
United Grain Elevators	‡2½%*	...	Same	...	...
United States Investment	2%*	Aug. 14	1½%*	...	...
Vab Products	5%*	...	...	...	...
Vauxhall Motor	30%*	...	Same	...	...
Walker (Peter) and Robert Cain	2%*	Aug. 31	Nil*	...	...
Wandsworth and District Gas	3¼%*	...	Same	...	...
Westminster Chambers	5%*	Aug. 14	Same	...	...
White (John) Impregnable Boots	5%*	Aug. 14	3½%*	...	...
Woolcombers	‡5%*	...	Same	...	...

‡ Free of income tax. (a) Paid on a larger capital. (s) Australian currency.

JOHN GREENWOOD MILLERS (1934).—Final dividend 7 per cent. against 6 per cent., making 12 per cent. for year against 11 per cent. Net profit £59,289 against £51,576.

BAIRDS AND DALMELLINGTON.—First interim dividend of 4 per cent. on ordinary shares.

ELECTRICAL INDUSTRIES TRUST.—Distribution of 6½d. per unit, free of income tax, payable July 30th, representing income received during half-year ended June 30, 1937. With the 3d. per unit, free of tax, paid for the preceding half-year, makes 9½d. tax free.

BANK OF NEW SOUTH WALES.—Quarterly dividend 6s. per share against 5s. per share payable in Australian currency.

BEARPARK COAL AND COKE.—Interim dividend increased from 2 per cent. to 5 per cent.

CAMBUHY COFFEE AND COTTON ESTATES.—First dividend on ordinary shares of 7 per cent.

NATIONAL FIXED TRUST—"B" UNIT.—Eighth income distribution for period from January 16th to July 15, 1937, 8·631d. net per sub-unit, payable August 16, 1937.

COMPANY MEETINGS

CÓMHLUCHT SIÚICRE EIREANN, TEORANTA
(IRISH SUGAR COMPANY)

ANOTHER SUCCESSFUL YEAR

DR J. H. HINCHCLIFF'S ADDRESS

The annual ordinary general meeting of Cómhlucht Siúicre Eireann, Teoranta, was held on July 22, 1937, in Dublin.

Dr J. H. Hinchcliff (the chairman) presided.

The Chairman said:—I have much pleasure in proposing the adoption of the directors' report for the year ended April 30th last and of the balance sheet and profit and loss account which are appended thereto. A copy of the report and accounts was furnished to each shareholder last month and, with your permission, I will take the report as read.

PROFIT AND ALLOCATIONS

The trading profit for the year under review, namely £287,935, is approximately £17,800 higher than that of the previous year. At our meeting last July I explained the necessity for the provision made in the 1935-36 accounts for depreciation of premises and plant, and you will observe that, in the accounts before you, a like provision of over £148,000 has again been made. Debenture stock interest amounting to £31,000 includes the service for a full year of the second issue of debenture stock made during the course of the previous year, and is, therefore, £4,844 higher than the corresponding figure in the previous year's accounts. A further sum of £60,000 has been placed to the reserve for sinking fund and general purposes as against £40,000 a year ago and if, at to-day's meeting, you approve of your directors' recommendations relative to the payment of dividends, the amount carried forward will be £52,030, i.e. £5,637 more than was brought forward.

BALANCE SHEET ITEMS

With regard to the balance sheet, there are but few items which call for comment. I mentioned a year ago that no further issue of capital was contemplated and the amount of issued share and loan capital remains the same. The liabilities in respect of sundry creditors, including bank overdraft, reserve, etc., at £321,411, are less by £130,960 than in the previous balance sheet. The liability of £15,500 for debenture interest was, of course, discharged on the due date, namely, May 1st last. On the other side of the balance sheet, you will find stock-in-trade, valued at £931,003, is up by £21,775. With regard to this item I should mention that the changes in sugar duties, which became effective on June 1st last, involved a reduction on and from that date of 1s. 2d. per cwt. in your company's sale price, and this reduction is reflected in the valuation placed on the stock of sugar in hand at the date of the balance sheet. The usual seasonal expansion of your company's cash resources has taken place since the date of the accounts under review. Save when changes in duties and price are imminent, sugar goes into consumption with remarkable uniformity month by month and the realisation of your company's sugar stock proceeds with the same regularity. Though the balance sheet shows only £103 cash on hand on April 30th last, the bank overdraft, which was of a temporary and seasonal nature, was paid off shortly after the close of the accounting year and your company's liquid assets then again became represented by actual cash in place of sugar.

INCREASED DELIVERIES OF BEET

The total quantity of beet delivered under contract by 30,082 farmers to your four factories last campaign was 590,311 tons, an increase of 27,137 tons as compared with the previous campaign. The deliveries represented the produce of 57,608 statute acres. The average yield, in terms of factory weight, was 10.25 tons per statute acre as against a corresponding figure of 10.38 tons for the 1935 crop. The 1936 yield, particularly on heavy low-lying soils, was adversely affected by the high rainfall experienced last summer. Weather conditions last autumn and early winter were, however, more favourable to the ripening of beet than were those experienced in the two previous seasons, and the average sugar content of the entire deliveries to your factories last campaign was 17.5 per cent., while that of the 1935-36 deliveries was 17.17 per cent.

INCREASED PRODUCTION OF SUGAR

Such trouble as was experienced with the steam turbines at two of your factories last campaign, about which there were alarmist reports, but which occasioned only temporary disorganisation of manufacturing operations, is not altogether of an exceptional nature. Save for that interruption, to obviate a recurrence of which all practicable steps have been taken, and for a fire in the Thurles pulp store, manufacturing operations proceeded normally and smoothly throughout the campaign. Because of the larger quantity of beet worked last season and of the superior sugar content of the beet, a larger quantity of sugar was manufactured, the total production, in terms of white sugar, for the 1936-37 campaign being 86,314 tons as against 78,911 tons in the previous campaign.

REDUCTIONS IN SALE PRICE OF SUGAR

On August 1st last both Customs and Excise duties on white sugar were reduced by 2s. 4d. per cwt., i.e. by a farthing per lb., and your company's sale price and also, in turn, the retailers' prices were reduced to the like extent. When, however, the Excise duty was further reduced by 1s. 2d. per cwt., i.e. by one-eighth of a penny per lb., on June 1st last your company agreed to reduce their sale price by 2s. 4d. per cwt., or a farthing per lb. Since our last meeting the wholesale and retail prices of granulated sugar have, therefore, been reduced by a half-penny per lb. Your company's terms and conditions relative to the sale of sugar have not, however, been materially altered in other respects. You will recollect that under the provisions of the Sugar (Control of Imports) Act, 1936, your company has since May, 1936, been charged with the import of all the sugar required to supplement home production. This branch of your company's business has been operated smoothly and efficiently. I should, however, again remind you that all profits accruing to your company from the sale of imported sugar have to be remitted to the Government.

CURRENT YEAR'S CROP PROSPECTS

I will now advert to a few matters which relate to the current accounting year or which are of a general nature. The acreage of beet allotted under contract last spring was 60,484. An increased acreage was allotted in the Carlow factory district from which applications for acreage were far in excess of the area available. The weather last spring was unfavourable to the preparation of the land either for beet or for other root crops and particularly so in the case of the heavier or stronger soils. Up to a fortnight or so ago, the condition of the 1937 crop was not as promising as that of the 1936 crop at the corresponding date. This was due to late sowing which, as I have already indicated, was unavoidable, and also to damage caused in many parts of the country and, I regret to say, throughout the Tuam factory district, by an attack of mangel or beet fly shortly after the crop had brairded. The current season's crop has benefited from the warmer weather which we have experienced during the past fortnight or so and the outlook for a satisfactory yield is now much more promising. The realisation of that promise depends, of course, almost entirely on the nature of the weather during the coming few weeks.

SUCCESSFUL TRAINING OF IRISH NATIONALS

At previous meetings, I have referred to the steps taken by your directors in connection with the training of Irish nationals for the higher technical posts in your factories which have hitherto been occupied by alien technologists who, I am glad to report, have rendered your company excellent service. You will recollect that, under a scholarship scheme to which your company contributed, it was arranged for six honours graduates in chemistry to take a special course of study in the School of Sugar Manufacture of the Royal Technical College, Glasgow, and that these young men entered your company's service in September, 1934. I am now pleased to say that all but one, who had to relinquish his work for a time because of health reasons, were promoted some months ago to the grade of shift engineer and will, therefore, have charge of the operation of the factories during their respective shifts in the coming campaign. It is also gratifying to report the successful operation of your company's apprenticeship scheme which, as you will recollect, was devised in co-operation with the Department of Education and the Department of Industry and Commerce for the training of young men in sugar cooking and the skilled trades and crafts applicable to the beet sugar industry.

PROPAGATION OF SUGAR BEET SEED

I referred a year ago to the small commercial scale experiment on the propagation of sugar beet seed which your company had undertaken and which was commenced at six centres last year. As the seed harvest will not take place until late summer or autumn, I am not in a position to forecast the outcome of this trial. It was extended this season by the inclusion of six new centres and a half-acre plot was sown with elite seed last month at each of the twelve centres. Pending the result of this trial, and in furtherance of your board's policy, a reserve of approximately a normal year's supply of imported seed has been maintained and, in case of emergency, this would serve for two years.

INCREASED PRICES FOR COMPANY'S REQUIREMENTS

I have already alluded to the changes in sugar duties and the reduction in your company's sale price for sugar, which came into operation on June 1st last, and have indicated that this reduction in price is reflected in the accounts before you, for it was taken into account when the stock of sugar in hand was valued. The change will, of course, operate as regards the entire production during the coming campaign. As you are doubtless aware, there has been a general advance in the price of most manufacturing requisites and, in common with other concerns, your company has been obliged to purchase much of its requirements of iron, steel, timber, chemicals, coal, etc., at the higher prices now obtaining. Most of the boiler-house coal is obtained from home collieries—in fact, your company has taken all the suitable coal which these collieries could supply—and I am glad to say that the main supplies of imported coal for the coming campaign were purchased on favourable terms some months ago.

TRIBUTE TO STAFF

The results of the year's operations, as set out in the accounts before you, could not have been achieved without the loyal and efficient co-operation of the staff of all grades at the Head Office and at the factories. All have shown a keen interest in their work and have willingly and cheerfully responded to the calls made upon them. On behalf of your board, I would again tender thanks to them.

CHAIRMAN'S RETIREMENT

From the report before you, you will have observed that under the articles of association it fell to me, as a director appointed by the Minister for Finance, to retire this year from the board. I intimated to the Minister that I did not seek reappointment and that I desired to relinquish my post in the company's service, and he has been good enough to accede to my wish and to arrange for my resumption of duties in the Civil Service. This is, therefore, the last occasion on which I shall have the honour of presiding at a general meeting of your company. I have been associated with the company throughout all its stages for, as some of you know, I served as a member of the committee which was responsible for much of the preliminary work which led up to its establishment. I have, therefore, derived much satisfaction from being able to report to you, year after year, the continued progress and success of the undertaking in the launching and direction of which I have been privileged to participate. I am conscious of and grateful for the assistance rendered me on many occasions, in my capacity as chairman of your board, not only by my colleagues, but also by the Ministers and the State Departments with whom your company's affairs have brought me into contact. Though I shall no longer be associated with the company it has, needless to say, my earnest hopes for its continued progress.

The report and accounts were adopted.

McDOUGALLS TRUST, LIMITED

SATISFACTORY YEAR

The fourth annual general meeting of McDougalls Trust, Limited, was held, on the 28th instant, at the registered offices, 3 Thames House, Queen Street Place, London, Mr Kenneth A. E. Moore (the chairman of the company) presiding.

The Chairman, in the course of his speech, said:—The trading profit of McDougalls, Limited, for the year ended March 31, 1937, amounted to £260,340, as compared with £208,044 in the previous year, and as compared with average profits of £160,842 disclosed in the prospectus issued in 1933. I make this comparison to emphasise the statement in the directors' report that last year was "an exceptionally good year" in the literal sense of those words. As a matter of fact, both profits and sales constituted a record.

During the past year the wheat market has been subject to violent fluctuations, and we have had no alternative but to adjust our selling prices both upwards and downwards from time to time during the period. McDougalls Self Raising Flour is retailed as a proprietary article principally in bags of from 1 lb. to 3 lb. in weight, and so far as possible we avoid alterations in our selling prices because, apart from any other aspect of the matter, the currency of this country does not lend itself to fine adjustments in the retail price of such small units. We particularly dislike having to increase our selling prices beyond a certain point, because, however much the increase may be justified by rising wheat prices, we find, in common with others, a certain resistance on the part of consumers which tends to restrict sales. You will appreciate, therefore, that we would much prefer stability of wheat prices on a moderate level rather than the wide fluctuations that have been experienced in recent times.

POLICY OF SPECIALISATION

We continue, of course, to meet with considerable competition, but in this connection we believe that one of the keys to the success of our business is that the whole of our efforts are concentrated upon the manufacture and sale of one article—McDougalls Self Raising Flour. By intense specialisation we are able to mill exactly the right type of flour, to pack it efficiently and economically, and thus to sell to the distributive trades a proprietary article of unvarying and highest quality at a fair price.

We adopt a policy of specialisation. We could wish that some of the larger retail grocery organisations would equally follow, as in the past, a similar policy by confining themselves to their primary function of distributing as distinct from manufacturing. We believe that such a policy would be to their benefit as well as ours.

During the past year our new packing warehouse at Millwall has been completed and is now in full operation. It is equipped with the very latest automatic machinery, and, if any of our shareholders would care to visit our mills and see how McDougalls Self Raising Flour is milled and packed, we shall be happy, on hearing from them, to arrange to show them round.

PROFITS AND DIVIDENDS

To return to financial matters, you will observe that of the profit of £260,340 dividends paid to McDougalls Trust, Limited, absorb £202,000, staff bonuses £5,000, and that £53,340 has been retained in the business in the form of reserves and increased carry-forward. We have no doubt that you will approve the directors' policy of adding to our reserves in times of prosperity.

Turning now to the accounts of McDougalls Trust, Limited, you will see that the net revenue for the year amounted to £201,951. After provision for income tax and preference dividends and setting aside £10,000 as a reserve against our trustee investments, the balance available enables the directors to recommend the payment on the ordinary shares of a final dividend of 4 per cent. and a bonus of 2 per cent.—making a total of 10 per cent. for the year—which will leave a balance of £37,817 to be carried forward.

Our object in distinguishing in our recommendations between final dividend and bonus is to remind shareholders that it is only when the profits of the operating company exceed the long-term average that a bonus is likely to be forthcoming, but, to avoid any possibility of misunderstanding, I should mention that these remarks are general and not specific, and that, in fact, the trading profits of the operating company for the first four months of the current financial year have been most satisfactory.

The report and accounts were unanimously adopted.

FURNESS, WITHY AND COMPANY, LIMITED

ORDINARY DIVIDEND RESUMED

IMPROVEMENT IN SHIPPING

LORD ESSENDON'S ADDRESS

The forty-sixth annual general meeting of Furness, Withy and Company, Limited, was held, on the 28th instant, at Furness House, Leadenhall Street, London, E.C., the Lord Essendon (the chairman) presiding.

The Chairman, in the course of his speech, said that it was with no little pleasure that the directors submitted the accounts for the past year, which enabled them to fulfil the hopeful anticipation which he had ventured upon a year ago of recommending the payment of a dividend upon their ordinary share capital after a lapse of three years in an otherwise unbroken record of forty-six years.

The profit and loss account reflected the improvement which had set in in 1935 and continued quietly throughout 1936. As a result, there was a profit for the year after providing for expenses of every description of £544,744, an improvement of approximately £130,000. A dividend of 3 per cent. per annum, less income tax, was recommended on the ordinary capital of the company.

INCREASED INVESTMENT IN ROYAL MAIL LINES

Since the close of their financial year they and their associated companies had increased their investment in the Royal Mail Lines, Limited, by the acquisition of a further substantial block of shares. They had many interests in common with the Royal Mail Company; they were closely associated in the South American and the North Pacific Coast trades, and since the Royal Mail Lines, Limited, was incorporated in its present form it had made steady progress both in respect of earnings and in building up a strong balance-sheet position. The directors were satisfied that this investment would be the means of expanding the company's interests in a profitable manner.

Their subsidiary companies consisted of fourteen, of which six were shipowning companies and eight were other than shipowning, and although four of the shipping companies had paid no dividend on their ordinary capital last year, they had been able quite materially to strengthen their positions and add to their internal resources. The Prince Line, in particular, had benefited substantially from the improved trading conditions which had been experienced in all their trades with the exception of the New York-South African service, in which the conflict of interests had continued throughout the year, and in consequence freight rates had remained on an absurdly low level. He was glad, however, to say that some small progress had recently been made towards a better understanding, and although the competition of non-Conference lines continued, freight rates had been advanced, so that he hoped it might be possible to avoid further losses in this trade.

IMPROVED CONDITIONS

It was an obvious deduction from the facts and figures before shareholders that shipping had experienced a considerable improvement in the past year, but he thought it was to be regretted that so much should be written of what were described as "boom" conditions. It was no doubt a fact that some tramp ships, which were free to take the fullest advantage of market conditions, had recently made substantial profits, but those same ships usually felt the effects of depressed conditions more quickly and more severely than liners. There was always a time lag in the case of liner shipping, and as a general rule liners neither plumbed the depths nor scaled the peaks to the same extent as tramps. None the less, the improvement in the case of liner shipping had been of a material nature, and there was good reason to anticipate that this improvement would continue for some time to come. However, lest he be regarded as over-optimistic, he had to point out that operating costs had advanced in practically every direction. All wage cuts had been restored; port labour costs had increased, coal and oil fuel had advanced, in some cases as much as 70 per cent.; stores cost more and repair costs were heavily up. All those items applied generally, but the increases were greater in some trades than in others.

BENEFITS OF CO-OPERATION IN SHIPPING INDUSTRY

Their plain duty was to protect themselves as best they might, and that gave him the opportunity of paying a tribute to the work of the Tramp Shipping Administrative Committee, in whose work the liners had collaborated. By their efforts minimum freight schemes had been established and maintained in a number of the most important tramp trades with most successful results. He sincerely hoped that means would be found of continuing co-operation within the shipping industry, in which, he was sure, the liners would give their full support. It was true that the mainspring of the minimum freight schemes and other measures which had so largely contributed to the better conditions now prevailing, was the subsidy paid to the tramp ships, but it seemed to him that if, in consequence of the conditions attached to the subsidy, shipowners were enlightened as to the possibilities and merits of co-operation, the need for the continuation of such co-operation would be even greater when the subsidy had been withdrawn, and it would be lacking in imagination to discard the benefits which had ensued therefrom.

He need make no apology for referring to the fact that in the discussions in which they were all deeply occupied a year or two ago on the subject of rationalisation, he had expressed his conviction that self-interest was sufficient to ensure the fullest measure of support for any practical scheme. Events had abundantly justified that conviction, and it was a matter of record which should be freely acknowledged that foreign shipowners had loyally supported the measures which were created under the influence of the tramp subsidy, but in which all sections of shipping, including liners and foreign owners, had benefited. He had no doubt, therefore, that foreign owners would continue to support any well-founded measures which might be evolved for continued co-operation in freight markets, even though it were from no higher motive than self-interest.

THE LINER TRADES

He wished it were possible to achieve the same measure of co-operation in the liner trades. It was true that in the majority of these trades there were established conferences, but it was equally true that in many cases there were both shipowners and shippers who, like the proverbial Irish, were always "agin the law." Conferences were originally established for the dual purpose of protecting shipowners from unfair competition and of guaranteeing shippers regularity of sailings and uniformity of freight rates. He knew of no single instance where such conferences had been made use of to exploit shippers, and yet the very fact of labelling a conference as a ring had conjured up in the minds of some of the shippers the idea that a conference was a band of wicked shipowners whose object was to force freight rates up to an exorbitant level.

It was probably true that to some extent the improvement in the shipping industry was due to the changeover in this country and elsewhere from disarmament to re-armament; in other words, while the effect had been good, the cause had been bad. It was the fear of war and the consequent belief in the necessity for economic nationalism which chiefly stood in the way of expanding international trade, upon which the future prosperity of the shipping industry largely rested. Granted peaceful conditions, he believed that in the next year or two, during which period high costs would prevent any excessive building of new ships, there would be a continuance of profitable trading for the shipping industry.

In that period it should be possible to bring about a revival of international trade so that by the time the effects of the re-armament policy began to wane there should lie before the shipping industry a further period of profitable trading, based on sounder foundations than those which underlaid existing conditions.

CONFIDENCE IN THE FUTURE

That they had faith in the future was apparent from the survey of their company's affairs which he had given them, and it might be of interest to them to know that they either owned or had a material interest in no less than 140 ships of about 1,150,000 gross tons, a fact which spoke for itself. It was impossible to disguise from themselves the fact that there were many matters of world-wide concern over which they had no control, and which might affect their undertakings either favourably or unfavourably—an extension of labour troubles and the stabilisation of currencies, to mention only one of each description which came immediately to his mind—but meantime they went forward in the confident belief that they were carrying out a policy approved by their shareholders and that they should be able to meet again a year hence with an acceptable account of their stewardship.

The report was unanimously adopted.

ANGLO-DUTCH PLANTATIONS OF JAVA, LIMITED

SUBSTANTIALLY IMPROVED POSITION

THE OUTLOOK FOR TEA AND RUBBER

The twenty-seventh ordinary general meeting of the Anglo-Dutch Plantations of Java, Limited, was held, on the 23rd instant, at 19 Fenchurch Street, London, E.C., Colonel Sir Robert Williams, Bart. (the chairman of the company), presiding.

The Chairman, in moving the adoption of the report and accounts, first announced his intention of vacating the chairmanship of the company after thirteen years of service in that capacity, while still retaining a seat on the board.

Continuing, he said: I commenced my speech in 1936 by expressing disappointment that the recovery in the price of commodities which began in 1934 had not fulfilled our hope and expectation by gathering further force in 1935; in fact, I described 1935 as a disappointing year. It is, therefore, with particular gratification that I am able to speak of the year 1936 as one of considerable improvement, as, indeed, I ventured to foreshadow last year.

Having dealt at some length with the figures in the accounts, he proceeded:—

TEA

In connection with the regulation of export scheme a resurvey of our various estates has been taking place. The latest figures give our tea area as amounting to 26,744 acres, all of which are in bearing with the exception of 161 acres. The crop figure for the year of 12,618,333 lb. included 442,281 lb. of leaf bought from the population and manufactured in our factories, whilst of the tea produced by ourselves 1,948,378 lb. were exported against licences purchased. Our standard assessment for 1936 was 18,711,968 lb., our exportable quota being, therefore, approximately 57 per cent. Our production, excluding bought leaf, gives an average yield of 458 lb. per acre, our standard assessment being the equivalent of just over 700 lb. per acre.

Climatically last year was a favourable one as regards tea. The tea market throughout 1936 showed very small variation. The price of common Indian tea at the first sale in January was quoted at 11⅞d. to 1s., whilst at the last sale in December of the same year it was quoted at 11¼d. to 11⅜d.; the average for all teas on January 9th was 1s. 1.18d., and the average for the whole year 1s. 1.07d. What change there was, therefore, was slightly in a downward direction.

On the other hand, the statistical position had been steadily improving, consequently, whilst stocks in bonded warehouses of the United Kingdom amounted to 302,000,000 lb. at the end of December, 1934, they had decreased to 265,000,000 lb. on the same date in 1935 and a further decrease to 234,000,000 lb. at the end of last year. This decrease in stocks has been much accelerated during the present year, and at the end of June they amounted to not more than 144,613,000 lb.

The gross profit from tea showed improvement, and amounted to f.958,748, against f.805,000 in 1935, including the profits made by the three subsidiary companies. This improvement was brought about by a decrease in the cost price from 6.91d. to 6.07d. per lb. and an improvement in the selling price from 9.05d. to 9.37d. per lb. Turning for one moment to the prospects for the current year, these are certainly encouraging. At last the regulation scheme has succeeded in relieving the market of the heavy weight of stocks which had been such a depressing influence for some years past.

RUBBER

The rubber area is 35,955 acres, of which 28,138 are in production. Actually we had last year 1,105 acres less in production than during the previous year, which is accounted for by our rejuvenation policy, to which I will refer later. The crop amounted to 12,197,951 lb., and of this amount 2,108,520 lb. was exported against licences purchased. Standard assessment for 1936 was 16,966,440, and of this 59½ per cent. was exportable.

For the current year our standard assessment, subject to certain small increases we still expect to receive on appeal, has been fixed at 17,196,521 lb., of which, so far as we are able to calculate at present, we expect to be able to export 77½ per cent.

Last year the amount exported was the equivalent of an average yield of 433 lb. per acre in bearing, whilst our standard assessment was equal to a yield of just over 600 lb. per acre. In the meantime, the replanting of our oldest areas with the most up-to-date planting material continues to be in the forefront of our policy. The gross profit from rubber last year, amounting to f.1,079,182, showed a satisfactory improvement compared with the previous year, namely f.755,000. With regard to the prospects for 1937, as I have already said, the smaller percentage of restriction means a considerably higher exportable crop. In addition, the selling price must show a satisfactory advance on that for 1936, while for 1938 we have already sold forward 4,250,000 lb. at an average of slightly under 11d. per lb. c.i.f.

Regulation so far has done its work satisfactorily inasmuch as during the three years of regulation world stocks have been reduced from approximately 730,000 tons at the end of 1934 to 454,000 tons at the end of 1936.

COFFEE

In my recent speeches I have always spoken about coffee pessimistically, and even now the general improvement in the commodity position is less evident in coffee than in any other product. Nevertheless, an improvement is taking place. At the price ruling to-day this product should not again show us a loss; in fact, we may reasonably hope to see some profit, especially as the crop prospects are more favourable than for some years past, and we hope to harvest in the region of 22,000 cwt.

The profit on cinchona shows very little variation from that of the previous year.

SOEKAMANDI

Last year I was able to forecast a considerable improvement in the result from this estate, and I am glad to say that this forecast has been justified. From the accounts of the local company you will see that the gross profits from sisal and tapioca amounted to something over 2,000,000 guilders. The area under sisal at December 31st last was 13,256 acres; of this 10,213 acres were on Soekamandi estate itself and 3,043 acres on other estates in close proximity. The crop obtained during the year was a record, amounting to 12,323 tons, compared with 8,104 tons in 1935 and 9,548 tons the previous year. The chief factor in the improved result was the better selling price, which advanced from an average of £14 5s. per ton in 1935 to £25 per ton in 1936. The factory worked at a high efficiency throughout the year. A high percentage of first-grade fibre was turned out, "A" grade amounting to 36 per cent., against 28 per cent., the highest previously obtained in any year, whilst the two standard grades "A" and "X" amounted together to 63 per cent. of the total outturn. The gross profit from sisal amounted to f.1,410,000—compared with a small loss for the previous year.

The total tapioca area, at December 31st, was 7,835 acres, of which just over half were on Soekamandi estate itself, the remainder being on neighbouring estates.

As with sisal, the selling price of tapioca showed distinct improvement, advancing from an average of £9 8s. 4d. per ton in 1935 to £12 11s. 8d. per ton in 1936.

The gross profit for tapioca was f.622,567, an improvement of roughly f.400,000 on the year before. Prospects for the current year are good. So far selling prices have been well maintained and the crop estimates are satisfactory, therefore we have reason to anticipate another good year on Soekamandi.

The engineering department has been very active throughout 1936, and we again congratulate Mr Cochrane and his staff on the year's work. The most important undertaking was the erection of the Tjinangling Power Station, which came into service on August 20th last. The completion of this power station practically doubles the company's available amount of power, as the new station is estimated to give a maximum of 2,300 h.p., and a minimum of about half this figure.

THE PRESENT MEASURE OF PROSPERITY

In conclusion, I must express my own and the board's satisfaction that once again we are able to present to shareholders a report and balance sheet indicating a return to a greater measure of prosperity. I would, however, like to utter one word of warning: prosperity at present is rather that of silver plate than of solid silver, by which I mean that the position cannot be considered as wholly satisfactory so long as many of our chief products are only able to enjoy prosperity under cover of regulation. As long as this continues, the foundation of prosperity is not secure, and it is the work of all the leaders in the various industries to work to make that prosperity solid which is at present only a surface covering. Whilst keeping production in check both by regulation of export and by prohibition of new plantings temporary prosperity can be achieved, permanent prosperity can only be assured when world consumption is brought level to potential production.

The report and accounts were unanimously adopted, and as a mark of appreciation of his invaluable services to the company the chairman was asked to accept a portrait in oils of himself, together with a replica to be hung in the board-room.

GOLD FIELDS RHODESIAN DEVELOPMENT COMPANY, LIMITED

INCREASED REVENUE AND PROFIT

MR D. CHRISTOPHERSON'S REVIEW

The twenty-fifth ordinary general meeting of this company was held, on the 29th instant, at the Institute of Chartered Accountants, London, E.C.

Mr D. Christopherson (the chairman), in the course of his speech, said:—The total profit for the year amounted to £266,353, as compared with £209,846 for the previous year, an increase of £56,507. This increase is practically all accounted for by revenue from dividends, interest, net profit realised by sales of investments and sundry receipts being £55,791 in excess of that which was shown for the former year. It is satisfactory to be able to state that the revenue from dividends and interest amounted to £67,821, being £6,791 more than last year. The interim dividend of 5 per cent. was paid in April last and the directors recommend a final dividend of 5 per cent.

WANDERER HOLDING

We still retain a large interest in the Wanderer Consolidated Gold Mines, Limited, from which we receive a very good return on the book value of our holding, the company paying dividends at the rate of 12½ per cent. on its £1 shares. With the higher tonnage milled, working costs have been reduced to 10s. 6.18d. per ton milled, a remarkably low figure, especially when consideration is given to the fact that this cost includes everything expended on development during the year. The latest information we have received goes to show that development at depth, both in the Wanderer section of the mine and the Ashton section, is highly encouraging.

During the year under review the Wanderer Company purchased the old Surprise mine where, from the old plans, it could be assumed there was a material amount of fully developed ore still remaining available for stoping and of good grade. The time taken to dewater and open up the mine was rather longer than was expected for various reasons. Up till now, as far as can be estimated, there may not be quite so much fully developed ore as we had expected, but the values come up to what was shown on the old plans. Exploration is now going on to establish, or otherwise, the continuance of the ore shoot beyond the horizon that had been reached when the mine closed down.

WITWATERSRAND INTERESTS

Our investments in Witwatersrand Mining Companies remain the same as last year, except for a few additions. We still retain our West Witwatersrand Areas, Limited, holding, having every confidence that in due time we shall receive a very fine return from this investment, not only from the benefits accruing to that company from shares in subsidiary companies already formed, received in consideration of the ground put in, but also from the rights we were entitled to take up and have taken up in working capital shares. Also, to my mind, there is no question but that, in due time, there will be further subsidiary companies formed carrying the same benefits.

As you will have seen, the Blyvooruitzicht Gold Mining Company has recently been formed by the Central Mining and Investment Corporation, Limited. Although not a subsidiary company of the West Witwatersrand Areas, Limited, that company is largely interested in same, having put certain ground into the new company in consideration for which the company will receive 684,000 shares and its shareholders were given the right to subscribe 2½ shares for every West Witwatersrand Areas, Limited, share held.

Our holding in Sub Nigel remains the same. This company continues, and is likely to continue, to make high profits, whilst development continues to expose extremely satisfactory values.

NEW INVESTMENTS

The three new investments made during the past year in Witwatersrand companies are in Libanon Gold Mining Company, Limited, which we acquired, and were well satisfied to acquire, through our holding in West Witwatersrand Areas, Limited, Vogelstruisbult Gold Mining Areas, Limited, and Luipaards Vlei Estate and Gold Mining Company, Limited.

Turning to our West Coast investments, we still have a large interest in the Ashanti Goldfields Corporation, Limited, from which we receive a substantial revenue by way of dividends. In meantime, development on those properties continues to expose very satisfactory values. We also still have a substantial interest in Gold Coast Selection Trust, Limited. In view of the holdings of that company, as set out in the report, your directors are well satisfied with this investment.

Apart from the indirect interest we have through our holding in Gold Coast Selection Trust, Limited, in the Ariston Gold Mines (1929), Limited, Marlu Gold Mining Areas, Limited, Amalgamated Banket Areas, Limited, and Bremang Gold Dredging, Limited, we have a direct interest in that we have a considerable holding in those companies.

OUTLOOK FOR CURRENT YEAR

For the current year it is difficult to prognosticate what the prospects are, so very much depending on how far world conditions may improve. We are only two months in our new financial year, and during those two months conditions have been such as to lead one to be particularly cautious in making any forecasts. It must also be borne in mind that last year, at any rate up to the latter end of April, was an exceptionally favourable one for profitable business by way of realising certain of our investments. So much was this the case that when I left for South Africa in the middle of February this year, it appeared practically certain that we should be able to recommend an additional 2½ per cent. dividend. At that time there was no indication whatsoever that it would be necessary to appropriate so much of the profits for depreciation purposes. This only emphasises how desirable it is to keep a company such as this in as sound a position as possible to meet unexpected setbacks as the one recently experienced.

The report and accounts were unanimously adopted.

SOUTHERN KINTA CONSOLIDATED, LIMITED

DIVIDEND OF 30 PER CENT.

The third ordinary general meeting of this company was held on the 26th instant, in London.

Captain Oliver Lyttelton, D.S.O., M.C., the chairman, in the course of his remarks said :—At the present rate of quotas the life of our properties may be estimated at anything from 15 to 25 years. The Government of Malaya has recently announced that those companies which are already at work in the field will be permitted to prospect and take up new areas. This opens up great possibilities of our being able to employ our cash profitably and to increase our ore reserves. If in the future we can no longer see profitable and rational use for our funds in the industry in this way we should propose to make a return of capital. But this is far from being so to-day.

The financial position of the company is particularly strong, its liquid resources amounting to the impressive figure of nearly £457,000. This figure has since increased, but is of course subject to the payment of the final dividend of 15 per cent., if confirmed by you, and of the interim dividend which your directors have declared.

The enhanced profit now shown is entirely from current operations and does not include, as it did last year, any special receipts from the sale of buffer stock. The profits now shown are entirely due to the increase in the percentage of assessment, which has risen from 51·52 per cent. to 68·75 per cent. The price upon which we have realised our first quarter's production for the current year is very much above this average of £204/£205.

The tin industry's prospects are bright. The consumption for 1937 may well reach a record figure. If my wishes could become facts, however, I would prefer a rather lower price for tin. I must once again say that the unknown factor in making any statistical forecast of the future is always the amount by which demand will exceed actual consumption.

The report and accounts were adopted and a final dividend of 15 per cent., less tax (making 30 per cent., less tax, for the year), was approved.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to:—

The Reporting Manager,
THE ECONOMIST,
8 Bouverie Street,
Fleet Street,
London, E.C.4.

Telephone: Central 8631

TANGANYIKA CONCESSIONS, LIMITED

BETTER POSITION AND OUTLOOK

Addressing the annual meeting of the Tanganyika Concessions, Limited, held on the 29th instant in London—at which General Sir F. Reginald Wingate, Bart., G.C.B., G.C.V.O., G.B.E., K.C.M.G., D.S.O., the chairman of the company, presided—Sir Robert Williams, the managing director, said:—When I addressed you last year, I said that there were encouraging features which led one to hope that better prospects were in view, and this has proved to be the case. It should be borne in mind, however, that the improvement in conditions which was then starting did not get fully into its stride until the present year and is not reflected in the accounts for 1936. The results for 1937 should be very much better.

The big improvement in the copper position since last year puts a very different complexion on the company's affairs generally. The Union Minière has been enabled to effect a most advantageous capital reorganisation, which paves the way for an era of increased dividends from that company. The taking up of a large number of new Union Minière shares should prove to be a very profitable transaction. The greatly augmented output of the Union Minière and the general improvement in trade, as well as a growing appreciation of the natural advantages of the line, have resulted in a progressive increase of traffic receipts on the Benguella Railway, and this should continue.

In co-operation with the Zambesia Exploring Company, you have acquired a direct interest in two valuable gold properties in Tanganyika Territory, thereby providing Kentan Gold Areas, in which you are largely interested, with finance for continuing development until the necessary funds can be raised by that company for the erection of a mill and the production of gold on an extensive scale.

Finally, after meeting all expenditure up to date, including provision for the redemption payments of the debentures of the African Railway Finance Company until the end of the year, you have a cash balance of some £260,000, and can look forward to improved results in the near future.

The report was unanimously adopted.

CITY OF SAN PAULO IMPROVEMENTS AND FREEHOLD LAND COMPANY LIMITED

IMPROVED LAND PRICES

The twenty-fifth ordinary general meeting of the company was held, on the 29th instant, in London, Mr Herbert Guedalla, F.C.A., presiding.

The Chairman, after dealing with the balance sheet and referring to the auditors' report thereon, said that the decrease in the surplus from land sales, etc., of £21,472 was mainly accounted for by the fact that in the previous year's sales there was included an area of land formerly earmarked as gardens and standing at no cost in the balance sheet, which produced £16,550. A dividend of 7½ per cent. from the subsidiary, the San Paulo Mortgage and Finance Company, Limited, had been included.

The balance of £281,070 to the credit of profit and loss account was subject to any adjustment in exchange which might be made in future. Prices received for land sold in all estates showed important improvement. The Stadium and roadway construction in Pacaembú were making that estate ripe for sale, and would probably provide chief sales in near future. Other districts were being affected by road construction and development schemes. During the current year a large factory site in Lapa had been sold. Of the debtors for land sales, 3 per cent. only were in arrear. A few contracts might be subject to cancellation, as stated by the auditors, but it was impossible to anticipate the result.

Conditions in San Paulo had been favourable and relations with the Municipality were excellent. On the question of exchange it should be noted that both exports and imports had increased in 1936 with a net improvement in the Brazilian balance of trade. It was to be hoped that this would lead to increased confidence, such as was shown by the recent agreement with the United States to provide 60 million dollars, but the ultimate effect on exchange could not yet be foreseen. The directors were not satisfied that the time had arrived for altering the basis of the accounts (taking milreis at 6d., and writing off differences on remittances), as the assets consisted of land which will take a long period to dispose of and debtors who were repaying by monthly instalments over, say, ten years.

The report and accounts were adopted.

THRELFALL'S BREWERY COMPANY, LIMITED

CONTINUED PROGRESS

The fiftieth annual general meeting of Threlfall's Brewery Company, Limited, was held, on the 28th instant, in London.

Major Charles M. Threlfall, J.P. (the chairman), said:—It is a pleasure to my colleagues and myself to be able again to submit accounts showing improved results and to report continued progress in the development of our business. As you will appreciate from the figures now before you, we have had a very good year and an appreciable expansion in our sales has taken place.

A pleasing feature is the very definite improvement which has manifested itself in connection with the shipping trade of Merseyside and the Lancashire cotton trade. This factor has undoubtedly had a most beneficial effect upon the business of your company's houses which are situated in these important areas.

We are faced, however, with increased prices of manufacturing materials and considerably enhanced costs in respect of our building operations. Taxation continues to increase, and, in common with other companies, we shall have to bear our proportion of the National Defence Contribution.

In accordance with the policy of your board an extensive programme of reconstruction and renovation of our various licensed establishments is proceeding, and during the year under review a large number of hotels have been dealt with. Additional ones are in process of erection, and every opportunity is being taken to acquire sites in new areas. As you will appreciate, it is essential for this purpose that we should have ample cash resources always available, and the proceeds of the sale of the Wigan properties during the year—of which I informed you in my speech 12 months ago—will be employed usefully in the furtherance of our schemes of development.

After deducting interest on debenture stock, interest on deposits, directors' fees, compensation levy, and adding transfer fees and bank interest, there is a net profit of £303,835 19s. 9d. for the year, which, together with the carry forward from last year, makes a total of £643,668 2s. 6d. to be dealt with.

The report was unanimously adopted and a dividend of 18 per cent. for the year on the ordinary shares was approved.

SCRIBBANS AND COMPANY, LIMITED

THE RISE IN PRICES

The tenth annual general meeting of this Company, was held, on the 27th instant, in London, Mr Philip E. Hill (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that last year he had told the shareholders how the rise in the price of raw materials had adversely affected their profits, and he had expressed the personal opinion that they were going to see a further rise. Unfortunately, that had proved correct, with the result that their profit on trading for the year now under review amounted to £150,085, compared with £193,348 for the previous year. That setback in their profits had been entirely due to the higher prices for the commodities which they used, coupled with increased labour costs.

Scribbans's products had a high reputation for quality, and that the directors were determined to maintain. That policy was at the moment expensive, but they were satisfied that it was the soundest in the best interests of the business. The obvious solution of their difficulties would be to make some slight increase in the price to the consumer, and that, he felt certain, would ultimately have to be done, but so far it had been found impossible to obtain concerted action throughout the trade. The increased cost of commodities during the last two years had really been staggering, and, whilst they were naturally disappointed at the smaller profits resulting, the great resilience of their business should afford them satisfaction clearly pointing, as it did, to the fact that on a return to more favourable conditions of trading considerably increased profits should be available. In the meantime they might in all probability have to experience a further rise in the price of commodities. The remarks he had made applied mainly to the business of Scribbans; he was satisfied with the prospects of their subsidiaries.

The large number of new accounts opened during the year spoke volumes for the ability and energy of their selling organisation, and he would like to take that opportunity of personally thanking them for what they had done and were continuing to do. He regretted that he was unable to speak more encouragingly, but he felt confident that the expansion of their business would be maintained.

The report was unanimously adopted.

FINANCE AND INDUSTRIAL TRUST, LIMITED

IMPROVED POSITION AND PROSPECTS

The thirty-third ordinary general meeting of the Finance and Industrial Trust, Limited, was held, on the 28th instant, at Winchester House, London.

Mr E. B. Ridsdel (the chairman) in the course of his speech said:—You will see that the profit earned was £5,867 from the sale of investments and £3,712 from dividends, interest and underwriting commission, which, after allowing for administration expenses, resulted in a net profit of £8,321. After providing for the dividend on the preference shares for the current year, we have available a sum of £6,462, and propose to pay a dividend on the ordinary shares of 5 per cent., less tax, which will absorb £5,481, leaving to be carried forward £981, as against £376 brought in.

Referring to the balance sheet, our principal investments are in rubber companies, the percentage being 43 per cent. of our total investments. Our liquid position as disclosed by the balance sheet is sound, which is equal to 31 per cent. of our total capital account.

As you all know, it is very difficult to invest money to-day with any degree of safety to yield a reasonably good return, but it is possible to earn 7½ per cent. to 10 per cent. in good rubber shares. One must, of course, realise that rubber is not a "gilt edge" security, and we have seen so many ups and downs, but I have a strong feeling that for the next few years rubber shares will prove a remunerative investment.

We have invested in Thistle Etna Gold Mines, Limited, the sum of £8,000, the present market capitalisation of which is nearly £13,000, and as this mine is now reaching the profit-earning stage we hope to reap a good return on this investment. The balance of our investments is as to 18 per cent. in tin mining and 21 per cent. in industrial companies.

It is not possible to forecast the future, but I hope now we have got our arrears of preference dividend out of the way we shall be able to do something more for the ordinary shareholders than we have done in the past year.

The report and accounts were unanimously adopted.

BUKIT MERTAJAM RUBBER COMPANY, LIMITED

DIVIDEND INCREASED TO 12½ PER CENT.

The twenty-eighth ordinary general meeting of Bukit Mertajam Rubber Company, Limited, was held, on the 28th instant, at Winchester House, Old Broad Street, London, Mr A. F. Goodrich, the chairman, presiding.

The chairman, in the course of his speech, said that they harvested 3,630,681 lb., compared with 2,415,887 lb. for the previous year, and the net profit stood at the satisfactory figure of £63,053 as compared with £26,166, the increase being due to a full year's possession of their new areas and the improvement in the average price obtained of 9·15d. per lb. London landed terms as compared with 6·55d. per lb. for the previous year.

The directors recommended a final dividend of 7½ per cent., making 12½ per cent. for the year, as compared with 8 per cent. for last year.

Since the issue of the report they had received telegraphic advice from their agents in Penang and Singapore that the assessment for 1937 for Kedah and Jabor Valley Estates had been increased to 6,005,079 lb. The directors were still not satisfied with the Jabor assessments and their Singapore agents advised they were taking the necessary steps which the directors trusted would result in a further 200,000 lb. being granted.

The release at present was 90 per cent. of the standard, as against 66⅔ average for the past year, and they anticipated producing that larger crop at a reduction in the f.o.b. cost per lb. for 1936–37.

They had sold forward for delivery April, 1937, to March, 1938, a total of 636 tons, equal to about 30 per cent. of the total crop for this financial year at 9·63d. London landed terms.

The Rubber Regulation Scheme had continued to work satisfactorily throughout the year, and there was little doubt but what it would be extended for a further period.

Mr J. K. Swaine, referring to the Kedah and their new Jabor Valley property, said he could assure the shareholders that labour and health conditions were excellent and the estates were being soundly and economically run.

The report was unanimously adopted.

KRUSCHENS GRIFFITHS HUGHES PROPRIETARIES

PROFIT £234,401

The third ordinary general meeting of Griffiths Hughes Proprietaries, Limited, was held on July 28th, at Salford, Manchester.

Sir Bertram Hyde Jones, K.B.E. (the chairman), said how much the board regretted the big drop in profits to £234,401 for the last financial year, a large part of which was due to the heavy devaluation of currency in certain of the company's big markets. Another factor was the constitutional crisis over here, and a third was the projected Medicine Tax which results in retailers keeping as small a stock of the company's products as possible until the Budget was out. Large amounts also had been spent in developing new lines.

While it was unfortunate that so many diverse factors should have affected them simultaneously, the most serious factors were not likely to recur together and money spent on advertising new lines and developing certain old ones would prove profitable investments. They could, of course, have placed the money spent on development to a special development fund, but they preferred to deal with it by treating it as an expense chargeable this year. They hoped shareholders would agree with the board in their determination to keep the balance sheet free from what he might describe as "financial moss."

As to the results of this year's trading, he preferred not to express an opinion. The board were doing their utmost to build and strengthen their business so that it might withstand whatever buffets fate might have in store and at the same time be able to bear the weight of an increasing trade and prosperity. Looking ahead, as the shackles were gradually cast off international trade, so would the company further benefit from its widespread export trade. For currency and other reasons some of their markets had shown large, though, they believed, only temporary, decreases in profits, but at the same time in other markets they had considerably increased their business. Profits, too, would be increased as their expenditure on new lines began to bear fruit, of which there were already welcome indications.

The report and accounts were unanimously adopted, and the payment of the final dividend of 6 per cent., less tax, was approved.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 24, 1937, amounted to £13,480,694, against ordinary expenditure of £12,687,656. After allowing for an increase in Exchequer Balances of £148,038, the operations for the period, as shown below, reduced the gross National Debt by £645,000, to approximately £7,987 millions.†

(000's omitted)

	£		£
Public Department Advances ...	+ 3,940	Treasury Bills ...	— 4,245
		National Savings Certs. ...	— 100
		Other Debt under War Loan Acts ...	— 10
		New Sinking Fund ...	— 230
	+ 3,940		— 4,585

† Including £575 millions on account of Exchange Equalisation Fund.

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An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

Revenue	Total Receipts into the Exchequer: April 1, 1936, to July 25, 1936	April 1, 1937, to July 24, 1937	Week ended July 25, 1936	Week ended July 24, 1937
	£	£	£	£
ORDINARY REVENUE				
Inland Revenue—				
Income Tax	23,274,000	26,386,000	2,506,000	2,662,000
Sur-tax	4,860,000	5,640,000	220,000	160,000
Estate, etc., Duties	27,440,000	29,190,000	1,520,000	1,500,000
Stamps	5,330,000	5,500,000	460,000	300,000
Other Inland Revenue Duties	110,000	130,000	10,000	10,000
Total Inland Revenue	61,014,000	66,846,000	4,716,000	4,632,000
Customs and Excise—				
Customs	65,856,000	70,392,000	4,940,000	5,136,000
Excise	33,100,000	35,200,000	600,000	2,400,000
Total Customs and Excise	98,956,000	105,592,000	5,540,000	7,536,000
Motor Vehicle Duties‡	5,747,000	5,906,000	...	...
Post Office (Net Receipt)	6,400,000	6,030,000	1,600,000	1,000,000
Crown Lands	520,000	500,000	230,000	240,000
Receipts from Sundry Loans	2,031,019	1,741,173	...	2,377
Miscellaneous Receipts	1,886,160	2,027,205	48	70,317
Total Ordinary Revenue	176,554,179	188,642,378	12,086,048	13,480,694
SELF-BALANCING REVENUE				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	18,350,000	19,770,000	750,000	950,000
Total	194,904,179	208,412,378	12,836,048	14,430,694

Expenditure	Total Issues out of the Exchequer to meet payments: April 1, 1936, to July 25, 1936	April 1, 1937, to July 24, 1937	Week ended July 25, 1936	Week ended July 24, 1937
	£	£	£	£
ORDINARY EXPENDITURE				
Interest and Management of National Debt	84,797,392	87,155,495	378,726	350,871
Payments to Northern Ireland Exchequer	1,738,913	2,094,164	248,464	256,785
Other Consolidated Fund Services	922,699	1,427,002	...	...
Total	87,459,004	90,676,661	627,190	607,656
Total Supply Services (excluding Post Office and Broadcasting)‡	165,291,000	171,766,950	11,976,000	12,080,000
Total Ordinary Expenditure	252,750,004	282,443,611	12,603,190	12,687,656
SELF-BALANCING EXPENDITURE Post Office Vote and Vote for Broadcasting	18,350,000	19,770,000	750,000	950,000
Total	271,100,004	282,213,611	13,353,190	13,637,656

‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate revenue from April 1, 1937, to July 24, 1937, is shown below:—

(000's omitted)

	£		£
Expenditure	262,443	Revenue	188,642
		Decreases in balances	207
		Gross borrowing ... £71,439	
		Less:—	
		New Sinking Fund* 2,146	
		Old S. Fund, 1907–8 9	
		Net borrowing	73,594
	262,443		262,443

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

Ways & Means Advances Outstanding:	July 25, '36	Mar. 31, '37	July 24, '37	Movement Week ended July 24, '37
	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	26,820,000	23,535,000	28,690,000	+3,940,000
Treasury Bills outstanding	807,410,000	674,595,000	851,250,000*	—4,245,000
Total Floating Debt	834,230,000	698,130,000	879,940,000	— 305,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £40,000,000 Treasury Bills were opened on July 23, 1937. The amount applied for was £89,805,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 4d. about 19 per cent. and above in full; Saturday at £99 17s. 5d. and above in full. The average rate per cent. was 10s. 4·30d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£ s. d.	
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
July 16, 1937	35,000,000	79,020,000	35,000,000	0 10 0·99
July 23, 1937	40,000,000	89,805,000	40,000,000	0 10 4·30

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended July 3, 1937	630,810	473,107
Week ended July 10, 1937	568,468	426,351
Week ended July 17, 1937	579,052	434,289

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, is £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, JULY 28, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued:—		Government Debt	11,015,100
In Circulation	498,338,710	Other Government Securities	185,134,969
In Banking Department	28,067,915	Other Securities	3,835,808
		Silver Coin	14,123
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	114,410,022
Rest	3,551,532	Other Securities:—	
Public Deposits*	10,528,723	Discounts and Advances £5,811,909	
Other Deposits:—		Securities £20,815,435	
Bankers £104,259,233			26,627,344
Other Accounts £37,322,336		Notes	28,067,915
	141,581,569	Gold and Silver Coin	1,109,543
	170,214,824		170,214,824

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

Both Departments	Amount, July 28, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	498,338,710	+ 5,205,349	+ 49,767,951
Public deposits	10,528,723	— 6,973,634	— 31,763,439
Bankers' deposits	104,259,233	+ 7,077,903	+ 29,036,162
Other deposits	37,322,336	— 827,401	— 2,049,135
Total outside liabilities	650,449,002	+ 4,482,217	+ 44,991,539
Capital and rest	18,104,532	+ 44,084	— 19,110
Government debt and securities	310,560,091	+ 8,047,623	— 43,910,138
Discounts and advances	5,811,909	— 18,177	— 1,326,393
Other securities	24,651,243	— 3,642,676	+ 4,256,904
Silver coin in issue department	14,123	+ 2,772	— 615,868
Coin and bullion (bank's reserves)	327,516,168	+ 136,759	+ 86,567,924
Reserves of notes and coin in banking department	29,177,458	— 5,068,590	— 23,200,027
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	19·1%	— 3·3%	— 14·2%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	50·3%	+ 0·2%	+ 10·5%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
July 7	526,407	494,425	15,255	88,541	37,155	Nil	2
,, 14	526,407	493,408	29,121	89,173	37,129	Nil	2
,, 21	526,407	493,133	17,502	97,181	38,150	Nil	2
,, 28	526,407	498,339	10,529	104,259	37 322	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio	Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	£	£	£	£	%
1937								
July 7	195,098	4,889	327,294	96,625	9,035	20,433	32,870	23⅛
,, 14	195,162	4,829	327,354	103,961	8,819	20,743	33,949	22⅝
,, 21	195,064	4,925	327,379	107,449	5,830	23,369	34,246	22⅜
,, 28	196,150		327,516	114,410	5,812	20,815	29,177	19⅛

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to July 14	20,691,361	1,195,133	2,068,514	23,955,008
Week ended July 21	659,461	42,460	73,238	775,159
Week ended July 28	678,008	41,681	65,771	785,460
Total to date, 1937	22,028,830	1,279,274	2,207,523	25,515,627
Total to date, 1936	19,136,193	1,166,399	1,999,060	22,201,652
Increase or decrease in 1937	+2,892,637 = 15·6%	+112,875 = 9·7%	+ 208,463 = 10·4%	+3,313,975 = 14·9%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+ 2,595,781 = 8·0%	+ 152,508 = 8·1%	+ 308,534 = 9·6%	+3,056,823 = 8·2%

PROVINCIAL

(000's omitted)

	Week ended July 24		Month of June			Aggregate Totals January 1 to July 24	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days:			25	26			
	£	£	£	£	%	£	£
BIRMINGHAM	2,162	2,262	9,988	10,853	+ 8·6	77,494	79,577
BRADFORD	844	1,026	3,592	4,280	+19·1	28,705	31,356
BRISTOL	1,218	1,211	4,905	5,896	+20·2	37,348	37,897
DUBLIN	4,806	4,899	—	—	—	169,574	175,532
HULL	703	857	3,221	3,770	+17·0	23,996	27,277
LEEDS	867	917	3,455	4,191	+21·3	27,756	30,816
LEICESTER	631	790	2,802	3,282	+17·1	21,656	22,682
LIVERPOOL	5,370	6,709	23,279	27,683	+18·9	178,814	210,878
MANCHESTER	8,507	9,273	39,719	48,340	+21·6	296,216	328,920
NEWCASTLE	1,282	1,321	5,336	6,165	+15·5	38,348	42,799
NOTTINGHAM	454	440	1,808	2,175	+20·2	15,092	15,621
SHEFFIELD	776	1,036	4,119	4,622	+12·2	29,190	32,593
	27,620	30,741	102,224	121,257	+18·6	944,189	1,035,948

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in *The Economist* for August 15. Turkey in June 26. Egypt, in July 3. Bank of International Settlements, Denmark, Lithuania, in July 10. Hungary, Federal Reserve Reporting Members, in July 17. India, Italy, Austria, Netherlands, Japan, Argentina, Czechoslovakia, Jugoslavia, Roumania, Poland, Finland, Latvia, Danzig, in July 24.

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

U.S.F.R. BANKS RESOURCES	July 30, 1936	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937
Gold Certificates on hand and due from the Treasury	8,185,530	8,835,410	8,835,410	8,833,900	8,833,900
Total reserves	8,500,280	9,123,470	9,152,780	9,162,810	9,167,490
Total cash reserves	303,080	277,660	307,820	318,930	323,660
Total bills discounted	3,670	13,020	15,050	12,170	15,220
Bills bought in open market	3,090	3,670	3,590	3,280	3,200
Total bills on hand	6,760	16,690	18,640	15,450	18,420
Industrial advances	29,580	21,780	21,760	21,660	21,600
Total U.S. Govt. securities	2,466,750	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,466,620	2,564,660	2,566,590	2,563,310	2,566,200
Total resources	11,637,790	12,436,190	12,594,740	12,489,870	12,439,530
LIABILITIES					
Federal Reserve notes in actual circulation	3,951,100	4,252,420	4,213,900	4,197,870	4,193,410
Aggregate of excess member-bank reserves over requirements	3,050,000	880,000	960,000	870,000	810,000
Deposits—Member-bank—reserve account	6,016,170	6,826,710	6,927,950	6,858,300	6,775,500
Government deposits	466,210	100,940	90,230	183,740	227,820
Total deposits	6,780,210	7,212,350	7,292,810	7,299,870	7,308,740
Capital paid in and surplus	302,180	305,700	305,800	305,860	305,750
Total liabilities	11,637,790	12,436,190	12,594,740	12,489,870	12,439,530
Ratio of total reserves to deposit and F.R. note liabilities combined	79·2%	79·6%	79·5%	79·7%	79·7%
U.S.F.R. BANKS AND TREASURY COMBINED RESOURCES					
Monetary Gold Stock	10,642,000	12,376,000	12,423,000	12,404,000	12,433,000
Treasury and National Bank Currency	2,496,000	2,552,000	2,551,000	2,553,000	2,574,000
LIABILITIES					
Money in Circulation	6,123,000	6,524,000	6,457,000	6,436,000	6,424,000
Treasury Cash and Deposits with Federal Reserve Banks	2,907,000	3,612,000	3,640,000	3,711,000	3,804,000

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

	July 30, 1936	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937
Total gold reserves	3,297,590	3,368,820	3,432,940	3,463,770	3,451,400
Total bills discounted	2,730	5,710	8,570	5,840	7,100
Bills bought in open market	1,110	1,410	1,340	1,130	1,130
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	671,680	738,040	740,820	737,780	739,120
Deposits—Member-bank—reserve account	2,721,020	2,956,830	3,026,780	3,000,620	2,948,010
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·5%	83·9%	83·9%	84·2%	84·0%

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

ASSETS	July 27, 1936	June 28, 1937	July 5, 1937	July 12, 1937	July 19, 1937	July 26, 1937
Gold and English sterling	16,004	16,011	16,011	16,009	16,009	16,009
Other coin, bullion and cash	6,996	5,532	5,236	5,665	5,304	5,676
Money at short call—London	18,823	36,484	31,553	31,228	33,976	33,692
Short-term loans	3,223	2,567	4,186	3,705	3,566	2,956
Securities	75,335	76,591	76,590	76,590	76,587	76,587
Discounts and advances	8,529	9,328	10,391	10,336	10,495	10,486
LIABILITIES						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	66,681	86,784	84,773	84,205	85,882	85,358

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

ASSETS	July 20, 1936	June 28, 1937	July 5, 1937	July 12, 1937	July 19, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	22,127	21,542	19,746	20,096	20,589
Advances to State	191	4,954	4,985	5,128	5,004
Investments	2,035	2,906	2,906	2,906	2,906
LIABILITIES					
Bank notes	10,065	12,630	12,696	12,624	12,580
Demand liabilities:— Government	8 876	7,361	5,972	6,450	6,121
Other	6,894	10,818	10,375	11,866	11,173
Ratio of reserves to sight liabilities	96·5%	79·0%	77·6%	77·5%	78·3%

BANK OF CANADA.—In $'s (000's omitted)

ASSETS	July 23, 1936	July 7, 1937	July 14, 1937	July 21, 1937
Reserve, of which	192,839	201,465	202,865	200,596
Gold coin and bullion	179,763	181,524	181,499	181,443
Investments	112,189	138,943	140,786	139,486
LIABILITIES				
Note circulation	100,113	135,801	136,177	136,723
Deposits: Dominion Government	17,454	12,333	13,749	12,538
Chartered banks	185,212	183,887	184,391	181,325
Ratio of reserves to notes and deposit liabilities	63·6%	60·5%	60·6%	60·6%

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

ASSETS	July 24, 1936	June 25, 1937	July 2, 1937	July 9, 1937	July 16, 1937	July 23, 1937
Gold coin and bullion	22,898	24,409	23,234	23,232	22,868	22,871
Bills discounted: Foreign	8,282	6,285	4,772	4,405	4,650	5,125
Investments	1,737	1,729	1,729	1,729	1,729	1,729
Other assets	11,662	11,599	12,458	11,390	10,623	10,643
LIABILITIES						
Notes in circulation	13,475	15,416	17,035	16,013	15,282	14,934
Deposits: Government	1,992	2,168	1,585	1,578	1,982	2,339
Bankers	23,903	18,526	17,569	17,476	17,125	16,629
Ratio of cash reserves to liabilities to public	53·6%	58·8%	58·5%	58·3%	58·8%	58·3%

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

ASSETS	July 24, 1936	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937
Gold	54,831,946	48,859,221	48,859,359	48,859,412	48,859,557
Advances on Gold Coin	1,276,826	1,099,156	1,099,156	1,005,234	1,099,156
Commercial Bills	9,058,823	11,394,964	11,192,215	9,980,005	10,309,980
Bills bought abroad	1,244,856	970,240	868 900	868,901	868,901
Advances on securities	4,368,936	5,342,729	5,036,376	4,935,448	4,759,762
Loans to State without interest: (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	5,274,600	22,166,269	23,913,748	23,886,810	21,379,738
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,368	5,641,368	5,641,368	5,641,368
Other assets (excluding forward exch.)	3,706,977	4,235,010	4,089,264	4,626,998	4,137,395
LIABILITIES					
Notes in circulation	84,543,739	88,686,728	88,643,277	88,414,988	87,911,175
Public deposits	1,941,055	2,088,239	2,206,816	2,962,022	3,031,165
Private deposits	6,233,556	11,920,996	10,326,329	9,066,904	9,104,801
Other liabilities	2,626,530	2,672,995	2,660,711	2,654,184	2,715,788
Ratio of gold reserve to sight liabilities	59·1%	47·5%	48·2%	48·6%	48·8%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936.
† Includes fcs. 10,644,398,000 Treasury Bills.

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

ASSETS	July 23, 1936	July 8, 1937	July 16, 1937	July 23, 1937
Gold	73,952	68,988	69,031	69,074
Of which deposited abroad	24,524	19,359	19,359	19,359
Reserve in foreign currencies	5,232	5,682	5,948	6,036
Bills of exchange and cheques	4,194,413	4,958,412	4,814,530	4,664,074
Silver and other coin	229,481	175,326	213,414	232,114
Advances	41,422	37,591	36,924	36,829
Investments	529,999	403,436	403,441	403,378
Other assets	578,785	706,425	704,769	715,641
LIABILITIES				
Reserves	473,561	493,177	492,997	492,997
Notes in circulation	4,033,540	4,793,340	4,666,009	4,577,586
Other daily maturing obligations	793,147	697,663	707,165	666,197
Other liabilities	203,036	221,880	231,906	240,386
Cover of note circulation	1·92%	1·55%	1·60%	1·64%

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

ASSETS	July 23, 1936	June 24, 1937	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937
Gold	3,740,184	3,688,204	3,755,667	3,702,832	3,681,028	3,658,560
Silver and other coin	55,563	50,724	47,564	44,096	43,994	44,035
Securities	1,410,635	1,390,977	1,420,686	1,405,865	1,397,750	1,385,586
Advances	77,212	32,965	34,799	32,686	33,489	32,944
LIABILITIES						
Notes in circulation	4,411,355	4,417,814	4,506,325	4,514,430	4,491,030	4,465,716
Deposits: Govt.	15,269	165,425	223,862	195,429	171,265	194,935
Other	1,046,071	766,032	714 503	659,031	677,365	644,548

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

ASSETS	July 25, 1936	June 26, 1937	July 3, 1937	July 10, 1937	July 17, 1937	July 24, 1937
Gold and silver	107,950	124,640	133,560	133,510	132,650	133,370
Discounts, advances and other investments	75,090	76,260	77,950	77,760	75,970	77,610
Foreign bills	2,260	4,900	4,880	4,630	5,070	5,360
Other assets	10,630	77,860	72,610	69,300	72,050	64,780
LIABILITIES						
Notes in circulation	156,090	193,800	197,670	201,910	197,420	194,740
Deposits and bills payable	28,100	76,090	77,700	69,310	74,930	72,940

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

ASSETS	July 23, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 15, 1937	July 23, 1937
Gold	1,431,092	2,624,360	2,624,397	2,624,407	2,624,414	2,594,415
Of which held abroad	194,814	534,469	534,469	534,469	534,468	534,469
Discounts	81,624	11,373	11,043	11,205	7,101	7,114
Confederation Bills	50,500	11,550	11,550	11,550	16,150	16,100
Advances	74,050	30,027	30,712	30,326	29,016	28,855
Securities	45,050	14,917	14,825	14,817	14,907	15,915
LIABILITIES						
Notes in circulation	1,245,941	1,330,213	1,408,616	1,379,253	1,482,222	1,371,622
Deposits	373,158	1,360,252	1,319,674	1,340,383	1,363,375	1,316,617

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

ASSETS	July 23, 1936	June 30, 1937	July 7, 1937	July 15, 1937	July 23, 1937
Gold reserve	433,383	464,968	465,192	465,547	465,844
Government securities: Swedish	28,500	2,000	2,000	2,000	2,000
Foreign	73,360	31,780	49,709	50,413	51,683
Gold abroad not included in the gold reserve	76,654	68,948	68,914	68,861	68,816
Balances with foreign banks	218,997	215,058	207,543	206,447	208,655
Bills payable in Sweden	10,970	12,633	12,598	12,451	22,766
Bills payable abroad	216,657	660,407	651,665	655,665	655,665
Advances	33,870	27,371	27,612	28,020	27,909
LIABILITIES					
Notes in circulation	705,974	872,098	806,496	812,296	788,751
Deposits: Government	190,877	212,371	162,064	149,605	139,548
Banks	312,555	573,508	686,106	700,003	743,072
Other	16,178	11,068	10,307	10,447	10,005

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

ASSETS	July 22, 1936	June 30, 1937	July 7, 1937	July 15, 1937	July 22, 1937
Coin and bullion (gold reserve)	118,865	118,843	118,843	118,843	118,843
Balance abroad and foreign bills	82,557	104,963	113,031	125,770	127,419
Funds provisionally placed in gold, not included in the gold reserve	76,248	75,921	75,921	70,331	70,331
Norwegian and foreign governments securities	41,434	79,869	79,781	82,232	83,689
Discounts and loans	221,664	180,076	174,171	165,420	166,510
LIABILITIES					
Notes in circulation	374,002	414,566	415,104	418,119	417,424
Deposits at sight	125,543	92,667	96,345	93,645	100,033

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

ASSETS	June 16, 1936	May 19, 1937	May 26, 1937	June 2, 1937	June 9, 1937	June 16, 1937
Gold	910,267	914,360	914,399	914,420	914,812	915,034
Balances abroad	530,794	617,062	613,756	606,650	590,044	586,546
Discounts	346,592	305,254	312,640	320,022	318,445	314,418
Securities	108,527	124,439	124,439	124,561	124,421	124,421
Government loans	1,045,511	1,042,900	1,042,900	1,042,900	1,042,900	1,042,900
LIABILITIES						
Notes in circulation	2,054,404	2,017,090	2,006,336	2,058,827	2,048,728	2,031,286
Government deposits	554,497	507,196	499,098	417,509	411,787	395,490
Bankers' deposits	388,894	594,902	614,953	620,169	616,717	667,635
Other deposits	63,967	101,057	100,039	132,341	113,774	90,234
Foreign commitments	34,682	43,193	44,466	44,413	44,391	44,391

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

ASSETS	July 7, 1936	June 15, 1937	June 23, 1937	June 30, 1937	July 7, 1937
Gold holdings	1,606,955	1,786,113	1,786,113	1,796,764	1,796,764
Balances abroad and foreign currencies	464,384	422,335	417,494	414,949	381,190
Discounts and advances	1,289,680	1,043,011	1,090,477	1,108,545	1,119,649
Advances to the Treasury	2,671,279	3,551,463	3,557,463	3,522,998	3,522,998
LIABILITIES					
Reserves	1,246,143	1,237,861	1,237,891	1,213,631	1,212,806
Bank notes in circulation	2,302,299	2,353,924	2,354,194	2,394,236	2,400,463
Sight liabilities	1,966,375	3,149,989	3,229,941	3,194,911	3,191,929
Deposits	122,778	104,737	103,212	103,090	103,090

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

ASSETS	July 15, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Gold and gold exchange	2,943,315	3,364,745	3,320,764	3,273,349	3,336,202
State Gold Bonds	566,697	543,026	543,026	543,026	543,026
Bills discounted	293,021	539,508	537,610	537,031	539,881
Advances	5,586,699	3,595,365	3,413,575	3,383,694	3,380,211
State Debt	3,605,111	3,557,205	3,557,205	3,557,205	3,557,205
LIABILITIES					
Notes in circulation	5,574,025	6,372,357	6,447,448	6,387,597	6,318,626
Deposit and current accts.	6,607,072	5,206,101	4,858,465	4,914,218	5,025,899
Foreign exchange liabilities	191,081	163,447	143,540	133,289	168,379

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

ASSETS	July 15, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 15, 1937
Gold coin and gold bullion	34,149	34,191	34,192	34,193	34,193
Net foreign exchange	3,776	15,888	17,534	17,849	17,798
Home bills discounted	9,472	12,354	12,435	12,009	11,797
Loans and advances	7,325	10,457	12,970	9,153	9,168
LIABILITIES					
Notes in circulation	37,995	44,509	42,901	41,671	41,603
Sight deposits and current accounts	26,039	35,098	40,772	37,495	37,306
Ratio of reserve to current liabilities	59·2%	62·9%	61·8%	65·7%	65·9%

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	July 22, 1937	July 23, 1937	July 24, 1937	July 26, 1937	July 27, 1937	July 28, 1937	July 29 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
3 months' do.	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
4 months' do.	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝
6 months' do.	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16
Discount Treasury Bills—							
2 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
3 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances: Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	¾	¾	¾	¾	¾	¾	¾

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
July 1	½–2½	9/16–⅝	⅝–11/16	¾–13/16	2–2½	2¼–2½	2½–3
„ 8	½–1	9/16	9/16–⅝	⅝–11/16	2–2½	2¼–2½	2½–3
„ 15	½–1	9/16	9/16–⅝	⅝–11/16	2–2½	2¼–2½	2½–3
„ 22	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2½	2¼–2½	2½–3
„ 29	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2½	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	July 23, 1937	July 24, 1937	July 26, 1937	July 27, 1937	July 28, 1937	July 29, 1937
New York, $	‡4·86⅝	4·97¼–98¼	4·96⅜–97	4·96⅞–98¼	4·97⅜–98¼	4·97¼–98¼	4·97⅛–97⅞
Montreal, $	4·86⅝	4·97½–99	4·96⅜–97	4·96¾–98⅜	4·97⅛–98¼	4·97⅜–98⅜	4·97⅛–98
Paris, Fr.	124·21	132⅝–133⅜	132⅞–133¼	132⅞–133 3/16	132 15/16–133⅜	132¾–133	132¾–133
Brussels, Bel.	35·00(a)	29·55–61	29·49–54	29·51–59	29·56–60	29·53–59	29·53–58
Milan, L.	92·46	94 7/16–11/16 / 94·69i	94 5/16–½ / 94·69i	94⅜–⅝ / 94·45i	94½–¾ / 94·60i	94 7/16–¾ / 94·65i	94 7/16–11/16 / 94·55i
Zurich, Fr.	25·22½	21·66–71	21·63–67	21·64–70	21·67–70	21·67–70	21·66–69
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225¾–226½	225¾–226½	225¼–226½	225¼–226½	225¼–226½	225¾–226¼
Madrid, Pt.	25·22½	70–100(l) / 62·75j	70–100(l) / 62·75j	70–100(l) / 62·75j	70–100(l) / 62·75j	70–100(l) / 62·75j	70–100(l) / 62·75j
Lisbon, Esc.	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm, Fl.	12·107	9·00–01¾	9·00–01½	9·01–02½	9·01½–02½	9·01½–04	9·02–03½
Berlin, Mk.	20·43	12·34–37	12·33–36	12·34–37	12·35–38	12·35–38	12·35–38
Registered Marks	(c)	41–46	41–46	41½–46½	41½–46½	41½–46½	41½–46½
Vienna, Sch.	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen.	27·82	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜
Prague, Kc.	§164¼	142⅜–143	142½–⅞	142⅜–⅞	142½–143	142½–⅞	142½–143
Danzig, Gul.	25·00	26⅛–⅝	26–26½	26–26½	26–26½	26⅛–⅝	26⅛–⅝
Warsaw, Zl.	43·38	26⅛–⅝	26–26½	26–26½	26–26½	26⅛–½	26⅛–½
Riga, Lat.	25·22½	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	617* / 627k	617* / 627k	617* / 627k	617* / 627k	617* / 627k	618* / 627k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit.	48·66	28¾–29¾	28¾–29¾	28¾–29¾	28¾–29¾	28¾–29¾	28¾–29¾
Sofia, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97½	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝
Br. India Rup.	† 18d.	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32
Hong Kong, $	† ...	14 7/16–½	14 7/16–½	14 5/16–⅜	14 5/16–⅜	14 5/16–⅜	14 5/16–⅜
Kobe, Yen	†24·58d.	13 15/16–14	13 15/16–14	13 15/16–14	13 15/16–14	13 15/16–14	13 15/16–14
Shanghai, $	† ...	14 3/16–5/16	14 3/16–5/16	14¼–5/16	14¼–5/16	14¼–5/16	14¼–5/16
Singapore, $	† 28d.	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼
Batavia, F.	12·11	8·97–9·01	8·97–9·01	8·97½–9·01½	8·97½–9·01½	8·99–9·03	8·98½–9·02½
Rio, Mil.	†5·899d.	3 7/32–¼f	3 7/32–¼f	3 7/32–9/32f	3 7/32–9/32f	3 7/32 f	3 7/32 f
B. Aires, $	11·45	16·44–49g / 16·12h	16·38–48g / 16·12h	16·40–47g / 16·12h	16·42–48g / 16·12h	16·43–48g / 16·12h	16·43–48g / 16·12h
Valparaiso, $	40	128e (l)	128e (l)	128e (l)	128e (l)	128e (l)	128e (l)
M'video, $	† 51d.	27¾–28¼ / 39⅞*b	27¾–28¼ / 39⅞*b	27¾–28¼ / 39⅞*b	27¾–28¼ / 39⅞*b	27¾–28¼ / 39⅞*b	27¾–28¼ / 39⅞*b
Lima, Sol.	17·38	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾
Mexico, Pes.	9·76	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Manila, Pes.	†24·66d.	24–24 3/16	24–24 3/16	24–24 3/16	24–24 3/16	24–24½	24–24½
Moscow, Rbls.	...	31⅜	31⅜	31⅜	31⅜	31⅜	31⅜
B'ngkok, Baht	†21·82d.	21½–22	21½–22	21½–22	21½–22	21½–22	21½–22

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23 11/16 since dollar devaluation on February 1, 1934. § Par, 197·10 5/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4¼d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement. (k) under Anglo-Turkish Agreement; (l) Nominal

II.—Forward Rates

(Closing quotations)

London on		July 23, 1937 Per £	July 24, 1937 Per £	July 26, 1937 Per £	July 27, 1937 Per £	July 28, 1937 Per £	July 29, 1937 Per £
New York, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	½–7/16	½–7/16	17/32–15/32	½–7/16	17/32–15/32	½–7/16
	2 „	15/16–⅞	15/16–⅞	1–⅞	15/16–⅞	1–⅞	1–⅞
	3 „	1 7/16–1⅜	1½–⅜	1½–1⅜	1½–1 7/16	1 9/16–1 7/16	1½–1 7/16
Paris, frs.		(d)	(d)	(d)	(d)	(d)	(d)
	1 Month	2⅝–2⅞	2½–⅜	2¾–2½	2–2¼	1¾–1½	1¼–1⅜
	2 „	4¾–5¼	4¾–5	3⅞–4⅛	3½–3¾	2¾–3	2½–2¾
	3 „	7⅛–7⅜	6½–6 9/16	5¾–5⅞	5¼–5½	4¼–4½	4–4¼
Amsterdam, c'nt		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	1⅛–⅝	1⅛–⅝	1⅛–⅝	1⅛–⅞	1¼–⅞	1⅛–⅞
	2 „	2–1½	1¾–1¼	2–1½	2–1½	2–1½	2–1½
	3 „	2¾–2¼	2¾–2¼	2¾–2¼	2⅞–2⅜	2⅞–2⅜	2⅞–2⅜
Brussels, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	Par	1–Par	Par	½–Par	Par	Par
	2 „	1–Par	1–Par	1–Par	½–Par	Par	Par
	3 „	1½–½	1–Par	1½–½	½–Par	Par	Par
Geneva, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	Par	Par	Par	½–Par	Par	½–Par
	2 „	1–Par	1–Par	1–Par	1–Par	Par	1–Par
	3 „	1¼–¼	1½–½	1¼–¼	1–Par	Par	1½–½

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	July 29, 1936	June 30, 1937	July 7, 1937	July 14, 1937	July 21, 1937	July 28, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1¼	1¼	1¼	1¼	1¼	1¼
Bank acceptances:—	Selling Rates					
Members—eligible, 90 days	3/16	¼	¼	¼	¼	¼
Non-mem.—eligible, 90 days	3/16	¼	¼	¼	¼	¼
Commercial accept., 90 days	¾	1	1	1	1	1

HOTEL WESTMINSTER
Le Touquet

Rates of Exchange, New York on—		Par Level	July 29, 1936	July 14, 1937	July 21, 1937	July 28, 1937
London—						
60 days	Dollars for £1	Old par	4·8666	5·0087	4·98	4·97½
Cable		New par	5·0212	4·9687	4·9837	4·9762
Cheques		8·2397	5·02	4·96½	4·98½	4·97½
Paris ....cheques	Cents for 1 franc	6·63	6·6087	3·8825	3·72½	3·74½
Brussels „	Cents for 1 belga	23·54	16·885	16·845	16·835	16·835
Switzerland „	Cents for 1 franc	32·87	32·70	22·94	22·945	22·945
Italy „	Cents for 1 lira	8·91	7·90	5·26	5·26	5·26
Berlin „	Cents for 1 mark	40·33	40·28	40·23	40·265	40·25
Vienna „	Cts.forAustrn.shig.	23·82	18·89	18·79	18·80	18·85
Madrid „	Cents for 1 peseta	32·67	13·68	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	68·00	55·10	55·26	55·08
Copenhagen „	Cents for 1 kroner	45·37	22·42	22·18	22·25	22·22
Oslo „			25·23	24·97	25·045	25·02
Stockholm „			25·89	25·61	25·70	25·66
Athens „	Cents for 1 drachma	1·29½	0·94	0·91½	0·91½	0·91½
Montreal „	Cents for Can. $1	169·31	100·⅛	99·⅜	99½	99·⅝
Yokohama „	Cents for 1 yen	84·40	29·33	28·93	28·99	28·99
Shanghai „	Cents for 1 dollar	...	30·16	29·60	29·65	29·60
Calcutta „	Cents for 1 rupee	61·80	37·94	37·54	37·62	37·59
Buenos Aires „	Cents for 1 peso	...	33·46	30·82	30·91	30·86
Rio de Janeiro „	Cents for 1 milreis	11·96	8·45	8·37	8·40	8·38

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended July 29, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD
(Into and from United Kingdom)

Imports From	Bullion*	Coin†	Exports To	Bullion*	Coin†
	£	£		£	£
British W. Africa	177,629	...	Finland	23,975	...
British S. Africa	2,165,678	...	Netherlands	...	*940*
Tanganyika	7,863	...			1,687
British India	595,632	...	Belgium	900,000	...
Australia	112,104	...	France	170,071	*2,000*
New Zealand	26,848	...	Jugoslavia	99,423	...
U.S.S.R.	2,825,302	...	U.S.A.	819,612	...
Germany	8,681	...	Other Countries	350	*310*
Belgium	22,522	...			338
France	10,295,614	*50*			
China	721,875	...			
Other Countries	4,879	...			
Totals	16,875,627	*50*	Totals	2,013,431	*3,250* 2,025

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion*	Coin†	Exports To	Bullion*	Coin†
	£	£		£	£
Irish Free State	...	*2,000*	British India	17,500	...
Australia	...	*410*	Denmark	1,356	...
Germany	21,919	*20*	France	952	...
		225	U.S.A.	17,900	...
Belgium	...	48	Other Countries	1,423	...
France	531	350			
Japan	43,876	...			
Other Countries	...	1,004			
Totals	66,326	*2,430* 1,627	Total	39,131	...

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between July 23rd and 29th. Details of previous movements appeared in the issue of July 3rd, page 49.

GOLD MARKET

Messrs Samuel Montagu and Company write on July 28, 1937 :—

The Bank of England gold reserve against notes amounted to £326,406,625 on July 21st, showing no change as compared with July 14th.

The market has passed through another quiet week during which a total of £1,230,000 has been dealt in at the daily fixing at prices which, except on Friday when there was a 2d. premium, have represented parity with the current dollar rates. Demand has to some extent, it is thought, represented the replacement of metal previously dishoarded. A momentary hardening of the dollar led to the quotation of 140s. 0½d. on July 24th, but quotations have since once again slipped away.

The s.s. "Carthage," which sailed from Bombay on July 24th, carries gold to the value of about £208,000. The Southern Rhodesian gold output for May, 1937, amounted to 68,448 fine ounces as compared with 68,059 fine ounces for April, 1937, and 68,331 fine ounces for May, 1936.

SILVER MARKET

Some revival of Indian demand manifested itself early in the period under review and, offerings being small, imparted an upward tendency. Aided by the sharp appreciation of the dollar, quotations reached 20d. for both deliveries on Saturday and, although the dollar reacted on Monday, silver prices on that day advanced further to 20 7/16d. for cash and 20⅛d. for forward. At this higher level the market appeared over-strained and in face of China and Continental sales and speculative resales prices reacted yesterday to 20d. for both deliveries, at which they remain unchanged to-day. With the dollar-sterling exchange at its present level, there would appear to be little likelihood of any sustained improvement in prices, but sellers would probably once again show reluctance at lower levels. The fluctuations of the past week have served to illustrate how readily the market responds to even a moderate revival of demand.

Quotations for gold and silver are shown below :—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard		Price of Silver New York per ounce ·999 fine
			Cash	Two Months	
	s. d.	s. d	d.	d.	1937 Cents
July 22	139 6½	12 2·11	19 11/16	19 11/16	July 21 }
„ 23	139 10	12 1·81	19⅝	19 11/16	to } 45
„ 24	140 0½	12 1·59	20	20	July 27 }
„ 26	139 9	12 1·90	20 1/16	20⅛	inclusive }
„ 27	139 6½	12 2·11	20	20	
„ 28	139 9	12 1·90	20	20	
Average	139 8·92	12 1·90	19·958	19·979	
July 29	139 9½	12 1·85	20 1/16	20⅛	

The highest rate of exchange on New York recorded during the perio from July 22nd to the 28th was $4·98½ and the lowest $4·96⅞.

OTHER STATISTICS

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 24, 1937. (c) Week ended July 23, 1937.	Miles Open	Gross Receipts, week ended July 25, 1937 (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (29 weeks) (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western 1937	3,738	306	206	109	315	621	5,908	5,726	3,249	8,975	14,883
Great Western 1936	3,746	305	198	98	296	601	5,722	5,516	2,909	8,425	14,147
(c) L. & N. Eastern 1937	6,320	476	312	190	502	978	9,295	9,791	7,180	16,971	26,266
(c) L. & N. Eastern 1936	6,333	454	315	194	509	963	8,872	9,373	6,734	16,107	24,979
L. M. & Scottish 1937	6,877	734	472	190	662	1,396	14,223	14198	7,485	21,693	35,916
L. M. & Scottish 1936	6,898½	716	458	201	659	1,375	13,662	13781	7,015	20,796	34,458
Southern 1937	2,153	434	66	25	91	525	8,990	1,765	880	2,645	11,635
Southern 1936	2,154	413	67	30	97	510	8,512	1,819	898	2,717	11,229
Total 1937	19088	1950	1056	514	1570	3,520	38,416	31480	18804	50,284	88,700
Total 1936	19131½	1888	1038	523	1561	3,449	36,768	30489	17556	48,045	84,813
(b) Belfast & Co. Down 1937	80	4·4	...	...	0·5	4·9	70·8	...	...	14·4	85·2
(b) Belfast & Co. Down 1936	80	4·4	...	...	0·6	5·0	73·1	...	...	16·3	89·4
(b) Great Northern 1937	543	16·0	...	...	9·6	25·6	290·3	...	...	272·8	563·1
(b) Great Northern 1936	543	14·9	...	...	9·2	24·1	289·1	...	...	286·1	575·2
(b) Great Southern 1937	2,076	50·3	...	...	40·1	90·4	953·6	...	...	1187·0	2140·6
(b) Great Southern 1936	2,124	47·7	...	...	41·1	88·8	961·6	...	...	1200·7	2162·3

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935 :— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 :— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936 :— 3 weeks to July 24, 1937 ...	+ 66	+ 129	+ 100	+ 47
Weekly average second half 1937...	+ 22	+ 43	+ 33½	+ 15⅝
Latest week 1937 compared with 1936	+ *20*	+ *21*	+ *15*	+ *16*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending July 24, 1937	£357,880	+ 9,800
Aggregate 4 weeks to July 24, 1937	£2 268,300	+ 27,600

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN				Rs.	Rs.	Rs.	Rs.
Assam Bengal	14	1937 July 10	1,339	‡4,82,200	+ 44,911	47,96,871	+ 2,22,791
Barsi Lt. Ry.	13	June 30	202	‡32,500	− 60,400	3,99,000	− 64,900
Bengal&N.Western	15	July 10	2,111	‡10,18,800	+ 59,335	1,18,65,831	+ 8,51,229
Bengal-Nagpur	15	10	3,268	‡25,28,000	+4,41,899	2,68,34,427	+27,32,527
Bombay, Bar. & C.I.	16	20	3,072	‡26,46,000	+1,06,000	3,89,84,000	+29,57,000
Madras & S. Mahr.	13	June 30	3,229	‡21,67,000	−1,24,451	2,02,07,000	+ 1,88,539
Rohilk'd & Kumaon	15	July 10	572	‡1,78,350	+ 18,846	22,86,935	+ 11,348
South Indian	13	June 30	2,532	‡16,03,328	+1,67,932	1,41,36,553	+ 1,53,499

‡ 10 days.

CANADIAN				$	$	$	$
Canadian National	29	1937 July 21	23566	3,704,383	+ 313,277	105,978,562	+1040640
Canadian Pacific	29	21	17228	2,688,000	− 227,000	74,790,000	+5,052,000

SOUTH AMERICAN

		1937						
Antofagasta (Chili and Bolivia)	30	July 25	834	£13,840	+ 2,160	484,240	+ 80,160
Argentine N.E.	4	24	753	‡183,300	+ 26,400	564,800	+ 20,700
				‡11,371	+ 2,185	35,037	+ 3,179
B.A. and Pacific	4	24	2,806	‡1,332,000	+ 79,000	4,570,000	+ 41,700
				*82,683	− 9,269	283,409	− 18,350
B.A. Central	2	10	...	$157,800	+ 51,700	219,000	+ 63,400
B.A. Gt. Southern	4	24	5,084	‡2,031,000	+ 301,000	6,881,000	+ 127,000
				*£125,993	+ 24,705	408,251	+ 30,346
B.A. Western	4	24	1,930	‡768,000	+ 138,000	2,486,000	+ 156,000
				*147,643	+ 10,758	154,218	+ 17,790
Central Argentine	4	24	3,700	‡2,415,950	+ 251,900	8,484,450	+ 870,200
				*£149,873	+ 23,172	526,330	+ 80,496
Central Uruguayan	3	17	980	a144,722	+ 864	330,318	+ 45,122
				e£16,289	+ 1,458	37,275	+ 1,383
Cordoba Central	4	24	1,218	‡653,000	+ 8,000	2,393,000	+ 124,000
				*£40,510	+ 2,780	148,450	+ 15,590
Entre Rios	4	24	$10	‡249,700	+ 36,600	783,400	+ 62,900
				*£15,490	+ 3,013	48,598	+ 6,410
G. Westn. of Brazil	30	24	1,082	£6,000	− 400	216,700	− 13,500
Leopoldina	30	24	1,918	M1799000	− 138,000	51,641,000	− 6,468,000
				£24,062	+ 1,625	661,528	− 145,537
Leopoldina Termnl.	30	24	...	Ms. 341,000	+ 21,000	10,473,000	+ 549,000
Nitrate	27	15	397	a£2,908	− 3,587	89,753	+ 13,698
Paraguay Central	4	24	274	$3,393,000	+ 989,000	13,288,000	+4,077,000
Salvador	4	24	100	Col. 11,500	+ 3,355	41,982	+ 3,794
San Paulo	29	18	153½	(Ms2300000)	− 458,000	75,405,000	+4,041,000
				£30,667	− 2,199	935,022	+ 85,493
United of Havana	4	24	1,353	£16,681	− 321	62,383	+ 3,676

* Converted at average official rate during week ended July 24, 16·12 pesos to £.
o Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. d Receipts in Uruguayan currency.
e Converted at "controlled free rate."

OTHER OVERSEAS

		1937		£	£	£	£
Egyptian Delta Light Railways	14	July 10	621	‡7,034	+ 725	62,818	+ 5,342
Egyptian Markets	29	22	...	£1,209	− 189	48,894	− 1,107
Mexican Railway	2	14	483	$278,800	+ 53,800	$89,600	+ 129,600

‡ 10 days.

SUEZ CANAL RECEIPTS

		1937		£	£	£	£
Suez Canal	29	July 20	...	‡285,800	+ 12,500	6,264,100	− 51,800

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine	29	July 22	325	$613,007	− 15,550	18,514,318	+ 223,975
B. Aires Lacroze	2	11	...	$57,864	− 5,724	90,241	− 6,222
Burnley, Colne and Nelson Jt. Trspt.	29	24	$9	£5,157	+ 405	...	...
Calcutta Tramways	29	24	...	Rs 1,24,413	+ 5,718	29,98,284	+ 1,37,705
Liverpool Corp.	16	21	...	£31,471	+ 2,053	503,455	+ 36,205
Madras Electric	28	15	...	‡Rs.57,139	+ 3,031	6,70,731	+ 28,682

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to Date 1937	+ or −
Brazilian Traction	6	June 30	Gross	$ 3,479,576	+ 811,883	18,534,605	+3,311,130
			Net	$ 1,982,836	+ 494,359	10,153,498	+1,862,484
Burma Electric	1	June 30	Gross	Rs. 52,461	+ 2,641	...	...
Canadian National	6	June 30	Gross	$16,091,901	+1,352,136	94,906,314	+9,534,886
			Net	$ 435,187	+ 425,745	6,667,948	+4,192,908
Canadian Pacific	6	June 30	Gross	$11,419,000	+ 462,000	66,790,000	+4,746,000
			Net	$ 1,195,000	+ 20,000	8,260,000	+1,469,000
Costa Rica	11	May 31	Gross	£ 25,954	+ 8,505	218,282	+ 58,360

SHORTER COMPANY COMMENTS

COMPANY RESULTS OF THE WEEK.—This week's output of company reports is seasonally smaller, but it is representative of industrial companies of moderate size. In the brewery group, NUTTALL'S BREWERY reports an increase in net profits from £65,672 to £79,100, while the ordinary dividend is doubled at 5 per cent. ASSOCIATED BREWERIES have also enjoyed a prosperous year, for profits have risen from £82,411 to £100,145, the ordinary dividend being raised from 7½ to 9 per cent. In the land group BRAZILIAN WARRANT shows a sharp increase in profits from £7,059 to £36,362. AILSA INVESTMENT and CONTINENTAL AND INDUSTRIAL TRUST have recorded slightly higher net revenues during the past year, and pay increased dividends. Among the industrial concerns, G. H. DOWNING, whose profits were severely reduced for 1935–36, have staged a recovery from £47,726 to £72,502, although the anticipated increase in dividend has not been realised. DAVY AND UNITED ENGINEERING report approximately doubled profits at £42,082, and the dividend is increased from 5 to 7½ per cent. Other increases in profits are recorded by GEO. BASSETT AND COMPANY and CROPPER AND COMPANY, while S. HOFFNUNG and NATIONAL CANNING, with profits of £46,930 and £42,132 respectively, have slightly improved on the previous year's figures. A disappointing first report has been issued by CONSOLIDATED SISAL, whose net profits amount to no more than £7,372 after depreciation, compared with prospectus estimates of £12,000 for eight months to December last. No final dividend is recommended in addition to the 2 per cent. interim. The prospectus showed that considerable forward sales of sisal had been made, which the directors are now compelled to buy-in. The serious deficiency of output, compared with prospectus estimates, is attributed to shortage of labour and overhauling of machinery.

APPOINTMENTS AND PERSONAL

Messrs Dawnay Day and Company, Ltd., announce that Mr Christopher P. Dawnay, the secretary, has now been elected to the board.

Sir Lynden Macassey, K.B.E., K.C., has been appointed a director of Settle Speakman and Company, Ltd.

Kassala (Sudan) Gold Mines, Ltd., announce that Mr C. M. Dolby and Mr F. W. Duñl have joined the board of the company.

The directors of the National Mutual Life Assurance Society have appointed Mr James Wilson More, F.F.A., to be joint actuary. Mr More has been assistant actuary of the society since March, 1929.

The Rt. Hon. Lord Pentland has joined the London Board of the Australian Mutual Provident Society.

MISCELLANEOUS

SAKER BARTLE (SOUTH AFRICA), LTD.—Profit of £68,403 for initial period from March 6, 1936, to March 31, 1937. Ordinary dividend 10 per cent. Underwriting commission £5,556. Union tax reserve, £3,750. Forward, £11,528. Turnover shows a substantial increase over the previous year. Debtors, £162,102. Creditors, £53,639.

HEAD WRIGHTSON AND COMPANY, LTD.—Profits for year to April 30, 1937, amounted to £60,448, against £52,556 for previous year. Depreciation provision repeated at £20,000. Ordinary dividend 5 per cent. net against nil. Carried forward £7,420. All the works continue to be fully employed.

THRELFALL'S BREWERY COMPANY, LTD.—Gross trading profits for year to June 30, 1937, £423,855, an advance of £30,527. To depreciation, £48,847, against £40,336. Ordinary dividend raised from 17 per cent. to 18 per cent. To properties improvement reserve, £35,000, against £22,000. Carry forward £334,650, against £339,832.

SOUTH AFRICAN DISTILLERIES AND WINES, LTD.—Dividends received for year to June 30, 1937, £259,549, against £165,942. Ordinary dividend and bonus 20 per cent., against 10 per cent. Carry forward increased from £1,055 to £1,491. A compromise has been reached in the civil claims against E. K. Green at £133,000, and the company has called upon the vendors of the shares for indemnification. The vendors have refused to acknowledge any liability, and the company has claimed an arbitration.

McDOUGALLS TRUST, LTD.—Revenue for year to June 30, 1937, £205,211, compared with £204,392. Ordinary dividend raised from 7½ per cent. to 10 per cent. To reserve for depreciation of trustee securities £10,000. Carry forward reduced from £46,180 to £37,817.

SHEFFIELD STEEL PRODUCTS, LTD.—Profit for year to March 31, 1937, £33,388, against £46,193 for preceding year. Net profit £1,015, reducing debit balance brought in to £34,618. Accounts are not comparable with preceding year owing to the sale of two branches and the assets of two subsidiaries. The reorganisation of the personnel and plant is nearing completion.

IRISH SUGAR COMPANY.—Trading profit for the year to April 30, 1937, was £287,935, approximately £17,800 higher than for 1935–36. The total quantity of beet delivered last campaign was 590,311 tons, an increase of 27,137 tons, with average sugar content of 17·5 per cent., compared with 17·17 per cent. for 1935–36. A larger quantity, in terms of white sugar, was manufactured at 86,314 tons, compared with 78,911 tons for 1935–36. The outlook for a satisfactory yield during the current season is now more promising.

ASSOCIATED BREWERIES.—Net profit £100,145 against £82,411. Ordinary dividend raised from 7½ per cent. to 9 per cent. Carry forward raised from £42,310 to £49,762.

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ARMSTRONG WHITWORTH SECURITIES.—Net profit for 1936, £15,116, to be deducted from the debit balance of £293,4,783, leaving a deficiency of £2,919,667. The loss for 1935, after providing for debenture interest and directors' fees was £18,326.

INTERNATIONAL HOLDING AND INVESTMENT COMPANY.—This Company is considering a plan to permit of the resumption of dividends, and shareholders will be notified as soon as the board is in a position to recommend a reorganisation. No dividends have been paid since 1929.

RHODESIAN ANGLO-AMERICAN (OFFER TO PURCHASE LOANGWA SHARES).—Rhodesian Anglo-American, Ltd., has offered to purchase Loangwa Concessions (Northern Rhodesia) at the rate of one 10s. share in Rhodesian Anglo-American for every 12 shares of 5s. each in Loangwa Concessions. Offer conditional upon its acceptance by at least 90 per cent. in value of the holders of the 3,787,666 shares.

ELECTROLUX CORPORATION.—Consolidated net profit for the second quarter of 1937 $843,867, compared with $836,286 for same period 1936. Total earnings first six months 1937, $1,612,236, compared with $1,558,758. After all charges, including Federal income tax and surtax on undistributed profits.

ABITIBI POWER AND PAPER REORGANISATION PLAN.—The bondholders' protective committee have published a reorganisation plan, providing for the formation of a new company to take over Abitibi properties and issue new bonds, income debentures and common stock, in exchange for outstanding obligations and stock on which heavy arrears of interest and dividends are due. In addition it is proposed to raise $14,000,000 of fresh capital by an issue of 4½ per cent. bonds.

BROKEN HILL PROPRIETARY COMPANY.—Net profit for year to May 31, 1937, £1,183,171, after providing £670,801 for depreciation and £18,406 for debenture interest. In the previous year net earnings were £850,361. Ordinary dividend is maintained at 12½ per cent.

SHAWINIGAN WATER AND POWER.—Gross revenue for six months ended June 30, 1937, $7,397,401 against $6,658,489. Net revenue $4,198,705 against $3,668,193.

BANK INSURANCE AND FINANCIAL SHARES TRUST.—Net revenue for half-year to June 30th, 4·50547d. per unit, which, added to 3·58264d. earned during previous half-year, amounts to 8·08811d. per unit for the year. Distribution payable August 15, 1937, 4½d. per unit (free of tax), making 8d. per unit for year.

HADFIELDS, LTD.—Interim dividend of 9d. per share (7½ per cent.), payable August 31st, compared with 3½ per cent. a year ago. The present increased interim dividend is paid upon a larger capital. As a result of the offer made in April, £445,813 debenture stock has been surrendered and 296,648 ordinary shares issued in exchange. Comparative position of capital shown below :—

	Before Offer	After Conversion
	£	£
Ordinary shares	929,892	1,078,216
Preference shares	300,000	300,000
Total	1,229,892	1,378,216
4½ per cent. 1st debenture stock	1,039,137	593,324
Total	2,269,029	1,971,540

REPUBLIC OF COSTA RICA 6 PER CENT. MORTGAGE BONDS OF 1912.—The Government of Costa Rica have made a proposal to buy the outstanding bonds of this issue together with all claims for coupons accrued thereon for the sum of 10s. in the pound, provided the whole or practically the whole of the bonds outstanding are offered to them on the terms mentioned.

CROPPER AND COMPANY.—Net profit for year to June 30, 1937, £42,885 against £36,623. Ordinary dividend maintained at 10 per cent. To general reserve £7,500 against £2,500. To obsolescence reserve £2,500 against £5,000. To reserve for doubtful debts £2,500 against nil. Carried forward £10,737.

ARGENTINE NAVIGATION.—The Argentine Navigation Company, Mihanovich, Ltd., announces that gross takings and those of associated concern, together amounted to Arg. P. $2,947,121, in June 1937, an increase of Arg. P. $573,121, or 24·1 per cent., on June, 1936. For the period January–June, 1937, takings aggregate Arg. P. $2,581,984.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Prefce. Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Appropriation: Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
Banks		£	£	£	£	£	%	£	£	£	%
Bank of New Zealand	Mar. 31	339,101	500,789	839,890	100,000	375,000	10	...	364,890	515,962	10
Breweries											
Associated Breweries	June 30	42,311	100,145	142,456	28,453	59,160	9	5,080	49,763	82,411	7½
Nuttall's Breweries	June 30	2,134	79,100	81,234	42,000	20,000	5	15,500	3,734	65,672	2½
Financial, Land, etc.											
Brazilian Warrant Agency	Dec. 31	24,936	36,362	61,298	35,000	...	...	...	26,298	7,059	Nil
Eastern International Rubber and Produce Trust	June 30	2,143	14,887	17,030	...	15,187	4·44	...	1,843	8,699	2½
Murrayfield Real Estate ...	May 31	3,062	1,270	4,332	...	1,125	5	...	3,207	1,240	5
Shop Investments	June 30	2,353	14,529	16,882	...	7,550	10	...	9,332	(a)	(a)
Tea Corporation	Jan. 31	4,342	6,025	10,367	...	5,250	5	900	4,217	5,656	5
Thames Estates & Investm'ts	June 30	1,504	11,679	13,183	4,631	...	...	5,500	4,052	8,650	Nil
Iron, Coal and Steel											
Davy & United Engineering	Mar. 31	7,034	42,082	49,116	...	27,257	7½	...	21,859	21,571	5
Rubber											
Anglo-Java	Mar. 31	20,845	109,002	129,847	...	83,250	7½	24,000	22,597	45,676	2½
Malay United	Mar. 31	*Dr. 4,999*	5,208	209	...	...	...	...	209	1,323	Nil
Yam Seng	Mar. 31	2,518	8,457	10,975	...	6,502	10	2,000	2,473	9,426	7½
Tea											
Bowlana	Mar. 31	286	1,275	1,561	...	...	...	795	766	206	Nil
Dhamai	Dec. 31	4,411	15,200	19,611	863	11,607	22½	3,000	4,141	10,083	20
Textiles											
Hinde (Fras.) and Hardy ...	June 30	29,914	19,536	49,450	14,100	...	...	5,301	30,049	22,719	Nil
Tramways and Omnibus									Dr.		
Anglo-Argentine Tramways	Dec. 31	*Dr2010134*	*Dr481,638*	*Dr2491772*	...	...	...	...	*2,491,772*	*Dr277650*	...
Trusts											
Ailsa Investment	May 31	17,681	26,731	44,412	17,344	5,719	2½	4,200	17,149	24,311	1½
Continental and Industrial	May 31	103,422	97,119	200,541	42,969	42,750	5½	10,000	104,822	93,829	5
National Reliance Investmt.	Mar. 31	769	11,714	12,483	...	10,427	6	1,200	856	6,052	6
Waterworks											
Cleveland Water	June 30*	9,810	2,242	12,052	...	3,400	10A / 7B	...	8,652	4,496	10A / 7B
Other Companies											
Associated British Picture...	Mar. 31	88,999	869,645	958,644	91,500	220,797	18	550,000	96,347	639,851	12½
Bassett (Geo.) and Co.	May 31	13,157	70,187	83,344	5,672	37,656	20	23,372	16,644	60,106	18½
Bann Brothers	June 30	13,903	41,787	55,690	4,805	21,335 / 2,250	15 / 300(c)	14,500	12,800	40,530	15 / 300c
Blackburn (Thomas) & Sons	May 31	...	(d) 10,016	10,016	2,160	4,875	5	2,000	981	(a)	(a)
Consolidated Sisal Estates of East Africa.....	Mar. 31	...	14,012	14,012	...	4,600	2	8,639	773	(a)	(a)
Cropper and Co.	June 30	7,708	40,182	47,890	11,002	13,650	10	12,500	10,738	33,797	10
Downing (G. H.) and Co. ...	Mar. 31	4,827	72,502	77,329	18,528	15,000	5	41,237	2,564	47,726	5
Dublin (South) City Market	June 30*	8,978	4,266	13,244	...	3,487	4½	5,500	4,257	4,204	4½
Freedlands, Ltd.	Mar. 31	23,539	17,109	40,648	2,546	9,529	12	19,998	8,575	(a)	(a)
Hoffnung (S.) and Company	Mar. 31	13,152	46,030	59,182	25,312	16,875	7½	...	16,995	43,268	5
Manchester Dock Extension	June 24	2,178	34,368	36,546	17,789	14,375	5¾	1,907	2,475	34,447	5¾
Man. Ship Canal W'housing	June 24	2,472	10,314	12,786	4,821	4,534	6	705	2,726	10,484	6
National Canning Co.	May 31	13,645	42,132	55,777	3,812	22,312	8½	10,000	19,653	41,877	8½
Peachey (A.) and Co.	Apr. 30	...	(e) 6,033	6,033	...	3,080	4	...	2,953	(a)	(a)
West (George) Weatherproofs	Mar. 31	10,767	23,322	34,089	18,750	...	...	3,000	12,339	9,081	Nil

* For half-year. (a) No comparable figure. (c) Paid on deferred shares. (d) January 1, 1936, to May 31, 1937. (e) November 1, 1935, to April 30, 1937.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

In anticipation of the approaching holiday, business in most commodities was below normal during the past week. Although prices generally fluctuated within narrow limits, an easier tendency was evident in some cases.

Better weather reports from the Canadian growing areas, and a disposition to raise North American crop estimates were responsible for reversing the upward trend of wheat prices. Other grains were generally rather cheaper in sympathy. On the other hand, a firm tone was displayed at the Mincing Lane tea auctions, and sugar was also marked up in price. On the London Provision Exchange rather higher prices were the rule, bacon, butter and cheese all sharing in the improvement.

The metal markets were quiet, with prices showing little alteration compared with those ruling a week ago. The controversy which has arisen over the proposal to reconstitute a buffer pool in tin is discussed in a Note of the Week. Rubber prices sagged further owing to reports of expanding production in Malaya, and cotton suffered a sharp drop on the continuance of bearish crop news. Jute, on the other hand, enjoyed a slight price rise, despite the quiet tone of the market. Other textile fibres were mostly unchanged in price. This week's advance in the combine price of petrol by ½d. per gallon is the subject of a Note of the Week.

In the United States the general tendency of prices was downwards, grains, cotton and rubber all sharing in this movement. Thus Moody's daily index of staple commodity prices (December 31, 1931 = 100) declined from 207·7 to 205·2 in the week ended Wednesday. The index stood at 205·0 a month earlier and at 162·1 on the corresponding day last year.

COAL

SHEFFIELD.—The sporadic strike trouble in South Yorkshire is not yet at an end, and in consequence output of coal is somewhat seriously interfered with. The call for best locomotive hards continues to be very strong. Gas coal demand is quieter, and household requirements show a big falling off. Coke of all descriptions is in keen request, with supplies short. Blast furnace coke is an active item. Large patent-oven qualities make up to 31s. per ton on rail at ovens for inland, and walnut, bean and pea sizes, 30s. to 31s. 6d. Export trade shows a further decline. Germany is now competing sharply with British coal, and shippers forecast a fairly long period of quietude, with probably a reduction in the export quota. Certainly very few inquiries for autumn delivery are about.

WORKINGTON.—The coal trade is strong. There is a slightly better demand for land sale, and though Whitehaven's production is rising, requirements are larger than can be satisfied. There is an acute shortage of industrial fuel, and accordingly coke makers, hard pressed by iron smelters, are crushing round coal and importing Welsh small coal. Shipments to Ireland for a few weeks rose to 5,000 tons, but have fallen again, and Irish merchants will be strictly rationed during the autumn and winter.

NEWCASTLE-ON-TYNE.—The persistent demand for Durham coking coal from home and abroad is the feature of the North-East coal market. This class of fuel, so urgently required by the iron and steel trade and by gas works, has set a pace which is easily outstripping the productive capacity of the Durham coking collieries. All other sections of the market are steady despite a seasonal decline in domestic consumption. Patent oven coke is in keen demand by home consumers.

GLASGOW.—The collieries reopened this week after the holidays ; but with outputs only gradually returning to normal, and producers well booked, there has been little in the way of pressure of supplies for new business. Foreign inquiry has not yet opened out again, and the most interesting development was the invitation by the Swedish State Railways of tenders for 20,000 tons of locomotive steam coal for August-September delivery. In the inland branch household fuel remains slow, but other classes of round coal are well taken up, as also are the smaller sizes of nuts. Owing to the stoppage at the pits and the docks shipments last week were much reduced, totalling only 94,000 tons.

CARDIFF.—Coal shipments at the South Wales ports continue to expand. Last week the exports in the coastwise and foreign trades totalled 474,800 tons, the highest weekly figure since January, 1932, and under the holiday pressure now in swing it is anticipated that this week's loadings will equal, if not exceed, those of the past week. Current market inquiries are inactive, but contract commitments are absorbing the increased export supply quota for the current quarter, and with a fair supply of tonnage there has been very little further accumulation of stocks. Prices are nominally unchanged for backward positions, but quotations for prompt shipment are from 6d. to 1s. per ton lower than the peak values reached in June, except for dry nuts, which are still hardening. Cokes continue a very strong market and supply is barely equal to demand. The price of French pitwood under the coal-pitwood barter agreement has been reduced from 32s. 9d., ex ship, to 31s. for the three months ended October 15th next. The exemption of coal conveyance charges of less than 10d. per ton from the 5 per cent. increase conceded by the Railway Rates Tribunal does not affect the transport costs of shipment coal, and it is estimated that these will be increased by approximately £70,000 per annum.

IRON AND STEEL

LONDON.—The volume of new business continues to be restricted by the difficulty of finding manufacturers who can accept orders for delivery within a reasonable period, says the official report of the London Iron and Steel Exchange. The quietness of the market is accentuated by the holiday conditions ruling in the producing districts, although outputs are being maintained at a higher rate. The demand for pig iron is undiminished and the postponement of deliveries at some of the consuming works as a result of the slowing down of operations during the holidays is welcomed by the makers as it gives them an opportunity of overtaking delivery arrears. Foreign iron continues to be offered at high prices; but few transactions have been reported.

Great stringency continues to rule in the semi-finished steel section, although British production is being pressed to the utmost. Operations at the consuming works are restricted by the difficulty of obtaining supplies, but it is hoped that the position will be improved later on by the arrangements which have been made for increasing imports. In the finished steel department the pressure to obtain deliveries is not quite so severe owing to the holidays; but many consumers are endeavouring to cover their future requirements for several months ahead. In some cases contracts have been entered into for delivery over the early part of 1938; but in the prevailing conditions few makers or consumers care to commit themselves so far ahead.

SHEFFIELD.—The approach of the holiday has had a quietening effect on the iron market this week, and there is little likelihood of any revival during the next month. Some producers are off the market altogether, having nothing to offer, and being unwilling to add further to their contract commitments for the present. Rationing is now accepted as the only equitable method of distribution in the prevailing circumstances. Forge, foundry and basic pig conditions show no change, but the position in hematites has become rather difficult again. Makers of common and marked bars are fully booked. The new official prices have not affected the market to any extent.

In the steel section demand continues to exceed supplies, and producers are unable to accept all the business available, despite the fact that output is being expanded to the utmost. Business in iron and steel scrap is on a good scale, and users are securing somewhat more adequate supplies. In the former prices continue to show a hardening tendency, prices being in the main uncontrolled. The total production in June of castings and ingots in the Sheffield district was 148,000 tons, making 853,100 tons for the first six months of the year, an increase of 68,800 tons over the corresponding six months of 1936. All the lighter sections of the steel trade here are well booked, and the heavy engineering branches will remain fully employed for a lengthy period.

MIDDLESBROUGH.—Consumers of both foundry and hematite pig iron continue to take up the output in this area, and, although there is only one furnace regularly producing foundry iron, the output is rationed to keep home users supplied as far as possible. There are now twelve furnaces in blast producing hematite pig iron, and after producers' own requirements have been met the remainder is readily taken up by the home demand. Only small parcels of pig iron are available for shipment, the total quantity shipped from the Tees during the month of July up to the 26th being 4,952 tons, against 4,786 tons during the same period in June. There are twenty-one furnaces in operation in this area producing basic iron, whilst two furnaces are making ferro-manganese. Prices are maintained at the official figures of 101s. per ton for No. 3 Cleveland foundry pig iron; 123s. per ton for No. 1 quality East Coast hematite pig iron; and basic pig iron 100s. per ton, less rebate; all including delivery locally. There is actually no basic pig iron available for the market as this goes into consumption at producers' own steelworks.

The semi-finished and finished steel departments are running at full capacity. The output of steel ingots in this area during the first half of the year amounted to approximately 245,000 tons, and every effort is being made to expand production. Blast furnace coke is stronger owing to the increased demand for export, and the price of good Durham coke, delivered at the furnaces here, is 40s. per ton. No alterations have been made regarding prices of scrap, and consumers have no hesitation in paying the official figures for their heavy requirements. Whilst the importation of iron ore from the North of Spain has ceased, supplies are coming forward from other countries, the total quantity imported into the Tees during the month up to July 26th being 171,600 tons, as compared with 143,700 tons during the same period in June.

WORKINGTON.—Though there is plenty of demand in the North-West Coast hematite pig-iron market, hardly any business is being done. There will be little resumption of forward selling until substantial progress has been made with the reduction of arrears of deliveries. The ore and coke position having become easier, smelters are obtaining their maximum production, but since more than 60 per cent. of the make is required for the steelworks associated with the furnaces there is only a small spill-over for users in the Midlands, South Wales and Scotland. Of special qualities of iron there is even less to spare for consumers outside the district. Prices are firm. Bessemer mixed numbers are £6 6s. per ton at Glasgow; £6 8s. 6d. at Manchester; £6 11s. at Sheffield; and £6 13s. 6d. at Birmingham; low-phosphorus iron being 5s. 6d. to 16s. 6d. extra. Malleable iron at £8 delivered at Birmingham, and ferro-manganese at £18 15s. home, are in keen demand. Steelmakers are so full of orders that they can maintain their mills in operation for another twelve months. Workington is rolling rails, billets, bars and slabs, and Barrow is busy on rails, strip and hoop. Native ore, at 24s. 6d., f.o.t., is a bigger output, but is sold only to local smelters.

GLASGOW.—At the Clyde shipyards and at the manufacturing plants in Glasgow and neighbourhood operations have been resumed this week. A full start will not be made at the steelworks till next week. In every branch there is a vast amount of work on hand and, provided supplies of the raw materials of the different branches are available, there are prospects of regular employment for many months. The difficulties as regards supplies of semis have not yet been overcome, but users are hopeful that the arrangements which have been made for additional supplies of Continental material will ensure, within a short time, that deliveries will be more regular and in sufficient quantity to make it possible to operate somewhere near capacity. There has not been a great deal of important

new business placed within the past week, largely on account of holidays here and elsewhere, and possibly, too, because makers cannot undertake early deliveries.

CARDIFF.—Conditions in the South Wales tinplate trade are slightly easier, and production under the most recent ascertainment was 71·75 per cent. of allotted output capacity. Shipments, however, have been well maintained, and last week they totalled 9,326 tons, compared with 8,896 tons the previous week, and 5,653 tons in the corresponding week last year. Stocks have been further reduced to 1,518 tons, as against 8,275 tons a year ago. Prices are unchanged at 25s. to 26s. per basis box, f.o.b. Galvanised sheets are quiet, but firm, at £18 15s. per box, f.o.b., and steel sheet and tinplate bars at £7 15s. per ton, delivered locally.

OTHER METALS

COPPER.—The market has been completely overshadowed by holiday influences. Turnovers have been very small, and on several days remained well below 1,000 tons. Price movements, too, were narrow, the range between highest and lowest prices of the period under review being only 6s. 3d. The cash price gained 1s. 3d. on the week, while the forward quotation remained unchanged. The only news of interest during the week was the publication of the Northern Rhodesian copper production figure for June, which was 17,863 tons, against 19,151 tons in the preceding month and 11,027 tons in the corresponding month of last year. The country's output during the first half of 1937 reached the new record level of 105,437 tons, as compared with 65,480 tons a year ago.

Sales on the London Metal Exchange: 1,250 tons on Monday, against 950 tons last week; 750 tons on Tuesday, against 1,950 tons last week; 1,150 tons on Wednesday, against 1,600 tons last week. Domestic spot was quoted at 14·07½ cents per lb. in New York on Wednesday, against 13·95 cents a week ago and 13·57½ cents a month ago. Wednesday's official closing price for standard cash in London was £56 16s. 3d. to £56 18s. 9d. per ton, compared with £56 15s. to £56 16s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 9,740 tons showed a decrease of 295 tons, while stocks of rough copper, at 9,967 tons, were 1,171 tons larger.

LEAD AND SPELTER.—Lead turned easier and closed on Wednesday at £22 13s. 9d., a decline of £1 1s. 3d. on the week. Spelter, on the other hand, gained 2s. 6d., thus closing at £22 15s. The lower lead price is due to a slackening in the demand for the metal for building and on fairly good offers; while spelter benefited from reports that the United States has imported some spelter in recent weeks. According to the American Bureau of Metal Statistics, the world's lead output outside Spain declined from 158,500 tons in May to 147,200 tons in June, while the world's spelter production declined from 162,300 tons to 155,400 tons. In both cases the reported decline had little influence on the sentiment of the markets, as supply conditions have greatly improved in recent weeks.

Sales of lead on the London Metal Exchange: 500 tons on Monday, against 1,100 tons last week; 1,650 tons on Tuesday, against 1,850 tons last week; 1,150 tons on Wednesday, against 1,150 tons last week. The New York quotation on Wednesday was 6·00 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 13s. 9d. to £22 15s. per ton, compared with £23 15s. to £23 17s. 6d. last week.

Sales of spelter on the London Metal Exchange: 475 tons on Monday, against 750 tons last week; 1,050 tons on Tuesday, against 1,000 tons last week; 800 tons on Wednesday, against 850 tons last week. Wednesday's quotation in East St. Louis was 7·00 cents per lb., against 7·00 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £22 15s. to £22 16s. 3d. per ton, against £22 12s. 6d. to £22 15s. last week.

TIN.—The tin market, too, has been quiet, but prices were not so well maintained as in the case of copper. There was a decline of £4 10s. to £262 in the cash price. The backwardation, which had widened to £3 10s. at one time during the week, was again £1 10s. on Wednesday, i.e., the same margin as last week. The decline in prices was partly due to the poor demand and partly to the belief that tin stocks will show a rise of about 1,000 tons in the July statistics, due to be published on Tuesday next. This expectation is mainly based on the high Straits shipments, which amounted to 7,892 tons in the first 26 days of July, as compared with 6,390 tons in the whole of June. A feature of the past few days was the controversy on the tin buffer pool, discussed in a Note of the Week.

Sales of tin on the London Metal Exchange: 250 tons on Monday, against 375 tons last week; 300 tons on Tuesday, against 300 tons last week; 325 tons on Wednesday, against 200 tons last week. The New York quotation on Wednesday was 59.12½ cents per lb., against 60.00 cents a week ago and 56.50 cents a month ago. Wednesday's official closing quotation in London for standard cash was £262 to £262 10s. per ton, compared with £266 10s. to £266 15s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,075 tons, a decrease of 314 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 10s. to £13 10s. 6d. per flask of 76 lbs., as against £15 1s. to £15 1s. 6d. last week. Chinese antimony was quoted at £69 to £70 per ton, ex warehouse, the same as last week. Chinese wolfram for "August-September" shipment was quoted at 71s. to 73s. per unit, c.i.f., compared with 69s. to 71s. per unit for "July-August" last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—The market has been under the influence of a sagging tendency in raw cotton prices, and with quotations falling practically from day to day, there has been no improvement in the turnover in yarn and cloth. Spinners and manufacturers as a body have booked only comparatively small contracts. Order lists are lighter, and there is increasing anxiety as to future developments. A slightly firmer tone in the cotton markets has, however, given rise to the view that steadier prices are likely in the immediate future. At the same time, most buyers are disposed to hold aloof until after the publication of the official American cotton crop estimate on August 9th.

The American crop has continued to make good progress, weather conditions having again been excellent. The crop, however, has yet to pass through a critical period, and prices will depend to a large extent upon weather reports. Bearish sentiment was increased by the statement alleged to have been made by President Roosevelt regarding the possibilities of a crop totalling 14,500,000 bales followed by another large output next year, with the possibility of prices in New York falling to around 8 cents a lb.

Demand in piece goods has been within narrow limits, and only a small turnover has been recorded. Buyers for export have placed orders very cautiously. No particular outlet is displaying any inclination to operate on a freer scale. With regard to the home trade section, clearances of light fabrics and made-up goods are very unsatisfactory, as a result of the poor weather. Large stocks look like accumulating in the hands of the wholesale and retail establishments and these will have to be cleared before the autumn at cut rates. Meanwhile, manufacturers remain well engaged, for most producers are booked up until the end of the year. Wide cloths cannot be delivered until the early months of 1938.

There has only been a small business in American and Egyptian yarns. Prices, however, have been fully maintained owing to the successful operation of the selling schemes. There had been some rumours on 'Change that there was a possibility of spinners reducing their selling rates, but an official statement was issued to the effect that the present margins on all yarns made from American cotton will be maintained until the end of the year. Spinners of Egyptian yarns have decided to continue the price selling scheme for a further period of twelve months. The existing agreement which has been in operation for six months, expires at the end of August. The trade outlook in Lancashire still remains unsettled. Buyers continue to operate from hand to mouth. A sustained upward movement in raw cotton prices, no matter how small, would probably result in a change of attitude on the part of shippers and merchants who would be more disposed to place larger contracts.

COTTON PRICES

	1937				Corresponding Date	
	July 7	July 14	July 21	July 28	1935	1936
	d.	d.	d.	d	d	d.
Raw Cotton—Mid. American ..... per lb.	6·86	7·02	6·71	6·36	6·75	7·28
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	10·00	10·06	9·94	9·60	8·09	11·20
Yarns—32's twist ..... per lb.	13½	14	13½	13½	10½	11½
„ 40's weft ..... per lb.	12½	13	12½	12½	10½	11½
„ 60's twist (Egyptian) ..... per lb.	19½	19½	19½	19½	15½	17½
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	20 3	20 3	20 1	20 0	17 6	18 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	27 8	27 8	27 5	27 2	24 4½	25 9
38-in. ditto, 38 yds., 18 by 16, 10 lb.	11 6	11 6	11 5	11 4	10 5	10 6
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 6	10 6	10 5	10 4	9 3	9 6

JUTE.—Dundee.—Holidays are now interrupting business in the Dundee jute trade. All works are closed for the annual summer holidays and practically no markets are being held here. Calcutta has attempted to put up prices for raw jute, but buyers are still unwilling to follow any advance. Indeed, prices are too high in comparison with those obtainable for yarns and cloth, and the policy is to hold off until such time as prices for the raw material come down to a level at which business could be done at reasonable terms. All consumers of the fibre are holding good stocks and they feel that, though the first forecast of the acreage disclosed that the present crop is not expected to be so large as last year, an error has again been made in the estimate. Last season's crop actually yielded 10,700,000 bales, compared with the final forecast of 8,736,000 bales, and the average under-estimation of the crops during the past six seasons has been 1,750,000 bales. Of the past crop, the Indian jute mills took 6,078,000 bales, compared with only 4,417,000 bales in the previous season, while the exports from Calcutta and Chittagong to all other consuming countries were 4,869,000 bales, against 4,133,000 bales in the previous season. One of the reasons for the maintenance of a high level of prices this season is the fact that the new crop is likely to be about one month late.

The value of Daisee–2/3 is £20 10s. and Tossa–2/3 £21 12s. 6d., October/November, while good First Marks are obtainable at from £23 5s. and good Lightnings at £22 10s., August/September. Hearts are named at £21 10s., same shipment. Yarns are quiet, but spinners refuse to accept less than 2s. 2d. for common 8 lb. cops and 2s. 3d. for 8 lb. spools, while twist rules at 4d. to 4¼d for 3-ply 8 lb., and sacking yarns are very steady at from 2⅞d. for 24 lb. weft and 3 3/16d. for 8 lb. chains. Rove has been in demand at from £21 to £22 for 48 lb., and £17 5s. to £17 10s. for 200 lb. The Rio yarns are quiet at 2s. 10d. for second quality 8 lb. warp, 2s. 7d. for third and 2s. 5d. for fourth. Carpet descriptions continue in request at from 3¾d. for 14 lb. warp. Cloth has had a prolonged spell of quietness, and prices are more or less nominally unchanged at 2¾d. for 10 oz. 40 in. and 2¼d. for 8 oz.

GRAIN MARKETS

WHEAT.—The market was again easier in the period under review. Prices declined in sympathy with easier North American markets, better weather in Canada and a tendency to raise estimates of both Canadian and United States crops. Business has shown some improvement at the lower level. The position is further discussed in a Note of the Week.

On Wednesday last, "July" futures were quoted in Chicago at 124 cents per bushel, against 122 cents the week before and 118¾ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship 53s. 6d. per 496 lbs., against 55s. 6d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 52s. 6d., against 54s. 9d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 751,000 quarters, against 649,000 quarters in the previous week and 963,000 quarters in the corresponding week a year ago.

FLOUR.—Prices are lower in sympathy with wheat and on a quiet demand. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 42s. 6d. per 280 lbs., as against 43s. 6d. a week ago: delivered inner London, 42s. as against 43s. a week ago. Manitoba patents, ex store, 40s. 3d. to 41s. 9d., as against 41s. 9d. to 43s. 3d. a week ago. Australian, ex store, 33s. 6d. to 34s., as against 33s. 6d. to 34s. 6d. a week ago.

BARLEY.—"July" futures were quoted at 71¼ cents per bushel in Winnipeg on Wednesday, as against 71¼ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, not quoted. Californian, ex ship, 49s. 6d. to 63s., as against 52s. to 54s. a week

ago. Chilean, brewing, ex ship, 46s. 6d. to 50s., as against 44s. 9d. to 50s. a week ago.

OATS.—On Wednesday, "July" futures were quoted at 31 cents a bushel in Chicago, against 35¾ cents a week ago and 42¾ cents last month. Quotations in London, Wednesday: "English black," at farm, 28s. to 29s. per 336 lbs., as against 28s. to 29s. a week ago; "English White," at farm, 28s. to 29s., as against 28s. to 29s. a week ago; mixed Canadian feed (Vancouver), landed, 27s. 6d. per 320 lbs., as against 27s. 6d. a week ago.

MAIZE.—Demand has been quiet and prices have eased in sympathy with wheat. "July" futures were quoted on Wednesday at 100⅜ cents per bushel in Chicago, against 116¾ cents a week ago and 125 cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. 9d. per 480 lbs., as against 29s. a week ago; "Plate," ex ship, 27s. 9d., as against 28s. a week ago; "Plate," "July," 27s. 9d., as against 28s. a week ago; yellow maize meal, ex wharf, was quoted at £7 7s. 6d. to £7 10s. per ton, as against £7 7s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935-1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	July 29, 1936	Dec. 30, 1936	July 21, 1937	July 28, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb.	82⅛	84⅛	98	129	145⅝	137⅛
Chicago (No. 2, Winter)— Cents per 60 lb.	98⅛	101⅛	108⅞	135⅛	122	124

The visible supply of wheat in Canada amounts to 35,179,000 bushels against 37,979,000 bushels last week and 72,693,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to July 24	77,712	47,458	40,866	85,334
47 weeks to July 24	10,080,712	13,202,929	13,083,477	10,757,626
Average price of English wheat per cwt.	s. d. 5 4	s. d. 5 6	s. d. 7 2	s. d. 9 9

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
July 22, 1933	27,471	4,003	10,099	6 8	6 7	5 10
July 21, 1934	77,712	8,253	12,087	5 4	7 7	6 4
July 27, 1935	47,458	5,206	8,056	5 6	6 5	7 10
July 25, 1936	40,866	2,132	9,931	7 2	5 10	6 6
July 17, 1937	80,590	2,400	9,764	9 9	9 6	9 6
July 24, 1937	85,334	1,911	7,464	9 9	9 2	9 4

OTHER FOODS

BACON.—The bacon market remains active, supplies being cleared quickly at firm rates. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 98s.; Canadian, 94s.; Danish, 100s.; against 96s. week were: English, 98s.; Canadian, 94s.; Danish, 100s.; against 96s. 90s., and 96s., last week. Arrivals in London last week included: Danish 13,886 bales; Canadian, 5,275; Dutch, 2,261; Lithuanian, 954; and Polish, 2,981; as against 13,774, 5,172, 2,626, 1,089 and 3,055 bales, respectively, in the previous week.

BUTTER.—Demand continues strong, with prices still on the up-grade. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 118s. to 119s.; Australian, choicest salted, 117s. to 118s.; Danish, 124s.; compared with 117s., 115s. to 116s., and 125s., respectively, a week ago.

CHEESE.—A firmer tone has prevailed and prices have risen slightly. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: Canadian, finest coloured, 72s. to 73s., and New Zealand, finest coloured, 72s.; against 72s. and 71s. to 71s. 6d., respectively, a week ago.

COCOA.—The spot quotation in New York on Wednesday was 8⅝ cents per lb., as against 8 7/16 cents per lb. last week. In London, on Wednesday last, good fermented new crop Accra, "November–January," was quoted at 38s. sellers per 50 kilos., c.i.f. Continent, against 37s. 6d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 674 bags; delivered, for home consumption, 7,912 bags; exported, 15 bags; stocks, 262,149 bags, against 168,611 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 178 cwt.; delivered, for home consumption, 101 cwt.; exports, nil; stocks, 2,010 cwt., against 10,155 a year ago. Central and other South American: Landed, 1,883 cwt.; delivered, for home consumption, 1,734 cwt.; exported, 297 cwt.; stocks, 103,974 cwt., against 103,770 last year. Other kinds: Landed, 789 cwt.; delivered, for home consumption, 3,192 cwt.; exported, 685 cwt.; stocks, 105,693 cwt., against 149,690 last year.

EGGS.—The market has been quiet, but prices are fairly steady. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15-15½ lb.) realised 15s. to 16s. per 120, against 15s. to 16s. last week; while Danish (15½ lb.) made 11s. to 11s. 3d., as against 11s. to 11s. 3d. fast week.

FRUIT.—Business at Covent Garden remains active though prices are at a lower level, states *The Fruitgrower*. The supply of strawberries is practically exhausted, but raspberries are still plentiful at steady prices. Black currants are more in evidence than red and there is a good supply of gooseberries, with prices firm. English plums are coming on the market slowly as yet, but increased supplies from Spain and Italy are selling fairly well. English grapes are meeting a better demand, and supplies from Guernsey and Belgium are heavier with prices lower. Oranges are inclined easier on larger arrivals, and lemons show a similar tendency. Grapefruit sells rather better. Moderate supplies of English green apples sell well, but imported are slow; imported pears, on the other hand, have been an active market.

MEAT.—At Smithfield market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 6d. to 4s. 10d. per 8 lbs., as compared with 3s. 10d. to 4s. 2d. a week ago. New Zealand frozen mutton was 3s. 4d. to 4s. per 8 lbs., against 3s. 4d. to 3s. 10d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 7,648 tons, a decrease of 1,509 tons on the corresponding week last year. Beef and veal accounted for 4,258 tons, mutton and lamb 2,448, and pork and bacon 496, as compared with 4,981, 3,028 and 722 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, August-October, was quoted at 4½d. per lb., sellers, c.i.f. Rotterdam-Hamburg, against 4 5/16d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3d. per lb., sellers, compared with 2 15/16d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 3 tons; stocks, 2,055, against 1,753 last year. White, landed, 8 tons; delivered, 30 tons; stocks, 11,524 tons, compared with 12,241 a year ago.

RICE.—The spot price of Burma No. 2 cleaned, was 10s. 1½d. per cwt., ex warehouse, on Wednesday, as compared with 10s. per cwt. a week ago. "August-September," in singles to Continent and U.K., was quoted at 9s. 1½d. to 9s. 3d. per cwt., against 9s. to 9s. 3d. for "July-August" last week. Movements in London last week were as follows: Landed, 2 tons; delivered, 3 tons; stocks, 2,046 tons, against 1,959 a year ago.

SUGAR.—The London market remains quietly steady; in New York firmer conditions have obtained, prices showing a small advance. The New York spot quotation was 3·45 cents on Wednesday, as compared with 3·42 cents per lb. last week and 3·45 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "August" delivery at 6s. 7¾d. to 6s. 8d., against 6s. 6½d. to 6s. 7d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports 8,665 tons, against 12,064 in the previous week, and 18,687 in the same week of 1936; deliveries, 11,893 tons, against 15,257 and 14,187 tons, respectively; stocks, 160,661 tons, against 163,889 and 133,544 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 23, 1936	12·11	12·01	12·93	10·22	9·88	11·44	12·32
June 24, 1937	15·60	14·50	15·16	14·16	12·28	13·77	14·96
July 1, „	15·12	14·49	15·09	13·37	12·24	13·76	14·78
„ 8, „	15·34	14·38	15·12	14·64	12·25	13·69	14·83
„ 15, „	15·31	14·50	15·15	13·12	12·50	13·84	14·92
„ 22, „	15·15	14·55	15·33	13·44	12·38	13·52	14·92

At this week's public auctions in Mincing Lane, 21,010 packages of Indian and 27,103 packages of Ceylon tea came up for disposal. Demand for Indian was good, especially in the low price and medium grades where prices hardened. Prices of Ceylon teas were also fully maintained, the market continuing active.

VEGETABLES.—Prices of tomatoes at Covent Garden have declined on heavier arrivals, states *The Fruitgrower*, while cucumbers are also more plentiful and cheaper. Runner beans have fluctuated in price and green peas are now easier. Vegetable marrows have declined in consequence of larger arrivals and cabbage is also cheaper. Carrots and onions, however, in shorter supply, have been marked up in price. Supplies of English new potatoes have been on a liberal scale and, with only a moderate demand, prices moved in buyers' favour. Sharpe's Express, British Queen, Majestic and Eclipse were quoted at 6s. to 7s. 6d. at the London Borough market on Tuesday, against 7s. to 8s. 6d. a week earlier.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Trade continues on very quiet lines, which is not unusual at this time of the year. Mills are running below capacity to meet modified immediate requirements and production of oilcake and oils is restricted by demand. In the oilseed market linseed remains steady, but subject to slight fluctuations due to variable weather and crop reports and the movements in wheat. There is, however, only a small demand from crushers both here and on the Continent. The Indian crop is moving off very slowly, and in view of a strong statistical position growers are in no mood to press sales, apparently hoping for an improved market as the year advances. Shipments from Argentina continue at a fair level, with the result that the unsold balance of the exportable surplus has further diminished and today is only slightly more than 400,000 tons. India, however, has about a quarter of a million tons in reserve. Together however, the prospective supplies are still far below actual exports in the remainder of 1936. Smaller quantities are being shipped on American account and further requirements will depend largely upon the outturn of the crop in U.S.A. and Canada. The quantity now afloat for Europe is 106,800 tons (including 23,900 tons from India), while that afloat for the United States is 45,000 tons, against 12,600 tons a year ago.

Cottonseed is in rather better demand at the lower level of prices, but trade in oil is slow. Contracts in crude oil from the new Egyptian seed are reported at £25 10s. September delivery. Linseed oil is in only quiet demand and a shade lower on the week. Oilcakes are a fair trade, deliveries being about normal for the season.

RUBBER.—Prices have again shown a sagging tendency in the period under review, but it is reported that buyers have been active at the lower level. The main factor depressing the market is the belief that Malaya will, after all, be able to produce the 90 per cent. quota fixed for the last half of the year. This view is based upon the export and production figures for June, which may not, however, be representative of the country's real capacity. In the circumstances, the long-term outlook is obscure.

The spot price in New York on Wednesday was 18½ cents per lb., compared with 18 3/16 cents per lb. a week ago and 19¼ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8¼d. per lb., as against 9d. on the corresponding day last week. In forward positions business has been done at 8 11/16d. for "September" shipment, as against 9 3/16d. a week ago. Stocks in London and Liverpool at the end of last week totalled 41,782 tons, against 41,645 tons a week earlier. A year ago stocks amounted to 114,376 tons.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, July 28th

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	53	6		
Eng. Gaz. av., per cwt.	9	9		
Barley, Eng. Gaz. av.	9	2		
Oats, ,,	9	4		
Maize, La Plata, landed 480 lb.	28	9		
Flour, Lon. stan. ex mill, 280 lb.	40	9		
RiceNo.2 Burma,per cwt.	9	1½	9	3
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	8	5	8
Argentine chilled hinds	4	6	4	10
Mutton, per 8 lbs.—				
English wethers	6	4	7	8
N.Z. frozen ,,	3	4	4	0
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	4
Pork, English, per 8 lbs.	5	4	5	8

OTHER FOODS

BACON—				
English per cwt.	98	0		
Irish	99	0	103	0
Danish	100	0		
Dutch	100	0		
HAMS—				
Canadian	109	0	110	0
United States	108	0	110	0
BUTTER—				
Australian	117	0	118	0
New Zealand	118	0	119	0
Danish	124	0		
CHEESE—				
Canadian per cwt.	72	0	73	0
New Zealand	72	0		
English Cheddars		...		
Dutch	58	0	63	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. per cwt.	37	0	37	6
Trinidad	65	0	70	0
Grenada	58	0	60	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	52	0		
Colombian, good	58	0	62	0
Costa Rica, med. to good	64	0	90	0
East Indian ,, ,, ,,	70	0	90	0
Kenya, medium	58	0	72	0
EGGS—				
English per 120	15	0	16	0
Danish	11	0	11	3
FRUIT—Oranges—				
S. African boxes	8	6	14	0
Brazilian boxes	9	6	11	6
Lemons, Malaga cases		...		
,, Sicilian boxes	18	0	24	0
Apples: Amer. (var.) bris.		...		
,, (var.) boxes		...		
,, Australian	9	6	13	6
Onions—				
Valencia, case		...		
Egyptian, bags	6	6		
Grapes, Almeria, barrels		...		
Grapefruit, Brazilian	13	0	18	6
,, S. African	13	0	19	0
LARD—				
Irish, finest bladders	66	0	74	6
U.S. per cwt.	67	0	68	3

	s.	d.	s.	d.
POTATOES—				
English new per cwt.	6	0	7	6
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3		
White Muntock	0	6		
Cinnamon—1st sort, per lb.	0	9		
Cloves—Zanzibar, per lb.	0	8½		
Ginger—per cwt.—				
African	59	0		
Jamaica, ord. to good	65	0	95	0
Mace per lb.	1	10	2	4
Nutmegs, 65's	0	11½		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	8½		
B.W.I., crystallised	17	6	19	3
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	20	0		
Cubes	24	3	24	9
Crushed	22	6		
Granulated	20	4½	21	3
Home Grown	20	3	20	6
TEA—				
Indian—per lb.—				
Pekoe	1	3½		
Broken Pekoe	1	2	1	7½
Orange Pekoe	1	3½	1	5
Broken Orange Pekoe	1	2½	2	6
Ceylon—per lb.—				
Pekoe	1	2½	1	7
Broken Pekoe	1	2½	1	3½
Orange Pekoe	1	2½	1	7½
Broken Orange	1	2½	1	7½
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3¼ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
,, strips	0	9	1	6
East Indian leaf	0	7	1	10
,, strips	0	6	1	9

TEXTILES

COTTON—	d.			
Mid-American per lb.	6·36			
Sakellaridis, f.g.f.	9·60			
Yarns, 32's twist	13⅜			
,, 60's twist	19½			
FLAX—	£	s.	£	s.
Livonian ZK per ton	82	0	86	0
Pernau HD	84	0	85	0
Slanetz Medium...1st sort	90	0	92	0
HEMP—				
Italian P.C. per ton	66	0		
Manilla, July–Sept. "J 2"	35	0		
Sisal, African	25	0	28	0
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.-Sept.	£21/5/0			
Daisee 2/3 c.i.f. Dundee Oct.-Dec.	£20/10/0			
SILK—	s.	d.	s.	d.
Canton per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	8	0	9	0
Italian—raw, fr. Milan	8	6	10	0

	s.	d.	s.	d.
WOOL—		d.		
English Southdown, greasy, per lb.		18½		
,, Lincoln hog, washed		18		
Queensland, scd. super cmbg.		31		
N.S.W. greasy, super cmbg.		19		
N.Z., grsy., half-bred 50–56		18½		
Crossbred 40–44		16		
Tops—				
Merinos 70's average		41		
,, 64's ,,		38½		
Crossbred 48's		26		
,, 46's		25		

MINERALS

	£	s.	d.	£	s.	d.
COAL—						
Welsh, best Ad'ty...ton	19	6		22	6	
Durham, best gas, f.o.b. Tyne	22	6				
Sheffield, best house, at pits	22	0		22	6	
IRON AND STEEL—						
Pig, Cleveland No. 3, d/d. ton	101	0				
Bars, M'brough	285	0				
Steel rails, heavy	202	6				
Tin plates per box	25	6		26	0	
METALS—	£	s.	d.	£	s.	d.
Copper, Electrolytic, ton	64	0	0	65	0	0
Sheets (Strong)	93	0	0			
Standard	56	16	3	56	18	9
Lead, Eng. pig... per ton	24	10	0			
Soft foreign	22	13	9	22	15	0
Spelter G.O.B.	22	15	0	22	16	3
Tin—English ingots	263	0	0			
Standard cash	262	0	0	262	10	0

MISCELLANEOUS

	s.	d.	s.	d.
CHEMICALS—				
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2½	0	3½
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump per ton	8	10	8	15
Ammonia, carb. ton	27	0	28	0
Sulphate			7	5
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	7	9		
Potash—Chlorate, net	0	4	0	4½
Sulphate per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0		

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/– per ton
1 and up to 4-ton loads 41/– per ton

	£	s.	d.
COPRA—			
S.D.Straits c.i.f., per ton	16	11	3
DRUGS—			
Camphor—	s.	d.	s.
Japan, refined... per lb.	2	4	
Ipecacuanha per lb.	7	9	
HIDES—			
Wet salted—Australian per lb.	0	6¾	0
West Indian	0	4½	0

	s.	d.	s.	d.
Cape	0	6½	0	7
Dry and Drysalted Cape	0	9½	0	10
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7¾	0	8½
Best cow	0	6½	0	7
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine per lb.	5	6	6	6
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	3	2	6
Bark Tanned Sole	2	6	3	8
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	10
Bellies from DS do.	0	5½	0	6½
Do. Eng. or WS. do.	0	6½	0	9
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/11 lb.	1	3	1	7

	£	s.	d.
VEGETABLE OILS—			
Linseed, naked, p. ton net	29	15	0
Rape, refined	38	0	0
Cotton-seed, crude	28	0	0
Coconut, crude	24	10	0
Palm	23	0	0
Oil Cakes, Linseed, Eng., per ton	9	2	6
Oil Seeds—Linseed—			
La Plata, p. ton, July	13	7	6
Calcutta—per ton	15	3	9
	s.	d.	
Turpentine, per cwt.	36	0	
PETROLEUM PRODUCTS—			
Motor Spirit, No. 1, London	1	6½	
Petroleum, Amer. rfd. brl. London...per gall.	0	10½	
Fuel oil, in bulk, for contracts, ex instal. Thames—			
Furnace...per gall.	0	3¾†	
Diesel.....per gall.	0	4¾†	
ROSIN—			
American per ton	19/10/0		21/15/0

	s.	d.	s.	d.
RUBBER—				
St. ribbed smoked sheet per lb.	0	8⅞		
Fine hard Para per lb.	0	10		
SHELLAC—				
TN Orange ... per cwt.	46	0	49	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. ,,	3	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	25	6		

	£	s.	d.
TIMBER—			
Swedish u/s 3 x 8 ... per std.	24	0	0
,, 2½ x 7 ... ,,	23	10	0
,, 2 x 4 ... ,,	21	0	0
Can'dn Spruce, Dis. ,,	24	10	0
Pitchpine per load	11	0	0
Rio Deals per std.	35	0	0
Teak per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African ,,	0	6	0
Amer. Oak Boards" ... ,,	0	6	0
,, Ash ... ,,	0	6	0
English Oak Planks ... ,,	0	6	0
,, Ash ... ,,	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	July 29, 1936	June 30, 1937	July 21, 1937	July 28, 1937.
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	108⅞	118¼	122	124
Maize, nearest future, Chicago, per bushel	94	125	116¾	100⅜
Oats, nearest future, Chicago, per bushel	38¾	42⅜	35¾	31
Rye, nearest future, Chicago, per pushel	76⅛	91	92⅜	89
Barley, nearest future, Chicago, per bushel	66	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	7⅜	9¼	9¼	9¼
,, **Santos No. 4, cash per lb.**	9⅜	11⅜	11¼	11⅜
Cocoa, Accra, nearest future, per lb.	6·13	7·17	7·95	7·96

	July 29, 1936	June 30, 1937	July 21, 1937	July 28, 1937
	Cents	Cents	Cents	Cents
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·65	3·45	3·42	3·45
Cotton, middling, spot, per lb.	12·80	12·54	12·17	11·44
Rubber, smoked sheet, spot, per lb.	16 7/16	19¼	18 1/16	18⅛
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·27½	13·57½	13·95	14·07½
Copper "Electrolytic," Export prompt, per lb.	9·50	13·80	14·17½	14·30
Spelter, East St. Louis, spot, per lb.	4·80	6·75	7·00	7·00
Lead, spot, per lb.	4·60	6·00	6·00	6·00
Tin, "Straits," spot, per lb.	43·12½	56·50	60·00	59·12½

(a) Nominal.

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Holiday Diplomacy

WHILE Japanese bombers whine above ancient Chinese cities, while battle and sudden death rage throughout Spain, while Jew and Arab wrangle over the future intended for the Holy Land, while Germany and Jugoslavia are torn by religious dissension, and while all Russia is being swept by a vast heresy hunt, another August 4th has come and gone. In such a ferment, twenty-three years after the outbreak of the Great War which was to save the world from the dictates of power-politics, the world to-day may be forgiven if it forgets for what August 4th stands. After all, Time does not stand still if politicians do; and there are now young men at universities throughout the Western world who were born after the war to end wars. Nevertheless, when Parliament went into recess last week-end and Bank Holiday weather crowded the roads and beaches of this country, many grown men—and many more women—will have remembered that brilliant August week-end twenty-three years ago, when a young and energetic Government and a singularly gifted House of Commons took one of the most historic, most responsible decisions that assembly had ever been called upon to make. Those who recalled that week-end in August, 1914, must, on looking round the world's political landscape last week-end, have wondered for a moment whether Mankind—at least in the short run—possesses any faculty at all for growing either in wisdom or in grace.

There is, however, one striking feature of world politics to-day which characterises dictatorships and democracies alike. Though the former are naturally disposed to make the most of bluff and menaces in their diplomacy, neither they nor the democracies have any stomach for the hazardous responsibility of unleashing general war. Indeed, in this respect Europe, at least, despite vastly greater armaments and more overweening threats of power-politicians than in 1914, is paradoxically more aware of the risks of war to victor or vanquished alike than twenty-three years ago. And this, again somewhat paradoxically, is mainly the outcome of popular pressure upon the leaders of dictatorships and democracies alike. The foundations of civilisation and culture, the limits of autarky, and the bounds of political compulsion are all more evident to-day than they were before. The world to-day is certainly insecure, both politically and economically; but precious little readiness to pull it down in ruins is evident anywhere, even though equally little readiness to underpin its structure is discernible.

It may be that perception of these things at the beginning of the summer recess impelled the PRIME MINISTER to take the initiative in penning a personal letter to SIGNOR MUSSOLINI last week-end, appealing for the re-establishment of friendly relations between Italy and this country. THE DUCE'S equally personal reply is known to have been cordial; and we believe he sincerely wishes such a consummation. It is certainly the desire of the overwhelming majority of the British people to live in peace and amity with all men, irrespective of the forms of government which other men affect; and Italy, as well as Italian nationalism, has always enjoyed a peculiar

affection among Englishmen, to whom the men of the *risorgimento* owed much.

But if it is hard for Englishmen to-day, stoutly true to democratic principles and traditions, to understand the outlook of Fascism, it is apparently even harder for Fascists to understand the outlook of Englishmen. True to those same principles of democratic nationalism which in the hands of MAZZINI, GARIBALDI and CAVOUR made modern Italy, we only require of Fascism that it should subscribe to a common code of international conduct: namely, to do as it would be done by, to keep to its own house, not to overset democracies abroad and bring the European structure about our ears by exporting the domestic principles of Fascism to the foreign scene. Force and violence and bluff may be required under Fascism; but let them be kept at home.

It is this British doctrine which savours of perfidious hypocrisy to Fascists. In the flush of militarist zeal, they ask why they should not behave in the twentieth century as some Britons behaved in the world of the eighteenth; why they should not act on the same standards, with the same instruments. To that question there can only be one answer: August 4, 1914. If no new way in diplomacy is discovered, as the world thought it had been after the last war, "back to the eighteenth century"—with its wars of Spanish Succession and colonial plunder—will become the watchword for the twentieth; and, despite the British Government's abhorrence at the inevitability of such a choice, that Government, or another, will be forced by Fascism to defend its own and other democracies' interests. And that means war.

In nothing has the actual division of Europe into two camps of conflicting outlook been more apparent than in the sterile sessions of the Non-intervention Committee in London. Last week-end all the totalitarian States—Russia, Germany, Italy and Portugal—combined to reject the compromise British Plan to secure non-intervention. True, the Russians objected to any grant of belligerents' rights to GENERAL FRANCO at all, while the other three countries demanded it as a condition precedent to any beginning of a withdrawal of foreign "volunteers" from Spain. Still, the significance is that the dictatorships were on that occasion ranged together in rejecting a compromise solution; and that is the measure of Europe's anxieties to-day. For if no middle way is ever to be driven between warring dictatorships—except at the intolerable cost of paying one or the other all it demands by threat of force—then the curve of armaments will assuredly rise to explosive point, and we shall all be faced with another August 4th, from which perhaps not even as many neutrals will escape as did in the last Great War. It may be that the French FOREIGN MINISTER'S representations to Moscow and the British reminders to Rome and Berlin of the indivisibility of the British Plan will have the effect of inducing a more accommodating attitude on both sides in the Chairman's Sub-committee due to meet on Friday of this week. But the chances of securing real non-intervention are now invisibly thin.

COUNT CIANO has described the exchange of *billets doux* last week-end between THE DUCE and MR CHAMBERLAIN as "a great stride forward." English observers, mindful of the ill-styled Gentleman's Agreement of January last, will wait to see the ground covered before gauging the step. There is no disposition in this country to recognise Italy's ill-gotten gains in Ethiopia; or to acquiesce in her carrying GENERAL FRANCO to victory in the Iberian peninsula on Italian bayonets; or to sit idly by with folded hands while British and French vital communications are ambushed and enfiladed. On the other hand, the Anglo-Italian *détente* may be welcomed if it only serves to ease tension, to substitute a will to understand for a will to annoy, to give breathing-space in which a wider view of Europe's destinies may be taken. It must not be taken as one more testimony of British timidity or cowardice in dealing with dictators. That would, in all literal probability, be a fatal error. MR CHAMBERLAIN and MR EDEN may well be glad the dog-days are here; but foreign policy cannot be put into cold storage.

Milk Policy

IT has been tacitly recognised for some time past that the Government's policy on the production, sale and consumption of milk is the supreme test of all its agricultural endeavours. A number of reasons coincide in conferring an especial importance on the problem of milk. It is, in the first place, the most nearly perfect human food and, in the second place, the foodstuff in which British consumption lags most seriously behind that of other countries. On the more exclusively economic side, milk is probably the most valuable single product of British agriculture and certainly the branch of farming which concerns the greatest number of producers. From the consumers' point of view, milk is the one important foodstuff whose price has been exempt from all downward movements of the cost of living. And finally, it still has to be recorded that the cleanliness of the national milk supply is very far from satisfactory.

From the start, the new policy of organising agriculture has largely concentrated on milk, and the Milk Marketing Board represents the largest and most elaborate of the offspring of the Agricultural Marketing Acts. Its working, however, has never been free from criticism. No less than 14 official reports on milk were published between the beginning of 1933 and the end of 1936. The last and most authoritative was the report of the Reorganisation Commission for Milk for Great Britain (the CUTFORTH Report) which was issued in November last. With such an inherent importance of the subject, and such an impressive accumulation of advice, the promised and portended announcement of the Government's policy was awaited with some eagerness. When it appeared on Thursday of last week (it was very briefly mentioned in last week's *Economist*) it seemed as if the long delay in producing it had been devoted solely to a whittling away of its contents. We had occasion some weeks ago to state our preference for MR MORRISON'S *andante* rather than MR ELLIOT'S *allegro con brio*. But we spoke too soon, for to judge by the White Paper on Milk, the tempo has died away altogether. With a great array of difficult problems to solve, the White Paper solves none of them. With the desirable objectives of milk policy clearly defined, hardly advances towards any of them.

What are those objectives? For the consumer they can be stated to be the attainment of a milk supply as clean and as cheap as possible. For the farmer, the objective is the maintenance of such a structure of prices as will ensure a living to the reasonably efficient producer. Of these three objectives, the last, as usual, is to receive preferential treatment. The prices of butter and cheese (and hence of milk sold for manufacture) have risen in recent months. But if they fall back again, the Government undertakes to "put a bottom" in their fall by paying subsidies to the Milk Marketing Boards. Payments of this nature made in the past have been advances. But in future they are to be free gifts, and the Boards are forgiven the greater part of their existing indebtedness.

When the White Paper considers cleanliness, the greater part of its proposals likewise consists of the promise of subsidies. Thus the Exchequer is to pay a handsome contribution towards the cost of special premiums for the producers of the three grades of quality milk, at a cost of nearly £2,000,000 per annum. There is also a provision that local authorities are to be given powers to make pasteurisation compulsory in their districts in two years' time. But there is apparently to be no compulsion on the local authorities to use their powers. This hardly looks like the "national policy" which was promised when Glasgow was persuaded to withdraw the Bill in which it sought powers for much the same purpose.

Towards the objective of cheapness there is even less sign of progress. The Milk-in-Schools scheme is, it is true, to be continued and there is an undertaking to "bring forward proposals for securing, in co-operation with the industry, a reduction in the price of liquid milk to local authorities for the purpose of their maternity and child welfare arrangements." There is also an even vaguer promise of "provisions to facilitate the improved organisation of the distributive service." But these phrases hardly add up to a policy for cheapening milk for the ordinary consumer.

The criticism that can justly be urged against this White Paper is not that any of its proposals are bad—even the subsidies could be justified if the community had some prospect of getting some return for them—but that it ignores the major problems of organising milk marketing. The CUTFORTH Report made two major recommendations which would have placed the whole scheme on a sounder basis. The first of these was that the crucial power of fixing the wholesale and retail prices of milk—prices which may not be undercut under pain of the law—should no longer be entrusted to a Board representative of the producers alone but to a Commission appointed by the Government to represent all interests impartially. The Commission is to be found in the White Paper proposals, but it is shorn of all the powers suggested for it by the CUTFORTH Report. "It is not proposed," says the White Paper, "to disturb the existing arrangements for the negotiation of contract terms and prices."

The second major recommendation of the CUTFORTH Commission was that the price of milk for liquid consumption should no longer have to bear the burden of making good the loss sustained on milk sold for manufacture at a price below the cost of production. This touches the heart of the absurdities of the present scheme. Not only is milk sold at the highest price for that use in which it confers the greatest benefit on health, but a glut of milk has actually led to an increase in the liquid price, since that price has had to bear the cost of selling an increasing "surplus" at a loss. It is true that, in order to ensure a regular supply to the liquid market, more milk must be produced, on the average of months, than is consumed in liquid form. But the actual "surplus" has long ago far surpassed this inevitable and desirable reserve. To sell milk at a low price for umbrella handles (or even for cheese) and at a high price for babies is bad enough. But to justify an increase in the price for babies by the low price for umbrella handles is the economics of Bedlam. And this is what has been happening under the Milk Marketing scheme. The CUTFORTH Report made an attempt to prevent it happening any further. Apart from the proposal for an impartial Commission, it suggested that the liquid consumer should pay the cost of disposing only of the necessary reserve, which it estimated at 20 per cent. If these suggestions had been adopted, the retail price could have been immediately reduced, even without any economies in distribution. But the Government are apparently not sufficiently interested to impose these reforms on an unwilling industry.

The crux of the matter lies in the decision to leave untouched the domination of the marketing organisation by a producer-elected Board. Such a Board cannot be blamed for acting in the interests of its constituents, or even for making its peace with the distributors, who are organised and vociferous, at the expense of the consumers, who are neither. The blame lies on those who think that such a system could possibly safeguard the public interest or even work consistently with itself. For a Board elected annually by scores of thousands of small producers cannot even act as an intelligent monopolist would. He would realise that he could not keep up prices without limiting production, or expand production without accepting a fall in price. But an elected Board must fight to the death both for higher prices and for unrestricted production; it has an inherent tendency to rely either on subsidies of public money or on a steadily rising price to the consumer, or (as the history of the last four years shows) on both. It is no answer to this argument to draw hair-raising pictures of the chaos which would have descended on the market if the Board had not been set up. Chaos is not the only alternative to this particular form of organisation.

The White Paper is thus unsatisfactory for its omissions rather than for the proposals it does contain. It is hardly an exaggeration to say that there is no branch of the nation's economic life in which greater rewards of public or individual welfare, both for the producer and for the consumer, await those who can plan a really efficient and equitable organisation than the supply of milk to our urban population. It is impossible not to feel the most profound disappointment that the opportunity has not been grasped.

The Book Trade

"I RESPECT MILLAR, Sir. He has raised the price of literature." If SAMUEL JOHNSON, who spoke these words, were able to revisit Fleet Street he would be astonished by the revolution which has taken place since his time in the rewards of authors and publishers. He might also be inclined to revise his opinion of the methods by which the "price of literature" has been so notably magnified. No single MILLAR or combination of MILLARS has alone accomplished the miracle of cheap books which all enjoy to-day. Not only has illiteracy been banished, but the spread of education and culture has created a mass reading market undreamed of in JOHNSON'S day. At the same time, developments in the mechanics of book production have replaced the hand press, on which the great Dictionary was printed in 1755 at the rate of less than 200 sheets an hour, by giant rotary machines working a hundred times as fast. Almost as important has been the cheapening of paper, mainly in the latter part of the nineteenth century.

Only to-day are we beginning to discover how low book prices can be. MR BERNARD SHAW followed the first edition of his "Intelligent Woman's Guide to Socialism," published at 15s., with a cheap edition at 5s., and now the same book has been produced, with paper covers, in a popular series, in two parts at sixpence each. Sets of dictionaries, encyclopædias and the works of popular writers have been provided for a few shillings and a few coupons by some national daily

papers. And it has been strongly rumoured that some of these works were not supplied at a loss, incredibly low though their prices seemed to be. Again, the various "Book of the Month" clubs in America and in Great Britain have cheapened books enormously, on the basis of a guaranteed market.

Such results as these have frequently induced the question why the cost of books, in general, has not been reduced far below its present level. The answer is that while, in the language of economists, the "supply curve" of book production falls to low unit prices as production is increased, the demand for all but a limited number of popular classics is inelastic. However low the prices of some books might be, the number of copies sold would never be very large. If a treatise on the theory of optical instruments were sold for half-a-crown instead of a couple of guineas, would thousands rush to buy it? They would not.

There is no monopoly in publishing. The book trade is open to all. Any author with a manuscript to sell, which offers any possibility of attracting a sufficient public to make it worth the risk of printing, is certain of an attentive hearing at a dozen or so London publishing houses of the first rank. Authors who have been launched and advertised by one publisher may (and some in fact do) seek improved terms at a rival publisher's office. Publishing is a mystery only in the mediæval and not in the modern sense. The amount of capital required by a newcomer is as small as in any British industry and smaller than in most. The rewards of success may be handsome but the penalties of failure, though relatively small on single books, may in quite a short time be cumulatively disastrous in the early days of a new business. Later, however, the law of copyright makes the fear of failure proportionately less menacing, as a list of works in popular demand is steadily built up.

The publishers, however, represent only half of the book trade. No large publisher, except His Majesty's Stationery Office, maintains his own retail establishments. And the Stationery Office's annual accounts show that, despite the specialised nature of most of its publications, more than half the face value of its sales is secured through the book trade. In the last resort, therefore, the price of literature depends upon the activity of the nation's booksellers.

Bookselling, in turn, is a free and open profession. Recognition by the Publishers' Association is the only formality necessary in order to secure the trade discount which is the bookseller's only remuneration for his services. That discount is calculated on complicated scales, varying from publisher to publisher, but is generally 25 per cent. of the "net" published price which the public must pay. It is rarely more on single copies in Great Britain, although one large publishing house not so long ago increased its trade discount to 33⅓ per cent. The question of trade terms has always been prolific of controversy and frequently of honest misunderstanding. Booksellers have claimed that their trade discount is too low. Publishers have been more sceptical, and authors have shown undoubted resentment on learning that the man who sells a copy of their book obtains perhaps two or three times as much of the consumer's half-guinea as they. Apart, however, from the fact that the total trade discount has to be split amongst hundreds of booksellers, while the author's royalty is undivided, bookselling is frequently a hazardous business for the small man, outside a few favoured centres of large population or of learning. In some instances it hardly yields a living wage to those engaged in it; and its earnings are frequently augmented by those of a more remunerative stationery trade, or perhaps a trade in second-hand books or foreign stamps. Yet it is an essential link between the author and his public. In well-informed quarters it was estimated that two best sellers of yesteryear, "The Seven Pillars of Wisdom" and "In the Steps of the Master," had twelve months ago secured sales totalling £180,000 and £200,000 respectively, of which 85 per cent. was taken over the counters of the nation's bookshops. Two swallows like these may well have made a summer for many booksellers, but such plump birds are rare.

Whether some new policy is necessary to put the book trade on its feet is a matter which is hotly disputed, and the arguments of the interested parties do not always carry conviction to an outside mind. Some publishers believe that every bookseller ought to be a species of publicity crusader in their service. Some booksellers criticise public libraries, lending libraries who sell their surplus stock, and book clubs, as though the one purpose of the trade in books were to secure booksellers a competence, irrespective of their own enterprise. Authors have described the economics of production and distribution in the language of a predatory middlemen's racket. But all such views seem to miss the heart of the problem. The trade as a whole is becoming increasingly aware that the crux of the matter is rather to discover ways and means of increasing the demand for books in general. The movement towards co-operative effort has not indeed gone as far as some would wish. Yet the formation of the National Book Council, the invention of the book-token, the now annual book exhibition organised by a well-known Sunday newspaper, all afford impressive evidence of co-operative activity to divert a greater share of the national income to enlarging the price of literature. Clear limits are, unfortunately, set to the increase in the private possession of books by the available space in the average small English house or flat and the available margin in the average English income. Within these limits, however, there would undoubtedly be room for more small private collections, if once the basic desire to cultivate the things of the mind could be stimulated.

Nevertheless, much as popular education and broadcasting are likely to do in this cause, a considerable part of the increased demand they induce is likely to fall, in the first place, upon the public libraries. Indeed, such a development may be the only method of coping with the ever rising flood of new books, many of which, for the reasons discussed in an earlier article, can expect, at best, only a limited market. In the *Publishers' Circular's* annual census, the number of new books (excluding pamphlets) published in Great Britain in the year 1936, under merely four out of many classifications, was given as 2,078, made up as follows:—

Classification	*Number*
Sociology	730
Religion	720
History	500
Law	128

When the corresponding figures from the United States, France and Germany are brought into reckoning, it is evident that the intellectual problem of book absorption is no less baffling than the economic. This vast output will never be brought into the three-and-six-penny class of cheap reprint, to say nothing of the six-penny class. Other methods of distribution are therefore required to supplement sales at the "economic" price, and here the part played by public libraries is, or ought to be, indispensable. We can now at least, thanks to the National Central Library, boast in England a well-organised national book pool. It should soon be possible to claim that a poor scholar is no longer denied the essential tools of his craft, even though, like CHAUCER'S Clerk Oxenford, his own possessions are no more than twenty tattered tomes.

Hungary Looks at Europe

IF one takes one's stand in Budapest to-day and looks at the international landscape through Hungarian eyes, the prospect turns out, after all, to be not so very different from what it is in London. The German feature in the European landscape gives a certain unity to the British and Hungarian outlooks, and, by the same token, it makes the present international position of Hungary a matter of practical interest to ourselves.

The resurgence of Germany as a Great Power in the European arena is affecting Hungary in several different ways. To begin with the relations between Hungary and her Danubian neighbours, the emergence of the Third Reich inevitably conjures up lively hopes in certain Hungarian breasts. But, no less inevitably, it quickens profoundly disquieting second thoughts. Every Hungarian understands that Germany has the physical power to deliver to Hungary certain territorial goods that Italy can only promise. Hungarians have been made disappointedly aware that Signor Mussolini's periodical pronouncements on the subject of territorial revision in Hungary's favour are words which will never turn into deeds through mere repetition. On the other hand, if Hungary were actively, or even only passively, to support Germany in an aggressive war on Czechoslovakia, Germany would have it in her power to restore Slovakia to Hungary, supposing—a hazardous postulate—that the enterprise did not bring a European war about the ears of the aggressors.

But the very strength of Germany gives the Hungarians pause. *Timeo Danaos et dona ferentes.* What would it profit Hungary to regain one lost province at the cost of losing her independence and being reduced, herself, to the status of a province in a Mittel-europa under German hegemony? That is a price which even the most ardent or embittered Magyar irredentist might hesitate to pay. In this situation the Hungarians are finding themselves forced into striking a balance of profit and loss between two alternatives. Would it profit Hungary more to collaborate in the destruction of Czechoslovakia for the sake of restoring the integrity of the Crown of St. Stephen in that quarter? Or is the independence of Hungary, whatever her frontiers, so closely bound up with the existence of Czechoslovakia that Hungary cannot afford to take a hand in sweeping this buffer State away? The value of Austria to Hungary as a buffer between Hungary and Germany was one of the axioms of Hungarian policy from the Ausgleich in 1867 until 1918. But the Moravian and Bohemian territories of Czechoslovakia are ex-provinces of the pre-war Austria. Therefore, if Hungary is to be shielded from Germany under post-war conditions, must she not interest herself now in the independence not only of post-war Austria, but also of Czechoslovakia?

These considerations have brought statesmen of all significant Hungarian parties to a remarkably moderate state of mind in their attitude towards Czechoslovakia. It may now be said with some confidence that there has been no moment since the peace settlement when the prospects have been as favourable for a Hungaro-Czechoslovak reconciliation as they are to-day. A first step would be for Czechoslovakia to agree to Hungary's right to rearm and to remove the few grievances of her Hungarian minority; while Hungary, on her side and for a season, would refrain from pressing her claim to territorial revision, without being asked to renounce it. This step has now come very near to practical politics; and if only it could be taken the atmosphere would almost certainly improve progressively within the next few years.

One factor that has made the possible danger from the Third Reich very vivid to the Hungarian imagination is the Nazi propaganda among the German minority in Hungary. These 470,000 Germans, out of a bare 9,000,000, are the most substantial non-Magyar element left in Hungary after the removal of the Croats, the Rumans, and all but 200,000 of the Slovaks. The German minority is a scattered community of peasants who were brought in by Maria Teresa. They have been hitherto on the whole—in contrast to the Slovaks and the Rumans—well treated, prosperous and content. The new frontiers and the economic depression have deprived many of the Hungarian German villages of their former markets; economic trouble has bred political discontent; and Dr Goebbels has seen and taken his opportunity. Nor has Nazi propaganda from Berlin confined its activities to the German element in the population of Hungary. It has also set itself to work up Fascist movements among the Magyars themselves. There is plenty of tinder here among the 1,000,000 landless agrarian proletariat; yet the Hungarian tradition of parliamentarianism is probably too strong to give the Nazi spark much chance of starting a serious conflagration. Here, again, the main effect is likely to be to deter all far-seeing Hungarians from steering their country into Germany's orbit.

Thus, Hungary finds herself in a very puzzling situation to-day. Yet though the Hungarians may find it difficult to make their choice between the possible alternative policies that lie before them, their decision, when they do take it, is likely to be of considerable importance for the destiny of Europe. Hungary is freer to act than Austria or even Czechoslovakia, just because these two neighbouring Danubian countries are still there to relieve Hungary from the full incidence of the German and Italian pressure upon the Danube.

Hungary's Prime Minister, M. Darányi, her Foreign Minister, M. Kánya, and her great post-war statesman, Count Bethlen, have all recently emphasised her loyalty to friendship with Italy and Germany. But it has been made clear by speakers of all parties in Parliament and by the Press of all parties that Hungary's foreign policy in the immediate future will have to be one of expediency, until the durability of the Rome-Berlin axis has been tested by the application of German pressure at its weakest spot: Central Europe. For Hungarians, like many other Europeans, nurse doubts in their hearts about the ultimate reconcilability of the aims and interests of Germany and Italy in Austria and Czechoslovakia. They realise that while Signor Mussolini might lower both eyelids at the rape of Czechoslovakia, he still has, and will always need to have, both eyes wide open on Austria. And whether Germany pockets the one State or the other, the outlook will be bad for Hungary; for her economic, her foreign, and even her internal policy would thenceforth lie at Germany's dictation. This explains both the warm Hungarian support for Dr Schuschnigg's regime in Austria, and the rapid recent improvement in Hungarian-Czech relations.

The ideal solution remains a political and economic understanding between the Danubian countries. This should not, for it cannot, altogether exclude Germany and Italy. *A fortiori,* it should not "encircle" those two Powers. In economic terms we might conceive of a Danubian system of preferences in which Germany and Italy were admitted to participate partially but not in full measure. Could not the British Government now—in requitement of its fatal *non possumus* at Stresa and Ouchy in 1932—see its way to waiving its claim to most-favoured-nation treatment in the Danubian area? It would be a sound British economic contribution towards European peace. The imperceptible economic sacrifice would be richly rewarded; for the only alternative course which Central European history could conceivably take would be an attempt, on Germany's part, to impose unity and organisation upon the Danubian region by force. And that would ultimately—if not at the outset—mean a war over the European balance of power. In such a war, our own country would assuredly be involved. So let us move heaven and earth to remove the possibility of its ever breaking out.

Shops and Shopkeepers

ALTHOUGH shops are a familiar feature of our daily life we know surprisingly little about the business of shopkeeping. Yet it is our largest industry. Over two and three-quarter million people are engaged in the distributive trades of this country, and over two million of them are employed in retail trade. Shopkeeping employs nearly twice as many people as farming, over twice as many as coal-mining and five times as many as the manufacture of cotton goods. Moreover, this enormous business of retail distribution is growing very rapidly. There are well over half a million shops of all kinds in Great Britain to-day; twenty years ago there were probably no more than 400,000 or 450,000. The number of shops is growing four or five times faster than our population and quite as fast as the number of new houses. Finally, more people are being employed, on the average, in each shop. The number of shops has increased by one-third, but the number of employees has at least doubled in little more than ten years.

Up to a point this striking growth in shops and personnel is no more than we should expect, in view of rising standards of life. Moreover, we are ready to pay more for convenient retail services, for pleasant up-to-date places to shop in, for extensive delivery services and for easy credit facilities. Although reliable figures are almost unavailable, it has been estimated that the cost of retailing amounts *on the average* to some 30 per cent. of the retail price charged; including perhaps 12 per cent. for rent, rates, display, amenities and advertisement, about 9 per cent. for staff wages and salaries, 5 per cent. for administration, and the balance of 4 per cent. for profit. It is slightly disturbing, however, to find that the costs of retailing appear to have been steadily rising for two decades. Moreover, when wholesale prices fell sharply during the recent depression, retail prices did not fall in sympathy; and some critics have contended that this lag, partly due to the fixed prices of branded goods, was also due to an inelastic burden of retail costs.

How far is anxiety justified? Is there a case for extending to the business of shopkeeping some of the zeal for planning which the authorities have lately applied to air transport, agriculture, coal, iron and steel, and electrical distribution? To the elucidation of these problems Mr Henry Smith has made a notable contribution in a work* which has just been published. Mr Smith has been compelled, in many instances, to base important conclusions on a scanty statistical foundation, but that is no fault of his. The whole task of setting problems of retail distribution in the context of contemporary social facts is beset with difficulty. The term "shop" covers a vast variety of businesses. Nine out of every ten are very small; and the average daily turnover of them all is as low as £10. The larger establishments, which account for only one-tenth of the total number, carry nearly half the total annual turnover. Mr Smith calculates that department stores, fixed-price stores, co-operative societies and multiple shops or "chain stores" have sales in the vicinity of £800 millions per annum; while "specialist" shops, grocers, dairies, butchers, fishmongers, drapers, etc., have an annual turnover of £870 millions, and "amorphous general shops"—many of the parlour-window type—have annual sales of only £30 millions.

There are similarly important variations in the goods handled and the markets in which they are offered for sale. In general, different commodities require different methods of sale. Most foodstuffs are necessaries but relatively perishable; they require small stocks and quick sales. Furniture takes up a great deal of room; it must be stocked in wide ranges and it sells slowly. The rate of turnover (which is the ultimate determinant of success or failure) depends not only upon the goods stocked but also upon the kind of customers available.

The disposition of shoppers, indeed, has a great deal to do with the way retail trade is now developing. Economists from Mill to Pareto and Marshall have combined to point out the imperfection of the retail market due to the purchaser's disinclination or inability to higgle and haggle. The author, whose grasp and application of economic science are admirable, follows up these theories with an appeal to modern sources of fact, such as Kelly's Directories, industrial surveys, Bank of England statistics and Mr Colin Clark's work on the national income. He is not content merely to allege a steady rise in retail costs. Tentatively, and with praiseworthy ingenuity, he produces a series of indices: of wholesale and retail prices, value of sales, volume of turnover and wage costs. These statistical *tours de force* are reproduced in the table below:—

	1924	1925	1926	1927	1928	1929	1930	1931
Wholesale price level of retailed goods	100	89·9	94·2	90·0	90·4	87·7	80·2	73·5
Retail price level	100	100·4	98·7	95·6	95·0	93·9	90·1	84·1
Volume of retail turnover	100	103·0	105·0	109·3	112·9	118·3	124·4	121·0
Value of sales per worker	100	98	93	89	90	89	89	79
Ratio of expenses to sales	100	107	118	128	123	133	149	162

These indices are experimental in high degree, and have been constructed from a variety of sources for lack of more exact and complete data. But they do suggest that a considerable increase in the cost of retailing took place between 1924 and 1931, not entirely to be explained by "natural" time-lag between the fall in wholesale prices and in retail prices. The author has also prepared a table to show the total cost of retailing, which again he derives by a roundabout but ingenious way:—

(In £ millions)

	Total Value of Retail Turnover	Composed of		
		Factory Value of Retail Turnover	Costs of Wholesaling and Transport	Total Cost of Retailing
1924	2,259	1,749	148	362
1925	2,337	1,783	153	401
1926	2,342	1,731	153	458
1927	2,361	1,721	157	483
1928	2,423	1,787	160	476
1929	2,510	1,815	166	529
1930	2,532	1,754	171	607
1931	2,299	1,556	157	586

On the strength of this extremely rough and ready evidence, Mr Smith has made a serious indictment of retail trade development in the period chiefly covered by his survey. He finds that, during those years, "the increase in the total cost of retailing was greater than the growth of productive efficiency could have justified, or than changes in the tastes of consumers might have called forth; and also that the increase in the number of shops was in excess of that necessitated by the migration of population or by the results of rehousing schemes."

Mr Smith may here have overstated his case. It would have been advantageous, also, to have had sufficient data to carry on the writer's estimates to a more recent year than 1931, though there is no reason to believe that the trends to which he refers have been seriously modified in the last six years. But with all their inevitable imperfections, Mr Smith's figures at least suggest a *prima facie* case which, from the viewpoint of the community as a whole, is indeed far from reassuring. In the long run, however, it is probable that only an official Census of Distribution, undertaken by the Board of Trade with statutory powers, can give a final answer to the question whether there are relatively too many shops and too high costs. In the meantime, the author has added something to our knowledge, and even more to our curiosity, about a strangely unknown industry which is of daily and vital importance to us all.

* "Retail Distribution: A Critical Analysis." By Henry Smith. Oxford. 178 pages. 7s. 6d.

Notes of the Week

Holiday Traffic and Politics.—Appropriately on Bank Holiday Monday, the traditional festival of fairs and showmen, Sir Samuel Hoare spoke at Cambridge in praise of the excellent entertainment inside the Government booth. In a speech which ranged from trade revival to the "litter lout," the Home Secretary maintained that our present prosperity was due to the revival of normal business under the ægis of the National Government. He admitted, however, that the completion of the defence programme would leave a gap in demand which could only be filled by an expansion of the export trade. In the rest of his speech, Sir Samuel touched encouragingly upon a variety of topics of immediate interest. At home, he found comfort in the possibility of factory accidents being reduced by the new Factory Act; in the energetic drafting of plans for air raid precautions; and in the awakening of the public conscience to the litter nuisance. There was an optimism born of Monday's sunshine in Sir Samuel's utterances; but not even his reiterated confidence in the past, present and future achievements of the Government in all these matters could hide his anxiety when he came to consider the rising number of persons killed and injured on British roads. He announced that the police in two selected areas, in Lancashire and London, were shortly to engage in an experiment to reduce accidents by warnings and advice rather than by prosecutions.

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Recent official statements have shown the urgent need for such a plan—and, indeed, for some much more radical reform. The report of the Home Office for 1935 showed that 432,816 (or 57 per cent.) out of 759,423 sentences in that year in the courts of England and Wales were for traffic offences. A return issued by Scotland Yard reveals that, in the London district between January 1st and June 30th this Coronation year, 267 people were killed and 15,660 injured, compared with 232 and 15,076 in the same period of 1936. On the very day of Sir Samuel's speech, traffic congestion on arterial roads reached record density. According to the Automobile Association, cars passed Staines at the rate of 3,500 an hour, Esher at 3,300 an hour, and Warlingham at 3,000 an hour. On the five main coastal roads from London 120,000 cars an hour were observed, and about the same number of bicycles. Not even the new plan for polite patrols of minatory policemen can remove the risk of accidents in conditions like these. Only a remodelling of main roads, foreshadowed perhaps in the announcement that "fly-overs" are to be introduced at certain points in the Home Counties, can restore safety.

The Debate on the Adjournment.—The parliamentary session ended on Friday of last week with a debate on foreign affairs in the House of Commons, on the Prime Minister's motion to adjourn till October 21st. Mr Attlee drew attention to the present precariousness of the international situation in both the Peninsula and the Far East, and to the subsequent likelihood of serious developments within the period of the recess. He asked the Government for a specific undertaking that Parliament would be called together before the Government embarked on any new policy that would involve the granting of belligerent rights to General Franco. Mr Lloyd George followed with a slashing attack upon the Government's Spanish policy; and Mr Eden confessed in his reply that he found it very hard to see how non-intervention could be saved, and that its collapse would create an entirely new situation. Nevertheless, he rejected Mr Attlee's request. In defence of this line, he repeated the formula—"hypothetical questions deserve no anticipatory answers"—which has now become almost the *arcanum imperii* of the Government. On the British Plan, Mr Eden re-affirmed that it must stand or fall as a whole, and that the Government would not agree to any major modifications which would upset its balance. And on the Mediterranean he re-affirmed that the Government were prepared to take action to ensure that this sea should continue to be a main arterial road of the British Commonwealth—while once again adding, very properly, that we were willing to grant to others the same right of way that we demanded for ourselves.

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These were perhaps the main points in the foreground of the debate; but, all through, there loomed up from the background a question which was both larger and graver than any of these. Mr Boothby suggested that "What the Opposition seemed to ask the Government to do was to pledge themselves to go to war in the event of aggression anywhere"; and he submitted that "that was a policy which the country would not support." Mr Boothby's statement was neither an accurate nor a fair description of the limited and moderate demand which Mr Attlee had in fact put forward; but it was an apt and timely reminder of an issue which is being presented—and has been presented to this country for half a dozen years past—by a logic of events quite independent of British parliamentary politics. Sooner or later we believe this issue will have to be faced by both the Government and the country. And while Mr Chamberlain may be a good second to Mr Baldwin in postponing the day of reckoning, we are sceptical about his, or any other politician's, ability to evade it altogether.

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The Navy's Aircraft.—After long and often embittered contention between the Air Ministry and the Admiralty, which has lasted intermittently ever since the Navy's aircraft were turned over to the Air Ministry's ultimate responsibility after the war, the Navy is once more to have complete control of its own aircraft. All aeroplanes permanently based on shore, however, including flying boats, are to remain in future under the operational and administrative control of the Air Ministry. Such is the decision of the Government, announced by the Prime Minister last Friday, on the report of the recent special committee set up to examine the conflicting claims of Navy and Air Force under the wing of the Minister for the Co-ordination of Defence. It is an obvious compromise, like the office of Sir Thomas Inskip itself; and, like that, its shortcomings are evident. Mr Churchill and other supporters of an Air Arm completely controlled by the Navy were anxious to secure a promise that the Navy should have the right to independent training at its own shore bases of its own pilots. Mr Chamberlain agreed that this right emerged in principle, but refused to be drawn on the details of its realisation in practice. He pointed out that the above solution was in broad terms, and that much depended on how the Air Ministry and Admiralty collaborated to execute the new system. Clearly, however, the Navy's complete control over its seaborne aircraft will in future raise serious problems of co-ordination for defence of trade routes, shipping, docks, ports, etc.; for two independent Air Arms will probably be involved in devising strategy and tactics for the defence of such vital positions all over the Empire and at home. Thus, while the Fleet Air Arm properly so called now obtains complete freedom of action for itself, the possibility of a clash in policy between two Defence Services becomes greater. With an overriding Ministry of Defence, such as has consistently been urged by Mr Churchill and the Liberals, this would have been avoided. Once again, a passion for compromise seems to have ended in pleasing neither the public nor the pundits. It was lucky for the Government that, in the rush of the last day of the effective session, the matter was not probed—as was once threatened—in the debate on the adjournment.

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Geneva and Palestine.—The Permanent Mandates Commission of the League of Nations is considering the future of Palestine in no spirit of haste or of easy conformity with the views of the Mandatory. As a matter of procedure the Commission has decided to base its work on an elucidation of the report on the working of the Mandate for 1936 in the light of those points in the 1935 report which had been held over and of the Palestine Commission's findings. This means, in effect, that it will study how the disorders of last year originated and were dealt with, rather than how a "deep-rooted disease," of which in the Royal Commission's view those disorders were only a symptom, is to be permanently cured. This does not bode well for the prospects of the Mandates Commission's endorsing the British Government's proposals. Indeed, the cross-questioning to which Mr Ormsby-Gore and Mr. J. Hall, formerly Chief Secretary of the Government of Palestine, have been subjected at Geneva suggests that the Mandates Commission suspects the disorders to have been due more to the weakness of the Administration than to any inherent defect in the Mandate. Lord Peel and his colleagues themselves agreed that a firmer hand might have saved Palestine from some of the violence it suffered. But, as they said, "it is not easy to pursue the dark path of repression without seeing daylight at the end of it." Mr Ormsby-Gore told the Mandates Commission that it must consider not merely the record of administration in Palestine, but also its future political destiny in the light of the difficulties of the past seventeen years. While the British Government were not committed in detail to the particular scheme of partition outlined by the Royal Commission, some such solution was necessary, because the mutually antagonistic aspirations of Jews and Arabs must be reconciled if there was to be peace and good government in that part of the world.

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Meanwhile, the Zionist Congress at Zurich has been making up its mind on the same subject. Dr Weizmann did not spare his criticisms of the Palestine Administration, which he contrasted unfavourably with the British people. And, amid applause, he rejected the particular scheme of partition proposed by the Royal Commission. But on the principle of setting up an independent Jewish State in part of Palestine, he asked the Congress to say "Yes." It had to choose, he said, between a Jewish minority in all of Palestine, or a compact majority in part of the country. Mr Ussishkin, the President of the Congress, replied by opposing any form of partition, and it is clear that the Zionist movement is sharply divided. Dr Weizmann poured scorn on Lord Samuel's plan for a permanent Jewish minority in a semi-independent Palestine—a plan which seems to be attracting increasing favour in Arab quarters. It is virtually endorsed in a note to the Mandates Commission from the Government of Iraq, which protests against partition as an injustice to the Arab people. Thus the situation is full of paradoxes. The Arabs, who reject the mandate, apparently prefer its continuance to partition. The Jews, for whom the mandate is their Magna Carta, apparently prefer partition to the Arab view of the mandate. Yet, in Great Britain, the main attack on the Royal Commission's plan comes from those who favour Jews rather than Arabs.

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The Far Eastern Crisis.—Since we went to press last week the flames of war in North China have first flared up and then died down; and it is at the moment possible that the fire will now flicker out altogether. The collapse of the Chinese forces engaged in the fighting has now become complete, and the Japanese forces on the spot have gained their immediate objectives. They have cleared Tientsin of Chinese troops; they have set up a puppet administration in Peiping without proceeding to a military occupation of the Walled City; and they have advanced at every point to the line of the Yungting River and—along the Peiping-Hankow Railway—some distance beyond it. In the Japanese air-bombardment of Tientsin the ability of our modern science to destroy the civilisation that begat it has been demonstrated once again by the devastation of another of the world's great cities; and the Japanese Army has also once more shown—though this perhaps hardly required proof—that it can knock the Chinese Army out whenever the latter is rash enough to confront it in a pitched battle. The most likely consequence of what has happened so far would be the erection of a "Manchukuo No. 2" in the Chinese provinces of Hopei and Chahar; and probably the cooler heads in both Nanking and Tokyo are hoping that nothing worse than this will follow at the moment. But it is by no means certain that we shall get off so lightly; for both Governments appear to be moving up considerable bodies of troops towards the scene of hostilities, and there are rather violent symptoms of war-fever not only in China—which is being treated to a second act of Japanese aggression that cuts deeper into her flesh than the first—but also in Japan, where the whole nation seems to be up in arms against a China who has the audacity to try to defend herself. Even if the immediate crisis passes off as lightly as may be possible, the outlook for the future is dark; for a situation in which Peiping and Tientsin are under Japanese control is not one that can be expected to last. Even to-day, it is beyond Japan's strength to put China entirely out of action; and with the passage of time the balance of power in the Far East is bound to shift, however slowly and haltingly, to China's advantage. The present generation of Japanese imperialists are laying up calamities for their children if not for themselves.

Policy for British Films.—Every year, the British public pays over £40 millions for admission to the cinema. Every week, some 20,000 miles of film are delivered to provide entertainment for an average of 20 million persons in about 4,500 cinemas. In view of the public importance of the provisions which the Government will embody in a Bill, next Session, to replace the Act of 1927, our readers may find special interest in the following criticisms, which have been contributed by a writer in close touch with the film industry. No surprise (he declares) will be felt that the quota system is to be continued for another ten years. But changes in detail are now considered necessary and possible. The most important new proposal is the substitution of an elastic and flexible system of administration for the rigid law which has been in operation under the existing Act. Had the Board of Trade possessed during the past ten years the quasi-legislative powers which are now to be reserved to it, the "quota quickie" would probably have been unable to rear its mischievous head. The evils of blind-booking would never have reappeared. The necessary adaptations to the existing law caused by the "talkie revolution" in 1930 would have been made. The production losses, of which so much has been heard recently, might never have occurred. The special quota for "shorts" would have been introduced years ago, and the new legislation now under discussion might have been dispensed with. Unqualified support cannot, however, be given to the other concrete proposals of the Government. Unless the objective is the establishment of an industry that will produce progressively more and better pictures, the entire *raison d'être* of the Government's interest in it disappears. Instead of stabilising and increasing the activities of the industry, the first consequence of the proposals may well be a considerable reduction in the output of British studios.

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Certain figures given recently in *The Times* put the total value of British production in 1936 at £4,200,000. Of the two groups of producers directly affected by the new provisions, the first, comprising the producers of "quota quickies" for American renting companies, made 104 out of the total of 120 pictures they were compelled by law to acquire in 1936. The remaining 16 were scrambled together from various parts of the Empire at nominal and negligible prices. The 104 pictures, however, certainly represent an expenditure of about £700,000 on British pictures. A somewhat detailed calculation suggests that the new scheme would compel the American companies to acquire only 56 instead of 104 pictures. On the assumption that an expenditure of £7,500 on labour costs (wages, salaries, and personal services) means an approximate total expenditure of £12,500—which the trade believes to be nearer the mark than the £15,000 suggested by the Government—there will be precisely the same total of expenditure by the American companies in 1938–39 as in 1936. A second group of pictures, made in 1936 at a total cost of £650,000, represented the output of those independent producers who obtained their finance from the City, against the guarantees of British renting companies. Unless the Government's proposals induce the City to revise its decision to withhold fresh financial support (which seems unlikely), the number of pictures from this source will be substantially curtailed, and the value of the output may, it is estimated, be reduced by £300,000 to £400,000. It would be an inauspicious beginning for the new Act if it synchronised with a reduction of nearly 10 per cent. in the value of the prospective output, and of (probably) nearly 15 per cent. in the volume of British labour employed.

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Other Film Questions.—We may now turn to the exhibitors who, as a class, have been most vociferous in their opposition to the Government's plan from the outset. In view of the facts that exhibitors have shown nearly 50 per cent. more British films in the past year than they were required to do under their statutory liability, that production programmes of this year have been arranged to meet an exhibitors' quota of 20 per cent., and that no pictures under the new Act can possibly be available for exhibition before October, 1938—in view of these facts it is difficult to see why the exhibitors' quota for 1937-38 has been reduced to 15 per cent. Even less obvious are the reasons for introducing the new regime of better pictures by a further reduction of exhibitors' quota to 10 per cent. in 1938-39. Finally, the rejection of the Moyne Committee's recommendation of a Films Commission is inadequately explained by the statement that the Commission would have had no compulsory powers. There is much to be said for an *ad hoc* body, in closer contact with the trade than even the most sympathetic and well-informed Government department. Such a body could devote itself exclusively to cognate problems, without preoccupation with any of the multifarious other subjects for which the Board of Trade is equally responsible. Its membership might remain unchanged for a long time, whereas officials are liable to be transferred to different duties at short notice. And a Commission's powers of persuasion of dissident trade elements would gain if it were known that the Board of Trade possessed the power to give statutory effect to any of its approved recommendations.

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Pigs and Bacon.—In addition to the issue of a White Paper on Milk Policy, on which comment is made in a leading article this week, the Minister of Agriculture also made a statement before the adjournment of Parliament on the Government's policy towards the Pigs and Bacon Marketing schemes which have been in suspended animation since last January, when the price offered for bacon pigs by the Bacon Board proved insufficiently attractive to pig-breeders to induce them to make the required minimum number of contracts for delivery. Since then there has been no "organisation" in the marketing of pigs for curing. The Government have decided to tackle what is the root difficulty in the whole pig-bacon nexus—the fact that the curing factories in this country are too numerous, and on the average too small and inefficient. Exactly how the Government are going to effect a concentration is not revealed, but the Minister stated that the Government "would be willing to propose that some assistance should be accorded to the industry over a sufficient period to enable the contract system for the supply of bacon pigs to be re-established if they were assured that the reorganisation of the bacon factories would so proceed as to hold promise of a reduction in curing costs which would enable both producers and curers to work at a profit." Another agricultural subsidy thus seems to be in prospect, but it is a very great gain that the solution is not once more to be sought in some penalisation of the consumer.

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National Health.—The report of the Ministry of Health for 1936 covers more than 300 pages, and records the expenditure of £140 millions, more than £3 per head of the population of England and Wales. In bulk and scope alone this report is a review of impressive achievements. Maternal mortality was lower in 1936 than in any year since 1922. The recent reduction

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in infant mortality was maintained. Deaths from tuberculosis were 7,500 fewer than in 1931. The fourth of the five years of planned slum clearance brought the total of houses demolished to 100,355 and of houses built to replace them to 127,553. Local authorities built 71,734 houses in 1936, compared with 52,357 a year ago; and private enterprise, on the rising tide of economic recovery, built 273,516 houses without State assistance. Over 80 per cent. of these houses had a rateable value not exceeding £26 (£35 in London); and despite the rise in building costs, likely now to be a serious factor, the average cost of non-parlour subsidy houses in 1936 was only £324 compared with £310 in 1935. Nearly 22½ million acres of England and Wales are now under town and country planning control, though not all planned and often not planned very well, and 3,000,000 acres were added in 1936. These facts in themselves are a notable demonstration of the concentration of British policy on social welfare, despite the recent diversion of resources to re-armament purposes.

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Yet there can be little room for complacency while the number of maternal deaths in a single year is as high as 2,302; while over 28,000 persons die in one year from tuberculosis; while nearly 350,000 dwellings are definitely overcrowded according to the most ascetic standards, with 380,000 more "on the borderline"; and while the national consumption of milk and green fruit and vegetables is from 40 to 50 per cent. below the minimum standard for adequate nutrition. We discuss the Government's milk policy in a leading article on page 282. The outstanding events of last year—the Midwives Act, the Investigation into Maternal Mortality, the Overcrowding Report and the Nutrition Report—show at least that the State is aware of the magnitude and many-sidedness of the problem of public health. The Physical Fitness Campaign has brought new criteria into public notice to test the consequences of health expenditure. While 11 million wage-earners have incomes of less than £125 a year, with an average of less than £100, the task of the State is difficult but all-important. The State contribution to health and fitness cannot be dispensed with by a majority of the population, and the Ministry of Health, which in the words of Sir Kingsley Wood "embraces the seven ages of man from the cradle to the grave," holds the key to national happiness.

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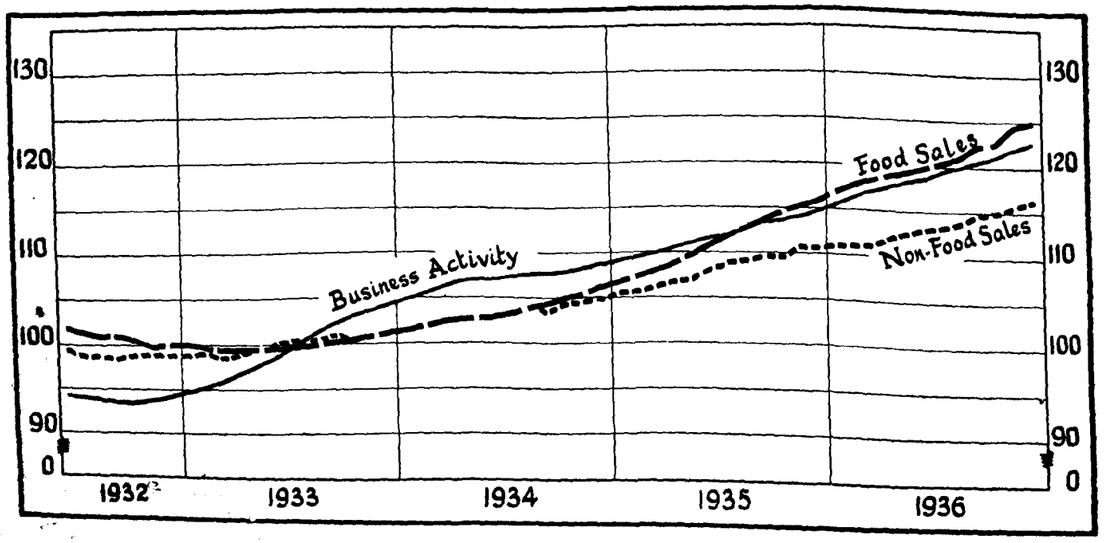
The Growth of Crime.—The Report of the Home Office on the criminal statistics for 1935 reveals a number of striking increases in offences of various kinds. The total number of persons found guilty in the courts of England and Wales in that year was 759,453; traffic offenders had risen from 260,467 in 1931 to 432,816, offences by prostitutes from 1,260 to 3,176 in the same period, and indictable offences by persons under sixteen years of age from 12,556 to 22,425. There was a diminution of suicides and an increase in drunkenness. Very largely these increases were due to changes in legislation or administrative strictness, as in the case of traffic offences, or to the usual effects of trade recovery. These factors cannot, however, explain away the growth of juvenile crime. The explanation may partly be that this is the legacy of war; but, whatever the cause of this disturbing form of law-breaking, its incidence suggests that the rational treatment of the juvenile delinquent is more than ever imperative. Recent changes in the law's machinery for such cases have not yet been fully used. The Home Office report records an astonishing discrepancy in 1935 in the relative use made in different districts of probation, fines and corporal punishment. At the summer conference of the Howard League for Penal Reform, last week-end, the abandonment of birching and the proper use of probation were discussed, and in particular the more careful selection of magistrates to deal with juvenile cases was advocated. Clearly no uniform improvement in the treatment of juvenile delinquency has yet taken place. It is accordingly encouraging that the new Home Secretary has already shown himself eager to further the cause of penal reform. On Monday, at Cambridge, he stated that he was not only engaged on a comprehensive review of prison administration but also on the examination of proposals to amend the Borstal system. The national welfare demands a scientific and successful approach to this problem of juvenile crime.

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Progress in Retail Trade.—As a footnote to our leading article on British shopkeeping, which appears on page 286 of this week's issue, we have drawn up the chart at the foot of this page. The two broken lines, representing respectively the value of food and non-food sales, are based on the sample investigation conducted by the Society of Retail Distributors and other bodies, the results of which are published monthly in the *Board of Trade Journal*. In order to focus attention on the trend, we have calculated a twelve-months' moving average of these monthly figures, the averages being plotted at the middle of the period to which they relate. For purposes of comparison, we have added a similar moving average of *The Economist's* index of business activity. As might be expected, the most striking feature of the chart is the evidence it affords of the maintenance of consumption in the depression years. Falling prices increased the real wages of those in employment during the depression, and consumption of non-food items

BUSINESS ACTIVITY AND VALUE OF RETAIL SALES IN GREAT BRITAIN

(Twelve Months' Moving Averages, 1930=100)



(e.g. clothes and motor cars) was maintained on a remarkably high level. On the other hand, the reabsorption into industry of many of the unemployed is probably the major reason for the subsequent rise in the value of food sales. The rising trend of retail trade has continued in recent months. Thus, sales of food in February-June this year were 9.4 per cent. above last year's corresponding figure, while non-food sales advanced by 6.9 per cent. over this period. Part of the recent increase, however, is due not to a further expansion of turnover, but to rising prices.

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Meanwhile, the money value of retail sales in June, 1937, was 4.8 per cent. above the level of June, 1936, which in turn showed an advance of 4.7 per cent. over the previous year. The latest increase was much smaller than the 13.2 per cent. gain recorded in May, comparison with 1936 having been disturbed by the different incidence of Whitsun and by the Coronation. In contrast to recent tendencies, improvement in June was most marked in Central and West End London (+ 7.9 per cent.); expansion was least evident in Scotland (+ 2.6 per cent.), the North East (+ 2.9 per cent.) and the North West (+ 2.8 per cent.). Sales of food and perishables, which account for 52 per cent. of the total, advanced by 4.5 per cent. compared with June last year, while the non-food groups showed an aggregate gain of 5.0 per cent. The latter figure, however, masks a wide range of disparate movements. For example, sales of women's wear (fashion departments) and of men's and boys' wear were respectively 10.9 and 9.5 per cent. above the level of June, 1936; whereas the miscellaneous group showed a decline of 5.7 per cent. In view of the continued expansion of general business activity, and the gradual advance of retail prices, there is no reason to anticipate a downturn in the curve of retail sales in the near future.

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American Legislation in the Heat.—The final abandonment of President Roosevelt's plan for the enlargement of the Supreme Court has broken the log-jam which has hitherto condemned Congress to eight months of session without any legislative accomplishments. And the heat is rising in Washington. It is a commonplace among political scientists that the power of the British Prime Minister over Parliament is due to his ability to send it out to face the country. In America at this time of year, contrariwise, the President gains power from his ability to keep the legislators in Washington. This year the session has already lasted longer than usual, and less has been accomplished. The results of this pressure have already begun to appear in the passage by the Senate of the controversial Black-Connery Wages and Hours Bill. This measure would set up a Labour Standards Board empowered to fix minimum wages (not below 40 cents an hour) and maximum hours (not above 40 per week) for any industry, or section of industry, which can be said to affect inter-State commerce. Recent decisions of the Supreme Court have greatly enlarged the definition of what affects inter-State commerce and the new Labour Standards Board will, in effect, be able to lay down conditions for the whole of American industry. The Bill has still to pass the House of Representatives, but any changes which it undergoes at the hands of that body are more likely to be in the direction of stiffening its terms than of weakening them. It is clear that an enormous new weapon of Governmental intervention is being created, and it is impossible not to feel that, in the heat of the constitutional battle, its implications have been inadequately discussed. There are other Bills still to be passed of hardly less far-reaching importance, such as the measure embodying the President's proposals for the reform of the executive machinery of the Government. Whether it was his intention or not, the President looks like obtaining, as a by-product of his long-continued obstinacy on the Court plan, a large instalment of further reform projects, which might have had a much more bitterly disputed passage if more time had been available for their leisured consideration. What is more, the threat of enlargement has manœuvred the Supreme Court into a position from which it will find it very difficult to veto these Bills and retain any shreds of judicial consistency.

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Volume of Overseas Trade.—When the trend of prices is not stationary, statistics of the value of overseas trade afford no certain guidance to quantitative changes in British imports and exports. Particular interest attaches, therefore, to the quarterly surveys of the volume of overseas trade, made by the Board of Trade. The most recent of these surveys relates to the second quarter of 1937, and the following table summarises certain of its most significant figures:—

VOLUME AND VALUE OF IMPORTS AND EXPORTS

Period	Retained Imports				Exports of Domestic Produce			
	Declared Values	Index of Average Values	Values in terms of 1935 Values	Index of Volume	Declared Values	Index of Average Values	Values in terms of 1935 Values	Index of Volume
	£ Million	1935 = 100	£ Million	1935 = 100	£ Million	1935 = 100	£ Million	1935 = 100
Years								
1930	957·1	128·4	745·2	106·3	570·8	116·6	489·6	115·0
1935	700·7	100·0	700·7	100·0	425·8	100·0	425·8	100·0
1936	788·5	105·0	751·2	107·2	440·7	101·9	432·4	101·5
Second Qr. of								
1935	166·1	98·4	168·8	96·3	101·0	99·0	102·0	95·8
1936	185·9	103·1	180·1	102·9	101·8	101·1	100·6	94·6
1937	232·1	119·9	193·6	110·5	130·1	109·2	119·2	112·0

In the three months from April to June last, retained imports were 7·5 per cent. above the corresponding figure for 1936, an increase approximately equal to that which occurred between 1935 and 1936. The rise in average import prices was, however, much more marked. Meanwhile, British exports, which were actually smaller in the second quarter of 1936 than in the same period of 1935, rose by no less than 18 per cent. between the second quarters of 1936 and 1937, while average values rose by 8 per cent. A comparison of the second quarter of this year with the first is particularly encouraging. Imports rose by 5 per cent., and British exports advanced by almost 4 per cent., though normally the second quarter's figures show a decline. No early change in present trends appears likely.

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Shipping Freights React.—While shipping freights moved irregularly last month the average result was a slight drop of 1·6 per cent. in *The Economist* index number. News from the leading ports points to a general easing of activity but there is no pronounced set-back in business.

(1898–1913 = 100)

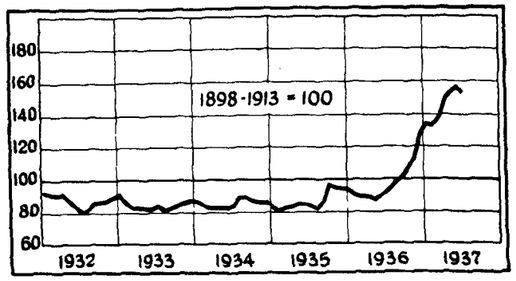
	Average, 1913	July, 1936	April, 1937	May, 1937	June, 1937	July, 1937
European waters ...	110·0	98·1	157·9	174·8	186·8	186·0
North America	113·1	89·8	121·0	123·1	120·7	119·2
South America	123·4	87·8	145·6	149·9	151·4	149·6
India	106·3	93·4	147·7	152·7	158·4	164·8
Far East and Pacific	117·4	90·5	162·0	159·1	159·3	158·5
Australia	127·9	94·4	167·7	169·7	165·5	149·2
Total	116·3	92·3	150·3	154·9	157·0	154·5
1913 = 100...	100·0	79·4	129·1	133·1	134·9	132·8

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The following table of detailed changes records several wide movements both in near waters and in the Far East:—

	Index No.	Inc. or dec. Points		Index No.	Inc. or dec. Points
Home trade	128·5	—17·9	South America:—		
Bay—outwards	266·2	+24·0	Outwards	103·1	− 0·8
Bay—homewards	261·5	+ 9·9	Homewards	196·1	− 2·8
Mediterranean:—			India—outwards	150·8	− 0·8
Outwards	167·1	− 5·5	India—homewards	178·8	+13·5
Homewards	164·1	+ 2·2	Far East, etc.	158·5	+ 0·8
North America	119·2	− 1·5	Australia	149·2	−16·3

We append a chart showing the course of the freight index number during recent years:—



While freight rates have not reached their astronomic post-war peak, they are now back at their pre-depression levels.

* * *

Industry in a Holiday Week.—The advent of August is reflected in a seasonal slackening of activity in certain branches of industry, but the movement is generally less marked than usual. The output of coal in England and Wales has been reduced by holidays, and by strikes of haulage hands at Yorkshire pits; but in Scotland the mines have been working normally. Export business in coal is quiet, but exports of iron and steel products are well maintained. Many steelmakers are reported to have orders sufficient to keep them busy well into next year, and supplies on the open market are correspondingly scarce. Meanwhile, the South Wales tinplate and sheet works have been idle. In the textile trades, the experience of Yorkshire and Lancashire offers a striking contrast. Business in cotton yarns and piece goods has been disturbed by the fresh fall in raw cotton prices, and there is little prospect of an improvement until the raw material shows greater stability. Order lists are consequently running down. On the other hand, in the wool textile industry machinery is mostly working full time, although the holiday period is in full swing throughout the West Riding. Raw material prices are firm, and the carry-over of wool in Australasia is the smallest for many years.

* * *

Co-operative Leadership.—On the eve of the International Co-operative Congress to be held in Paris in September the 1,001 retail members of the English Co-operative Wholesale Society are considering the constitution of its directorate. Since 1875 the directors have been elected from three districts, centred at Manchester, Newcastle and London. The changes involve the abolition of district representation in favour of a national election and the reduction of the delegates entitled to attend the two annual meetings from 6,032 to 3,886. Of the twenty-eight directors of the C.W.S., fourteen have hitherto been drawn from Manchester, six from Newcastle-on-Tyne and eight from London. The London area which should—on the basis of trade and membership—have eleven directors has only eight; whereas the Newcastle district has six compared with the three to which it should be reduced if equity were preserved. This disparity is the root of the discontent which has prevailed for a decade and which it is now sought to allay. A national outlook is urged as essential to meet the united opposition of competitors and to secure the close co-operation of the 171 factories owned by the federation.

* * *

The significance of the growth of the co-operative system in the South is seen in the steady advance of the trade of its retail societies with the C.W.S. between 1910 and 1925. In the former year it constituted only 23 per cent. of the total turnover, the Manchester district being responsible for 57.6 per cent. and that of Newcastle for the remaining 19.4 per cent. In 1925 London advanced to 29.6 per cent.; Manchester receded to 54.9 per cent. and Newcastle to only 15.5 per cent. In the following five years London rose to 36 per cent.; and last year's returns gave London and the South a trade with the retail societies of £40,831,728, equivalent to 40.4 per cent. That of the Manchester district was £49,220,355, or 48.6 per cent. of the total, while the Newcastle district's turnover was only £11,131,335 (compared with £18,346,496 in 1920), or 11 per cent. of the C.W.S. trade. This disparity is likely to become more apparent as the present advance continues in the South; hence the hope of the North-West and Midland areas that the institution of a national directorate will arrest the discord that has been threatening Co-operative harmony.

* * *

Census of Production: Engineering, Shipbuilding and Vehicles.—More of the preliminary reports of the Fifth Census of Production, 1935, have been published. Details of the scope of the Census were given in *The Economist* of February 27th, page 463. The table below reproduces the new data for the engineering, shipbuilding and vehicle trades. Net output means gross output *less* the costs of fuel, materials and work given out. Where figures are given for 1934 they have been drawn from the Import Duties Act Inquiry of that year.

Trade		Gross Output	Net Output	Average number of persons employed	Net output per person employed
		(Thous. £)	(Thous. £)		£
Mechanical engineering	1930	165,341	92,943	455,588	204
	1934	133,943	77,080	360,486	214
	1935	166,258	95,532	420,110	227
Electrical engineering	1930	87,875	44,891	192,322	233
	1934	91,413	48,869	216,845	225
	1935	103,287	65,534	238,977	231
Motor and cycle (Manufacturing)	1930	109,697	45,380	195,281	232
	1934	117,129	47,700	200,638	238
	1935	132,108	53,830	218,665	246
Aircraft	1930	8,688	5,577	21,322	262
	1934	8,963	5,811	23,775	244
	1935	13,919	8,481	35,032	242
Railway carriage & wagon	1930	10,735	4,396	23,339	188
	1934	5,583	2,251	12,255	184
	1935	9,657	4,066	20,333	200
Total	1930	382,336	193,187	887,852	218
	1934	357,031	181,711	813,999	223
	1935	425,229	217,443	934,117	233
Shipbuilding	1930	62,724	27,553	133,453	206
	1935	34,765	15,213	79,478	191
Carriage, cart and wagon	1930	2,410	1,162	7,015	206
	1935	1,943	932	5,345	191
Motor & cycle (repairing)	1930	13,861	8,082	46,429	174
	1935	11,702	6,962	42,731	163
Total	1930	461,331	229,984	1,074,749	214
	1935	473,639	240,550	1,061,691	227

On the one hand, electrical engineering and motor and aircraft manufacturing are expanding industries, and in each employment and output have been steadily increasing. Railway carriage-making and mechanical engineering have, however, borne the brunt of trade fluctuations, in the former employment falling between 1930 and 1934 by nearly a half, and recovering with extreme rapidity in 1935. Shipbuilding was still below the 1930 level, even in 1935, recovery only coming late in 1936. The figures for net output per person employed, which are low in comparison with many industries, but not among the lowest, are conditioned by these industries' employment of expensive materials rather than of a great deal of capital equipment; though it is true that the expanding industries are quite highly capitalised.

Overseas Correspondence

From Our Special Correspondents

United States

Triumphant Conservatives

New York, July 27.—Two subjects dominate current discussions of the business situation. One is the recent trend of politics and the other is the position of agriculture.

The abrupt termination of political strain is encouraging business and finance. The attempt to reorganise the Supreme Court has been defeated; the Conservatives in Congress have gained much strength; and the remainder of the Administration's legislative proposals are being restricted to a minimum both in number and scope. The Committee for Industrial Organisation was conclusively beaten in the steel strike, and labour is now generally on the defensive. Congress is expected to adjourn in the middle of August, or at the latest by September 1st.

All this is wholly to the liking of business and Wall Street. While some voices are raised to suggest that neither Mr Roosevelt nor Mr Lewis has been finally disposed of, they are little heeded. For the present the Conservatives are enjoying their victory, satisfied to look to-morrow at to-morrow.

It appears that agriculture will this year, like business, experience its best season since 1929. The marketing season, already under way to last for the next few months, seems likely to see more money flow to the farms than in any year since the boom peak. That money will have a higher purchasing power than during any recent year, because of the relation between farm prices and those of non-farm products. This improves the outlook for autumn trade, and the prospect of large sales to farmers is already being reflected in current production statistics.

Improved Farming Outlook

Official estimates are available for practically all crops, and show not only an advance from the drought year 1936 but also totals better than most recent periods. The official cotton estimate has yet to be made public, but Press reports quote a figure, said to come from the White House, of 14,500,000 bales, which would be the highest since 1931. The following table shows figures for recent years, together with current estimates for wheat, cotton and maize, and official calculations of total agricultural cash income from marketing and benefit payments:—

Year	Cotton '000 bales	Maize '000,000 bushels	Wheat '000,000 bushels	Farm Cash Income $000,000
1929	14,825	2,521	823	10,417
1930	13,932	2,080	886	8,030
1931	17,099	2,573	937	5,801
1932	13,002	2,927	757	4,377
1933	13,047	2,396	552	5,409
1934	9,636	1,478	526	6,227
1935	10,734	2,292	623	7,090 ¶
1936	12,400P	1,529	626	7,865 ¶
1937	14,500UE	2,572OE	882OE	8,700PE

P = Preliminary.
UE = Unofficial estimate attributed to the White House.
OE = Official Department of Agriculture estimate on July 1.
PE = Private estimate, unofficial.

The wheat supply will be in excess of domestic requirements. In view of conditions elsewhere, the surplus is expected to move abroad at satisfactory prices. The crop of maize, which is largely fed to livestock, is probably also in excess of domestic requirements, because of the decline in livestock caused by the droughts in 1934 and 1936. This crop may well serve to depress prices slightly.

The cotton estimate attributed to the White House is larger than private figures, and should a crop of this size result the position of cotton will cause concern. A substantial expansion of foreign demand is not considered likely, and a large surplus is the probable result of such production. Federal operations in cotton to attempt to support this price would not be surprising.

The Future of Agricultural Policy

Agricultural prosperity is diminishing the demand for laws to regulate farming, just as industrial prosperity has greatly reduced general interest in "reform" laws. The Secretary of Agriculture, Mr Wallace, and his colleagues are exerting every effort to induce Congress to enact the "ever normal granary" plan, which combines Government purchase (or loan) and storage of crop surpluses in good years with release of supplies in small crop years, crop insurance and production control.

They argue that, as soon as the effects of the 1934 and 1936 droughts wear off, the problem of over-production will again confront the farmers; and that if good crops occur in 1938 after this good year low prices will be the result. Preparation now is better than hurried action later, they suggest, and the President endorses this programme. But neither Congress nor the farmers are sympathetic, and there appears little chance that any action will be taken this year.

This year's crops will affect the foreign trade figures in coming months. This is especially true of wheat. After a long period of little or no export, shipments of considerable magnitude are likely. The virtual balance between merchandise imports and exports which has existed for a number of months may thereby be somewhat changed. Whether this prospective increase in exports will be matched by a rise in imports, or by some change in the monetary situation, is a subject which will be watched with much interest.

The internal movement of funds which will result from the crops is also important. The marketing of this harvest should entail a flow from the cities, including New York, to the country. For some time the New York City banks have been relatively less well supplied with excess reserves than the banks elsewhere; although total bank reserves are higher than a year ago, the rise has occurred almost entirely outside New York. This has been largely the result of the gold sterilisation programme, whereby New York is deprived of its chief source of reserves, while Treasury payments tend to move funds away from it. If this situation remains unchanged, and in addition funds move out of New York on account of the marketing of crops, some tendency towards firmness may develop in the money market.



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France

Prospects for the New Decrees

Paris, August 5.—A new series of decrees has been issued dealing mainly with the replenishment of the Treasury and the reorganisation of the railways. The ordinary Budget has been balanced, by the recent increase in taxation, and in 1938 the Treasury will only borrow about 26,000 million francs, instead of the 47,000 millions previously forecast.

For the State	(Millions of francs)	
Military expenditure	11,100	
Public works	3,590	
Pension fund	2,300	
Advances	1,500	
		18,490
For State-assisted Undertakings		
Railways, Post Office, City of Paris, Seine, Colonies		7,500
		25,990

Borrowing this year has been reduced by economies on the Public Works programme, amounting to 1,900 millions, and by the estimated yield of the new taxes, about 4,100 millions, making in all 6,000 million francs.

The decrees which accompany these decisions should ensure their success. These decrees establish a new control of the finances of the City of Paris, a revision of local finance and of the finances of the public undertakings, and a preliminary reorganisation of the railways, to reduce the deficit from 7,800 million francs to about 3,600 millions.

These decrees have also been accompanied by a *communiqué* from M. Bonnet, the Minister of Finance, emphasising that in the course of the last few days forward rates for foreign currencies have declined; quotations of public funds have improved; and the demand for Treasury bonds has revived. This shows that the country understands the need for making an effort to place the national finances on a sound basis.

Other decisions have also been taken. The hard wheat price has been fixed at 169 francs. New measures will follow after August 15th, including the creation of a "National Railway Company," which will arouse some resistance from the Companies and the Socialist members of the Cabinet, since M. Bonnet intends that it shall not entail any new charge on the public finances.

If these financial forecasts are to be realised, the country must have social peace, as M. Chautemps said, and must work more, as M. Bonnet said. Prices are actually rising. The latest weekly index shows that despite the rise in import prices domestic prices have moved only a little. But the devaluation, the increase in taxation and charges, and the advance in wages, following numerous agreements between employers and workers, must soon affect French prices. The Government has just authorised producers and business men to include these new charges in their selling price, by an amendment to the decree against illegal increases in prices.

Uncertain Political Outlook

The political situation is far from clear. The Communists, exploiting the discontent provoked by the recent financial and economic measures, are working actively for working-class unity by inviting the Socialist party to fuse with their own party to restore a Thorez-Blum Cabinet. The Socialists are for the time being reluctant to do this. But what will happen if in a few weeks the cost of living is raised by the effects of the decrees?

The Socialist leaders of the trade unions, already merged with the Communist syndicates, object to the unions being permeated by their allies. They say they will accept the challenge. But is it not already too late?

What will be the decisions of the Radical-Socialists at their Congress in October? What will be the "far-reaching liberal plan" to increase employment and to stimulate trade recovery, which the Cabinet is preparing for the second fortnight of August? And what may be the answer of the Stock Exchange to M. Bonnet's decision to pursue the revival of business by a cheap money policy?

French coal production was 3,569,867 tons in June, for 21.1 working days, compared with 3,473,358 tons in May, for 20.3 working days, and 3,481,850 tons in June 1936, for 20.7 working days. The number of men employed was 237,636 at the end of June, compared with 236,836 in May and 222,192 at the end of June 1936. The production of coke in the coke plants of the coal mines was 366,000 tons in June, compared with 364,000 tons in May.

For the first six months of the year, French coal production was 22,738,000 tons, for 130.7 working days, compared with 23,670,000 tons in the first six months of 1936, for 133.3 working days. The production of coke for the same period was 2,108,000 tons in 1937, compared with 2,002,000 tons in 1936.

Germany

New Reich Loan Expected

Berlin, August 4.—During the holiday season, business and the capital and credit markets were more than usually inert. A few industrial loans, totalling some Rm. 20 millions, were issued in July, but there were no share issues of any magnitude. The firmness of bonds on the Bourse, which simply expresses the fact that the supply of securities is small compared with the quantity of money to invest, is taken to foreshadow a new Reich consolidation loan. This will probably be announced in late August.

Private concerns in need of capital, in some cases for expansion under the Four Year Plan, are still not allowed to appeal freely to the market. Journals near to the Government are apologetic about the Reich's new iron-ore and smelting enterprises. They admit that the Reich's undertaking has no sound economic basis, and explain that "restrictions and sacrifices" which private concerns could not bear must be laid upon "the broad shoulders" of the taxpayer. Manufacturers fear that an advance in home steel prices, which despite the rise in world prices have been kept stable, will be one result. Further, according to semi-official utterances, finishing manufacturers may have to move their works in order to be nearer to the new ore and smelting centres to save transport costs.

Doubtful Harvest Prospects

Harvest prospects are still uncertain. The latest official report showed that in all except one of the seventy districts statistically covered, winter rye was worse than at the same date in 1936, when there was eventually only a mediocre crop; and the same was true of the seventy winter-wheat districts, with four exceptions. The condition of spring rye and wheat was also worse than last year. The stocks of rye and wheat held by farmers, mills, and elevators were only slightly lower on July 1st than at the same time in 1936, but the mills have lately been using imported grain. A compulsory mixture of rye flour with wheat flour is expected.

According to reliable private authorities, including physicians, the alleged undernourishment of German children (a matter which incidentally has led to an absurd Press feud with Czechoslovakia) is not a fact. The standard of working-class feeding in Germany is of course lower than in England; but it has not materially deteriorated recently. The compulsory consumption of maize in bread is, however, condemned on medical grounds; and the bread now in the market is unappetising.

Railway-car loadings in June were 5.8 per cent. higher than in June 1936. The first six months of 1937 produced an operating surplus of Rm. 320 millions, which is two-thirds of the surplus obtained over the whole of 1936. The Railway Corporation is now in a position to pay all its fixed charges, its preference dividend, and the contribution to the Reich.

The partial return of women to industry is being discussed in connection with the labour shortage. The number of women in earning occupations has lately increased a little, despite the fact that 700,000 were withdrawn from wage work by the marriage loans. The President of the Reich Unemployment Insurance Board holds that the labour shortage problem must be solved by technical improvements and mechanisation, despite the Nazi party's past opposition to machinery.

New Customers for Textiles

The finishing manufactures are reported to be doing somewhat better, owing mainly to the new export activity. The export of finished textiles began to recover in 1936, after a long decline, and this year a further recovery has taken place. In the first five months, the value of textile exports rose 10.6 per cent. compared with the same months of 1936, and the quantity rose 5.8 per cent. Formerly, much the greater part of textile exports went to a few countries classed as "big buyers"; but the new increase in exports is to a variety of smallish customers. Customer countries in the latter class took, in 1933, only 4 per cent. of the total export, and have this year taken 30 per cent. already. In particular, Bulgaria, Jugoslavia, Roumania, British India, and some Central and South American countries have taken more.

The increasing home output of motor fuel has led to a sharp decline in petrol imports; and for the first time the import of Diesel motor oil exceeded the petrol import. Shipping companies report a considerable improvement in business. The shares of the Hamburg-Amerika and Norddeutscher Lloyd companies are now quoted on the Bourse at about 90-100 instead of the former 19-20.

Reich revenue from taxation in June totalled Rm. 1,310 millions compared with Rm. 999 millions in June 1936; and, in the first quarter of the financial year, Rm. 3,077 millions compared with Rm. 2,528 millions. While the yield of direct taxes and taxes on business rose from Rm. 1,693 to Rm. 2,157 millions, the yield of customs and excise rose only from Rm. 835 to Rm. 921 millions.

Czechoslovakia

Agriculture and Politics

Prague, July 28.—Despite the unsettled international situation, economic improvement has been maintained in recent weeks. On July 16th an unexpected Cabinet crisis took place. The external cause was corn prices. The Agrarians asked that these should be raised before the coming harvest, and substantiated this claim by pointing to the smaller yields of this year, the higher costs of production and rising world prices. The Socialists objected, fearing that higher bread prices would be the result.

Among political questions the communal elections and elections for other autonomous bodies were discussed. No agreement being reached, the Government resigned. But on July 21st a new Government was appointed of the same composition as before, with the exception of the Finance Minister.

The new Government decided to raise the prices of corn: wheat by 14 Cz.K., rye by 18 Cz.K., malt-barley by 16 Cz.K. and oats by 11 Cz.K. The national stock of corn will be bought and kept on behalf of the Ministry of National Defence. The communal elections are to be held gradually to avoid their being "exclusively political." Just before the parliamentary recess, the last part of the armament programme was sanctioned.

Signs of Prosperity

The money market has been easy, and bank deposits have risen. Interest is growing in long-term building credits. In the second week of July, conditions on the Stock Exchange improved after the recent decline. The Stock Exchange index rose between June 4th and July 23rd from 134.1 to 152.1. Gilt-edged stock remains substantially unchanged; the advance emanates from the general improvement in trade, and chiefly affects industrial shares, the index of which reached a peak of 188.8 on April 2nd, declined on June 4th to 145.4 and advanced again on July 23rd to 168.6.

The index of wholesale prices rose between August 1936 and July 1937 from 691 to 763. The index of working-class cost of living has risen since November 1936 from 704 to 725. Fears are now being expressed that the advance in prices, and especially in corn prices, will cause a movement for higher wages in the autumn.

The improvement in economic conditions is also reflected by a further fall in unemployment. At the end of June there were 304,345 unemployed persons, compared with 384,386 a month ago and 565,799 a year ago. The decline of unemployment in industrial districts with a German-speaking majority is very striking.

The recent rains greatly improved the crops, but there are substantial differences in various districts and the harvest has been delayed by the rainy weather.

The index of industrial production reached 101.2 in May (1929 = 100) against 78.6 a year ago. There has been better employment both in trades producing for the home market and for foreign demand. In some cases the delivery terms have to be prolonged. Many factories are now overhauling plant. Building activity is brisk. The output of coal in June amounted to 1,375,000 tons compared with 890,300 a year ago, and of lignite 1,348,900 compared with 1,137,200. The production of coke was 260,000 tons compared with 149,000 tons a year ago; the production of pig iron in thousands of tons amounted to 136,400 compared with 88,900 a year ago, and of steel rose to 201,800 from 119,100 tons a year ago. Prosperity affects not only the heavy industries, such as iron and metal engineering, but also those producing consumption goods, such as textiles, clothing, pottery and glass.

Foreign trade for the first six months shows a great advance on last year:—

Value of Foreign Trade (first six months)	1936		1937
Imports:	3,485.9 mil. Cz.K.	...	5,306.5 mil. Cz.K.
Exports:	3,501.3 mil. Cz.K.	...	5,487.1 mil. Cz.K.

This gives an export surplus of 174.7 million Cz.K. in goods, exclusive of precious metals, against 3.96 million Cz.K. last year.

Spain

Expropriated Plant and Mines

Barcelona, July 21.—The industrial plants seized during the first months of the civil war are only considered to be temporarily under State control. With regard to those the seizure of which had been called permanent on account of their proprietors having fled the country and been declared Fascists, a decision will

Sun Life Assurance Company of Canada

(*Incorporated in Canada in 1865 as a Limited Company*)

Sums assured by new, paid-for Life Assurance policies issued during 1936 in Great Britain and Ireland exceeded

£5,000,000

Total Assurances in force at November 15th, 1936, in Great Britain and Ireland

£71,000,000

H. O. LEACH (*General Manager*)

2, 3 & 4 Cockspur Street, London, S.W.1

be arrived at at a later period. Several large plants belonging to aliens have been restored to their lawful owners. The decree expropriating lead and zinc mines has been rescinded, but official measures will be taken to increase their output.

On the other hand, the Catalan potash mines will become the property of the State and a potash monopoly will be instituted. A shipment of Spanish potash has been embargoed in France on behalf of the former owners of the mines; the French courts have not as yet given any decision. It is supposed that the World Potash Syndicate is behind these developments. At present, there are enormous stocks of potash available, which will eventually be thrown on the international market in competition with the Syndicate.

Trade in War-Time

After statistical silence figures are now available of foreign trade in the second half of 1936, covering the first six months of the war. They are in gold pesetas and refer to Republican Spain; the comparative figures for the second half-year of 1935 refer to the whole of Spain:—

IMPORTS

	July–December, 1935 (All Spain)		July–December, 1936 (Republ. Spain only)	
	Tons	Gold Pesetas	Tons	Gold Pesetas
Live animals	1,450	1,475,620	27	67,256
Raw materials	1,434,748	157,331,414	396,881	55,799,212
Manufactured articles	960,421	229,520,462	200,800	47,661,962
Foodstuffs	195,334	63,272,137	41,513	20,553,411
Total	2,591,953	451,599,633	639,221	124,081,841

EXPORTS

	July–December, 1935 (All Spain)		July–December, 1936 (Republ. Spain only)	
	Tons	Gold Pesetas	Tons	Gold Pesetas
Live animals	203	238,387	9	4,850
Raw materials	2,263,040	56,876,469	739,711	19,416,897
Manufactured articles	193,332	51,513,567	47,973	25,447,056
Foodstuffs	583,363	181,687,633	331,513	77,315,478
Total	3,039,938	290,316,056	1,119,206	122,184,281

Comparison of the totals for the second half-year of 1936 with those for the same period of 1935 show clearly the effects of the regulating policy of Government, inasmuch as the import surplus, so far as Republican Spain is concerned, has almost disappeared.

Among the principal exports from Republican Spain during this first half-year of civil war, agricultural products, as usual, occupy first place, especially oranges, onions and potatoes, hazelnuts and lemons. Exports to Russia have increased to such an extent that Russia is now the best customer of Republican Spain; and it seems that the greater part of the wheat imported during the first months of 1937 was of Russian origin.

Municipalisation of Catalan Houses

A decree for the municipalisation of tenement-houses in Catalonia has been published. The Government of the autonomous State of Catalonia reduced rents at the beginning of the civil war by a maximum of 50 per cent. This reduction had the unwelcome consequence of keeping capitalists from investing money in houses, and even from supplying the necessary funds for the continuation of house building. The number of unemployed in the building trades increased greatly. It has therefore been decided to municipalise all tenement-houses by means of the expropriation of the present owners, who will be duly compensated, with the exception of those who have been declared rebels by the law courts.

Only single family houses occupied by the family of the owner, and small properties, are excepted; they remain the property of their present owners, who can dispose of them freely. In future, the municipalities will be responsible for all building activities. Offices have been set up to classify the properties for expropriation, to fix the amounts of compensation, and to attend to repairs, sanitary improvement, etc., of existing properties and to the building of new tenements.

The Landed Property Offices will issue bonds in favour of the former owners of properties falling under the law, entitling the holders of these bonds to an annual rent of 4 per cent. of the value of their properties on June 30, 1936, for 25 years. A proprietor may receive for his property, however valuable, a maximum of 240,000 pesetas in 25 years, and that only if it is situated in the city of Barcelona. Even if a proprietor has more than one property, the maximum amount he is entitled to for all of them is limited.

Exceptions are made for all properties belonging to foreigners, to savings banks, to co-operative building societies, to insurance companies and to banks in general, who will be paid in monthly instalments for 25 years, but to the full value of their properties whether situated in the city of Barcelona or in any other place within the Catalan territory.

Canada

Western Crop Disaster

Ottawa, July 19.—The return of Mr King and his colleagues from London has reunited the Canadian Cabinet, who have been tackling the problem created by another disastrous crop failure in Saskatchewan and Alberta. In a report covering to the end of June the Bureau of Statistics would only place the condition of the spring wheat crop at 51 per cent. of the average, which was a tremendous decline from the figure of 85 per cent. given for the end of May, and also far below what was regarded as the poor figure of 82 per cent. recorded at the end of June, 1936.

In the opening week of July the deterioration of the crops continued until it was estimated by experts that there was no longer any hope of a marketable crop from 10 million acres in the two provinces which had been planted with wheat. Last week a generous rainfall came to break the drought over most of the prairie country, but it arrived too late to save crops which were badly wilted. It has, however, checked the deterioration and should make it possible for a substantial acreage of wheatland to produce feed for livestock; it has also saved the oat crop, and revived pastures. Anxieties about the feed situation have now been relieved. But Mr Gardiner, the Federal Minister of Agriculture, will not estimate the western wheat crop at more than 150 million bushels, and thousands of farming families in the West will once more be without income, and will have to be maintained by public funds throughout the winter.

The Cabinet have agreed to continue relief for the drought-stricken farmers and to salvage livestock threatened with starvation. Free carriage will be provided for livestock shipped out of the devastated areas, and feed will be supplied for the maintenance of a nucleus of live stock for breeding and milking purposes in the dry area. Assistance will be given to assist the processing in *abattoirs* of the animals which must be killed; and special grants for railway fares and cost of shipment will be available to outside people to buy stock in the afflicted territory. The programme of water conservation, and the creation of dams and dugouts, under the Prairie Farm Rehabilitation Act, will be proceeded with; and the governments of the prairie provinces will be asked to co-operate in a scheme under which areas, once well settled but now largely deserted, will be taken under lease and fenced off. When the few remaining settlers have been moved elsewhere, all grazing on these reserves will be forbidden, in order that the natural grasses may have a chance to grow and the areas be restored to their original rôle of a ranching country.

Happily the crops in the rest of Canada are up to or above the average. Manitoba has escaped the ravages of the drought, and, if a threat of rust does not materialise, should reap its best grain crop in years. There has been rather too much rainfall in Eastern Canada, but Ontario has, for all kinds of crops, one of the best yields in its history, and conditions are also very satisfactory in British Columbia. Grain prices have been rising rapidly in face of a strong export demand; and the visible stocks of Canadian wheat were on July 5th reduced to 40½ million bushels, compared with 140,700,000 bushels on the corresponding date in 1936.

Business Activity Resumed

In early July, adverse crop reports from the West, labour troubles and fears about the European situation had created considerable pessimism about the outlook, but there is now a revival of confidence. The general index of business activity of the Bureau of Statistics, after falling slightly for some weeks, has climbed upward from 108.3 to 109.6 in the week ending July 10th. Given below are data about three of the major components of the index.

Week ended	Carloadings	Wholesale Prices	Bank Clearings	General Index
July 11–36	74·6	73·9	114·6	108·5
July 3–37	78·5	86·2	127·7	108·3
July 10–37	78·0	87·0	131·4	109·6

The mining industry is maintaining its output at a high level and in June the exports of nickel, copper and zinc were 350,004, 217,522 and 342,249 cwts., respectively, compared with 245,944, 142,281 and 286,456 cwts. in June, 1936. The production of gold also reached a new high level for the year in June when it was 350,094 fine oz. The newsprint industry continues to recover ground, and its output in June was 310,871 tons, compared with 270,051 tons in June, 1936. For the first half of 1937 its total production was the record figure of 1,783,350 tons, an increase of nearly 20 per cent. compared with the output for the same period of 1936.

Letters to the Editor

Outlook for France

TO THE EDITOR OF THE ECONOMIST

SIR,—In your article, "Outlook for France," published in the issue of *The Economist* dated July 24th, I find the remark that: "France has never fully recovered from the loss of technical ability due to the expulsion of the Huguenots three centuries ago." In the same breath the author adds: "French labour is *rightly* determined not on any account to relinquish many of its major concessions. The 40-hour week has come to stay . . ."

Granted the premises, I should have thought that the conclusion would be the other way, i.e. that what France lacks in technical ability should be made up by an *increase*, and not by a *decrease*, in the number of daily working hours.

The 40-hour week may be an "act of fundamental justice," but, if indeed "the average French worker is much worse off than his compeers in England," whilst working the same number of hours, he will certainly not improve his condition by working 20 per cent. less and therefore producing 20 per cent. fewer goods.

I am, Sir,
Your obedient servant,
J. D'HARCOURT.

Paris.

Czechoslovakia's German Problem

TO THE EDITOR OF THE ECONOMIST

SIR,—A recent issue of *The Economist* contains an admirable article on the German problem in Czechoslovakia by Professor Toynbee. It is the most difficult and dangerous of all the problems in Central Europe. And I am in such hearty agreement with him that I wish I could also believe, as he does, that it lies in the power of Czech statesmanship to solve this problem.

Certainly President Benes is making to-day a strenuous effort to conciliate the German minority, and short of endangering the essential framework of the Czech State, he will go as far as he can in this direction. Some causes of justified resentment have been removed, and more government jobs will be given to Bohemian Germans. All this is to the good, and cuts off a bit from the deep fringe of discontent. Improvement in business and fewer unemployed further help to ease the situation; also, many of the *Südetendeutschen* have little liking for Nazi ideology. But when all is said, the feeling even of "Activist" Germans is, for natural reasons, rather one of acceptance than of enthusiasm for Czech rule; and it is difficult to imagine how any statesmanship in Prague could ever alter this.

Professor Toynbee touches the real source of trouble when he hints at the need of "effortless superiority" on the part of the ruling race. The question whether Czechs or German Bohemians are superior is beside the point, just as are the exasperating activities of many Czech bureaucrats. The important fact is that neither of the so-called races will admit inferiority; and that there is, and will remain, a German problem in a Czech State which, even with the best intentions, is just as insoluble as would be a Czech problem in a German State. The old Bohemian Crown lands have had too ancient an administrative and economic unity to be divided. And the fact that politicians on both sides have thrived on racial problems during the last hundred years does not make these any easier to solve. The disease is therefore endemic; but like other endemic complaints, it need never be dangerous if kept isolated from other complications. That it has become so to-day is not owing to any new developments of its own, but to the neighbourhood of a Totalitarian Reich which has shown some readiness to temporize but hitherto none to compromise. And short of surrendering the control of their State and losing their independence, it is hard to think of any steps which Czech statesmanship could take that would remove this danger.

Among other similarities to the Middle Ages which Herr Hitler has revived lies an admitted ambition to create an Empire which would be comparable to that of the Hohenstauffens. The German problem in Czechoslovakia is therefore only confused by bringing up the question of the greater or lesser rights which ought to be accorded to a minority, and believing that a wise statesmanship can solve their grievances. There is one paramount question. That is, whether small States possess a right to an independent existence or whether they are to be suppressed from the map in order to make way for an Empire that would then stretch from the North to the Black Sea. For to-day the main obstacle in Central Europe to the creation of such an Empire lies in the resolution of the Czechs and the value of their pacts of defence. And the future of European peace largely depends on how the Fuehrer may appraise the powers of Czech resistance.

I am, Sir, etc.,
LEWIS EINSTEIN,
Former United States Minister to Czechoslovakia.

Groom *v.* Crocker

TO THE EDITOR OF THE ECONOMIST

SIR,—I gather from your article on the Groom *v.* Crocker case that, as it is a practical method of reducing claims and consequently premiums, you consider the take-over clause a boon to the insuring public.

There is one aspect of the take-over clause that merits ventilation. A motorist, when involved in an accident, is forbidden to have any communication with a victim of the accident. He is not allowed to send the sufferer flowers, delicacies or even convey the sympathy that is natural to most people, however little they may be to blame for the injury. Insurance companies seem to think that in the eyes of the Law sympathy implies guilt. I know many motorists who have resented this ban to common decency, and I agree with their view that their apparent lack of sympathy is largely responsible for the unpopularity of motorists among the poorer classes.

I am, Sir,
Yours faithfully,
J. W. S.

Charlwood, Surrey.

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Books and Publications

Population and Intelligence

THE articles on the "Economics of Population" which appeared in *The Economist* on July 10th, 17th and 24th, showed the magnitude and direction of the population changes which will shortly confront this country and their probable consequences. It is clear, however, that our understanding of the forces which are now arresting and will presently reduce our numbers is inadequate. More light is wanted on their causes, extent and effects, to extend and deepen our knowledge, and to enable an appropriate policy to be worked out.

At first sight, the current population problem seems peculiarly adapted to the method of inquiry by a Royal Commission. In fact, this is not the case. A Royal Commission can do little more than ventilate opinions already formed and marshal information already available. But knowledge about many aspects of the population problem is not yet adequate. We have still to collect and collate statistics about fertility, showing the numbers of births to particular parents, the kinds of parents, and the conditions in which they produce many children or few. We need to know the ages of parents, the duration of marriages, and the dates and sequence of births. It is important to study the factors bearing on the growth of population in various regions with different types of industry and agriculture; to investigate the effects of urban life and rural conditions on birth-rates and fertility; to examine the medical, economic, social and psychological causes of infertility; and to determine as far as possible the extent to which poverty, the fear of unemployment, inadequate housing, etc., make parents limit their families.

At present two inquiries dealing with the future of our population are in progress: one by the Registrar-General, and the other by the Population Investigation Committee, a voluntary body under the chairmanship of Professor Carr-Saunders. The Population Investigation Committee has recently issued an excellent short pamphlet* summarising existing knowledge about British population trends and their causes so far as known, outlining a programme for further work, and appealing for funds. The representative and authoritative membership of the Committee ensures that its work will be thoroughly and admirably done.

Obviously associated with changes in numbers are changes in the quality, and particularly in the average intelligence, of the population. On this subject Dr R. B. Cattell has lately thrown the clear if disconcerting light of a recent investigation.† The gist of Dr Cattell's discovery, in the authoritative words of Lord Horder's introduction, is

> that the birthrate is falling much more rapidly amongst those social classes in which intelligence is relatively high than it is in those in which it is relatively low. The level of the nation's intelligence is therefore steadily falling.

If there is a correlation between economic status and intelligence—which cannot necessarily be taken for granted except so far as the conspicuously deficient among the depressed masses are concerned—then this average decline is occurring because the birthrate of the more intelligent is low, whereas the less intelligent increase and multiply. In other words, the numbers of those whose inborn stuff is in any way defective, and of those whose native wit is inherently inadequate to the heavy demand of a complex civilisation, are increasing more rapidly than the numbers of the able and the leaders. The proportions of the deficient are growing even faster. "Civilisation," Dr Cattell observes in a striking metaphor,

> must be thought of as a melody played on the living brains of men. However magnificent may be the music which past and present geniuses have composed, it can never be rendered fully on instruments which have lost the original complement of strings.

In all future studies of the trend of population it is to be hoped that Dr Cattell's investigations and the profound and suggestive analysis of their causes set forth in his brilliant book will be taken fully into account. Until then, however, many of his conclusions must be taken as challenging hypotheses.

* "The Future of our Population?" By C. P. Blacker, M.C., and D. V. Glass. Population Investigation Committee, 69 Eccleston Square, S.W.1. 30 pages. 6d.

† "The Fight for our National Intelligence." By Raymond B. Cattell. With introductions by Lord Horder, Major Darwin and F. P. Armitage. P. S. King. 166 pages. 8s. 6d.

Shorter Notices

"Health and a Day." By Lord Horder. Dent. 213 pages. 7s. 6d.

These collected addresses form a whole which is more than the sum of the parts, for one common theme inspires each of Lord Horder's addresses: What are the limits of the doctor's capacity in securing health for the people? This enables Lord Horder's professionally untrammelled mind to range over an extremely wide but relevant field, in which it studies all the variable factors that condition any answer to the above question: the strain of civilisation on the human organism, the doctor and the community, government and the nation's physique, direct action in medicine, the doctor as humanist, etc. None can fail to understand Lord Horder's arguments and conclusions. None can fail to be impressed by the sound common sense informing them, which refuses to treat "ill" people for isolatedly "ill" organs, but for being ill *people*. Doctors, unfortunately, do not often publish their views on the social aspects of medicine; and Lord Horder's views, trenchantly yet carefully expressed, are eminently well worth remembering. Many years of sympathetic insight into the psycho-physical structure of the ordinary man and woman have enabled the author to produce a book which is a really fascinating contribution to current social thought.

"Capital, Wages and Profit or Loss." By E. C. van Dorp. P. S. King. 290 pages. 12s. 6d.

We have received certain comments about the review of this book, published in *The Economist* on February 13th (page 361), from the author, who states:—

> (1) You question my attack on the marginal productivity analysis, because of "my not having grasped its mathematical basis." But economic theories never have a mathematical *basis* though they may eventually find a mathematical *expression*; and marginal productivity theory has never been mathematically expressed.
>
> (2) It is not true to say that my book makes "no original contribution" since my theory of wages, the gist of which is well given in one short sentence of the review, leads up to quite new views of capital, savings and profits.
>
> (3) My book does not deal with Marshall extensively because he belonged to the old school who were not yet concerned with the special problems of profit, interest or wages.

Our reviewer replies:—

> (1) From the time of Walras economists have given a mathematical expression to the doctrine of marginal productivity, and it does not matter whether we call it mathematical *expression* or *basis*.
>
> (2) Since Dr van Dorp admits that the gist of her theory has been adequately though briefly given in the review, whether or not it is original can be left to the reader of the review—or the book.
>
> (3) There seems little reason in such a book to devote so much less space to Marshall than to Böhm-Bawerk. At any rate, English readers will not easily understand this disproportion. The debt of Keynes to Marshall, for instance, has been often admitted. (*General Theory*, pages 126, 177, etc.)
>
> (4) There was one inaccuracy in the review. Dr van Dorp *did* in passing refer to working-class savings.

MONEY AND BANKING

A Landmark in British Insurance

IN the Road Traffic Act of 1930, Parliament enacted that all insurance companies which deposited £15,000 with the Board of Trade should be authorised to give cover for third-party motor risks. Within a few years, five or six of the companies so authorised had failed. It was an exasperating business, because British insurance companies in general are the strongest in the world, and there was no need for their failure. Indeed, if the Act, instead of relying on the out-of-date and irrational system of deposits, had relied on a reasonable device for maintaining solvency there would have been no failures; and *The Economist*, in May, 1935, indicated what this more reasonable device might be. We then wrote as follows:—

> We would suggest that, under the guidance of the Board of Trade, the insurance offices should form a committee to work out and administer a scheme for vetting at regular intervals all insurance companies doing business in Great Britain. Let the committee and the Board of Trade together lay down a standard of solvency and let the Board of Trade have the power to say stop to any company which fails to reach the standard.

A few months later Mr Runciman appointed a Departmental Committee, with Sir Felix Cassel as chairman, to investigate the problems of compulsory insurance. The Committee's report* has now been issued. It recommends:—

> That no insurer should be permitted to undertake any branch of compulsory insurance business unless licensed to do so by the Board of Trade. . . . Every insurer should be required to comply with standards of solvency to be prescribed by the Board of Trade after consultation with advisory committees. . . . The committee to advise on the licensing of insurance companies should consist of five members appointed by the Board of Trade from persons nominated by the companies.

Respectfully, we greet the author of this scheme as a brother and congratulate him (with the reservations appropriate to a decent modesty) on an admirable report.

The recommendation of the Committee that has attracted most notice in the daily Press refers to a central fund, subscribed by the insurance interests, out of which claims on defaulting insurers would be met. In fact, this is a less important feature than the licensing system with its approved standard of solvency. If that provision is adopted and allowed to develop for a few years, it will do away for good and all with the scandal of defaulting insurers. Without it, no central fund would be possible; for the insurance interests would not consent to subscribe to the fund without a licence based on a standard of solvency. With it, the central fund, though useful as a last line of defence, will in all probability never be called upon for contributions to make good the deficiency of a failed insurer.

The scheme may be briefly described. Every authorised insurer doing compulsory insurance business must once every year submit his figures and open up his financial position to a committee. The companies will submit their figures to a committee of five drawn from company officials. Lloyd's underwriters will submit theirs to a committee of five Lloyd's underwriters. The mutual associations (whose business lies mainly in the compulsory insurance of miners' workmen's compensation) will submit their figures to a corresponding committee, which in this case will include one qualified actuary. The committees, therefore, will be composed of men directly engaged in the industry, who know what to look for, who understand where the shoe is most likely to pinch and who are most capable of deciding what each insurer's figures ought to look like and at what point they may conceivably fail to disclose a safe margin above the border line of solvency. The first duty of the committees will be to lay down, in conjunction with the Board of Trade, a schedule of this standard of solvency, prescribing what assets are needed for a business of a given character, with given outstandings and a given scale of premium income. Their second duty will be to examine the accounts of all the insurers who come within their orbit, and to determine whether they attain the standard laid down in the schedule. They will then be in a position to separate the sheep from whatever goats there may be, and they will report to the Board of Trade accordingly. The Board of Trade, having considered the report, will license the sheep and disqualify the goats, concentrating its attention on solvency alone and framing its decisions in such a way that every insurer will be certain of obtaining a licence if he complies with the published standard of solvency.

The importance of this scheme, if it becomes law, is obvious from the vital fact that the figures which an applicant for a licence will be required to give are the figures of the insurer's whole business, and not merely those of the compulsory sections. It was suggested to the Departmental Committee by some witnesses that each department of an insurance company or underwriting syndicate should be required to segregate its own assets and to be responsible for its own solvency; so that a composite office might, in theory, have been solvent *vis-à-vis* its motor policyholders and insolvent *vis-à-vis* its marine policyholders. The Committee, however, has prudently rejected this proposal (except for life and other permanent contracts) and has recommended that the assets of the motor business and workmen's compensation shall remain in hotchpot. The effect of this recommendation will be that the advisory committees will need to survey the whole of an insurer's business and to give a certificate of solvency which will vouch for its soundness, not in the right arm or the left leg, but all through the body—heart, head, lungs and loins. In other words, all companies, underwriters and mutual associations which transact motor or miners' workmen's compensation insurance in Great Britain will either receive annually a clean bill of health for their business as a whole, or will retire stricken from the field. And so high is the value which the Committee attaches to this reform that it proposes the return of certain deposits which are now lodged with the Board of Trade as a guarantee of solvency. The new method of licensing on a certificate of solvency overrides and supersedes the inadequate method of deposits, which has for so long been in force in Great Britain, and has unfortunately been adopted in turn by almost every other country in the world. It may even be that, if Great Britain adopts the more natural method, other countries will in turn follow suit, and foreign deposits—that nightmare of the insurance manager—will go ultimately by the board.

In another section of its report the Committee turns from the problem of solvency to the narrower problem of how to make a motor policy afford one hundred per cent. security for the injured third party. This problem—apart from insolvency—has arisen in several ways, the chief of which has been the breach of a policy condition by the insured motorist—a breach which, by avoiding the motorist's rights, has prevented the third party from recovering his damages. The problem is not easy, for the Road Traffic Act of 1930, at the same time that it made insurance compulsory, left the freedom of contract between a motorist and his insurer almost untouched.

* Cmd. 5528. H.M. Stationery Office. 1s. 3d. net.

Some amendment was made by the Road Traffic Act of 1934, which laid down a few policy conditions that should not be allowed to operate against the third party. The 1934 Act, however, did not mention a hundred other conditions, which were still to be permissible. The present report recommends an approach to the problems from the other side. It suggests that the law should allow no conditions, except a few which would be named. Consequently, unless an injured third party came up against one of the few permitted conditions, he would not be prejudiced by clauses inserted in a contract, of which (until his accident) he knew nothing and to which he was never a party. Further, the Committee suggests that, just as there ought to be a central fund to make good losses due to insolvency of insurers, so there should be a central fund out of which the injured third party would be indemnified if he failed, because of some policy condition, to recover on the motorist's policy. This central fund would be subscribed by the insurance interests who would bear, as a common burden, such third party's losses as arose from gaps in the motorist's insurance. The third party's position should thus be made almost impregnable. The additional cost to the insurers, however, must ultimately fall on the motorist, by way of increased premiums. Already, it is said, certain reinsurance underwriters—on whom all big third party claims finally rest—have taken steps to revise their scales of premiums. If the cost of reinsurance rises substantially a rise in original premiums cannot be far behind.

Financial Notes

Insurance Companies and N.D.C.—The precise nature of the liability of insurance companies in Great Britain for National Defence Contribution under this year's Finance Act has lately given rise to considerable discussion among the offices chiefly concerned. It may be useful, therefore, to indicate certain general principles which appear to bear closely on the subject. For this purpose insurance business may be divided into three groups: (1) Ordinary life assurance; (2) Industrial life assurance; and (3) Fire, accident and miscellaneous insurances. A company which transacts business in all three groups is assessed for income tax purposes as though it were a separate entity within each group. For Groups (1) and (2) the basis of assessment is set out in Section 33 of the Income Tax Act, 1918, and Section 16 of the Finance Act, 1923. Tax is charged on interest income less expenses of management, but from these expenses are deducted any fines, fees, profit from reversions and profit from life annuities. It is provided, however, that the tax will not be less than would have been paid in respect of profits under Case 1 of Schedule D of the 1918 Act. Section 16 of the Finance Act, 1923, which is of vital importance in connection with N.D.C., runs as follows:—

> Where the profits of an assurance company in respect of its life assurance business are for the purposes of the Income Tax Acts computed in accordance with the rules applicable to Case 1 of Schedule D, such part of those profits as belongs or is allocated to, or is reserved for, or expended on behalf of, policyholders or annuitants shall be excluded in making the computation. . . .

In a mutual life assurance society (i.e. where there are no shareholders) all profits, including annuity profits, belong to the policyholders, and no assessment can be made under Case 1 of Schedule D. In the case of a proprietary insurance company (i.e. one having shareholders) assessable profits under that Case would appear to consist, in the ordinary life assurance branch, of the amount credited to shareholders. In practice, that amount would always be less than the interest income, adjusted as above. In industrial assurance expenses are necessarily on a much higher scale than in ordinary life assurance, and the shareholders usually take a larger proportion of the profits. Assessment of an industrial assurance branch might therefore be on the basis of Case 1 of Schedule D. In the case of companies in Group (3) the underwriting profit is taxed under Case 1, Schedule D, and the interest income on the funds is also taxed.

* * *

Provisions of the New Tax.—So much for the companies' income-tax position. It is laid down that N.D.C. is to be computed on "income-tax principles," which means the "principles on which the profits arising from the trade or business are computed for the purpose of income tax under Case 1 of Schedule D, *or would be so computed if income tax were chargeable under that Case in respect of the profits so arising.*" It would seem that life assurance business (both ordinary and industrial) will only be liable to assessment for any amounts credited to shareholders. Sinking fund business, however, does not properly come within the definition of life assurance. In cases where it is transacted, therefore, any profits arising from it might be liable to N.D.C., even in the case of a mutual society which transacted only life assurance and sinking fund business. The focal point of recent discussion, however, has been the extent to which insurance companies are liable to N.D.C. on their income from investments. This income is to be included in profits in the case of

> . . . assurance business or business consisting wholly or mainly in the dealing in or holding of investments or other property . . . except income received directly or indirectly by way of dividend or distribution of profits from a body corporate carrying on a trade or business to which the section of this Act charging the national defence contribution applies . . .

Although the provision applies to "assurance business," mutual life assurance societies do not appear to be affected, as there are no profits as computed under Case 1.

* * *

The position of the life fund in a proprietary company, however, is more open to doubt. Theoretically, it would seem that the computed profits under Case 1 would be assessable, less some appropriate allowance in respect of investment income derived from sources subject to N.D.C. It may be maintained that life assurance consists "mainly in the dealing in, or holding of, investments"; for the whole structure is based on long-dated contracts, depending on the operation of the interest factor. In the basis of assessment for income tax, this fact is recognised. The miscellaneous branches depend, on the other hand, largely on yearly or other short-dated contracts into which the interest factor need hardly enter at all. In practice, fire and miscellaneous funds at any time consist, broadly, of necessary reserves for the unexpired portion of the current premiums and for outstanding claims, plus the undistributed profits of past years. The retention each year of a portion of the profits is highly desirable as a provision against catastrophic risks in any part of the world; and the amounts retained differ little from the general reserves invested by trading companies outside their business, income on which, in their case, is not liable to N.D.C. Indeed, the analogy between the miscellaneous branches of insurance and trading companies is almost complete. It seems erroneous, therefore, to regard these miscellaneous branches as businesses "consisting, wholly or mainly, in the dealing in, or holding of, investments." In fairness, it would appear that the funds of an insurance office in these branches ought to have received the same exemption as the investment income of a trading concern.

* * *

German Foreign Exchange and Agriculture.—Germany's exchange resources, earmarked for necessary imports, are likely to be progressively needed to offset a food and fodder deficiency in the near future. Since the extreme fodder shortage in 1934, which led to an emergency slaughtering of livestock, there has been a new shortage each year, e.g. of eggs in 1935, of meat in 1936, and of fodder and bread this year. Diversion of consumption to other foodstuffs, and sometimes increased imports, have temporarily plastered over the cracks. The official claim that in 1936

already 83 per cent. of the total consumption of foodstuffs was home-produced, compared with only 75 per cent. from 1928 to 1932, indicates a steady decline in consumption of foodstuffs, especially a fall in that of butter, fats and eggs. It is significant that Germany has now lost even that self-sufficiency in bread-cereals which was, contrary to common belief, achieved before Herr Hitler's advent to power. An indication of the extent of this failure is given in the following figures of stocks available at the end of April of each year:—

STOCKS IN 1,000 TONS

	April, 1935	April, 1936	April, 1937
Wheat	2,310	1,780	786
Rye	2,530	1,920	1,520
Total bread cereals...	4,840	3,700	2,306
Barley	450	410	330
Oats	1,320	1,350	1,302
Total fodder grains	1,770	1,760	1,632

Poor harvests, combined with increased bread consumption and increased use of wheat and rye as substitutes for fodder, have drastically cut into the available stocks. Stocks available at the end of April, 1937, are now below the officially estimated consumption of 2,530,000 tons of bread grain during the three months May, June and July, 1936. This fact is the more significant because stocks at the end of April, 1935, were double those of this year.

* * *

Such a failure has naturally upset the balance of Germany's foreign trade in agricultural products. The most outstanding proof of Germany's self-sufficiency in bread grain during 1933 to 1936 was an average export surplus of flour amounting to 169,000 tons. During the first four months of 1937, the figures show an *import* surplus of flour of 6,052 tons. But the shortage in bread cereals is even more strikingly shown by the following figures of net imports:—

NET IMPORTS IN TONS

	January–May, 1936	January–May, 1937	Annual Average for 1933 to 1936
Wheat	9,184	299,119	217,000
Rye	10,872	42,055	32,000
Barley	30,852	39,958	192,000
Oats	2,819	23,800	41,000
Maize	111,833	398,886	274,000

The figures for wheat, rye and maize show higher imports for the first five months of 1937 than the annual average of 1933 to 1936. Not even a bumper harvest this year could restore the conditions of 1933 and 1934, when bread cereals had to be exported and the peasants had to be induced to use wheat and rye as fodder. To-day, the direst punishments can be inflicted on peasants who dare to feed wheat or rye to pigs or poultry. To cut down the consumption of bread and bread-cereals as fodder a whole batch of emergency measures was recently imposed, as reported in *The Economist* of July 3rd. Nevertheless, the drive for self-sufficiency goes on. Quite recently General Göring inaugurated a kind of a second "battle of production" on agricultural fields, comprising land reclamation, improvement of arable land, cheaper fertilisers, higher prices for cereals, new State credits, and certain alterations of the famous "Hereditary Farm Law." The latter has now been virtually repealed by allowing tenants to run "Hereditary Farms." Four years have sufficed to prove that complete and immediate agricultural self-sufficiency is impossible in Germany, and that the hopes to achieve it were based on the low consumption figures experienced during economic depression.

* * *

The Foreign Exchanges. — The London market has experienced a very quiet week, with dealings mainly under the shadow of the holidays. The spot Paris rate has remained very steady at Frs. 132.80. The three months' rate was brought down early in the week to Frs. 2½ discount, but has since widened to Frs. 3 discount. There has been very little business in francs, but the French control has continued to give some support to both the spot and forward rate. There is, however, a better feeling in Paris, partly because of the absence of any new political developments, and partly because the Treasury is now benefiting from a seasonal influx of revenue, while the franc is receiving the support of the holiday tourist traffic. The Banque de France discount rate was reduced from 5 to 4 per cent. This week's return of the Banque de France shows an increase of nearly Frs. 7,000 millions in the bank's gold, this representing the revaluation determined upon at the beginning of July. Dealings in dollars have been very limited, at rates varying either side of $4.98. President Roosevelt's declaration against early stabilisation had no effect on the market. Belgas, guilders and Swiss francs have all followed the dollar, but forward belgas have slightly strengthened, with the three months' rate quoted at par to ½ centime premium.

* * *

The Money Market.—In spite of further currency withdrawals from the banks by the public, which raised the note circulation to a new high level, money has remained quite plentiful. A certain amount was called from the market on Thursday, but early in the week there was no calling at all. According to one report, loans against bonds were not quite so easily obtainable outside the clearing banks, and it was not possible this week to obtain money at less than ½ per cent.

	July 15, 1937	July 22, 1937	July 29, 1937	Aug. 5, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate:—				
Clearing banks	½–1*	½–1*	½–1*	½–1*
Others	½	½–⅝	½–⅝	½–⅝
Discount rates:—				
Treasury bills	½	½	½	½
Three months' bank bills	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The discount market fared better in the Treasury bill tender on July 30th. The quantity of bills allotted was raised from £40 to £45 millions, and the markets obtained 35 per cent. for the issue, against only 19 per cent. the week before. In consequence there was a little more activity this week.

* * *

The Bank Return.—As was anticipated the public's currency requirements over the holidays have raised the note circulation to the record high level of £503.8 millions. The Reserve has consequently fallen to £23.6 millions and the Proportion to the unusually low level of 16.6 per cent. Next week some of the holiday notes should begin to return from circulation, and so the Reserve and Proportion should be strengthened.

BANK OF ENGLAND

	Aug. 5 1936	July 14, 1937	July 21, 1937	July 28, 1937	Aug. 4 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	243·0	326·4	326·4	326·4	326·4
Note circulation	454·4	493·4	493·1	498·3	503·8
Banking Department:—					
Reserve	49·6	33·9	34·2	29·2	23·6
Public deposits	17·6	23·1	17·5	10·5	9·8
Bankers' deposits	92·7	89·2	97·2	104·3	95·4
Other deposits	38·5	37·1	38·1	37·3	36·9
Government securities	89·9	104·0	107·4	114·4	110·2
Discounts and advances	8·9	8·8	5·8	5·8	6·4
Other securities	18·5	20·7	23·4	20·8	20·1
Proportion	*33.3%*	*22·7%*	*22·4%*	*19·1%*	*16·6%*

In contrast to a week ago, the Bank of England this week allowed Government securities to run off, the total contraction being £4.2 millions. The result of this movement, superimposed upon the public's currency withdrawals, is a reduction in bankers' deposits by £8.9 millions. This reduction, however, has still left the banks well supplied with funds, while at the same time it has prevented an undue contraction in the Bank of England's Proportion.

THE STOCK EXCHANGE

The Unilever Scheme

In 1929, when the twin Unilever undertakings presented their first accounts, the world still knew the gold standard, free exchanges and more or less free trade. The grouping of the vast Unilever organisation (which embraces 600 companies connected with the Jurgens-Van den Berghs and Lever interests) has always been recondite to the average investor. In principle, it has consisted of a liaison arrangement between the Dutch group represented by Unilever N.V. and the English interests represented by Unilever, Ltd. Around these two companies a gigantic solar system has revolved. In detail, however, the method of linking the two groups on a basis of parity of profits and assets has produced odd effects under the unforeseen and unforeseeable conditions of world trade in the last eight years. In particular, the ordinary dividends of both companies have been declared in Dutch guilders, while sterling shareholders have continued to rank on the capital basis of Fls. 12 to £1. This rate originally corresponded to the exchange parities, and it has remained inviolable during a period in which first sterling and then the guilder have forsaken gold.

This is the point from which examination of the consolidation scheme, announced this week, must necessarily start. The dividend distribution arrangement remains intact, and the reorganisation plan must needs therefore accommodate itself to this fixed context. Investors who had contemplated a more far-reaching scheme may be reminded, first, that no separation of the two groups was envisaged in Mr D'Arcy Cooper's outline of the scheme last May, and, secondly, that the avoidance of double taxation and the pursuit of co-operation and dividend equality, which were integral objectives of the original grouping, are also principal features of its present modification. On general grounds, it seems fitting that the grouping should be rearranged so that the Dutch company controls all interests except those in the British Empire, which are left to the British side. This arrangement carries on the design, embodied in the original grouping, of making more common use of the trading strategy and industrial experience of both sides, but adapts it to the changed conditions of to-day. This simple objective, however, has produced a scheme of no mean intricacy.

It may be said at once that the scheme is to the advantage of the ordinary shareholder in Unilever, Ltd. At the same time, the preferential rights of all parties have been scrupulously safeguarded and their status has even been improved. That this happy consummation is achieved by the British group divesting itself of nearly £12 millions of non-Empire assets at first sight heightens the mystery. How, then, is the ordinary shareholder in Unilever, Ltd., to benefit—for the scheme specifically anticipates a larger distribution of profits in proportion to earnings? The best way to answer this question is to analyse the actual proposals, step by step.

The scheme, in fact, is pivoted on the amalgamation of Unilever, Ltd., with Lever Brothers. The £8½ millions ordinary stock of the latter company is already held by Unilever, and provides more than half the parent company's profits. This amalgamated company (to be known as Lever Brothers and Unilever, Ltd.), will offer shares with identical rights, on a £ for £ basis, to the existing holders of £5,222,608 7 per cent. and £2,000,000 5 per cent. preferred stock, of £11,318,750 ordinary and of £100,000 deferred stock in Unilever, Ltd. At the same time, £4½ millions of the 20 per cent. preferred ordinary capital of Lever Brothers (which has always been held within the group) is to be cancelled. The net effect of these capital changes is next set out.

Capital Structure of Amalgamated Company

	Unilever		Lever Bros.		Lever Bros. and Unilever	
	Authorised	Issued	Authorised	Issued	Authorised	Issued
	£	£	£	£	£	£
7% pref.	6,500,000	5,222,608	40,000,000	30,762,082	35,984,690	35,984,690
5% pref.	2,000,000	2,000,000	...	...	4,015,310	2,000,000
8% "A" pref.	...	...	40,000,000	15,655,173	40,000,000	15,655,173
20% pref. ord.	...	...	20,000,000	6,787,312	2,287,312	2,287,312
Ordinary	12,000,000	11,318,750	30,000,000	8,500,000	59,031,438	11,318,750
Deferred	200,000	100,000	...	...	100,000	100,000
Total	20,700,000	18,641,358	130,000,000	61,704,567	141,418,750	67,345,925

Three main points may be emphasised. First, the £4½ millions of preferred ordinary capital of Lever Brothers disappears, and with it the right to issue £13.2 millions of further stock of the same class. Secondly, the 7 per cent. and 5 per cent. preferred stocks of Unilever are placed on the same footing as Lever 8 per cent. preference (and ahead of the junior preferred ordinary capital) with a consequent improvement of their cover. Thirdly, the resulting capitalisation, though still complicated, introduces a certain measure of simplification, compared with the independent structures of the two existing concerns.

In order to assess the significance of these changes in terms of prospective cover and earnings, the sale of non-Empire assets must now be considered. In recent years, Unilever N.V. has been handicapped by exchange difficulties, particularly in Germany. The result is perceptible in the disparate trends of the profits of the two concerns. In 1934, the British undertaking provided 47 per cent. of the total profits, and the Dutch company 53 per cent. Recovery has since favoured the British group, whose proportion of total profits rose to 57 per cent. in 1935 and to 67 per cent. in 1936. The consequences, in terms of ordinary earnings and dividends, are set out below:—

	Unilever N.V.			Unilever, Ltd.		
	Earned for Ord.	Earned	Paid	Earned for Ord.	Earned	Paid
	fl. '000's	%	%	£	%	%
1929	17,202	10·8	10	504,382†	22·7†	10†
1934	8,877	5·2	4	1,038,030	9·2	6·6
1935	7,136	4·2	4	1,233,897	10·9	6·7
1936	9,699	5·7	5½	1,765,510	15·6	7·3

† On £2,500,000 Ordinary Capital.

The inability of Unilever N.V. to achieve a material improvement in earnings has evidently tended to limit the distribution which Unilever, Ltd., has made from its own expanding profits. The excellent consolidated profits statements provided in the reports bring out this feature even more clearly. Out of consolidated profits of £3,463,038, last year, no less than £1,313,540 was retained by Unilever, Ltd., subsidiaries. In the absence of a substantial increase in the Dutch company's profits—an event mainly dependent upon the unfreezing of the mark—it is evident that Unilever Ltd. would be destined to set aside further amounts to reserve, or, alternatively, to make transfers to the Dutch company (and so attract double taxation) if it wished to increase its own dividends.

The scheme, in fact, neatly eludes both horns of this dilemma. By the transfer of non-Empire assets valued at £11,892,989 to the Dutch company, the original intention of preserving equal rights to both sides should be facilitated. In return, the British company receives adequate security and leaves £11 millions on loan in Holland at 3 per cent. The Dutch company's revenues will, on balance, be increased by a substantial amount. The new British company divests itself of certain sources of past income, which had been retained and not distributed. But, *pro tanto*, the Dutch company, with increased earnings, could distribute more; and the British company, duly keeping step, could raise its own dividend, for it would no longer be compelled to put back as large a sum as before to reserve under the terms of the agreement. More exactly, the British company would obtain relief from reserve allocations previously made necessary by *force majeure*, which might more than compensate for the loss of revenue from the making over of assets to the Dutch company. Here is an explanation of the mystery that under the scheme everybody seems to be better off. In fact, more of the aggregate earnings of the combined organisation should be divisible than before, and the wording of the scheme certainly holds out the prospect that more will be divided. Within the bounds determined by the fixed relation, for dividend purposes, of 12 guilders to the pound, no other permanent arrangement, presumably, was feasible.

We may now revert to the special position of the new British undertaking. The loss of revenue from the non-Empire assets of Lever Brothers will be more than offset by the net revenue brought in by Unilever Ltd. This excess, indeed, will cover the dividends on the new preference capital with something to spare. It follows that the preference and preferred ordinary capital of the new concern will enjoy better security than under the existing régime. It follows, further, that somewhat increased earning power will be available for the new ordinary capital. Next, therefore, it is necessary to relate the £11,318,750 ordinary capital of the new company to the recent equity earnings position of Lever Brothers. Since 1934, the rate earned for Lever Brothers ordinary has advanced from 25.7 per cent. to 30 per cent. on an increased ordinary capital of £8½ millions. The corresponding rate on £11,318,750 capital would be 22½ per cent. This represents the minimum prospective equity earnings ratio on Unilever Limited ordinary stock, now quoted at 42s. 9d. It clearly covers the prospect of an appreciable increase in dividends in the future.

It remains briefly to consider the implications of the new agreement as regards the distribution of profits and assets of the Dutch and British concerns. The new provisions seek, as we have said, to maintain the principle of equal pooling of profits and assets, on the fixed ratio of values of Fls. 12=£1. But in view of the disparate preferential capital of the new British company—which, at par value, will be equivalent to 83 per cent. of the whole, compared with a mere 14½ per cent. in the case of Unilever N.V.—it is now provided that the preferential shareholders will first look to the profits (and assets) of their own company. Surplus profits, however, will be available for meeting any preferential claims on the other company. Clearly, the balance of potential advantage under this arrangement, is on the side of the preference shareholders in the amalgamated British company. Residual profits, after the respective preferential dividend claims have been met, will be available under the new pooling agreement, as before, for the ordinary shareholders of both Dutch and English companies. Finally, the capital structure of Unilever N.V. remains intact, but holders of deposit certificates will become direct shareholders and will receive voting rights.

Such are the main outlines of and the provisional investment conclusions on the scheme. The control of the two groups over their destinies is jealously safeguarded; for though the combined votes of the preferential shareholders of the new British company would (if they were ever cast *en bloc*) outnumber those of the "inside" holders of ordinary shares, the "control" holds the deferred shares which carry an exclusive right to appoint the company's board. The scheme may be interpreted as an illustration that the controlling parties

Premier (Trinidad) Oilfields

LIMITED

(Incorporated under the Companies Act, 1929.)

Authorised SHARE CAPITAL	Issued or to be issued
£400,000 divided into 1,600,000 Shares of 5s. each ..	£210,000

The Subscription List will open and close next Thursday, the 12th day of August, 1937, for

an ISSUE AT PAR of

540,788 Ordinary Shares of 5s. each

An issue of 859,988 Ordinary Shares by the Company in November, 1936, was oversubscribed but application moneys had to be returned to subscribers owing to the action of the Governor of Trinidad in withholding his consent to the assignment to the Company of the Stollmeyer Concession which had an unexpired period of 9 years.

Negotiations with the Governor of Trinidad have since taken place and as a result *a direct Crown Lease of the property for a period of* 20 *years has now been granted to the Company.*

The property consists of a proved oil-bearing area of approximately 500 acres in the Palo Seco area of Trinidad. The first moderately deep well drilled to the "third sand" early in 1936 had produced up to 31st March, 1937, slightly more than 22,000 barrels.

TRINIDAD PETROLEUM DEVELOPMENT COMPANY LIMITED, the Managing Agents of the Company in Trinidad, is the third largest oil producer in the Island; it has been operating in the Palo Seco area for ten years and is at present operating successfully properties immediately adjacent to the Stollmeyer Concession. The Premier Company will have the benefit of the experience of the geological drilling and production staff of Trinidad Petroleum Development Company Limited, who will provide full facilities, including workshops, plant and equipment, stores, pumping plant and pipe-line and a deep-sea loading berth with storage space.

The Vendors to the Company are taking their purchase considerations (with the exception of a sum of £3,000 payable in cash) in Ordinary Shares of the Company and will be further interested in future developments of the Company through their holdings of options over a further 400,000 Ordinary Shares at par.

Copies of the Full Prospectus, on the terms of which alone applications will be considered, and Forms of Application will be obtainable on Tuesday the 10th day of August, from the :—

BANKERS :

LLOYDS BANK LIMITED, Issue Dept., 72, Lombard Street, London, E.C.3, and Branches.

THE CLYDESDALE BANK LIMITED, Head Office, 30, St. Vincent Place, Glasgow, and Edinburgh and London Branches.

BROKERS :

WILLIAM H. HART & CO., Salisbury House, London Wall, London, E.C.2.

REGISTERED OFFICE :

1, Howe Street, Edinburgh, 3,

or from :

WHITE DRUMMOND & COMPANY LIMITED

9, Cloak Lane, London, E.C.4.

on both sides are determined to perpetuate a rigid dividend arrangement under conditions which have changed, in certain important respects, since it was first made. They have looked, however, to the spirit of the original intention of the pooling arrangement and have sought greater equality in earnings. That success should have been achieved in this task reflects no little credit on the respective boards and on their professional advisers. The next stage—submission of the detailed schemes to the Court—must necessarily await the new term. In the meantime, there is clear reason to anticipate that the dividend prospects of Unilever Limited ordinary, in its future guise, will be enhanced. Investors, however, should not jump immediately to the conclusion that a vast increase in distributions may be forthcoming. It is impossible to dogmatise, since the surplus earnings introduced by Unilever Ltd. to the new company's profit and loss account are not disclosed. But the incidence of N.D.C. is a factor which investors would do well to consider. Assuming that last year's profits apply, the liability of the amalgamated company for N.D.C. appears equivalent, very roughly, to 3 per cent. on the new ordinary capital. The conservative investor, further, will reflect that the Dutch concern, whatever its future potentialities, must inevitably be unable to pull its full weight until Central European difficulties have been overcome, and profits can not only be earned but withdrawn from countries with closed economies. This, under present conditions, is still the governing factor in dividend possibilities.

Investment and Company Notes

Holiday Week. — The August holiday has served appropriately this year as an opportunity to emphasise the markets' convalescence after pernicious anæmia, rather than as an excuse for a fresh falling away. The population of the floor of the Stock Exchange has thinned, as usual, and the thermometer has occasionally made those present wish themselves elsewhere. Nevertheless, improvement has progressed further in almost every market, and has even issued in larger buying orders. The nation, clearly, is spending more than for a long time past. The pre-Bank Holiday week passenger receipts of the London, Midland and Scottish and the London and North Eastern Railways were the highest for eight years, and those of the Southern and Great Western the highest for a decade. The note circulation is at a high level for all time, but the decision not to increase the credit base appears to indicate a state of official satisfaction with the current outlook, *inter alia*, of the gilt-edged market.

* * *

The issue market has seen that *rara avis*, a corporation loan in Bank Holiday week. Blackburn, as a borrower, possibly ranks a little lower in the market's scale of values than Middlesex, whose £3,500,000 offer was shown last week to be within the market's absorptive capacity. Blackburn's issue, however, is only one-seventh that of Middlesex, and what is more to the point, all temptation to stiffen the terms of the earlier and successful offer has been resisted. Other borrowers are waiting at the door but the market would, on the whole, prefer to see the principle of paid holidays extended to this part of the City's activities. Among industrial shares on the Stock Exchange, those of revived and reviving shipping concerns have been well in evidence this week. A moderate volume of speculative activity has also been observable in South African gold mining shares. Altogether the amount of floating stock in every part of the market has now been so appreciably reduced that even a moderate rise in demand would have a highly pleasing effect on the Official List. It remains to be seen whether investors have fully recovered the courage of their convictions.

* * *

Foreign Bond Movements.—The past month has been eventful for the foreign bondholder, and has provided, incidentally, a clear example of the advantages of diversification in an essentially risky field. Despite considerable price movements in the component series, the index of 110 foreign bonds compiled by the Municipal and General Securities Company is scarcely changed at 116.7 (January-June, 1934 = 100). The movements of the past month are shown below:—

Average January-June, 1934=100

	Europe	Near & Far East	Egypt	South and Central America: States	South and Central America: Provinces	South and Central America: Total	Complete Index	*Undefaulted Bonds*	*Defaulted Bonds*
1936	(32)	(31)	(4)	(36)	(11	(47)	(114)	*(60)*	*(54)*
July...	94·7	110·6	100·9	99·1	88	96·7	99·8	*104·4*	*95·0*
August	95·1	113·2	100·7	99·3	8	97·0	100·7	*105·7*	*95·3*
Sept....	94·7	110·7	99·9	98·8	8 0	96·4	99·7	*104·3*	*94·8*
Oct....	95·2	111·7	99·7	105·3	·0	102·3	102·5	*104·3*	*100·6*
	(31)								
Nov....	95·4	110·6	99·6	107·2	101·0	105·7	(113)	*(59)*	
Dec....	97·7	114·0	99·7	120·2	110·0	117·8	103·9	*104·5*	*103·2*
1937				(35)		(46)	110·3	*105·8*	*115·8*
Jan....	103·6	116·2	100·6	128·5	131·7	129·3	(112)	*(58)*	
	(30)						117·0	*107·3*	*128·5*
Feb....	102·9	120·0	99·6	131·8	131·8	131·8	(111)	*(57)*	
	(29)						119·0	*108·1*	*131·4*
Mar....	100·3	120·8	97·8	126·2	120·1	124·7	(110)	*(56)*	
April...	100·9	120·2	97·1	124·7	122·7	124·3	115·7	*106·7*	*126·6*
May ...	101·6	123·1	98·3	124·3	120·7	123·4	115·4	*106·6*	*125·4*
June...	101·3	125·5	99·1	124·8	118·2	123·2	116·3	*108·0*	*125·3*
July...	105·9	117·6	37·9	127·8	117·5	125·3	116·6	*109·0*	*125·1*
							116·7	*106·3*	*128·6*

Note: Figures in brackets show number of bonds.

The war in Northern China is responsible for an eight-point fall in the Far Eastern index, but this large movement is offset by the improvements in the European and South American (States) indices. The 4½ per cent. rise in European issues is attributable to defaulted bonds—Bulgarian, Roumanian and Greek.

* * *

The Week's Bond News.—The records of the past month, however, reflect only part of the recent foreign bond news, which includes the publication of the full report of the Council of Foreign Bondholders, with its invaluable statistical appendices covering the principal foreign countries, and the record of the corporation's achievements in improving the lot of the foreign bondholder last year. The news from China and Japan is of more critical import. At a time when serious consideration was being given to the possibility of further financial assistance to China for railway and public works construction, the Japanese intervention in North China—which is now reported complete—has materially affected the situation, and it must be confessed that doubts are reflected on the real progress of China towards an effective national administration. From the bondholder's point of view, the potential effects of the present situation upon the Customs and Salt revenues of China demand careful examination, while the assumption by Japan of further financial burdens to prosecute her campaign is inevitably reflected in the prices of her obligations. From a purely fiscal aspect, the bonds of both countries are adequately covered, but cover calculations become totally irrelevant in a state of war, actual or potential. Nearer home comes the news that the London agents for the Roumanian Stabilisation Loan Monopolies Institute 7 per cent. sterling bonds of 1929 are unable to accept the offer to pay 65 per cent. of the coupons due August 1st and February 1st next. Funds covering this payment have been provided through the clearing, and it is claimed that no larger sum can be remitted, owing to collateral undertakings with holders of direct loans of the Roumanian Government. In view of the special security of the principal debtor—the Institute and not the State—and the adequacy of cover provided by the clearing, the banking agents are not prepared to recommend the acceptance of the offer in full settlement —an attitude which appears entirely reasonable, despite the fact that bondholders may be tempted to take the cash and let the credit go. Finally, negotiations with the Greek financial delegation have broken down. The mission had a preconceived limit of 50 per cent. payment, which was clearly unacceptable.

* * *

Capital Issues in July.—Our computation of new capital issues on the old basis shows a fall from £25.9 millions to £14.9 millions in July, but a considerable increase to nearly £60 millions is recorded on the revised basis of computation. The recent figures are shown below:—

(000's omitted) Excluding Conversions

Monthly Average (Old Basis)	United Kingdom	British Possessions	Foreign Countries	Total
	£	£	£	£
1933	17,520	2,429	449	20,398
1934	11,474	2,494	125	14,093
1935	18,388	1,270	21	19,679
1936	19,195	2,035	58	21,288
(New Basis)				
1935	27,233	2,443	97	27,773
1936	37,370	2,823	964	41,157
Monthly Total (Old Basis)	Govt.	Other		
May, 1936	*Dr. 300*	*15,078*	*2,014*	*208*	*17,000*
May, 1937	*Dr. 400*	7,001	3,077	Nil	9,678
June, 1936	*Dr. 150*	8,556	1,676	30	10,112
June, 1937	*Dr. 650*	24,507	2,067	Nil	25,924
July, 1936	*Dr. 300*	16,621	2,669	138	19,128
July, 1937	*Dr. 750*	12,367	2,297	940	14,854
(New Basis)					
May, 1936	*Dr. 300*	*28,442*	*2,387*	*292*	*30,821*
May, 1937	*Dr. 400*	22,551	3,314	Nil	25,465
June, 1936	*Dr. 150*	20,752	2,019	168	22,789
June, 1937	*Dr. 650*	29,690	3,788	40	32,868
July, 1936	*Dr. 300*	35,691	6,763	138	42,292
July, 1937	*Dr. 750*	52,838	6,218	1,513	59 819

New issue business has continued active, though not at the same level as last summer. The increase recorded by our "new basis" computation arises mainly from the inclusion last month of about £29 millions in respect of the Anglo-Iranian bonus issue.

* * *

Great Western Statement.—Rail stockholders may well be gratified by recent news, though they still await the National Wages Tribunal award. Of the four half-yearly statements, only L.M.S. was disappointing. The L.N.E. statement was surprisingly good, and the Southern and Great Western both highly satisfactory. Although Paddington is commonly credited with the intention of maintaining a 3 per cent. ordinary dividend until the reserve depletions during the depression have been made good, the board's gesture in raising the interim dividend from the ¼ per cent., paid for each of the four years to 1936, to ½ per cent. was welcomed by the market. The revenue statement is no less satisfactory. Gross receipts rose by £887,000 compared with the first half of 1936. Of this increase, railway receipts accounted for £694,000, to which passengers contributed £224,000, goods traffics £462,000 and miscellaneous receipts £8,000. The ancillaries, therefore, provided no less than £193,000, and it is evident that this increase in revenue reflects the higher level of activity at the company's docks, which marches with the increase in goods traffics. This double equity in South Wales recovery is an important feature of the Great Western's economy. The advance in revenue from all sources amounted, in fact, to £500,449, and 56½ per cent. of the gross increase has thus been preserved net. From the earnings' aspect—subject always to the possible effects of higher wages and increased costs—the improved industrial equity of Great Western Ordinary is now becoming important. While it would be premature to count on more than the maintenance of recovery in South Wales, this point remains true. But at this stage it would be equally premature to expect more than 3 per cent. on G.W.R. ordinary, despite these indications of advancing earnings.

* * *

Guinness in Transition.—It is not easy to draw conclusions from the 1937 accounts of Arthur Guinness, Son and Company. The revival in trading profits which progressed vigorously in 1934 and 1935 made slight headway in 1936, and has given way to a slight recession in 1937 (all years to June 30th). Simultaneously the decline in dividend and interest receipts has continued —presumably owing to the liquidation of investments to pay for the new Park Royal brewery—and total gross

OLD GOWRIE
TOBACCO
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Price: 20/ per 8lb., post paid. Send 5/2 for sample ½ lb. tin, post free. Export: 22/8 per 2 lbs., plus post.
Chas. Rattray
PERTH, SCOTLAND
Rattray's Hal o' the Wynd Tobacco is the full-bodied strength of Old Gowrie.

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RE-FORMED
SHELL
All Shell is now made by the 're-forming' process which re-arranges the molecular structure of the petrol. The result is even smoother running, better pick-up, and an absence of 'pinking'.
YOU CAN BE SURE OF SHELL

profits have fallen from £2,180,047 to £2,088,610. A three-year profits comparison follows :—

	Years to June 30th 1935	1936	1937
	£	£	£
Trading profit	1,968,132	1,978,705	1,901,594
Dividends and other receipts	206,982	201,342	187,016
Total profit	2,173,114	2,180,047	2,088,610
Maintenance and depreciation	146,085	141,554	149,339
Sundry expenses and fees	13,819	12,620	13,717
Preference dividend	93,000	92,250	90,750
Ordinary stock :—			
Earned	*1,920,210*	*1,933,623*	*1,834,804*
Paid	1,685,625	1,669,688	1,642,500
Earned (%)	*33·0*	*33·6*	*32·4*
Paid (%)	29	29	29
To reserve	200,000	200,000	200,000
Carried forward	846,309	910,244	902,548

Part of the fall in profits is due to the higher rate of tax deducted, and, when all is said, earnings have fallen only from 33·6 per cent. to 32·4 per cent. Nevertheless, any fall for a year of increased British beer (and presumably stout) consumption is disappointing. So far as shipments from the Free State provide a true guide to Guinness's non-Irish consumption, they suggest a fall—at 1,261,100 standard barrels for 1936 against 1,331,600 for 1935. And for the first half of 1937 the fall has continued. With the Park Royal brewery entering production, however, there may be a special explanation for these falling shipments, which by themselves could easily have caused a much greater recession in profits during the inevitable dislocations of starting a new plant. The present position of the company is, in fact, highly interesting and will doubtless receive an informative survey from the chairman at next week's meeting. Unlike most English brewers, Guinness has no system of tied houses, from whose improvement the English brewers are benefiting. Instead, the company is equipping itself with the most modern production plant and is selling a nationally advertised product. The results of Park Royal have yet to be seen. On the Stock Exchange, highly favourable results were discounted too far ahead. There is no warrant, from the latest accounts, for falling into the contrary error of finding Park Royal a disappointment before its career has started. The £1 stock units have fallen back to 6⅝ and yield £4 9s. 9d.

* * *

Watney's "Improvement" Finance. — The trading profits of Watney, Combe, Reid have still some way to go before the record level of £2,373,476 in 1929–30 is regained, but the steady recovery which began in 1934 has been fully maintained. Trading profits amount to £2,028,808 for 1936–37, against £1,997,869 for 1935-36, and the dividend is again increased, from 18 per cent. to 19 per cent., being generously covered by earnings of 34.0 per cent., against 32.2 per cent. Profits for the last three years have been as follows:—

	Years to June 30th 1935	1936	1937
	£	£	£
Trading profit	1,928,133	1,997,869	2,028,808
Rents, dividends, etc.	518,512	533,143	544,128
Total profits	2,446,645	2,531,012	2,572,936
Trade and office expenses	752,683	724,753	773,572
Fees, licence duties and deposit interest	85,460	80,439	75,077
Repairs and depreciation	300,808	337,888	295,703
Debenture interest	263,571	259,008	254,441
Pref. and pref. ord. dividends	211,663	211,663	211,663
Deferred Ordinary Stock :			
Earned	*832,460*	*917,263*	*962,480*
Paid	509,668	573,374	605,228
Earned %	*29·1*	*32·2*	*34·0*
Paid %	16	18	19
To reserve	300,000	350,000	350,000
Carried forward	324,445	318,334	325,586

Like most of the large property-owning brewers, Watney's are steadily overhauling their licensed houses, rebuilding or refitting, and where possible converting leaseholds into freeholds. The company has ample cash resources to finance this programme (with £1,826,000 in Government securities and £427,000 cash), but its policy is apparently to pay for improvements out of the profits retained each year, and so to keep the book value of properties down. Thus, in the last three years no less than £1,000,000 has been put to property improvement and contingencies reserve. But practically the whole of that amount has been retransferred to cover the improvement programme, and the reserve is only £1,023,000, against £973,000 in 1935, while properties are practically unchanged at £14,492,000, against £14,401,000 (1935), and surplus liquid assets total £1,045,000, against £1,171,000 (1935). So long as the improvement programme continues, investors may fairly conclude, the directors will wish to maintain their policy of financing it from the year's retained profits, and may thus preserve the ample margin between earnings and dividends. The £1 ordinary shares yield £4 13s. 6d. per cent at the present price of 84s.

* * *

Tootal Broadhurst Lee.—While the cotton industry generally is still some way short of earning normal profits, Tootal Broadhurst Lee is now enjoying a high level of prosperity. For the year to June 30th, net trading profit has increased from £197,696 to £255,061 after providing £40,000 (against £20,000) for employees' bonus. Since the comparable profits figure for 1934-35 was £148,514, it will be clear that the latest year's rapid progress is not fortuitous. In terms of dividends, the company's record is as stable as its profits history is expansionary. The board, however, has unbent to the extent of supplementing the regular 10 per cent. dividend by a 2½ per cent. cash bonus. That this policy gives no hostage to fortune is abundantly evident from the fact that a 12½ per cent. distribution requires £80,367 net, and is covered by earnings of £150,351—equivalent to 23½ per cent. on the ordinary. After a further transfer of £25,000 to reserve, the balance carried forward is increased from £67,085 to £112,060. General expansion is shown in the active items in the balance sheet, and the report, as a whole, conveys a highly favourable impression. It instances the success which can attend a progressive commercial policy, the enterprising exploitation of brand names, and the introduction of such technical improvements as creaseless fabrics which are assured in advance of an excellent demand. At 55s. the ordinary shares yield £4 15s. 6d. They offer a progressive interest in a moderately capitalised textile concern.

* * *

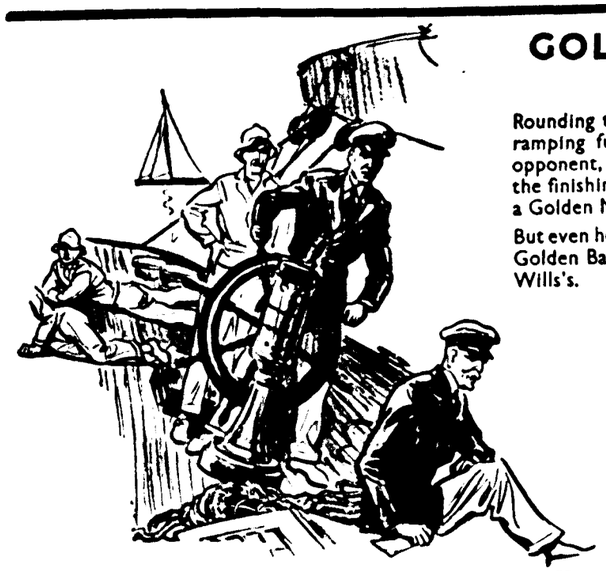
Armstrong Whitworth and Scotswood. Mr Bruce Gardner's speech at the Armstrong Whitworth Securities meeting last week underlined the advantages of careful nursing of assets which, but a few months ago, could not have commanded their present value. The focal point of this custodianship is the disposal of the Scotswood works. In recent years, the volume of railway engine business has been wholly inadequate to support this large plant, for home demand has been sub normal, and export demand hardly existent. During the past year, relief has been obtained by the large orders—particularly from the L.M.S.—for locomotives, under the Government agreement for financial assistance to the companies. These orders have transformed the situation, but only temporarily. Turning towards other outlets for employing the plant, the directors sought and obtained consent from Vickers-Armstrongs for the lifting of the prohibition on the manufacture of armaments at Scotswood. Again, however, the circumstances were clearly exceptional, and afforded no permanent solution. The board decided—wisely, it will be agreed—to negotiate a sale of the Scotswood works, for a better bargaining position was clearly enjoyed for obtaining a "going concern" price than at any time since the depression. The goodwill drawings and dies of the locomotive business have also been realised, on an equally satisfactory basis. Following the disposal of the interests in Craven Brothers, the remaining assets consist largely of holdings in Pearson and Knowles and Partington Steel, which hold together a substantial interest in Lancashire Steel. These holdings now have a far higher value than could have been placed upon them even a short time ago. The salvage work has thus been eminently successful, and the liquidation may even leave something over for the ordinary capital, after meeting preference requirements.

* * *

Cables Investment Progress. — The results of Cables Investment Trust are only of indirect market importance, for the ordinary stock is held equally by Cable & Wireless (Holding) and Globe Telegraph & Trust. The substantial increase in revenues recorded by the Trust for the year to June 30th, therefore, will eventually emerge in the equity earnings of the two holding companies. As a relatively new—and actively managed—trust, however, the company's achievements deserve comment in a wider context. Income from investments rose from £273,457 for the previous 11½ months' period to £356,176; net profits were more than doubled (£229,349 against £105,725) and the amount earned for the ordinary capital has jumped from 2 per cent. to 7.6 per cent. An increase in the ordinary dividend from 1½ per cent. to 5 per cent. is therefore comfortably covered. These results are impressive, but the investment policy of the Trust also merits study. Investments at cost total £7,282,866, against £7,115,008, and show a modest appreciation. But their distribution has been markedly changed. The percentage invested in British funds has been greatly reduced from 10.109 to 1.630, while Dominion and Corporation stocks and railways are also lower. On the other hand, the proportion of industrial shares has been increased from 18.458 to 26.403 per cent., and of iron, coal and commodity shares from 9.539 to 14.117 per cent. By this means, the overall rate of return on the capital has been raised from 4½ per cent. (the rate at which the investments were originally acquired) to over 5 per cent. The managers apparently subscribe wholeheartedly to the view that current income and future salvation are to be found to-day in equity investments rather than in large gilt-edged holdings.

* * *

Company Results of the Week.—Apart from the reports discussed on earlier pages, a limited number of industrial results are available this week. Several appear in the brewery group, where *Friary, Holroyd & Healy's* report a slightly increased net profit of £139,161, and maintain the 13 per cent. dividend. *Showells Brewery* and *Colchester Brewing* have also published their reports, showing somewhat improved profits. Among textile companies, *Kelsall & Kemp* record an appreciable improvement in net profits from £44,533 to £55,314, which is taken to the balance carried forward. *Isaac Holden*, the woolcombers, reveal a somewhat sharp fall in profits from £48,240 to £39,713, which compels a reduction in the dividend to 12½ per cent. tax free. Presumably, rising costs have absorbed an increased proportion of the fixed commission rates. Significant improvements in net revenues are recorded by the *Edinburgh & Dundee Investment* and *Second Scottish Western* trusts. The report of *John Greenwood Millers* shows that the 12 per cent. dividend (against 11 per cent. for 1935-36) is well covered by net earnings of £52,399. In common with other timber merchanting concerns, *Gabriel Wade & English* have achieved a substantial jump in net profits from £67,700 to £120,283. Perhaps the week's best dividend announcement comes from *Burma Corporation*, whose final dividend of 11 annas per share raises the total to 18½ annas, compared with 12 annas for the previous year.

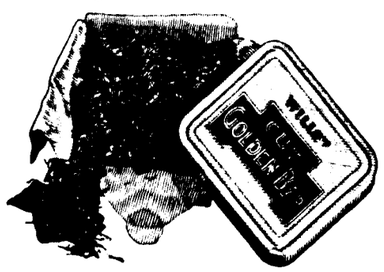


GOLDEN MOMENTS

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But even he cannot buy a better tobacco than "Cut Golden Bar" at a shilling an ounce. But it *must* be Wills's.



2 oz. Vacuum tin

WILLS'S CUT GOLDEN BAR

READY RUBBED
In 2 oz. Pocket Vacuum Tins and 1 oz. Airtight Tins
FLAKE FORM
In 2 oz. Vacuum Tins and 1 oz. Packets

1/- AN OUNCE

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THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: AUGUST 10 ACCOUNT: AUGUST 12

THE Stock Exchange returned after its Bank Holiday with no less inspiration than at its departure. The improvement in the Anglo-Italian diplomatic position, signalised by the exchanges between the Prime Minister and the Duce, were accepted as an earnest that political influences on the market would become more favourable in the immediate future. The improvement on Wall Street also helped, and while the volume of business was seasonally small, the tone remained unmistakeably good.

Little business was transacted in the gilt-edged market, but conditions were firm, and there was some mid-week purchasing of Funding issues. War Loan and Conversion 3½'s, however, also shared modestly in the improvement. Home corporation scrips were slightly higher, despite the evidence of increased competition from new issues.

The Far Eastern group made heavy weather under the threat of widespread hostilities. The Chinese railway issues suffered most, having risen most before the Japanese invasion, but there were also heavy falls in the senior issues. Japanese issues were fractionally higher in mid-week, though merely on bear covering. Brazilian issues receded on reports that the New York negotiations for a large loan had been broken off. In the European list, Greek issues reacted on the breakdown of the debt negotiations in London.

The usual holiday week activity in home rail stocks was not seen this week. The disappointing L.M.S. statement was still remembered by the market, which made no positive response to the very impressive holiday traffics. Sellers, in fact, were abroad, and since little supporting business was received, small net losses among the equity stocks were recorded. Argentine railway stocks attracted little business, with the exception of Cordoba issues, but the ordinary stocks were well maintained, until the fall in wheat occurred.

In the industrial markets, the Wall Street recovery assisted sentiment, and while business was limited, the atmosphere was cheerful. An excellent tone prevailed in the heavy industry section, with a keen demand for Vickers and T. W. Ward, while smaller improvements were spread throughout the list. Coal shares generally were better, led by Wm. Cory. In the motor section, A.E.C. improved, and Standard enjoyed a good demand. In the aircraft group, Rolls Royce returned to favour.

The Unilever re-grouping scheme (discussed on page 302) was anticipated with a rise in Unilever ordinary, and followed by a strengthening of the preference issues. Textiles were generally firm, with Tootal Broadhurst Lee better on the results (see page 306) and Courtaulds fractionally higher. Guinness, however, reacted on the slight fall in profits disclosed by the report (discussed on page 305), although Watney strengthened on the figures (also discussed on page 306). Tobacco shares improved at first, but became less active. In the miscellaneous list, small changes prevailed, but the tone was good. Turner and Newall were again in demand, and small gains occurred in Murex, British Oxygen and cement shares. Shipping issues closed somewhat easier in mid-week.

Rubber shares gathered momentum on the firmer appearance of the commodity in mid-week. Dealings were mainly professional and rather narrow. The tea share market remained quiet, but the demand for Indian teas persisted, and since shares were difficult to obtain, prices made a full response. Moderate business was reported in oil shares, being chiefly concentrated on Shell and Royal Dutch.

The recent revival in the Kaffir market, although largely professional in character, continues with no lack of confidence. Demand persists also from the Cape and Paris, and gains were registered on a wide front. The dividend-paying Kaffirs, whose yields first attracted attention, stepped from the limelight in favour of the developing counters, with West Wits. again in the lead. Rhodesian copper shares were also active, while West African gold shares advanced. Base metal issues were generally good, with Burma Corporation outstanding on the impressive dividend.

HOTEL WESTMINSTER
Le Touquet

"FINANCIAL NEWS" MARKET INDICATORS

	July 29	July 30	Aug. 2	Aug. 3	Aug. 4	Aug. 5
Approximate total of bargains recorded in S.E. List	7,125	7,024		6,300	6,000	6,000
Corresponding day 1936	*8,949*	*7,215*		*5,466*	*5,044*	*5,517*
SECURITY MOVEMENTS			Bank			
Index of 30 Ordinary Shares (July 1, 1935 = 100)	111·4	111·8	Holiday	112·0	112·0	113·0
Index of 20 Fixed Interest Securities 1928 = 100	127·3	127·2		127·3	127·3	127·3

Highest 1936 Ordinary Shares 124·0 (Nov. 18), Fixed Interest 136·6 (Jan. 1).
Lowest 1936 Ordinary Shares 107·4 (Jan. 2), Fixed Interest 126·2 (Sept. 23).
Highest 1937 Ordinary Shares 124·0 (Jan. 4), Fixed Interest 136·6 (Jan. 4).
Lowest 1937 Ordinary Shares 108·6 (July 8), Fixed Interest 126·8 (July 28).

ACTUARIES' INVESTMENT INDEX

The Actuaries' Index of 177 industrial share prices rose to 83·5 last Tuesday, compared with 83·0 for the previous week and 82·1 a month ago (December 31, 1928 = 100). The corresponding yield percentages are 4·35, 4·37 and 4·40, respectively. A selection of the more active groups appears below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100): Month ago (July 6, 1937)	Last week (July 27, 1937)	This week (Aug. 3, 1937)	Yields %: Month ago (July 6, 1937)	Last week (July 27, 1937)	This week (Aug. 3, 1937)
Building materials (5)	92·8	91·2	90·6	5·01	5·01	5·08
Coal (7)	120·7	119·7	129·1	3·76	3·79	3·67
Iron and steel (12)	73·8	75·7	77·4	5·15	5·04	4·95
Motors (4)	90·0	90·1	90·2	4·98	4·97	4·96
Electric supplies (10)	144·1	146·3	147·0	4·44	4·37	4·33
Home rails (6)	78·7	83·7	81·6	2·72	2·60	2·69
Breweries and distilleries (21)	143·8	145·2	146·2	4·44	4·41	4·38

OVERSEAS STOCK EXCHANGES

NEW YORK

AT the end of last week and on the opening day of the current week there was a marked improvement in sentiment, and prices generally went ahead, aided by the announcement of certain price increases by Ford, and not in the least perturbed by the Senate's approval of the minimum wages and maximum hours bill. On Tuesday, the volume of business increased, but prices moved slightly downward in many groups, including steels and motors. Copper and rubber issues moved against the trend. In mid-week the improvement was resumed, inspired mainly by optimism over the railroad prospect. It is hoped that a compromise solution will be reached under which the men will be granted a 6 per cent. increase in wages instead of the 20 per cent. asked for. Copper shares continued to enjoy the favour of operators who for some time have found a refuge in this section of the market, and there were improvements in various industrials. The bond market became more active as the week progressed. Second quarter earnings, according to reports now being issued for many companies, prove the pessimism of Wall Street in past months to have been unjustified, and other business reports continue excellent. *Iron Age* estimates steel mill activity for the current week at 85 per cent. of capacity, unchanged on a week ago, and reports a revival of rail equipment orders, although the volume of new business is smaller than for several months past, and orders on the books are declining.

	July 28, 1937 (Close)	Aug. 4, 1937 (Close)	Aug. 5, 1937 (Latest)
1. Rails & Transport			
Atchison ad	83½	80	79½
Balt. and Ohio	27	27½	27½
B.M.T.	23	23	23
Can. Pacific	11	12½	12
Ches. and Ohio	37	37½	38½
Gt. Nthn. Rly. Pf.	50	49	50
Illinois Central	24	24½	25
N.Y. Central	39½	41	40½
Nor. Pac.	29½	29½	29½
Pennsylvania R.R.	38	37	37
Southern Pac.	47½	49	48½
Southern Rly.	31½	31½	30½
Union Pac.	129	126	125
Greyhound Cp. New	15½	15½	15½
2. Utilities and Communications			
Am. Waterworks	20½	20½	20½
C'wealth & S'thern	3	2½	3
(Cons. Gas of N.Y.) now Cons. Edison	39	37½ ad	37½
Col. Gas & Electric	14½	14½	14
Elec. Bond & Share	20½	19½	20½
Nat. Pwr. and Lt.	11½	10½	10½
North American	27½	27	26½
Pac. Gas & Electric	33	31½	31½
Pac. Lighting	45½	44½	
Pub. Service N.J.	43½	42½	43
Stan. Gas & Elec.	9½	9½	8½
United Corp.	8½	8½	8½
United Gas Imp. ad	14½	12½	13½
Am. Tel. & Tel	172	171½	170½
Int. Tel. and Tel.	11½	11½	11½
Western Union	66½	67½	66½
Radio	9	10	9½
Radio R. Pref. New	67½	69½	70½
3. Extractive and Metal Industries			
Am. Rolling Mills	59½	60	59½
Beth. Steel ad	93½	100½	100
Beth. Steel Pref. ad	118	118	
Republic Steel	37½	39½	38½
U.S. Steel	114½	113½	112½
U.S. Steel Pref.	126½	123	122
Alaska Juneau ad	11½	11½	11½
American Metal	50	54½	53
American Smelting	95	95½ ad	95½
Anaconda	58½	60½	61
Bohn Aluminium	42½	44½	44½
Cerro de Pasco	73	74½	75½
Int. Nickel	64	65½	64½
Kennecott ad	60½	62½	62½
Patiño Mines	15½	16½	16½
Texas Gulf Sulph	39½	38½	38½
U.S. Smelt. ad	90	91	90½
Vanadium Corp	25½	22	21
Atlantic Refining ad	20½	20	20½
Phillips Petroleum	61	61½	61½ ad
Shell Union	23½	22	22
Shell Union Pref.	104½	104½	...

	July 28, 1937 (Close)	Aug. 4, 1937 (Close)	Aug. 5, 1937 (Latest)
Socony Vacuum	21½	22½	22½
Stand. Oil Calif.	44½	44½	44½
Stand. Oil N.J.	70	69½	69½
Texas Corp. ad	63½	64½	65½
4. Manufacturing			
Briggs	43	45	44½
Chrysler	111½	117½	116½
Electric Autolite	38½	38½	38½
General Motors	54½	57½	56½
Hudson Motor Car	15½	16½	16½
Murray Corp	13½	13½	
Nash Kelvinator	18½	18½	18½
Packard Motor Car	9½	8½	8½
Bendix Aviation	20½	20½	20½
Boeing Airplane	33½	33½	33½
Douglas Aircraft	87½	86½	86
United Aircraft	29½	29½	29½
Air Reduction	73	72	72
Allied Chem. ad	238	236½	
Col. Carbon	121½	120½	122
Comm. Solvents	14½	14½	14
Dupont	160	161½	161½
Union Carbide	101½	101½	100½
U.S. Ind. Alcohol	32½	33½	
Allis Chalmers	66½	66½	66½
General Electric	57½	57	57
Westinghouse	151	156	156
American Can ad	108	111½	111½
Addressograph	33	33	
Caterpillar	66	66½	66½
Cont. Can. ad	56	58½	58½
Ingersoll Rand	130	131½	
Intnl. Harvester	113½	119	119
Johns Manville	132	136½	136½
Am. Radiator	21½	21½	22
Corn Products	62½	66½	66½
J. I. Case and Co.	178	189	186½
Goodrich	44½	42	42½
Gen. Air Transpt.	65	67½	66½
Aviat. Mfrs.	25	25½	
Celanese of Amer.	37½	38½	38½
Int. Paper, New	37½	37½	37½
Colgate Palmolive	18½	18½	18½
Eastman Kodak ad	180	180½	181
Gillette ad	14½	14½	14½
Lambert Co.	19½	19½	19½
Lorillard	8½	8½	8½
20th Century Fox	36½	36½	36½
5. Retail Trade and Food			
Montgomery Ward	62	62½	63½
J. C. Penney Co.	97½	99	98½
Sears Roebuck ad	93½	95½	96½
United Drug	12	12½	12
Walgreen ad	27½	27½	
Woolworth	49½	48½	48½
Borden	24½	24½	24½
Gen. Foods	37½	37½	37½
Kroger Grocery	22	22½	22½
Nat. Biscuit ad	24	23½	23½
Nat. Dairy	21	20½	20½
Standard Brands	12	12½	12
Am. Tobacco B	82½	84	84
Liggett Myers B	101½	101½	102
Lorillard	21½	21½	21½
Reynolds Tob. B	52½	53½	53½
National Distillers	29½	30½	30
Schenley Distillers	43	43	42½
6. Finance			
Commercial Credit	61½	62½	62½
Atlas Corp.	15½	15½	15½
Corn Invest. Trust	65½	65½	65½

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

	1936 Lowest Apr. 29	1936 Highest Nov. 10	1937 Lowest June 16	1937 Highest Mar. 10	Be-ginning of Year 1937	July 21 1937	July 28 1937	Aug. 4, 1937
347 Industrials	112·7	148·9	130·2	155·7	143·2	143·0	142·2	144·3
32 Rails	42·8	60·2	49·8	64·5	54·6	53·1	51·9	52·0
40 Utilities	91·2	111·6	86·3	118·4	111·7	97·8	99·8	98·6
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	120·7	120·3	121·5
Average yield*	4·80% High (c)	2·65% Low (a)	4·40% High	3·24% Low (f)	3·55%	4·02%	4·04%	3·96%

* 80 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (h) January 13th.

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

Highest*	Lowest*	July 28	July 29	July 30	July 31	Aug. 2	Aug. 3	Aug. 4
180·3	147·4	162·8	162·4	162·9	165·2	166·6†	165·3	166·2

*March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	July 29	July 30	July 31*	Aug. 2	Aug. 3	Aug. 4
Stock Exchange—						
Shares (No. Thous.)	610	620	390	790	900	900
Bonds (Thous. $)	6,110	5,830	2,750	4,610	5,770	6,550
Curb—						
Shares (Thous.)	144	183	87	162	224	204

* Two-hour session.

PARIS

AFTER the Bourse reopened on the formation of the new Government, prices shot up under the lead of Rentes (in which gains of anything up to 5 francs were recorded), and all sections of the market advanced in rough proportion to the degree of further devaluation of the franc. An additional stimulus to speculation was provided by the cancellation of some recent Bourse rules concerning the amount of cover. This spurt, however, was not long maintained, and in the meantime prices have receded. The settlement of July 2nd, postponed from the end of June, provided a disturbing influence, and the early part of the month brought fears of drastic new financial measures. Yet when details were available, prices hardly moved, for the new taxes were more reasonable than had been expected. Second thoughts, however, were less favourable to the Finance Minister. In the latter part of the month, holiday influences prevailed, and no particular tendency emerged.

	July 1, 1937	July 15, 1937	July 30, 1937
3% Perp. Rentes	71·55	69·25	72·95
4% Rentes 1917	71·50	68·80	72·15
Banque de France	7,125	6,510	6,980
Crédit Lyonnais	1,530	1,355	1,408
Suez Canal	27,050	25,350	25,500
Chargeurs Réunis	470	448	440
Rio Tinto	2,480	2,638	2,805

	July 1, 1937	July 15, 1937	July 30, 1937
Royal Dutch	59,000	*58,700	*62,050
Wagons Lits	100	98	111
Mokta el Hadid	117	117	117
"Charbonn."	211½	218½	236
Rand	82	75	75
De Beers	2,100	2,110	2,427
"Johannes"	432	443	482

* Ex-coupon.

(Continued on page 312)

THE SCOTTISH INDUSTRIAL ESTATE

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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 High-est	Low-est	Prices, Year 1937 Jan. 1 to July 28, inclusive High-est	Low-est	Name of Security	Price, July 28, 1937	Price, Aug. 4, 1937	Rise or Fall	Yield Aug. 4, 1937 £ s. d.
				British Funds				
87¼	82¾	84 11/16	73¾	Consols 2½%	74½	74½	...	3 7 3
116¼	112¼	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	107¼	107½	+¼	3 9 6
102 7/16	100	101 5/16	94⅞	Conversn. 2½% 1944-49	95½	95½	+¼	3 0 0
105⅞	103 5/16	103 5/16	97¼	Do. 3%, 1948-53	97½x	98x	+½	3 3 3
108⅞	104¾	106 11/16	99¾	Do. 3½% after 1961	100¼	100¼	+¼	3 11 6
111 11/16	107	108	105	Do. 4½% 1940-44	105⅜	106⅛	+⅜	2 7 6
121⅛	116¼	117⅛	111 13/16	Do. 5% 1944-64	112⅜	112⅜	+¼	3 0 9
95 13/16	92⅛	92½	84⅞	Funding 2¾% 1956-61	86	86¼	+¼	3 7 0
...	...	93¾	89⅞	Funding 2½% 1953-57	91¾	92	+¼	3 6 0
104⅛	101	101⅝	92⅞	Funding 3% 1959-69	94	94½	+½	3 6 3
119¼	115⅝	116⅝	109	Funding 4% 1960-90	110¼	110⅞	+½	3 7 3
117 3/32	113⅝	114¾	107⅝	Victory Bonds 4%	109	109¼	+¼	3 14 3
108⅝	104¼	105 13/16	99⅝	War Ln 3½% after 1952	100	100¼	+¼	3 11 3
98⅛	94⅝	96 13/16	85	Local Loans 3%	85½	85½	...	3 10 3
103¼	101¼	101¼	99½	Austria 3% 1933-53	100	100	...	3 0 0
76¼	70⅞	72	62	India 2½%	65½	66	+½	3 16 0
89½	83½	85¼	74⅜	Do. 3%	77½	78	+½	3 17 0
100	96	98⅜	87	Do. 3½%	91	91½	+½	3 16 6
120⅜	116	119⅛	112½	Do. 4½% 1958-68	113½	114	+½	3 11 3
107	104	105⅜	103¼	U.K. & Arg. 4% A (1947)	103½	103½	...	3 13 6
				Dom. & Col. Govts.				
113⅜	109¼	109⅞	105	Australia 5% 1945-75	106	107	+1	4 0 6
106¼	102½	104½	101	Canada 4% 1940-60	104	104	...	2 19 0
118⅜	114	116¼	112⅜	Gold Coast 4½% 1956	113	113	...	3 11 3
120	117	117¼	114	Nigeria 5% 1950-60	114	114	...	3 12 6
114½	108	109⅞	104	N. Zealand 5% 1946	106	106	...	4 4 0
109¼	106⅜	107⅞	104	Queensland 5% 1940-60	104	104	...	4 0 0
117⅛	113⅞	114	110½	S. Africa 5% 1945-75	111	111	...	3 9 6
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	101	101	...	4 9 3
102	90	105	98	Austria 7% 1957	103	103	...	6 15 0
93	82	90	84½	Do. 4½% 1934-59	85	85	...	5 15 9
72½	71½	73	68¾	B. Aires (Prov.) 3½%	72	72	...	4 17 3
97⅞	95¼	100½	96	Belgian 4% red. by 1970	100	100	...	4 0 6
27⅛	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 4 0m
83¾	65½	89	84	Brazil 5% Fund. 1914	85½	84	−1½	5 19 3
23¼	16	28	23¼	Chili 6% (1929)	24½	24½	...	2 9 0r
84¼	66	94½	81½	China 5% (1912)	86	82½	−3½	6 3 0f
95½	80	101¾	89¼	Do. 5% (1913)	92	90½	−1½	5 11 0f
112	95¼	106	103¼	Czechoslovakia 8%	105	105½	+½	7 15 0
110	98	100	92½	Danish 3%	96	96	...	3 2 3
70	57	72¾	51½	Danzig 6½% (g) (1952)	63	63	...	9 2 9
106½	102	105½	101	Egypt Unified 4%	102	102	...	3 18 9
25¾	17½	18	13½	French 4% (British)	13½	13½	...	5 15 0e
69¾	53	65	53	German 7% Dawes Ln.	64	64	...	11 5 0
46	34	49¼	35	Do. 5½% (Young Ln.)	45	45	...	12 6 0
40	29	40¼	30	Greek 6% Stab. Ln.	40¼	38¼	−2	6 5 0w
45½	35½	48½	38	Do. 7% Refugee	48½	46½	−2	6 0 6w
52	39½	62	47⅛	Hungary 7½%	60½	59½	−1	6 6 0m
90¼	79¼	88⅜	75	Japanese 5½% 1936-65	78	77½	−½	7 9 9
97½	83	94⅜	81	Do. 6% (1924) red 1959	82½	81½	−1	7 16 9
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 9 9
53½	41	61	54	Peru 7½% 1922	60	62½	+2½	...
93½	60	83	56	Poland 7%	58	58	...	12 8 0
15½	8¾	20¼	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116¼	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113½	113½	...	4 5 9
92½	79	95⅛	91	Do. C. Certs. (3% Max.)	95½	96	+½	3 3 0
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932-57	25	25	...	...
119¼	116	118	111	B'ngham 5% 1946-56	114	114	...	3 6 9
120	117	119	113½	Bristol 5% 1948-58	116	116	...	3 8 9
84	64	82	64	Danzig 7% (i) (1950	71	71	...	9 3 0
121¼	117½	119¼	116	E. London 5% 1960-70	116½	116½	...	3 18 6
97⅛	93½	95¼	83¼	L.C.C. 3%	84	83x	+½	3 12 3
106¼	85½	103¼	97⅛	Seine (Dpt of) 4½% 1952	97¼	97¼	...	4 15 9

Prices, Year 1937 Jan. 1 to July 28, inclusive High-est	Low-est	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 28, 1937	Price, Aug. 4, 1937	Rise or Fall	Yield Aug. 4, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	114	113x	+1½	3 14 3
				London Passenger Transport Board—				
123¾	110½	2¼	2¼	4½% "A" 1985-2023	115½	115½	...	3 16 0
135	121½	2½	2½	5% "A" 1985-2023	125½	125½	...	3 16 6
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 9 6
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 6
99¾	77	2½(b)	1½(a)	"C" 1956 or after	82	82	...	4 17 6
99½	86	1½	1½	Met. Wat. Bd. "B" 3%	88	87½	−½	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 8 3
				British Railways				
67¾	55¾	2¾(b)	½(a)	G. Western Ord. Stk.	66½	65¾	−½	4 19 0
6½	4½	Nil	Nil	L. & N. E'st'n Def. Stk.	5½	5¼	−¼	Nil
12¼	9	Nil	Nil	Do. 5% Pref. Ord.	11¼	10¾	−½	Nil
100¾	89¾	5(c)	1½(a)	Do. 5% Pref. 1955	98	99	+1	5 1 0
31½	21	Nil(c)	¾(c)	Do. 4% 2nd Pref. Stk.	30½	30	−½	1 13 3
79¼	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	74½	74	−½	5 8 0
36¼	27¼	Nil(c)	1¼(a)	L.M.S. Ord. Stk.	35	33	−2	3 16 0
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	79	78½	−½	5 2 0
92½	80	2(a)	2(b)	4% Pref. Stk.	86	86	...	4 13 0
27¼	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	23½	23¼	−¼	2 3 0
98⅛	87⅛	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	94	94	...	5 6 6
125¼	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	116½	...	4 6 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	19½	20	+½	Nil
17¼	9¼	Nil	Nil	B.A. & Pacific Ord. Stk.	11	11	...	Nil
35¾	24	Nil	Nil	B.A. Gt. Sthn. Ord. Stk.	27	26	−1	Nil
31¼	20	Nil	Nil	B.A. Western Ord. Stk.	23½	23½	...	Nil
34¼	24½	Nil	Nil	C. Argentine Ord. Stk.	27	26	−1	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	5½	6	+½	Nil
18	11¼	Nil	Nil	Can. Pacific Com. ($25)	12	12¼	+¼	Nil
91¼	86	1	1	Can. Nat. 1927 Guar. 2%	88¼	88½	...	2 5 3
37	33½	2(c)	2(c)	Costa Rica Ord. Stk.	34½x	34½x	...	5 16 0
19¼	9¼	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9¼	4¼	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	86	†2(a)	†3(b)	San Paulo Ord. Stk.	87½	88½	+1	5 13 0†
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 1/16	1¼	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 28, inclusive High-est	Low-est	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 28, 1937	Price, Aug. 4, 1937	Rise or Fall	Yield Aug. 4, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 0e
376	334½	6(a)	6(b)	Bank of England Stk.	341½	340½	−1	3 10 6
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/-	75/6	+6d	3 14 0
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	43/-	43/-	...	2 13 0
10⅜	9¼	3½(a)	4½(b)	Bk. of Australasia (£5)	9⅝	9½	−⅛	4 4 3
£49½	£44⅛	8(c)	8(c)	Bk. of Montreal ($100)	£45	£45	...	3 11 0e
29½	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27½	27½	...	3 3 0e
101/-	87/6	6(c)	6(c)	British Overseas A £5	95/-	92/6	−2/6	6 10 0
17	14⅞	7(a)	7(b)	Chtd. of India (£5)	14¾	14¾	...	4 8 0
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9x	13/9x	...	3 16 6e
94/-	82/1½	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9x	83/9x	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	51/3x	52/6x	+1/3	3 16 0
108/9	93/9	+2½(b)	3½(a)	Eng.Scot.&Aust. £5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	10⅞	10⅞	...	4 2 3
121¾	108¼	3(b)	2½(a)	Hong. and S. ($125)	£112	£111x	−1	4 18 6
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	60/6x	61/-x	+6d	3 18 9
10 1/32	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9x	9x	...	3 19 6
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	88/-x	89/-x	+1/-	3 12 0
44¼	39	4(a)	11(b)	Nat. of Egypt £10	39½	39½	...	3 15 6
47¾	39	9(a)	9(b)	Nat. of India £25, £12½ pd	41½	41	−½	5 9 9
16½	14½	15(b)	15(a)	Nat. Prov. £20, £4 pd.	14 11/16x	14 11/16x	...	4 1 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	461	463	+2	3 13 6
16⅛	14 3/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15½	+½	4 10 6
101/4½	90/-	18(b)	18(a)	Westminster £4, £1 pd.	91/-x	91/-x	...	3 19 6
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/-	65/-	...	5 7 9
6⅝	5½	5(b)	5(a)	National A £2½ fully pd.	6⅛x	6⅛x	...	4 1 4
16 7/16	12⅞	17(b)	9(a)	,, B £7½, £2½ pd.	13¼x	13¼x	...	4 18 0
54/9	44/3	6¼(b)	3¾(a)	Union £1 of stock	45/-	45/-	...	4 9 0
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27	27	...	3 6 0
15 11/16	13¾	+3/6(a)	+4/6(b)	Atlas £5, £1¼ pd.	14½	14½	...	2 16 0†
10 11/16	9¾	20(a)	20(b)	Com. Un. £1, fully pd.	10¼	10¼	...	3 18 0
6 1/16	5	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5⅛	5⅛	...	3 5 0
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30	30	...	3 6 6
14	11⅛	3/2(a)	3/1(b)	N.Brit.&Mer., £1¼, fy. pd	12⅛	12⅛	...	2 13 0
21¼	18⅞	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22½	19	+26¼(b)	+25(a)	Pearl (£1), fully paid	20x	20x	...	2 11 0†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16¼	16¼	...	3 14 6
37⅝	33½	+93⅜(c)	+95⅜(c)	Prudential £1 A	33½	33½	...	2 17 6†
114/-	103/9	+43¾(c)	+50(c)	Do. £1, with 4s. paid	105/-	5¼	...	1 18 0†
11 7/32	9 7/16	11(a)	19(b)	Royal Exchange (£1)	10⅜	10⅜	...	2 18 0
9⅞	8 11/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅞	8⅞	...	3 12 6
19½	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	16½	17	+½	3 16 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	85/-	4¼	...	3 2 0
8¾	7⅛	+8(b)	+10(a)	Sun Life Assur., £1, fy pd	7⅛	7⅜	+⅛	2 7 3†
21	18½	+17½(a)	+30(b)	Yorkshire £1, fully pd.	18½	18½	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	275	275	...	4 7 3
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	5/6	5/6	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	12/3	12/3	...	3 1 0
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1¼(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	144½	144½	...	4 10 0
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	265	262	−3	4 4 0
336	282	5(a)	8(b)	Invest. Trust Def.	285	289	+4	4 10 0
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	270x	270x	...	4 5 2
181½	171	4½(b)	3(a)	Merchants Trust Ord.	172½	172½	...	4 6 11
302	288	7(b)	5(a)	Metropolitan Trust	290x	288x	−2	4 3 3
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	242½	...	3 18 6
255½	229	3(a)	7(b)	Trustees Corp. Ord.	230½	230½	...	4 6 9
253	222	7(b)	4(a)	United States Debenture	225½x	225½x	...	4 17 7
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	15/6	15/6	...	1 12 6
37	28	Nil	Nil	Australian Estates, etc.	31½	31½	...	Nil
45/-	29/7½	6¾(c)	10(c)	Brit. S. Africa 15/- fy. pd	34/9	37/3	+2/6	4 0 3
34/3	25/-	10(c)	10(c)	Charterhouse Inv. £1	33/9	35/9	...	5 18 6
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	42/6	+2½(a)	+8¾(b)	Daily Mail & General £1	42/6	43/-	+6d	5 4 6†
9¾	8	+3½(b)	3¾(a)	Dalgety £20 £5 pd.	8½	8½	...	5 0 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	27/3	27/9	+6d	6 2 6
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	35/-	33/6	−1/6	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	10½	Nil	Nil	Peruvian Corp. Pref. Stk.	10½	10½	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/3	22/-	−3d	6 16 6
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	45/-	44/4½	−7½d	4 10 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	90/-	93/-	+3/-	2 13 9k
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	34/3	34/3	...	4 13 9
140/-	127/-	+19(b)	+5(a)	Bass Ratcliff Ord. £1	136/-	136/6	+6d	3 10 6†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	92/-	93/-	+1/-	4 6 0
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	73/-	73/6	+6d	3 16 0
22/4½	17/7½	6(c)	20(t)	City of London Def. 5/-	18/-	18/-	...	5 9 6
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/-	91/-	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	113/3	112/-	−1/3	4 0 6
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	136/6	6⅜	−2/9	4 6 9
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	118/9	120/-	+1/3	4 11 9
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	45/-	45/6	+6d	4 16 6
109/6	98/9	+11½(b)	8(a)	Mitchells & Butlers £1	103/1½	102/6	−7½d	4 9 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	73/3	74/-	+9d	4 14 6
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	82/6	83/-	+6d	4 6 9
115/6	102/6	+5(a)	+17½(b)	S. African Bws. £1	108/6	108/6	...	4 2 6†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	63/9	61/9	−2/-	6 9 6
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	43/9	44/-	+3d	4 11 0
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	25/-	22/9	−2/3	4 7 3
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	83/9	83/9	...	4 10 9
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	29/6	28/9	−9d	7 16 6
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/3	49/-	+9d	4 1 9
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	9/6	10/6	+1/-	3 16 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	51/3	+1/3	4 6 0
44/-	32/-	+5(a)	+10(b)	Brown (John) Ord. 10/-	37/3	37/9	+6d	3 19 6†
45/3	37/6	+2(a)	+6(b)	Butterley Co. Ord. £1	42/6	43/9	+1/3	3 13 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	12/9	14/3	+1/6	1 15 6
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	28/3	28/9	+6d	4 17 6
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	12/-	13/3	+1/3	3 15 0
88/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	87/-	88/9	+1/9	4 10 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	50/-	51/10½	+1/10½	2 6 3
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	73/1½	75/-	+1/10½	3 14 6
37/3	30/10½	+2½(a)	+3½(b)	Guest Keen etc. Ord. £1	36/-	36/3	+3d	3 6 3†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3½% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (r) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 28, inclusive High-est	Low-est	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 28, 1937	Price, Aug. 4, 1937	Rise or Fall	Yield Aug. 4, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	33/6	35/3	+1/9	4 19 3
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/-	6/3	+3d	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	34/4½	35/-	+7½d	4 5 9
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	34/4½	35/-	+7½d	2 17 3
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	16/6	17/9	+1/3	2 5 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	14/-	16/-	+2/-	3 2 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/3	25/6	+3d	5 9 9
28/9	22/0	5(c)	6¼(c)	Ruston & Hornsby £1	23/-	23/6	+6d	5 6 6
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	50/-	50/7½	+7½d	4 5 3
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/6	42/-	+6d	5 14 6
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	50/-	52/6	+2/6	4 11 6
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	27/-	28/1½	+1/1½	4 5 6
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
61/3	52/3	†6(b)	†3(a)	Staveley Coal, etc. £1	61/3	61/3	...	2 18 9†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	42/-	42/6	+6d	3 10 6
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	32/6	33/9	+1/3	4 9 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/9	13/9	...	7 5 6
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	7/9	7/9	...	3 4 6
$129¼	$76½	Nil	Nil	U. States Steel $100	$117½	$118½	+$1	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	31/9	32/3	+6d	4 13 3
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	29/9	30/-	+3d	3 6 8
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	32/6	33/9	+1/3	4 9 3
49/4½	40/10½	6(c)	10(c)	Weardale Steel etc. Df £1	42/6	41/3	−1/3	5 1 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	120/-	120/-	...	5 16 6
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	65/-	70/-	+5/-	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	8/-	8/-	...	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/-	7/6	+6d	Nil
15/6	10/-	Nil	Nil	Calico Printers £1	10/6	10/6	...	Nil
55/-	44/9	10(c)	10(c)	Coats, J. and P. (£1)	45/-	45/7½	+7½d	4 7 9
54/4	50/7½	7(b)	3½(a)	Courtaulds £1	51/6x	52/6x	+1/-	4 0 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	43/1½	...	4 13 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	9/6	10/-	+6d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	37/-	36/10½	−1½d	14 12 3
69/3	60/3	†12½(c)	†12½(c)	Patons & Baldwins £1	60/7½	60/-	−7½d	4 3 6†
23/9	16/6	2½(b)	2(a)	Whitworth & Mitchell £1	17/6	17/6	...	5 3 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	48/-	49/-	+1/-	4 1 9
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	100/-	100/-	...	4 0 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	55/6	6¼(b)	6(a)	Crompton Parkinson 5/-	57/6	57/6	...	1 1 9
37/6	30/-	Nil	Nil	English Electric £1	33/-	34/-	+1/-	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	83/-	84/-	+1/-	4 3 6
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	19/-	20/-	+1/-	4 2 3s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	47/-	47/6	+6d	4 4 3
35/-	31/1½	6(c)	7½(c)	Siemens £1	32/6	32/6	...	4 12 3
				Electric Light, &c.				
$32	$18	40 cts	50 cts.	Brazil Trac., no par	$26⅜	$27⅜	+$1	3 5 0
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 9 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	28/-	28/-	...	4 5 9
38/9	32/-	4(b)	3½(a)	City of London £1	33/-	33/-	...	4 11 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/-	39/-	...	4 2 0
54/7½	45/9	7½(b)	3(a)	County of London £1	49/-	49/6	+6d	4 5 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/6	36/6	...	4 6 0
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	32/6	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	48/9x	48/9x	...	4 2 1
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	37/-	37/-	...	4 6 6
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/-	39/-	...	4 2 0
				Gas				
27/-	23/3	5⅔(c)	5⅔(c)	Gas Light & Coke £1	25/3	25/3	...	4 9 3
163¼	147	4(a)	6(b)	Imp. Continental Stk.	148½	148½	...	6 14 8
26/9	23/-	2½(a)	2½(b)	Newc.-on-Tyne £1	25/-	25/-	...	4 6 0
120	107	3(b)	2½(a)	S. Metropolitan Stk.	108½	108½	...	5 1 3
				Motors and Cycle				
52/3	40/7½	†5⅔(b)	†2⅔(a)	Assocd. Equipmt. Ord £1	41/3	46/3	+5/-	3 4 9†
50/4½	38/9	50(c)	50(c)	Austin 5/-	45/7½	46/10½	+1/3	5 6 9
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	23/-	23/3	+3d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	32/6	33/9	+1/3	4 18 9
33/9	25/6	5(c)	6(c)	Ford Motors £1	26/3	26/3	...	4 11 5
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	66/3	...	4 10 6
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	97/6	100/-	+2/6	4 0 0
43/9	35/-	†15(c)	45(c)	Morris Motors 5/- Ord.	35/9	35/9	...	6 6 0
15/3	9/6	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	76/3	77/6	+1/3	5 16 3
6⅝	4 11/16	7½(a)	15(b)	Rolls-Royce £1	106/3	105/-	−1/3	4 5 6
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	25/-	25/-	...	3 4 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	140/-	146/3	+6/3	3 8 3
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	9/-	9/-	...	Nil
10¾	8¼	5(a)	15(b)	Clan Line Steamers (£1)	10	10	...	2 0 0
8/7½	6/-	Nil	Nil	Cunard £1	6/6	6/6	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	29/6x	29/6x	...	2 0 6
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	34/-	34/-	...	2 6 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	23/3	23/9	+6d	4 4 3
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/3	39/6	+1/3	3 10 9
53/9	38/3	5(c)	9(c)	Bah Lias £1	40/- x	40/-x	...	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	27/6	25/-	−2/6	4 16 0
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	38/9	40/-	+1/3	4 0 0
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	40/-	40/-	...	4 0 0
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	26/3	26/3	...	3 16 3
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	4/10½	5/-	+1½d	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	37/3	38/3	+1/-	3 18 3
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/9	4/7½	−1½d	4 6 6
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	42/-	41/6	−6d	4 16 6
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	39/4½	...	6 6 0
132/-	85/-	5(a)	20(b)	Anglo-Iranian £1	87/-	86/-	−1/-	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	38/6	37/3	−1/3	5 0 8
32/3	17/9	Nil	Nil	Attock £1	30/7½	30/7½	...	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/9	3/6	−3d	Nil
128/9	104/4½	5(a)	22½(b)	Burmah Oil £1	128/9	130/-	+1/3	4 4 7
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	48/1½	47/6	−7½d	5 5 3
32/4½	16/7½	10d psc	11d psc	Mexican Eagle (Mex. $4)	17/-	17/3	+3d	5 6 3
11/6	5/7½	Nil(c)	3½(c)	Phœnix Oil £1	6/9	6/9	...	11 2 3
£52¼	£42¾	5(a)	11½(b)	Royal Dutch (fl. 100)	£46⅞	£46⅞	+⅛	3 17 6p
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	110/7½	113/1½	+2/6	3 10 6†
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	131/3	130/-	−1/3	4 4 6
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	53/9	52/6	−1/3	5 14 3
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 8 11
35/-	29/6	8(c)	9(c)	Allied Newspapers £1	30/-	30/-	...	6 0 0
20/3	16/10½	Nil(c)	5(c)	Amal. Dental Def. £1	17/6	17/9	+3d	5 14 6
36/3	27/-	6(c)	7(c)	Amal. Metal £1	30/7½	30/7½	...	4 11 0
22/4½	29/1½	6(b)	5(a)	Amal. Press (10/-)	21/-	21/3	+3d	5 3 3
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/6	15/6	...	6 0 0
24/3	20/9	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	21/-	21/-	...	6 7 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	91/3	...	4 18 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	76/3	76/3	...	3 18 0
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	63/9	64/4½	+7½d	5 0 0

Prices, Year 1937 Jan. 1 to July 28, inclusive High-est	Low-est	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, July 28, 1937	Price, Aug. 4, 1937	Rise or Fall	Yield Aug. 4, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	52/-	52/6	+6d	2 15 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	30/7½	31/3	+7½d	4 16 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	22/6x	23/9x	+1/3	4 2 3
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	20/9	19/4½	−1/4½	9 6 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	50/-x	53/9x	+3/9	4 3 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	53/6	53/6	...	3 14 6
39/4½	35/4½	2½(a)	5(b)	British Match £1	37/6	37/6	...	4 2 0
6⅝	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6¼	6¼	...	3 4 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	102/6	102/6	...	2 18 0
83½	77	...	...	Cable & Wir. { A. Ord.	81½	83½	+2	Nil
106¾	104	5½(c)	5½(c)	Holding { 5½% Pf.	106	107	+1	5 3 0
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8½	8½	...	4 2 6v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	13/-	15/6	+2/6	9 13 9
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	19/-	19/-	...	5 4 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	46/3	46/3	...	4 6 6
38/6	32/-	8(c)	9(c)	Dunlop £1	34/6	35/6	+1/-	5 1 6
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	47/-	43/9	−3/3	6 17 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	20/3	21/9	+1/6	4 12 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/6	33/3	−3d	5 4 6
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/3	19/-	−3d	5 3 6
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	58/9	60/-	+1/3	3 6 8
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	117/6	...	4 5 6
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/3	6/3	...	Nil
49/3	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	48/9	50/-	+1/3	3 15 0
166/3	136/3	15(b)	5(a)	Harrisons & Cros. Def. (£1)	137/6	137/6	...	2 18 6
91/10½	82/6	5(a)	13½(b)	Harrods £1	83/9	85/-	+1/3	4 7 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/3	...	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	35/-	35/-	...	4 2 9
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	38/6	39/-	+6d	4 2 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/-	17/-	...	Nil
9 3/32	7⅜	†17½(b)	†7½(a)	Imperial Tobacco £1	7⅜	7½	+⅛	3 6 6†
$75 3/16	$54⅜	$0·75c	$1·30c	Inter. Nickel of Can.	$65¼	$64⅝	−⅝	3 2 0n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	14/-	14/9	+9d	5 8 6
76/3	56/4½	22½(c)	22½(c)	London Brick £1	57/-	56/10½	−1½d	7 18 3
6 11/32	5¾	8½(a)	14½(b)	Lyons (J.) Ord. £1	6⅛	6	−⅛	3 15 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	65/-	66/3	+1/3	3 0 3
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	5/6	5/6	...	5 9 0
5 11/32	4⅛	15(b)	7½(a)	Murex £1 Ord.	4 11/16	5 1/16	+⅜	4 9 0
46/4½	40/6	2½(a)	9½(b)	Phillips (Godfrey) £1	42/-	42/3	+3d	5 12 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	42/6	42/6	...	4 14 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	50/-	52/6	+2/6	4 5 9
67/-	60/-	3½(a)	11½(b)	Radiation Ord. £1	61/3	60/-	−1/3	5 0 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3	105/-	−1/3	4 5 9
18/9	13/6	†5(a)	†8½(b)	Sears (J.) Ord. 5/-	14/6	14/6	...	4 12 0†
21/9	16/6	6½(c)	2½(c)	Smithfld. & Arg. Meat £1	17/6	16/10½	−7½d	2 18 9
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/7½	60/-	−7½d	5 0 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	25/7½	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	87/-	86/10½	−1½d	4 4 0
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	60/-	60/-	...	3 6 9
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	67/6	...	4 8 0
74/3	56/3	30(c)	60(c)	Triplex Safety G. (10/-)	70/-	71/3	+1/3	4 2 2d
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	85/-	86/3	+1/3	4 12 9
112/6	87/6	13½(b)	3¾(a)	Turner & Newall £1	92/6	95/7½	+3/1½	3 13 3
46/10½	37/9	3½(a)	4(b)	Unilever £1	41/3	42/6	+1/3	3 9 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/-	55/-	...	4 11 6
34/9	24/-	10(b)	6½(a)	United Molasses 6/8	32/6	32/6	...	3 7 0
10½	8 11/16	30(c)	40(c)	Utd. Tob. (South) Ord. £1	9	9¼	+¼	4 6 6
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	40/-	40/-	...	6 5 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	37/3	37/9	+6d	4 15 6
96/3	71/3¾	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	73/9	73/1½	−7½d	4 2 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	61/3	62/6	+1/3	6 1 9
24/3	15/9	e7½(a)	e11(b)	Burma Corp. (Rs. 9)	18/1½	19/9	+1/7½	9 5 0r†
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/3	5/3	...	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	79/4½	81/3	+1/10½	4 18 6
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	37/6	42/6	+5/-	7 1 0
16 3/16	11¼	95(b)	95(a)	Crown Mines 10/-	13⅛	13⅛	+⅞	7 1 0
96/6	60/11¼	20(c)	20(c)	Johan. Cons. £1	67/-x	71/10½x	+4/10½	5 11 3
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	52/-	53/1½	+1/1½	8 18 3
19	11½	5(b)	25(a)	Rhokana Corp. £1	13½	15	+1½	2 0 0
32½	17 7/16	Nil	Nil	Rio Tinto £5	21	22½	+1½	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	67/6	72/6	+5/-	2 1 3
14⅛	8½	90(b)	90(a)	Sub Nigel (10/-)	9⅞	10⅝	+¾	8 9 6
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	167/6	172/6	+5/-	4 18 6
19 11/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	8¼	9¼	+1	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	22/6	21/10½	−7½d	Nil

UNIT TRUSTS

Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Aug. 4, 1937	Compared July 28	Name and Group	Aug. 4, 1937	Compared July 28
Municipal and Gen.			Rubber & Tin	1/9½-1/11	...
1st British	48/- -49/-	...	*Keystone.*		
2nd British	29/6-30/3	...	Keystone	19/- -20/-	+ 3d
3rd British	24/9-25/6x	+ 3d	Do. 2nd	16/3-17/3	...
4th British	21/- -21/9	...	Do. Flexible	18/3-19/3	...
For. Govt. Bond	22/- -23/-	...	GoldProd.Dep.Rec.	24/3x bid	+1/10½
Limited Invest.	23/6-24/3	+ 3d	Do. 2nd Series	17/9-18/9x	+ 1/3
Mid. & Sthn. Inv.	21/3-22/-	...	Do. 3rd Series	13/3-14/3x	+ 7½d
Scot. & N.C. Inv.	21/9-22/6	+ 3d	Rand Certificates	20/4½x bid	+1/7½
Bank - Insurance			Oil Certificates	27/10½ bid	− 4½d
Bank - Insur. Uts.	19/3-20/3	...	"15 *Moorgate*"		
Insurance Units	20/9-21/9	...	Hundred	21/- -22/-	+ 3d
Bank Units	18/6-19/6	...	Investors Flexible	17/3-18/3	+ 6d
Invest. Trust Units	16/3-17/3	− 3d	Do. Gas & Elec.	13/7½-14/7½	+ 1½d
Scot. B.I.I.T. Unts	17/- -18/- x	...	Do. General	19/4½-20/1½	+ 4½d
British Empire			Do. 2nd General	17/1½-18/1½	+ 3d
BritishEmpire "A"	22/7½ bid	...	Do. Gold	15/6-16/6	+ 1/3
Do. "B"	10/9 bid	+ 1½d	Prov. Investors	16/9-17/9	...
Do. Cum.	18/1½ bid	...	Security First	18/3-19/3	+ 1½d
Do. Comp.	19/1½-20/1½	+ 1½d	*F.T.M.*		
Do. First Unit	22/3-22/9	+ 3d	Aviation & Univer.	9/9-10/3	...
National			Domestic	8/6-9/-	...
National "A"	33/- bid	+ 3d	*Protected*		
Do. "B"	22/9x bid	+ 3d	Protected 1st	22/6-23/6	...
Do. "C"	19/6-20/6	+ 3d	Do. 2nd	20/6-21/6	+ 3d
Do. "D"	20/3-21/3	...	Do. 3rd	15/9-16/9	+ 3d
Do. Inv. Group	15/9-16/9x	+ 1½d			
Amalgamated Certs	22/9-23/9	+ 3d	*Allied*		
Century	19/7½-20/7½	+ 1½d	British Indus. 1st	20/6-21/6	...
Commercial	21/7½ bid	+ 1½d	Do. 2nd Series	18/3-19/3	+ 3d
Gilt-edged	18/6-19/-	+ 3d	Do. 3rd Series	20/- -21/- x	+ 9d
Scottish	19/- -20/-	...	Do. 4th Series	19/9-20/9x	...
Universal	21/1½-22/1½	...	Elec. Industries	18/3-19/3	+ 3d
First Provincial			Metals and Minerals	17/- -18/-	+ 6d
First Prov. "A"	20/9-21/9x	− 6d			
Do. "B"	17/6-18/6	...	*Selective*		
Do. Reserves	17/9-18/9	+ 3d	Selective "A"	18/3-19/3	+ 3d
British General			Do. "B"	18/- -19/-	− 6d
Capital Securities	9/6-10/-	− 7½d	British Transport	16/9-17/9	− 3d
British General "A"	21/10½-22/10½	+ 3d			
British General "B"	21/1½ bid	− 1½d	Bank Insce. & Fin.	17/- -18/- x	+ 6d
British General "C"	20/1½-21/1½	+ 1½d	Brewery Trust Un	16/9-17/9	...
First Recovery	7/6 bid	− 1½d	First Convrsn Trust	22/10½-23/4½	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Yield worked on a 30 per cent. basis. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of [illegible] annas per share of Rs 9. Taken at 16 annas to one rupee. † Free of Income Tax. (v) Yield worked on a 35% basis. (s) Yield worked on a 16⅔% basis. (t) Special Jubilee (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 16s. 6d.; at 16 per cent. = £3 17s. 6d.
(p) Allowing for Rate of Exchange.

(*Continued from page 309*)

BERLIN

PRICES of both shares and fixed-interest securities rose in July, reaching the year's highest point. Heavy industrials, however, and most of the other standard shares were dull, interest being mainly concentrated on individual specialities and, temporarily, on the shipping, paper pulp, rayon, and real estate company groups. Towards the end of the month minor industrials in the "cash list" led the market. Speculative trading in Bemberg and Vereinigte Glanzstoffe continued, and both, despite reactions, netted considerable gains. Steel Trust, Mannesmann, and other leading steels gained from 3 to 5 points; the leading chemicals rather less; Siemens and Halske around 8 points, with A.E.G. and other electricals also showed firmness. In the last week of the month Hamburg-Amerika and Norddeutsche Lloyd were quoted on the new capital reconstruction basis, opening respectively at 93½ and 101, from which, however, they slightly receded. Reichsbank and the commercial banks were firm, the chief exception being Dresdner which remained unchanged. In the home bonds market, particularly in mortgage-bank issues, shortage of stock prevailed, and at times buyers were rationed. Dollar bonds were inert but in general firm. The month closed steady for bonds, irregular and predominantly weaker for shares. The official shares index (1924–26 = 100) for June was 112·81 as against 111·80 for May; bonds 98·85 against 98·80.

	June 30, 1937	July 15, 1937	July 31, 1937
Reichsbank	211·75	213·00	217·25
D.D. Bank	118·00	121·50	124·50
Dresdner	105·00	105·00	105·00
I.G. Farben-industrie	165·10	167·25	168·25
Norddeutscher Lloyd (New)	20·40	20·90	100·50

	June 30, 1937	July 15, 1937	July 30, 1937
A. E. G.	c127·00	c135·00	c134·00
Siemens & Halske	216·50	224·00	224·00
Vereinigte Stahlwerke (New)	119·90	124·60	122·40
Hamburg-Amer. ("Hapag New")	19·50	19·00	c92·50

(c) New issue.

AMSTERDAM

JULY proved a quiet month on the whole, with prices well maintained and a satisfactory undertone prevailing. The Bourse managed somehow to keep a nice balance between unsettling foreign influences and good business reports at home. At the beginning of the month the volume of business was very small, but price fluctuations kept within narrow limits, and activity expanded as the political outlook improved temporarily. Commodity shares were in good demand, though the brightest features in mid-month were shipping issues, which continued active throughout a number of quiet sessions. The tendency became more irregular as the international horizon began to cloud over again, but there were no important price movements. Towards the end of the month, advances occurred in Philips Lamps, and later, Unilever N.V. came to the fore.

	June 30, 1937	July 15, 1937	July 30, 1937
2½% Dutch Loan	81½	82	82
5½% German*	25	25½	27½
Unilever N.V.	159½	161½	168½
Philips Lamps	321½	339½	349½
Netherland Ship Union	125½	136½	142

	June 30, 1937	July 15, 1937	July 30, 1937
Steel Common	79½	83	85½
A. K. U.	65½	71½	71
Ford Motor	257	263½	265
Deli Batavia Tob.	224½	240	242½
Royal Dutch	422½	412½	419½
Handels Ams.	517½	520½	528½

* Without transfer certificate.

CANADA

THE Canadian stock markets were nervous during the latter half of June, adverse crop reports from the West, labour troubles and the uncertainties of the international situation all contributing to the reaction. No improvement was anticipated in July, but unexpectedly an impressive rally occurred early in the month in industrials and public utilities. The advance in prices has not been great, but steady and well sustained. The best gains have been in newsprint and public utility stocks. The mining market has also recovered considerably. In the latter part of July, interest in utilities and construction stocks was well maintained. The Bureau's "Investors" Index, which stood at 129·5 on June 18th, fell to 128·2 on July 2nd, but by July 15th recovered to 131·6. Apart from weakness in Saskatchewan and Alberta bonds on the crop failure, the bond market has been firm with a good selective demand. The Bureau's index for long-term Dominion bonds improved from 114·9 on June 9th to 115·1 on July 6th.

	Price, June 30, 1937	Price, July 30, 1937	July 30, 1937 Eng. Equiv.†
Bell Telephone	168	169	169½
Canadian Car and Foundry (Pref.)	15½	14½	14½
Do., pref.	25	25½	25½
Power Corporation	18	22½	22½
Dome Mines	30½	30	30½
Hollinger	11	11	11½
McIntyre	34½	34½	34½
Bank of Canada	58	59	59½
Bank of Montreal	225	224	225
Bank of Nova Scotia	325	335	336½
Royal Bank of Canada	200	197	197½
Canadian Bank of Commerce	186	184	184½
Canadian Pacific Ry.	12½	11½	11½

	Price, June 30, 1937	Price, July 30, 1937	July 30, 1937 Eng. Equiv.†
Cockshutt Plow	14½	14½	14½
Dominion Glass	105	112	112½
International Petroleum	33½	35½	35½
Brazil Traction	23½	26½	26½
British Columbia Power "A"	34	34½	34½
Do. "B"	7½	7	7½
Canada Cement	15	15½	15½
International Nickel	58	65	65½
Massey Harris Com.	11	9	9½
Montreal Light	29½	33½	33½
Ogilvie Flour Mills	240	233	234½
Quebec Power	18	19	19½
Shawinigan Water	26½	29½	29½
Steel Co. of Canada	78½	84½	84½

† 84·97½ to £

CAPITAL ISSUES

ALTHOUGH the capital market generally has taken holiday investors have been presented with the unusual feature of a British Corporation issue in bank holiday week. The *Blackburn* loan, much smaller than the Middlesex issue last week, is arranged at the same price and similar terms, without any emphasis upon the small, but definite, distinction between the credit ranking of a leading county and that of a medium-sized borough. The Middlesex scrip being at a moderate premium, success was generally anticipated for the loan, but the market is beginning to question whether conditions really exist for a rapid succession of loans (reported to be arranged) without careful market nursing and perhaps a revision of terms. Statements for information have been published regarding the 4th series of *Konversionskasse für deutsche Auslandsschulden* sterling bonds and the *Second Conversion Investment Trust*, into whose shares holders of 650,236 sub-units of British Empire Fixed Trust Series "B" have elected to convert.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended July 31, 1937 *£10,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	500,000		500,000
To Shareholders only	204,000		281,750
By Stock Exchange Introduction	1,431,398		1,432,116
By Permission to Deal	121,408		273,396
Total Capital Raised—			
1937 (New Basis)	400,162,077	352,128,908	
1937 (Old Basis)	250,518,201	204,916,785	
1936 (New Basis)	311,797,553	218,053,490	
1936 (Old Basis)	212,477,998	120,093,911	
January 1 to date (Old Basis)—			
1935	247,335,299	122,352,228	
1934	288,579,794	114,057,048	
1928	...	281,830,013	

Total offered for Subscription—	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,130,755
1935	698,313,125	357,525,640
Whole Year (Old Basis)—		
1936	402,470,003	235,570,893
1935	548,351,393	238,147,637
1934	410,980,300	169,108,700
1933	487,921,500	244,780,500
1928	883,000,056	399,058,073

Destination of Capital (Excluding Conversions)

January 1 to date—	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
1937 (New Basis)	299,174,285	49,756,282	3,238,350	352,128,908
1937 (Old Basis)	187,638,046	15,788,239	1,492,500	204,916,785

Nature of Borrowing (Excluding Conversions)

January 1 to date—	Debentures £	Preference £	Ordinary £	Total £
1937 (New Basis)	160,973,510	24,749,382	166,406,014	352,128,908
1937 (Old Basis)	146,307,092	15,984,934	42,844,759	204,916,785
1936 (New Basis)	76,475,528	28,236,386	113,341,576	218,053,490
1936 (Old Basis)	62,552,798	14,267,182	43,273,931	120,093,911
Whole Year (Old Basis)—				
1928	212,917,800	45,082,800	111,177,600	369,178,100
1933	222,084,300	12,733,700	9,982,500	244,780,500
1934	102,709,300	21,461,000	44,878,400	169,108,700
1935	167,185,309	31,896,741	37,265,367	236,147,677
1936	160,521,116	24,423,647	70,836,230	255,570,993
1935	193,999,713	48,806,822	115,118,904	357,925,640
1936	184,255,833	41,580,731	268,313,201	494,130,765

PUBLIC OFFER

Blackburn Corporation.—Issue of £500,000 3½ per cent. stock, redeemable 1962, at 101 per cent. Proceeds for repaying existing £705,938; present rate, 12s. 6d in the £. Net loan debt. Productive, £2,053,241; housing, £906,927. Full first dividend payable March 1, 1938.

BY STOCK EXCHANGE INTRODUCTION

Second Conversion Investment Trust.—Issued capital £292,615 4s. in 9s. shares. Incorporated to convert British Empire Fixed Trust Series "B" into limited company. Company acquires securities valued £341,374. Existing holders of 650,236 sub-units exchange for 650,236 shares in the company.

Konversionskasse für deutsche Auslandsschulden.—Particulars of issue of fourth series of 4 per cent sterling bonds. Principal and interest guaranteed by German Government. Application for permission to deal in the bonds will be made. Holders of certain loans and obligations for which corresponding payments have been made by German debtors to the Konversionskasse are entitled to receive bonds to the nominal value of interest instalments satisfied thereby.

BY TENDER

Sheppey Gas Company.—Issue by tender of enough 4 per cent. perpetual preference stock to realise £49,797, at a minimum of 95.

ISSUES TO SHAREHOLDERS ONLY

Sangers, Ltd.—Issue of 216,000 5s. shares at 10s. in proportion of one for ten held on July 2nd.

Berry Wiggins and Company.—Offer of 150,000 2nd £1 preference shares at 20s. 6d. to first preference holders, in proportion of 30 second for 43 first preference held.

ISSUE ABROAD

Province of Gelderland. offer for subscription through Theodoor Gilissen, Amsterdam, of Fls. 1,888,000 3½ per cent. debentures at 100½, redeemable by annual drawings at par from 1938 over 31 years. Population 891,250. Consolidated debt, Fls. 48,139,700, against which advances to utility companies, Fls. 44,290,516.

FORTHCOMING ISSUE

Premier (Trinidad) Oilfields. Lists will open on Thursday next, August 12th, for an issue of 540,788 5s. ordinary shares at par. The prospectus will show that a Crown Lease of 20 years has been acquired of a proved oil bearing area of 500 acres in the Palo Seco area of Trinidad. The vendors take their purchase consideration largely in ordinary shares.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	July 28, 1937	Aug. 4, 1937
Australia 3½%, 1949–52	96½	21½	½ ½ dis	½ ½ dis
Blackpool 3½% Stk.	100½	25	1½ 1½ pm	1½ 1½ pm
Brotherhood (Peter) Ord. 10/-	25/-	5/-	4/6 5/- pm	29/6–30/-
Do. 5½% Pref. 20/-	20/-	5/-	22/6 23/9	22/9 23/9
Cape Town 3½%	98	28	½ 1½ pm	1½ 1½ pm
Collett (J.) Ord. 4/-	6/-	6/-	5 10½ 6 1½	5 10½ 6 1½
Finchley 3½%	101	21	½ ¾ pm	½ ¾ pm
First Conv. Invest. Trust £1			22 10½ 23 4½	22 10½ 23 4½
Grassmoor 6% Pref. £1	21/-	21	65 ord pm	65 ord pm
Grimsby, etc. Water 3½%	99	99	99½ 100	99½ 99¾
Imperial Airways £1	80/-	10/-	1 10½ 2 1½ pm	1 10½ 2 1½ pm
Iraq 4½% Bonds	94	25		2½ 3 pm
Kelly and Kelly Ord. 4/-			3 10½ 4 1½	3 10½ 4
L.C.C. 3½% 1956–62	100½	75½	1½ 2 pm	2½ 2¾ pm
Middlesex 3½% 1957–62	101	5		¾ ¼ pm
Odeon Theatres Ord. 5/-	5/-	5/-	9/3–9/6	8 10½ 9 4½
Do. 5% 1st Deb.	99	25	3½ 3¾ dis	5 4 dis
Do.	9/-	9/-	7 9 8 3	7 8
Rippingilles Ord. 5/-	5/-	5/-	1 dis par	1 dis par
Salta (Saltaire) 5% Loan	100	50		

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended July 31, 1937. (c) Week ended July 30, 1937.	Miles Open	Gross Receipts, week ended Aug. 1, 1937 (£'000) Passengers, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (30 weeks) (£'000) Passengers, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western 1937	9,738	472	216	110	326	798	6,397	5,042	3,356	9,301	15,681
Great Western 1936	9,746	460	205	101	306	766	6,162	5,721	3,010	8,731	14,893
(c) L. & N. Eastern 1937	6,920	658	326	215	541	1,199	9,953	10,117	7,395	17,512	27,465
(c) L. & N. Eastern 1936	6,333	600	332	213	545	1,145	9,472	9,705	6,947	16,652	26,124
L. M. & Scottish 1937	6,877	1104	469	221	690	1,794	15,327	14665	7,716	22,383	37,710
L. M. & Scottish 1936	6,898½	1032	441	225	666	1,698	14,694	14222	7,249	21,462	36,156
Southern 1937	2,153	583	65	29	94	687	9,583	1,839	868	2,739	12,322
Southern 1936	2,154	538	70	32	102	640	9,054	1,886	939	2,819	11,868
Total 1937	19088	2827	1076	575	1651	4,478	41,243	32,556	19379	51,935	93,178
Total 1936	19131½	2610	1048	571	1619	4,229	39,378	31337	18127	49,464	88,042
(b) Belfast & Co. Down 1937	80	4 8			0 4	5	75 4			14 8	90 3
(b) Belfast & Co. Down 1936	80	4 3			0 6	4 9	77 4			16 9	94 3
(b) Great Northern 1937		20 3			9 8	30 1	535 6			262 6	803 2
(b) Great Northern 1936	843	15 9			10 7	26 6	505 0			286 8	791 8
(b) Great Southern 1937	2,076	55 8			41 6	97 3	1009 4			1228 6	2238 0
(b) Great Southern 1936	2,124	52 9			43 2	96 1	1014 4			1243 9	2258 3

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936

(£000's omitted)

	Great Western £	L.M.S. £	L.N.E.R. £	Southern £
Second half-year, 1936, compared with second half-year, 1935— Gross increase or decrease	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936— Gross increase or decrease	+ 670	+ 1,328	+ 1,187	+ 350
Second half-year, 1937, compared with second half-year, 1936— 4 weeks to July 31, 1937	+ 118	+ 225	+ 154	+ 94
Weekly average second half 1937	+ 29½	+ 58½	+ 38½	+ 23½
Latest week 1937 compared with 1936	+ 52	+ 96	+ 54	+ 47

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of Last year
Week ending July 31, 1937	£851,800	+ 5,200
Aggregate 5 weeks to July 31, 1937	£2,830,200	+ 32,800

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	15	July 10	1,330	2,82,250	+ 44,811	47,86,871	+ 2,22,791
Barsi Lt. Rv.	15	10	202	5,30,700	+ 18,500	4,35,700	+ 83,400
Bengal & N. Western	16	20	2,111	2,10,11,475	+ 1,55,055	1,29,87,000	+ 11,30,549
Bengal-Nagpur	15	10	3,268	25,28,000	+ 4,41,800	2,08,84,427	+ 27,32,527
Bombay, Bar. & C.I.	16	20	3,072	2,26,40,000	+ 1,00,000	3,89,84,000	+ 29,57,000
Madras & S. Mahr.	15	10	3,229	2,14,20,000	+ 1,48,423	2,21,32,516	+ 42,632
Rohilk'd & Kumaon	16	20	572	21,56,147	+ 15,420	24,43,082	+ 4,074
South Indian	15	10	2,582	2,14,98,581	+ 17,585	1,57,33,147	+ 2,68,492

‡ 10 days.

CANADIAN		1937	$	$	$	$	$
Canadian National	30	July 31	2,35,865	5,68,737	+ 5,60,966	111,65,299	+ 10901576
Canadian Pacific	30	31	17,22,000	24,04,000	+ 1,59,000	28,85,20,000	+ 5,210,000

‡ 10 days.

SOUTH AMERICAN		1937					
Antofagasta (Chili and Bolivia)	31	Aug 1	834	£19,884	+ £ 6,600	£04,120	+ £6,820
Argentine N.E.	5	July 31	753	£121,800	+ £ 1,200	£36,000	+ £9,500
				£1,10,058	+ £ 529	£5,0685	+ £ 3,708
B.A. and Pacific	5	31	2,809	$3,317,000	+ $ 40,000	$ 887,000	+ $1,700
				$281,700	+ $ 6,900	$65,188	+ $5,284
B.A. Central	3	17		$156,800	+ $5,800	$75,800	+ $09,200
B.A. Gt. Southern	5	31	5,084	$22,080,000	+ $34,000	$ 8,067,000	+ $61,000
				£129,404	+ £0,973	£37,655	+ £1,319
B.A. Western	5	31	1,930	$1,765,000	+ $ 21,000	$ 3,249,000	+ $77,000
				£147,333	+ £ 3,880	£01,551	+ £1,680
Central Argentine	5	31	3,700	$2,312,000		$ 10,787,353	+ $70,200
				£143,480	+ £ 8,064	£09,810	+ £8,560
Central Uruguayan	4	24	90½	£141,048	+ £ 899	£71,365	+ £4,256
				£15,868	+ £ 1,412	£3,143	+ £29
Cordoba Central	5	31	1,218	£688,000	+ £7,000	£ 3,083,000	+ £41,000
				£142,680	+ £ 3,480	£41,140	+ £8,980
Entre Rios	5	31	810	£225,700	+ £ 11,500	£ 1,08,100	+ £4,400
				£14,091	+ £ 1,491	£2,580	+ £ 7,870
G. Westn. of Brazil	31	31	1,082	£9,500	+ £ 1,000	£23,000	+ £3,000
Leopoldina	31	31	1,918	Mr. 1,927,000	+ Mr. 100,000	$3,568,000	+ £ 6,577,000
				£25,774	+ £ 4,640	£87,302	+ £ 150,177
Leopoldina Termnl.	31	31		Mr. 323,000	+ Mr. 14,000	£0,796,000	+ £ 535,000
Nitrate	28	31	397	£73,613	+ £ 672	£5,366	+ £ 14,370
Paraguay Central	5	31	274	$3,234,000	+ $ 454,000	£6,522,000	+ £ 4,531,000
Salvador	5	31	100	£1,12,675	+ £ 3,785	£4,652	+ £ 7,579
San Paulo	30	25	1534	Mr. 27,000	+ Mr. 142,000	$8,315,000	+ $ 3,899,000
				£30,225	+ £ 2,555	£7,129	+ £ 86,768
United of Havana	5	31	1,353	£21,593	+ £ 1,176	£0,976	+ £ 10,852

* Converted at average official rate during week ended July 31, 16·12 pesos to £.
o Free market rate. ‡ Receipts in Argentine pesos. † Fortnight.
a Converted at official rate. d Receipts in Uruguayan currency.
e Converted at "controlled free rate."

OTHER OVERSEAS

		1937	£	£	£	£	£
Egyptian Delta Light Railways	14	July 10	621	£7,034	+ £ 725	£2,818	+ £ 5,342
Egyptian Markets	29	22		£1,298	+ £ 189	£8,804	+ £ 1,107
Mexican Railway	4	31	488	$452,300	+ $ 77,700	1,281,9000	+ £ 207,300

‡ 10 days.

SUEZ CANAL RECEIPTS

		1937	£	£	£	£	£
Suez Canal	29	July 20	...	£285,800	+ £ 12,500	£,264,100	− £ 51,800

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine	30	July 29	325	$589,614	+ $ 15,392	$ 13,113,932	+ $ 208,583
B. Aires Lacroze	3	18		$55,588	+ $ 8,471	$ 148,830	− $ 14,546
Burnley, Colne and Nelson Jt. Trspt.	30	31	80	£5,328	+ £ 321		
Calcutta Tramways	30	31		Rs. 1,18,088	+ Rs. 809	Rs. 31,16,342	+ Rs. 1,58,514
Liverpool Corp.	17	28		£30,289	+ £ 1,415	£ 533,743	+ £ 37,620
Madras Electric	30	31		Rs. 48,810	+ Rs. 1,795	Rs. 7,20,541	+ Rs. 30,478

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to Date 1937	+ or −
International of C. America	6	June 30	Gross	$417,942	− $8,956	$ 3,205,632	+ $ 208,123
			Net	$155,995	− $ 16,387	$ 1,530,986	− $ 7,322
La Guaira and Caracas	7	July 31	Gross	£4,415	£95	£ 38,120	+ £ 5,870
Midland of W. Australia	12	June 30	Gross	£10,968	£983	£ 155,208	− £ 6,164
Mexican Light and Power	6	June 30	Gross (Can. $705,237)	£ 48,519	£ 4,379	£ 835	+ £ 373,972
			Net (Can. $152,000)	£ 14,272	£ 1,195	£ 152	− £ 28,860
Peruvian Corporation	1	July 31	Gross	£81,134	£ 3,187		

OVER ONE HUNDRED AND TEN YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
INSURANCE COMPANY
ASSETS EXCEED £16,000,000
FIRE LIFE ACCIDENT MARINE
Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 45 Pall Mall, S.W.1

COMPANY MEETING

BRAZILIAN WARRANT AGENCY AND FINANCE COMPANY, LIMITED

POSITION AND OUTLOOK

The annual general meeting of the Brazilian Warrant Agency and Finance Company, Limited, was held, on the 30th ultimo, at Winchester House, Old Broad Street, London, Mr Arthur Whitworth (chairman of the company) presiding.

The Chairman, in the course of his speech, said that the hopes of better times for the Cambuhy Coffee and Cotton Estates expressed at the time of its reconstruction had been justified by the dividend of 7 per cent. just declared for the year 1936, which would affect the company's holding of 50,000 shares. In the year under review their own company's trading profits were very nearly stationary, but instead of a loss in exchange of £34,651 there was a profit in exchange of £17,535. There was also at the end of the year an increase of over £31,000 in the contingency reserve, but owing to the recent heavy fall in security values the reserve at the present time stood at even a lower figure than at the end of 1935. In view of that and of the difficulty they had in increasing the trading profits, it was not possible to suggest paying a dividend to the ordinary shareholders.

CHAIRMAN'S VISIT

He had just returned from a visit to Brazil, where he had spent several interesting weeks at Rio, Santos, Sao Paulo, their Fazenda at Gallia and at the Cambuhy property, the company's cotton gins and presses at Gallia, Tabatinga and Nova Granada, which had now been working for two seasons and were justifying themselves as centres for the supply of cotton, cotton-seed and linters, of which their Sao Paulo branch disposed. They believed that the future of the Sao Paulo branch was now brighter and that it would be able to take an increasing share in the acquisition and marketing of the growing trade of cotton in the State of Sao Paulo. An exhibition of the States' industrial activities and a display of the energetic enterprise of the Paulistas which he saw was convincing in its variety and excellence of production. He could not but think that there were opportunities there of development in which their company could take a part. That would, of course, only be possible if they thought it a favourable moment to transfer some of their sterling resources to Brazil. Before that was done they would have to make as certain as was reasonably possible of the future course of exchange and above all of its stability.

POLITICAL FACTORS

At the present moment there were political factors which could not be lightly disregarded. Dr Vargas's tenure of office as President was coming to an end. He would vacate office with the respect of the great majority of his fellow-countrymen and the good wishes of others who had interests in Brazil, but none could foretell what a change of Presidents might entail, and though he heard nothing to inspire misgivings it seemed only prudent to wait on events before embarking on an uncharted course that might mean much to the future of the company.

It seemed that they were at the parting of the ways. The ordinary shareholders had had no adequate return for years, and to some it might seem desirable to exercise their powers and pay off part of the preference capital. The figures might show that they had the surplus to do that, but he believed that the loss of so much capital would not only seriously affect the credit of the company but irretrievably restrict their ability to pursue any policy of expansion in the country where their trading interests were centred. He asked the shareholders, therefore, to be patient for a little longer.

The coffee position had gone from bad to worse, and it was only with the hope that some early solution would be found that companies like their subsidiary, E. Johnston and Company, could find any encouragement to continue in business. Generally, he was much impressed with the position the company occupied in Brazil, particularly in Santos, where they were equipped through their subsidiary warehouse and transport companies with splendid material to do a far larger business than was possible to-day; for the full use of their warehouses depended in the main upon free movements of coffee, and while these were so restricted, those subsidiary companies could not possibly earn the money that they used to do in the past.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended July 31, 1937, amounted to £10,905,000, against ordinary expenditure of £19,476,000. After allowing for an increase in Exchequer Balances of £143,020, the operations for the week, as shown below, increased the gross National Debt by £8,714,000, to approximately £7,995 millions.†

(000's omitted)

	£		£
Public Department Advances	+ 2,119	National Savings Certificates	20
Treasury Bills	+ 7,124	P.O. and Tdng. (Money) Act	800
2½% Nat. Defence Bonds	+ 25		
	+ 9,284		820

† Including £525 millions on account of Exchange Equalisation Fund

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

REVENUE	Total Receipts into the Exchequer: Estimate for the year 1937-38	April 1, 1936, to Aug. 1, 1936	April 1, 1937, to July 31, 1937	Week ended Aug. 1, 1936	Week ended July 31, 1937
	£	£	£	£	
ORDINARY REVENUE					
Inland Revenue —					
Income Tax	288,150,000	28,093,000	30,031,000	4,819,000	3,645,000
Sur-tax	58,000,000	4,880,000	5,780,000	120,000	160,000
Estate, etc., Duties	88,000,000	29,410,000	31,080,000	1,970,000	1,870,000
Stamps	29,000,000	5,750,000	5,800,000	420,000	400,000
Other Inland Revenue Duties	1,400,000	110,000	130,000		
National Defence Contribution	2,000,000				
Total Inland Revenue	467,550,000	68,343,000	72,801,000	7,329,000	6,045,000
Customs and Excise —					
Customs	219,850,000	69,021,000	73,850,000	3,163,000	3,447,000
Excise	113,150,000	34,020,000	36,200,000	920,000	1,000,000
Total Customs and Excise	333,000,000	103,041,000	110,050,000	4,083,000	4,447,000
Motor Vehicle Duties	34,000,000	16,332,000	8,340,000	1,585,000	645,000
Post Office (Net Receipt)	11,800,000	6,800,000	5,770,000	500,000	Dr 760,000
Crown Lands	1,350,000	520,000	800,000		
Receipts from Sundry Loans	4,300,000	2,031,019	1,741,179		
Miscellaneous Receipts	11,000,000	2,096,570	2,027,452	210,410	847
Total Ordinary Revenue	863,100,000	199,263,589	199,547,625	12,709,410	10,906,847
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	20,000,000	21,680,000	1,650,000	1,910,000
Total		219,263,589	221,227,625	14,359,410	12,816,847

EXPENDITURE	Total Issues out of the Exchequer to meet payments: Estimate for the year 1937-38	April 1, 1936, to Aug. 1, 1936	April 1, 1937, to July 31, 1937	Week ended Aug. 1, 1936	Week ended July 31, 1937
	£	£	£	£	£
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	92,080,804	87,663,941	7,293,917	208,166
Payments to Northern Ireland Exchequer	8,000,000	1,925,913	2,191,166	187,000	97,000
Other Consolidated Fund Services	3,200,000	949,829	1,433,283	77,179	6,281
Post Office Fund	300,000				
Total	235,500,000	94,956,546	91,288,390	7,557,647	411,477
Total Supply Services (excluding Post Office and Broadcasting)	627,348,000	176,170,001	180,831,799	10,879,100	10,994,800
Total Ordinary Expenditure	862,848,000	271,126,746	281,910,930	18,386,747	10,476,277
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	20,000,000	21,680,000	1,650,000	1,910,000
Total		291,126,746	303,590,930	20,036,747	12,386,277

* Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
† Motor Vehicle Duties appertioned to Road Fund treated as Self Balancing in 1936-37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate revenue from April 1, 1937, to July 31, 1937, is shown below:—

(000's omitted)

	£		£
Expenditure	281,930	Revenue	199,548
		Decrease in balances	66
		Gross borrowing	
		Less	(84,665)
		New Sinking Funds*	2,166
		Old S. Funds, 1937-38	0
		Net borrowing	82,308
	281,930		281,930

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

	Aug. 1, '36	Mar. 31, '37	July 31, '37	Movement Week ended July 31, '37
	£	£	£	£
Ways & Means Advances Outstanding				
Advances by Bank of England	34,120,000	23,535,000	30,905,000	+ 2,115,000
Advances by Public Departments	805,500,000	674,500,000	858,375,000*	+ 7,125,000
Treasury Bills outstanding				
Total Floating Debt	839,620,000	698,135,000	889,180,000	+ 9,240,000

* Includes £3,000, the proceeds of which were not issued to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on July 30, 1937. The amount applied for was £85,230,000. Tenders were accepted for Treasury bills at three months dated Tuesday to Friday, at £99 17s. 4d about 35 per cent. and above in full; Saturday at £99 17s. 5d. and above in full. The average rate per cent. was 10s. 5.01d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	s. d.
January 4, 1935	30,000,000	49,560,000	27,560,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,840,000	42,000,000	0 11 0·45
July 23, 1937	40,000,000	86,805,000	40,000,000	0 10 4·30
July 30, 1937	45,000,000	85,230,000	45,000,000	0 10 5·01

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended July 3, 1937	630,810	473,107
Week ended July 10, 1937	568,468	426,351
Week ended July 17, 1937	579,052	434,289

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, is £513,300,000.

The OCEAN
Accident & Guarantee Corporation, Limited
Head Office: **36-44 Moorgate, London, E.C.**
FOR ALL CLASSES OF INSURANCE

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, AUGUST 4, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued: —		Government Debt	11,015,100
In Circulation	803,877,456	Other Government Securities	185,786,168
In Banking Department	22,529,169	Other Securities	3,193,091
		Silver Coin	5,641
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	226,406,625
	826,406,625		826,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	119,204,887
Rest	3,502,021	Other Securities —	
Public Deposits*	9,809,864	Discounts and Advances	(6,445,380)
Other Deposits: —		Securities	(20,146,013)
Bankers	(85,490,557)		26,591,393
Other Accounts	(36,994,727)	Notes	22,529,169
	132,485,284	Gold and Silver Coin	1,114,720
	160,440,169		160,440,169

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

Both Departments	Amount, Aug. 4, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	503,877,456	+ 5,538,746	+ 49,471,059
Public deposits	9,809,864	− 718,859	− 7,795,980
Bankers' deposits	95,490,557	− 8,768,676	+ 2,822,952
Other deposits	36,994,727	− 327,609	− 1,523,592
Total outside liabilities	646,172,604	4,276,398	+ 42,974,459
Capital and rest	18,145,021	+ 40,489	− 14,246
Government debt and securities	307,006,155	3,553,936	− 40,003,321
Discounts and advances	6,445,380	− 633,471	− 2,492,095
Other securities	23,339,104	− 1,312,139	− 2,516,737
Silver coin in issue department	5,641	8,482	− 877,825
Coin and bullion (bank's reserves)	327,521,445	− 5,177	− 83,517,317
Reserves of notes and coin in banking department	23,643,889	5,533,569	− 25,953,742
Proportion of reserve to outside liabilities —			
(a) Banking Department only ("proportion")	16·6%	− 2·5%	− 16·7%
(b) Gold stocks to deposits and notes ("reserve ratio")	50·6%	+ 0·3%	+ 10·1%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	
1937							
July 14	526,407	493,406	23,121	89,173	37,129	Nil	2
" 21	526,407	493,133	17,502	97,181	38,150	Nil	2
" 28	526,407	498,339	10,529	104,259	37,322	Nil	2
Aug. 4	526,407	503,877	* 9,810	95,491	36,995	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
July 14	195,162	4,829	327,354	50½	103,961	8,819	20,743	33,949	22½
" 21	195,084	4,925	327,379	50⅝	107,449	5,830	23,369	34,248	22½
" 28	196,150	3,836	327,516	50⅝	114,410	5,812	20,815	29,177	19½
Aug. 4	196,801	3,193	327,521	50⅝	110,205	6,445	20,146	23,644	16½

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to July 21	21,350,822	1,237,593	2,141,752	24,730,167
Week ended July 28	678,008	41,681	65,771	785,460
Five days ended August 4	648,835	38,421	58,788	746,044
Total to date, 1937	22,677,665	1,317,695	2,266,311	26,261,671
Total to date, 1936	19,638,064	1,198,832	2,050,483	22,887,379
Increase or decrease in 1937 {	+ 3,039,601	+ 118,863	+ 215,828	+ 3,374,292
	− 15·5%	− 9·9%	− 10·5%	− 14·8%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,228,644	37,559,781
Increase or decrease in 1936 {	+ 2,595,781	+ 152,508	+ 308,534	+ 3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL

(000's omitted)

	Week ended July 31		Month of July			Aggregate Totals, January 1 to July 31	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
			27	27			
No. of working days:	£	£	£	£	%	£	£
BIRMINGHAM	2,959	2,715	13,908	13,271	− 4·5	80,453	82,292
BRADFORD	1,146	1,204	3,956	4,613	+ 16·6	29,852	32,560
BRISTOL	1,393	1,360	5,852	5,810	− 0·7	38,741	39,257
DUBLIN							
HULL	929	839	3,791	4,128	+ 8·8	24,910	28,115
LEEDS	1,010	1,098	4,553	4,771	+ 4·7	28,767	31,915
LEICESTER	927	764	3,470	3,650	+ 5·1	22,583	23,447
LIVERPOOL	6,697	7,523	29,603	31,322	+ 5·8	185,511	218,401
MANCHESTER	10,087	10,412	44,936	49,154	+ 9·3	306,304	339,333
NEWCASTLE	1,382	1,591	6,044	6,878	+ 13·7	39,730	44,391
NOTTINGHAM	572	519	2,520	2,502	− 0·7	15,964	16,121
SHEFFIELD	947	807	4,592	5,151	+ 12·1	30,137	33,500
	28,049†	28,832†	123,225	131,250	+ 6·5	802,652†	889,332†

† Excluding Dublin.

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Spain appeared in *The Economist* for August 15, 1936. Turkey in June 26, 1937. Bank of International Settlements, Denmark, Lithuania in July 10. Federal Reserve Reporting Members, Estonia, Greece in July 17. Argentina, Danzig, Roumania, Jugo-Slavia, Austria, Czechoslovakia, Poland in July 24. Canada, South Africa, New Zealand, Norway, Sweden, Bulgaria, Java, Portugal, in July 31.

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

U.S.F.R. Banks Resources	Aug. 6, 1936	July 15, 1937	July 22, 1937	July 29, 1937	Aug. 5, 1937
Gold Certificates on hand and due from the Treasury	8,211,050	8,835,410	8,833,900	8,833,900	8,833,400
Total reserves	8,513,400	9,152,780	9,162,810	9,167,490	9,155,490
Total cash reserves	288,630	307,820	318,930	323,660	312,310
Total bills discounted	3,960	15,050	12,170	15,720	15,400
Bills bought in open market	3,090	3,590	3,280	3,200	3,080
Total bills on hand	7,050	18,640	15,450	18,420	18,480
Industrial advances	28,890	21,760	21,660	21,600	21,060
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,466,350	2,566,590	2,563,310	2,566,200	2,565,750
Total resources	11,642,370	12,594,740	12,489,870	12,439,530	12,439,500
Liabilities					
Federal Reserve notes in actual circulation	3,979,810	4,213,900	4,197,870	4,193,410	4,222,020
Aggregate of excess member-bank reserves over requirements	3,050,000	960,000	870,000	810,000	700,000
Deposits—Member-bank—reserve account	6,004,800	6,927,950	6,858,300	6,775,500	6,635,760
Government deposits	439,390	90,230	183,740	227,820	308,780
Total deposits	6,764,900	7,292,810	7,299,870	7,308,740	7,264,560
Capital paid in and surplus	302,220	305,800	305,880	305,750	305,790
Total liabilities	11,642,370	12,594,740	12,489,870	12,439,530	12,439,500
Ratio of total reserves to deposit and F.R. note liabilities combined	79·2%	79·5%	79·7%	79·7%	79·7%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,650,000	12,423,000	12,404,000	12,433,000	12,462,000
Treasury and National Bank Currency	2,496,000	2,551,000	2,553,000	2,574,000	2,572,000
Liabilities					
Money in Circulation	6,163,000	6,457,000	6,436,000	6,424,000	6,468,000
Treasury Cash and Deposits with Federal Reserve Banks	2,866,000	3,640,000	3,711,000	3,804,000	3,914,000

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

	Aug. 6, 1936	July 15, 1937	July 22, 1937	July 29, 1937	Aug. 5, 1937
Total gold reserves	3,344,010	3,432,940	3,463,770	3,451,400	3,345,830
Total bills discounted	3,040	8,570	5,840	7,100	7,370
Bills bought in open market	1,100	1,340	1,130	1,130	1,090
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	671,800	740,820	737,780	739,120	738,980
Deposits—Member-bank—reserve account	2,776,760	3,028,780	3,000,620	2,948,010	2,800,990
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·8%	83·9%	84·2%	84·0%	83·7%

AUSTRALIAN COMMONWEALTH BANK
In £'s (000's omitted)

Assets	Aug. 3, 1936	July 5, 1937	July 12, 1937	July 19, 1937	July 26, 1937	Aug. 2, 1937
Gold and English sterling	16,004	16,011	16,009	16,009	16,009	16,007
Other coin, bullion and cash	6,494	5,236	5,665	5,304	5,676	5,226
Money at short call—London	18,605	31,553	31,228	33,976	33,692	33,091
Short-term loans	3,540	4,186	3,705	3,596	2,956	3,093
Securities	75,240	76,590	76,590	76,587	76,587	76,587
Discounts and advances	8,740	10,391	10,336	10,493	10,486	10,830
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	67,006	84,773	84,205	85,887	85,358	85,514

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	July 31, 1936	July 16, 1937	July 23, 1937	July 30, 1937
Gold coin and bullion	44,42,17	44,41,57	44,41,51	44,41,51
Rupee coin	66,55,22	57,91,02	56,71,80	59,51,93
Balances abroad	3,13,59	18,89,92	16,66,52	16,54,64
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,29	27,37,45	27,37,46	27,37,62
Investments	5,79,63	8,49,10	8,62,96	8,43,20
Liabilities				
Note circulation	1,60,62,57	1,83,85,99	1,81,27,83	1,78,74,59
Deposits: Government	6,66,89	9,45,33	9,87,56	11,30,17
Banks	32,50,46	33,77,78	34,57,64	36,11,08
Ratio of gold and sterling to liabilities	55·4%	59·4%	59·2%	58·9%

* Held against notes.

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

Assets	July 31, 1936	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937
Gold	54,941,707	48,859,359	48,859,412	48,859,557	55,677,171
Advances on Gold Coin	1,276,801	1,099,156	1,005,234	1,099,156	1,099,156
Commercial Bills	14,643,578†	11,197,215	9,960,005	10,309,980	11,204,860
Bills bought abroad	1,241,943	866,900	868,901	868,901	919,974
Advances on securities	3,015,906	3,036,379	4,935,448	4,730,782	6,072,602
Loans to State without interest: (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	5,742,218	23,913,748	23,886,810	23,886,810‡	23,886,810
Negotiable Bonds, Sinking Fund Dept.	5,707,587	5,641,308	5,641,308	5,641,308	5,641,308
Other assets (excluding forward exch.)	4,238,670	4,089,364	4,626,908	4,137,395	4,182,637
Liabilities					
Notes in circulation	85,892,335	88,643,277	88,414,968	87,911,175	89,307,414
Public deposits	1,594,494	2,206,816	2,962,072	3,031,165	2,563,038
Private deposits	6,151,002	10,326,329	9,066,904	9,104,801	15,699,695
Other liabilities	2,370,579	2,660,711	2,654,184	2,715,786	3,284,234
Ratio of gold reserve to sight liabilities	56·6%	48·2%	48·6%	48·8%	51·7%

* The gold stock is based on the franc at 49 milligrams on and after Oct. 2, 1936. † Includes frs. 3,891,200,000 Treasury Bills. ‡ Amended figure.

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

Assets	July 31, 1936	July 15, 1937	July 23, 1937	July 31, 1937
Gold	71,924	69,031	69,074	69,111
Of which deposited abroad	24,524	19,350	19,350	19,350
Reserve in foreign currencies	5,351	5,948	6,750	5,844
Bills of exchange and cheques	4,712,933	4,814,530	4,684,074	5,344,000
Silver and other coin	137,456	213,414	232,114	125,087
Advances	66,750	38,924	36,829	37,738
Investments	530,308	413,441	401,378	463,356
Other assets	573,248	704,700	715,841	756,216
Liabilities				
Reserves	473,561	492,997	492,997	492,997
Notes in circulation	4,470,881	4,888,070	4,577,596	5,111,635
Other daily maturing obligations	787,244	707,185	666,197	732,154
Other liabilities	218,263	231,908	240,388	248,071
Cover of note circulation	1·72%	1·60%	1·64%	1·60%

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

Assets	July 30, 1936	July 1, 1937	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937
Gold	3,730,120	3,735,087	3,702,832	3,661,028	3,658,540	3,642,431
Silver and other coin	54,264	47,584	44,096	43,084	44,035	44,163
Securities	1,412,901	1,420,086	1,405,865	1,397,750	1,385,586	1,378,178
Advances	78,917	34,799	32,806	33,450	32,944	35,675
Liabilities						
Notes in circulation	4,462,015	4,506,325	4,514,430	4,491,030	4,465,718	4,440,788
Deposits: Govt	32,435	223,862	195,429	171,285	194,935	214,692
Other	974,834	714,503	650,031	677,385	644,548	677,719

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

Assets	Aug. 3, 1936	July 5, 1937	July 12, 1937	July 19, 1937	July 26, 1937	Aug. 2, 1937
Gold	851,225	1,245,808	1,245,808	1,257,875	1,265,860	1,265,983
Silver	20,915	19,192	19,156	18,492	18,508	17,843
Home bills discounted	29,843	14,885	14,487	14,551	14,514	12,987
Loans and advances in current account	130,578	170,478	165,998	166,878	170,721	168,670
Liabilities						
Notes in circulation	771,819	847,542	833,343	834,770	821,986	860,778
Deposits	82,525	625,080	633,835	655,445	680,565	646,730

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

Assets	July 31, 1936	June 30, 1937	July 7, 1937	July 15, 1937	July 23, 1937	July 31, 1937
Gold	1,440,587	2,624,397	2,624,407	2,624,414	2,594,415	2,594,418
Of which held abroad	197,506	834,499	834,499	834,499	834,499	507,438
Discounts	97,788	11,043	11,205	7,101	7,114	6,894
Confederation Bills	46,600	11,550	11,550	10,150	10,100	15,890
Advances	71,426	30,712	30,726	29,016	29,833	28,461
Securities	45,045	14,825	14,817	14,907	15,015	15,911
Liabilities						
Notes in circulation	1,292,225	1,408,616	1,370,258	1,402,222	1,371,022	1,411,831
Deposits	353,421	1,319,674	1,340,263	1,353,375	1,316,817	1,798,885

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,683 frs.

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

Assets	July 23, 1936	June 30, 1937	July 7, 1937	July 15, 1937	July 23, 1937
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	24,043	33,851	34,094	33,751	33,482
Token money	11,794	8,383	7,504	8,444	8,700
Inland bills, warrants and securities	433,137	390,906	372,614	396,724	372,305
Advances to Treasury	90,894	107,207	109,102	111,600	111,800
Liabilities					
Notes in circulation	331,290	437,459	405,459	398,480	383,146
Current accounts, deposits, etc.	133,258	179,634	184,987	190,857	199,671
Cash certificates	93,625	92,901	92,961	92,901	92,901
Other liabilities	163,111	149,988	152,335	158,819	160,327

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

Assets	July 27, 1936	June 28, 1937	July 5, 1937	July 12, 1937	July 19, 1937	July 26, 1937
Gold coin and bullion	46,422	77,463	77,488	77,488	77,488	77,488
Silver coin	16,234	15,817	15,204	15,362	15,377	18,320
Foreign currency	8,081	40,593	39,199	39,241	39,653	39,577
Treas. notes and small change	13,842	8,875	9,420	9,504	9,032	8,980
Short-term bills	50,445	81,208	80,914	80,787	80,680	80,550
Loans against securities	67,853	70,670	69,136	68,432	68,885	68,252
Liabilities						
Notes in circulation	34,364	46,614	46,577	45,972	46,878	46,973
Deposits	20,497	21,386	21,387	21,841	21,354	21,383
Current accounts	94,862	114,303	111,539	113,081	122,087	122,011
Government accounts	46,983	73,280	72,727	71,283	60,029	60,172

‡ Gold francs up to and including September 28, 1936, only.

BANK OF JAPAN.—In yen (000's omitted)

Assets	July 11, 1936	June 19, 1937	June 26, 1937	July 3, 1937	July 10, 1937
Gold coin and bullion	528,505	522,306	523,710	516,450	518,450
Other coin and bullion	66,828	55,598	54,000	58,241	58,807
Discounts	532,780	482,038	480,740	479,870	475,050
Advances	184,878	280,758	283,547	283,342	266,387
Advances on foreign bills	29,999	34,700	32,077	29,968	30,000
Government bonds	411,948	682,767	654,185	677,961	731,885
Liabilities					
Notes	1,273,995	1,428,285	1,570,916	1,530,379	1,433,044
Government deposits	281,471	294,040	251,971	297,809	308,740
Other deposits	88,560	59,852	87,978	89,788	77,784

NATIONAL BANK OF EGYPT.—In £E (000's omitted)

Banking Department:— Liabilities	June 30, 1936	Apr. 30, 1937	May 31, 1937	June 30, 1937
Capital	2,928	2,928	2,928	2,928
Reserves	2,928	2,928	2,928	2,928
Government deposits	7,044	9,466	9,804	10,011
Other deposits	22,204	20,529	19,432	18,485
Other accounts	8,733	8,420	3,486	3,919
Assets				
Cash: Notes	1,022	1,121	1,289	1,344
Gold, silver, etc.	673	638	694	686
Money at call and short notice	1,067	1,024	1,086	1,486
Investments	28,903	28,028	25,001	24,383
Advances	3,180	3,531	3,119	3,048
Bills	1,179	1,763	1,350	1,161
Other accounts	2,476	5,165	5,370	5,774
Note Issue Department:— Liabilities				
Notes issued	20,400	22,000	21,000	21,300
Assets				
Gold	6,241	6,241	6,241	6,241
British Treasury Bills and bonds	5,144	6,844	5,944	5,744
British War Loan at par	7,718	7,718	7,718	7,718
Egyptian Government securities at market price	1,300	1,300	1,000	1,000

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

Assets	July 23, 1936	June 30, 1937	July 8, 1937	July 15, 1937	July 23, 1937
Gold reserve	550,674	602,938	602,919	602,906	602,892
Gold abroad not included in the gold reserve		89,569	37,426	37,003	37,003
Foreign correspondents	1,122,636	1,948,660	1,972,977	2,010,563	2,022,751
Foreign bills, bank notes, and coupons	64,913	93,157	93,787	90,043	88,147
Inland bills and other home loans	958,554	1,112,608	1,062,111	1,042,620	1,060,595
Finnish and foreign bonds	522,686	457,139	529,241	544,091	541,838
Liabilities					
Notes in circulation	1,387,926	1,859,098	1,811,261	1,799,634	1,778,852
Government deposits at sight	151,648	267,646	229,626	291,423	247,590
Other deposits at sight	677,328	863,952	1,007,473	992,684	1,059,782
Ratio of ordinary cover to liabilities at sight	72·97	76·25	76·67	76·99	77·94

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	July 29, 1937	July 30, 1937	July 31, 1937	Aug. 2, 1937	Aug. 3, 1937	Aug. 4, 1937	Aug. 5, 1937
	%	%	%		%	%	%
Bank rate (changed from 2½% June 30, 1932)	2	2	2	Bank Holiday	2	2	2
Market rates of discount—							
60 days' bankers' drafts	19/32–⅝	19/32–⅝	19/32–⅝		19/32–⅝	19/32–⅝	19/32–⅝
3 months' do.	19/32–⅝	19/32–⅝	19/32–⅝		19/32–⅝	19/32–⅝	19/32–⅝
4 months' do.	⅝–21/32	⅝–21/32	⅝–21/32		⅝–21/32	⅝–21/32	⅝–21/32
6 months' do.	¾–13/16	¾–13/16	¾–13/16		¾–13/16	¾–13/16	¾–13/16
Discount Treasury Bills—							
2 months'	19/32	19/32	19/32		19/32	19/32	19/32
3 months'	19/32	19/32	19/32		19/32	19/32	19/32
Loans—Day-to-day	½–1	½–1	½–1		½–1	½–1	½–1
Short	¾–1	¾–1	¾–1		¾–1	¾–1	¾–1
Deposit allowances: Bank	½	½	½		½	½	½
Discount houses at call	½	½	½		½	½	½
At notice	¾	¾	¾		¾	¾	¾

Comparison with previous weeks

1937	Short Loans	Bank Bills 3 Months	Bank Bills 4 Months	Bank Bills 6 Months	Trade Bills 3 Months	Trade Bills 4 Months	Trade Bills 6 Months
	%	%	%	%	%	%	%
July 8	¾–1	9/16	⅝–11/16	¾–13/16	2–2½	2¼–2½	2½–3
" 15	¾–1	9/16	⅝–11/16	¾–13/16	2–2½	2¼–2½	2½–3
" 22	¾–1	19/32–⅝	⅝–11/16	¾–13/16	2–2½	2¼–2½	2½–3
" 29	¾–1	19/32–⅝	⅝–21/32	¾–13/16	2–2½	2¼–2½	2½–3
Aug. 5	¾–1	19/32–⅝	⅝–21/32	¾–13/16	2–2½	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	July 30, 1937	July 31, 1937	Aug. 2, 1937	Aug. 3, 1937	Aug. 4, 1937	Aug. 5, 1937
New York, $	‡4·86⅔	4·97⅞–98	4·97⅜–97⅞	Bank Holiday	4·98–98⅛	4·98–98⅛	4·97⅞–98⅛
Montreal, $	4·86⅔	4·97⅞–98¼	4·97⅞–98¼		4·98–98⅛	4·98–98⅛	4·97⅞–98⅛
Paris, Fr	124·21	132 13/16–15/16	132 13/16–⅞		132¾–⅞	132 13/16–⅞	132 13/16–⅞
Brussels, Bel.	35·00(a)	29·56–60	29·57–60		29·58–61	29·58–61	29·56–59
Milan, L	92·46	94¼–11/16; 94·60f	94¼–⅜; 94·60f		94¼–½; 94·62f	94 3/16–½; 94·60f	94¼–½; 94·67f
Zurich, Fr	25·22½	21·66–69	21·66½–68½		21·67–70	21·68–70	21·67–69
Athens, Dr	375	540–555	540–555		540–555	540–555	540–555
He's'fors, M	193·23	225½–226½	225½–226½		225½–226½	225½–226½	225½–226½
Madrid, Pt	25·22½	70–100(l); 62–75(j)	70–100(l); 62–75(j)		70–100(l); 62–75(j)	70–100(l); 62–75(j)	70–100(l); 62–75(j)
Lisbon, Esc	110	110–110¼	110–110¼		110–110¼	110–110¼	110–110¼
Amst'd'm, Fl.	12·107	9·02–03	9·01½–02½		9·02–03½	9·02½–03½	9·02½–03½
Berlin, Mk.	20·43	12·35–38	12·36–38		12·36–39	12·36–39	12·36–39
Registered Marks	(c)	42–47	42–47		41½–46½	41½–46½	41½–46½
Vienna, Sch	34·58½	25¼–27¼	25¼–27¼		25¼–27¼	25¼–27¼	25¼–27¼
Bu'pest, Pen	27·82	24¼–25¼	24¼–25¼		24¼–25¼	24¼–25¼	24¼–25¼
Prague, Kc	§164¼	142¼–143	142¼–⅝		142¼–143¼	142¼–143	142¼–143
Danzig, Gul	25·00	26⅛–⅜	26⅛–⅜		26⅛–⅜	26⅛–⅜	26⅛–⅜
Warsaw, Zl	43·38	26⅛–⅜	26⅛–⅜		26⅛–⅜	26⅛–⅜	26⅛–⅜
Riga, Lat.	25·22½	24¾–25¾	24¾–25¾		24¾–25¾	24¾–25¾	24¾–25¾
Buchar'st, Lei	813·6	660–680	660–680		660–680	660–680	660–680
Const'ple, Pst	110	618*; 627k	618*; 627k		618*; 627k	620*; 627k	618*; 627k
Belgrade, Din	276·32	211–221	211–221		211–221	211–221	211–221
Kovno, Lit.	48·66	28¾–29¾	28¾–29¾		28¾–29¾	28¾–29¾	28¾–29¾
Sofia, Lev.	673·66	390–420	390–420		390–420	390–420	390–420
Tallinn, E. Kr	18·159	17¾–18¾	17¾–18¾		17¾–18¾	17¾–18¾	17¾–18¾
Oslo, Kr	18·159	19·85–95	19·85–95		19·85–95	19·85–95	19·85–95
St'holm, Kr	18·159	19·35–45	19·35–45		19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr	18·159	22·35–45	22·35–45		22·35–45	22·35–45	22·35–45
Alex'dria, Pst	97½	97¼–⅜	97¼–⅜		97¼–⅜	97¼–⅜	97¼–⅜
Br. India Rup	†18d.	18 1/32–3/32	18 1/32–3/32		18 1/32–3/32	18 1/32–3/32	18 1/32–3/32
Hong Kong, $	†	14 15/16–15	14 15/16–15		14 15/16–15	14 15/16–15	14 15/16–15
Kobe, Yen	†24·58d	13 31/32–14	13 31/32–14		13 31/32–14	13 31/32–14	13 31/32–14
Shanghai, $	†	14 7/16–9/16	14 7/16–9/16		14 7/16–9/16	14 7/16–9/16	14 7/16–9/16
Singapore, $	†28d.	28 1/16–⅛	28 1/16–⅛		28 1/16–⅛	28 1/16–⅛	28 1/16–⅛
Batavia, Fl	12·11	8·98–9·02	8·98–9·02		8·98–9·03	8·98–9·02½	8·99–9·03
Rio, Mil.	†5·8998d	3 3/16–¼f	3 3/16–¼f		3 3/16–¼f	3 3/16–¼f	3 3/16–¼f
B. Aires, $	11·45	16·42–48g; 16·12h	16·42–47g; 16·12h		16·43–48g; 16·12h	16·43–48g; 16·12h	16·43–48g; 16·12h
Valparaiso, $	40	12·6c(i)	12·6c(i)		12·6c(i)	12·6c(i)	12·6c(i)
M'video, $	†51d	27½–28½; 39½*b	27½–28½; 39½*b		27½–28½; 39½*b	27½–28½; 39½*b	27½–28½; 39½*b
Lima, Sol	17·38	18⅝–19⅝	18⅝–19⅝		18⅝–19⅝	18⅝–19⅝	18⅝–19⅝
Mexico, Pes	9·76	17½–18½	17½–18½		17½–18½	17½–18½	17½–18½
Manila, Pes	†24·66d	24–24½	24–24½		24–24½	24–24½	24–24 5/16
Moscow, Rble		26·35½–36	26·35½–36		26·35½–36	26·40½–⅝	26·40½–⅝
B'ngkok, Baht	†21·82d	21¾–22	21¾–22		21¾–22	21¾–22	21¾–22

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23 since dollar devaluation on February 1, 1934. § Par, 197 10 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent discount. (e) Latest "export" rate. (f) Official rate is 4½d sellers. (g) Official rate is 815 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England.—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement. (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates
(Closing quotations)

London on		July 30, 1937 Per £	July 31, 1937 Per £	Aug. 2, 1937 Per £	Aug. 3, 1937 Per £	Aug. 4, 1937 Per £	Aug. 5, 1937 Per £
New York, cent.		(p)	(p)		(p)	(p)	(p)
	1 Month	11/16–9/16	11/16–9/16	Bank Holiday	⅝–½	11/16–9/16	11/16–9/16
	2 "	1–⅞	1–⅞		1–⅞	1 1/16–15/16	1 1/16–15/16
	3 "	1 5/16–1 3/16	1 5/16–1 3/16		1 5/16–1 3/16	1 5/16–1 3/16	1 5/16–1 3/16
Paris, frs.		(d)	(d)		(d)	(d)	(d)
	1 Month	1¼–1½	1–1¼		11/16–15/16	¾–1	11/16–⅞
	2 "	2¼–2½	2¼–2½		1½–1¾	1½–1¾	1½–2
	3 "	3¼–3½	3¼–3½		2½–2¾	2½–2¾	2½–3¼
Amsterdam, c'nt		(p)	(p)		(p)	(p)	(p)
	1 Month	1½–1	1½–1		1½–1	1½–1	1½–1
	2 "	2–1½	2–1½		2–1½	2–1½	2–1½
	3 "	2½–2¼	2½–2¼		3–2½	3–2½	3–2½
Brussels, cent.		(p)	(p)		(p)	(p)	(p)
	1 Month	Par	Par		Par	par	½–par
	2 "	Par	Par		Par	par	1–par
	3 "	Par	Par		Par	par	1–par
Geneva, cent.		(p)	(p)		(p)	(p)	(p)
	1 Month	½–Par	½–Par		½–Par	½–par	1–½
	2 "	1–Par	1–Par		1–Par	1–par	1½–1
	3 "	1½–½	1½–½		1½–½	1½–½	2–1½

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

OVERSEAS BANK RATES

	Changed	From %	To %		Changed	From %	To %
Albania	Apr. 1, 1937	6½	6	Oslo	Dec. 7, 1936	3½	4
Amsterdam	Dec. 2, 1936	2½	2	Paris	Aug. 3, 1937	5	4
Athens	Jan. 4, 1937	7	6	Prague	Jan. 1, 1936	3½	3
Batavia	Jan. 14, 1937	4	3	Pretoria	May 15, 1933	4	3½
Belgrade	Feb. 1, 1935	6½	5	Tallinn	Oct. 1, 1935	4	4½
Berlin	Sept. 22, 1932	5	4	Riga	Nov. 1, 1936	5½; 6	5(a); 5½(b)
Brussels	May 14, 1935	2½	2	Rio de Janeiro	May 31, 1935	...	3½
Bucharest	Dec. 15, 1934	6	4½	Rome	May 18, 1936	5	4½
Budapest	Aug. 28, 1935	4½	4	Sofia	Aug. 15, 1935	7	6
Calcutta	Nov. 28, 1935	3½	3	Stockholm	Dec. 1, 1933	3	2½
Copenhagen	Nov. 19, 1936	3½	4	Swiss Bank places	Nov. 25, 1936	2	1½
Danzig	Jan. 2, 1937	5	4	Tokio	Apr. 7, 1936	3·65	3·285
Helsingfors	Dec. 3, 1934	4½	4	Vienna	July 10, 1935	4	3½
Kovno	July 1, 1936	6	5½	Warsaw	Oct. 26, 1933	6	5
Lisbon	May 5, 1936	5	4½	Wellington	Mar. 2, 1936	3½	2½
New York Fed. Reserve	Feb. 1, 1934	2	1½	Irish	June 30, 1932	3½	3
Madrid	July 15, 1935	5½	5				
Montreal	Mar. 11, 1935	...	2½				

Central Bank of Chile.—Discount rate for member banks, 4½%; discount rate for the public, 6%. (a) 5% applied to banks and credit institutions. (b) 5½% applied to private persons and firms.

NEW YORK MONEY AND EXCHANGE RATES

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

	Aug. 5, 1936	July 7, 1937	July 14, 1937	July 21, 1937	July 28, 1937	Aug. 4, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1¼	1¼	1¼	1¼	1¼
Bank acceptances:—	Selling Rates					
Members—eligible, 90 days	3/16	7/16	7/16	7/16	7/16	7/16
Non-mem.—eligible, 90 days	3/16	7/16	7/16	7/16	7/16	7/16
Commercial accept., 90 days	⅜	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Aug. 5, 1936	July 21, 1937	July 28, 1937	Aug. 4, 1937
London—60 days	Dollars for £1	Old par 4·8666	5·00½	4·97½	4·96⅞	4·97½
Cable		New par	5·01⅞	4·9837	4·9762	4·9806
Cheques		8·2397	5·0162	4·98¼	4·97½	4·98
Paris ... cheques	Cents for 1 franc	6·63	6·59¼	3·72¼	3·74⅞	3·75½
Brussels "	Cents for 1 belga	23·54	16·86	16·835	16·835	16·84
Switzerland "	Cents for 1 franc	32·67	32·63	22·945	22·945	22·97
Italy "	Cents for 1 lira	8·91	7·87	5·26	5·26	5·26
Berlin "	Cents for 1 mark	40·33	40·24	40·265	40·25	40·24
Vienna "	Cts.for Austrn.shig.	23·82	18·86	18·80	18·85	18·89
Madrid "	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam "	Cents for 1 guilder	68·06	67·92	55·26	55·08	55·18
Copenhagen "	Cents for 1 kroner	45·37	22·41	22·25	22·22	22·24
Oslo "			25·22	25·045	25·02	25·035
Stockholm "			25·87	25·70	25·66	25·685
Athens "	Cents for 1 drachma	1·29½	94½	0·91½	0·91½	0·91⅜
Montreal "	Cents for Can. $1	169·31	100	99⅞	99 15/16	100
Yokohama "	Cents for 1 yen	84·40	29·38	28·99	28·99	29·05
Shanghai "	Cents for 1 dollar	...	30·16	29·65	29·60	29·60
Calcutta "	Cents for 1 rupee	61·80	37·93	37·62	37·59	37·61
Buenos Aires "	Cents for 1 peso	...	33·46	30·91	30·86	30·90
Rio de Janeiro "	Cents for 1 milreis	11·96	8·45	8·40	8·38	8·39

The Bank of London and South America Ltd., has received telegraphic advice from the Valencia Branch that the gold surcharge for payment of Spanish customs duties has been fixed for the period August 1st to 10th at 150·52 per cent. The previous rate was fixed as from July 21st at 148·25 per cent.

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

SOUTH AFRICAN EXCHANGE RATES

(Buying Rates per £100 Sterling)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on :—					
Rhodesia	£100 5 0	£100 11 3	£101 1 3	£101 11 3	£102 1 3
South Africa	£100 17 6	£101 3 9	£101 13 9	£102 3 9	£102 13 9

(Selling Rates per £100 Sterling)

	Sight	Telegraphic
London on :—	£ s. d.	£ s. d.
Rhodesia	99 15 0	99 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Bank of London and South America, Ltd., issues the following details relative to quotations for certain of the South and Central American exchanges. All these exchanges, with the exception of that of Bolivia, are related to the United States dollar, and the approximate sterling rates may be obtained by applying the dollar-sterling exchange rate :—

Bolivia. Commercial Banks' "free" selling rate was 120 bolivianos per £ on June 18th.

Colombia. Sight selling rate 175·80 pesos per 100 United States dollars on July 1st. This rate applies to holders of permits buying in the "open" market.

Ecuador. Official sight selling rate on New York was maintained up to July 2nd at 10·50 sucres per United States dollar.

Guatemala. Sight rate on New York is maintained at 1 quetzal per United States dollar, but a commission of 1 per cent. is charged by the Banco Central for the sale of drafts.

Nicaragua. Sight selling rate on New York was officially fixed at 2 cordobas per United States dollar on March 19th, 1937.

Salvador. Sight selling rate on July 3rd was 2·51 colones per United States dollar.

Venezuela. Sight selling rate on New York was officially fixed at 3·19 bolivares per United States dollar on April 27th, 1937.

• Exchange controls are operative in these countries.

OVERSEAS DOMINION RATES

Commonwealth of Australia and Dominion of New Zealand

	London on Australia and New Zealand •				Australia and New Zealand on London •			
	Buying		Selling		Buying		Selling	
	Australia	New Zealand	Australia (any Mail)	New Zealand (any Mail)	Australia	New Zealand	Australia (any Mail)	New Zealand
T.T.	...	...	125	124	125	124	125⅛	124⅛
	Air Mail / Ord. Mail	Air Mail / Ord. Mail			Air Mail / Ord. Mail			
Sight	126⅛ / 126⅛	125⅛ / 125⅛	125⅛	124⅛	124⅜ / 124⅜	123⅛	125⅛	124⅛
30 days	126⅛ / 126⅛	125⅛ / 126	...	...	124⅛ / 124⅛	123⅛	125⅛	124⅛
60 days	127⅛ / 127⅛	126⅛ / 126⅛	...	...	124⅛ / 124⅛	123	125⅛	124⅛
90 days	127⅛ / 127⅛	126⅛ / 127	...	...	124 / 123⅝	122⅝	125⅛	124⅛

• All rates (Australian and New Zealand) now based on £100.—LONDON.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended August 5, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports			Exports		
From	Bullion*	Coin†	To	Bullion*	Coin†
	£	£		£	£
British S. Africa	6,524	...	Anglo-Egyptian Sudan	3,500	200
Kenya	3,180	...	Bombay, via other ports	...	2,000
Anglo-Egyptian Sudan	2,440	...	Netherlands	...	19,935
British India	170,338	...	Switzerland	1,798	135
British Malaya	7,843	...	Jugoslavia	148,084	...
Australia	...	1,850 / 235	U.S.A.	166,400	...
British Guiana	6,698	...	Other countries	450	149 / 334
Germany	22,805	...			
France	8,192,435	...			
Siam	7,827	...			
Argentina	5,535	...			
Other countries	3,558	250 / 1,458			
Total	8,430,988	2,100 / 1,888	Total	320,230	21,234 / 469

IMPORTS AND EXPORTS OF SILVER

Imports			Exports		
From	Bullion*	Coin†	To	Bullion*	Coin†
	£	£		£	£
British India	15,813	...	Aden and Depen.	...	1,750
Australia	...	500	Belgium, via other ports	10,000	...
Canada	15,493	4	Norway	1,866	...
Norway	2,027	...	Germany	11,000	...
Germany	2,157	...	Netherlands	1,450	...
Belgium	11,040	...	Aralco Mineral and Oleum	...	3,000
France	...	47	Aralco Saudi Arabia	...	13,000
Egypt	...	400	Other Countries	1,418	750
Japan	10,000	80,000			
Other Countries	178	132	Total	33,634	18,750
Total	56,194	81,104			

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in italics. Other coin is entered at current market value.

GOLD MOVEMENTS : BANK OF ENGLAND

1937	Arrivals	£	1937	Withdrawals	£
July 30		Nil	July 30		Nil
,, 31		Nil	,, 31		Nil
Aug. 2		Nil	Aug. 2		Nil
,, 3		Nil	,, 3		Nil
,, 4		Nil	,, 4		Nil
,, 5		Nil	,, 5		Nil
Total		Nil	Total		Nil

Movement during year 1936 Nil
Movement during 1937 (January 1 to Aug. 5, inclusive) (113,000,427 increase)
Movement, April 29, 1925, to Aug. 5, 1937 (inclusive) (12,745,008 increase)
Movement, September 21, 1931 (gold standard suspended) to Aug. 5, 1937 (inclusive) (107,312,087 increase)
(100,458,913 increase)

GOLD MARKET

Messrs Samuel Montagu and Company write on August 4, 1937 :

The Bank of England gold reserve against notes amounted to £326,400,625 on July 28th, showing no change as compared with July 21st.

Conditions in the open market continued to be quiet and during the five working days under review offerings were on rather a small scale, the amount disposed of at the daily fixing being about £765,000. Demand was general and prices again ruled at about dollar exchange parity.

The s.s. "Strathnaver," which sailed from Bombay on July 31st, carries gold to the value of about £515,000.

SILVER MARKET

Indian demand continuing good and offerings poor, prices improved until 20¼d. for cash and 20⅜d. for forward were quoted on July 30th. This higher level proved more attractive to sellers and prices sagged until to-day when we quote 20d. for both deliveries, the same as on Wednesday last.

The general outlook remains unchanged, with the likelihood of the continuance of a heavy tone at any levels appreciably above those at which trade or other support from America might be anticipated.

Quotations for gold and silver are shown below :

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard : Cash	Price of Bar Silver in London per ounce standard : Two Months	Price of Silver New York per ounce 999 fine
	s. d.	s. d.	d.	d.	1937 Cents
July 29	139 9½	12 1 85	20⅛	20⅛	
,, 30	139 8½	12 1 94	20⅛	20⅛	
,, 31	139 8½	12 1 94	20⅛	20⅛	
Aug. 3	139 7½	12 2 03	20	20⅛	July 28 to Aug. 3 inclusive 48
,, 4	139 6½	12 2 11	20	20⅛	
Average	139 8·1	12 1 97	20·050	20·078	
Aug. 5	139 8	12 1 98	20	20⅛	

The highest rate of exchange on New York recorded during the period from July 29th to August 4th was $4·98½ and the lowest $4·97½.

Statistics for the month of July, 1937 :

	Bar Silver per oz. standard : Cash Delivery	Bar Silver per oz. standard : Two Months' Delivery	Bar Gold Per oz. fine
Highest price	20⅛d	20⅛d	140s 6d
Lowest price	19⅞d	19⅞d	140s 6d
Average	19·9861d	20·0255d	140s 0·33d

APPOINTMENTS AND PERSONAL

The Hon. Walter Leslie Runciman has been appointed a director of the London and North Eastern Railway Company.

Mr C. A. Proctor and Mr J. I. Collyer have been appointed managing directors of Dunlop Rubber Company.

The Royal Exchange Assurance announces that Lord Lotteviot has resigned his seat on the Court of Directors at head office, but will continue as a member of the Dundee local board.

The Midland Bank announces the retirement on 31 July, 1937, of Mr H. Wrighton, joint general manager, after forty-six years of highly valued service with the bank. Mr L. R. Nicholson, formerly an assistant general manager, has been appointed a joint general manager.

Dorman Long and Company announce that Viscount Davidson and Mr J. G. Goodenough have been elected directors.

The Rt. Hon. Lord Ellesley, K.B.E., has been appointed a director of the Guardian Assurance Company.

Mr George Balfour and Mr Oliver B. H. Bury have been appointed chairman and deputy-chairman, respectively, of the London Power Company.

The Rt. Hon. the Earl of Lytton, K.G., has been appointed chairman of London Associated Electricity Undertakings.

OTHER STATISTICS

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	Interim or Final	Date of Last Div.	Comparable with Last Year	Total : Latest Year %	Total : Previous Year %
RAILWAYS					
Great Western Railway	1½ •	Aug 18	1½ •		...
INSURANCE					
Federated Employers Insurance	60 1½ •		Same		
TEA AND RUBBER					
Kuala Kangsar	6½ •		5½ •		...
MINING					
Broken Hill S.	1·3½ • ‡	Sept 15	1·6¼ •		...
Burma Corporation	11 annas	Sept 28	6 annas ‡ ‡	18½ annas ‡ ‡	12 annas. ‡ ‡
	1·3 ‡		1·6 ‡	2·3 ‡	1·5 ‡
Ipoh Tin Dredging	2 6¼ •	Aug 26	2 1½ •	3 6¼ •	3 1½ •
Kramat Tin	10% •	Aug 18			
Talping Consolidated	7½ •	Aug 24	Same		
Zaaiplaats Tin	10% •				
OTHER COMPANIES					
Alliance and Dublin, etc. Gas	4% •		Same		...
T. M. Birkett and Sons	10	Aug 12	Last	10	...
Bristol Waterworks	3½ % •	Sept 7	Same	5	5
Cables Investment Trust	3% •		1½		1½
Courage and Company	8% •		Same		
Derby Gas Light	3½ •	Aug 17	3½ •		...
Electrical Distn. of Yorks	6 •				...
Fleming Reid	1 1½ •	Sept 1	Same		
Wm. France and Fenwick	2½ •	Sept 1		1¾	1¾
Friary, Holroyd and Healy's	8% •		Same		
Grand Canal Company of Dublin	2 •		Same	2	2
Arthur Guinness	12½ •		Same		
G. H. Heath and Company	5% •	Sept 1	Same		
W. T. Henley's Telegraph	5% •		7½ •		
Holborn and Frascati	4 •	Sept 1	Same		
Houghton Main Colliery	7½ ‡ ‡		7½	12½	7½
Improved Wood Pavement	8% •	Aug 16	Same		
International Inv. Trust	3% •	Sept 2	3½ •		
Isaac Holden	7½ ‡ ‡		5½ ‡ ‡	12½ ‡	13½ ‡
Jackson Bros. (Knottingley)	5 •	Aug 14	5½ •		
London and Colonial Inv.	2½ •	Sept 1	3 •		
J. and J. Makin	10% ‡		5½ ‡	5½	10½ ‡
Merchants Trust	3% •	Sept 1	Same		
Merchants Warehousing	11½ •		Same	15	15
Northampton Electric Light	4% •	Aug 24	Same		
North Central Wagon	10% •		Same	15	15
Odhams Properties	3% •	Sept 30			
Reckitt and Sons	1 10% •	Oct 1	Same		
Redfern's Rubber Works	5% •		2½ •		
Saxone Shoe	2½ % •	Sept 18	Same		
Shanks and Company	3% •		11 annas		
Sheffield Cabinet	3% •	Sept 1	Same		...
Tootal Broadhurst Lee	12½		15	12½	10
Tunnel P. Cement "A" and "B"	10% •		Same		
United Canners	5% •		Same	5	5
Watney, Combe, Reid	13% •		12½ •	19	18
W. B. Reid	4% •	July 31	Same	...	...
Yorkshire Electric Power	6% •	Aug 3	...	...	...

‡ For 11½ months. (b) Per 5s. share. (c) Per £1 share. ‡ Tax free.

W. T. HENLEY'S TELEGRAPH WORKS.—Interim 5 per cent. on ordinary shares (against 7½ per cent. last year before issue of 100 per cent. share bonus).

GRAND UNION CANAL.—The payment of a preference dividend will not be considered until the completion of the year's accounts.

CABLES INVESTMENT TRUST.—Final dividend of 3 per cent., making 5 per cent., against 1½ per cent. for the initial 11½ month period.

INTERNATIONAL NICKEL OF CANADA.—Dividend for third quarter of 50 cts. per common share; same as for previous quarters of 1937, but 15 cts. more than third quarter of last year.

A. GUINNESS, SON AND COMPANY.—Final dividend of 12 per cent and bonus of 5 per cent., making 29 per cent. (same).

ENGLISH VELVET AND CORD DYERS' ASSOCIATION.—It has been decided to defer the 5 per cent preference dividend for the half-year to June 30th last until accounts for 1937 are available.

BURMA CORPORATION.—Final dividend of 11 annas per share free of Indian and British tax, or, at 1s. 6d. per rupee, 12·375d. net per ks. 9 share. This makes 18½ annas tax free, against 12 annas, for the year.

NATIONAL INVESTMENT GROUP CERTIFICATES.—A second income distribution will be payable September 1st of 3·6d. net per certificate, for the period January 16 to July 15.

SHORTER COMPANY COMMENTS

RAILWAYS

BALTIMORE AND OHIO RAILROAD.—Railway operating revenues for the first six months of 1937 were $88,011,689 against $79,466,026 in 1936. Operating expenses were $66,178,562 and $60,159,857, respectively, the net revenue thus being $21,833,107 (an increase of $2,526,038). Net railway operating income of $13,763,886, compared with $12,114,255.

BANKS

THE COMMERCIAL BANK OF AUSTRALIA.—Net profits for the year to June 30, 1937, were £247,435, against £234,480. To reduction of bank premises, £25,000; final 4 per cent. preference dividend for six months, £42,347; final ordinary dividend for six months, at 6·23 per cent. p.a., £86,686; carried forward, £103,337.

(Continued on page 320)

TRANSVAAL GOLD OUTPUT

STATISTICS FOR JUNE 1937

(Revenue calculated on basis of £7 0s. 0d. per fine ounce)

Name of Mine and Group	Tons Milled	Output Fine ozs.	Net Estimated Value	Working Costs	Profit	Working Costs Per Ton
Anglo-American Corporation			£	£	£	s. d.
Brakpan Mines	135,500		248,052	139,256	108,796	...
Daggafontein Mines	132,500		275,833	143,785	132,048	...
Springs Mines	150,700	...	301,777	141,366	160,411	...
West Springs	92,000		116,001	74,920	41,081	...
Central Mining-Rand Mines						
City Deep	108,000	20,795	145,708		20,034	23 3·3
Cons. Main Reef	164,000	30,650	214,512		5,072	20 0·6
Crown Mines	346,000	83,028	582,021		242,430	19 7·6
Durban Roodpt. Deep	104,000	20,888	146,220		30,087	22 4·0
East Rand Prop.	209,000	46,100	323,159		98,365	21 11·9
Geldenhuis Deep	62,100	9,782	68,504		16,635	16 11·0
Modderfontein B.	90,000	15,294	107,139		44,435	13 11·2
Modderfontein East	112,000	22,601	158,246		56,289	18 2·5
New Modderfontein	185,000	39,010	273,579		126,027	15 1·6
Nourse Mines	82,000	16,763	117,461		23,511	22 11·0
Rose Deep	74,000	12,896	90,552		14,970	20 5·1
General Mining						
Van Ryn Gold	60,200	...	58,132	...	7,205	17 1
West Rand Cons.	170,000	...	237,325	...	98,020	16 8
Goldfields						
Simmer and Jack	104,000	21,852	152,961		48,346	20 2·1
Robinson Deep	112,000	26,758	187,251		80,000	19 1·8
Sub-Nigel	58,000	41,825	292,726		197,072	32 11·8
Vogelstruisbult	80,000	12,343	86,404		15,240	23 8·7
Luipaards Vlei†	44,500	9,156	64,094		15,252	22 3·7
Johannes Group						
East Champ D'Or	13,000	...	20,463	...	3,502	26 2
Government Areas	216,000	...	454,113	...	265,218	17 8
Langlaagte Estate	94,000	...	105,365	...	20,269	18 5
New State Areas	124,000	...	263,805	...	152,036	18 3
Randfontein Estates	362,000	...	453,789	...	135,129	16 5
Van Ryn Deep	107,000	...	140,899	...	48,116	17 4
Witwatersrand	88,000	...	95,743	...	13,522	19 0
Johannes Group Total	1,004,000	...	1,533,038		637,732	17 6
Union Corporation						
East Geduld	123,000	36,073	252,200	105,619	146,581	...
Geduld Prop.	108,000	27,022	189,048	77,521	112,528	...
Modder. Deep	49,500	6,774	47,558	39,510	8,048	...
Other Mines						
Glynn's Eyedenburg*	8,500	2,464	18,596		5,130	31 8·2
New Bilfontein	70,000	12,870	89,994	64,820	25,174	18 6
Transvaal Gold*	24,500	4,259	29,747		4,021	21 0·5
Witwatersrand Deep	46,000	8,039	56,280	48,772	7,508	...

* Revenue from gold based on a price of £6 19s. 6d. per fine ounce. † The decrease in profit is due to the loss of tonnage in consequence of the accident to the skip at the beginning of the month. ‡ The tonnage milled includes 15,000 tons from low grade surface dumps accumulated during the development period.

TRANSVAAL OUTPUT, EMPLOYMENT AND WORKING PROFIT.—Gold output, June, 1937: Witwatersrand, 954,568 fine ounces; outside districts, 24,501 fine ounces; total, 979,069 fine ounces. Value for purposes of declaration, £7 0s. 0d. Total output, May, 1937: 946,183 fine ounces. The number of natives employed at end of June was: Gold mines, 295,869; coal mines, 15,520; total, 311,389. Total estimated working profit for June, 1937: Witwatersrand, £2,619,460; outside districts £9,151; total, £2,628,611. Comparable figures for May, 1937: Witwatersrand, £2,607,316; outside districts, £9,271; total, £2,616,587.

OIL OUTPUTS

British Controlled Oilfields, Ltd.—Production for the week ended July 24th: 14,221 barrels. Production for the week ended July 31st, 13,322 barrels.

Phœnix Oil and Transport Company, Ltd.—Production for July, 1937. The gross production of crude oil of the Phœnix group for July was 49,688 tons.

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(*Continued from page 319*)

MISCELLANEOUS

DAVY AND UNITED ENGINEERING.—Davy and United Engineering Company, Ltd., report an advance in net profits in the year to March 31st last of £21,591 to £44,297. Dividend is raised from 5 per cent. to 7½ per cent., and carry forward is up from £7,034 to £21,859.

CALGARY DEBENTURE PLAN.—Debenture holders are notified that a plan of adjustment has been approved by the City of Calgary and is recommended for acceptance by the Debenture Holders' Committee. To become effective, the plan requires approval of holders of 60 per cent. of the debentures. Committee urges that all holders should communicate with Bank of Montreal, 47 Threadneedle Street, London, E.C.2, to obtain complete details.

CELANESE CORPORATION OF AMERICA.—Consolidated statement for three months to June 30, 1937, shows net income of $1,695,279, after charging Federal income tax provision.

JOHN GREENWOOD MILLERS (1934).—Combined trading results of operating companies, after depreciation, tax, etc., £58,309, against £51,576; dividends payable by subsidiaries £53,250 net, against £45,806, and £5,000 to reserve, as before. J. Greenwood: gross dividends from subsidiary £70,530 (£59,616); net profit £52,399 (£44,956). Forward, £7,407.

NORTH CENTRAL WAGON.—Total profits, £117,049 or £3,754 more. Net profits, £47,839 (£3,823 increase) after £15,250 tax (against £13,435), and interest of £51,655. To reserve, £10,000 (£8,000); carry forward, £6,971 (£7,151).

SHELL UNION OIL.—Consolidated Income Account for the quarter ended June 30th showed gross operating earnings of $88,035,290 and costs of $50,481,356, against $57,039,774 and $42,309,313, respectively, for 1936 (2nd quarter). After depreciation, etc., of $9,309,750 (against $8,817,554), interest and taxes, net income from operation was $4,806,448, against $4,710,032, excluding profit on a sale.

PORT OF LONDON AUTHORITY.—Accounts for the year to March 31, 1937, show a revenue surplus of £1,533,726, against £1,585,925. Tax absorbed £57,444, interest £1,211,306, redemption funds £237,894, and maintenance reserve £100,000 (against £50,000, and £50,000 to general reserve). Carry forward, £404,705.

S. HOFFNUNG AND COMPANY.—Total income for year to March 31, 1937, £63,029 against £61,710 for preceding year. Ordinary dividend is raised from 5 per cent. to 7½ per cent. Carry forward raised from £13,151 to £16,994.

NUTTALL'S BREWERIES.—Trading profit for year to June 30, 1937, after depreciation, £123,738 against £116,859. Ordinary dividend raised from 2½ per cent. to 5 per cent. To write off balance of expenses of debenture issue, £8,000. To licensed houses improvement fund, £6,000 as before. To depreciation fund, £1,500 as before. Carry forward £3,734.

THE NORTH AMERICAN COMPANY.—The consolidated income for year to June 30th shows operating revenues $119,162,690 (increase of 6·74 per cent.), including electric revenues of $94,445,857. Balance available for common stock, $17,257,325 (32·12 per cent. increase), equal to $2·01 per share, against $1·52 a year ago. Depreciation took 12·18 per cent. of revenues, or $1·69 per share.

AFRICAN AND EUROPEAN INVESTMENT COMPANY, LTD.—The sale to the Union Government has been concluded of a large area of land (excluding mineral rights) for white settlement purposes. Negotiations are proceeding for the sale of further areas.

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—The Corporation has purchased the ordinary shares of the Wisbech Electric Light and Power Company, Ltd., from the B.E.T. Electricity Supply Company, Ltd. The Wisbech undertaking is adjacent to the areas of companies already controlled by Edmundsons.

GOVERNMENT LIFE ANNUITIES. The National Debt Office announces that under the Finance Act, 1937, the commission of 2s. 6d. per cent. previously charged where an annuity is purchased for cash is abolished; also the period allowed for completion of purchase is increased to a maximum of 18 days. Full particulars of the arrangements for the grant of annuities may be obtained from the department.

U.S. HIRE PURCHASE FINANCE COMPANY. Total volume of business of $778,980,975 is announced for the six months ended June 30th last. Net profits, $11,573,885, compared with $9,787,387 for the first six months of 1936, or, after preference dividends, $11,370,400 for the common stock, equivalent to $3·43 per share, against $3·10 per share.

SHOP INVESTMENTS, LTD.—To finance the purchase of the capital of Multiple Shop Premises, Ltd., at £200,000, an issue of 800,000 5s. shareholders approved the increase in authorised capital from £150,000 to £400,000, the new issued capital being £300,000.

EXTERNAL DEBT OF HONDURAS. The Council of Foreign Bondholders have, in accordance with the arrangement of March 9, 1926, received the stipulated sum of £20,000 for debt redemption for the half year to July 31, 1937.

GILLETTE SAFETY RAZOR COMPANY. The consolidated income account for the 12 months to June 30, 1937, shows operating profit of $6,478,979, net income being $4,826,404, after depreciation $478,864 and taxes $1,173,709. Common stock earnings of $1·60 for the 12 months compare with $1·54. For the 6 months to June 30th last, net income was $2,085,334, and common stock earnings $0·87.

BULGARIAN EXTERNAL LOANS.—The League Loans Committee (London), the Council of Foreign Bondholders, and other organisations, announce that although the majority of coupons have already been surrendered in acceptance of the Bulgarian Credit Bank's offer concession, partly paid coupons of Bulgarian loans, the payments offered will remain available for a further three months, i.e. to October 30, 1937.

OTTOMAN RAILWAY HOLDING COMPANY.—Net profits of the company for the year to June 30, 1937, £30,394. After adding £1,677 brought forward, and deducting £29,528 interest, there remains £2,543 to be carried forward for future interest or redemption. Interest at 2½ per cent. will be paid on September 1, 1937, to the "A" and "B" stock holders.

OLYMPIA, LTD.—Although profits for the half-year to June 30, 1937, are practically the same as for the same period in 1936, consideration of an interim ordinary dividend is being postponed.

ASSOCIATED PROVINCIAL PICTURE HOUSES.—Net profits to May 31, 1937, £123,165, an increase of £7,929. Tax £5,499, against £6,905; depreciation £26,000 (same); preference dividend, £7,800; to reserve, £15,000 (same); carry forward, £89,475.

BRAZILIAN WARRANT AGENCY AND FINANCE COMPANY.—Mr Arthur Whitworth, at last week's meeting of the company, referred to the improvement in the position of Cambuhy Coffee and Cotton. Their own company's trading profits had been nearly stationary, but a profit on exchange had been recorded. The chairman gave his impressions of a recent visit to Brazil, and referred to possible development opportunities in future.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Preference Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Appropriation: Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Breweries											
All Saints' Brewery	June 30	27,629	17,193	44,822	2,529	11,589	25	...	30,704	15,781	42
Colchester Brewing	June 30	56,947	16,293	73,240	3,971	9,442	10	...	59,827	14,776	20
Friary Holroyd and Healy's	June 30	26,619	139,161	165,780	20,935	77,018	13	40,000	27,827	137,791	13
Guinness (A.), Son and Co.	June 30	910,244	1,925,554	2,835,798	90,750	1,642,500	29	200,000	902,548	2,025,873	29
Showells Brewery	June 30	25,181	36,128	61,309	10,436	18,100	30	...	32,773	31,682	30
Watney Combe Reid	June 30	318,334	1,174,143	1,492,477	84,247	127,416(*a*) / 605,228(*b*)	4(*a*) / 19(*b*)	350,000	325,586	1,128,926	4(*a*) / 18(*b*)
Financial, Land, etc.											
Cambuhy Coffee	Dec. 31	...	32,965	32,965	...	29,400	7	...	3,565	*Dr 4,606*	•
Rubber											
Kepitigalla	Mar. 31	...	7,201	7,201	...	3,719	4·16	2,500	983	*Dr 410*	...
Semenyih	Apr. 30	10,858	10,062	20,920	...	8,508	18	1,000	11,412	5,411	10
Textiles											
Isaac Holden and Sons	June 30	16,875	39,713	56,588	8,224	27,187	12½§	7,500	13,676	48,240	13½§
Kelsall and Kemp	June 30	42,737	55,314	98,051	21,175	17,016	5	...	59,860	44,533	5
Tootal Broadhurst Lee	June 30	67,085	253,476	320,561	15,125	80,387	12½	113,000	112,089	194,881	10
Trusts											
Cables Investment	June 30	8,102	229,349	237,451	90,000	100,000	7½	...	47,451	105,725	1½
Edinburgh and Dundee Inv.	June 30	20,224	73,911	94,135	24,498	19,889†	7½	30,000	19,769	60,504	6½
Sec. Clydesdale Investment	July 1	17,906	29,817	47,723	11,469	7,633	5	10,000	18,621	24,816	4
Sec. Scot. Western	July 1	32,239	45,268	77,507	22,937	12,134	4	10,000	32,436	37,605	3
Other Companies											
Associd. Prov. Picture	May 31	69,215	123,164	192,379	7,500	42,000	6	53,404	89,475	115,235	6
Goulding, (W. and H. M.)	June 30	6,532	33,249	39,781	6,874	18,900	6	6,000	8,008	33,491	6
Gabriel Wade and English	May 31	41,877	1 0,.83	162,160	16,250	26,480	8	78,000	41,430	67,700	5
Greenwood, (J.) Millers	June 26	1,245	52,399	53,644	14,518	31,719	12	...	7,407	44,955	11
Frank Mason and Co.	Mar. 31	1,929	17,202	19,131	11,344	...	...	5,000	2,788	12,985	...
Jones' Sewing Machine	May 31	4,186	8,230	12,416	2,949	4,084	6	...	5,383	7,460	6
N. Central Wagon	June 30	7,152	47,589	54,741	12,289	25,481	...	10,000	6,971	43,988	15
Owen and Robinson	May 31	11,484	5,574	17,058	2,100	2,450	7§	1,000	11,508	5,606	7§
United Canners	May 31	6,267	6,497	12,764	...	5,062	5	2,500	5,201	13,444	5

(*a*) Preferred ordinary. (*b*) Deferred ordinary. † Excludes 2 per cent. interim dividend paid out of previous year's revenue. § Tax free. • Capital since reorganised.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

BUSINESS on the principal commodity markets was restricted by holiday influences during the past week and price fluctuations were generally confined within narrow limits. Quotations showed no definite trend.

After remaining steady for most of the period under review, wheat prices suffered a sharp relapse on Wednesday owing to the arrival in Liverpool of samples of Russian wheat; no business was transacted, however, and it is not known what supplies Russia has available for export purposes. Linseed was also easier in unison with wheat, while maize declined in response to good reports of the United States crop. No tea auctions were held in Mincing Lane this week, but the market in raw sugar was quiet with prices showing little alteration. Bacon, butter and cheese were all firm in price, but potatoes suffered a notable decline, due to heavy arrivals and a poor demand.

The receipt of further bearish crop reports was the reason for the renewed decline in cotton. Wool, by contrast, remained firm, the carry-over in Australasia being the smallest for many years. Price movements on the Metal Exchange were small, but a feature of the market was the growing premium on electrolytic copper over the standard cash quotation, the reason being the small stocks of electrolytic. Tin, like copper, was a shade dearer, while spelter enjoyed a further modest rise on the anticipation of an increase in United States imports. The rubber market was dull, and prices showed little net change on the week.

After last week's decline, prices in the United States were generally a shade firmer. Thus Moody's daily index of staple commodity prices (December 31, 1931 = 100) was 206·5 on Wednesday, against 205·2 a week earlier, 207·1 a month ago and 182·2 on the same day last year.

COAL

SHEFFIELD.—The holiday and the strikes of haulage hands at a number of pits have shortened supplies to some extent, but by the end of this week the position should show improvement. There is a strong inland demand for all industrial fuels. Demand for steams is at a high level. House coal continues very quiet, there being no reduction in prices of best and selected qualities. Gas coal requirements are on a smaller scale. Furnace coke is in very short supply, with a constantly increasing demand. Large selected patent oven coke is 30s.-31s. 6d. per ton on rail at ovens, and coke nuts are similarly quoted. Export demand has fallen away, and inquiries are negligible. For August the Midland Amalgamated District Quota Committee have arranged the following percentages: output supply and inland, 60 per cent.; export, 70 per cent.

NEWCASTLE-ON-TYNE.—The North East coal market is firm with indications that it will strengthen further by the end of the month. Northumberland steam collieries continue to work regularly and have little coal for sale after the end of this month. In Durham prime gas coals would welcome more prompt trade, but other sections are very steady, coking classes being particularly firm. Patent oven coke is firm under a brisk home demand.

GLASGOW.—Outputs are again at normal levels after the holidays. In the main they are being well taken up, and prices hold firmly to recent levels. New inquiry on export account is quiet, but contract orders absorb the bulk of available production, and only washed treble nuts and the secondary classes of steam can be had for new prompt business. In some cases the price for trebles, at around 20s., is below that for doubles and singles. Coastwise business proceeds on steady lines, and in the inland branch the resumption at the industrial works has been beneficial. Household demand is still dragging, but a beginning is now being made by the depots of the stocking of supplies for autumn needs.

CARDIFF.—Business has been interrupted this week by the August Bank holidays. The collieries were idle for three days and shipments at the docks were wholly suspended on Monday and partly on Tuesday. Exports in the coastwise and foreign trades last week further improved to 492,400 tons, and by the end of July the increase for the current year totalled nearly 2½ million tons. The Portuguese Railways have placed a contract for 35,000 tons of small coals to be delivered during the next four months, but otherwise the market has been featureless. Prices are unchanged, but they are expected to become firmer for large descriptions as a result of the week's restriction of output and the reduction of the stocks at colliery and dock sidings.

IRON AND STEEL

SHEFFIELD. The holiday has done something to relieve the pressure of business in the iron and steel market. There was, however, but a brief suspension of deliveries under contract, so that not much was accomplished in the way of catching up with arrears. Consumption continues on the up-grade. Producers have scarcely anything to offer, and are fully booked for some months to come. Forge, foundry and basic pig iron are in heavy demand, but business is on a very limited scale. A few contracts for hematite are being arranged, but the outlook for supplies continues to be rather obscure. More business is being offered in finished iron than makers are for the moment prepared to accept.

Production of all classes of steel continues to expand, and consumers are finding it difficult to place orders. Makers are still unable fully to cope with the flow of orders for basic and acid billets, in spite of the fact that there is continual expansion of output. Structural steel demands show a steady increase, and the requirements for special steels are becoming heavier. The steel scrap position is rather less harassing, but iron material not subject to control is fetching higher prices.

MIDDLESBROUGH.—The statistics covering the shipment of iron and steel from the Tees during the month of July are indicative of makers' desire to retain the export trade. Only 300 tons of pig iron were shipped coastwise, and none went to Scotland, a market which in ordinary times took thousands of tons of Cleveland foundry pig iron. Shipments of pig iron overseas amounted to 4,667 tons, of which Sweden took 2,100 tons, Japan 950 tons, and Belgium 832 tons; Netherlands 265 tons, and smaller parcels to other countries. Shipments of manufactured steel amounted to 47,474 tons, of which 29,648 tons went abroad.

Steel makers have orders on their books which will keep them well occupied into next year, and local firms have recently secured contracts for plant required in other districts which will increase the demand for constructional and other steel. Pig-iron prices are unchanged, but ferro-manganese has been increased by £2 per ton, making the price £18 15s. per ton to home users. Blast furnace coke and heavy steel scrap in good demand with prices unchanged. Imports of foreign ore into the Tees during July amounted to 199,548 tons, compared with 173,295 tons in June. Local works annual holidays will take place during the third week of this month, when the foundries and steel works will be idle for a few days, giving the opportunity for repairs and renewals.

The output of steel ingots in the first half of the year was approximately 1,385,000 tons—not 245,000 tons, as was stated last week. The latter figure related to production in June.

GLASGOW.—Business has now been resumed at practically all plants. The situation in regard to supplies of material is improving. A number of additions and improvements to plant are being carried out and, when completed, will considerably increase home production. Supplies of Continental material are also on a more extensive scale. There seems every prospect that business will be carried out under less difficult conditions than have been ruling within the past few months. Order books are well filled and work already on hand will absorb all the possible production for some months to come. At the same time there is much new business on the market and buyers are willing to place orders even when promises of delivery are quite indefinite.

CARDIFF.—All the tinplate and sheet works in South Wales are idle this week, and most of the men are receiving holidays with pay. Production in the week ended July 24th attained the exceptionally high percentage of 78·32 of allotted output capacity. Shipments of tinplates at Swansea last week totalled 8,515 tons, compared with 9,328 tons the previous week, and 4,870 tons in the corresponding week last year, and stocks have increased from 1,518 tons to 2,808 tons, compared with 9,524 tons at the corresponding period of 1936. Prices of tinplates, sheets, bars, ingots, and pig iron are unaltered.

OTHER METALS

COPPER.—Turnovers on the London Metal Exchange tended to increase this week owing to rising consumptive demand and a modest amount of speculative buying. As supplies were firmly held the cash price closed 13s. 9d. up on the week at £57 10s. The backwardation has now disappeared completely, but there is a new feature, the expanding margin between the standard price and the price for electrolytic copper. In the last few days this margin was nearly £8, against a normal level of £4 only. The unusual premium on electrolytic copper is, of course, due to the low level of electrolytic stocks in this country. In New York the export price has improved in the last few days and is again well above the domestic price, which remained at 14 cents per lb. Unless, however, London quotations and the New York export price show further rises, no increase in the U.S. domestic quotation is anticipated.

Sales on the London Metal Exchange: Nil on Monday, against 1,250 tons last week; 1,800 tons on Tuesday, against 750 tons last week; 600 tons on Wednesday, against 1,150 tons last week. Domestic spot was quoted at 14·20 cents per lb. in New York on Wednesday, against 14·07½ cents a week ago and 14·15 cents a month ago. Wednesday's official closing price for standard cash in London was £57 10s. to £57 11s. 3d. per ton, compared with £56 15s. to £56 16s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 9,323 tons, showed a decrease of 417 tons, while stocks of rough copper, at 9,524 tons, were 443 tons smaller.

LEAD AND SPELTER.—As in the preceding week, lead eased slightly, while spelter showed a certain improvement. The spelter price is now again well above the lead quotation and as the premium on forward spelter shows, this difference may widen even further in favour of spelter. The strong position of the latter is largely due to buying on the belief that the United States may import rising quantities of spelter in the immediate future. Lead on the other hand is at present somewhat neglected owing to the better supply conditions and the reduced demands of the building trade.

Sales of lead on the London Metal Exchange: Nil tons on Monday, against 500 tons last week; 1,950 tons on Tuesday, against 1,650 tons last week; 1,400 tons on Wednesday, against 1,150 tons last week. The New York quotation on Wednesday was 6·25 cents per lb., against 6·00 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 10s. to £22 11s. 3d. per ton, compared with £22 13s. 9d. to £22 15s. last week.

Sales of spelter on the London Metal Exchange: Nil tons on Monday, against 475 tons last week; 2,350 tons on Tuesday, against 1,050 tons last week; 1,850 tons on Wednesday, against 800 tons last week. Wednesday's quotation in East St. Louis was 7·00 cents per lb., against 7·00 cents the week before and 6·75 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £23 2s. 6d. to £23 3s. 9d. per ton, against £22 15s. to £22 16s. 3d. last week.

TIN.—Tin improved on balance by 15s., closing on Wednesday at £262 15s. per ton. The basic position of the market has remained more or less unchanged during the past few days, the only feature of the week being the publication of the July statistics. These show, according to A. Strauss and Company, Ltd., a rise of 2,642 tons to 23,707 tons in the world's visible supply; but this increase was largely due to the postponement of certain deliveries in the United States. Consequently, world deliveries, at 9,177 tons, reached a new low level for the current year in July and were 1,851 tons down on the month. In the United States deliveries declined in July by 1,685 tons to only 4,980 tons. On the other hand, new supplies were 2,354 tons up during the past month and thus reached 11,970 tons. The increase, however, was solely due to the rise in Straits shipments

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during July from 6,390 tons to 9,279 tons. Supplies from other sources were actually 535 tons lower in July. In spite of the large increase in stocks, therefore, the July figures were not very encouraging. They showed no fundamental change in the position, and as the postponed deliveries will be made up in August it would not be surprising to see again a reduction in visible supplies in the next statistics unless exports from non-Malayan countries show a more satisfactory trend.

Sales of tin on the London Metal Exchange: Nil tons on Monday, against 250 tons last week; 300 tons on Tuesday, against 300 tons last week; 275 tons on Wednesday, against 325 tons last week. The New York quotation on Wednesday was 59·12½ cents per lb., against 59·12½ cents a week ago and 59·75 cents a month ago. Wednesday's official closing quotation in London for standard cash was £262 15s. to £263 5s. per ton, compared with £262 to £262 10s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,063 tons, a decrease of 12 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 10s. to £13 10s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £69 to £70 per ton, ex warehouse, the same as last week. Chinese wolfram for "August–September" shipment was quoted at 73s. to 75s. per unit, c.i.f., compared with 71s. to 73s. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—The market has been unsettled by the further downward movement in raw cotton rates, a fresh low level being established. Since the middle of March American futures in Liverpool have declined 2d. a lb. There is no probability of any revival of demand in yarn and piece goods until there is more stability in values. In the meantime order lists of spinners and manufacturers tend to run down and contracts on the books are distinctly lighter than two to three months ago.

The raw cotton situation has been affected by persistent bearish reports with regard to the crop in the United States. Conditions in the belt have so far been ideal but, of course, the month of August is always a critical period for the plants. Great interest is being taken in the crop estimate of the United States Government to be published on Monday next. It is generally believed that market operators have discounted a forecast of fully 14,800,000 bales. The crop for the season just closed was only 12,400,000 bales. American and Egyptian yarn prices have fallen in sympathy with the decline in the raw material, but spinners have been firm at the lower quotations. Business in all counts and qualities has been within narrow limits. There has been no improvement in the turnover in cloth. Buyers for foreign outlets and the home trade have operated from hand to mouth. Occasional instances are reported of narrow looms being stopped for want of orders.

INTERNATIONAL COTTON LOOM FIGURES.—A world cotton loom census has just been conducted by the International Federation of Master Cotton Spinners' and Manufacturers' Associations; and although it has not been possible to obtain returns from Italy, Spain, Russia and one or two South American and Asiatic countries, the figures are interesting. The total number of world looms as on December 31, 1936, is given as 3,070,395, including both ordinary and automatic looms. There has been an increase in three years of 10,526 looms. Europe, however, showed a decrease of 34,378, while looms in Great Britain declined by 83,191 in three years, Great Britain possessing 504,773 looms, as against 587,964 looms in 1933. There was also a reduction in the U.S.A., the figure now being 573,452, as against 613,633 three years ago, a decline of 40,181 looms. Japan has increased her total looms from 277,343 to 332,564. These figures, however, include 109,000 looms which are narrower than 16 ins. In Europe, the proportion of automatic looms to ordinary looms has increased with remarkable steadiness. The number of automatics is now 175,852, as against 132,087 three years previously. During that period the world total of automatic looms has increased from 596,596 to 662,167. With regard to the number of looms stopped on December 31st, Great Britain had 84,780, as against 155,140 three years ago. The total number of world looms stopped was 296,332, as against 383,429 in 1933.

COTTON PRICES

	1937				Corresponding Date	
	July 14	July 21	July 28	Aug. 4	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	7·02	6·71	6·36	6·14	6 69	6·99
„ Sakellarkis Fully Good Fair Egyptian ..... per lb	10·06	9·94	9·60	9·48	8·15	11·15
Yarns—32's twist ..... per lb	14	13½	13½	13½	10½	11
„ 40's weft ..... per lb	18	12½	12½	12½	10½	11½
„ 60's twist (Egyptian) ..... per lb	19½	19½	19½	18½	15½	17
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	20 3	20 1	20 0	19 9	17 6	18 1½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	27 8	27 5	27 2	26 9	24 4½	25 6
38-in. ditto, 36 yds., 18 by 16, 10 lb.	11 6	11 5	11 4	11 3	10 5	10 5
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 6	10 5	10 4	10 3	9 3	9 5

WOOL.—Bradford.—The position of the wool market continues healthy, all the sound factors revealed at the recent London sales remaining intact. There continues to be a satisfactory demand for both merinos and crossbreds, and stocks of colonial wools are very small. Machinery is being kept running mostly full time, notwithstanding that the holiday period is now in full swing throughout the whole of the West Riding. Values for tops and yarns remain very firm. Already some good orders have been placed for both merinos and crossbreds covering requirements for next spring, and some spinners, who cannot see lower merino values, have already covered part of their requirements for the next three months.

The position of the raw material is good, consumption satisfactory and values firm. The outlook for the new clip is satisfactory.

AUSTRALASIAN WOOL STATISTICS.—According to cabled information from Messrs Dalgety and Company, production of wool in Australia and New Zealand (including wool exported on the skin) rose by 141,649 bales (40,956,744 lbs.) from 3,844,574 bales (1,177,968,164 lbs.) in 1935–36 to 3,986,223 bales (1,218,924,908 lbs.) in 1936–37. The average price of Australian wool rose from £17 12s. 3d. per bale (14½d. per lb.) to £20 14s. 2d. per bale (16½d. per lb.), while that of New Zealand advanced from £13 6s. 5d. per bale (9½d. per lb.) to £22 6s. 8d. per bale (15½d. per lb.). Meanwhile, the carry-over of Australian wool was reduced by 28,764 to 47,069 bales, and that of New Zealand wool by 14,332 to 15,198 bales. The combined carry-over thus amounts to 62,267 bales, against 105,363 bales at the end of the 1935–36 season. This is one of the smallest carry-overs ever known.

RAYON PRODUCTION AND CONSUMPTION.—United Kingdom output of staple fibre and rayon waste in June reached the record total of 3,295,000 lbs., the previous highest month being July, 1936, with 2,976,063 lbs. Total output for the first six months of 1937 was 16,283,000 lbs., against 14,050,000 lbs. in the corresponding period in 1936; but as exports totalled 6,498,000 lbs. against 4,293,000 lbs., the amount retained at home was approximately the same in each year. Imports are negligible. The output of ordinary rayon yarn in June was 10,765,000 lbs. against 9,450,000 lbs. in May and 9,505,000 lbs. in June last year. The production was not, however, a record, being exceeded as recently as last April with 10,855,000 lbs. Output in the first six months was 59,608,000 lbs. against 58,150,000 lbs.

The excise returns give an indication of consumption and show that the off-take in June was 11,338,000 lbs. against 10,075,000 lbs. in May and 9,027,000 lbs. in June last year. The total for the first six months of 1937 was 61,318,000 lbs. against 55,071,000 lbs. last year, which indicates that the stocks accumulated last year have been sold. After deducting exports, which have shown a marked increase, actual consumption in the first six months of 1937 was 55,445,000 lbs. against 51,927,000 lbs. last year. To these figures must be added imports of 600,000 lbs. in each year.

GRAIN MARKETS

WHEAT.—After remaining fairly steady in the early part of the period under review, the markets turned quiet and easier. The news that samples of Russian wheat had reached Liverpool caused a sharp break on Wednesday; but there is no indication of the extent of Russia's exportable surplus and, if any, business has yet been transacted.

On Wednesday last, "September" futures were quoted in Chicago at 113½ cents per bushel, against 118¼ cents the week before and 125¼ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship, 51s. 9d. per 496 lbs., against 53s. 6d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 51s., against 52s. 6d last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 822,000 quarters, against 751,000 quarters in the previous week and 1,238,000 quarters in the corresponding week a year ago.

FLOUR.—Demand has been restricted by holiday influences and prices are again lower. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 41s. 6d. per 280 lbs. as against 42s. 6d. a week ago; delivered inner London, 41s., as against 42s. a week ago. Manitoba patents, ex store, 39s. 6d. to 41s., as against 40s. 3d. to 41s. 9d. a week ago. Australian, ex store, 33s. 6d. to 33s. 9d., as against 33s. 6d. to 34s. a week ago.

BARLEY.—The markets have a fairly steady tone, but business is limited. "October" futures were quoted at 60½ cents per bushel in Winnipeg on Wednesday, as against 65 cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, not quoted; Californian, ex ship, 49s. 6d. to 63s., as against 49s. 6d. to 63s. a week ago. Chilean, brewing, ex ship, 46s. 6d. to 50s., as against 46s. 6d. to 50s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 28½ cents a bushel in Chicago, against 30½ cents a week ago and 39¼ cents last month. Quotations in London, Wednesday: "English Black," at farm, 28s. to 29s. per 336 lbs., as against 28s. to 29s. a week ago; "English White," at farm, 28s. to 29s., as against 28s. to 29s. a week ago; mixed Canadian feed (Vancouver), landed 26s. 9d. per 320 lbs., as against 27s. 6d. a week ago.

MAIZE.—The market has eased in response to good reports of the U.S. crop and on a poor demand. "September" futures were quoted on Wednesday at 97 cents per bushel in Chicago, against 97½ cents a week ago and 113½ cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. 3d. per 480 lbs., as against 28s. 9d. a week ago; "Plate," ex ship, 27s. 3d., as against 27s. 9d. a week ago; "Plate," "July," 27s. 3d., as against 27s. 9d. a week ago; yellow maize meal, ex wharf, was quoted at £7 5s. to £7 7s. 6d. per ton, as against £7 7s. 6d. to £7 10s. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Aug., 5 1936	Dec. 30, 1936	July 28, 1937	Aug. 4, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb.	82⅛	84⅛	107⅛	129	137⅛	126
Chicago (No. 2, Winter)— Cents per 60 lb.	98⅛	101⅛	113⅛	135⅛	124	113⅛

The visible supply of wheat in Canada amounts to 33,286,000 bushels, against 35,179,000 bushels last week and 70,348,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to July 31	131,384	57,403	43,950	110,047
48 weeks to July 31	10,212,096	13,260,332	13,127,427	10,867,673
Average price of English wheat per cwt.	s. d. 5 1	s. d. 5 4	s. d. 7 4	s. d. 9 11

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
July 29, 1933	15,157	8,797	6,174	6 10	6 9	5 11
July 28, 1934	131,384	7,108	16,823	5 1	7 10	6 5
Aug. 3, 1935	57,403	5,356	10,724	5 4	6 7	6 0
Aug. 1, 1936	43,950	3,112	10,052	7 4	6 10	6 8
July 24, 1937	85,334	1,911	7,464	9 9	9 2	9 4
July 31, 1937	110,047	1,421	12,628	9 11	9 8	9 4

OTHER FOODS

BACON.—Bacon continues in active demand with prices on the upgrade. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 101s.; Canadian, 94s.; Danish, 100s.; against 98s., 94s., and 100s. last week. Arrivals in London last week included: Danish, 14,346 bales; Canadian, 5,233; Dutch, 2,029; Lithuanian, 1,111; and Polish, 3,332; as against 13,886, 5,275, 2,261, 954, and 2,981 bales, respectively, in the previous week.

BUTTER.—The upward movement of prices continues and market conditions are firm. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 119s. to 120s.; Australian, choicest salted, 118s.; Danish, 124s.; compared with 118s. to 119s., 117s. to 118s., and 124s., respectively, a week ago.

CHEESE.—Cheese has been a steady market with prices showing little change. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English cheddars, finest farmers, 84s. to 88s.; Canadian, finest coloured, 73s.; and New Zealand, finest coloured, 71s. to 72s.; against 72s. to 73s. and 72s., respectively, a week ago.

COCOA.—The spot quotation in New York on Wednesday was 8¼ cents per lb., as against 8¼ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November-January," was quoted at 38s. 9d. to 39s. sellers per 50 kilos., c.i.f. Continent, against 38s. a week ago. Last week's movements of cocoa in London were as follows: Landed, 3,204 bags; delivered, for home consumption, 3,725 bags; exported, 70 bags; stocks, 261,558 bags, against 162,778 bags a year ago.

COFFEE.—On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 6 cwt.; delivered, for home consumption, 166 cwt.; exports, 9 cwt.; stocks, 1,841 cwt., against 10,211 a year ago. Central and other South American: Landed, 443 cwt.; delivered, for home consumption, 1,989 cwt.; exported, 624 cwt.; stocks, 101,804 cwt., against 101,378 last year. Other kinds: Landed, 1,464 cwt.; delivered, for home consumption, 3,991 cwt.; exported, 796 cwt.; stocks, 102,370 cwt., against 145,933 last year.

EGGS.—Prices remain unchanged on the week, and the market is steady. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15-15½ lb.) realised 15s. to 16s. per 120, against 15s. to 16s. last week; while Danish (15½ lb.) made 11s. to 11s. 3d., as against 11s. to 11s. 3d. last week.

FRUIT.—The holiday season has resulted in a slackening of business at Covent Garden, states *The Fruitgrower*. English green apples are now in plentiful supply, demand being fairly good and prices moderate. Imported pears continue in active demand at unchanged prices. Raspberries, though plentiful, are selling well. Red currants are more in evidence than black; the green gooseberry season is now over. Loganberries maintain their price. The demand for hothouse grapes is less active and prices are easier. Melons, peaches, and nectarines are enjoying a steady sale. There is a better supply of English plums. Oranges, lemons, and grapefruit are in good supply, but prices are fairly well maintained.

MEAT.—At Smithfield market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 4d. to 4s. 8d. per 8 lbs., as compared with 4s. 6d. to 4s. 10d. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 4d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,994 tons, an increase of 579 tons on the corresponding week last year. Beef and veal accounted for 4,981 tons, mutton and lamb 2,883, and pork and bacon 619, as compared with 4,782, 2,529 and 655 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, August-October, was quoted at 4⅛d. per lb., sellers, c.i.f. Rotterdam-Hamburg, against 4¼d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3d. per lb., sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed 2 tons; delivered 26 tons; stocks, 2,031, against 1,756 last year. White, landed, 87 tons; delivered, 73 tons; stocks, 11,538 tons, compared with 12,265 a year ago.

RICE.—The spot price of Burma No. 2 cleaned, was 10s. 1½d. per cwt., ex warehouse, on Wednesday, as compared with 10s. 1½d. per cwt. a week ago. "August-September," in singles to Continent and U.K., was quoted at 9s. 1½d. to 9s. 3d. per cwt., against 9s. 1½d. to 9s. 3d. last week Movements in London last week were as follows: Landed, 236 tons; delivered, 151 tons; stocks, 2,131 tons, against 2,308 a year ago.

SUGAR.—Quiet conditions still obtain on the London market, while in New York the market is firm and prices show an increase. The New York spot quotation was 3·53 cents on Wednesday, as compared with 3·45 cents per lb. last week and 3·50 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 8d. to 6s. 8½d., against 6s. 8d. to 6s. 8½d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports 10,301 tons, against 8,665 in the previous week, and 8,220 in the same week of 1936; deliveries, 25,171 tons, against 11,893 and 25,152 tons, respectively; stocks, 145,791 tons, against 160,661 and 116,612 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 30, 1936	12·05	11·81	12·81	10·32	9·84	11·13	12·18
July 1, 1937	15·12	14·49	15·09	13·37	12·24	13·76	14·78
„ 8, „	15·34	14·38	15·12	14·64	12·25	13·69	14·83
„ 15, „	15·31	14·50	15·15	13·12	12·50	13·84	14·92
„ 22, „	15·15	14·55	15·33	13·44	12·38	13·52	14·92
„ 29, „	15·34	14·58	15·39	13·39	12·65	14·07	15·05

No auctions have been held at Mincing Lane this week, but the market will re-open on Monday next.

VEGETABLES.—In spite of heavier arrivals of tomatoes, prices at Covent Garden show little change, states *The Fruitgrower*; cucumbers are selling well at slightly lower prices. Supplies of runner beans show a marked increase and some difficulty has been experienced in disposing of stocks, even at reduced prices. Arrivals of marrows are heavier and prices have accordingly eased. Green peas continue to arrive in fair quantities, prices being maintained. Carrots are still on the short side, with prices firm. Meanwhile, supplies of potatoes at London markets have been heavy and, with demand only moderate, prices are again easier. At the Borough on Tuesday Sharpe's Express, Eclipse, Majestic and British Queen were quoted at 4s. 6d. to 6s. per cwt., according to sample, against 6s. to 7s. 6d. a week earlier.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets opened after the holiday with a steady to firm tone, though business has since been on quiet lines. Linseed is still subject to weather and crop influences. Copious rains are wanted in Argentina to permit of seeding operations being carried on successfully, and there is some anxiety that the prolonged period of inadequate moisture may result in a smaller area being sown than might otherwise be the case. However, there are still eight weeks in which to complete sowing, including the late districts, and proportionate prospects of ample rains in the meantime. The probable outturn of the American crop is still very much in doubt as the official Government estimate and private advices vary considerably. Meanwhile, shipment of the old crop from Argentina continues on a fair scale. At the end of July the balance of the exportable surplus (including Uruguay) had been reduced to 400,000 tons as against 665,000 tons actually shipped during the last five months of 1936. Shipments of India's new crop are very small and much below a year ago. However, with an estimated balance available for export of 270,000 tons India may fill the gap in supplies to some extent, although there will still be a shortage of probably 140,000 tons in world supplies.

Generally, the market is steady and prices at the moment are inclined downward in sympathy with wheat. The quantity of linseed afloat for Europe is now 104,200 tons and for the United States 51,000 tons. Linseed oil is steady and recent levels are about maintained. Very little old crop Egyptian cottonseed now remains and new crop has been in good demand at declining prices. Cotton oil is quiet and values are about unchanged. Egyptian crude ex Hull is held for £27 10s. spot, but forward delivery is reported at £2 below this figure. Oilcakes are steady and in quiet demand.

RUBBER.—Business has been restricted by holiday influences and the market has had a quiet tone. Prices have accordingly fluctuated within narrow limits and are about unchanged on the week. Buyers are reported to be fairly active at current quotations.

The spot price in New York on Wednesday was 18⅜ cents per lb., compared with 18⅛ cents per lb. a week ago and 19⅛ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8½d. per lb., as against 8⅝d. on the corresponding day last week. In forward positions business has been done at 8 13/16d. to 9d. for "September" shipment, as against 8 15/16d. a week ago. Stocks in London and Liverpool at the end of last week totalled 42,056 tons, against 41,782 tons a week earlier. A year ago stocks amounted to 113,312 tons.

FURS.—As had been expected, an easier tendency was evident at the fur sales held in London last week. Despite a good demand, South-West African "Persian lambs" declined in price by 10 per cent. compared with the spring sales. Beaver sustained a similar loss, but here the bulk of the offerings was withdrawn. Nor did mink sell well; prices eased by 15 per cent., despite large withdrawals. Fair interest was displayed in musquash, but here again prices were some 10 per cent. lower than in April. The sale was surprisingly well attended, especially by foreign buyers. Leipzig merchants made substantial purchases and, for the first time since the Abyssinian war, Italy was also a buyer. In these circumstances, the sharp reaction of prices is significant and appears to indicate at least a temporary change in the trend of fur prices.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, August 4th

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

CEREALS AND MEAT

	s. d.	s. d.
GRAIN, Etc.—		
Wheat—		
No. 2, N. Man. 496 lb.	51 0	
Eng. Gaz. av., per cwt.	9 11	
Barley, Eng. Gaz. av.	9 8	
Oats, " "	9 4	
Maize, La Plata, landed 480 lb.	28 3	
Flour, Lon. stan. ex mill, 280 lb.	39 9	
RiceNo.2 Burma,per cwt.	9 1½	9 3
MEAT—		
Beef, per 8 lbs.—		
English long sides	4 8	5 8
Argentine chilled hinds	4 4	4 8
Mutton, per 8 lbs.—		
English wethers	6 0	6 8
N.Z. frozen "	3 6	4 2
Lamb, per 8 lbs.—		
N.Z. frozen	4 8	5 6
Pork, English, per 8 lbs.	5 4	5 8

OTHER FOODS

BACON—		
English per cwt	101 0	
Irish	100 0	103 0
Danish	100 0	
Dutch	100 0	
HAMS—		
Canadian	108 0	110 0
United States	108 0	110 0
BUTTER—		
Australian	118 0	
New Zealand	119 0	120 0
Danish	124 0	
CHEESE—		
Canadian per cwt.	73 0	
New Zealand	71 0	72 0
English Cheddars	84 0	88 0
Dutch	56 0	63 0
COCOA—		
(Duty, British grown, 11/8; foreign, 14/- cwt.)		
Accra, f.f. per cwt.	37 0	37 6
Trinidad	65 0	70 0
Grenada	58 0	60 0
COFFEE—		
(Duty, British grown, 4/8; foreign, 14/- cwt.)		
Santos supr. c. & f. cwt.	53 0	
Colombian, good	58 0	62 0
Costa Rica, med. to good	64 0	90 0
East Indian " " "	70 0	90 0
Kenya, medium	58 0	72 0
EGGS—		
English per 120	15 0	16 0
Danish	11 0	11 3
FRUIT—Oranges—		
S. African boxes	8 6	12 0
Brazilian boxes	9 0	10 0
Lemons, Malaga cases	...	
" Sicilian boxes	18 0	24 0
Apples: Amer. (var.) bris.	...	
" (var.) boxes	...	
" Australian	8 0	12 0
Onions—		
Valencia, case	...	
Egyptian, bags	5 6	6 0
Grapes, Almeria, barrels	...	
Grapefruit, Brazilian	12 0	18 0
" S. African	12 0	17 0
LARD—		
Irish, finest bladders	66 0	74 0
U.S. per cwt.	66 0	67 6

	s. d.	s. d.
POTATOES—		
English new per cwt.	4 6	6 0
SPICES—		
Pepper, per lb.—		
Black Lampong	0 3	
White Muntock	0 6	
Cinnamon—1st sort, per lb.	0 9	
Cloves—Zanzibar, per lb.	0 8½	
Ginger—per cwt.—		
African	58 0	
Jamaica, ord. to good	65 0	95 0
Jam. per lb.	1 10	2 4
Nutmegs, 65's	1 0	
SUGAR—		
(Duty, 11/8 per cwt.)		
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6 8½	
B.W.I., crystallised	17 6	19 3
Java, white, c. & f. India Oct.-Dec.	Nominal.	
REFINED—London—		
Yellow Crystals	20 0	
Cubes	24 3	24 9
Crushed	22 6	
Granulated	20 4½	21 3
Home Grown	20 3	20 6
TEA—		
Indian—per lb.—		
Pekoe		
Broken Pekoe		
Orange Pekoe	Market	
Broken Orange Pekoe		
Ceylon—per lb.—	Closed	
Pekoe		
Broken Pekoe		
Orange Pekoe		
Broken Orange		
TOBACCO—		
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½– 8/3½ per lb.)		
Virginia leaf—		
Common to fine	0 8	2 6
Rhodesian leaf	0 9	1 10
Nyasaland leaf	0 7	1 4
" strips	0 9	1 6
East Indian leaf	0 7	1 10
" strips	0 6	1 9

TEXTILES

COTTON—	d.			
Mid-American per lb.	6·14			
Sakellaridis, f.g.f.	9·48			
Yarns, 32's twist	13½			
" 60's twist	18½			
FLAX—	£ s.	£ s.		
Livonian ZK per ton	82 0	86 0		
Pernau HD	84 0	85 0		
Slanetz Medium...1st sort	90 0	92 0		
HEMP—				
Italian P.C. per ton	66 0			
Manilla, Aug.-Oct. "J2"	35 0			
Sisal, African	25 5	28 5		
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.-Sept.	£21/8/9			
Daisee 2/3 c.i.f. Dundee Oct.-Dec.	£20/15,0			
SILK—	s. d.	s. d.		
Canton per lb.	6 0	8 0		
Tussah	3 6	4 6		
Japan	7 9	8 6		
Italian—raw, fr. Milan	8 6	10 0		

	d.
WOOL—	
English Southdown, greasy, per lb.	19
" Lincoln hog, washed	18
Queensland, scd. super cmbg.	32
N.S.W. greasy, super cmbg.	19
N.Z., grsy., half-bred 50–56	18½
Crossbred 40–44	16
Tops—	
Merinos 70's average	41
" 64's "	38½
Crossbred 48's	26
" 46's "	25

MINERALS

	s. d.	s. d.
COAL—		
Welsh, best Ad'ty ton	19 6	22 6
Durham, best gas, f.o.b. Tyne	22 6	
Sheffield, best house, at pits	21 0	22 6
IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101 0	
Bars, M'brough	265 0	
Steel rails, heavy	202 6	
Tin plates per box	25 6	26 0

	£ s. d.	£ s. d.
METALS—		
Copper, Electrolytic, ton	64 15/0	65/15/0
Sheets (Strong)	93/0/0	
Standard	57/10/0	57/11/3
Lead, Eng. pig... per ton	24/15/0	
Soft foreign	22/10 0	22/11/3
Spelter G.O.B.	22/3/9	23/10/0
Tin—English ingots	263/10/0	
Standard cash	262/15/0	263/5/0

MISCELLANEOUS

	s. d.	s. d.
CHEMICALS—		
Acid, citric, per lb., less 5%	1 0	1 0½
Nitric	0 2½	0 3½
Oxalic, net	0 5	0 6
TartaricEnglish, less 5%	1 1	1 1½
Alcohol, Plain Ethyl	12 0	
	£ s.	£ s.
Alum, lump per ton	8 10	8 15
Ammonia, carb. ton	27 0	28 0
Sulphate		7 5
Arsenic, lump ... per ton	35 0	
Bleaching powder, per ton	8 15	9 0
	s. d.	s. d.
Borax, gran. ... per cwt.	13 6	
Do., powder	15 0	
Nitrate of soda ... per cwt.	7 9	
Potash—Chlorate, net	0 4	0 4½
Sulphate per cwt.	9 9	10 0
Soda Bicarb. ... per cwt.	10 0	11 0
Crystals per cwt.	5 0	5 3
Sulphate of Copper, per ton	£22 0	

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/– per ton
1 and up to 4-ton loads 41/– per ton

	£ s. d.
COPRA—	
S.D.Straits c.i.f., per ton	16.6/3
DRUGS—	
Camphor—	s. d. s. d.
Japan, refined... per lb.	2 4
Ipecacuanha per lb.	7 9
HIDES—	
Wet salted—Australian per lb.	0 7 0 7½
West Indian	0 5 0 5½

	s. d.	s. d.
Cape	0 6½	0 7
Dry and Drysalted Cape	0 9½	0 10½
Market Hides, Manch'tr—		
Best heavy ox and heifer	0 7½	0 8½
Best cow	0 6½	0 7½
Best calf	0 7	0 11
INDIGO—		
Bengal, gd. red.-vio. to fine per lb.	5 6	6 0
LEATHER—		
Sole Bends 8/14 lb.—		
per lb.	1 3	2 6
Bark Tanned Sole	2 ...	3 3
Shoulders fm DS Hides	0 8	0 10
Do. Eng. or WS do.	0 10	1 10
Bellies from DS do.	0 5½	0 6½
Do. Eng. or WS. do.	0 6½	0 9
Dressing Hides	1 6	2 0
Ro. Eng. Calf, 20/30 lb.	5 0	6 0
Aust. Bends Avg. 7/11 lb.	1 3	1 7

	£ s. d.
VEGETABLE OILS—	
Linseed, naked, p. ton net	29 12 6
Rape, refined	38/0/0
Cotton-seed, crude	28 0/0
Coconut, crude	24 7 6
Palm	22,7 6
Oil Cakes, Linseed, Eng., per ton	9/2/6
Oil Seeds—Linseed—	
La Plata, p. ton, Aug.	13 6 3
Calcutta—per ton	15,5 0
	s. d.
Turpentine, per cwt.	36 0

PETROLEUM PRODUCTS—	
Motor Spirit, No. 1, London	1 6
Petroleum, Amer. rfd. brl. London, per gall.	0 10½
Fuel oil, in bulk, for contracts, ex instal. Thames—	
Furnace...per gall.	0 3¾†
Diesel...per gall.	0 4½†
ROSIN—	
American per ton	19/5,0 21/10,0
RUBBER—	s. d. s. d.
St. ribbed smoked sheet per lb.	0 8½
Fine hard Para per lb.	0 9½
SHELLAC—	
TN Orange ... per cwt.	46 0 49 0
SHELLS—	£ s. £ s.
W. Aust. M.-o.-P. "	3 10 12 10
TALLOW—	s. d.
London town...per cwt.	25 6

	£ s. d.
TIMBER—	
Swedish u/s 3 x 8 ... per std.	24 0 0
" 2½ x 7 ... "	23 10 0
" 2 x 4 ... "	21 0 0
Can'dn Spruce, Dis. ... "	24 10 0
Pitchpine per load	11 0 0
Rio Deals per std.	35 0 0
Teak per load	27 0 0
Honduras Mahg. logs ... c. ft.	0 12 0
African "	0 6 0
Amer. Oak Boards" ... "	0 6 0
" Ash " ... "	0 6 0
English Oak Planks ... "	0 6 0
" Ash " ... "	0 7 0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Aug. 5, 1936	July 7, 1937	July 28, 1937	Aug. 4, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 113¼(c)	Cents 123(b)	Cents 124(b)	Cents 113½(c)
Maize, nearest future, Chicago, per bushel	106¾(c)	125½(b)	100⅜(b)	97(c)
Oats, nearest future, Chicago, per bushel	42⅞(c)	43⅜(b)	31(b)	28½(c)
Rye, nearest future, Chicago, per bushel	82½(c)	92½(b)	89(b)	77⅞(c)
Barley, nearest future, Chicago, per bushel	75½(c)	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8¾	9½	9¼	9¼
" Santos No. 4, cash per lb.	10⅝	11½	11½	11½
Cocoa, Accra, nearest future, per lb.	6·10	7·47	7·96	8·08

	Aug. 5, 1936	July 7, 1937	July 28, 1937	Aug. 4, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·65	Cents 3·50	Cents 3·45	Cents 3·53
Cotton, middling, spot, per lb.	12·59	12·62	11·44	11·24
Rubber, smoked sheet, spot, per lb.	16 1/16	19 1/16	18¼	18⅜
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·27½	14·15	14·07½	14·20
Copper "Electrolytic," Export prompt, per lb.	9·50	14·37½	14·30	14·42½
Spelter, East St. Louis, spot, per lb.	4·80	6·75	7·00	7·00
Lead, spot, per lb.	4·60	6·00	6·00	6·25
Tin, "Straits," spot, per lb.	42·75	59·75	59·12½	59·12½

(a) Nominal. (b) July. (c) September.

THE ECONOMIST

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The Soldier's Lot

IT would perhaps be an almost insulting misuse of allusion to call the Army the Cinderella of the three British Defence forces. But it is at least true that since the end of the war the Army has been the least popular of the three, certainly with the general public and possibly also with the makers of policy. Englishmen are traditionally not fond of keeping an army in peace-time. Even as recently as the last century the Army was deliberately kept out of sight lest a too ostentatious display of its numbers should lead the politicians to reduce them. All through the Victorian age, the "wooden walls of Old England" summoned tears of emotion to the national eye, while the "thin red line" was, as often as not, a music-hall joke. This attitude is perhaps to blame for the fact that there seems to be a continuing tendency for the Army to need a drastic reorganisation about every generation. CARDWELL in 1868-74 and HALDANE in 1906-12 both in their turn brought the British Army to a high pitch of efficiency. There are many signs that the time for another such instalment of reform has come.

The need for reform must not be exaggerated. There has been no such stagnation as in the pre-Cardwell era. Mechanisation has been carried through as thoroughly as restricted funds would permit. Strategical and tactical notions have been subjected to continuous review. The features of the Army which are subject to the greatest doubts are largely confined to those of organisation and, pre-eminently, of recruitment. On the side of organisation, the CARDWELL system of "linked" home and foreign service battalions has been coming under suspicion. It was designed to provide Great Britain with an efficient weapon for Colonial warfare, and it served its purpose admirably, as the feats of arms performed by WOLSELEY, ROBERTS and KITCHENER demonstrate. But it did not shine in the Boer War, and in the Great War it was perforce in complete abeyance. It might, indeed, have been abolished or modified even before 1914, if CAMPBELL-BANNERMAN (who had served at the War Office under CARDWELL) had not made its retention one of the conditions on which HALDANE was appointed. In any case, the time is now long overdue when it must be enquired whether the British Army's only rôle is that of a Colonial Police Force, and, even if it is, whether the "linked battalion" system is, in these days, the best method of achieving the aim.

Another aspect of the CARDWELL reforms, however, is at the moment much more urgently under examination. Far more important than the "linked battalion" scheme which is peculiarly associated with his name was his substitution for the old Wellingtonian long-service period of a shorter term with the colours. Until the seventies, recruits served for twenty-one years, under conditions which have been described as "a sort of penal servitude for the dregs of the population." CARDWELL substituted a short period with the colours, followed by another period in the Reserve. At present, the periods are seven and five years respectively. Since the great merit of this system, as opposed to the Wellingtonian, is that it enables a reserve to be built

up, men who have served with the colours are not allowed, save in exceptional cases, to stay in the Army, even if they should wish to.

This is the system towards whose modification MR HORE-BELISHA, the new Secretary of State, has this week taken the first tentative steps. As an experiment, men who are due for discharge are to be allowed to remain with, and Reservists to return to, the colours, and if they serve the full twenty-one years will qualify for pension. This change will have the immediate advantages that it will help to swell the depleted cadres and that it will be a test of the private soldier's willingness to remain in the Army after seven years. Moreover, if it is made permanent, it will provide the new recruit to the Army with the assurance which the Navy can already give him, that he will have a job for half his life and a pension for the remainder.

These are substantial advantages, but there are arguments to be set on the other side. It is questionable whether, after the first seven years, the soldier acquires any further military value to offset his growing age. Indeed, it may well be that, so far as the rank and file are concerned, the advantages of the professional soldier are diminishing, for in proportion as the Army is mechanised and war grows more "total," the military value of civilian skills increases. And, in any case, MR HORE-BELISHA'S changes deplete the Reserve by as much as they swell the serving units. For this reason, it is very unlikely that the Army will revert to a long-service basis for all its men. It may be, however, that in future there will be a substantial long-service element, and, if so, it might be possible to enlist the short-service remainder for even less than seven years. CARDWELL himself originally proposed three years, and such a short period would have the double advantage of attracting recruits and quickening the flow into the Reserve. These are arguments which are known to be receiving attention. Whether sound or not, they are sufficient to place this week's changes in the proper perspective and to show that they do not provide an easy solution to the whole problem. There is a great deal to be said for providing in the Army a life's career for those who want it; but there are at least as many who do not want it.

Whether as career or temporary berth, however, Army life is not at present sufficiently appealing to attract enough recruits of the right type. For some decades after CARDWELL the Army was popular among recruits, since the conditions of life and pay compared favourably with those which were available elsewhere. That is not true to-day, as can be seen from the fact that the flow of recruits tends to vary inversely with the state of trade. Young men still tend to join the Army because they cannot find anything better to do. There is indeed a vicious circle at work. Since the Army can get only the less intelligent and skilled young men, it has to set a standard of professional competence and discipline appropriate to them, and this in turn repels the better potential recruits, who go to the Navy and the Air Force. The way to a remedy of the present state of affairs can be opened only by breaking this vicious circle. That, in turn, involves an improvement in living conditions, a reduction of the more onerous and less enlightening forms of discipline, an increase in pay (even, if necessary, by raising the Army's basic rate of pay as high above those of the two other forces as is necessary to compensate for its drawbacks in the eyes of the recruit) and a much greater emphasis on the acquisition of mechanical and other skills.

In all these problems there is a chance for MR HORE-BELISHA to add his name to those of the great Liberal Army reformers. He has the energy, the suppleness of mind and the freedom from Army tradition essential to push through a great series of reforms. Since there is hardly an armed force in the world which is less of a threat to peace than the British Army, he should be wished every good fortune in his task.

France Breathes Again

AFTER stoutly resisting devaluation for four years, France has twice devalued her currency within nine months. The first blow to the franc left the French people bewildered. Nothing, either catastrophic or beneficial, seemed to result; for the constructive programme of social reform launched by M. BLUM'S Government last year masked many weaknesses in the country's financial fabric which only declared themselves a few weeks ago in the second franc crisis. When, however, the great rise in costs and prices resulting from that programme prevented the restoration of France's competitive power in trade, and thus kept the hundreds of milliards of French rentiers' francs from returning home, the BLUM Government found its revenue laggard, its trade balance adverse, its Budget becoming increasingly unbalanced, and its borrowing powers progressively restricted. An empty Treasury and a fresh efflux of gold from the country provoked the crisis of last June; M. BLUM resigned; and his successor, M. CHAUTEMPS, supported by the elements of the Popular Front, including the Communists, brought back M. BONNET from the French Embassy in Washington and made him Finance Minister with power to restore France's finances under the newly accorded system of emergency decrees.

The power of the CHAUTEMPS Government to restore Budgetary and financial order by decree expires at the end of this month; and by way of an interim report to the national shareholders, PRESIDENT LEBRUN and MM. CHAUTEMPS and BONNET delivered important speeches last Saturday. Of these speeches, that of M. BONNET was much the most illuminating. The French Finance Minister confirmed that the ordinary Budget deficit for the current year, which was expected to amount to Frs. 8,000 millions, was now covered by the new taxes, increases in railway fares, etc. He also confirmed the Treasury's other liabilities at Frs. 25,000 millions—of which Frs. 10,000 millions were required to repay the Government's three-year 1934 bonds due in October, and the sterling credit for the French railways due in December, and Frs. 15,000 millions were for the extra-Budgetary expenditures on armaments and public works which have been a disturbing feature of recent French Budgets. But he went on to admit that the balancing of the ordinary Budget, coupled with the new Frs. 15,000 millions loan to the Government from the Bank of France's writing-up profit on its gold stock, was not enough. Indeed, it falls short by about Frs. 10,000 millions of covering all the Treasury's foreseeable liabilities during the rest of 1937. But the FINANCE MINISTER threw out encouraging hints when he declared that the Government had not needed to draw on their credit from the Bank, that savings bank deposits had again exceeded withdrawals, that "gold exports had ceased and several thousand millions of francs had returned to the Bank," and that subscriptions to Treasury Bonds had been resumed. This eases the path towards new Government borrowing from the French investor, and reduces the threat inherent in that overhanging Frs. 10,000 millions of real deficit which still remains.

Yet when all these purely financial details are weighed, two features of France's present embarrassments stand out more clearly than the rest; and they are due rather to social, industrial and political than to purely financial causes. To the extent that they are operative, France is still ploughing through a *crise de confiance*; though it may now be hazarded that she is nearing the brighter side. The two features are lack of confidence in the industrial field, and lack of confidence among French capitalists in the wisdom of repatriating their funds lodged abroad. Clearly, if the franc's future at about Frs. 133 to the £1 is tenable—and we have given reasons before now for suggesting that it is—a return of confidence in the profitability of industry, trade and commerce inside France would exert a potent attraction on French funds abroad to return and participate in recovery. A return of business confidence, in fact, is the only key to unlock the French rentier's foreign safe-deposits. But here's the rub; for, while rentiers view MM. CHAUTEMPS and BONNET more kindly than they viewed MM. BLUM and VINCENT-AURIOL, M. BONNET and his Prime Minister have not dared to lay a finger on existing public works and the social reforms so dear to the heart of the working classes. Is there, then, reason to believe that France now possesses new resources of energy and skill—both among industrialists and among the much more powerful trade unions—which can, after the recent crisis, be set free to profit from the new situation?

This question was alike the keynote of M. BONNET'S peroration, and of MM. LEBRUN'S and CHAUTEMPS' addresses. What they all said was, in effect: "We, the leading authorities responsible to the State, have done our best and the situation is already safe. But we can do no more without collaboration between capital and labour, and without their co-operation with the Government. We are not out to secure victories for this, that or the other class; nor do we propose to penalise any of them. But the country has been spending beyond its means; and if the social reforms are to be retained in their pristine beneficence, then they must be paid for by increased productivity of both labour and capital. Off with your coats, both of you, and up with your sleeves! Otherwise we shall not be able to meet our commitments, at home and on international account, in 1938; and then both capital and labour will be compelled to make sacrifices."

This exhortation certainly commands much sympathy in France to-day; for the French people are not afraid to swallow large doses of unpalatable truths, and to act accordingly. But it is now a race with time. If markets abroad expand, and if French capital returns home, 1938 may not, after all, be a crucial year for France. But if the trade balance of France does not improve, if her citizens do not repatriate their capital, and if industrial relations continue in a deadlock, then the present French Government or a successor will find itself within a few months faced with a terrible dilemma over the 1938 Budget. For France as much as for Europe, therefore, we trust that French industrialists, rentiers, and trade unionists will read, mark, and learn the writing which M. BONNET has this week inscribed upon the wall.

Rail Wages and Revenues

DURING the past fortnight, when the railways have been carrying the KING'S subjects in record numbers to their holiday destinations, two decisions have been promulgated which may intimately affect the fortunes of the main-line companies in years to come. On the one hand, the Railway Rates Tribunal has authorised the increase of all rates and charges (with certain exceptions) by 5 per cent. On the other, the Railway Staff National Tribunal has recommended changes in wages and working conditions which, it is estimated, will cost the companies little short of £3,000,000 in a full year. The present moment seems opportune, therefore, for a survey of the outlook for the railways, and an attempt to value the debit and credit items in their economic balance sheet.

Recovery, on the railways, has come by *train omnibus* rather than *train express*. The fall in traffic receipts which began in 1930 was not arrested until 1934. Last year's gross takings were 13 per cent. below the 1929 level, and net receipts were as much as 30 per cent. below the Standard Revenue fixed in 1927. The railways, in fact, no longer enjoy their traditionally sheltered position. Road competition and a reduced volume of export trade have unfavourably reacted on their total earning power. But in one sense the railways still form an economic *enclave*, and the principal elements in their finance at any given moment can be fairly accurately determined.

This condition applies to the effects of both the far-reaching changes which have been announced in the last few days.

We may examine, first, the 5 per cent. basic increase in fares and freight charges from October 1st next. The higher charges will affect every railway user, unless he confines his travel within the London Transport area, or pays less than 5d. for a workman's ticket, or consigns goods at rates below 10d. per ton. Railway standard charges have remained superficially stable since 1928; but in practice they have been steadily falling; for a progressively increasing share of the total traffic has been carried at exceptional rates and cheap fares. To the average railway user, to whom an ounce of personal experience is more convincing than a ton of index numbers and market reports, the reversal of this tendency is in itself a sharp reminder of the crucial fact that industrial costs are rising decisively.

He will not, however, in all cases, be required to pay the full permissible increase. On the goods side, for example, the companies may be expected to quote exceptional rates, below the permissible maximum, where traffics are sensitive to competition by road or water. At present, the railway gross takings are running at the rate of £162 millions per annum. Five per cent. of this total would exceed £8 millions—or say £7½ millions after excluding the London Transport area fares. *But* SIR RALPH WEDGWOOD, of the London and North Eastern Railway, in his evidence before the Railway Rates Tribunal, made an "instructed guess" at the effective yield of the increased charges. His figure of £5,609,500 represents an average increase of about 3½ per cent.

This, however, is a gross and not a net total. The railways' case before the Tribunal was based on the contention—which was unchallenged by any party to the hearings—that working costs were rising steeply against them. Already, additional expenditure for wages of the order of £805,000 has been payable in 1937 from the partial wage cut restoration of August of last year, quite apart from the increased costs of handling a larger volume of traffic. This week's award of the Railway Staff National Tribunal will significantly increase the wages figure. The Unions' claim for the restoration of the final 1¼ per cent. of the 5 per cent. deduction agreed upon in 1931 has been granted. Their

appeal for the restoration of overtime conditions has also succeeded. But more ambitious demands, including a thirty-six hour week and a 50s. minimum wage, have been rejected. The full claims would have cost over £40,000,000, and would have left no surplus even for debenture interest payments. The estimated cost of the actual awards (which include smaller but welcome concessions for low-grade staff and holiday work) is put at £2,900,000 annually, to be shared among 575,000 employees.

Increased wages, however, are only one part of the railways' enhanced bill of costs. Increases in other items are more difficult to evaluate, for they depend upon the rate of exhaustion of existing stocks of materials supplied at lower prices than those now prevailing. SIR WILLIAM WOOD, of the London, Midland and Scottish Railway, giving evidence before the Railway Rates Tribunal, estimated increased costs for labour at £2,603,000 and for material at £5,017,000. These figures were based on prices " known " last June, though not necessarily paid at that time; they relate, in fact, to a species of " notional " year. They are the result of a recalculation of the prospective costs of using the same materials as were purchased in 1936; and they do not, of course, take account of this week's wages award.

So much for expenses. Railway revenues, at present, have a strongly rising trend, but they are still 20 per cent. below the 1929 level. We have summarised the information at present available, on both sides of the account, in the attached table, in which we have embodied a number of estimates for each of the four railways, for a " notional " future year. Many of these are necessarily tentative, but their general effect is clear. Even after all allowance for a further probable increase in gross receipts, higher revenues are running no great distance ahead of advancing costs.

The figures may be briefly described. The first section of the table is concerned with matters of record in 1936; the second with estimates which can be given more or less firmly for 1937; and the third with the effect of changes in rates, working costs and wages in a full year. Our estimate of total net revenues for all four companies in this hypothetical year is £38,164,500, compared with £35,730,561 for 1936—an apparent increase of 7 per cent. But its composition defies the calendar. The figure of £5.6 millions from increased charges applies, broadly, to 1938, provided that the volume of traffic is maintained. The cost of the wages award can similarly be accurately assessed. But the £7 millions allowance for increased working expenditure is an amalgam of increased wages and material costs, and so far as materials are concerned it applies present " known "

	L.M.S.R.	L.N.E.R.	G.W.R.	S.R.	Four Companies
	£	£	£	£	£
1936 Results					
Total receipts§	65,259,177	47,296,387	27,128,971	22,700,372	162,384,907
Railway expenses	51,211,001	38,154,992	20,814,141	16,474,212	126,654,346
Net revenue	14,048,176	9,141,395	6,314,830	6,226,160	35,730,561
Marginal stock	Ord.	2nd pref.	Ord.	Def.	...
Earned (%)	1·2	0·46	3·1	0·5	...
1937 Estimates†					
Additional receipts on existing charges*	2,706,823	2,158,613	1,405,029	453,628	6,724,093
Yield of 5 per cent. increase in rates for 3 months	589,000	433,000	246,000	134,000	1,402,000
Wages award from August 16	435,000	335,000	190,000	130,000	1,090,000
Estimates for "Notional" Year‡					
Yield of 5 per cent. rates increase	2,357,000	1,732,500	983,000	537,000	5,609,500
Additional working expenses, on " known " prices and wages	3,175,000	1,825,000	1,175,000	825,000	7,000,000
Cost of wages award	1,160,000	890,000	510,000	340,000	2,900,000
Future net revenue	14,777,000	10,317,500	7,018,000	6,052,000	38,164,500
Standard revenue	20,579,930	15,216,735	8,466,560	7,095,870	51,359,095
Estimated deficiency (%)	28	32	17	15	26

§ Includes railway receipts, gross and other receipts, net. * Based on results for first 23 weeks, which showed 4·7 per cent. increase over 1936. Latest 31 weeks' figures show 4·6 per cent. increase. †For additional working expenses, only full notional year figures available (see *post.*) ‡ Not including any estimate of prospective traffic movements.

prices to the 1936 quantities. There is scope for double error in adopting the figure for 1938. Known prices increase almost daily, and more materials are now being consumed than before.

The future trend of material costs, in fact, is the greatest unknown in the railway equation. Railway stockholders, in particular, cannot afford to ignore its potentialities. The railway user has an ultimate interest in the achievement of the standard revenues—provided they are attained by an increased volume of traffic or by greater operating efficiency. On neither ground is there any immediate prospect that the existing deficiencies will be made good. Our estimated figure, even for the Southern Railway, is 15 per cent. below the standard; our estimate for the London and North Eastern is as much as 32 per cent. below it. Last, but not least, the railway worker, who last year was virtually invited by the Tribunal to press for the full restoration of pre-depression wages and duty conditions, will have a less obvious case in future for further claims. The Staff Tribunal, indeed, has gone out of its way, in its latest report, to stress the ill-effects of rising costs on the railway position. In short, the evidence suggests that a large part of the financial fruits both of increased charges and of increasing traffic has already been effectively mortgaged, and that a return to the pre-war figures embodied in the Standard Revenue provisions of the Railways Act of 1921 cannot yet be even foreseen.

Demand for British Cars

DEMAND for motor cars has never been, in Britain, the bell-wether of industrial activity that it is in the United States of America, where some professional forecasting agencies, impressed by the experience of the last couple of decades, have gone so far as to declare that what the automobile production figures do to-day, general business will almost invariably do to-morrow. Nevertheless, close interest must needs attach to the prospects of a British industry which claims responsibility for the consumption, last year, of 900,000 tons of iron and steel, 8,830,000 square feet of glass, 2,350,000 gallons of paint, 111,000,000 board feet of timber and 5,717,000 tons of petrol and oil, and to have provided employment for more than 1,250,000 persons directly and probably another 500,000 indirectly in the provision of its raw materials. The larger of the two latter figures includes a large number of people, engaged in the sale, repair and operation of motor vehicles of all kinds, as well as those turning out new vehicles. But the importance of that basic function in the economy of the whole industry is sufficiently obvious to explain the constant anxiety of all producers to discover ways and means of estimating in advance the dimensions of future demand, and planning their productive effort accordingly. In the past, the methods of estimation used have sometimes been near the mark, but on several occasions they have seriously under- or over-stated actual demand. Is there a more excellent way? The following article is designed as a tentative and preliminary reply to this question, in the light of new information which has recently been made available.

We may begin by pointing out the obvious fact that the buyers of any given year's output of new motor vehicles fall into one of two groups: those who are purchasing a car or lorry for the first time and those who are substituting new cars for old. In the jargon of the

market, these two types of demand are said to be, respectively, for expansion and for replacement. Hitherto, it has been customary in all statistical calculations to assume that demand for expansion is synonymous with the annual increase in the number of vehicles registered. This figure is always less than the total number of cars sold (i.e. registered for the first time) during the year. The conclusion has therefore been drawn that the difference between the increase in the total fleet and the number of new cars sold during the year was an exact measure of the extent of replacement demand.

Now, it is obvious that this method of calculation may be relied on to give fairly accurate results for, say, commercial vehicles, which are normally run by their original buyers during the whole, or the greater part, of their useful working life. But where transfers from one owner to another are widespread and frequent enough to create an important " second-hand," as well as a " first-hand " market, a computation which makes no allowance for the former's existence, or its repercussions on the latter, may be liable to substantial error.

No figures are available, unfortunately, to show the extent of turnover in the second-hand market. A very approximate idea of its relative size can, however, be obtained indirectly by assuming that certain figures, giving the average ages of cars registered with the Middlesex County Council—a very important licensing body in Greater and Outer London, north of the Thames—are representative of conditions in the country generally. These figures have been obtained by the Society of Motor Manufacturers and Traders. The assumption that the Middlesex figures are representative is, of course, made *faute de mieux*. Actually, there is reason to believe that they reflect a higher purchasing power than that of the country as a whole. At the moment, however, they are the only data available, and must needs serve as a basis for provisional conclusions until the Society has obtained similar figures for other areas.

From the Middlesex returns, as they stand, we may learn, first, what proportion of the total number of cars were aged under one year, between one year and two years, and so on; and, secondly, what proportion of the total value of the whole fleet was represented by the cars in each age-group. This second computation, at best, can be only approximate. By how much does the value of a car depreciate in its first, second and subsequent years of service? In the following table, it has been assumed that depreciation takes place at the rate of 25 per cent. on the *diminishing* annual values (though this rate may well be too low in practice):—

AGE DISTRIBUTION OF MIDDLESEX COUNTY REGISTRATIONS

Age of Cars (in Years)	*Per cent of Total Number*	*Per cent. of Total Value*	*Age of Cars (in Years)*	*Per cent. of Total Number*	*Per cent. of Total Value*
Under 1	18·90	*35*	5 to 6	6·90	*3*
1 to 2	16·75	*27*	6 to 7	7·73	*3*
2 to 3	11·87	*14*	7 to 8	7·22	*2*
3 to 4	9·62	*9*	8 to 9	5·30	*1*
4 to 5	8·16	*5*	9 and over	7·54	*1*
			Total	100·00	*100*

The table suggests that cars up to three years old are less than half the total number, but account for more than three-fourths of the total value, even on the conservative allowance we have made for depreciation. Conversely, cars of six or more years old represent 28 per cent. of the total number, but only about 7 per cent. of total value. In other words, though the potential second-hand market may be extensive, the contribution which sales of the older types of car can make to the provision of finance for the purchase of new cars is much less than statistics based on mere *numbers* would imply. So far as the *value* of replacement demand is concerned, the dominant factor is the policy of first-hand owners who keep their cars for anything up to three years and then buy new ones.

Let us follow the argument a stage further. If we presume that conditions of general prosperity remain unchanged, then the expected " mortality " of first-hand cars is mainly a function of the sales effected two or three years earlier. Where the actual new sales substantially exceed the *indicated mortality* figures, the presumption is that the excess mainly represents, not replacement demand but the entry of fresh owners into the first-hand class—i.e. the true expansion demand affecting new sales. If, in fact, we express the actual new registration figures in each recent year as a percentage of the figures of similar registrations (*a*) two years before, and (*b*) three years before, we have the following figures:—

Year	Year's Sales as Percentage of Sales Two Years Earlier	Year's Sales as Percentage of Sales Three Years Earlier	Year	Year's Sales as Percentage of Sales Two Years Earlier	Year's Sales as Percentage of Sales Three Years Earlier
1926	128	158	1931	78	85
1927	114	139	1932	91	79
1928	111	114	1933	133	123
1929	107	118	1934	165	166
1930	95	95	1935	178	210
			1936	171	204

The whole calculation is, of course, tentative, but the results certainly seem to square with general facts which are common knowledge. At the beginning of the period, expansion demand was still benefiting from the introduction of the cheap popular car by firms like Morris and Austin. Thereafter, the effect diminished annually, and by 1929 it even seemed that saturation—in terms of existing models and prices—was approaching. Then came the depression, when sales actually fell for a time below the indicated replacement levels, but when new models were evolved (especially in the 10/11 h.p. group) and prices were steeply reduced. Consequently, as soon as revival liberated buying, a new and vigorous advance was made, which only began to slow down last year, when the arrears of the depression period had been fully overtaken. The figures of actual sales for 1937 may show a slight increase on those for 1936, but as they will be related, for the purpose of our index numbers, to higher basic figures two and three years earlier, the indices will probably register a further decline. Indeed, with prices tending to rise we may be conceivably entering a period comparable with the late nineteen-twenties, when saturation, *under existing conditions*, was evidently approaching. But in the meantime the ranks of first-hand owners have been so much swelled that the technical prospect for replacements is greatly improved; and saturation may still recede before the combined influence of improved roads, technical advances, more houses with garages and a further rise in prosperity.

Whether or not the above figures and the conclusions we have sought to draw from them would prove well founded in the light of fuller statistical information, they may serve to stress the need for a special inquiry among dealers into the age of first-owner cars " traded-in " against new cars, year by year. Accurate figures regularly compiled would throw invaluable light on the " cycle " of replacement demand, and greatly help manufacturers in forecasting their probable market. They would not, of course, be a conclusive pointer to future demand, for replacement is only one of the three factors which determine new sales. The others are the general trend of prosperity and the relative movement of prices or, rather, of value for money, allowing for all technical improvements which tend to make a new car more desirable than an older one. The incidence of these factors, however, lies outside the scope of this article.

So far as replacement factors go, one or two consequences of the thesis set out in the present article deserve passing notice. When the prices of new cars are lowered, demand is stimulated not only by way of the increased inducement to first hand owners to replace their existing cars, but also by the attraction of potential buyers from the second-hand to the new market. But the actual expansion in the total number of car owners among the lower salaried classes and upper wage-earning classes is much more a function of the second-hand market than of the price of new cars. Finally, it would seem that the primary effect of economic depression or revival on new sales operates largely through a lengthening or shortening of the average first-hand life of a car. Here is another argument for the collection by the Society of regular information about the average age of first-owner cars exchanged against new vehicles, despite the inherent difficulty of the task.

Aftermath in Poland

IN May two years ago, exactly nine years after he had made himself dictator of the country, Marshal Pilsudski, creator of modern Poland, died. With his dying breath he bequeathed the Inspector-Generalship of the Forces, the position he had held, to General Rydz-Smigly, a liberal-minded, cultured officer named Rydz who had shown egregious military skill in the campaign against Soviet Russia under the famous pseudonym Smigly, after the war; and last November General Smigly-Rydz, as he had so altered his name, received that peculiarly Polish symbol of civil power—a Marshal's baton—from President Moscicki. On the face of it, Poland had lost an aged, and gained a young, Marshal-dictator. The Pilsudski political system, with its dependence on " the Colonels " and Legionaries of the Russian campaign, its Government non-party *bloc* formed in 1928 and known as the " B.B.," and its exclusion of the peasants' and democrats' Opposition leaders from power and even from the country, seemed omnipotent and intact.

Yet nothing was farther from the truth. Spanish politics immediately degenerated after the death of the military dictator, General Primo de Rivera in 1930, into a tussle for predominance between personalities, parties, and programmes which unseated the monarchy, unleashed a revolution and ended in civil strife. The progress of such a tussle over a dictator's political testament —happily halted at the verge of civil strife—can be observed to-day in Jugoslavia; and the disputed title to Lenin's political testament is even now, a decade and a half after his death, the cause of civil dissension and repression throughout Soviet Russia. An assassin has now faced Iraq with the same problem. It is a *damnosa haeritas* which a dictator bequeaths; but, unlike the ancient Romans' testament, it cannot be declined.

Difficulties of this kind inexorably beset Marshal Smigly-Rydz, President Moscicki, and the various Prime Ministers of Poland in the last two years; for the Colonels and Legionaries were ardent young men in 1920 and their ambitions have waxed with the years. But within the last week the dissensions among Pilsudski's followers have become public property; and now it looks as if a much uglier monster than a cat is out of the bag. Ever since the old Marshal's death a division of opinion and outlook has been apparent between General Smigly-Rydz and a powerful group of Right-wing Colonels and Legionaries, including former Prime Ministers and the present Marshal of the Senate, with whom, it is reported, the able and extremely independent-minded Foreign Minister, Colonel Beck, was in sympathy and contact. This group in the last two years have seen power slipping from their grasp, although just after Pilsudski's death a new Constitution, inaugurated by the then Prime Minister, Colonel Slawek, abolished the " B.B." *bloc* and practically disfranchised the workers and peasants. Colonel Slawek, a Right-wing leader, was dropped soon after this; and General Smigly-Rydz talked of broadening the basis of Government by securing the goodwill, if not the political collaboration, of the peasants and democrats hitherto in Opposition. Last summer the General was reported to be considering the recall of the peasants' leader, M. Witos, from exile in Prague; and the growth of peasant and democratic support for the new Marshal, who has consistently urged the need for a broader popular basis for the Government, added fuel to the flames of the Right-wing Legionaries' discontent.

This year the inner conflict has been brought to a head by a succession of events. On February 21st Colonel Adam Koc, formerly Under-Secretary of Finance, launched a programme for a National Unity movement in a manifesto under the chilling title " A Politico-Ideological Declaration." This was the result of the charge laid on Colonel Koc by Marshal Smigly-Rydz nine months earlier: namely, to prepare a programme on which both the adherents of the old " B.B." *bloc* and the Opposition elements might collaborate in a kind of quasi-democratic, quasi-totalitarian National Government. The Right-wing Colonels and Legionaries, led by Colonels Prystor and Slawek, shied at it; Colonel Koc's concepts were more than a little vague, which perplexed the people; he lacked the platform manner; and the Marshal naturally feared to descend fully girded into the political arena and force an issue which might have lost him his own useful transcendental attributes. Upon this troubled scene burst two bombshells; one real, the other metaphorical but more disastrous. A man known to have been formerly in contact with, and employed for, certain Right-wing malcontents was blown to pieces in attempting to assassinate Colonel Koc by setting a bomb outside the latter's residence. And, secondly, the Catholic Prince-Primate of Poland, Mgr. Prince Sapieha of Cracow, removed Pilsudski's coffin from its resting-place in the crypt of the Wawel cathedral without Government authority, which was exceeding his rights. The attempt on Colonel Koc's life was almost tantamount to an attempt on that of the Marshal, who could scarcely longer stay his hand from political intervention; but the affair at the Wawel cathedral was inherently more dangerous, for it enabled the Right-wing Colonels and Legionaries to call in question the Concordat of 1925 which they regretted, since it strengthened the Church's influence, especially among the mass of the people.

The *dénouement* of the drama was reached last Sunday, the day of the annual reunion of the Pilsudski Legions, when the Legionaries in their thousands came to pay homage to Pilsudski's memory and to be reviewed and addressed by the present Marshal, by whose side stood Colonel Koc, the architect of the National Unity Plan. Colonels Slawek and Prystor were absent; so was Colonel Beck; so were many " Colonels " once the close associates of Pilsudski. The slight to Marshal Smigly-Rydz was deliberate; the challenge unmistakable; and he accepted it. In a short but unequivocal speech he called on the Legionaries and the Polish people to fulfil the old Marshal's work by collaborating wholeheartedly in the National Unity Movement, to avoid " complicated doctrines and political ideologies." He declared that he wanted to return to " simple ways and solutions." The time had come to finish with disputation and to bring the nation together on a platform of " truth and work."

Thus did the Marshal enter the political ring behind his second. The gloves are now off in Polish politics. The contest may be long and arduous, but in any case it will be crucial for Poland—indeed, for all Eastern and Central Europe. The Pilsudski regime has split within two years of its creator's death; and a great gulf between it and the Polish people has widened, is still widening, and will continue to widen, unless the new Marshal can rally the mass of the still largely disfranchised people to a new national movement whose strength will be its comprehensiveness. A peasant country whose population increases by over 400,000 a year, whose industrialisation depends on the profitability of agriculture, and against whose exports trade barriers are still working havoc, needs all the political calm and unity it can command. Against the Marshal's proposals for his country's governance stand a few jealous guardians of their own interests, too long vested in political power. The mantle which fell from a dictator's shoulders two years ago has disclosed the true face of Polish politics. Poland has now to solve the problem of the aftermath.

Notes of the Week

Japan Prefers War.—In the Far East there has been an abrupt and ominous end to the lull in operations. Japanese troops have entered Peking, Shanghai is hemmed in by a Japanese fleet of 33 warships, and both Chinese and Japanese Armies are preparing to fly at each other's throats in and around this rich but fated city. There has been no pause in the civilian flight from the cities of destruction which the great commercial centres of China are all likely to become if war does after all break out. There is a stream of Chinese refugees from Chapei, the densely populated salient of Chinese-administered territory, jutting into the International Settlement at Shanghai, which was devastated by the Japanese in the fighting in 1932. But there are Japanese refugees too. The Japanese colonies in Hankow, and in all the river ports further up the Yangtse, are being evacuated and brought down-river to Shanghai, and the Japanese colony in Tsinan is being brought down-river to Tsingtao. This evacuation of the Japanese business community from the interior of China must impress upon every Japanese mind the truth that a war would mean for Japan an immediate loss of the China market —and therewith the cutting of one of the principal sinews on which Japan is dependent if she is going to wage war with either China or anyone else. But this factor has not stemmed the fatal trend of Japanese military policy towards war. That policy, the instrument to extend Japanese hegemony over all Northern China and perhaps Eastern Asia, is driven onward by the momentum it has acquired in the last five years, in order to secure its ill-gotten gains.

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In Japan an impressionable public, whose feelings the Army have been most irresponsibly working up, is now clamouring loudly for a " fundamental " solution of the problem in China that Japan has created for herself. But, as we pointed out last week, a fundamental settlement with China is perhaps the one thing that is quite certainly beyond Japan's power to attain by the methods of barbarism which she is still determined to employ. She can shear away great additional slices of Chinese territory *ad libitum*. The next slice is going, apparently, to be the section of Hopei province containing the cities of Peiping and Tientsin, with the railway connecting them; and as Japan is in military occupation of this slice already, she has herself fulfilled this particular demand upon China before she has officially presented it. But Japan will find that there still survives a living and breathing China which she cannot kill and cannot bend to her will.

* * *

Physical Training.—Last February the British Government decided to set up machinery and allocate money to assist local authorities and voluntary bodies in schemes of physical training. A National Advisory Council and a Grants Committee were set up; and in March a Bill was placed before Parliament to define the functions of these bodies, and to provide for the payment of grants and the training of instructors. On August 9th the National Advisory Council issued a memorandum setting out the powers which local authorities now possess to help in the fitness campaign. They will operate under the guidance of the Ministry of Health and the Board of Education, and will receive 50 per cent. of their approved expenditure on gymnasia, community centres, playing grounds, swimming baths and holiday camps. Contributions will also be made to the expenses of voluntary associations providing similar facilities. The plan is now less nebulous than at the outset, and merits nothing but praise in its endeavour to stimulate the provision of amenities like playing fields, swimming baths and camps. There is still, however, the danger that a great deal of uncoordinated local and voluntary effort of doubtful efficiency or usefulness will be subsidised, and that the national scheme may in fact cloak a chaos of local anomalies and misdirected energies. The whole scheme is permissive, and lays down no obligatory minimum standards. There is no guarantee, either in the admirable enthusiasm of the Council or in the scope of the advisory scheme, that the nation will derive the fullest possible benefit from the £2,400,000 to be spent in the next four years. Indeed, it may be that a less comprehensive scheme, more rigidly applied, would have been more beneficial. Nevertheless, valuable co-operation among the extraordinarily diverse agencies which now exist for social welfare will be stimulated. And, if the nutritional basis of all fitness and health is steadily borne in mind by the authorities, a fitter nation should be the result.

* * *

Labour and Prosperity.—Alarums and excursions in the coal and road transport industries have died down, and militant action has been generally forsworn by the labour movement. But the determination of trade unions to obtain maximum advantage from the present prosperity is daily more evident. " Holidays with pay " has become a general slogan: over 160,000 insured shipyard workers and nearly half a million tailors and garment workers are seeking to secure this concession, already granted to nearly 600,000 engineers. The forty-hour week also has been made the basis of new claims by coal miners, garment workers, and post-office workers. These are signs of the times, when social reform allied to rising prosperity has effected great changes in industrial conditions in many countries. There are also more specific claims. The Executive of the Mineworkers' Federation have appealed to Mr Chamberlain to co-operate in measures to secure a general reduction in hours of work, both at home and abroad, because of the increased mechanisation and speeding-up of mining and the deleterious effect on miners' health. The demand of dock labourers for higher pay has been met by the employers' offer to reorganise the industry to lessen casual work.

* * *

The Union of Post Office Workers are at present drafting a claim which will involve a minimum wage of 70s. a week, and adjustments in hours which would, they claim, make possible the absorption of 30,000 new employees from the present workless. The Transport and General Workers' Union will shortly place before the National Joint Council for road passenger transport a triple claim affecting over 70,000 workers employed by local authorities: that wages should be generally increased by 4s. a week; that schedules of duty should be improved; and that a common standard for work on trams and buses should be laid own. It is salutary that, having chosen the constitutional path, the unions should now be using the existing machinery of negotiation to the full for the welfare of their members, while the industrial background is favourable. Yet there are limits to the concessions which can be made in present conditions. The claims of the four railway unions, discussed on page 327 of this issue, have been only partially accepted by the National Tribunal. And, while new standards of remuneration and working conditions are very properly emerging all over the world, the present state of France suggests that shorter hours of work may not be a national asset when combined with an unbalanced Budget.

B

The Fair Wages Clause.—A series of complaints about the working of the fair wages clause in Government contracts led to Mr Ernest Brown's announcement last March that a committee would be set up to consider the advisability of any changes. This Committee has now been appointed, under the chairmanship of the Provost of Oriel, and consists of representatives of Government departments, trade unions and employers' organisations. At a time when the secular tendency of Government contracts to engage more and more of the nation's resources is vastly intensified by the execution of the defence programme, the Committee's task is both delicate and important. The fair wages clause, inserted in all Government contracts, rests not on any statute, but upon a resolution of the House of Commons on March 10, 1909:—

> The contractor shall, under penalty of a fine or otherwise, pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade unions (or, in the absence of such recognised wages and hours, those which in practice prevail among good employers) in the trade in the district where the work is carried out.

Since then responsibility for the inclusion of the clause in contracts, and for its observance and interpretation, has rested with the Government departments concerned, advised by a Committee of the Treasury and of the Ministry of Labour. In addition, it has become customary for local authorities to insert some form of the clause in their Standing Orders for contracts. And, in the increasingly numerous cases where such contracts involve Government grants, the Ministry of Health requires that fair wages should be observed. Consequently, several million workers are affected at some time each year by the direct or indirect application of the fair wages clause.

* * *

Considerable friction has arisen about the interpretation and enforcement of the clause. On the one side it is argued that the wording is obsolete, and leaves too much discretion to departments and contractors in the determination of " commonly recognised " rates, in the definition of " good employers," and even in the definition of " a district." Moreover, trade unionists allege delay in investigating cases of evasion, and difficulties in determining the ramifications of sub-contracting for the purposes of the clause. Above all, it is maintained by workers' representatives that employers given Government contracts should be known to pay fair wages in their civil work. Governments since the War have informally approved this last principle, but have consistently held that the existing clause operated equitably. A number of recent cases, ventilated in the Commons have, however, made it clear that the unions' criticisms should be met, especially when so many workers are affected; and the first function of the new Committee will be to allay rancour and alarm. An important principle is involved. No one would deny that the Government ought properly to be a *good* employer in all cases; or that the wording of 1909 is hardly applicable as it stands to the industries of 1937. But it has yet to be decided whether the Government should set up as a *model* employer to enforce standards which have not yet been commonly accepted in particular areas. Such action might be salutary; but it would be a new departure in policy.

* * *

Germany and the Press Abroad.—On Friday of last week it was reported in London that the permits of three German Press representatives were being revoked on account of activities unconnected with journalistic reporting. It is understood that certainly not journalism, nor even espionage, but participation in a kind of administrative exarchate of the Nazi Party which involved organised supervision of German as well as non-German residents in this country—a procedure flagrantly contrary to international law and custom and an abuse of the freedom accorded by a democracy—is the ground for the British Government's action. This has not prevented the Reich Government from presenting the case as if the British Government had turned out three Nazi journalists on account of their nominal work. That this is untrue can, and should, be clearly stated; for no German Press representative in this country has ever been trammelled by intervention of the British Government in what he reports; just as no Italian journalist was ever trammelled during the war against Ethiopia, during sanctions or the Spanish conflict; and just as no American journalist was hindered from reporting whatever he liked before and during the Abdication crisis—a particularly delicate matter for this country.

* * *

Representatives of the foreign Press enjoy in London a degree of liberty scarcely discoverable in any other country of Europe, and surpassing—but not by reason of Government intervention—the liberty of the British journalist himself. On the other hand, for some time there have been complaints that German and non-German residents here were being supervised and victimised by agents of the Nazi Party, who reported each case back to Berlin. This has been a familiar phenomenon all over the Continent for the last four years; many Nazi cells are hard at work in many countries. Mr Winston Churchill and others asked questions about it in Parliament just before the recess. But the Reich Government, sedulously buttressed by the Ministry of Propaganda, have elected to try reprisals on accredited representatives of the British Press in Berlin. Their first and obvious choice was Mr Norman Ebbutt, senior correspondent of *The Times*, whose reports during the last four years have been eminently and continuously dispassionate, objective, but informative. He has been given fourteen days' notice to quit; but the Reich Government chose the almost unprecedented method of requesting the British Government to secure, from *The Times* in London, Mr Ebbutt's withdrawal before the notice to quit expired, and his replacement by someone more congenial to the Nazi Party. This is intolerably overweening power-politics. Not for the first time it has recoiled on Berlin; for the overwhelming reaction in Britain and other countries is one of conviction that negotiations with the Nazi Government by all ordinary standards of civilised international conduct may soon become impossible of maintenance. Incidentally, it may be added, there are about fifteen accredited British Press representatives in Berlin, and about eighty German Press representatives in London.

* * *

The Nazis and The Times.—On the Third Reich and Mr Ebbutt, our Berlin correspondent writes:—Quite apart from the merits of this particular case, the expulsion of *The Times* correspondent is an untimely and unreasonable measure; first, because of the extraordinary German request, reported in the official *communiqué* to the Berlin Press, that the British Government should itself take steps with *The Times* to bring about Mr Ebbutt's withdrawal (to which, it is to be hoped, the British Government replied with a firm negative); secondly, because the expulsion is described, and justified, as retaliation for the expulsion of three Germans. Even had the three Germans been expelled for unfriendly journalistic reporting, which was not the case, retaliation would have been out of place. The German Government has repeatedly expelled correspondents, including several British, and were retaliation the rule there would be very few German correspondents abroad. It is to be hoped that the British Government will never retaliate in this sense; and further that, having expelled German correspondents on other grounds than the character of their professional work, it will never expel them, or any other foreign correspondents merely because it considers their reports unfriendly or unfair.

The Reich Government's action, however, betrays confusion, because while Mr Ebbutt's expulsion is primarily presented as retaliation for the expulsion of the three Germans, the authorities try to justify it by the claim that Mr Ebbutt has been unfriendly and unfair. No impartial foreign observer could find anything unfriendly or unfair in *The Times'* reports from Berlin. The reports have been eminently fair and correct. But it is in the very nature of a correspondent's work in dictatorship countries that his reports should be resented by the authorities. Readers of daily newspapers want political news from abroad. Other sorts of news, economic, cultural, and so on (subjects, that is, which are or ought to be " neutral ") are of secondary interest to readers. But political news from a dictatorship country is mostly not good news. A foreign newspaper correspondent in London has as subject the wide and " neutral " field of democratic politics, the sessions of Parliament, elections, the struggles of political personalities, and so on; and even if he should seek to send unfavourable news, he could not neglect these " neutral " subjects. In dictatorship countries the only overt politics are " unfavourable," even if viewed from the German official standpoint; news of Church struggles, executions of traitors, and immorality trials is unfavourable news. The correspondent does not select these unfavourable news subjects: he sends the only news available. Further, he sends accurate news. He is very seldom caught in an inaccuracy. It is true, indeed, that there is much inaccurate news about Germany in the foreign Press, and that much of what is inaccurate is also unfavourable. The Third Reich, it is known, wages war against the alleged conspiracy of the international Press to defame it. But those Press statements about Germany that are at once inaccurate and unfriendly do not come from the foreign correspondents in Berlin. They are invented or are imagined outside the Reich. The German Government has hardly ever made against a correspondent in Berlin, and has apparently never once substantiated, a charge of sending a false report. Conditions in Berlin are indeed such that foreign correspondents can very seldom verify the unfavourable stories, many of them no doubt untrue, that circulate. Such unverified stories are never sent.

* * *

The Zionist Debate.—During the past week there has been a continuation of the two parallel examinations of the Palestine Commission's Report—by the Permanent Mandates Commission at Geneva and by the Zionist Congress at Zürich. The Mandates Commission is getting down to a searching inquiry into the recent past history of the mandate, in colloquy with Mr Hall, while Mr Ormsby-Gore has returned to England. On the other hand, the Zionist Congress was necessarily concerned less with the past than with the future, and its decision on Wednesday, by 300 to 158, to negotiate with the British Government on the details of the proposed partition is a notable step forward. The emotional tension of the Congress was revealed not only in the tenor of the speeches—particularly Dr Weizmann's great speech of August 4th, of which the full text has now been published. The trend of Zionist opinion had become clear as the debate went on. Under the leadership of Dr Weizmann and Mr Ben Gurion (representing Zionist Labour) the advocates of the policy of accepting partition in principle had steadily gained ground; and there is some indication that the particular application of the principle which Dr Weizmann has succeeded in getting Congress to accept will not be so far removed from what the British Government can grant as to make the agreement in principle futile. Dr Weizmann wants to be assured that the sovereignty of the new Jewish State will be genuine, and this is a wholly reasonable stipulation, since sovereignty is the pearl of great price for which the advocates of an acceptance of the principle of partition are prepared, however sorrowfully, to sell the larger part of the Palestinian field which had been earmarked for the establishment of a Jewish national home. In particular, Dr Weizmann wants immediate sovereignty in the matter of immigration, which is a question of such immediate moment to Jewry in view of present conditions in Central and Eastern Europe. In the third place, he wants the Jewish suburbs of Jerusalem to be added, as an outlying *enclave*, to the Jewish State, on the analogy of the Commission's proposal to give the Arab State an outlying *enclave* at Jaffa. This last demand may be the least easy of the three to meet; but it is, after all, a question of detail, though by no means trivial.

* * *

Church and State in Germany.—Two pieces of news throw light on the difficulties of the Third Reich in its attempts to do Christianity in Germany to death under cover of the smoke-screen which every dictatorial Government is able to put up in these days through its control of information and propaganda. On August 6th the trial of Dr Dibelius resulted in an acquittal, and on Monday it was announced that the trial of Pastor Niemöller was to be postponed. This second piece of news is particularly interesting in view of the demonstrations which had taken place the day before—last Sunday—round Dr Niemöller's church in Berlin-Dahlem. The police failed to get the demonstration under, in spite of their making a large number of arrests; and the Government seem promptly to have drawn the moral that they had better work up their case against the prisoner more thoroughly before they ventured on the hazard of another trial after their experience of the failure of Herr Kerrl's prosecution of Dr Dibelius. The latter, who is the General Superintendent of the German Evangelical Church, had been prosecuted, under the present German Law for the Protection of State and Party against Underhand Attacks, on the charge that an accusation, which he had make against Herr Kerrl in an open letter, was false and malicious. The Court (to its honour) found that Dr Dibelius had not been actuated by malevolence in making his accusation, and that there was not sufficient evidence to show that he had been guilty of either deliberate or careless misrepresentation of the words of a Minister of State. Accordingly, so far from accepting the Public Prosecutor's demand for a sentence of six months' imprisonment, the Court found Dr Dibelius not guilty, and ordered the State to pay the costs. The significance of the result of this trial is matched by the piquancy of the reason which is said to have moved the Government to prosecute—for this reason illustrates the impossibility of insulating the Protestant from the Catholic battle-front.

* * *

New Tendencies in India.—The interview between Mr Gandhi and the Viceroy fits smoothly into the story of Indian politics since the Congress gained its victories at the provincial elections and demanded terms for its acceptance of office. The heart of that demand

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was the wish of Congress to see its newly-won status recognised and confirmed. No longer was it to be the permanent opposition, distrusted and periodically repressed by the Powers that were; instead, it was to be the authoritative government of a large part of India. Once this had been mutually acknowledged by the Viceroy's statement on the Governors' powers and by the subsequent creation of Congress Ministries—it became a regrettable anachronism that the chief representative of the Crown and the most powerful leader of the Congress had never met each other. Mr Gandhi took the opportunity of raising certain questions concerning the exclusion of the Red-shirt leader, Abdul Ghaffar Khan, from the North-West Frontier Province, and his own right of entry into that province. But the chief subject-matter of the conversation was a topic with which both men are deeply concerned, the improvement of the condition of rural India. In an article on future Congress policy, Mr Gandhi recently demanded Prohibition, the abolition of the salt tax, and other measures, and went on to declare that attention should now be devoted more to villages and the peasantry than to cities. This was in direct contrast to a speech by Pandit Nehru, in which the Congress President called for an active policy of stimulating the growth of Indian industry behind the protective tariff. Clearly, the assumption of responsibility will bring to light sharp cleavages within the Congress, and already the various provincial Ministries formed by Congressmen appear to be following different paths.

* * *

Lull in Spain.—The comparative calm which has settled down on all land fronts in Spain has not extended to the sea and air. The insurgents are once more stalemated round Madrid, at Toledo, in Cordoba and Malaga in positions slightly less favourable than a few months ago; in Teruel they have been checked; and even in the Basque territory land fighting is desultory. Meanwhile, aircraft have created more incidents by bombing French, British and Italian merchant ships off Algiers; and attacks on two ships, the "British Corporal" and the Italian "Mongioia" have been the subject of lively protests by their governments. The captain of the latter ship died from his wounds. It was at first doubtful who had bombed the ships; though the type of machines used, and their presence so far from government territory, made it appear likely they were insurgent craft. Later, when the British naval commander protested at the insurgents' naval base in Palma, Majorca, the insurgent authorities there—who house many Italian machines—admitted their craft had done the bombing, while, in another place on the mainland, Salamanca, General Franco's staff were denying that his aircraft had been off Algiers that day! After this revealing inconsistency, Sir Henry Chilton, British Ambassador to Spain located at Hendaye, was instructed to protest vigorously to Salamanca again. On the other hand, the Italian Government went one better in complicating the occurrence: they roundly asserted that the aircraft were "Red" and protested on Thursday to the Non-Intervention Committee in London. During the past week the non-intervention front in London has shared in the lull; the British plan, still faintly breathing, is to undergo a kind of half-autopsy, half-vivisection by a special committee; while from the high seas insurgent warships have battered one or two Spanish ports. Less than ever does General Franco look like being able to polish off the campaign before winter rolls up the map of Spain.

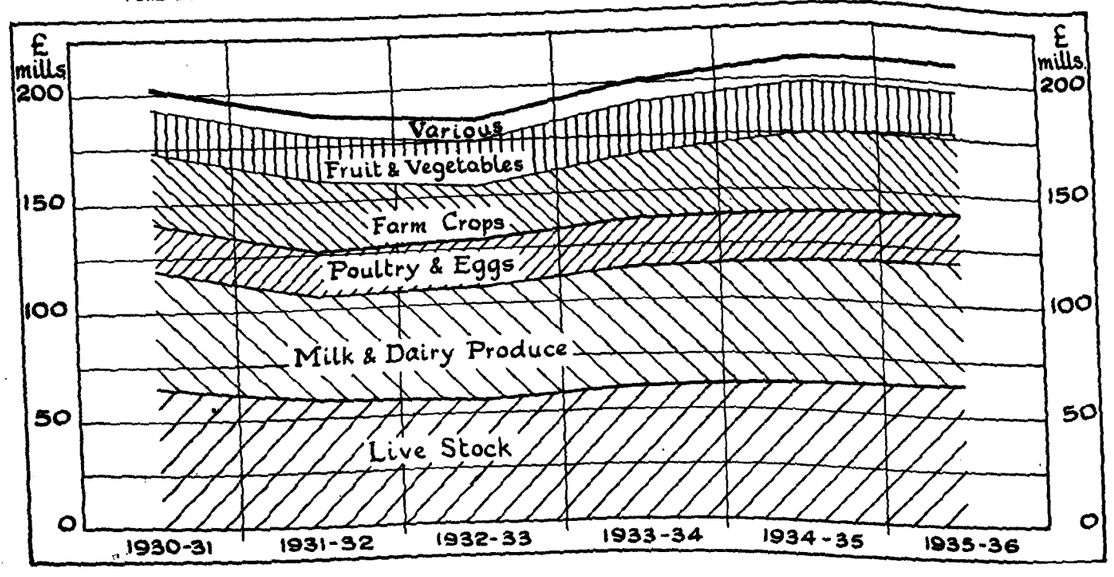
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Assassination in Iraq.—On Wednesday night General Bekir Sidky, the chief of the Iraqi General Staff and dictator of Iraq, who ten months ago made a *coup d'état* in which his forerunner, General Jafar Pasha, was murdered, was in turn assassinated, together with Ali Jowad, Chief of the Air Force, on their way through Mosul to view the Turkish manœuvres. Bekir Sidky was a notorious Kurdish exponent of the iron hand—witness his massacre of the Assyrians in 1933—Turcophil, a close friend and admirer of Kemal Ataturk, and an Anglophobe. He was relatively young, an able and dashing soldier, ruthless in ambition, but as defective in political vision as he was forthright in action. The young King Ghazi has now to face something like the scramble for civil power which, as we describe in our article on Poland on page 330, has paralysed Spain and is now paralysing Polish and Jugoslav politics, after the death of a dictator.

* * *

Agricultural Output.—In the chart reproduced at the foot of this page readers can trace the development in recent years of the principal items of the value of British agricultural output. The figures have been taken from the Ministry of Agriculture's recently-published "Agricultural Statistics, 1936, Part I" (H.M.S.O., 1s. 6d.)—which, incidentally, contains considerably more statistical material than its predecessor. The total value of the output of agricultural and horticultural produce in England and Wales fell to a low level in 1932-33. It rose fairly rapidly in the two following seasons, but suffered a slight decline last year. The

VALUE OF AGRICULTURAL OUTPUT IN ENGLAND AND WALES



output of livestock, the largest single item, has not yet recovered to the pre-depression level, but milk and dairy produce, stimulated by the marketing scheme, has more than made good the ground lost during the bad years. Farm crops (which include corn, potatoes, sugar beet, hops, etc.) show the widest fluctuations in the period under review; the output of potatoes varied, for example, between £15.9 millions in 1931-32 and £8.5 millions in 1933-34. Production of poultry and eggs, which expanded rapidly in the post-war decade, has remained relatively stable in value since 1930.

* * *

The official estimates are summarised in the following table:—

AGRICULTURAL OUTPUT—ENGLAND AND WALES
(Million £)

	1930–31	1931–32	1932–33	1933–34	1934–35	1935–36
Livestock	65·0	58·2	56·4	60·7	62·1	63·2
Milk and dairy produce	55·0	49·5	52·3	55·4	56·6	56·4
Poultry and eggs	21·0	20·0	20·8	21·3	21·4	22·3
Wool	1·3	1·2	1·8	1·8	1·8	1·9
Total	142·3	128·9	131·3	139·2	141·9	143·8
Corn	9·8	9·8	8·9	9·8	10·8	10·5
Potatoes	11·7	15·9	9·1	8·5	11·6	13·8
Sugar beet	6·8	3·1	4·2	5·7	7·2	5·7
Hops	0·9	0·9	1·6	3·1	2·2	2·1
Hay, straw and miscellaneous products	4·0	3·3	2·6	3·3	4·1	3·9
Total	33·2	33·0	26·4	30·4	35·9	36·0
Fruit	7·8	5·6	7·1	8·2	10·5	4·9
Vegetables	12·3	15·1	12·9	16·8	13·3	15·0
Total	20·1	20·7	20·0	25·0	23·8	19·9
Glasshouse produce, etc.	7·1	7·1	7·1	7·1	7·8	8·5
Grand total	202·7	189·7	184·8	201·7	209·4	208·2

The slight decline in the total figure from £209.4 millions in 1934-35 to £208.2 millions in 1935-36 is accounted for by the substantial drop in fruit production last year. In livestock, the most important increase was in pigs, but sheep and lambs showed a decline in value. The output of milk and dairy products was also lower in value last year. The aggregate value of the output of farm crops was about unchanged last year, a decline in volume being offset by a rise of prices. A fall in the value of barley and oats was sufficient to counterbalance a rise in the value of the wheat output, so that corn production showed a net decline in value. In addition, British farmers received £2,730,000 in 1935-36 from the fat cattle subsidy, against £1,910,000 in 1934-35; and £5,230,000 under the Wheat Act, compared with £6,400,000 in the preceding year.

* * *

Alberta and the Banks.—Recent acts of the Alberta Government and Legislature seem remarkably like a gambler's last desperate throw. Some days ago Mr Aberhart, the Premier, addressed to the banks in the Province a letter announcing the Government's intention to pay a monthly "dividend" of $25, and demanding their co-operation. They were assured that neither they nor their depositors would suffer in consequence "any direct financial loss." A special session of the Legislature is now considering a series of Bills, wrapped in the mystical verbiage of Social Credit, which are designed to secure this enrolment of the banks in the Douglas crusade. Every bank, bankers and bank employee is to pay for a licence, and to submit to control by a local directorate on which Social Credit nominees will have a majority. The Alberta Government—over the head of its own Attorney-General, who has resigned—has sought by two means to evade the barrier that, under section 91 of the Canadian constitution, "banking, incorporation of banks, and the issue of paper money" are exclusively federal subjects. It has introduced a Bill purporting to prevent the constitutionality of provincial Acts from being challenged in the Courts without the Government's consent. And it has declared in the preamble and clauses of the operative measure that the purpose of the Act is the full enjoyment of "property and civil rights within the Province"—those forming an explicitly provincial subject under the constitution.

* * *

Constitutional Position in Alberta.—If the measures mentioned in the preceding note are passed, the legal position will be complicated. The federal Government may disallow either the operative Act or the Act to bar challenges in the Courts, on the ground that they defy the constitution. But the power of disallowance of provincial legislation has recently fallen into disuse, and Ottawa is reported to be chary of interfering. It seems to be constitutionally open to the provincial Lieutenant-Governor, under section 10 of the Alberta Act of 1905, personally to challenge his Ministers, as did Sir Philip Game when Mr Lang defied the law in New South Wales. But this could only be temporary, for the same section gives the provincial legislature full authority to revoke any powers of the Lieutenant-Governor. Other courses, however, remain open. The banks may refuse to obtain licences, and, having thus become illegal institutions, may close their doors; or, alternatively, they may defy the instructions of the Social Credit supervisors. In these or other ways they could force the Government itself to bring actions in the Courts. Even if the provincial Courts agreed that they were barred from considering the constitutional aspects of the law, an appeal would lie to the Supreme Court of Canada, which could not be so bound. It seems certain, therefore, that the constitutionality of the legislation will somehow be challenged, and in that event the plain words of section 91 must surely prevail.

* * *

Bumper Crops in America.—The star of the American farmer is in the ascendant. The caprices of Nature are this year working out, with one exception, strongly to his advantage. The official crop reports issued at Washington on Tuesday forecast very large crops of all cereals. The maize crop, for example, is expected to be more than 70 per cent. larger than last year. The yield of oats, at 31·5 bushels per acre, is more than three times last year's figure. Wheat is in a very good position, for the American yield is up by more than 40 per cent. in a year when poor harvests in Canada and Europe prevent a serious fall in prices. This is true, in greater or less degree, for most of the cereals, and the farmers' income will certainly be considerably larger this year. It is not so true, however, in cotton, where the large prospective crop has aroused fears of a sharp fall in prices. As a result, the Southern representatives in Congress have been pressing in the last few days for a resumption of the policy of making loans to growers on their cotton—a policy which in effect provides an insurance against a fall of the grower's income

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below the loan figure. The figure suggested is 10 cents a pound (the present price is below 11 cents). The President already has statutory power to do this, but he has announced that he will not use any price-fixing powers unless Congress legislates for some measure of crop control. Thus the old controversy which raged round the principle of crop restriction two or three years ago looks like being revived. Crop restriction is not an appealing principle, but the President is undoubtedly wise in insisting on it if there is to be price-fixing at the expense of the Treasury. The disastrous history of price-fixing experiments which did not have this sanction is too convincing for any other course of action to be prudent.

* * *

Congressmen, however, are not interested in economics, and they are so incensed at the President's attitude that they threaten, as a reprisal, to hold up his Wages and Hours Bill. This illustrates the extent to which the long controversy and the successful revolt over the Supreme Court Bill have undermined the discipline which the President can exert over his nominal followers of the Democratic Party. The Supreme Court controversy itself has been laid temporarily to rest with the passage of the "Compromise" Bill. This measure leaves the Supreme Court itself untouched, but modifies the procedure by which Acts can be found unconstitutional. Injunctions against statutes on the grounds of unconstitutionality will not be so easy to obtain in the future as in the past, and the process of appeal to the Supreme Court in these cases will be speeded up. But though the Bill has been passed, the effects of the controversy will linger on, both directly in the suspicion that it may at any time be revived, and indirectly in the indiscipline which now reigns in Congress. The only person in the Administration who appears to be unaffected by this episode is the Secretary of State, who continues steadily to pursue his policy of concluding Trade Agreements with the whole world. The latest of the series is with Soviet Russia, and though the amount of trade involved is small, the Agreement has considerable political and commercial interest. It shows that the failure of the more ambitious attempt made two years ago to settle Russian-American differences has not led to embitterment.

* * *

Employment Marks Time.—Mainly on account of seasonal influences, the Ministry of Labour's estimate of 11,517,000 insured persons at work on July 26th shows no change on the previous month, though the increase on last year's figure is 511,000. The number of unemployed actually rose by 22,861 to 1,379,459; but the increase was chiefly due to the registration of 22,042 juveniles who left school at the close of the summer term. The unemployment position in various industries is shown in the following table; the percentage figures given are based on the insured population employed in each industry in July, 1936, the latest period for which data is available:—

UNEMPLOYMENT BY INDUSTRIES IN GREAT BRITAIN

Industrial Group	Number in thousands			Percentage	
	July 20, 1936	June 21, 1937	July 26, 1937	July 26, 1937	Change since July 20, 1936
Coal mining	234·2	169·2	146·2	16·3	− 9·8
Iron and steel	28·5	19·8	21·5	11·6	− 3·0
Engineering	56·8	37·7	40·1	5·4	− 2·3
Metal goods manufacture	37·7	27·1	29·4	6·0	− 2·1
Shipbuilding and repairing	45·3	36·9	38·4	22·5	− 7·5
Building	111·8	101·3	108·8	10·9	− 0·3
Public works contracting	116·0	98·0	102·9	35·5	− 5·9
Cotton	66·7	42·4	42·3	10·1	− 5·7
Woollen and worsted	25·0	19·3	29·2	10·4	− 0·8
Jute	8·6	6·4	21·2	69·4	+41·3
Tailoring	24·5	17·5	24·7	11·7	− 0·2
Boot and shoe	19·0	13·2	15·0	11·1	− 3·1
Hotel, boarding house, etc., service	47·0	48·2	44·5	10·2	− 0·8
Road transport services	28·5	23·5	20·2	9·2	− 4·1
Shipping service	31·9	27·7	25·8	18·3	− 4·8
Distributive trades	171·2	156·0	148·9	7·3	− 1·2
All persons registered (including other trades)	1,652·1	1,356·6	1,379·5	...	...

Though employment in coal mining shows improvement, the big reduction in the unemployment figures reflects the incidence on the preceding returns of the Yorkshire Mineworkers' Association annual demonstration, which took place on the day of the count. In the jute industry, trade holidays have largely increased temporary unemployment. For the rest, movements have been mainly seasonal; employment has increased in the distributive trades, hotel and boarding house service, road transport and shipping services, and been reduced in building and public works contracting, general engineering, wool textile, clothing and boot and shoe manufacture. Scotland had an additional 30,000 unemployed, largely as a result of holiday stoppages.

* * *

Anglo-Polish Coal Negotiations.—In an effort to retain overseas customers, the British coal owners, like the steel makers, are straining every nerve to maintain their exports in spite of difficulties in meeting domestic demand. In some instances, however, this is proving no easy task. As an example, we may refer to the working, under present conditions, of the Anglo-Polish Coal Pact, which was concluded in December, 1934, to mitigate competition between the two countries, particularly in Scandinavian markets. Poland has considerably extended her coal exports in the present boom, her shipments having risen from slightly over one-fifth to more than one-quarter of British shipments. Recently, Poland asked for still greater quota increases, which the British exporters declared themselves unable to grant. The agreement expires at the end of this year, unless an understanding is reached by the end of September. Further negotiations are believed to be imminent. The root of the difficulty is that the Polish coal owners are dissatisfied with the principle that their exports should be governed by the extent of British shipments, though only a few years ago they regarded this interdependence as advantageous. They have therefore drafted a modified agreement on which the British exporters have not yet expressed an official opinion. As the Anglo-Polish Pact was originally designed as the forerunner of a general agreement in the international coal trade, it may be hoped that some basis of collaboration will emerge.

* * *

The Week in Industry.—The maintenance of activity in the heavy industries is shown by the July figures of iron and steel production, issued this week. While the output of crude steel was slightly reduced, mainly owing to Scottish holidays, pig-iron production was the highest since September, 1920. The month's output of pig iron was no less than 729,300 tons, against 699,300 tons in June and 665,600 tons in July last year; while the output of steel ingots and castings was 1,059,200 tons, compared with 1,106,400 tons in the previous month and 974,100 tons in July, 1936. It is reported that a number of furnaces have been transferred from the smelting of basic iron to hematite. Despite the efforts made by the industry to cope with current demands, some consumers remain unsatisfied. Business this week has been affected not only by the inability of makers to accept orders for near delivery, but also by holidays; the markets have consequently been quiet. Meanwhile, the inland demand for industrial grades of coal and coke remains well above normal for the time of year, while shipments from South Wales have increased owing to South Africa's inability to satisfy some of her regular overseas customers. Outputs of coal in Yorkshire have again been restricted by strikes. New business in cotton textiles still hangs fire, the price of the raw material having suffered a further fall owing to the unexpectedly large estimate of the American crop. Sales are well below current production, and it seems likely that activity in Lancashire will be seriously affected unless prices soon show greater stability. The jute industry is also passing through a quiet spell, and unemployment is extremely high, but the woollen textile industry remains as active as ever. In general, the industrial barometer is still "set fair."

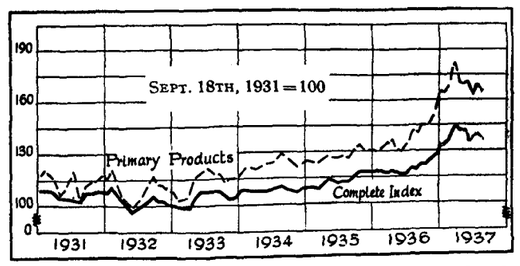
Further Fall in Wholesale Prices.—There has been a further small decline in wholesale prices during the past fortnight. In England the complete *Economist* index number has fallen by 0.6 per cent., and the primary products index number by 0.2 per cent. The primary products index is still above its low point of last June, but the complete index has touched a new low point for the summer. In the United States *The Economist's* primary products index has fallen by 0.4 per cent. and the Irving Fisher complete index by 0.5 per cent. They are both now at new low points for the summer. There is a slight rise in Continental wholesale prices.

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	Primary Products: British (sterling)	Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932 July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933 July 26th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934 July 18th	109·5	124·8	136·7	162·4	113·2	81·4	83·2	91·1
1935 July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936 July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	113·0	...	95·4
1937 Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·1	128·8	135·8	97·8
July 28th	140·2	167·1	171·8	164·5	133·8	130·8	137·1	97·9
Aug 11th	139·3	166·8	171·1	164·2	133·1*	...	...	98·1*

* These figures relate to July 21st.
† Monthly averages.

We publish below a chart showing the course of *The Economist's* two index numbers of British wholesale prices from 1931 onwards.



The chart shows that prices are still above the levels at which they stood at the beginning of the year. Details of our index number follow:—

The Economist INDEX

(1927 = 100)

	Sept. 18, 1931	July 14, 1937	July 28, 1937	Aug. 11, 1937
Cereals and meat	64·5	92·6	92·6	90·8
Other foods	62·2	67·6	67·2	67·0
Textiles	43·7	71·9	70·7	69·9
Minerals	67·4	108·1	108 6	109·8
Miscellaneous	65·8	85·8	85·6	85·4
Complete index	60·4	85·0	84·7	84·2
1913 = 100	83·1	116·9	116·5	115·8
1924 = 100	52·2	73·4	73·1	72·7

Apart from a recovery in non-ferrous metal prices, the decline was very general. It was most marked in the cereals and meat group.

* * *

Imperial Iron Ore.—The extensive dependence of Britain's steel industry on imported iron ore, and the present position in Spain and Spanish Morocco, suggest that sooner or later the question is likely to be raised of obtaining increased supplies from countries inside the British Empire. Last year, scarcely one tenth of Britain's iron ore imports came from the Empire. In many cases, high freight rates have been a deterrent to increased shipments. Nevertheless, the Empire is, even now, a substantial producer. The proportion of Empire output to world production increased from 9.5 per cent. in 1929 to 13.8 per cent. in 1935, and rose further last year:—

IRON ORE OUTPUT OF THE EMPIRE

(Tons)

	1929	1935	1936
India	2,428,555	2,364,297	N.A.
Newfoundland	1,494,452	662,441	N.A.
Unt. Malay States	809,518	1,411,636	1,654,567
Australia	852,960	1,874,418	N.A.
South Africa	37,666	299,247	359,219
Sierra Leone	Nil	433,540	577,692
New Zealand	8,043	10,646	N.A.

N.A. = Not Available.

The Wabana mines of Newfoundland, one of the world's most important deposits, are producing well below capacity. Ores from the Marampa deposits in Sierra Leone have been consumed in Great Britain since 1934. The reserves in India and South Africa rank among the largest in the world, but they are still undeveloped.

* * *

Public Trusteeship.—The recently published report of the Public Trustee recalls that the establishment of the Public Trustee Office was an epic of dogged perseverance. In 1886 Sir Howard Vincent introduced a Bill "to meet the difficulty which both public bodies and private individuals frequently experience in finding suitable trustees," but it did not secure a second reading. Between 1888 and 1894 Sir Howard Vincent and others sponsored nine further Bills having a similar object, but with the same disappointing results. At the request of Sir Howard, however, a Select Committee was appointed in 1895 to inquire into the matter, and in 1896 the Judicial Trustees Act was passed. Unfortunately, this Act proved unsatisfactory, and from 1901 to 1905 the same protagonist introduced a Bill annually "for the prevention of fraud upon widows and orphans by the appointment of a Public Trustee or Executor and the amendment of the Judicial Trustee Act." Finally, the Lord Chancellor introduced into the House of Lords a Bill which became the Public Trustee Act, 1906.

* * *

On October 1, 1907, a staff of six started to prepare for the formal opening of the office on January 1, 1908. In the year to December 31, 1908, the number of trusts in all categories administered by the Public Trustee was 325, of a total value of £2,095,900. By March 31, 1937, the staff had increased to 847; and the number of cases accepted during the year was 948, of an aggregate value, including additions to existing trusts, of £14,415,405. At the close of the period covered by the report there were 19,062 cases in course of administration, with a nominal capital value of £218,132,218—apart from landed property and cash at banks estimated at £55,800,000. The chief criticism of the Public Trustee's operations is on the ground of cost. Though he is not allowed to make a profit, his fees are well above those of his competitors.

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Overseas Correspondence

From Our Special Correspondents

United States

Rising Tide of Recovery Checked

New York, August 3.—The business figures for June are compared with those of the preceding five months and with June, 1936, in the following table:—

FEDERAL RESERVE BOARD INDICES

(Adjusted for seasonal. 1923–25 = 100)

	June, 1936	Jan., 1937	Feb., 1937	Mar., 1937	Apr., 1937	May, 1937	June, 1937
Industrial Production (total)	*104*	114	116	118	118	118	115
Manufactures	*105*	115	116	117	118	118	114
Minerals	*100*	109	115	128	115	116	115
Construction contracts (total)	*52*	63	62	56	53	56	60
Residential	*36*	45	47	45	44	44	43
Factory employment	*90.4*	98.8	99.7	100.9	101.6	102.2	101.6
Factory pay-rolls	*81.1*	90.6	95.8	101.1	104.9	105.2	102.8
Freight car loadings	*73*	80	82	83	84	80	78
Department store sales	*87*	93	95	93	93	93	93

Several interesting features stand out. Total business has remained virtually unchanged for six months. Building, much the most depressed of the major activities, has failed to advance, merely holding its own seasonally. Distribution, indicated by department store sales and car loadings, has remained steady. Employment and pay-rolls, after several years of almost continuous advance, gained very little ground in the last four months of the first half of the year; to some degree this is due to strikes, although the same tendency has developed in industries which have not suffered from labour troubles.

Building is the most disappointing feature of the revival. In the fifth year of recovery, total construction is only three-fifths of the prosperous, but not boom, level of 1923-25, and residential building is less than half of that level. These results are shown despite the persistent and marked rise in rents, the considerable decline in vacant premises in most areas, mortgage money rates which are low compared with the past, capacity or near-capacity operations in a number of industries, and a substantial amount of public building. These are all factors which would normally stimulate construction.

Advance in Building Costs

The cause appears to be the rapid rise in building costs, including both labour and materials. The available statistical measurements of costs agree neither with each other nor with common observation, but there can be little doubt about what is happening. Material costs have mounted rapidly, and labour costs even more so. In addition, the potential builder is confronted with very burdensome restrictions both by the labour organisations and by local building codes in many areas. And, despite much discussion and experimentation with prefabrication and new methods, little technological advance has been made—certainly not enough to offset the higher costs.

At the root of the difficulty seems to be the fact that the building industry is, generally speaking, operating at capacity. It appears to lack the ability to expand, even in the presence of conditions which point to higher volume, and so prices and costs mount. This is the result of the depression experience of the industry; while other major trades were depressed, the building industry was demoralised. To a considerable degree, therefore, recovery involves reconstruction, which is a slower process than the mere expansion of output where adequate capacities exist.

Building in this country is a local activity, probably to a higher degree than in most other nations. While large nation-wide building supply companies exist, the entrepreneurs are generally very small and have little capital. The ravages of the depression practically wiped them out of existence. At the same time, during the years when building was notable by its absence, the supply of skilled labour fell rapidly as apprenticeship ceased and building tradesmen went into other occupations.

Special Difficulties of Building

The building industry entered the recovery period, therefore, lacking capital, skill and entrepreneurs to a degree not paralleled in any other important field. When demand expanded, volume could rise but moderately despite governmental aid, so that costs have mounted rapidly. Various factors have intensified this basic problem. Substantial amounts of distress property have been on the market as a result of foreclosures during the depression; since these have been offered at low prices they have discouraged new building in some areas. Building labour has been particularly able to enforce short hours at high pay. The system of distribution of the large building supply companies, whereby they sell to small local dealers interested in high profit margins per unit, has prevented the realisation of the benefits of mass production. Labour's demands upon the local politicians have produced many extremely onerous and restrictive local regulations.

In industrial building, political and labour uncertainties have caused business men to withhold optional construction rather than to engage in projects looking some distance ahead. The pressure has rather been to obtain labour-saving machinery to offset rising labour costs, so that machinery has boomed while building has lagged. Government subsidised housing projects, although surprisingly few, have generated considerable fear among private builders that subsidised projects might damage any developments in which they might engage. Finally, the Federal Housing Administration and most lenders are imposing stricter standards than have ever before been known here, which is doubtless socially and economically advantageous over a period, but exerts a retarding influence at present.

The low level of building, and particularly of residential building, can hardly continue after this year. Shockingly few new houses and apartments are being built in proportion to the population, to say nothing of the long gap during the depression when there was no building. Government efforts to find a solution to the problem are being renewed, but whether or not they accomplish more than Washington has thus far been able to do, rising and much higher construction levels seem certain to be seen before this cycle has run its course. The danger is that the work may be done at excessive cost levels.

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Germany

State of the Loan Market

Berlin, August 11.—The coming Reich Consolidation Loan and the boom in bank shares are the present topics of discussion. The Reich will apparently follow its usual practice of announcing the loan a few weeks before the end of the quarter, when, after the temporary seasonal demand for credit has passed, capital derived from interest payments is seeking investment.

The new contraction in commercial bank deposits and the very considerable decline in the circulation of Gold Discount Bank promissory notes indicate that market conditions are not quite so propitious for long-term borrowing as they were at the time of other recent Reich loans. On the other hand, two relatively substantial private bond issues have been sanctioned this month. The bonds market has been firm. Indeed, the mortgage banks have been obliged to keep down the prices of their bonds; and this has been achieved, against an abnormally heavy demand, by rationing sales on the Bourse or by temporarily striking the bonds from the list.

Bank shares last week continued to rise, although the general market tendency was weak. For some commercial banks, and in particular the Deutsche-Disconto and Commerz-und Privat, increased dividends—at present they are 5 per cent—are anticipated. There are also other favourable factors. It is stated that about three-quarters of the capital of the Commerz-und Privat Bank which remained in Reich hands at the date of the last annual meeting has since been acquired privately; and so has an unstated amount of Dresdner shares. The greater part of Dresdner Bank capital, however, still remains in Reich hands. Some Rm. 4 millions or Rm. 5 millions nominal shares in the Berliner Handelsgesellschaft Bank, acquired by American interests after the credit crisis of 1931, have returned to Germany. The shares of all the leading banks, except Dresdner, are quoted at considerably higher prices than at the beginning of this year, and those of several mortgage banks have risen by about 25 per cent.

Indirect Subsidies

Estimates of crops have not yet been published. The one official report so far available concerns only Bavaria and states that prospects for all cereals are satisfactory. The new regulation of cereal prices has involved a very complicated system of "assessments," which are really taxes imposed by the Reich on particular interests in order to subsidise other interests. This system is, of course, not new, and it has taken other forms. One form was the compulsory reduction of potash and nitrate prices to lower the cost of farming.

When the official rye price to producers was raised last spring by Rm. 20 per ton, that is, by about 12 per cent., it was decided that bread must not become correspondingly dearer. The first step was to subsidise the rye mills, which were already being given a small subsidy. In future they will get a subsidy of about Rm. 23 a ton, which will cost in all about Rm. 75 millions. To provide this sum the breweries are to be "assessed" for Rm. 34 millions and the sugar industry for Rm. 29 millions, while the remaining Rm. 12 millions will be raised from "assessments" on wheat mills, on the ground of their too advantageous "price spread." The assessment on breweries is specially designed to check the expansion of the bigger concerns by penalising any further increase of their turnover.

Measures of this kind are increasingly common. They arise in general out of the failure of the Nazi theory that there is a right, fair and providentially ordained price for everything, which former Governments failed to determine. With ever-changing conditions the right prices soon prove to be wrong; and, if they are set too low, threaten to impair production or trade. The remedy is to re-establish "price equilibrium" (*Preisausgleich*) by imposing a special burden on some trade which can for the moment bear the burden. The assessments are themselves in effect alterations in price; and the old price instability still remains.

Redundant Traders

The Government have entirely forbidden the consumption for fuel of wood that can be used for other purposes. This apparently simple measure involves an elaborate system of compensation for loss of private wood-cutting rights. The official Press hints that small shopkeepers, of whom there is indeed an inordinate number, may be sacrificed in the interest of industrial production; and it is further implied that new measures will be taken to check the increase in the number of wholesale trading firms, which in Berlin has risen by 10 per cent. since 1933. This official attitude, like the attitude towards the once favoured class of independent craftsmen, is dictated by the exigencies of the Four-Year Plan. The Government wish to mobilise for the Plan as many persons as possible and to save materials.

Industry is somewhat more active. The monthly iron and steel report speaks of a continued heavy demand from manufacturers, a very considerable part of which could not be met. The iron industry, says the report, has attempted to check exports. The trade returns, however, show that in the last few months, including June, exports of heavy iron and steel and of iron and steel goods (other than machinery) have rapidly risen. Between May and June the export of rolling-mill products rose from 210,000 to 273,000 tons. There was a slight increase in imports of iron and steel products, but the volume of these imports is only one-ninth of the volume of exports of this class of goods.

The export of machinery continues to stagnate. Exports of cutlery last year recovered to 5,830 tons, compared with 3,950 tons in 1932, which was the lowest in recent years; but the average price per unit has continued to fall, and in 1936 was only 62 per cent. of the 1929 price.

Apparently because of the Spanish civil war and heavy French consumption, German potash exports are so far this year nearly 40 per cent. higher than in 1936. The total turnover of the Potash Syndicate, which fell to 850,000 tons (pure potash content) in 1932, rose last year to 1,360,000 tons, which is only slightly below the pre-depression level. The increase is mainly due to home sales, and the cut in the domestic price has seriously affected the finance of potash concerns and depressed potash shares on the Bourse. Exports of chemicals in the first half of 1937 were valued at Rm. 401,000,000, compared with Rm. 334,400,000 in the first half of 1936.

[Our Berlin correspondent discusses on page 332 the implications of the recent expulsion from Germany of *The Times'* representative.]

TRADING ABROAD

The existence of restrictions in a given country may temporarily prohibit dealings in forward exchange, but up-to-date information on this and on all points bearing on Forward Exchange generally may be obtained through any branch of the Westminster Bank. For any who may be unfamiliar with the facility, a very brief outline entitled *Forward Exchange* is always available at its counters

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Finland

Reducing National Debt

Helsingfors, August 2.—The book value of the National Debt was reduced by 71.3 million marks during the first half of the present year. Simultaneously the conversion of the funded foreign debt into internal debt has continued, and the floating foreign debt has been entirely redeemed.

	1935 Dec. 31 Mill. mks.	1936 Dec. 31 Mill. mks.	1937 June 30 Mill. mks.
Funded debt :—			
Foreign	1,852	1,128	1,015
Internal	1,181	1,853	1,881
Short-term debt :—			
Foreign	57	57	...
Internal	76	81	152
Total National Debt.....	3,166	3,119	3,048

Notice has been given that the sterling loan of 1909 will be redeemed in November, and the foreign debt will thus be reduced still further,

Since the rapid rise ceased last March, prices have been on the whole steady, but in all cases are at a slightly higher level than a year ago.

	Wholesale price index 1926=100	Cost of living index 1935=100	Price index of consumption goods (sensitive prices) July, 1931=100
1936, June	90	99	105·3
1937, March ...	103	104	111·9
1937, June	103	104	111·1

The price index for sensitive consumption goods, which is calculated every week, indicates, however, that a slight rise in prices took place in July; during the third week of the month this index rose to 113.3 points.

According to preliminary calculations industrial output during the second quarter of the year was slightly less in volume, but rather larger in value than during the first quarter. If the comparison is extended to previous years, the indices of both volume and value display a markedly rising trend.

	Indices of Production Volume	Value
1935, II quarter	145	119
1936, II ,, ...	151	131
1937, I ,, ...	177	178
1937, II ,, ...	172	191

The falling off in the volume of industrial output since the first quarter of this year is mainly due to the lower production of the metal and textile industries. On the other hand sawmills and the manufacture of paper and cellulose recorded rising production. Building operations, which are not included in the above figures, were unusually lively. There is no unemployment worth mentioning and in some trades a shortage of labour is being experienced.

Growth of Foreign Trade

Rapidly rising figures have been reported in foreign trade this year; in June both imports and exports attained fresh records. The increase is partly due to higher prices, but there has also been a marked rise in volume. The value of foreign trade is shown by the following figures:—

	Value in millions of marks Imports June	Imports Jan.–June	Exports June	Exports Jan.–June
1935	473	2,403	612	2,375
1936	560	2,821	704	2,870
1937	898	4,128	925	3,427

There was a small surplus of exports in June amounting to 27 million marks, but in the half-year the value of imports was 701 million marks greater than the value of exports. Thus the trade balance has not proved so favourable this year as in previous years, partly because of delays in the shipment of timber.

After the tendency towards a tightening of the money market, noticeable in April and May, there was a change in June towards greater easiness. Owing to increased deposits and reduced credits the surplus of deposits in the Joint Stock banks at the end of June established a fresh record of 1,263 million marks compared with 785 millions a year ago.

The weekly statements of the Bank of Finland also reflect the greater easiness of the position. The most striking feature is that foreign balances increased in June by 142 million marks, and during the first half of July by another 62 millions, thus reaching a record figure of 2,011 million marks compared with 1,132 millions a year ago. At the same time the credits granted by the Central Bank have fallen off and the note reserve has grown. It should also be noted that, since the end of May, the Bank has sold the greater part of the gold that was booked as "gold abroad, not included in the note cover." to a book value of 176 million marks.

Poland

National Unity and Foreign Relations

Warsaw, August 7.—A recent attempt on the life of Colonel Adam Koc, former Under-Secretary of State for Finance and President of the Bank of Poland, who was charged by Marshal Smigly-Rydz a year ago to produce a plan for bringing about national unity in Poland, seems likely to have an effect quite different from what was intended. Not only did the attempt itself fail, but it has also improved the chances of "the Koc plan" (summarised in these columns on April 17th, page 147).

While most Poles appear to agree that national unity is urgently necessary and attainable, those who are free to do their own thinking are not interested in the plan if it simply means the perpetuation in office of "the Pilsudski clique" and the top-heavy bureaucracy grown up since May, 1926, when Pilsudski seized power. Through the operation of the new Constitution and the electoral laws enacted in 1935, the masses have been deprived of any effective control over the Government and the bureaucracy. The soil has been made fertile for nepotism—and discontent. Colonel Koc, like Marshal Smigly-Rydz, is liberal-minded, and he no doubt understood, when he undertook the mission, that national unity could be achieved only by broadening the political structure and bridging the gulf between the bureaucracy and the masses.

The hint which President Moscicki gave last March, that favourable external conditions for carrying out the task of national consolidation may not last much longer, has been better understood since the expiry, on July 15, of the Geneva Convention for Upper Silesia. The attitude of the German Press towards recent developments in Poland has indicated that the "friendship" which was officially introduced in January, 1934, is wearing a bit thin; and that the "certain nervousness on both sides of the frontier," which Colonel Beck, the Polish Foreign Minister, noted last December, is growing.

Minority problems are now in the foreground, and the hardships imposed on the Polish minority in the Reich, which exceeds 1,000,000, are being sharply contrasted, both in the Press and on the platform, with the position of the German minority in Poland—which, according to Polish figures, numbers less than 800,000. Only a few days ago the Sejm passed a Bill enabling the German minority in Polish Upper Silesia, as in the districts of Poznania and Pomerania, to use their own language in courts of law; but Poles in the Reich enjoy no such privilege. Recent abuses of Polish "toleration" have been brought out in court trials of batches of young Germans who have illegally received military training on Polish territory—under German instructors. It is not hard to imagine what would happen to young Poles in Germany who engaged in secret military activities.

Unsatisfactory Harvest

In consequence of the severe cold in January and February, and the drought in May and June, this year's grain harvest will be at least 10 per cent. below the average for the last five years. Accurate estimates are not yet available, but, contrary to earlier expectations, it is now believed that the yield of grain will be sufficient for internal needs until next year's harvest, and will even provide a small surplus for export. With grain prices at their present levels, the peasants will eat more potatoes and cabbage and less bread. Exports, however, are to be closely controlled by the Government, by quotas established on a monthly basis. The effect of the drought on fodder has been more marked than on grain, and difficulties are expected in the livestock industry, now an important factor in Polish foreign trade.

With population growing by nearly 500,000 a year, it has become vitally necessary for Poland that agricultural methods should be improved. Although much is heard about the pressing problems of over-population, and the need for a better world distribution of "Colonial products," it still remains true that, with adequate fertilization and the more extensive use of modern equipment, Polish soil could be made much more fruitful than it is at present. Large-scale mechanisation of agriculture, of course, would cost much money; but as money can be found for magnificent Government buildings, electrification projects, and the like, it would seem that something could be done to improve agricultural methods. There are now acute differences within the Government about agrarian policies and M. Poniatowski, the Minister of Agriculture, who is probably the most liberal member of the Cabinet, is constantly under fire from the newspapers controlled by vested interests and large landowners.

Trade and the Anglo-Polish Agreement

The lack of sizeable amounts of grain and flour for export will be felt during the next few months, the more so because the trade balance has now turned against Poland. The official figures are as follows:—

First Six Months	Imports (Millions of zlotys)	Exports	Balance
1935	416·5	442·7	+ 26·2
1936	458·8	482·0	+ 23·2
1937	594·6	582·2	− 12·4

+ = export surplus. − = import surplus.

This is the first year since 1928 when imports have exceeded exports during a six-months' period. While there has been about a 15 per cent. improvement in industrial output compared with a year ago, a large part of the increase in the value of imports was caused by higher prices for industrial raw materials, and especially for those required for armaments. The principal reason for the import surplus, however, is the decline in exports to the United Kingdom (from 90.0 to 77.5 million zlotys for the first five months of 1936 and 1937 respectively) and the increase in imports from 51.9 to 61.0 million zlotys for the same periods. Until the Anglo-Polish Trade Agreement came into force at the beginning of 1935 Poland had a very substantial surplus of exports over imports, mainly at the expense of the United Kingdom, but the full effects of the agreement are now being felt.

Greece

Debts and the Balance of Payments

Athens, August 10.—A delegation in London has failed to conclude a settlement of the Greek foreign debt service with the bondholders' committees. It is thus interesting to note the balance of payments in 1936 between this country and the British Empire, as calculated by the Bank of Greece:—

Free Exchange Received from and Paid to the British Empire in 1936

Receipts	£	Payments	£
From Exports to Gt. Britain...	1,650,000	For Imports from Gt. Britain	3,430,000
,, Exports to British Possessions	20,000	,, Imports from India	500,000
,, Emigrants' remittances, etc.	250,000	,, Imports from Australia ...	600,000
		,, Imports from Canada ...	1,220,000
Total.....	1,920,000	Total Imports	5,750,000
Deficit	6,330,000	To remittances for the payment of public debt coupons, etc.	2,500,000
Grand Total ...	8,250,000	Grand Total	8,250,000

There is a difference between the above figures and those of the British Board of Trade, which put exports to Greece in 1936 at £3,322,000, and imports at £2,166,000. To realise, by comparison, the importance of the figures given in the above table, it should be stated that total Greek receipts in free exchange from transactions with foreign countries during 1936 are estimated at £14,680,000, out of which a net sum of £6,330,000 has been paid out to the British Empire.

The State of the Budget

Equally interesting is the state of the public finances, shown in the following table:—

(In millions of drachmas)

	1936–37 (actual)	1937–38 (estimated)
Revenue :—		
I. Ordinary	11,080	11,710
II. Extra-ordinary	798	688
III. Proceeds of loans	2,592*	3,696†
Total Revenue	14,470	16,094
Expenditure :—		
I. Ordinary	14,630*	11,509†
II. Extra-ordinary		5,155
Total Expenditure	14,630	16,664
Deficit	160	570

* Including Drs. 1,194 millions, unpaid amount of interest on the foreign debt.

† Including Drs. 1,203 millions, unpaid amount of interest on the foreign debt.

It is expected that the estimated deficit of Drs. 570 millions for the current financial year will be greatly reduced before the end of the year. Meanwhile, revenue receipts for April, the first month of the current year, amounted to Drs. 676 millions, compared with Drs. 575 millions in April, 1936, and payments against expenditure to Drs. 640 millions, compared with Drs. 726 millions in April, 1936. Receipts from revenues assigned for the service of the foreign debt amounted in May to Drs. 353 millions, compared with Drs. 377 millions in May, 1936; but for the period January-May they totalled Drs. 1,862 millions, compared with Drs. 1,759 millions in the corresponding period of last year.

The Value of Clearing Arrangements

Foreign trade returns for the first five months of 1937 compare as follows with the corresponding period of last year:—

(In millions of drachmas)

	Imports	Exports	Excess of Imports
January–May, 1936	4,686	2,377	2,309
January–May, 1937	6,033	3,624	2,409
Increase in 1937 ...	1,347	1,247	100

An increase both in value and volume has occurred this year, the proportion of exports to imports having risen from 36 per cent. to 47 per cent. in volume, and from 51 per cent. to 60 per cent. in value. The increase in imports is due chiefly to higher prices and to larger imports of wheat, consequent upon the poor harvest of last year; while the increase in exports is accounted for by an almost general growth of the value and the quantity of exported articles, apart from tobacco, where the quantity exported is smaller although the value has

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considerably increased. The following table shows what proportion of foreign trade was conducted on a free exchange basis, and what was settled through clearing arrangements in 1936:—

(In millions of drachmas)

Mode of Payment	Free Exchange	Clearings	Consignments on Credit, etc.	Total
Imports	6,339	4,546	924	11,809*
Exports	3,126	4,245†	...	7,371
Adverse balance	3,213	301	924	4,438

* Not including war material imported.
† Included small amounts on credit or in consignment.

Whereas the import surplus was Drs. 4,438 millions, the net amount paid out in free exchange, thanks to the working of the compensation and clearing systems, was only Drs. 3,213 millions. Therefore, for a country like Greece, whose balance of trade is permanently adverse, the existence of these controls is not an unmixed evil from her own point of view though not that of her creditors.

Australia

Taxation Fears

Melbourne, July 22.—The Australian Monetary position remains easy and in addition to the greater success which attended the Commonwealth loan compared with previous issues, a number of companies continue to raise additional capital. There is, however, a desire to avoid anything of a boom character, or any excessive expansion of imports, especially as the position of London funds, though better than a year ago, still leaves room for improvement.

Stock Exchange quotations for Government securities have shown firmness, and yields have been declining in recent months, especially for the longer-term securities. Industrial shares, however, have been irregular, owing partly to movements abroad, and partly to higher wages and costs. These factors have tended to offset the more favourable balance sheets presented by many companies during the past few months.

Questions of taxation continue to arouse discussion. The total taxes raised by the Commonwealth and States amounted in early June to about £100 millions per annum. In reply to criticism, Governments point to the various classes of expenditure which have been established or enlarged during recent years, especially pensions and unemployment relief. Criticism is, however, directed to the fact that the Governments are now too prone to maintain taxation and other arrangements which were established as a means of coping with the depression, although the position has now considerably improved.

Banking Proposals

The report of the Royal Commission on Monetary and Banking Systems in Australia, apart from a recommendation by the Labour member of the Commission in favour of the nationalisation of banking, contains little of general interest. There are, however, a number of important recommendations on points of detail. One is that the Commonwealth Bank should be empowered to require trading banks to keep with it a deposit of a percentage of their liabilities to depositors in Australia. The percentage, for which no figure is stated, and which might be raised to any extent, would be subject to variation from time to time within the limit fixed by the consent of the Commonwealth Treasurer. From the business point of view the proposal is open to the objection that it would be of a hampering nature and might be used for political purposes.

The Commission recommend that a new exchange mobilisation agreement, binding for a period of years, should be entered into between the Commonwealth Bank and the trading banks. The report states that the existing agreement has worked well, but is terminable at any time and does not provide for contributions in excess of the amount required for the oversea debt service. In order to assist the Commonwealth Bank in the performance of its central bank functions, and to enable it to build up its reserves of London funds, the report suggests that additional contributions should be made by the trading banks at the rate of, say, not less than £500,000 sterling per month.

The Commission further recommend the establishment of a mortgage bank or banks to provide for limits to the amount of bonds issued and to the ratio between valuation and loan. The Commission think that if the trading banks could transfer to a mortgage bank some of their present overdrafts, which are in the nature of long-term loans, and take in exchange the mortgage bonds issued by the mortgage bank, their position might be strengthened.

Owing mainly to the favourable season and the higher prices for wool and wheat, bank deposits in Australia for the June quarter of 1937 show an exceptionally heavy increase compared with a year ago. This increase is balanced by a substantial increase in funds outside Australia and an increase in local cash holdings, while advances and Government and municipal securities show little variation on the year. Deposits within Australia amount to £313,152,044, an increase of £21,667,606 in twelve months; advances have fallen by £776,738 to £261,626,299; Government and municipal securities are £44,659,807, an increase of £374,322; and cash items are £38,441,754, an increase of £7,579,272. These figures do not include the Commonwealth Bank. The larger total of exports, including wheat and wool at higher prices, are likely to be reflected in larger imports after the usual interval.

Letters to the Editor

Czechoslovakia's German Problem

TO THE EDITOR OF THE ECONOMIST

Sir,—I have followed with great interest the correspondence between Mr Melville and Mr A. J. Toynbee, and being an old reader of your paper I would thank you for publishing the following remarks.

As a Czech with real democratic feelings I cannot help being somewhat surprised by Mr A. J. Toynbee's views about Czechoslovak democracy. Mr A. J. Toynbee says:—

> I do not agree that Czechoslovakia is a democracy for the non-Czech half of the population. I believe it to be an imperfect democracy even for the Slovaks, while I am convinced that for the Germans, Magyars and Poles—who account, between them, for more than a quarter of the whole population—the present regime in Czechoslovakia is not essentially different in character from the regimes in the surrounding countries.

I would like to suggest—without offence—that these lines show little knowledge of our political conditions. Can there be a question of imperfect democracy for the Slovaks when our Premier, Dr Milan Hodža, himself is a Slovak, a number of Ministers are Slovaks, and Slovaks may be found holding positions as plenipotentiary ministers and members of diplomatic bodies, headed by Dr P. Osusky, the Czechoslovak Minister to Paris? Slovaks can be found in leading Government posts and on the boards of commercial and industrial institutions. A *bon-mot*, very characteristic of the country, says that, if the present conditions continue, we, the Czech people, will have to ask for autonomy.

As far as the Germans and our other minorities are concerned, I can hardly imagine what Mr A. J. Toynbee means by saying that the regime in Czechoslovakia is not essentially different in character from the regimes in the surrounding countries. Could Herr Henlein of the Sudetendeutsche Partei have come to his present power otherwise than by free election? Could he publish or discuss his ideas in any country without an absolutely democratic regime? Which neighbour State in Central Europe would allow him to criticise State politics and Government institutions in the way he does?

Mr A. J. Toynbee seems to be afraid that we shall be obliged to repress the Henlein party. Why should we do this? About fifteen years ago, Communism was a far greater danger than seems to be represented to-day by Herr Henlein. Several States then decided to take rigorous measures against it. Czechoslovakia, however, as a real democratic country, did not do so, and here Communism is reduced to-day to a political party of no importance whatever, whilst in countries where Communism was suppressed, it still remains a latent danger.

In conclusion, I would like to point out that the Czecho–German problem has been discovered in England only within the last two years, and it seems to have caused some anxiety there, while we Czechs have known this problem for about 1,400 years in many different forms. It must be admitted that during that time we have had enough occasion to learn something.

Thanking you for your courtesy,

I am, Sir,

Yours faithfully,

Jiří Hejda.

Prague.

Outlook for France

TO THE EDITOR OF THE ECONOMIST

Sir,—Your leading article of July 24, 1937, entitled "Outlook for France," calls for some rejoinder. To allege that, "France, in a sense, has never fully recovered from the loss of technical ability due to the expulsion of the Huguenots three centuries ago," is a Gilbertian view, entirely divorced from reality. Since the expulsion of the Huguenots right down to the enactment of the New Deal the French have been famed for their dexterity and for the quality of their products. Since the development of the heavy industries French technical ability in machine-made products has been great, surpassing other nations; the "Normandie" was not planned and built by Huguenots.

To allege further that, "before the enactment of the New Deal, the average French worker was much worse off than his compeers in England or the United States" is also the reverse of the truth. A system must be judged by its results. Compare the physical and mental condition of the workers in France and in England either a year ago or even to-day. In France, between the industrial workers and the upper classes, there is no difference in physical condition, and very little difference in mental condition. In England the physique of the working classes is poor, pale, ill-fed, with a correspondingly restricted mental and nervous range.

The French workers have kept their original link with nature, with the land; the man, or his wife, has, or will inherit, a house, a field, perhaps even a small farm in the country; there they send their children and go at least once a year, shooting, fishing, etc.

Divorced from nature, the British industrial workers have become robots with abnormal characteristics. Adenoids is a specific English complaint. They hinder the inflation of the lungs and the oxygenation of the blood, and stop the proper development of the bones of the nose, of the upper face and of the cranium. It has been stated that the English cranium—and consequently brain—has become narrower. Pyorrhœa, with bad teeth, is another specific English complaint; you do not see so many false dentures anywhere else. British doctors have stated that the campaign to ameliorate the race by physical exercises, presupposes better food. The English working classes are reared on suet, and look it.

A nation which has indulged in excessive procreation and deserted the land for the music-hall or the cinema, and does not produce its own food on its own soil, importing stale food from afar, has to pay the penalty in the form of degeneracy.

Before the new social laws, the working classes lived better in France than anywhere else. Since the new social laws, the cost of living has gone up so much in France that even bare subsistence has become very difficult for industrial workers who have children. The working classes' standard of living depends on an abundant production, and the five-day week has naturally decreased it.

Yours very truly,

J. Sicot.

Torquay.

British Banking Trends

TO THE EDITOR OF THE ECONOMIST

Sir,—Permit me to thank you for your courtesy in finding space for my letter in your issue of July 31st, and to develop my line of thought a little further.

Everyone knows that there has been an expansion in the volume of bank credit in this country in recent years. Statistically this is apparent in the first three columns of the appended table, but not in the fourth.

Averages for each Year

	Deposits of the 10 London Clearing Banks	Reserves of the 10 London Clearing Banks	Bank of England's outside Liabilities	Bankers' Balances with the Bank of England
		(£'000,000 omitted)		
1933	1,953	212	529	100
1934	1,880	212	534	100
1935	1,999	215	545	97
1936	2,142	221	583	96
		(Percentage of the Average for 1933)		
1933	100	100	100	100
1934	96	100	101	100
1935	102	101	103	97
1936	110	104	110	96

The inferences which I suggest may properly be drawn from this table are three.

Firstly, since 1934 the deposit banks have been holding less of their reserves in the form of balances with the Bank of England and more in the form of till-money. (There is the authority of the Macmillan Report (page 36) for using the figures of bankers' balances with the Bank of England as an indication of the amount of the balances of the London Clearing Banks with the Bank of England.)

Secondly, the figures of bankers' balances with the Bank of England throw little light on the credit policy which is being pursued by the Government and the Bank of England.

Thirdly, considerable light is, however, thrown on that policy by the figures representing the Bank of England's outside liabilities, that is to say its liabilities to noteholders and depositors combined.

I am, Sir,

Yours faithfully,

16A Longridge Road, S.W. 5. G. D. Rokeling.



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Books and Publications

The Will to Peace

It is a sad and dangerous fact that discussion of the principles which inspired many of the zealous adherents of the League of Nations in the years of hope after the war appears to-day strangely outmoded. The contrast between the order and security guaranteed by the Nation State to its citizens and the anarchy of the relations between States is once more taken for granted. The energies of statesmen are largely directed to finding empirical ways to postpone the inevitable employment of the warlike instruments which are being devised and accumulated on an unprecedented scale.

It is therefore opportune that Sir John Marriott should have essayed again* the task of expounding the historical origins of world organisation for peace, and of explaining in that light the fate which has befallen the League. The Nation State first emerged as the unit of political sovereignty at the time of the Renaissance. Sir John traces the development since then of this form of government and power; and against this background he examines the various plans and proposals which have been made from time to time to ensure international peace.

Sir John rightly insists that common to most of these projects for peace is the conclusion that they would involve the surrender by each State of some part of its sovereign power, and the transfer of this power to an effective central authority. Such transfers would clearly involve radical changes in the structure of the Nation State. There exist in each State various interests concerned in the perpetuation of that State as a sovereign entity from deeply rooted historical, social or economic motives. The possibility of establishing peace as a world institution must depend, therefore, on the extent to which these interested forces can be overpowered by an organised and effective will for peace—and for the preceding economic and military adjustments which would be necessary.

On the face of it, the forces making for the preservation of full national sovereignty appear incalculably the stronger. Yet the federation of the United States of America showed how political and military circumstances might alter decisively groups' perception of their interests. The logic of facts may equally well decide the modern world, after a further shattering experience of war, against the retention of unfettered sovereignties, though the signs are that the lesson will only be learned hardly and bitterly.

Sir John's concern, however, is not primarily with concrete circumstances of this kind, or with the major problems of current practice, the place of sanctions in collective security or the use of war to enforce the peace, but rather with the growth of a reasoned belief in the need for some supra-national authority. He depicts the League of Nations, in its fading glories, as the latest creation of the steadily growing will to peace. But he warns us that

> no scheme, however cunningly devised, can function effectively unless there has been, among princes and people, a real change of heart.

Sir John leaves us with the feeling that interested support of the League has not been nearly adequate to impart to it a full tide of life. It therefore remains abortive, and new men have recourse again to old ways. Yet the League is a witness to a silent and perhaps ultimately decisive change of heart among some men at least. Peace is willed by the people more than ever in history, and needs only the equipment of organisation and power.

There is something at once soothing and encouraging in Sir John's quietly vivid scholarship. His insistence on the nature and necessity of the will to peace is simple truth; yet his book is not quite satisfying. His approach to the starkness of modern statecraft is academic. He lingers in a world of ideas. The brutal facts of modern politics, economics and diplomacy cannot easily be set aside to reveal a world intent on peace. No ratiocination or analysis of ideas can alter the fact that, though the people of the world may want lasting peace, they are likely to be given devastating war.

* "Commonwealth or Anarchy." By Sir John A. R. Marriott. Philip Allan. 225 pages. 5s.

Shorter Notice

"Together We Stand." By Leonard J. Reid. With a Foreword by Viscount Horne of Slamannan. Cassell and Co., Ltd. 162 pages. 5s.

Mr Leonard Reid, who is Financial Editor of the *Daily Telegraph*, has performed a real service in writing this little book with the express purpose of persuading British public opinion of the necessity for seizing the present unprecedently favourable opportunity for concluding an Anglo-American Trade Agreement. The book is intended for the man in the street rather than for the economist or business man, but even some men in the street may wish that the author had not so rigidly held to his determination to limit the number of facts and figures. Unfortunately, some of the facts that are mentioned prove to be inaccurate (e.g. the population of New York State is not twice, but two-thirds, that of Canada, Australia and New Zealand combined). But these are incidental blemishes on a book which makes no pretence to be anything but journalism within stiff covers. They will not hinder it in its task of persuasion.

Books Received

Economic Planning in Australia, 1929–36. By W. R. Maclauren. (London) P. S. King. 304 pages. 15s. net.

The Labour Party in Perspective. By C. R. Attlee. (London) Gollancz. 287 pages. 7s. 6d. net.

Youth in British Industry. By John Gollan. (London) Gollancz. 344 pages. 6s. net.

Statistical Year-Book of the League of Nations, 1936–37. (London) Allen and Unwin. 330 pages. Paper 10s. Cloth 12s. 6d. net.

Review of World Trade, 1936. League of Nations. (London) Allen and Unwin. 2s. 6d. net.

The Financial Post Survey of Corporate Securities. The Maclean Publishing Co., Ltd., Toronto and Montreal, 1937, eleventh year of publication. Published annually by the *Financial Post* of Canada, and contains particulars of some 1,500 Canadian securities, an 8-year price range table, and index. 292 pages. $2.

Newcomers and Nomads in California. By W. T. Cross and D. E. Cross. (London) H. Milford. 149 pages. 7s. 6d. net.

Neue Analyse der Wirtschaftlichen Grundphänomene. By E. Riesenfeld. (Leipzig and Vienna) Franz Deuticke. 133 pages. M.6.

Building Societies' Year Book, 1937. Edited by G. E. Franey. (London) Franey and Company, Ltd., 37 Cursitor Street, E.C.4. 570 pages. 8s. post free.

The Mathematical Problem of the Price Index. By J. K. Montgomery. P. S. King. 74 pages. 6s.

Managed Money. By J. W. Hills, M.P. Philip Allan. 150 pages. 6s.

The Port of Leith. Compiled by A. Carswell. (Leith) Leith Chamber of Commerce. 127 pages. 1s. net.

Official Publications

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

Guide to Current Official Statistics of the United Kingdom. Vol. 15. 1936. 1s. net.

Report of the Unemployment Assistance Board for the Year ended 31st December, 1936. Cmd. 5526. 3s. net.

Eighteenth Annual Report of the Ministry of Health, 1936-37. Cmd. 5516. 5s. net.

Criminal Statistics, England and Wales, 1935. Cmd. 5520. 3s. 6d. net.

Report of the Committee on Compulsory Insurance. Cmd. 5528. 1s. 3d. net.

Proposals for Legislation on Cinematograph Films. Cmd. 5529. 2d. net.

MONEY AND BANKING

Rising Note Circulation

On August 4th the note circulation reached the record level of £503.9 millions. In spite of the presence in the issue department of the Bank of England of the impressively large figure of £326.4 millions of gold, the banking department's Reserve dropped to £23.6 millions and its Proportion to deposits shrank to 16.6 per cent. This is the lowest ratio touched since Christmas, 1925. Under the conditions which existed in bye-gone days so low a Reserve and a Proportion would have undoubtedly been regarded as foreshadowing dearer money. To-day there is no suggestion of any threat to the continuance of the regime of cheap and plentiful credit. How has this change come about?

Before the war the Bank was bound by statute to pay gold against its notes, both at home and abroad. Gold coin circulated freely inside the country, while any weakening of sterling beyond the export gold point meant that gold was immediately taken out of the Bank for shipment abroad. Finally, as the fiduciary note issue was low and rigid, the Bank could not expand its total note issue in the absence of sufficient gold acquisitions.

To-day, the Bank is no longer bound to supply gold on demand, nor does the Bank's gold constitute the sole gold reserve of the country. It is true that holiday pressure has temporarily reduced the Proportion to 16.6 per cent., but the Bank of England's Reserve Ratio of gold stocks to deposits and notes in circulation is as high as 50.6 per cent. Also this figure excludes altogether the gold held by the Exchange Equalisation Account. Even if the Bank had not been relieved of the obligation to supply gold, its position would be much stronger than the Proportion of 16.6 per cent. suggests. In fact, this ratio has lost practically all its traditional significance.

A second vital change is that the fiduciary note issue is no longer limited and rigid. Only last December the total was reduced from £260 millions to £200 millions, contemporaneously with the taking over by the Bank of England of some of the Exchange Equalisation Account's gold. We then pointed out that once the fiduciary note issue had been reduced below £260 millions, Parliamentary sanction would not be required for any subsequent variation, either upward or downward, so long as the datum line of £260 millions were not exceeded. At any moment, therefore, the Bank of England and the Treasury are at liberty to agree to raise the fiduciary note issue by anything up to £60 millions. All that would be required to carry such a decision into effect would be the transfer of £60 millions of securities from the banking department to the issue department of the Bank. The operation, consequently, would have no direct effect upon either the money market or the Stock Exchange. In return the banking department would receive £60 millions of additional notes, representing the increase in the fiduciary note issue, and (on the basis of the Bank return of August 4th) the Reserve could be raised to £83.6 millions and the Proportion to 58.9 per cent. Obviously, therefore, there is no technical difficulty in the way of an increase at any moment, both in the Reserve and the Proportion, to figures whose significance not even the least well-informed observer, at home or abroad, could possibly fail to appreciate.

A similar end would be achieved if the Bank bought gold from the Exchange Equalisation Account, as it has done, indeed, on many occasions in the last fifteen months. The purchase would permit an expansion in the note circulation and, consequently, in the banking department's Reserve. On the other hand, the Bank would need to pay for its gold, and the Exchange Equalisation Account would use the proceeds to take up Treasury bills now held by the banking system. The ultimate effect, in this case, would be an expansion in bankers' deposits at the Bank of England—that is, an enlargement of the credit base. It follows that further action by way of open market sales of securities would be necessary if the credit base were to be maintained at its present size.

The authorities have allowed the holiday peak of the note circulation to pass, this year, without taking action of either kind, and their inaction has been justified by results. It does not follow, however, that action will not be required between now and next Christmas. Normally, between the holiday peak at the beginning of August and the middle of November, the note circulation shrinks by between £10 millions and £20 millions, but from the middle of November onwards to Christmas it increases by amounts of the order of £30 millions. The Christmas increase was far more marked in 1936 than in earlier years, probably as a result of expanding trade and rising prices. It is fair to assume that it will be equally, if not more marked this year, though there is a possibility of some French dishoarding of British currency during the autumn. In 1936, the Christmas peak was £20 millions higher than the August holiday peak; at a rough guess it will be at least £20 millions higher this year. This points to a Christmas note circulation of a maximum of £524 millions, against the August maximum of £503.9 millions.

To-day, the Bank holds £326 millions of gold and the fiduciary note issue is £200 millions. The total permissible note issue is thus £526 millions. If by next Christmas the note circulation rises to £524 millions, and other conditions are unchanged, the Reserve in the banking department will fall to a mere £2 millions. Obviously so low a figure would be unthinkable, even under the altered conditions of to-day. Between now and Christmas, therefore, we may expect some remedial action by the Bank. Ought this action to take the form of an increase in the fiduciary note issue or of a gold purchase from the Exchange Account? Currency withdrawals by the public, it should be remembered, not only reduce the Bank of England's Reserve but also the supply of joint-stock bank cash. The currency is withdrawn by the public, not directly from the Bank of England but from the joint-stock banks, who in turn draw on their balances at the Bank of England to replenish their till-money. There is, therefore, possibly a case to be argued for the Bank of England buying from the Exchange Equalisation Account between now and Christmas enough gold to replenish joint-stock bank cash as well as its own Reserve. Any further remedial action, however, should be by way of an increase in the fiduciary note issue.

In any event, both the holiday and the Christmas expansion in the note circulation are purely seasonal movements, and should not be made the pretext for a permanent enlargement of credit. When the Christmas notes return from circulation, therefore, any hesitation in effecting a reduction in the fiduciary note issue, and even in making re-sales of gold by the Bank to the Exchange Equalisation Account, would be regrettable. Now that we have an elastic monetary system, we should be prepared to make full use of it, so long as we steer an even course between inflation and deflation. The corollary is that a variation, either upwards or downwards, in the Bank's gold stocks or in the fiduciary note issue should be effected with equal readiness, in the light of the technical circumstances of the moment. The public must similarly learn that variations of this kind, even when they take the form of gold sales by the Bank, indicate only seasonal re-adjustments.

Financial Notes

The Foreign Exchanges.— The main development of the week has been the slight growth of strength in the franc. The spot rate was quoted at Frs. 132⅞, with the three months' rate at Frs. 2¾ discount. The French authorities continue to intervene in the market, but this week they have been able to operate both ways, selling francs at Frs. 132 1/16 and buying them back at Frs. 132⅞. They are also believed to have bought a few dollars, this being the first dollar purchase by the French authorities for quite a long time. French rentes have been strong, and taking all these facts into account there is some evidence of a small repatriation movement, combined with some covering of open positions. The view is now taken that no fresh weakness is likely to develop for the rest of this month. Dollars weakened to $4.99¼, but have since come back to $4.98¾. The Japanese sales of dollars, which were previously so much in evidence, have now ceased. Guilders, belgas and Swiss francs have followed the dollar, but forward belgas and Swiss francs have perhaps been a little firmer. The Shanghai rate is so far unaffected by the troubles in the Far East and remains at 1s. 2¼d. The further rate of the Argentine peso is slightly weaker at 47.49 pesos.

* * *

July Clearing Bank Returns.—The July averages of the ten English clearing banks record a contraction since June of £5.9 millions in cash. A comparison of the Bank returns for June and July reveals a drop in bankers' deposits, which is mainly traceable to the increase in the note circulation and the contraction in the Bank's Reserve. Increases in the banking departments' earning assets have done little more than neutralise an expansion in public deposits. Therefore the shrinkage in clearing bank cash is due to the greater demands for currency by the public.

(In £ millions)

	July, 1936	March, 1937	April, 1937	May, 1937	June, 1937	July, 1937
Capital and reserves	131·8	132·5	132·5	132·5	132·5	132·5
Acceptances, etc.	101·2	122·2	126·2	125·5	124·1	122·1
Deposits (including undivided profits, etc.)	2,206·0	2,206·6	2,213·6	2,217·7	2,255·1	2,255·6
Total liabilities	2,439·0	2,461·3	2,472·3	2,475·7	2,511·7	2,510·2
Cash	221·7	222·4	226·2	229·6	237·7	231·8
Cheques, balances and items in transit	58·3	67·3	64·6	68·7	73·0	63·7
Money at call	153·0	164·8	171·6	163·4	166·2	157·9
Discounts	347·0	246·2	239·5	242·8	257·5	280·7
Investments	623·3	651·9	646·0	641·4	638·2	631·7
Loans and advances	864·9	918·8	930·6	936·6	947·4	954·7
Investments in affiliated banks	25·2	23·5	23·5	23·5	23·5	23·5
Cover for acceptances, premises, etc.	101·2	166·4	170·3	169·7	168·2	166·2
Total assets	2,439·0	2,461·3	2,472·3	2,475·7	2,511·7	2,510·2

The resumption of bill purchases by the banks is reflected in the July increase in discounts, while the upward trend of bank advances has continued. In these circumstances some reduction in investments was inevitable, or else deposits would have increased sufficiently to bring the banks' cash ratios too low. As matters stand deposits are practically unchanged, while the aggregate cash ratio has shrunk from 10.5 to 10.3 per cent.

* * *

The Money Market.—Possibly because of the further small drop in bankers' deposits, money has been a little more usable this week, and while the clearing banks have had plenty available they have experienced quite a good afternoon demand for loans. At the Treasury bill tender of August 6th the market only secured 28 per cent. of the £45 million bills allotted, but nevertheless they were in fair need of money, possibly because of the absence of any maturities on Monday. According to one report, there was less outside money available against bonds, and one or two borrowers had to pay up to ¾ per cent.

	July 22, 1937	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	11/16–½	11/16–½	11/16–½	11/16–½

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

Business in bills was naturally restricted a little by the meagre success of the market at last week's tender, but the banks were buyers of Treasury bills maturing in September, October and early November.

* * *

The Bank Return.—Since last week £5·9 millions of the holiday notes have returned from circulation, this being rather more than the parallel reflux a year ago. In consequence the Reserve has risen by £6.2 millions and the Proportion is restored to 19.9 per cent.:—

BANK OF ENGLAND

	Aug. 12, 1936	July 21, 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	243·0	326·4	326·4	326·4	326·4
Note circulation	450·3	493·1	498·3	503·8	497·9
Banking Department :—					
Reserve	53·7	34·2	29·2	23·6	29·8
Public deposits	17·4	17·5	10·5	9·8	19·0
Bankers' deposits	98·0	97·2	104·3	95·4	93·6
Other deposits	38·0	38·1	37·3	36·9	36·4
Government securities	89·6	107·4	114·4	110·2	111·1
Discounts and advances	8·9	5·8	5·8	6·4	5·9
Other securities	19·3	23·4	20·8	20·1	20·3
Proportion	*35·0%*	*22·4%*	*19·1%*	*16·6%*	*19·9%*

Normally bankers' deposits would also have gained the benefit of the returning notes, but there has simultaneously been a transfer of £9.2 millions of funds to public deposits. This movement has no significance, and may be due to the absence of Treasury bill maturities on Monday. The net result is a slight drop of £1.8 millions in bankers' deposits.

* * *

The Bank of New Zealand.—The annual address of the chairman of this bank at the meeting held at Wellington on June 11th last leaves behind it two main impressions. One is the strength of the bank itself and the second is the growing interference of the New Zealand Government in matters which hitherto have been of banking and commercial concern. The first example of this is the Act by which the Government has taken complete control over the export of dairy products. Mr Donnelly, the chairman of the Bank of New Zealand, admitted that the Act should prove beneficial to producers in protecting them from severe fluctuations of the market, but he equally had to point out that the New Zealand trading banks had been deprived of part of their business, and he instanced the reductions shown in the bank's latest balance sheet in London funds and bills receivable in London and in transit. Mr Donnelly also referred to the new Mortgagors and Lessees Rehabilitation Act, designed to relieve farmers and others from liabilities which by reason of reduced values and altered conditions had become unduly onerous. Comparatively few of the bank's customers had applied for adjustment of their obligations to the bank and a number of voluntary settlements had been arranged with customers. Mr Donnelly was much more severe on the arbitrary method by which the New Zealand banks were assessed for income tax. A committee has recently been set up by the Cabinet to consider the question of taxation, and the banks have submitted their case for relief.

THE STOCK EXCHANGE

Fraudulent Share-Pushing

ALONG the winding, uphill road which—so Dante informs us—is Purgatory, a glad cry resounds as each weary traveller reaches the mountain's summit. In the place, wherever it be, where departed confidence tricksters, fraudulent financiers, long firms and bucket shopkeepers congregate, this week's Report of the Departmental Committee on Share-Pushing will presumably arouse emotions of a different order. The Committee was appointed by the Board of Trade last December under the chairmanship of Sir Archibald Bodkin

> to consider the operations commonly known as share-pushing and share-hawking and similar activities, and to report what, if any, action is desirable.

The Committee's task, in fact, was to discover means of preventing the financial exploitation, for private gain, of a debased public appetite. Properly directed and controlled, the desire to improve one's lot is the secret of human progress; harnessed to the ignorance that thinks itself wise, and whipped by cupidity, it delivers the customer, ready-made, at the share-pusher's door.

To reverse a deep-seated human instinct is too formidable a task for the strongest official body, and the Committee has, in fact, confined its attention to the share-pusher, leaving the fundamental task of educating the client to the Government, the savings authorities, the Press and the B.B.C. Its report is prefaced by a painstaking survey of the entire field of share-dealing, in the course of which some significant facts emerge. There are, first, approximately 5,500 members of various "recognised" Stock Exchanges, of which the London Stock Exchange is far and away the most important. Secondly, there is a host of individuals and institutions, of all sorts, shapes and sizes, whose essential function is to act as feeders of the Stock Exchanges and whose work is fundamentally of an "agency" character. Finally, there are from 600 to 800 outside share-dealing agencies who, with few exceptions, resort to the widespread publicity and circularisation which is denied to Stock Exchange members. The great majority of these, the Committee finds, do a legitimate and useful business (including, in some instances, the placing of shares which would otherwise have no market—a rôle to which the Committee gives a somewhat complacent blessing). The minority are the subject of the Committee's investigations: the fraudulent share-pushers whose methods are endless variations on two main themes—the exchange of worthless shares for the victim's cash or sound securities, and the eventual confiscation of "margins" in a non-existent gamble for the rise.

The Committee finds that the share-hawking provisions in the Companies Act of 1929 were badly drafted, and have been largely ineffective—for the reason that they attempt to intercept the fraudulent salesman at the purchaser's door or letter box, instead of catching him in his own den. How, in the last resort, could he be prevented from coming into existence at all? The safest way would be to restrict the practice of share dealing to Stock Exchange members; but that, the Committee found, involved the question of a Stock Exchange charter, which it was not prepared to recommend. It is remarkable how many reformist bodies, official and otherwise, have come up against this charter question in their inquiries in many different fields; have been overawed by its difficulties; and, turning away, have fallen back on second- or third-best expedients. The Committee on Share-Pushing has even rejected the second-best course—licensing of share-dealers by an expert and representative body—on the ground, *inter alia*, of restraint of trade, though a precisely similar procedure has for years been applied to barristers, solicitors, clergymen, doctors, dentists and nurses.

The Committee finally decides in favour of registration, *tout simple*. After an appointed day, it is suggested, no person should be permitted to hold himself out as a stock or share dealer unless his name appears on the roll of the Board of Trade. Members of recognised Stock Exchanges or other institutions will be exempt, and the terms "stockbroker" or, where relevant, "stock-jobber," will be reserved for them. To outside persons, the term "stock and share dealer" will be applied. Every applicant for admission to the register will be required to furnish, in a statutory declaration, illuminating particulars of his identity and status—including his past and present nomenclature and nationality, his private and business addresses, his former occupations, the names of his bankers and his Stock Exchange and general references. If he or his company has not been engaged in share business for at least three years, he will be required to furnish sureties for £500. He must not be a bankrupt. Similar regulations apply to all individual partners or directors of firms or companies.

The Committee avowedly regards these restrictive provisions as the kernel of its recommendations. Recognising, however, that some fish will slip through, however small the mesh of the net, the Committee makes further recommendations to obviate abuses of their facilities by registered dealers. The City of London and the Metropolitan Police are to establish a species of joint intelligence department at Scotland Yard. The Companies Act and the Larceny Act are to be tightened up. A dealer may be struck off the register by Court order for offences against the regulations, for fraud or dishonesty, for pleading the Gaming Act in any action, and for bankruptcy. Local Justices of the Peace are to have power to issue search warrants and to order examination of banking accounts. Contracts between outside dealers and their clients are to be deemed, in all cases, to cover transactions in actual stocks and shares and, consequently, to be inapplicable to the voiding provisions of the Gaming Act. In civil or criminal actions, it may be decided that the names of witnesses are not to be published. Printers and manifolders are to be prohibited from printing circulars for non-registered dealers. The provisions of the Post Office Act, 1908, are to apply to such circulars, and copies sent from abroad for distribution in this country are to be treated as contraband.

The Committee deserves congratulation on a conscientious effort to cleanse a particularly ill-smelling Augean stable. In any evaluation of the probable efficacy of its work, however, a number of questions arise. Has the Committee's registration proposal eliminated the danger of operations through dummies and men of straw? Will the Registrar's examination be more than formal, once the required particulars have been supplied? Will the presumption that a share dealer who has furnished the prescribed information is honest until he is proved dishonest invest the fraudulent but registered dealer with a specious *cachet* of respectability, and leave the task of unfrocking him to the Courts *after* his depredations have occurred? If so, much will depend on the ability of the authorities to make a sufficiently strong case to secure conviction (and past experience in this regard is not wholly reassuring); on the zeal of the Public Prosecutor; and on the willingness of victims of bad faith to bring their grievances to the Courts. In many cases, these victims will be small people, with all the poor man's aversion from litigation. And the task of drawing up, by a multitude of legal decisions, an effective code of what is and what is not permissible in outside share dealings (where in very many cases a client may be, of his own volition, a gambler, not an investor, and

therefore presumably cognisant of the risks he is taking), will be arduous and, perhaps, disappointing in its results to many reformers. It is inherent in all legislation to eliminate a traffic in which the victim is, not infrequently, a willing (though unwitting) accomplice, that it tends less to eliminate abuses than to drive them underground.

The total amount involved in share pushing operations may easily be exaggerated—the Committee itself believes that a suggested total of £5 millions per annum is an over-estimate. As a fraction of the total sums involved annually in stock and share transactions, the figure is undoubtedly very small. But the moral and psychological effects of the traffic have always been out of proportion to its financial substance. And if the Committee's recommendations are carried into law, it may well be that their deterrent effect will depend rather on the energy with which the law utilises its new powers to punish abuses, than on the success of the proposed system of registration in checking those abuses at their source.

Investment and Company Notes

Newsprint and Bowater's.—Negotiations are proceeding between the newspaper proprietors and Bowater's on the request of the latter for an upward revision of the £10 a ton fixed a year ago as the contract price of British-made newsprint in 1938. It has been reported that the papermakers want an additional £2 per ton, that the provincial papers have agreed in principle to some concession, and that representatives of the large London papers have offered to make a supplementary payment of 30s. per ton. The ground for seeking a revision of contract prices is the increase in prices for wood pulp. On December 1st last year the chairman of Bowater's Paper Mills, Mr Eric V. Bowater, said that the entire production of mills in his group had been disposed of for 1937 at prices similar to those then prevailing; that there had been unwarranted demands for higher prices from manufacturers of wood pulp, who had formed a cartel in Northern Europe, but that the company had already covered an important part of its pulp requirements; and that the directors expected that any increase in raw material costs would be mostly covered by economies resulting from increased output and from amalgamation with the Lloyd group. It is now evident that any economies that have been made are insufficient to cover the very rapid increase of pulp prices since the existing contracts were signed last July. Quotations for the two relevant grades of pulp are tabulated below:—

	Per ton (c.i.f.) News quality Sulphite			Mechanical Wet		
Beginning of	£	s.	d.	£	s.	d.
January, 1936	6	17	6	2	2	6
July, 1936	7	15	0	2	4	3
December, 1936	9	5	0	2	8	3
July, 1937.....	16	5	0	3	13	9

The actual increase in costs incurred by the Bowater-Lloyd group depends, of course, upon the date at which their requirements were covered, and their own bargaining power. But if the full increase since last July were to be borne by the papermakers, the increase in pulp costs would come to over £4 per ton of newsprint. Roughly eight tons of mechanical wet and one ton of news quality sulphite are required to produce five tons of newsprint. The group would have to pay £2,000,000 more for a year's requirements of pulp. What proportion of this figure will actually be incurred has not so far been disclosed. The group has attempted to protect itself against future increases by acquiring control of two pulp mills in Sweden, and has signed an option to acquire timber rights in Newfoundland.

The various companies in the group, with their issued capital, are set out below:—

Bowater's Paper Mills

	£
3½% debentures ...	1,000,000
6½% cumulative preference	800,000
7½% cumulative participating preference	1,000,000
Ordinary	1,000,000

Bowater's Mersey Paper Mills

	£
3½% debentures ...	800,000
5½% cumulative preference	500,000
Ordinary (owned by Bowater's Paper Mills)	650,000

Edward Lloyd Investment

	£
5% redeemable cumulative preference	2,000,000
Ordinary (owned by Bowater's Paper Mills)	2,000,000

Edward Lloyd

	£
7% cumulative preference	1,200,000
5½% cumulative preference	1,000,000
Ordinary (owned by Ed. Lloyd Investment)	1,600,000

Bowaters and Lloyds Sales Company (formerly W. V. Bowater and Sons, 1926). Owns Bowater (Australia), Ltd., and Bowater Paper Company, Inc., of New York.

	£
8 per cent. participating preferred ord.	200,000
Ordinary (owned by Bowater's Paper Mills)	300,000

The combined issued capital of the group, with inter-company holdings of ordinary shares eliminated, shows £1,800,000 of debentures, £6,700,000 of preference issues, and £1,000,000 of ordinary. The distributable profits of Edward Lloyd are subject to preference charges of £139,000 before they reach the Edward Lloyd Investment Company, where a further £100,000 is absorbed before the stream filters through to the parent company, Bowater's Paper Mills. From Bowater's Mersey Paper Mills' profits, £55,500 is required for prior charges before they pass to the controlling company. Charges on Bowater's Paper Mills prior issues need £162,000. If the group were a consolidated unit, a total of £472,500 would be needed for all prior charges, before anything would be available for the ordinary shares of Bowater's Paper Mills, the only equity of the group in which the public has an interest. The annual report for Edward Lloyd, Ltd., for the calendar year 1936 showed a trading profit, after depreciation, of £383,000. The annual reports of Bowater's Paper Mills and Bowater's Mersey Mills for the year ended September, 1936, showed a combined profit, after depreciation but before debenture interest, of £286,000. This figure contains an unspecified amount of inter-company dividends.

* * *

Newsprint and the Newspapers.—The effect of granting an additional 30s. a ton on Bowater-Lloyd newsprint must be serious for the newspaper companies. Odhams take about 150,000 tons a year, so that they have to face an additional newsprint bill of £225,000 for 1938. Allied Newspapers take about 110,000 tons, the *Daily Express* some 70,000 tons, and the *News Chronicle* about 50,000 tons. The industry as a whole will have to anticipate an extra charge for British newsprint of £750,000. It is generally considered that it is impossible for the newspaper companies to find relief in higher prices for their papers, although it might prove that the demand for newspapers is not elastic. Relief must be sought in economies of various natures. The most "squeezable" item at present is the expenditure of from £1¾ millions to £2 millions a year on canvassing for new readers. Here is an excellent economy, but it may require co-operation between proprietors of the national dailies to achieve, and co-operation is not easily obtained. There may be savings to reap through using lighter weights of papers and through reducing the number of pages. The growth in size of papers in recent years has been the result mainly of lower newsprint costs, and it is inevitable that a rise in costs should have its effect in reducing the size of the article offered to the public. The newspaper companies may have to anticipate still further increases in their paper bills in the future, depending upon the general trend of world prices and on the condition of the American newsprint market. The investment prospects of newspaper shares do not seem particularly rosy.

Greek Public Finance.—On the breakdown of the Greek debt negotiations last week the Council of Foreign Bondholders and the Greek Government exchanged broadsides and broadsheets. The Greek bondholders will feel that the Council's case is the stronger. Its upshot is simple. The 40 per cent. offer of the Greek Government expired last March. It had been reluctantly accepted by the creditors' representatives, on the presumption that, before its expiry, determined progress would be made to secure a permanent debt settlement. Since August of last year efforts to this end had been carried on, and the arrival of the Greek delegation was expected to provide an occasion for successful discussion. But it transpired that the delegation had no authority to exceed an offer of 50 per cent. of service, coupled with other measures of relief. The Council bluntly informed the members of the delegation that the offer was quite unacceptable. From the budgetary point of view, Greece is plainly in a position to make a more realistic offer; the revenues specifically assigned to the service of the debt are more than ample to cover full payment. The negotiations, however, have ended in deadlock, and the Greek representatives are unwilling to negotiate even a new temporary settlement.

* * *

The Greek Government's reply to the Council's *communiqué* contains some unusual arguments. The proposed 50 per cent. service, it is declared, secures 3 per cent. to 3½ per cent. on the post-war loans, and "this rate of interest will in actual practice be substantially higher if account be taken of the acquisition price paid by the bondholders of these loans." This, indeed, is a strange new principle of international finance. If the reasoning is valid, why should Greece stop at 50, 40, 27½ or even 5 per cent. of the service? The greater the default the lower the price at which the bonds can be acquired. Nor is it relevant to contend that the increase in Budget revenues comes from new taxes which are oppressing the people, when by common admission armaments have played a large part in the increase of Greek expenditure. The bondholders' case rests on the yield of the secured revenues alone. Holders may reflect, further, upon the position of the Greek economy under the increasingly important system of bilateral clearing. Well over half Greece's exports are shipped to countries, of which Germany is chief, under clearing agreements. The adverse balance of free payments, therefore, leaves no opportunity for the acquisition of adequate supplies of free *devisen*. This predicament, however, is self-invited; it is an argument, not against the bondholders' rights, but against the bilateral distortion of economic relations.

* * *

Industrial Profits in July.—Although the rate of increase in profits was fully maintained in July, the usual seasonal decline is shown by the number of important results published. Total net profits of £15,260,299 covered in the July reports amounted, in fact, to about one-third of the June total, but they show a similar order of increase on the £12,756,364 total for the preceding year. The record of recent months is shown below:—

Reports published in 1936—	*No. of Companies*	Rise in Profits* %
May.....	*269*	9·41
June	*214*	13·50
July.....	*228*	15·69
August ...	*47*	14·21
September	*107*	12·32
October ...	*146*	18·09
November	*177*	13·49
December	*175*	15·49

Reports published in 1937—	*No. of Companies*	Rise in Profits* %
January...	*110*	15·92
February	*208*	8·95
March ...	*307*	12·52
April	*245*	23·36
May	*255*	14·09
June	*265*	21·19
July	*193*	19·62

* After payment of debenture interest.

Rubber results affect the rate of improvement appreciably. About one-quarter of the total increase of £2,503,935 is due to rubber companies, which show a 150 per cent. increase in profits over the previous year. Other groups showing substantial rises include iron, coal and steel, the heterogeneous finance and land group, and breweries.

* * *

New Zealand Loan and Mercantile Scheme.—The directors of this company deserve the thanks of shareholders for setting out the consequences of the reconstruction scheme so clearly. In particular shareholders will appreciate the table showing their share of hypothetical earnings before and after reconstruction. At present the share capital amounts to £2,500,000, divided into £1,000,000 5 per cent. cumulative preference stock, £500,000 6½ per cent. second preference stock and £1,000,000 ordinary stock. But the business of merchants and bankers to Dominion wool farmers has not proved stable in the post-war world. The first preference dividend was 2½ years in arrear at June 30, 1936, the second preference dividend had been unpaid for 5½ years, and the ordinary shareholders had received nothing since 1930. Under the scheme, the capital of the company is to be reduced by £250,000, and will consist of £1,000,000 5 per cent. cumulative preference stock and £1,250,000 ordinary stock. The first preference stockholders are to receive their dividends up to date from reserves. Second preference stockholders will receive £70,000 in cash and their shares will be converted into £750,000 ordinary stock. The existing ordinary stockholders sacrifice one quarter of their holdings for cancellation, and another quarter is to be handed over to the second preference holders. In effect therefore the first preference holders get their arrears paid off more quickly than they could possibly expect in the present earnings situation. The second preference holders receive a cash payment, for which they would otherwise wait many years, and the possibilities of a dividend are held before the existing ordinary shareholders. To secure these advantages the two latter classes have, it is true, to make substantial sacrifices, but on the whole

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the balance has been held very evenly between them. Although the company provides, very fairly, the opportunity to vote by proxy against the scheme, all classes should have no difficulty in giving their consent.

* * *

Watney and Guinness Meetings. — A large section of the chairmen's comments at the Watney Combe Reid and Arthur Guinness meetings this week surveyed common ground, for both spokesmen were at pains to emphasise the increased costs of the brewing industry. Colonel O. P. Serocold pointed out to Watney Combe Reid shareholders that the rise of 4s. to 5s. per quarter for barley of the last harvest would probably be maintained for the new crop. Apart from this item—to which, presumably, one could add brewing sugar—the costs of fuel and petrol have an appreciable significance for the profit and loss account. Lord Iveagh informed the members of Arthur Guinness that the cost of brewing materials had lately risen considerably, and he anticipated a further increase. This common stress on the cost problem suggests, indeed, that the substantial technical improvements which have been achieved by the brewing industry generally in recent years are gradually approaching exhaustion. From this technical aspect, the investors' interest is undoubtedly concentrated upon the new Guinness brewery at Park Royal. The chairman would neither confirm nor deny various reports which have been current in the market regarding the progress of this important new venture. He did, however, emphasise that the plant had fully justified anticipations, that it supplied a considerable proportion of the English trade, and that quality had been maintained. The slight set-back in profits last year, of course, does not afford any permanent conclusion regarding the new brewery. All new plants experience growing pains, and the fuller operations envisaged for the current year may tell a different story. Watney's programme of development is different in character. For several years, the directors have applied generous sums to property improvement, and they are at present unable to set a limit to this programme. Building costs have risen by 15 per cent. during the past year, but the obligation to renew premises continues to increase. The benefits of this policy will become apparent in the long period, but at present shareholders must apparently resign themselves to the advantages of internal strength rather than hope for appreciably larger dividend warrants.

* * *

Associated British Picture Survey.—The pre-view of the future of the cinema industry in this country given by Mr John Maxwell last Tuesday is particularly opportune for three reasons: the proposed new legislation governing the quota; the completion of the Corporation's first decade; and the recent financial weakness disclosed in the film-producing industry. On the Stock Exchange, as well as in Wardour Street, the industry's future development has been viewed with increasing caution. Mr Maxwell concluded his informative survey with a note of reassurance and optimism regarding the position of his corporation. The recently published accounts, indeed, made an excellent showing. The expectations of the shareholders were satisfied by raising the dividend from 12½ per cent. to 18 per cent.; but the development of the undertaking out of profits has always been kept in sight. Especial attention was drawn to the saving of interest charges by the large reserves invested in the business. Mr Maxwell proceeded with some confidence to allay the chief fears for the future. In production, the main source of weakness—against which he himself had previously issued warnings—was, until recently, a too generous flow of money into the hands of inexperienced producers. This phase seems to be passing, and definite reasons were given for expecting substantial profits from the Corporation's production department during the current year. Redundancy of cinema building in some districts was admitted, but as far as A.B.P. itself was concerned extreme care in the choice of sites had always been exercised, the latest financial results bearing witness to the success of the policy. As for the renewal and modification of the quota provisions, no uneasiness was expressed, as Mr Maxwell believed that any legislation ultimately passed would strengthen the industry. And he concluded with a forecast of increased earnings and dividends for some time to come. It was disclosed, however, that the Corporation is now proceeding in the Courts regarding the Metropolis and Bradford Trust deal. The first part of this transaction has been completed, but the second part—affecting the controlling interest of the voting shares—has not. Comment, however, must be reserved as the matter is *sub judice*.

* * *

Coal Company Prospects. — It is now clear that the coal industry is enjoying a share of industrial recovery, but the exact way in which recovery has affected the position of different coal companies and their shareholders remains rather mysterious. Prices have risen fairly sharply during the last few months, and unemployment, though still very high, has been declining gradually for a long period. Domestic consumption is now higher even than in 1929, but export demand—though that, too, is now on the up grade—appears to have been permanently damaged by the depression in Europe. The revival of shipping has improved the position of bunker coal producers, though here also the revival has been recent and not very large. Meanwhile, despite continuing mechanisation on a large scale, costs are rising, mainly through the high costs of extensions underground and the shortage of appropriate types of labour, and there are prospects of further wages demands. Among these various forces it seems quite impossible to say which will predominate. The following table, however, which shows the results for five companies over the last three years, provides a basis for discussing possibilities:—

Company (year to March 31st)	Total Revenue	Earned for Ordinary		Ordinary Dividend	Ordinary Shares	
		Amount	Rate		Price	Yield (%)
	£	£	%		s. d.	£ s. d.
Powell Duffryn Steam Coal :—						
1935	450,284	179,837	6·3	6		
1936	280,484	225,723	6·1	6	26 3	5 6 6
1937	319,844	281,377	7·1	7		
Wm. Cory and Son :—						
1935	678,502	606,002	21·4	17½		
1936	655,330	603,830	21·4	17½	88 9	4 10 3
1937	728,536	677,036	23·9	20		
Butterley Company :—						
1935	138,972	87,963	4·9†	5†		
1936	213,511	137,940	7·7†	6½†	43 9	4 17 9
1937	297,216	196,514	10·9†	8†		
Shipley Collieries :—						
1935	106,470	30,904	6·9	6		
1936	160,290	79,538	18·4	8	44 0	5 9 0
1937	219,186	120,726	22·8	12		
Carlton Main :—						
1935	142,887*	59,465*	3·5*	3		
1936‡	152,097	89,178	5·4	4	20 0	5 0 0
1937	150,080	87,800	5·4	5		

* Excluding 19 per cent. dividend received in stock. † Tax free. ‡ Comparison with previous year affected by changed method of dealing with tax.

It should be remembered that all these companies are large and well established. Their performance, therefore, may not be entirely representative of the fluctuations of the industry as a whole. Powell Duffryn, through its subsidiaries, is largely concerned with bunker and industrial coal. Its recovery is accordingly quite recent. William Cory, with a similar history, are coal and fuel merchants with large foreign interests. The other companies are big inland producers mainly for domestic consumption. Whether the domestic producers will fare still better depends largely on the maintenance of the upward trend of demand, but a further growth in profits should follow the gradual progress of technique. In other sections all depends upon the future of international trade, from which long-term prophecy recoils. Nevertheless, most of the yields shown in the table seem, superficially at least, interesting to the speculative investor.

Friary, Holroyd and Healy's.—The progress o this concern during the year to last June has been less striking than in recent years, but the accounts show that it has been well consolidated. Trading profits increased from £221,746 to £229,107, and total income, including rents and dividends received from subsidiary companies, has advanced from £266,388 to £281,730. Owing to an increase in expenses—the chief item of which is the raising of the provision for repairs and maintenance from £35,000 to £40,000—the equity earnings position shows little change. The 13 per cent. dividend is handsomely covered by earnings of 22 per cent., and £40,000 is again put to reserve, raising the total to over £290,000. The progress of the company during the past three years is analysed below:—

	Years to June 30th		
	1935	1936	1937
	£	£	£
Trading profit	195,062	221,746	229,107
Other income	43,191	44,642	52,623
Total profit	238,253	266,388	281,730
Expenses, repairs, etc.	99,697	109,406	123,346
Fees, debenture interest, etc.	13,063	20,220	19,221
Preference dividends	20,936	20,936	20,936
Ordinary stock :—			
Earned	*104,557*	*115,826*	*118,227*
Paid	65,169	77,018	77,018
Earned (%)	*19·6*	*21·6*	*22·2*
Paid (%)	11	13	13
Reserve	40,000	40,000	40,000
Carried forward	26,782*	26,619*	27,827

* Include credits of £954 and £1,029 income tax.

The company's territory is ideally placed to secure a large week-end touring business, and the board's policy of improving licensed premises, coupled with their development of catering interests, is undoubtedly wise. At 57s. ex dividend, the ordinary stock units yield £4 11s. 3d. per cent.—a return in line with that obtainable on sound brewery shares generally.

* * *

Oil News. — Foreign capitalists are becoming habituated—though not reconciled—to hard treatment from the Mexican authorities. The bondholders have gone unsatisfied for years. And the Mexican Eagle company has been harassed by a series of demands for excess taxation, expropriation of leases, and strikes. But the latest official intervention anticipates the arrival of the economic millennium in Mexico. The Board of Arbitration, set up to examine the claims of labour, finds that the profits of Mexican Eagle from 1934 to 1936 averaged 79 million pesos per annum, a figure denied by the company, which states that in 1936 alone—the best of the three years—profits amounted to only 18 million pesos. On their assumptions, however, the Board proceed to recommend a forty-hour five-day week (with pay for fifty-six hours); free life insurance and pensions up to 85 per cent. of retiring wages; paid holidays up to 30 days annually; 80 per cent. of wages during non-vocational illness; and finally—an award which reaches the heights of the preposterous—full pay while on strike, without limit of period. It is not remarkable, therefore, that Mexican Eagle shares have fallen to 15s. this week, and Canadian Eagle (sympathetically rather than logically) to the same level. The rest of the oil share market has been scarcely interesting. The market's second thoughts about the recent halfpenny reduction in petrol prices are more cautious. At first, the distributing companies' action was associated with the reduction in tanker freights from the peak earlier this year—the time of the advance in petrol from 1s. 7d. to 1s. 7½d. But it is now suggested that considerations of wider strategy may have played a part. The Bahrein field, which is being opened up by American interests, must seek a market, and fears are expressed that part at least of the production may be marketed here. Relations between the British groups and their American interests are sufficiently close to suggest that a bargaining position for an amicable compromise could be reached, but the market has rightly decided to await events.

Rhodesian Copper Statements. — After the Rhokana statement, which showed estimated net profits of £2,010,000 for the year to June last, come equally welcome figures from Roan Antelope and Mufulira Copper. Roan Antelope's net profit for the final quarter is estimated at £693,500, making a total of £1,790,000 (subject to taxation) for the year. These earnings are equivalent to a rate of 108 per cent. on the shares, which received 30 per cent. for 1935-36. For the past year, an interim dividend of 30 per cent. has already been paid, and the market's interest is now concentrated upon the prospects for the final dividend. The 5s. shares, having risen to 76s. 3d., evidently discount good things for the current year. Although the trend of costs last year appears somewhat less favourable—it must be remembered that output has been substantially increased—it seems probable that the true level is near £20 per ton. And with copper at £60, and an output of 100,000 tons in prospect, it is not difficult to toy with massive earnings prospects at, say, double the past year's rate. The Mufulira figures hold out the prospect of a satisfactory maiden dividend for the past year, during which operations at the mine have been progressively extended. Total profits for the year are put at £649,000, against which there is a debit balance brought forward of £93,545. This figure is of first interest to shareholders in Rhodesian Selection Trust, which holds two-thirds of the capital, and secondly to Rhokana and "Chartered," who are interested in the balance. If present conditions are maintained, the current year's total profits should substantially exceed the annual rate of £1,325,000 suggested by the June results.

* * *

Company Results of the Week.—Another seasonably short list of company reports appears in our table on page 364. The *Booth's Distilleries* profits have received wide comment, in view of the acquisition by Distilleries of a large part of the company's share capital. They show a fall from £107,863 to £49,634, and the dividend is reduced from 7½ per cent. to 2 per cent. The *Pearson and Knowles* and *Partington Steel* reports are perhaps less interesting from the profits aspect than from the eventual contribution which they may make to Armstrong Whitworth Securities. The chairman of the latter concern has recently stated that the preference capital should be repaid, with something to spare for the ordinary. *Fodens* have achieved a substantial recovery from a mere £206 to £45,470. The debit balance is thereby reduced to £12,562. Among this week's dividends, the *Triplex* distribution of 35 per cent. on the new capital is outstanding. The dividend is equivalent to 87½ per cent. of the old capital, compared with 60 per cent. actually paid for the last year.



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THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: AUGUST 24 ACCOUNT: AUGUST 26

THE market has not produced its promised form this week. In fact, the progressive appearance of prices in the Bank Holiday week has been succeeded by markets so relatively uninteresting that the question arises whether last week's improvement was more than a semi-professional attempt to get matters moving once more. On the whole, the undertone of most sections of the market has remained firm, and public interest is reflected in heavier volume of enquiries reaching the brokers. But supporting orders are still too small to produce the heralded holiday boomlet.

Gilt-edged opened firm, but the dated stocks, including the National Defence Bonds, attracted the greatest attention. Continued switching was evident from the declines in the undated list, particularly in mid-week. Dominion stocks received good support, but in the Corporation market, the Blackburn scrip fell to $\frac{1}{16}$ discount in mid-week. The critical situation in the Far East depressed Sino-Japanese bonds seriously. Elsewhere, Polish issues strengthened, and even Greek loans moved higher. Brazilian stocks remained dull.

Railway stocks remained quiet pending the traffics (which were hardly up to expectations) and the wages award, which was received with satisfaction. Its import for the companies is discussed in a leading article on page 327. The stocks closed steady on Thursday, on consideration of the award. In the foreign rail market, Cordoba first debentures attracted further support, but the market obtained no impetus from the traffics.

Quiet conditions prevailed after the opening of the industrial share market. Some early support was reported for iron and steel shares, Vickers rising further at first, while T. W. Ward continued their advance. Irregularity developed later, however, and in mid-week falls of a few pence were common throughout the list. Coal shares also tended to ease after early support. Moderate business in electrical equipment shares put Siemens and General Electric higher at first, but the gains were held with some difficulty. Falls outnumbered rises in the motor group, and only Imperial Airways were slightly higher in the aircraft group. Store shares recovered somewhat in mid-week, but brewery shares were featureless. Guinness, however, improved following the meeting (discussed on page 350), although Watney, Combe Reid (whose prospects are also discussed on that page) were slightly lower. Profit-taking continued in the shipping group. Newspaper issues declined on the announcement of prospective increases in newsprint costs (outlined on page 348). Among the miscellaneous list, Murex, British Oxygen and Turner and Newall made headway. Courtaulds attracted strong support, reaching 55s. in mid-week.

In the oil market, the findings of the Board of Arbitration in the Mexican Eagle labour situation (described on page 351) caused a prompt fall in the "twin Eagles," and business in the leaders was on a small scale. The rubber and tea share markets turned quiet and dull.

The ground in the Kaffir market had been prepared last week for the return of the public on an appreciable scale, but support did not mature. The atmosphere was more subdued, and speculative "new time" buyers quickly turned out their shares. Although interest was shown for some developing mines, prices had an irregular appearance, which was heightened by the shake-out in West Wits. on Tuesday. Rhodesian copper shares took the palm in the mining market, although they, too, had a poor second day. The Roan Antelope and Mufulira figures (discussed on page 351) renewed the market's interest.

"FINANCIAL NEWS" MARKET INDICATORS

	Aug. 5	Aug. 6	Aug. 9	Aug. 10	Aug. 11	Aug. 12
Approximate total of bargains recorded in S.E. List	9,090	10,325	9,800	7,925	7,800	6,565
Corresponding day 1936	*8,517*	*8,517*	*9,516*	*8,291*	*9,124*	*8,692*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	113·6	114·3	114·6	114·5	114·5	114·5
Index of 20 Fixed Interest Securities (1928=100)	127·3	127·2	127·2	127·2	127·2	127·2

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

HOTEL WESTMINSTER
Le Touquet

ACTUARIES' INVESTMENT INDEX

The Actuaries' Investment Index of 177 industrial ordinary shares showed a rise of one point at 84·5 on Tuesday last, compared with the week earlier, and a rise of 1·7 points compared with the level of a month ago. The corresponding yield figures are 4·30 per cent. this week, 4·35 per cent. last week, and 4·36 per cent. a month ago. Selections from the component indices are given below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100) Month ago (July 13, 1937)	Week ago (Aug. 3, 1937)	This week (Aug. 10, 1937)	Yield (%) Month ago (July 13, 1937)	Week ago (Aug. 3, 1937)	This week (Aug. 10, 1937)
Coal (7)	120·5	123·1	125·2	3·77	3·67	3·60
Electric Light & Power (16)	117·6	118·6	119·2	4·54	4·51	4·48
Iron and Steel (12)	75·4	77·4	79·7	5·05	4·95	4·83
Motors (5)	49·0	50·2	52·2	4·98	4·86	4·68
Electric Supplies (10)	146·0	147·6	149·0	4·38	4·33	4·28
Breweries & Distilleries (21)	145·1	146·2	147·4	4·39	4·36	4·27
Miscellaneous (58)	74·4	74·9	75·9	4·49	4·47	4·43

NEW YORK STOCK EXCHANGE

THE week generally has been very quiet and no major events have disturbed trading. Late last week business was dull and small declines were general. Harvester and United Steel headed the list with substantial falls. Investors were shy also of railroad issues, as uncertainty about the Brotherhood's policy is becoming general. Copper shares, however, were nearly all marked up to offset an expected rise in metal prices. On Saturday conditions as a whole were livelier, base metals rose once more, and steel more than recovered its earlier losses. After the week-end, however, conditions again became extremely slack and small losses were fairly general in the middle of the week, after some profit taking had over-reached itself. This set-back was mainly caused by the fractional decline in the *Iron Age* estimate of steel mill output to 84·5 per cent. of capacity in the previous week, from the earlier figure of 85·0 per cent.

	Aug. 4, 1937 (Close)	Aug. 11, 1937 (Close)	Aug. 12, 1937 (Latest)
1. Rails & Transport			
Atchison xd	80	79	79½
Balt. and Ohio	27⅜	27	27
B.M.T.	23	22⅜	...
Can. Pacific	12⅜	12⅛	12⅛
Ches. and Ohio	52⅞	51⅜	51⅜
Gt. Nthn. Rly. Pf.	49⅜	50	50½
Illinois Central	24⅜	24	24
N.Y. Central	41	40⅜	40⅜
Nor. Pac.	29⅛	29⅛	29⅛
Pennsylvania R.R.	37⅜	37⅜	36⅜
Southern Pac.	49⅜	47	47
Southern Rly.	31⅛	29⅜	29⅜
Union Pac.	126	124⅛	124⅛
Greyhound Cp. New	15⅛	15⅛	15
2. Utilities and Communications			
Am. Waterworks	20⅛	20	20
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅛	2⅛	2⅛
Col. Gas & Electric	37⅛xd	37	37
Elec. Bond & Share	14⅛	13⅞	13⅜
Nat. Pwr. and Lt.	19⅜	19⅛	19⅛
North American	10⅜	10⅛	10⅛
Pac. Gas & Electric	27⅜	27	27
Pac. Lighting	31⅛	31⅛	31⅛
Pub. Service N.J.	44⅛	45	...
Stan. Gas & Elec.	42⅞	42⅞	43⅛
United Corp.	9⅛	8⅞	9
United Gas Imp. xd	5⅛	5⅛	5⅛
Am. Tel. & Tel.	13⅛	13⅛	13⅛
Int. Tel. and Tel.	171⅛	170⅛	170⅛
Western Union	11⅛	11⅛	11⅛
Radio	47⅛	47	48
Radio B. Pref. New	10	10⅛	10⅛
	69⅜	70⅛	...
3. Extractive and Metal Industries			
Am. Rolling Mills	40	40⅛	39⅞
Beth. Steel xd	100⅛	98⅞	99⅛
Beth. Steel Pref. xd	119	120⅛	...
Republic Steel	39⅜	39⅞	39⅛
U.S. Steel	119⅛	118⅛	118⅛
U.S. Steel Pref.	133	130	131⅛
Alaska Juneau xd	11⅛	12	...
American Metal	54⅞	57	57
American Smelting	95⅛xd	98	98⅛
Anaconda	60⅜	61⅛	61⅛
Bohn Aluminium	44⅛	45	...
Cerro de Pasco	75⅛	75⅜	...
Int. Nickel	64⅜	66⅛	66⅛
Kennecott xd	62⅛	63⅜	63⅜
Patiño Mines	16⅛	16⅛	...
Texas Gulf Sulph.	38⅜	39⅛	39⅛
U.S. Smelt. xd	91	93	95
Vanadium Corp.	32	32⅛	33
Atlantic Refining xd	29	29	29⅛
Phillips Petroleum	61⅛	62⅛	62⅛
Shell Union	28	27⅛	27⅛
Shell Union Pref.	104⅛	130	131⅛
Socony Vacuum	22⅛	22⅛	22⅛
Stand. Oil Calif.	44⅛	43⅛	43⅛
Stand. Oil N.J.	69⅛	67⅛	68
Texas Corp. xd	64⅛	64⅛	64⅛
4. Manufacturing			
Briggs	45	45⅛	45⅛
Chrysler	117⅛	115⅛	116⅛
Electric Autolite	38⅛	38⅛	40
General Motors	57⅛	58⅛	59
Hudson Motor Car	16⅛	16⅛	16⅛
Murray Corp.	13⅛	13	13⅛
Nash Kelvinator	18⅛	18⅛	18⅛
Packard Motor Car	8⅛	8⅛	8⅛
Bendix Aviation	20⅛	20⅛	20⅛
Boeing Airplane	35⅛	34⅜	35⅛
Douglas Aircraft	58⅛	57⅛	57⅛
United Aircraft	29⅛	28⅞	29
Air Reduction	72	72⅛	71⅛
Allied Chemi xd.	236⅛	235	235
Col. Carbon	120⅛	123⅛	...
Comm. Solvents	14⅛	14	14⅛
Dupont	161⅛	161	162
Union Carbide	101⅛	101	101
U.S. Ind. Alcohol	33⅛	33⅛	...
Allis Chalmers	69⅛	68⅛	69⅛
General Electric	57	56⅛	56⅛
Westinghouse	156	156	157
American Can. xd	111⅛	109	109⅛
Addressograph	33	33⅛	33⅛
Caterpillar xd	99⅛	99⅛	99⅛
Cont. Can. xd	58⅛	58⅛	58⅛
Ingersoll Rand	131⅛	134	133⅛
Intnl. Harvester	119	118⅛	119
Johns Manville	136⅛	135	136
Am. Radiator	21⅛	68⅛	69⅛
Corn Products	66⅛	65⅛	67⅛
J. I. Case and Co.	189	179⅛	183
Glidden	42	41⅛	42⅛
Gen. Am. Transpt.	67⅛	65	66
Allied Mills	25⅛	24	...
Celanese of Amer.	38⅜	38⅛	38⅛
Ind. Rayon New	37⅞	37⅛	37⅛
Colgate Palmolive	18⅛	18⅛	18⅛
Eastman Kodak xd	190⅛	185⅛	187⅛
Gillette xd	14⅛	14⅛	14⅛
Lambert Co.	19⅛	19⅛	...
Loews xd	84⅛	87⅛	84
20th Century Fox	36⅛	36⅛	36
5. Retail Trade and Food			
Montgomery Ward	62⅛	64⅛	65⅛
J. C. Penney Co.	99	62⅛	62⅛
Sears Roebuck xd	95⅞	96	98⅛
United Drug	12⅛	11⅞	12
Walgreen xd	27⅛	27⅛	27⅛
Woolworth	48⅛	48⅛	48⅛
Borden xd	24⅛	24⅛	24⅛
Gen. Foods	37⅞	37⅛	37⅛
Kroger Grocery	22⅛	21⅛	...
Nat. Biscuit xd	23⅛	23⅛	23⅛
Nat. Dairy	20⅛	20⅛	20⅛
Standard Brands	12⅛	11⅛	11⅛
Am. Tobacco B.	84	82	82⅛
Liggett Myers B	101⅛	100⅛	...
Lorillard	21⅛	21⅛	21⅛
Reynolds Tob. B.x	53⅛	52⅛	52⅛
National Distillers	30⅛	30⅛	30⅛
Schenley Distillers	43	43⅛	...
6. Finance			
Commercial Credit	62⅛	64⅛	65
Atlas Corp.	15⅛	15⅛	15⅛

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

	1936 Lowest Apr. 29	1936 Highest Nov. 10	1937 Lowest June 16	1937 Highest Mar. 10	Beginning of Year 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937
347 Industrials	112·7	145·9	130·2	155·7	143·2	142·2	144·3	144·6
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	51·9	52·0	51·4
40 Utilities	91·2	111·0(e)	89·3	116·4(i)	111·7	99·8	98·6	97·6
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	120·3	121·5	121·5
Average yield*	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (g)	3·53%	4·04%	3·96%	4·09%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (i) January 13th.

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

Highest*	Lowest†	Aug. 4	Aug. 5	Aug. 6	Aug. 7	Aug. 9	Aug. 10	Aug. 11
180·3	147·4	166·2	165·0	164·8	166·3	166·9	166·5	166·5

* March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	Aug. 5	Aug. 6	Aug. 7*	Aug. 9	Aug. 10	Aug. 11
Stock Exchange— Shares (No. Thous.)	790	680	310	750	690	570
Bonds (Thous. $)	7,190	5,390	2,620	5,280	5,420	6,710
Curb— Shares (Thous.)	201	201	68	200	166	138

* Two-hour session.

CAPITAL ISSUES

SEASONAL quietude in the new issue market has been broken only by a county loan and an issue of shares in a new oil company. The *Essex* issue follows the recent pattern, for it is of 3½ per cent. stock at 101, redeemable finally in 25 years. The market was disposed to anticipate a small premium on the scrip, but many quarters expressed some thanks that the issue promised to be the last before the close season for corporation borrowing. The absorptive powers of the market have been fully tested in recent weeks. *Premier Trinidad Oilfields*, whose 5s. shares have been issued at par this week, in fact makes a second public appearance, for an issue carried out last year was followed by a return of subscriptions owing to the company's inability to obtain transfer of the lease. The company is developing an oilfield contiguous with the properties of Trinidad Petroleum Development, which will manage the company. The purchase consideration is satisfied almost entirely by shares, together with generous option rights. The company, at this stage, must be regarded as speculative. The managing company enjoys a good reputation, and it is largely on this account that the speculator may be attracted. Statements for information have been published this week by *Telephone and General Trust*, *Third Conversion Investment Trust*, *Mauritius Government* (in respect of £301,800 3½ per cent. stock) and *Thomas Skinner and Company (Publishers)*.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended August 7, 1937: *Dr. £100,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	1,835,197	...	1,852,197
To Shareholders only	345,000	...	347,000
By Stock Exchange Introduction	525,000	89,250	455,812
By Permission to Deal	197,740	...	258,752

Total Capital Raised—	Including Conversions £	Excluding Conversions £
1937 (New Basis)	403,065,188	354,942,667
1937 (Old Basis)	252,617,398	207,015,982
1936 (New Basis)	317,345,862	223,152,885
1936 (Old Basis)	214,056,992	121,672,905
January 1 to date (Old Basis)—		
1935	247,335,299	122,352,226
1934	288,579,794	114,057,056
1928	...	281,630,013

Total offered for Subscription—	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	301,752,829	49,891,479	3,258,359	354,942,667
1937 (Old Basis)	189,602,046	15,921,436	1,492,500	207,015,982

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	163,069,510	25,229,436	166,643,721	354,942,667
1937 (Old Basis)	148,136,092	16,024,954	42,804,936	223,152,885
1936 (New Basis)	77,801,629	28,790,636	116,560,620	121,672,905
1936 (Old Basis)	62,552,798	14,487,182	44,632,925	

Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,737	268,303,201	494,139,765

PUBLIC OFFERS

Essex County.—Issue of £1,700,000 3½ per cent. redeemable stock at 101 (a trustee stock). Redeemable at par December, 1962, or from 1957 on notice. Ranks with existing stocks. Outstanding debt £6,976,264 (of which £1,466,844 for housing). Rateable value, £9,448,281. Estimated population, 1,344,460.

Premier (Trinidad) Oilfields.—Issue at par of 540,788 5s. ordinary shares (400,000 unissued shares under option at par). Acquires Stollmeyer Concession of 500 acres in Palo Seco area. In first 12 months, 20 wells to be drilled. Purchase price to C. C. Stollmeyer, £54,800 in 219,200 ordinary shares and 3-year option on 100,000 at par; also £23,000 (in £3,000 cash and 80,000 shares and option at par on 300,000), to Scottish Caribbois Holdings, who paid that consideration for surrender of lease by C. C. Stollmeyer and granting of new 20-year lease by Governor. Expenses, £2,364, £1,000 and £20,700. Rent, 15s. per acre, and royalties (now 4d. per barrel on net crude oil). Working capital, £108,133. Lists closed at 9·5 a.m. Thursday; fully subscribed.

BY STOCK EXCHANGE INTRODUCTION

Colony of Mauritius.—Particulars of issue of £301,800 3½ per cent. inscribed stock. A Trustee stock. To finance Mauritius Agricultural Bank. Redeemable at par August, 1962, or from 1957 on notice. Secured on general revenues and assets of Mauritius Government. £200,000 sold at 105¼; balance being taken by other Colonial governments at same price.

Thomas Skinner and Company (Publishers).—Introduction of 175,000 6 per cent. cumulative £1 preference shares. Acquires for £175,000 in 700,000 5s. ordinary shares and £3,212 cash net assets, copyrights, etc., of £333,416 (goodwill, etc., £304,666), of Thomas Skinner and Company ("Stock Exchange Official Year Book" and others); and for £158,416 business of "A.B.C." owned by Sir Thomas Hewitt Skinner. Combined profits, after all expenses, years ending in: 1935, £21,571; 1936, £24,587; 1937, £26,366.

Telephone and General Trust.—Particulars of issue of £200,000 4 per cent. first debenture stock (part of £400,000 authorised). Redeemable at 102 by drawings 1957-62, or thereafter to 1967 at 101 on notice. Further stock ranking with this issue can be issued if rate not over 5 per cent., and total not over share capital plus reserves. Norris Oakley Bros. place issue at 98⅝ for ¼ per cent. commission.

Third Conversion Investment Trust.—Sub-unit holders of British Empire Fixed Trust units were invited to exchange into ordinary shares of the company, and 230,635 15s. shares have been so allotted. Acquires securities of market value of £210,454. Trustees and managers have foregone £4,239 fees for future management; £1,750 used for expenses, and balance kept as fund payable in instalments to Fixed Trust Investments, Ltd., for management.

ISSUES TO SHAREHOLDERS ONLY

Buell Combustion Company.—Offer at par to shareholders of 60,000 6 per cent. cumulative convertible £1 preference shares (convertible into ordinary shares at holder's option) and £60,000 5-year non-interest bearing registered notes (redeemable at 30 per cent. premium September, 1942, or earlier on notice, at reduced *pro rata* premium).

Assurance Finance Trust.—Shareholders are to be offered at par, in the proportion of one for nine held on July 28, 25,000 £1 ordinary shares.

Clyde and Mersey Investment Trust.—Debenture stockholders and stockholders may apply at 101 for £200,000 4 per cent. debenture stock, ranking with existing, and redeemable at 101 in 1965 or from 1955 on notice.

Ranks, Ltd.—To provide the balance of expenditure on additional purchases, it is proposed to create a further 4,000,000 5s. ordinary shares, and to issue 1,235,640 shares on bonus terms to existing ordinary shareholders in the ratio of one new for ten held.

(*Continued on page* 356)

WHITE DRUMMOND
& COMPANY LTD.
(ESTABLISHED 1900)
CAPITAL ISSUES
9 CLOAK LANE, LONDON, E.C.4
TELEPHONE · CITY 5201

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Lowest	Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Name of Security	Price, Aug. 4, 1937	Price, Aug. 11, 1937	Rise or Fall	Yield Aug. 11, 1937 £ s. d.
				British Funds				
87¼	82⅝	84 11/16	73⅞	Consols 2½%	74½	74½	...	3 7 3
116¾	112⅞	113	105⅞	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	108	+½	3 8 6
102 7/16	100	101⅛	94⅞	Conversn. 2½% 1944–49	95½	95½	...	3 0 3
105¼	103 5/16	103 1/16	97⅛	Do. 3%, 1948–53	98x	98½	+½	3 4 6
108 5/16	104¾	106 11/16	99⅝	Do. 3½% after 1961	100½	100¾	+¼	3 10 3
111 11/16	107	108	105	Do. 4½% 1940–44	106¼	106¼	+¼	2 9 3
121¼	116½	117½	111 11/16	Do. 5% 1944–64	112⅝	113	+⅜	3 1 9
95 11/16	92¼	92½	84⅞	Funding 2½% 1956–61	86½	87	+½	3 6 9
...	...	93⅞	89⅞	Funding 2¾% 1952–57	92	92½	+½	3 5 9
104¼	101	101⅝	92⅞	Funding 3% 1959–69	94½	94¾	+¼	3 6 3
119¾	115¾	116⅝	109	Funding 4% 1960–90	110⅝	111	+⅜	3 7 3
117 3/16	113¾	114⅝	107⅝	Victory Bonds 4%	109½	109½	+¼	3 14 0
108 3/16	104¾	105 11/16	99⅝	War Ln 3½% after 1952	100½	100½	...	3 10 6
98¼	94⅝	96 11/16	85	Local Loans 3%	85½	85⅝	...	3 10 6
103¼	101¼	101⅝	99¼	Austria 3% 1933–53	100	100	...	3 0 3
76¼	70⅝	72	62	India 2½%	66	67	+1	3 15 0
89¼	83¼	85½	74⅝	Do. 3%	78	78	...	3 17 3
100	96	98⅞	87	Do. 3½%	91½	92	+½	3 16 3
120⅝	116	119¼	112¼	Do. 4½% 1958–68	114	115	+1	3 10 6
107	104	105¾	103¼	U.K. & Arg. 4%A (1947)	103¼	103½	...	3 13 3
				Dom. & Col. Govts.				
113⅝	109½	109½	105	Australia 5% 1945–75	107	108	+1	3 17 9
106¾	102¼	104½	101	Canada 4% 1940–60	104	104	...	2 19 0
118⅝	114	116½	112⅝	Gold Coast 4½% 1956	113	113	...	3 11 3
120	117	117½	114	Nigeria 5% 1950–60	114	115	+1	3 10 9
114¼	108	109⅝	104	N. Zealand 5% 1946	106	106	...	4 4 9
109⅞	106⅝	107⅝	104	Queensland 5% 1940–60	104	105	+1	3 13 3
117¼	113¾	114	110½	S. Africa 5% 1945–75	111	112	+1	3 6 6
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	101	101½	+½	4 9 0
102	90	105	98	Austria 7% 1957	103	104	+1	6 13 9
93	82	90	84½	Do. 4½% 1934–59	85	87	+2	5 13 7
72½	71½	73	68⅝	B. Aires (Prov.) 3½%	72	72½	+½	4 7 0
97⅝	95½	100½	96	Belgian 4% red. by 1970	100	100½	+½	4 0 6
27¼	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 6 6m
83¾	65½	89	84	Brazil 5% Fund. 1914	84	83	−1	6 0 9
23¼	16	28	23¼	Chili 6% (1929)	24½	25½	+1	2 7 6v
84¼	66	94½	81½	China 5% (1912)	82½	82½	...	6 3 3f
95¾	80	101¾	89¼	Do. 5% (1913)	90½	90	−½	5 11 6f
112	95½	106	103½	Czechoslovakia 8%	105½	105½	...	7 15 0
110	98	100	92½	Danish 3%	96	96	...	3 2 9
70	57	72⅝	51½	Danzig 6½% (g) (1952)	63	61	−2	9 12 3
106¼	102	105½	101	Egypt Unified 4%	102	102½	+½	3 18 9
25¾	17½	18	13¼	French 4% (British)	13½	14	+½	5 8 0e
69⅝	53	65	53	German 7% Dawes Ln.	64	63½	−½	11 6 0
46	34	49½	35	Do. 5½% (Young Ln.)	45	44½	−½	12 11 0
40	29	40¾	30	Greek 6% Stab. Ln.	38½	36	−2½	6 13 6w
45½	35½	48½	38	Do. 7% Refugee	46½	43	−3½	6 12 3w
52	39½	62	47½	Hungary 7½%	59½	59½	...	6 10 6h
90½	79½	88⅝	75	Japanese 5½% 1936–65	77½	77	−½	7 11 3
97½	83	94⅝	81	Do. 6% (1924) red 1959	81½	80½	−1	7 19 3
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53¼	41	61	54	Peru 7½% 1922	62½	62½	...	...
93¼	60	83	56	Poland 7%	58	65½	+7½	10 19 3
15¼	8⅝	20½	13	Roumania 4% Con. 1922	18	18	...	10 3 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113½	113½	...	4 6 3
92½	79	95½	91	Do. C. Certs. (3% Max.)	96	96	...	3 2 9
				Corporation Stocks				
27⅜	22	25	22	Berlin 6% 1932–57	25	24	−1	...
119⅝	116	118	111	B'mgham 5% 1946–56	114	114	...	3 6 6
120	117	119	113½	Bristol 5% 1948–58	116	116	...	3 8 6
84	64	82	64	Danzig % (i) (1950)	71	71	...	9 4 6
121¼	117½	119½	116	E. London 5% 1960–70	116½	116½	...	3 18 6
97¼	93½	95¼	83¼	L.C.C. 3%	83x	83½	+½	3 12 3
106¼	85½	103½	97½	Seine (Dpt of) 4½% 1952	97½	98½	+1	4 13 6

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 4, 1937	Price, Aug. 11, 1937	Rise or Fall	Yield Aug. 11, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950–70	113x	113	...	3 14 3
				London Passenger Transport Board—				
123⅝	110½	2¼	2¼	4½% "A" 1985–2023	115½	115½	...	3 16 3
135	121¼	2½	2½	5% "A" 1985–2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942–72	105	105	...	3 9 6
125	115	2½	2½	5% "B" 1965–2023	117½	117½	...	3 19 6
99⅝	77	2½(b)	1½(a)	"C" 1956 or after	82	82	...	4 17 6
99⅝	86	1½	1½	Met. Wat. Bd. "B" 3%	87½	87	−½	3 9 9
121	113½	2½	2½	Pt. of Lndn. 5% 1950–70	117	117	...	3 8 6
				British Railways				
67⅝	55⅝	2⅝(b)	½(a)	G. Western Ord. Stk.	65⅝	65½x	...	4 19 9
6⅛	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5⅝	5½	−⅛	Nil
12¾	9	Nil	Nil	Do. 5% Pref. Ord.	10⅝	10½	−⅛	Nil
100¼	89⅝	5(c)	1½(a)	Do. 5% Pref. 1955	99	98x	+½	5 2 0
31¼	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	30	30	...	1 13 6
79¾	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	74	73x	...	5 10 9
36⅞	27½	Nil (c)	1½(c)	L.M.S. Ord. Stk.	33	33	...	3 14 6
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	78½	77x	...	5 4 0
92½	80	2(a)	2(b)	4% Pref. Stk.	86	83½x	−½	4 16 0
27⅝	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	23½	23⅝	+½	2 2 0
98⅝	87½	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	94	93x	...	5 7 6
125¼	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	116½	114½x	+½	4 7 3
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	20	...	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	11	11	...	Nil
35⅜	24	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	26	25½	−½	Nil
31⅜	20	Nil	Nil	B.A. Western Ord. Stk.	23½	23	−½	Nil
34¾	24½	Nil	Nil	C. Argentine Ord. Stk.	26	25½	−½	Nil
6⅞	4	Nil	Nil	C. Uruguay Monte V.	6	5½	−½	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	12½	12½	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 5 3
37	33½	2(c)	2(c)	Costa Rica Ord. Stk.	34½x	34½	...	5 16 0
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/–	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	86	†2(a)	†3(b)	San Paulo Ord. Stk.	88½	89	+½	5 12 3†
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 3/16	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 4, 1937	Price, Aug. 11, 1937	Rise or Fall	Yield Aug. 11, 1937 £ s. d.
				Banks				
40/–	32/–	5(a)	5(b)	Bank of N. Zealand £1	35/–	35/–	...	4 11 0e
376	334½	6(a)	6(b)	Bank of England Stk.	340½	341½	+1	3 10 3
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/6	76/–	+6d	3 13 9
48/3	40/–	3(b)	2½(a)	Barcl. (Dom. &c.) A £1	43/–	44/–	+1/–	2 12 3
10⅝	9¼	3½(a)	4½(b)	Bk. of Australasia (£5)	9½	9⅝	−⅛	4 5 6
£49½	£44½	8(c)	8(c)	Bk. of Montreal ($100)	£45	£44½	−10/–	3 12 0e
29½	27	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27½	27½	−½	3 6 9e
101/–	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	14 1/16	7(a)	7(b)	Chtd. of India (£5)	14¼	14¼	...	4 8 0
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/–	13/9x	13/9x	...	3 16 6e
94/–	82/1½	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9x	83/9x	...	3 19 3
58/–	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6x	52/6x	...	3 16 0
108/9	93/9	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/–	95/–	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	10⅞	11	+⅛	4 1 9
121⅛	108½	3(b)	2½(a)	Hong. and S. ($125)	£111x	111x	...	4 18 6
69/–	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/–x	61/6x	+6d	3 18 9
10 1/16	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9x	9x	...	3 19 6
94/6	81/–	8(b)	8(a)	Midland £1, fully pd.	89/–x	89/–	...	3 12 0
44½	39	4(a)	11(b)	Nat. of Egypt £10	39½	40	+½	3 15 0
47⅝	39	9(a)	9(b)	Nat.ofIndia £25,£12½ pd	41	41	...	5 9 9
16¼	14½	15(b)	15(a)	Nat. Prov. £20, £4 pd.	14 11/16x	15x	+5/16	4 0 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	463	463	...	3 13 6
16½	14 1/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15½	15½	...	4 10 6
101/4½	90/–	18(b)	18(a)	Westminster £4, £1 pd.	91/–x	91/–x	...	3 19 6
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/–	65	...	5 7 9
6⅝	5½	5(b)	5(a)	National A £2½ fully pd.	6½x	6x	−½	4 3 3
16 3/16	12⅝	17(b)	9(a)	" B £7½, £2½ pd.	13½x	13½x	...	4 18 0
54/9	44/3	6½(b)	3½(a)	Union £1 of stock	45/–	45	...	4 9 0
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27	27½	+½	3 6 0
15 11/16	13⅛	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	14½	14½	...	2 16 0†
10 11/16	9⅝	20(a)	20(b)	Com. Un. £1, fully pd.	10½	10⅝	+½	3 17 6
6 1/16	5	1/4·8a	2/–(b)	Gen. Accident £1, 5/- pd.	5½	5½	+½	3 4 9
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30	31	+1	3 4 6
14	11¼	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd	12½	12½	+½	2 11 0
21½	18½	35(a)	40(b)	Northern £10, £1 pd.	20	20	...	3 15 0
22½	19	†26⅔(b)	†25(a)	Pearl (£1), fully paid	20x	20x	...	2 11 0†
16 11/16	15	6/–(a)	6/–(b)	Phœnix £1, fully pd.	16½	15½	−1	3 18 9
37⅝	33½	†93⅓(c)	†95⅓(c)	Prudential £1 A	33½	33½	...	2 17 6†
114/–	103/9	†43⅓(c)	†50(c)	Do. £1, with 4s. paid	5½	5½	+½	1 16 9†
11⅞	9⅞	11(a)	19(b)	Royal Exchange (£1)	10⅝	10⅝	...	2 18 0
9⅞	8 11/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8½	9	+½	3 13 3
19½	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A£20,£1 pd.	17	17	...	3 16 6
93/–	80/–	1/3(a)	1/5(b)	Sun Insur.,£1 with5/- pd.	4½	4⅜	+⅛	3 1 3
8⅞	7½	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7½	7½	+½	2 6 6†
21	18½	†17½(a)	†30(b)	Yorkshire £1, fully pd.	18½	18½	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	275	280	+5	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/–	1(c)	Nil (c)	Atlas Electric, etc. £1	5/6	6/–	+6d	Nil
18/1½	12/–	3(c)	7½(c)	Brit. Assets Trust 5/–	12/3	13/9	+1/6	2 14 6
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	233½	−2	4 6 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	144½	145½	+1	4 9 6
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	262	265	+3	4 3 0
336	282	5(a)	8(b)	Invest. Trust Def.	289	289	...	4 10 0
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/–	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	270x	270	...	4 5 2
181½	171	4½(b)	3(a)	Merchants Trust Ord.	172½	170½x	−2	4 8 0
302	288	7(b)	5(a)	Metropolitan Trust	288x	285	−3	4 4 2
7/9	6/–	1½(c)	2½(c)	Scottish Investment (5/–)	6/6	6/6	...	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	242½	240½	−2	3 19 0
255½	229	3(a)	7(b)	Trustees Corp. Ord.	230½	232½	+2	4 6 0
253	222	7(b)	4(a)	United States Debenture	225½x	225½	...	4 17 7
				Financial Trusts, &c.				
18/–	15/–	2½(c)	2½(c)	Argentine Land, etc. 10/–	15/6	15/6	...	1 12 6
37	28	Nil	Nil	Australian Estates, etc.	31½	31½	...	Nil
45/–	29/7½	6½(c)	10(c)	Brit. S. Africa 15/- fy. pd	37/3	36/9	−6d	4 1 9
34/3	25/–	10(c)	10(c)	Charterhouse Inv. £1	33/9	33/9	...	5 18 6
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	42/6	†2½(a)	†8⅓(b)	Daily Mail & General £1	43/–	43/–	...	5 4 6†
9⅜	8	†3½(b)	3½(a)	Dalgety £20 £5 pd.	8½	8½	...	5 0 0
30/6	25/–	3½(a)	5(b)	Forestal Land £1	27/9	28/3	+6d	6 0 0
42/7½	34/–	Nil	Nil	Hudson's Bay Co. £1	33/6	37/–	+3/6	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	10½	Nil	Nil	Peruvian Corp. Pref. Stk.	10½	10	−½	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/–	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/–	22/–	...	6 16 6
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	44/4½	46/3	1/10½	4 6 6
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	93/–	93/–	...	2 13 9k
37/9	31/–	2½(a)	5½(b)	Barclay Perkins £1	34/3	34/3	...	4 13 9
140/–	127/–	†19(b)	†5(a)	Bass Ratcliff Ord. £1	136/6	138/6	+2/–	3 9 3†
93/6	83/6	14(b)	6(a)	Benskins Watford £1	93/–	94/–	+1/–	4 5 2
79/–	69/6	3(a)	11(b)	Charrington & Co. £1	73/6	73/6	...	3 16 0
22/4½	17/7½	6(c)	20(t)	City of London Def. 5/–	18/–	15/3	−2/9	6 11 0
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/–	91/–x	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	112/–	111/–	−1/–	4 1 0
143/–	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	133/9	131/6	−2/3	4 10 6
127/–	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	120/–	121/6	+1/6	4 10 6
52/–	41/–	3½(a)	7½(b)	Meux's Ord. £1	45/6	47/–	+1/6	4 13 6
109/6	98/9	†11⅓(b)	8(a)	Mitchells & Butlers £1	102/6	102/6	...	4 9 0
79/3	68/–	5(a)	12½(b)	Ohlsson's Cape £1	74/–	74/–	...	4 14 6
84/–	76/–	14(b)	4(a)	Simonds (H. & G.) £1	83/–	84/–	+1/–	4 5 9
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	108/6	110/–	+1/6	4 2 0†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	61/9	60/9	−1/–	6 12 0
48/–	40/–	4(a)	6(b)	Taylor Walker Ord. £1	44/–	44/3	+3d	4 10 6
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	22/9	27/–x	+3d	4 9 0
88/–	72/–	6(a)	13(b)	Watney Combe Def. £1	83/9	83/3x	−6d	4 11 4
				Iron, Coal and Steel				
35/–	28/–	4(a)	7½(b)	Allied Ironfounders £1	28/9	30/–	+1/3	7 10 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	49/–	50/–	+1/–	4 0 0
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/–	10/6	11/–	+6d	3 12 9
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/–	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	51/3	52/6	+1/3	4 3 9
44/–	32/–	†5(a)	†10(b)	Brown (John) Ord. 10/–	37/9	38/6	+9d	3 18 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	43/9	43/9	...	3 13 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/–	14/3	15/6	+1/3	1 5 10
34/1½	25/–	Nil(c)	7(c)	Colvilles Ord. £1	28/9	29/3	+6d	4 16 0
17/–	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/3	14/3	+1/–	3 10 0
88/–	76/6	5(a)	15(b)	Cory, William, Ord. £1	88/9	90/–	+1/3	4 9 6
62/–	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	51/10½	54/4½	+2/6	2 4 3
80/3	65/–	Nil(c)	14(c)	Do. Pref. Ord. £1	75/–	75/–	...	3 14 9
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	36/3	36/6	+3d	3 6 0†

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3½% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 4, 1937	Price, Aug. 11, 1937	Rise or Fall	Yield Aug. 11, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/–	10(b)	7½(a)	Hadfields 10/–	35/3	35/6	+3d	4 8 7
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/3	6/3	...	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	35/–	37/6	+2/6	4 0 0
35/–	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	35/–	33/9	−1/3	2 19 2
17/9	14/–	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/9	18/–	+3d	2 4 5
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/–	16/–	16/–	...	3 2 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/6	26/6	+1/–	5 5 10
28/9	22/0	5(c)	6¼(c)	Ruston & Hornsby £1	23/6	24/6	+1/–	5 2 0
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	50/7½	52/6	+1/10½	3 16 2
41/6	37/–	3½(a)	8½(b)	Shipley Collieries Ord £1	42/–	43/–	+1/–	5 11 10
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	52/6	55/–	+2/6	4 7 3
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	28/1½	30/–	+1/10½	4 0 0
55/3	45/–	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
61/3	52/3	†6(b)	†3(a)	Staveley Coal, etc. £1	61/3	60/–	−1/3	3 0 0†
43/4½	35/–	5(c)	7½(c)	Stewarts and Lloyds £1	42/6	42/6	...	3 10 6
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	33/9	33/9x	...	4 9 0
17/–	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/9	14/6	+9d	6 18 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/–	20/–	...	Nil
10/–	7/–	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/–	7/9	38/–	+3d	3 2 6
$129½	$76½	Nil	Nil	U. States Steel $100	$118½	118½	...	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	32/3	32/3	...	4 3 3
39/1½	26/9	8(c)	10(c)	Vickers (10/–)	30/–	32/6	+2/6	3 1 6
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	33/9	36/3	+2/9	4 2 9
49/4½	40/10½	6(c)	10½(c)	Weardale Steel etc. Df £1	41/3	45/–	+3/9	4 3 9
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	120/–	122/6	+2/6	5 14 3
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/–	70/–	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	8/–	8/3	+3d	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/–)	7/6	7/9	+3d	Nil
15/6	10/–	Nil	Nil	Calico Printers £1	10/6	10/6	...	Nil
55/–	44/9	10(c)	10(c)	Coats, J. and P. (£1)	45/7½	45/–	−7½d	4 8 11
54/4	50/7½	7(b)	3½(a)	Courtaulds £1	52/6x	54/3	+1/9x	3 17 6
49/–	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	43/1½	...	4 13 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	10/–	10/3	+3d	Nil
38/3	33/–	5½(b)	3(a)	Linen Thread Stk. (£1)	36/10½	36/10½	...	4 12 3
69/3	60/3	†12½(c)	†12½(c)	Patons & Baldwins £1	60/–	60/–	...	4 3 6†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	17/6	20/–	+2/6x	6 0 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	49/–	49/6	+6d	4 0 10
100/–	91/10½	5(a)	15(b)	British Insulated (£1)	100/–	100/–	...	4 0 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/–	55/6	6½(b)	6(a)	Crompton Parkinson 5/–	57/6	57/6	...	1 1 9
37/6	30/–	Nil	Nil	English Electric £1	34/–	34/–	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	84/–	86/–	+2/–	4 1 4
23/–	18/6	15(b)	5(a)	Henleys (W. T.) (5/–)	20/–	20/6	+6d	3 18 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	47/6	48/1½	+7½	4 3 0
35/–	31/1½	6(c)	7½(c)	Siemens £1	32/6	33/9	+1/3	4 9 0
				Electric Light, &c.				
$32	$18	40 cts	50 cts.	Brazil Trac., no par	$27⅝	$28¼	+$½	3 4 0
78/–	67/–	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 9 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	28/–	28/–	...	4 5 9
38/9	32/–	4(b)	3½(a)	City of London £1	33/–	34/6	+1/6	4 7 0
46/6	38/–	3(a)	5(b)	Clyde Valley Elec. £1	39/–	39/6	+6d	4 1 0
54/7½	45/9	7½(b)	3(a)	County of London £1	49/6	50/–	+6d	4 4 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/–	39/–	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/–	34/–	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/–	46/–x	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	36/6	37/–	+6d	4 6 6
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	32/6	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	48/9x	48/9	...	4 2 1
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	37/–	37/–	...	4 6 6
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/–	39/–x	...	4 2 0
				Gas				
27/–	23/3	5⅔(c)	5⅔(c)	Gas Light & Coke £1	25/3	24/9x	−6d	4 10 2
163½	147	4(a)	6(b)	Imp. Continental Stk.	148½	148½	...	6 14 8
26/9	23/–	2½(a)	2¾(b)	Newc.-on-Tyne £1	25/–	24/6x	−6d	4 7 10
120	107	3(b)	2½(a)	S. Metropolitan Stk.	108½	106½x	−2	5 3 3
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	46/3	47/6	+1/3	3 3 2†
50/4½	38/9	50(c)	50(c)	Austin 5/–	46/10½	46/10½	...	5 6 9
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	23/3	24/6	+1/3	Nil
37/9	30/–	133⅓(b)	33⅓(a)	Dennis 1/–	33/9	36/3	+2/6	4 12 0
33/9	25/6	5(c)	6(c)	Ford Motors £1	26/3	29/4½	+3/1½	4 1 8
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/–)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	66/3	...	4 10 6
126/3	85/–	17½(c)	20(c)	Leyland Motors £1	100/–	100/–	...	4 0 0
43/9	35/–	†15(c)	45(c)	Morris Motors 5/– Ord.	35/9	37/3	+1/6	6 0 10
15/3	9/6	Nil	Nil	Napier 5/–	10/–	11/3	+1/3	Nil
80/–	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	77/6	78/9	+1/3	5 12 11
6⅞	4 11/16	7½(a)	15(b)	Rolls-Royce £1	105/–	107/6	+2/6	4 3 10
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/–	25/–	26/3	+1/3	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	146/3	153/9	+7/6	3 5 0
				Shipping				
10/4½	7/–	Nil(c)	Nil(c)	Cairn Line (10/–)	9/–	9/6	+6d	Nil
10⅝	8½	5(a)	15(b)	Clan Line Steamers (£1)	10	10	...	2 0 0
8/7½	6/–	Nil	Nil	Cunard £1	6/6	6/6	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	29/6x	29/6	...	2 0 6
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	34/–	34/–	...	2 6 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	23/9	24/3	+6d	4 2 6
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	39/6	40/3	+9d	3 9 7
53/9	38/3	5(c)	9(c)	Bah Lias £1	40/–x	40/–	...	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	25/–	31/3	+6/3	3 16 10
46/–	35/–	2(a)	6(b)	Jorehaut Tea £1	40/–	42/6	+2/6	3 15 5
43/9	36/–	2(a)	6(b)	Jokai (Assam) £1	40/–	41/3	+1/3	3 17 7
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	26/3	26/10½	+7½d	3 14 5
6/–	4/6	7(c)	10(c)	London Asiatic 2/–	5/–	5/1½	+1½d	3 18 1
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/3	39/–	+9d	3 17 0
5/11	4/4	10(c)	5(a)	United Serdang 2/–	4/7½	4/9	+1½d	4 4 5
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	41/6	41/6	...	4 16 6
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	39/4½	...	6 6 0
132/–	85/–	5(a)	20(b)	Anglo-Iranian £1	86/–	87/6	+1/6	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/–	37/3	36/6	−9d	5 2 10
82/3	17/9	Nil	Nil	Attock £1	30/7½	32/6	+1/10½	Nil
5/7½	3/–	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/6	4/–	+6d	Nil
128/9	104/4½	5(a)	22½(b)	Burmah Oil £1	130/–	131/10½	+1/10½	4 3 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	47/6	47/6	...	5 5 3
32/4½	16/7½	10d psc	11d psc	Mexican Eagle (Mex. $4)	17/3	15/–	−2/3	6 2 3
11/6	5/7½	Nil(c)	3⅓(c)	Phœnix Oil £1	6/9	6/3	−6d	12 0 0
£52½	£42½	5(a)	11⅓(b)	Royal Dutch (fl. 100)	£46⅞	£47⅞	+½	3 17 0e
147/–	106/3	†7½(a)	†12½(b)	Shell Transport £1	113/1½	111/10½	−1/3	3 11 10†
172/–	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	130/–	127/6	−2/6	4 6 4
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	52/6	51/10½	−7½d	5 15 8
				Miscellaneous				
28/3	22/–	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/–	29/6	8(c)	9(c)	Allied Newspapers £1	30/–	30/–	...	6 0 0
20/3	16/10½	Nil(c)	5(c)	Amal. Dental Def. £1	17/9	18/–	+3d	5 11 0
36/3	27/–	6(c)	7(c)	Amal. Metal £1	30/7½	32/6	+1/10½	4 6 0
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/–)	21/3	21/3	...	5 3 3
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/–	15/6	15/3x	−3d	5 19 6
24/3	20/9	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/–	21/–	20/6	−6d	6 10 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	91/3	...	4 18 0
85/3	72/9	5(a)	10(b)	Barker (John) £1	76/3	76/3	...	3 18 0
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	64/4½	65/–	+7½d	4 18 6

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Half-yearly Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 4, 1937	Price, Aug. 11, 1937	Rise or Fall	Yield Aug. 11, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/–	52/6	52/6	...	2 15 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	31/3	31/10½	+7½d	4 14 0
27/–	20/–	5(c)	2½(a)	Bovril Deferred £1	23/9x	25/–	+1/3	4 0 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	19/4½	22/6	+3/1½	8 0 0
64/6	45/–	7½(a)	15(b)	Bristol Aeroplane 10/–	53/9x	53/9	...	4 3 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	53/6	54/–	+6d	3 14 0
39/4½	35/4½	2¾(a)	5(b)	British Match £1	37/6	37/6	...	4 2 0
6 27/32	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6¼	6 7/32	−1/32	3 3 9†
138/9	91/3	7(a)	8(b)	British Oxygen £1	102/6	106/10½	+4/4½	2 16 3
83½	77	...	...	Cable & Wir. Holding A. Ord.	83½	86	+2½	Nil
106⅞	104	5½(c)	5½(c)	Cable & Wir. Holding 5½% Pf.	107	107	...	5 3 0
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8½	8⅝	+⅛	4 1 3‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/–	15/6	16/6	+1/–	9 2 0
25/–	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/–	19/–	18/9	−3d	5 6 9
63/9	45/–	10(c)	10(c)	De Havilland Aircraft £1	46/3	47/6	+1/3	4 4 3
38/6	32/–	8(c)	9(c)	Dunlop £1	35/6	35/9	+3d	5 1 0
50/7½	45/–	10(b)	5(a)	Eastwoods Ord. £1	43/9	43/9	...	6 17 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/–	21/9	22/6	+9d	4 9 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/–	33/3	33/–	−3d	6 16 0
24/9	17/–	5(c)	10(c)	Fairey Aviation 10/–	19/–	19/6	+6d	5 2 6
68/3	55/–	4(a)	6(b)	Finlay (James) & Co. £1	60/–	62/6	+2/6	3 4 0
145/7½	110/–	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	120/–	+2/6	4 3 3
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/–)	6/3	6/–	−3d	Nil
49/3	43/9	20(b)	17½(a)	Gestetner (D.) (5/–)	50/–	50/–	...	3 15 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros. Def. (£1)	137/6	138/9	+1/3	2 17 9
91/10½	82/6	13⅓(b)	5(a)	Harrods £1	85/–	85/–	...	4 8 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/–	4/3	4/3	...	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	35/–	33/9	−1/3	4 14 6
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	39/–	39/–	...	4 2 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/–	19/–	+2/–	Nil
9 5/32	7⅞	†17½(b)	†7½(a)	Imperial Tobacco £1	7½	7 15/16x	+⅜	3 5 0†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$64⅝	65⅜	+1⅛	3 1 0n
22/3	12/7½	8(a)	8(b)	International Tea 5/–	14/9	16/–	+1/3	5 0 0
76/3	56/4½	22½(c)	22½(c)	London Brick £1	56/10½	56/10½	...	7 18 3
6 1/16	5⅝	8¾(a)	14⅜(b)	Lyons (J.) Ord. £1	6	6	...	3 15 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/–	66/3	69/4½	+3/1½	2 17 9
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/–)	5/6	6/–	+6d	5 0 0
5 11/16	4½	15(b)	7½(a)	Murex £1 Ord.	5⅛	5 3/16	+⅛	4 4 9
46/4½	40/6	2½(a)	9⅔(b)	Phillips (Godfrey) £1	42/3	43/1½	+10½d	5 11 0
56/–	40/6	7½(a)	12½(b)	Pinchin Johnson 10/–	42/6	43/–	+6d	4 13 0
67/–	44/4½	13⅓(a)	31⅓(b)	Prices Trust Ord. (5/–)	52/6	55/7½	+3/1½	4 1 0
67/–	60/–	3⅓(a)	11⅔(b)	Radiation Ord. £1	60/–	58/9	−1/3	5 2 0
115/7½	100/–	22½(c)	22½(c)	Reckitt & Sons Ord. £1	105/–	102/6	−2/6	4 7 9
18/9	13/6	†5(a)	†8⅓(b)	Sears (J.) Ord. 5/–	14/6	14/3	−3d	4 13 6†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	16/10½	17/6	+7½d	2 17 0
62/6	58/–	2½(a)	12½(b)	Spillers Ord. £1	60/–	60/–	...	5 0 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	45/–	45/–	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	25/7½	26/3	+7½d	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	86/10½	86/3	−7½d	4 4 6
77/6	57/6	5(a)	5(b)	Tilling, Thos. £1	60/–	62/6	+2/6	3 4 0
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	70/–	+2/6	4 5 9
74/3	56/3	60(c)	35(c)	Triplex Safety G. (10/–)	71/3	72/6	+1/3	4 2 9
93/–	81/3	12½(b)	7½(a)	Tube Investments £1	86/3	90/–	+3/9	4 9 0
112/6	87/6	13⅓(b)	3⅓(a)	Turner & Newall £1	95/7½	98/9	+3/1½	3 10 10
46/10½	37/9	3⅓(a)	4(b)	Unilever £1	42/6	43/1½	+7½d	3 8 0
60/4½	52/–	7½(b)	5(a)	United Dairies £1	55/–	55/6	+6d	4 10 0
34/9	24/–	10(b)	6¼(a)	United Molasses 6/8	32/6	33/9	+1/3	3 5 0
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South) Ord. £1	9¼	9⅜	+⅛	4 5 6
45/–	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	40/–	41/3	+1/3	6 1 0
45/–	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	37/9	37/9	...	4 15 6
96/3	71/3⅜	45(b)	15(a)	Woolworth (F.W.) Or.5/–	73/1½	73/1½	...	4 2 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/–)	62/6	62/6	...	6 1 9
24/3	15/9	e7½(a)	e11(b)	Burma Corp. (Rs. 9)	19/9	18/9x	...	9 5 0†
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/–	5/3	5/9	+6d	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	81/3	77/6	−3/9	5 3 3
59/4½	30/–	27½(c)	30(c)	Cons. Mines Selection 10/–	42/6	41/3	−1/3	7 5 9
16 11/16	11½	95(b)	95(a)	Crown Mines 10/–	13½	13⅛	−⅜	7 4 9
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	71/10½x	70/7½	−1/3	5 13 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	53/1½	50/–	−3/1½	9 10 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	15	15½	+½	1 18 9
32½	17 3/16	Nil	Nil	Rio Tinto £5	22½	23	+½	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/–	72/6	75/–	+2/6	2 0 0
14½	8½	90(b)	90(a)	Sub Nigel (10/–)	10⅝	10⅛	−½	8 18 0
225/–	135/–	2/6(a)	6/–(b)	Union Corp. (12/6 fy pd.)	172/6	170/–	−2/6	5 0 0
19 11/16	6 1/16	Nil	Nil	W. Witwatersrand 10/–	9½	9	−⅛	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	21/10½	20/7½	−1/3	Nil

UNIT TRUSTS

Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Aug. 11, 1937	Compared Aug. 4,	Name and Group	Aug. 11, 1937	Compared Aug. 4,
Municipal and Gen			Rubber & Tin	1/10½-2/–	+1d
1st British	48/9-49/6	+7½d.	*Keystone.*		
2nd British	29/3-29/10½x	−3½d.	Keystone	19/1½-20/1½	+1½d
3rd British	25/3-25/9x	+4½d.	Do. 2nd	16/6-17/6	+3d
4th British	21/3-21/9	+1½d.	Do. Flexible	18/4½-19/4½	+1½d
For. Govt. Bond	21/6-22/6	−6d	GoldProd.Dep.Rec.	22/10½x bid	−1/4½
Limited Invest.	24/3-24/9	+7½d	Do. 2nd Series	16/9-17/9x	−1/–
Mid. & Sthn. Inv.	21/6-22/3	+3d	Do. 3rd Series	12/9-13/9x	−6d
Scot. & N.C. Inv.	21/6-22/–x	−4½d	Rand Certificates	19/7½x bid	−9d
Bank - Insurance			Oil Certificates	27/10½ bid	...
Bank–Insur. Uts.	19/6-20/6	+3d	"15 *Moorgate*"		
Insurance Units	21/–-22/–	+3d	Hundred	21/1½-22/1½	+1½d
Bank Units	18/6-19/6	...	Investors Flexible	17/3/18/3	...
Invest. Trust Units	16/6-17/6	+3d	Do. Gas & Elec.	13/7½-14/7½	...
Scot. B.I.I.T. Unts	17/–-18/–x	...	Do. General	19/4½-20/4½	...
British Empire			Do. 2nd General	16/9-17/9x	−4½d
British Empire "A"	22/9 bid	+1½d	Do. Gold	15/4½-16/4½	−1½d
Do. "B"	10/7½ bid	−1½d	Prov. Investors	16/9-17/9	...
Do. Cum.	18/3 bid	+1½d	Security First	18/4½-19/4½	+1½d
Do. Comp.	19/–-20/–x	−1½d	*F.T.M.*		
Do. First Unit	21/9-22/9	−3d	Aviation & Univer.	10/–-10/6	+3d
National			Domestic	8/6-9/–	...
National "A"	33/3 bid	+3d	*Protected*		
Do. "B"	22/9 x bid	...	Protected 1st	22/9-23/9	+3d
Do. "C"	19/9-20/9	+3d	Do. 2nd	20/9-21/9	+3d
Do. "D"	20/3-21/3	...	Do. 3rd	15/9-16/9	...
Do. Inv. Group	16/–-17/–x	+3d	*Allied*		
Amalgamated Certs	22/9-23/9	...	British Indus. 1st	20/9-21/9	+3d
Century	19/9-20/9	+1½d	Do. 2nd Series	18/3-19/3	...
Commercial	21/10½ bid	+3d	Do. 3rd Series	19/9-20/9	−3d
Gilt-edged	18/6-19/–	...	Do. 4th Series	20/–-21/–	+3d
Scottish	19/–-20/–	...	Elec. Industries	18/6-19/6	+3d
Universal	21/3-22/3	+1½d	Metals and Minerals	17/3-18/3	+3d
First Provincial			*Selective*		
First Prov. "A"	20/9-21/9x	...	Selective "A"	18/3-19/3	...
Do. "B"	17/6-18/6	...	Do. "B"	17/10½-18/10½	−1½d
Do. Reserves	18/–-19/–	+3d	British Transport	16/6-17/6x	−3d
British General					
Capital Securities	9/9-10/3	+3d	Bank Insce. & Fin.	17/3-18/3	+3d
British General "A"	21/10½-22/10½	...	Brewery Trust Unt†	16/9-17/9	...
British General "B"	21/1½ bid	...			
British General "C"	20/1½-21/1½	...			
First Recovery	7/10½-8/6	+4½d			

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (e) Annas per share. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (m) Including bonus of 5% free of tax. (n) Based on current annual dividend rate $2·00 per share. (r) Calculated on basis of 18½ annas per share of Rs. 9. Taken at 16 annas to one rupee. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16½% basis. (t) Special Jubilee bonus. (z) Highest price, 132/– and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 14s. 2d.; at 1[illegible] per cent. = £3 13s. 2d.

(*Continued from page* 353)

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Aug. 4, 1937	Aug. 11, 1937
Australia 3½% 1950–52	96½	21½	⅛–⅜ dis	⅜–½ dis.
Blackburn 3½% Stock	101	5	...	⅛–⅜ *dis*
Blackpool 3½% Stk.	100½	25	1⅛–1¼ pm	1¼–1⅜ pm
Brotherhood (Peter) Ord. 10/–	25/–	f.p.	29/6–30/–	29/3–30/–
Do. 5½% Pref. 20/–	20/–	f.p.	22/9–23/9	23/4½–23/10½
Cape Town 3½%	98	5	1⅛–1⅜ pm	⅝–⅞ pm
Collett (J.) Ord. 4/–	6/–	6/–	5/10½–6/1½	5/9–6/3
Finchley 3½%	101	21	⅛–⅜ pm	par–¼ pm
First Conv. Invest. Trust £1	...	...	22/10½–23/4½	22/9–23/6
Grassmoor 6% Pref. £1	21/–	10/–	6d–9d pm	4½d–10½d pm
Grimsby, etc. Water 3½%	99	99	99⅜–99⅝	99⅜–99⅝
Imperial Airways £1	30/–	10/–	1/10½–2/1½ pm	2/1½–2/4½ pm
Iraq 4½% Bonds	94	25	2⅛–3 pm	2⅛–2⅝ pm
L.C.C. 3½% 1956–62	100½	f.p.	2⅛–2⅜ pm	102⅜–102⅝
Middlesex 3½% 1957–62	101	28	⅛–⅜ pm	⅛–⅜ pm
Odeon Theatres Ord. 5/–	5/–	5/–	8/10½–9/4½	8/—8/6
Do. 5% 1st Deb.	99	25	5–4 dis.	6½–5½ dis.
Rippingilles Ord. 5/–	9/–	9/–	7/—8/–	7/—8/–
Salts (Saltaire) 5% Loan	100	50	1 dis–par	1 dis–par
Skinner (J.) (Publishers) 6% Pref.	...	...	...	20/9–21/3

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 7, 1937. (c) Week ended Aug. 6, 1937.	Miles Open	Gross Receipts, week ended Aug. 8, 1937 (£'000)					Aggregate Gross Receipts, compared with 1936 (31 weeks) (£'000)				
		Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western 1937	3,738	378	138	61	199	577	6,758	6,080	3,420	9,500	16,258
Great Western 1936	3,746	361	134	55	189	550	6,523	5,855	3,065	8,920	15,443
(c) L. & N. Eastern 1937	6,320	537	246	188	434	971	10,490	10363	7,583	17,946	28,436
(c) L. & N. Eastern 1936	6,333	508	261	181	442	950	9,980	9,966	7,128	17,094	27,074
L. M. & Scottish 1937	6,877	812	358	154	512	1,324	16,139	15025	7,870	22,895	39,034
L. M. & Scottish 1936	6,898½	785	363	157	520	1,305	15,479	14585	7,397	21,982	37,461
Southern 1937	2,153	524	42	14	56	580	10,107	1,872	923	2,795	12,902
Southern 1936	2,154	484	45	17	62	546	9,534	1,935	948	2,881	12,415
Total 1937	19088	2251	784	417	1201	3,452	43,494	33340	19796	53,136	96,630
Total 1936	19131½	2138	803	410	1213	3,351	41,516	32341	18536	50,877	92,393
(b) Belfast & Co. Down 1937	80	5·6	...	...	0·4	6·0	81·0	...	...	15·3	96·3
(b) Belfast & Co. Down 1936	80	4·2	...	...	0·4	4·6	81·6	...	...	17·3	98·9
(b) Great Northern 1937	543	22·2	...	...	7·7	29·9	332·8	...	...	290·3	623·1
(b) Great Northern 1936	543	20·1	...	...	6·6	26·7	325·1	...	...	303·4	628·5
(b) Great Southern 1937	2,076	74·4	...	...	32·7	107·1	1083·8	...	...	1261·3	2345·1
(b) Great Southern 1936	2,124	68·0	...	...	36·7	104·7	1082·4	...	...	1280·6	2363·0

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935:— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936:— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936:— 5 weeks to Aug. 7, 1937 ...	+ 145	+ 244	+ 175	+ 128
Weekly average second half 1937...	+ 29	+ 48½	+ 35	+ 25⅔
Latest week 1937 compared with 1936	+ 27	+ 19	+ 21	+ 34

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Aug. 7, 1937	£563,400	+ 15,500
Aggregate 6 weeks to Aug. 7, 1937	£3,383,600	+ 48,300

Assets exceed £18,000,000

Over 150 Branch Offices

By Appointment

GENERAL

ACCIDENT FIRE & LIFE ASSURANCE CORPORATION, LTD.

of Perth (Scotland) & London

FOR ALL TYPES OF INSURANCE AND AS EXECUTOR OR TRUSTEE

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	Gross Receipts for Week + or –	Gross Aggregate Receipts 1937	Gross Aggregate Receipts + or –
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	16	July 20	1,330	‡4,84,000	+ 70,211	52,80,871	+ 2,93,002
Barsi Lt. Ry.	15	10	202	‡36,700	– 18,500	4,35,700	– 83,400
Bengal & N. Western	16	20	2,111	‡10,11,473	+ 1,68,955	1,29,87,669	+ 11,30,549
Bengal-Nagpur	16	20	3,268	‡23,73,000	+ 4,24,303	2,92,57,427	+ 31,56,830
Bombay, Bar. & C.I.	18	31	3,072	‡27,57,000	+ 83,000	4,17,41,000	+ 30,40,000
Madras & S. Mahr.	15	10	3,229	‡19,23,000	– 1,48,423	2,31,32,516	+ 42,832
Rohilk'd & Kumaon	16	20	572	‡1,56,147	– 15,420	2,443,082	– 4,074
South Indian	15	10	2,532	‡14,98,551	+ 17,950	1,57,32,147	+ 2,69,492
		‡ 10 days.		† 11 days.			
CANADIAN		1937		$	$	$	$
Canadian National	31	Aug. 7	23566	3,522,028	+ 253,440	115,181,325	+ 1157016
Canadian Pacific	31	7	17228	2,582,000	+ 218,000	81,414,000	+ 5,428,000
SOUTH AMERICAN		1937					
Antofagasta (Chili and Bolivia)	32	Aug. 8	834	£13,770	+ 2,790	517,890	+ 89,610
Argentine N.E.	6	7	753	‡169,500	+ 10,300	906,100	+ 29,800
				*£10,515	+ 1,194	56,210	+ 4,902
B.A. and Pacific	6	7	2,806	‡1,322,000	+ 31,000	7,209,000	+ 112,700
				*£82,010	+ 6,425	447,209	+ 31,709
B.A. Central	4	July 24	...	$165,500	+ 41,500	541,300	+ 150,700
B.A. Gt. Southern	6	Aug. 7	5,084	‡2,010,000	+ 81,000	10,677,000	+ 442,000
				*£124,690	+ 11,751	662,345	+ 63,070
B.A. Western	6	7	1,930	‡663,000	+ 7,000	3,912,000	+ 184,000
				*£41,129	+ 2,722	242,880	+ 24,402
Central Argentine	6	7	3,700	‡2,038,100	– 274,800	12,835,450	+ 595,400
				*£126,433	– 8,983	796,243	+ 79,577
Central Uruguayan	5	July 31	980	‡143,220	+ 715	614,585	+ 43,541
				*£16,112	+ 1,416	69,255	+ 1,445
Cordoba Central	6	Aug. 7	1,218	‡867,000	– 5,000	3,758,000	+ 136,000
				*£42,620	+ 2,100	233,750	+ 21,080
Entre Rios	6	7	810	‡252,500	+ 12,600	1,241,600	+ 87,000
				*£14,423	+ 1,548	77,022	+ 9,418
G. Westn. of Brazil	32	7	1,082	£8,500	+ 1,200	229,500	– 12,700
Leopoldina	32	7	1,918	Ms1863000	+ 148,000	55,431,000	+ 6,725,000
				£24,918	+ 4,910	712,220	+ 155,087
Leopoldina Termnl.	32	7	...	Ms.398,000	+ 44,000	11,194,000	+ 579,000
Nitrate	28	July 31	397	a†£3,613	+ 672	95,386	+ 14,370
Paraguay Central	6	Aug. 7	274	$3,415,000	+ 629,000	19,937,000	+ 5,160,000
Salvador	6	7	100	Col. 15,400	+ 2,500	70,052	+ 10,079
San Paulo	31	1	153½	Ms2750000	– 191,000	80,855,000	+ 3,708,000
United of Havana	6	7	1,353	£36,667	+ 1,620	1,004,980	+ 86,589
				£18,037	+ 844	102,013	+ 11,666
OTHER OVERSEAS		1937		£	£	£	£
Egyptian Delta Light Railways	16	July 20	621	†8,490	+ 342	69,308	+ 5,68
Egyptian Markets	30	29	...	1,253	– 116	50,147	– 1,223
Mexican Railway	5	Aug. 7	483	$295,100	+ 43,800	1,557,000	+ 251,100
		‡ 10 days.					
SUEZ CANAL RECEIPTS		1937		£	£	£	£
Suez Canal	30	July 31	...	‡305,500	– 7,700	6,569,600	– 59,500
		‡ 10 days.					
TRAMWAYS WEEKLY GROSS RECEIPTS		1937					
Anglo-Argentine	31	Aug. 5	325	$649,769	+ 22,782	19,763,701	+ 231,365
B. Aires Lacroze	4	July 25	...	$54,263	– 4,894	200,093	– 20,890
Burnley, Colne and Nelson Jt. Trspt.	31	Aug. 7	80	£6,116	+ 690	...	...
Calcutta Tramways	31	7	...	Rs.1,25,474	+ 5,207	32,41,816	+ 1,63,721
Liverpool Corp.	18	4	...	£33,300	+ 3,219	567,044	+ 40,839
Madras Electric	30	July 31	...	‡Rs.49,810	+ 1,796	7,20,541	+ 30,478
		‡ Fortnight.					

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	Receipts for Month + or –	Receipts to Date 1937	Receipts to Date + or –
Bolivar	7	July 31	Gross	£5,800	– 800	40,800	– 6,800
Dorada	7	July 31	Gross	£15,100	– 900	105,500	+ 10,200
Dorada (Ropeway)	7	July 31	Gross	£4,400	– 400	33,800	+ 7,000
Rangoon Electric	6	June 30	Gross	Rs.4,86,602	+ 24,321	28,15,857	+ 1,07,622
			Net	Rs.2,53,886	+ 27,156	13,83,149	+ 96,710
Shanghai Electric	7	July 31	Net	$431,825	+ 76,871	2,865,449	+ 250,972
Suez Canal	7	July 31	Gross	£864,200	– 34,800	6,569,600	– 59,500

AMERICAN RAILROADS

Company		Month of June, 1937	Compared with June, 1936	6 Months 1937	Compared with 6 Months 1936
		$	$	$	$
Baltimore and Ohio	Gross	14,505,000	+ 171,000	88,012,000	+ 8,545,000
	Net†	2,020,000	– 458,000	13,765,000	+ 1,651,000
Erie	Gross	7,022,000	– 2,000	43,416,000	+ 3,487,000
	Net†	1,182,000	+ 167,000	8,324,000	+ 1,089,000
New York Central	Gross	31,002,000	+ 1,416,000	186,832,000	+ 15,216,000
	Net†	*1,228,000	– 3,011,000	22,575,000	+ 2,886,000
Pennsylvania Railroad	Gross	39,665,000	+ 3,851,000	234,500,000	+ 29,532,000
	Net†	6,165,000	– 508,000	34,931,000	– 63,000
Southern Pacific	Gross	20,074,000	+ 2,507,000	112,477,000	+ 22,240,000
	Net†	2,506,000	– 812,000	11,982,000	+ 2,177,000
Union Pacific	Gross	12,892,000	– 980,000	78,157,000	+ 9,477,000
	Net†	1,191,000	– 607,000	5,332,000	+ 367,000

* After deducting $2,473,446 for carriers excise tax for period January to June, 1937.
† Net operating income.

COMPANY MEETINGS

WATNEY COMBE REID AND COMPANY, LIMITED

IMPROVEMENTS TO PROPERTIES

The annual general meeting of Watney Combe Reid and Company, Limited, was held, on the 11th instant, at the Windsor Castle Restaurant, Victoria, London, Colonel O. P. Serocold, C.M.G., chairman of the company, presiding.

The Chairman, in the course of his speech, said:—As you are aware, the board have asked, and the shareholders have agreed for several successive years past, that large sums should be appropriated out of the company's profits to the property improvement and contingency reserve. The directors, acting on that mandate, have on their part drawn on that reserve to an extent practically equivalent over the last five years to the amount which has been put into it.

A year ago I informed you that it was very difficult to place a definite limit on our expenditure, especially as circumstances beyond our control, involving further outlays for this purpose, are constantly arising. These factors show no signs of diminishing, but on the contrary slum clearance, street widenings, and pressure by licensing benches impose on us the obligation to incur large expenditure without remission, even at a time when building costs, which have risen about 15 per cent. in the last twelve months, continue to rise. Additionally there are the obsolescent or obsolete structures which call for replacement in the normal course.

At one time we had to deal chiefly with the licensing justices as to buildings, subject to compliance with local bye-laws. We now have to deal not only with those bodies but also with the town planning and ribbon development authorities, be they city or town or county councils, and plans, often in triplicate, have to be submitted to each authority. During the past year we received approximately 120 further notices on town planning alone, as affecting our properties, and about 200 more letters on the same subject from local authorities. As a result of the expenditure over a number of years I may say that your properties rival in condition those of any one of our competitors, and that we not infrequently receive unsolicited compliments, both direct and indirect, from the magistrates and other authorities.

RECORD SALES IN CORONATION WEEK

It may be of interest to record that in the week preceding the Coronation in May last our sales created a record so far as our books show. The amount of work imposed thereby on our brewing and delivery staff was unprecedented, and our thanks are due to them that no one of our numerous customers was disappointed. We may well be proud of an output such as this, but it must be remembered that the effort is costly and carries with it all sorts of additional trouble and expense. In spite of the general extension of the opening hours of public houses in the London area on that occasion, I am glad to say that no undesirable result appears to have followed. This reflects credit on the licensee and also on the general public, who did not abuse the privileges granted.

I trust that the rise of 4s. or 5s. a quarter for barley of the last harvest has gone a long way to satisfy the farming interest. So far as one can form an opinion at this date, it appears probable that this rise will be maintained when the markets for new barley open a month hence. Although that will entail a rise in the cost of our brewing materials, the fact that it will bring more money to agriculture is not unwelcome. In common with many other trades, our manufacturing costs are affected by the rise in the cost of such articles as coal and petrol.

DIVIDENDS

Having dealt with various balance sheet items, the Chairman, in dealing with the profit and loss account, said:—The balance carried down is £1,428,583, which after the deduction of interest on the debenture stock and first preference stock—leaving £1,089,896 which is carried to the balance sheet as the profit for the year—is £45,217 higher than was the profit a year ago.

Your directors recommend that the £1,153,397 to be dealt with to-day should be applied as follows:—To property improvement and contingency reserve, £350,000; a final dividend of 2 per cent. on the preferred ordinary stock, £63,708, making the full 4 per cent. for the year; a final dividend of 9 per cent.—making 15 per cent. for the year—on the deferred ordinary stock and a bonus of 4 per cent., £414,103. This absorbs £827,811, leaving an amount of £325,585 to be carried forward.

The report and accounts were unanimously adopted.

CABLES INVESTMENT TRUST, LIMITED

INCREASED INCOME

The second ordinary general meeting of the Cables Investment Trust, Limited, was held, on the 10th instant, at the Incorporated Accountants' Hall, Temple Place, W.C.

Lord Pender, the chairman, said that the report dealt for the first time with a full year's working; the income of £356,176 showed a very satisfactory increase on the amount referred to of £315,000 in the original prospectus.

The capital remained unchanged and the capital reserve had been increased by profits on sales during the year and now stood at £144,300. Debenture stock purchased and cancelled in accordance with the Trust Deed, during the year to June 30, 1937, amounted to £15,000. In addition, they had redeemed £100,000 during the year, which was available for re-issue. After payment of management expenses and making provision for debenture interest the profit for the year amounted to £229,349, and the directors recommended a final dividend of 3 per cent., making 5 per cent. for the year, on the ordinary shares.

The fact that the valuation of securities held on June 30th last was in excess of their book value was cause for satisfaction in view of the considerable fall which had taken place in the value of most securities over the last year. The redemption of high-yielding bonds referred to in his speech last year had continued and notice of the repayment of further bonds in the near future had been received. As at June 30th the distribution of the securities was:—37¾ per cent. bonds, 14¾ per cent. preference shares and 47½ per cent. ordinary shares, with a large preponderance of holdings within the British Empire, where the prospects of increasingly prosperous trade remained good.

Provision had been made for their liability under the N.D.C. in respect of the year ending June 30th last, but that figure would be increased when a full year's tax was levied. However, the directors were able to put before the shareholders a very satisfactory report of the year's working and, in the absence of any unforeseen occurrence and a continuance of the peaceful development of trade, they could look forward to a steady improvement in the future.

The report and accounts were unanimously adopted, and a hearty vote of thanks was passed to the chairman, directors and staff.

ASSOCIATED BRITISH PICTURE CORPORATION, LIMITED

PROSPERITY IN ALL BRANCHES

The tenth ordinary general meeting of this Corporation was held, on the 10th instant, in London.

Mr John Maxwell (chairman and managing director), in the course of his speech, said:—That they would all be pleased with the increase of £339,000 in the Corporation's trading profit for the year, bringing it to the record figure of £1,265,829. Ten years ago their Corporation first became a public company (British International Pictures, Ltd.), with a relatively insignificant share capital, but with a definite policy to build a successful and creditable undertaking. Notwithstanding many difficulties, the Corporation had, he thought successfully, built a strong and comprehensive structure embracing the three main branches of the industry. The ten years' life of the Films Act being on the point of expiry, the Government had announced their intention of renewing the Act for a further period of ten years, and had outlined the proposals which showed their intention that, in its second decade, the Films Act would aim to develop and broaden the basis of the film industry and give it protection for achieving more ambitious objectives.

He was glad to say that the film production department of their business was functioning in good shape, and would, in the current financial year, yield substantial profits. That estimate was based on the fact that their film distribution department had shown an increase in turnover in the last six months of more than 50 per cent., while production costs had been coming down to a rational basis. From the point of view of saturation and redundancy of cinema building, moreover, it had always been the policy of the board to choose with extreme care the neighbourhoods in which they decided to extend, and the results achieved showed they had not erred in their choice. He felt that shareholders need have no qualms regarding the proposed legislation affecting the film and cinema industry, and, with all three departments of their business now showing increased profits, he could confidently predict both for the current year and for some time to come an increase in prosperity, in which the shareholders might reasonably expect further to participate.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 7, 1937, amounted to £16,080,000, against ordinary expenditure of £19,585,000. After increasing Exchequer Balances by £241,225, the operations for the week, as shown below, increased the gross National Debt by £3,976,000, to about £7,999 millions.†

(000's omitted)

	£		£
Public Department Advances ...	+ 610	National Savings Certificates ...	— 100
Treasury Bills ...	+ 3,156		
Land Sett. (Facs.) Acts ...	+ 10		
Tithe Act, 1936 ...	+ 300		
	+ 4,076		— 100

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

REVENUE	Total Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Aug. 8, 1936	April 1, 1937, to Aug. 7, 1937	Week ended Aug. 8, 1936	Week ended Aug. 7, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	31,374,000	35,794,000	3,281,000	5,763,000
Sur-tax	58,000,000	5,100,000	5,950,000	120,000	170,000
Estate, etc., Duties	89,000,000	30,480,000	32,790,000	1,070,000	1,730,000
Stamps	29,000,000	6,230,000	6,160,000	480,000	260,000
Other Inland Revenue Duties	1,500,000	110,000	130,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	73,294,000	80,824,000	4,951,000	7,923,000
Customs and Excise—					
Customs	219,850,000	72,734,000	77,442,000	3,713,000	3,583,000
Excise	113,150,000	34,800,000	36,900,000	780,000	700,000
Total Customs and Excise	333,000,000	107,534,000	114,342,000	4,493,000	4,283,000
Motor Vehicle Duties	34,000,000	‡7,861,000	8,123,000	‡1,529,000	1,574,000
Post Office (Net Receipt)	11,800,000	6,900,000	6,720,000	...	950,000
Crown Lands	1,350,000	520,000	500,000	...	...
Receipts from Sundry Loans	4,300,000	2,670,505	2,961,475	639,486	1,220,302
Miscellaneous Receipts	11,000,000	2,744,675	2,156,998	648,105	129,546
Total Ordinary Revenue	863,100,000	201,524,180	215,627,473	12,260,591	16,079,848
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	21,000,000	22,730,000	1,000,000	1,050,000
Total	...	222,524,180	238,357,473	13,260,591	17,129,848

EXPENDITURE	Total Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Aug. 8, 1936	April 1, 1937, to Aug. 7, 1937	Week ended Aug. 8, 1936	Week ended Aug. 7, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	93,606,741	95,744,688	1,515,837	8,281,047
Payments to Northern Ireland Exchequer	8,000,000	2,174,378	2,447,950	248,465	256,786
Other Consolidated Fund Services	3,200,000	949,829	1,482,570	...	49,287
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	96,730,948	99,675,208	1,764,302	8,587,120

EXPENDITURE	Total Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Aug. 8, 1936	April 1, 1937, to Aug. 7, 1937	Week ended Aug. 8, 1936	Week ended Aug. 7, 1937
Total Supply Services (excluding Post Office and Broadcasting)	£ †627348000	£ 186134100‡	£ 201,829,750	£ ‡9,964,000	£ 10,998,000
Total Ordinary Expenditure	862,848,000	282,865,048	301,504,958	11,728,302	19,585,120
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	21,000,000	22,730,000	1,000,000	1,050,000
Total	...	303,865,048	324,234,958	12,728,302	20,635,120

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to August 7, 1937, are shown below :—

(000's omitted)

Ordinary Expenditure	301,505	Ordinary Revenue	215,627
Increases in balances	177	Gross borrowing ... £88,440	
		Less :—	
		New Sinking Fund* 2,376	
		Old. S. Fund, 1907–08 9	
		Net borrowing	86,055
	301,682		301,682

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

	Aug. 8, '36	Mar. 31, '37	Aug. 7, '37	Movement Week ended Aug. 7, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	31,130,000	23,535,000	31,415,000	+ 610,000
Treasury Bills outstanding	808,365,000	674,595,000	861,530,000*	+3,155,000
Total Floating Debt	839,495,000	698,130,000	892,945,000	+3,765,000

* Includes £2,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on August 6, 1937. The amount applied for was £97,040,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 4d. about 28 per cent. and above in full; Saturday at £99 17s. 5d. and above in full. The average rate per cent. was 10s. 4·80d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 30, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
August 6, 1937	45,000,000	85,230,000	45,000,000	0 10 5·01
	45,000,000	97,040,000	45,000,000	0 10 4·80

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended July 17, 1937	579,052	434,289
Week ended July 24, 1937	551,444	413,583
Week ended July 31, 1937	594,553	445,915

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, is £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, AUGUST 11, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	497,867,276	Other Government Securities	187,123,516
In Banking Department	28,539,349	Other Securities	1,852,372
		Silver Coin	9,012
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

KANSALLIS - OSAKE - PANKKI

(NATIONAL JOINT STOCK BANK)

ESTABLISHED 1889

PAID-UP CAPITAL AND RESERVES - - - FMK 432,300,000

DEPOSITS AND CREDIT BALANCES December, 1936 3,425,500,000

Head Office : HELSINKI (Helsingfors) FINLAND

Our large network of branches, comprising 195 BRANCHES ensures prompt and efficient execution of your collections and payment orders

Telegraphic Address : KANSALLISPANKKI

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	111,129,879
Rest	3,611,144	Other Securities :—	
Public Deposits*	19,036,046	Discounts and Advances ... £5,907,100	
Other Deposits :—		Securities ... £20,339,532	
Bankers ... £93,574,093			26,246,632
Other Accounts £36,362,765		Notes	28,539,349
	129,936,858	Gold and Silver Coin	1,221,188
	167,137,048		167,137,048

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

Both Departments	Amount, Aug. 11, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	497,867,276	— 6,010,180	+ 47,582,387
Public deposits	19,036,046	+ 9,226,182	+ 1,617,644
Bankers' deposits	93,574,093	— 1,916,464	— 4,415,788
Other deposits	36,362,765	— 631,962	— 1,617,760
Total outside liabilities	646,840,180	+ 667,576	+ 43,166,483
Capital and rest	18,164,144	+ 19,123	— 16,047
Government debt and securities	309,268,495	+ 2,262,340	— 37,674,439
Discounts and advances	5,907,100	— 538,280	— 3,031,754
Other securities	22,191,904	— 1,147,200	+ 764,081
Silver coin in issue department	9,012	+ 3,371	— 524,017
Coin and bullion (bank's reserves)	327,627,813	+ 106,468	+ 83,616,565
Reserves of notes and coin in banking department	29,760,537	+ 6,116,648	— 13,965,822
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	20·0%	+ 3·4%	— 15·0%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	50·6%	No change	+ 10·2%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
1937	£	£	£	£	£	£	%
July 21	526,407	493,133	17,502	97,181	38,150	Nil	2
„ 28	526,407	498,339	10,529	104,259	37,322	Nil	2
Aug. 4	526,407	503,877	9,810	95,491	36,995	Nil	2
„ 11	526,407	497,867	19,036	93,574	36,363	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
1937	£	£	£	%	£	£	£	£	%
July 21	195,064	4,925	327,379	50 1/8	107,449	5,830	23,369	34,246	22 1/8
„ 28	196,150	3,838	327,516	50 1/8	114,410	5,812	20,815	29,177	19 1/8
Aug. 4	196,801	3,193	327,521	50 1/8	110,205	6,445	20,146	23,644	16 1/8
„ 11	198,139	1,852	327,628	50 1/8	111,130	5,907	20,340	29,761	19 1/8

BANKERS' CLEARING RETURNS

LONDON

(000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to July 28	22,028,830	1,279,274	2,207,523	25,515,627
Five days ended August 4	648,835	38,421	58,788	746,044
Week ended August 11	682,988	42,707	89,987	815,682
Total to date, 1937	23,360,653	1,360,402	2,356,298	27,077,353
Total to date, 1936	20,237,146	1,245,729	2,133,446	23,616,321
Increase or decrease in 1937	+3,123,507	+114,673	+ 222,852	+3,461,032
	— 15·4%	— 9·2%	— 10·5%	— 14·7%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,044	37,559,751
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	— 8·0%	— 8·1%	— 9·6%	— 8·2%

PROVINCIAL

(000's omitted)

	Week ended August 7		Month of July			Aggregate Totals, January 1 to August 7	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			27	27			
BIRMINGHAM	£ 1,902	£ 2,251	£ 13,908	£ 13,271	% — 4·5	£ 82,355	£ 84,543
BRADFORD	1,006	1,125	3,956	4,613	+16·6	30,858	33,686
BRISTOL	1,008	972	5,852	5,810	— 0·7	39,749	40,229
DUBLIN*	4,804	4,539	...	...	...	179,492	184,882
HULL	763	797	3,791	4,128	+ 8·8	25,689	28,912
LEEDS	765	722	4,553	4,771	+ 4·7	29,532	32,636
LEICESTER	473	540	3,470	3,650	+ 5·1	23,056	23,987
LIVERPOOL	4,909	6,205	29,603	31,322	+ 5·8	190,420	224,606
MANCHESTER	9,861	11,813	44,936	49,154	+ 9·3	316,165	351,176
NEWCASTLE	1,226	1,551	6,044	6,878	+13·7	40,955	45,942
NOTTINGHAM	466	506	2,520	2,502	— 0·7	16,129	16,647
SHEFFIELD	1,311	1,547	4,592	5,151	+12·1	31,448	35,047
	28,494	32,598	123,225	131,250	+ 6·5	1,005,848	1,102,293

* For the previous week (to July 31), the week's totals were: 1936, £5,114,000; 1937 £4,811,000. Corresponding aggregates were £174,669,000 and £180,343,000.

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Bank of Danzig, Argentina, Poland, in July 24, Java, Estonia, Portugal, in July 31, Egypt, Latvia, in August 7.

BANK FOR INTERNATIONAL SETTLEMENTS

(In Millions of Swiss gold francs of 0·29 grammes)

Assets	July 31, 1936	Apr. 30, 1937	May 31, 1937	June 30, 1937	July 31, 1937
Gold in bars	29·9	32·2	51·0	51·0	9·8
Cash	13·1	32·7	42·6	21·1	28·6
Sight funds	21·9	25·2	43·6	36·4	34·6
Bills and acceptances : Commercial bills	121·5	106·6	117·8	136·1	133·2
Treasury bills	203·0	133·4	131·4	140·6	138·1
Time funds : Not exceeding 3 months	38·7	27·8	36·2	39·1	46·0
Sundry bills and investments	219·5	263·0	273·9	302·6	303·2
Other assets	8·0	1·7	1·7	2·7	1·6
LIABILITIES					
Capital paid up	125·0	125·0	125·0	125·0	125·0
Reserves	22·1	22·1	23·2	23·2	23·2
Special deposits :—					
Annuity trust account	154·5	153·3	152·9	152·8	153·2
German Government deposit fund	77·3	76·6	76·5	76·4	76·6
French Government guarantee fund	61·9	41·7	41·5	41·5	34·9
French Government deposit	2·0	1·4	1·4	1·4	1·1
Time deposits of Central Banks :—					
Not exceeding 3 months :—					
For their own account	117·1	103·7	155·2	168·0	169·6
Between 3 and 6 months : for their own account	...	...	12·9	12·8	12·9
Sight deposits of Central Banks :—					
For their own account	25·6	31·1	47·7	48·5	47·0
For account of others	6·0	4·3	3·5	2·9	4·2
Other deposits	0·7	0·4	0·4	0·5	1·5
Sight deposits—gold	24·0	21·7	16·6	8·3	8·8
Miscellaneous items	37·1	41·5	33·5	34·7	37·0
Profits for distribution July 1	...	...	7·9	7·9	...

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

U.S.F.R. Banks Resources	Aug. 13, 1936	July 22, 1937	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937
Gold Certificates on hand and due from the Treasury	8,225,040	8,833,900	8,833,900	8,833,400	8,832,400
Total reserves	8,528,740	9,162,810	9,167,490	9,155,490	9,150,080
Total cash reserves	289,980	318,930	323,660	312,310	306,900
Total bills discounted	7,860	12,170	15,220	15,400	16,700
Bills bought in open market	3,090	3,280	3,200	3,080	3,070
Total bills on hand	10,950	15,450	18,420	18,480	19,770
Industrial advances	28,780	21,660	21,600	21,080	21,040
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,470,150	2,563,310	2,566,200	2,565,750	2,567,000
Total resources	11,712,840	12,489,870	12,439,530	12,439,500	12,414,650
LIABILITIES					
Federal Reserve notes in actual circulation	3,983,470	4,197,870	4,193,410	4,222,020	4,228,040
Aggregate of excess member-bank reserves over requirements	3,170,000	870,000	810,000	700,000	740,000
Deposits—Member-bank—reserve account	6,116,080	6,858,300	6,775,500	6,635,760	6,681,120
Government deposits	333,060	183,740	227,820	308,780	252,690
Total deposits	6,790,890	7,299,870	7,308,740	7,264,560	7,260,930
Capital paid in and surplus	302,190	305,860	305,750	305,790	305,870
Total liabilities	11,712,840	12,489,870	12,499,530	12,439,500	12,414,650
Ratio of total reserves to deposit and F.R. note liabilities combined	79·2%	79·7%	79·7%	79·7%	79·6%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,661,000	12,404,000	12,433,000	12,462,000	12,497,000
Treasury and National Bank Currency	2,498,000	2,553,000	2,574,000	2,572,000	2,573,000
LIABILITIES					
Money in Circulation	6,170,000	6,436,000	6,424,000	6,468,000	6,482,000
Treasury Cash and Deposits with Federal Reserve Banks	2,759,000	3,711,000	3,804,000	3,914,000	3,893,000

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	Aug. 13, 1936	July 22, 1937	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937
Total gold reserves	3,296,490	3,463,770	3,451,400	3,345,630	3,344,620
Total bills discounted	6,650	5,840	7,100	7,370	8,020
Bills bought in open market	1,100	1,130	1,130	1,090	1,080
Total U.S. Govt. securities	660,580	725,030	725,030	725,030	725,030
Total bills and securities	675,410	737,780	739,120	738,980	739,630
Deposits—Member-bank—reserve account	2,762,560	3,000,620	2,948,010	2,800,990	2,836,370
Ratio of total res. to dep. and Federal Res. note liabilities combined	85·4%	84·2%	84·0%	83·7%	83·7%

ROYAL INSURANCE COMPANY LIMITED

SECURITY FIRST

TOTAL FUNDS EXCEED £48,000,000

CLAIMS PAID, OVER £225,000,000

Head Offices :

LIVERPOOL North John St. LONDON Lombard St.

MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balance July, 1937	Barclays Bank, Limited	Coutts and Co.	District Bank, Limited	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	National Provincial Bank, Limited	Westminster Bank, Limited	Williams Deacon's Bank, Limited	Aggregate
ASSETS	£	£	£	£	£	£	£	£	£	£	£	£
Coin, bank notes and balances with the Bank of England	43,554	2,041	8,086	3,979	41,801	9,044	51,353	3,402	31,549	36,701	3,679	235,189
Balances with and Cheques in course of collection on other Banks in Great Britain and Ireland	11,438	776	1,984	1,085	10,295	2,859	12,865	250	6,907	9,666	1,693	59,818
Items in transit	...	...	...	...	3,485	667	...	...	...	...	...	4,152
Money at call and short notice	25,679	2,057	7,732	9,769	30,459	6,401	25,772	4,900	21,176	22,822	6,004	162,771
Bills discounted	52,049	1,046	3,567	517	50,771	3,739	76,169	1,484	37,405	55,119	285	282,151
Investments	108,230	8,778	29,908	14,077	114,264	27,851	114,910	14,878	88,206	112,717	12,759	646,578
Advances to customers and other accounts	197,352	11,768	30,363	11,054	163,824	43,553	213,150	16,440	134,154	135,800	13,639	971,097
Liabilities of customers for acceptances, endorsements, etc.	8,847	562	10,168	2,828	35,917	8,273	21,613	309	8,537	24,047	1,304	122,405
Bank premises account	7,535	412	1,554	740	7,622	2,670	9,821	686	7,362	5,271	1,084	44,757
Investments in affiliated banks and subsidiary companies	6,968	...	...	...	3,326	...	7,745	...	2,514	2,993	...	23,545
	461,652	27,440	93,362	44,049	461,763	105,057	533,398	42,349	337,810	405,136	40,447	2,552,463
Ratio of cash to current, deposit and other accounts	10·21	8·20	10·47	10·11	10·42	10·13	10·57	8·94	10·12	10·13	10·09	10·26
LIABILITIES												
Capital paid up	15,858	1,000	2,976	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	77,286
Reserve fund	10,250	1,000	2,976	530	9,000	3,300	11,500	1,120	8,000	9,320	800	57,796
Current, deposit and other accounts	426,697	24,878	77,242	39,346	401,029	89,305	486,037	38,070	311,794	362,437	36,468	2,293,303
Acceptances, endorsements, etc.	8,847	562	10,168	2,828	35,917	8,273	21,613	309	8,537	24,047	1,304	122,405
Notes in Circulation	...	...	...	...	7	19	...	1,350	...	12	...	1,388
Reduction of bank premises account	...	...	...	285	...	...	...	...	...	...	...	285
	461,652	27,440	93,362	44,049	461,763	105,057	533,398	42,349	337,810	405,136	40,447	2,552,463

FEDERAL RESERVE REPORTING MEMBER BANKS.

In $'s (000,000's omitted)

	July 29, 1936	June 30, 1937	July 7, 1937	July 14, 1937	July 21, 1937	July 28, 1937
Loans, total†	8,294	9,760	9,734	9,714	9,740	9,784
Investments	14,084	12,530	12,483	12,449	12,473	12,490
Reserve with Federal Reserve Bank	4,859	5,400	5,278	5,352	5,302	5,231
Due from banks	2,443	1,783	1,743	1,801	1,785	1,753
Demand deposits	14,850	15,186	14,855	15,031	15,018	15,033
Time deposits	5,015	5,235	5,244	5,250	5,251	5,268
Government deposits	823	547	477	451	429	430
Due to banks	6,360	5,633	5,786	5,733	5,701	5,621

† In this item, comparison between May 20, 1937, onwards and preceding weeks is affected by a revision of the statement.

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

	Aug. 10, 1936	July 12, 1937	July 19, 1937	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937
ASSETS						
Gold and English sterling	16,004	16,009	16,009	16,009	16,007	16,007
Other coin, bullion and cash	6,815	5,665	5,304	5,676	5,226	5,347
Money at short call—London	18,134	31,228	33,976	33,692	33,091	33,337
Short-term loans	3,257	3,705	3,566	2,956	3,095	3,218
Securities	75,154	76,590	76,587	76,587	76,587	76,587
Discounts and advances	8,612	10,336	10,495	10,486	10,830	10,674
LIABILITIES						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	66,097	84,205	85,882	85,358	85,514	86,204

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

	Aug 3, 1936	July 12, 1937	July 19, 1937	July 26, 1937	Aug 2, 1937
ASSETS					
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	19,483	20,096	20,589	20,859	20,876
Advances to State	...	5,128	5,004	4,577	4,513
Investments	2,041	2,906	2,906	2,906	2,906
LIABILITIES					
Bank notes	10,779	12,624	12,580	12,590	12,630
Demand liabilities :—					
Government	6,271	6,450	6,121	6,418	6,725
Other	6,139	11,866	11,173	10,723	10,361
Ratio of reserves to sight liabilities	98·1%	77·5%	78·3%	79·6%	79·7%

REDUCE PRODUCTION COSTS
—USE ELECTRICAL POWER FOR ALL INDUSTRIAL PURPOSES
NORTH-EASTERN ELECTRIC SUPPLY Co. Ltd.
Carliol House, NEWCASTLE-UPON-TYNE
Apply to above address for particulars of Sites for Works

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

	Aug 7, 1936	July 2, 1937	July 9, 1937	July 16, 1937	July 23, 1937	Aug 6, 1937
ASSETS						
Gold coin and bullion	22,929	23,234	23,232	22,868	22,871	22,701
Bills discounted : Foreign	8,391	4,772	4,405	4,650	5,125	5,105
Investments	1,734	1,729	1,729	1,729	1,729	1,729
Other assets	11,817	12,458	11,390	10,623	10,643	10,928
LIABILITIES						
Notes in circulation	14,805	17,035	16,013	15,282	14,934	16,519
Deposits : Government	1,562	1,585	1,578	1,962	2,339	1,479
Bankers	25,355	17,589	17,476	17,125	16,629	18,156
Ratio of cash reserves to liabilities to public	51·9%	58·5%	58·3%	58·8%	58·3%	55·7%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

	Aug 7, 1936	July 23, 1937	July 30, 1937	Aug 6, 1937
ASSETS				
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	66,30,59	58,71,60	59,51,93	59,60,19
Balances abroad	3,29,93	16,66,52	16,54,64	15,88,94
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,45	27,37,48	27,37,62	27,37,72
Investments	5,79,58	8,62,96	8,43,20	8,00,92
LIABILITIES				
Note circulation	1,63,87,15	1,81,27,83	1,78,74,59	1,81,15,36
Deposits : Government	6,40,97	9,67,56	11,30,17	9,74,93
Banks	33,31,53	34,57,64	36,11,06	35,08,07
Ratio of gold and sterling to liabilities	55·5%	59·2%	58·9%	58·9%

* Held against notes.

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

	Aug. 7, 1936	July 15, 1937	July 22,* 1937	July 29,* 1937	Aug. 5, 1937
ASSETS					
Gold	54,988,639	48,859,412	48,859,557	55,677,171	55,716,635
Advances on Gold Coin	1,274,211	1,005,234	1,099,156	1,099,156	1,099,156
Commercial Bills	13,983,679†	9,980,005	10,309,980	11,204,980	9,877,662
Bills bought abroad	1,236,949	868,901	868,901	919,974	880,666
Advances on securities	4,763,108	4,935,448	4,759,762	5,022,602	5,229,295
Loans to State without interest : (*a*) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(*b*) provisional	6,642,218	23,886,810	23,886,810	23,886,810	23,878,126
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,641,368	5,641,368	5,641,368	5,641,368
Other assets (excluding forward exch.)	3,911,582	4,626,998	4,137,395	4,182,637	4,271,546
LIABILITIES					
Notes in circulation	84,907,086	88,414,988	87,911,178	89,307,414	89,603,755
Public deposits	1,817,840	2,962,022	3,031,185	2,563,038	2,338,713
Private deposits	6,243,740	9,066,904	9,104,801	15,669,695	14,492,429
Other liabilities	2,671,536	2,654,184	2,715,788	3,294,234	3,358,589
Ratio of gold reserve to sight liabilities	59·1%	48·6%	48·8%	51·7%	52·3%

* The gold stock is based on the franc at 49 milligrams from October 2, 1936, to July 22, 1937, and at 43 milligrams on and after July 29, 1937.
† Includes fcs. 7,691,205,000 Treasury Bills.

BANK OF CANADA.—In $'s (000's omitted)

	Aug. 5, 1936	July 21, 1937	July 28, 1937	Aug. 4, 1937
ASSETS				
Reserve, of which	194,369	200,596	202,023	203,106
Gold coin and bullion	179,416	181,443	179,547	179,492
Investments	112,819	139,486	140,118	141,013
LIABILITIES				
Note circulation	101,209	136,722	137,397	141,374
Deposits : Dominion Government	21,613	12,538	14,202	21,483
Chartered banks	188,543	181,325	181,405	178,386
Ratio of reserves to notes and deposit liabilities	62·3%	60·6%	60·5%	59·6%

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

	Aug. 7, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937
ASSETS				
Gold	72,092	69,074	69,111	69,143
Of which deposited abroad	24,524	19,359	19,359	19,359
Reserve in foreign currencies	5,158	6,036	5,844	5,905
Bills of exchange and cheques	4,514,266	4,664,074	5,344,989	4,991,192
Silver and other coin	155,734	232,114	125,967	159,172
Advances	43,640	36,829	52,256	25,207
Investments	529,393	403,378	403,356	403,384
Other assets	526,893	715,641	734,218	697,391
LIABILITIES				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,309,955	4,577,586	5,111,635	4,866,613
Other daily maturing obligations	708,551	666,197	732,156	592,966
ther liabilities	214,109	240,386	248,973	248,838
o ver of note circulation	1·80%	1·64%	1·46%	1·54%

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

	Aug. 6, 1936	July 8, 1937	July 15, 1937	July 22, 1937	July 29, 1937	Aug. 5, 1937
ASSETS						
Gold	3,728,958	3,702,832	3,681,028	3,658,560	3,642,431	3,622,970
Silver and other coin	52,460	44,096	43,994	44,035	44,163	40,872
Securities	1,396,482	1,405,865	1,397,750	1,385,586	1,376,376	1,367,917
Advances	75,159	32,686	33,489	32,944	35,625	34,972
LIABILITIES						
Notes in circulation	4,487,811	4,514,430	4,491,030	4,465,716	4,440,266	4,459,714
Deposits : Govt.	13,760	195,429	171,265	194,935	214,692	163,371
Other	940,512	659,031	677,365	644,548	627,719	627,728

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

	Aug. 10, 1936	July 12, 1937	July 19, 1937	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937
ASSETS						
Gold	658,798	1,245,868	1,257,875	1,265,880	1,265,883	1,265,883
Silver	21,906	18,158	18,492	18,598	17,843	18,518
Home bills discounted	26,985	14,487	14,551	14,514	12,987	12,924
Loans and advances in current account	125,318	165,996	166,878	170,721	186,670	179,604
LIABILITIES						
Notes in circulation	750,305	833,343	824,770	821,986	860,778	831,747
Deposits	104,158	633,635	655,445	669,595	646,739	669,192

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

	Aug. 7, 1936	July 7, 1937	July 15, 1937	July 23, 1937	July 31, 1937	Aug. 7, 1937
ASSETS						
Gold	1,450,658	2,624,407	2,624,414	2,594,415	2,594,418	2,567,780
Of which held abroad	205,555	534,469	534,469	534,469	507,438	482,100
Discounts	130,824	11,205	7,101	7,114	6,904	6,862
Confederation Bills	46,300	11,550	16,150	16,100	15,600	14,550
Advances	65,004	30,326	29,016	28,855	28,465	28,193
Securities	42,346	14,817	14,907	15,915	15,911	15,881
LIABILITIES						
Notes in circulation	1,265,944	1,379,253	1,482,222	1,371,622	1,411,851	1,381,917
Deposits	418,105	1,340,383	1,363,375	1,316,617	1,298,865	1,343,506

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

	Aug. 7, 1936	July 15, 1937	July 23, 1937	July 31, 1937	Aug. 7, 1937
ASSETS					
Gold reserve	433,290	465,547	465,844	466,148	466,110
Government securities :					
Swedish	28,500	2,000	2,000	2,000	2,000
Foreign	73,810	50,413	51,683	52,141	46,094
Gold abroad not included in the gold reserve	76,668	68,861	68,816	68,771	68,776
Balances with foreign banks	237,500	206,447	208,655	209,386	219,616
Bills payable in Sweden	10,837	12,451	22,766	12,771	12,373
Bills payable abroad	211,219	655,665	655,665	659,851	674,818
Advances	34,240	28,020	27,909	28,303	25,747
LIABILITIES					
Notes in circulation	750,276	812,296	788,751	862,840	829,524
Deposits : Government	158,365	149,605	139,548	136,834	135,643
Banks	319,490	700,003	743,072	673,334	716,431
Other	16,096	10,447	10,005	9,930	10,060

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

	Aug. 7, 1936	July 15, 1937	July 22, 1937	July 31, 1937	Aug. 7, 1937
ASSETS					
Coin and bullion (gold reserve)	118,866	118,843	118,843	118,842	118,842
Balance abroad and foreign bills	81,456	125,770	127,419	129,091	131,211
Funds provisionally placed in gold, not included in the gold reserve	76,248	70,331	70,331	70,331	70,331
Norwegian and foreign governments securities	45,274	82,232	83,689	83,689	83,482
Discounts and loans	219,509	165,420	166,510	164,165	162,063
LIABILITIES					
Notes in circulation	378,396	418,119	417,424	423,638	418,546
Deposits at sight	122,396	93,645	100,033	92,605	99,185

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

	July 31, 1936	Mar. 31, 1937	Apr. 30, 1937	May 31, 1937	June 30, 1937	July 31, 1937
ASSETS						
Gold coin and bullion	117,958	117,904	117,889	117,878	117,893	117,892
Loans and discounts	129,008	100,783	100,936	103,757	102,595	104,293
Securities	64,670	54,278	54,253	53,078	52,892	52,009
Emergency Fund	132,731	117,509	116,257	116,250	116,171	114,309
Advances to Treasury	56,549	46,612	50,472	58,193	116,909	105,379
LIABILITIES						
Circulation	373,390	378,050	391,512	384,467	387,435	385,663
Deposits	69,318	35,617	36,386	44,953	64,725	49,426

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

	July 31, 1936	July 7, 1937	July 15, 1937	July 23, 1937	July 31, 1937
ASSETS					
Cash reserve—					
Gold coin and bullion	242,662	242,991	243,002	243,018	243,028
Other foreign exchange	98,943	103,502	104,519	110,162	116,125
Bills discounted	219,448	191,700	193,566	191,362	193,192
Federal debt	624,444	620,152	620,152	620,152	620,152
LIABILITIES					
Notes in circulation	951,933	842,480	839,792	812,536	915,076
Deposits	232,238	308,137	311,124	346,988	251,358

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.* (000's omitted)

	July 31, 1936	June 23, 1937	July 15, 1937	July 23, 1937	July 31, 1937
ASSETS					
Gold	2,697,785	2,579,224	2,576,804	2,576,822	2,576,389
Balances abroad and foreign currency	20,920	394,089	376,899	358,241	347,645
Discounts and advances	1,533,078	1,831,102	1,892,071	1,822,952	2,267,870
State notes debt balance	2,035,160	2,015,945	2,014,760	2,014,716	2,014,573
LIABILITIES					
Bank notes in circulation	5,426,252	5,293,492	5,606,818	5,407,034	6,036,806
Deposits	625,861	779,222	455,958	530,990	296,249

* First return showing effects of devaluation, October 15, 1936.

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

	July 11, 1936	June 26, 1937	June 30, 1937	July 2, 1937	July 10, 1937
ASSETS					
Gold and gold exchange	11,063,382	15,862,839	15,863,291	15,872,442	15,890,630
Commercial bills	5,367,326	6,059,077	5,927,524	5,807,165	6,053,591
Agricultural and urban advances	2,439,529	2,069,083	2,068,781	2,067,053	2,067,301
Treasury bills issued against losses on credit	5,773,871	6,360,257	6,421,692	6,421,772	6,433,031
State debt and advances to Treasury	5,633,095	4,624,386	4,618,628	4,618,628	4,618,628
LIABILITIES					
Notes in circulation	22,301,666	25,974,838	26,142,455	26,055,820	26,336,363
Other sight liabilities	8,574,013	13,014,628	12,499,197	12,608,595	12,488,062
Long-term liabilities	4,443,171	3,272,764	3,197,656	2,972,511	3,006,380

† First return after decree of November 7, 1936, was November 14th.

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

	July 31, 1936	July 7, 1937	July 15, 1937	July 23, 1937	July 31, 1937
ASSETS					
Gold holdings	1,606,955	1,796,764	1,796,764	1,799,107	1,800,716
Balances abroad and foreign currencies	445,581	381,190	397,230	389,670	389,982
Discounts and advances	1,265,922	1,119,649	1,092,798	1,095,370	1,141,788
Advances to the Treasury	2,671,279	3,522,998	3,522,998	3,522,998	3,522,998
LIABILITIES					
Reserves	1,245,133	1,212,806	1,212,688	1,212,526	1,212,153
Bank notes in circulation	2,304,168	2,400,463	2,424,640	2,392,379	2,543,389
Sight liabilities	1,951,644	3,191,929	3,102,212	3,144,459	3,023,461
Deposits	121,320	103,090	103,090	103,063	103,063

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

	July 31, 1936	July 7, 1937	July 15, 1937	July 23, 1937	July 31, 1937
ASSETS					
Gold and gold exchange	2,824,420	3,273,349	3,336,202	3,320,253	3,308,414
State Gold Bonds	566,440	543,026	543,026	543,026	543,026
Bills discounted	314,896	537,031	539,881	555,542	556,885
Advances	5,384,103	3,383,694	3,380,211	3,297,598	3,298,137
State Debt	3,605,111	3,557,205	3,557,205	3,557,205	3,557,205
LIABILITIES					
Notes in circulation	5,396,184	6,387,597	6,318,626	6,356,242	6,329,682
Deposit and current accts.	6,431,941	4,914,218	5,025,899	4,934,093	4,967,801
Foreign exchange liabilities	186,767	133,289	168,379	165,364	161,187

BANK OF LITHUANIA.—In lt. (000's omitted)

	July 31, 1936	May 31, 1937	June 15, 1937	June 30, 1937	July 15, 1937	July 31, 1937
ASSETS						
Gold	61,619	76,648	76,650	76,649	76,655	76,656
Silver and other coins	5,154	9,789	10,248	10,513	11,104	11,262
Foreign currency	7,920	2,520	2,240	2,495	2,190	2,520
Discounts	63,981	80,861	79,855	82,213	79,793	80,522
Advances	11,960	14,568	14,791	15,309	15,444	16,016
LIABILITIES						
Bank notes in circulation	104,698	108,332	105,929	108,431	107,241	109,512
Current accounts	38,414	45,760	62,264	53,942	54,278	60,399
Deposits	9,218	32,247	18,129	27,053	24,978	23,097

BANK OF JAPAN.—In yen (000's omitted)

	July 18, 1936	June 26, 1937	July 3, 1937	July 10, 1937	July 17, 1937
ASSETS					
Gold coin and bullion	527,321	523,710	519,458	515,659	498,225
Other coin and bullion	68,845	54,886	56,342	56,807	57,315
Discounts	528,166	489,240	479,826	475,050	474,408
Advances	186,772	263,547	265,343	269,387	271,757
Advances on foreign bills	29,999	32,077	29,999	30,000	43,918
Government bonds	377,037	854,185	827,961	731,865	730,404
LIABILITIES					
Notes	1,238,832	1,570,914	1,538,579	1,433,644	1,415,240
Government deposits	61,171	351,971	297,903	308,746	294,633
Other deposits	149,239	87,928	69,785	72,765	65,465

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Aug. 5, 1937	Aug. 6, 1937	Aug. 7, 1937	Aug. 9, 1937	Aug. 10, 1937	Aug. 11, 1937	Aug. 12, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾
3 months' do.	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾
4 months' do.	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾
6 months' do.	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾	⅝–¾
Discount Treasury Bills—							
2 months'	½	½	½	½	½	½	½
3 months'	½	½	½	½	½	½	½
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances : Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	½	½	½	½	½	½	½

HOTEL WESTMINSTER
Le Touquet

Comparison with previous weeks

	Short Loans	Bank Bills 3 Months	Bank Bills 4 Months	Bank Bills 6 Months	Trade Bills 3 Months	Trade Bills 4 Months	Trade Bills 6 Months
1937	%	%	%	%	%	%	%
July 15	1–1	⅝–½	⅝–½	⅝–½	2–2¼	2¼–2½	2½–3
„ 22	1–1	⅝–½	⅝–½	⅝–½	2–2¼	2¼–2½	2½–3
„ 29	1–1	⅝–½	⅝–½	⅝–½	2–2¼	2¼–2½	2½–3
Aug. 5	1–1	⅝–½	⅝–½	⅝–½	2–2¼	2¼–2½	2½–3
„ 12	1–1	⅝–½	⅝–½	⅝–½	2–2¼	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Aug. 6, 1937	Aug. 7, 1937	Aug. 9, 1937	Aug. 10, 1937	Aug. 11, 1937	Aug. 12, 1937
New York, $..	4·86⅝	4·98–98⅛	4·98½–98⅞	4·98½–99⅛	4·98½–98⅞	4·98–98⅛	4·98⅛–98⅜
Montreal, $....	4·86⅝	4·98–98⅛	4·98½–98⅞	4·98½–99⅛	4·98½–99	4·98–98⅛	4·98⅛–98⅜
Paris, Fr.....	124·21	132½–⅛	132½–⅛	132½–⅛	132½–⅛	132½–⅛	132½–⅛
Brussels, Bel.	35·00(a)	29·58–61	29·59½–62½	29·61–65	29·60–63	29·59–62	29·59–62
Milan, L.....	92·46	94⅜–¾	94⅜–¾	94½–¾	94⅛–⅜	94⅛–½	94½–¾
Zurich, Fr....	25·22½	94·64i 21·68–70	94·70i 21·69–71	94·85i 21·71–73	94·80i 21·69–73	94·72i 21·68–71	94·72i 21·69–71
Athens, Dr....	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M...	193·23	225⅛–226½	225⅛–226½	225⅛–226½	225⅛–226½	225⅛–226½	225⅛–226½
Madrid, Pt....	25·22½	70–100(l) 67·00y	70–100(l) 67·00y	70–100(l) 67·00y	70–100(l) 67·00y	70–100(l) 67·00y	70–100(l) 67·00y
Lisbon, Esc...	110	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛
Amst'd'm, Fl.	12·107	9·03–04	9·03¼–04⅛	9·03⅛–05	9·03¼–05	9·03–04	9·03¼–04⅛
Berlin, Mk. ...	20·43	12·37–39	12·38–40	12·38–41	12·37–40	12·37–40	12·37–40
Registered Marks	(c)	41–46	41–46	40½–45½	39½–44½	40–45	40–45
Vienna, Sch...	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen..	27·82	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜
Prague, Kc....	164½	142½–143	142½–143½	142½–143½	142½–143	142½–143	142½–143
Danzig, Gul...	25·00	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜
Warsaw, Zl....	43·38	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜
Riga, Lat. ...	25·22½	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	620* 627k	620* 627k	619* 627k	620* 628k	620* 628k	620* 628k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit....	48·66	28½–29⅜	28½–29⅜	28–30	28½–29⅜	29–30	28½–29⅜
Sofia, Lev. ..	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Oslo, Kr.....	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr...	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜
Br. India Rup.	† 18d.	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜
Hong Kong, $	† ...	14⅛–15	14⅛–15	14⅛–15	14⅛–15	14⅛–15	14⅛–15
Kobe, Yen ...	†24·58d.	13⅛–14	13⅛–14	13⅛–14⅛	13⅛–14⅛	13⅛–14⅛	13⅛–14⅛
Shanghai, $...	† ...	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜	14⅛–⅜(i)
Singapore, $..	† 28d.	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼	28⅛–¼
Batavia, F....	12·11	8·99–9·03	9·00–04	9·00–04	9·00–04	8·99–9·03½	9·00–04
Rio, Mil.....	†5 899d.	3⅛–⅛f	3⅛–⅛f	3⅛–⅛f	3⅛–⅛f	3⅛–⅛f	3⅛–⅛f
B. Aires, $ ...	11·45	16·44–48g 16·12k	16·44–48g 16·12k	16·43–48g 16·12k	16·44–49g 16·12k	16·45–50g 16·12k	16·45–50g 16·12k
Valparaiso, $..	40	128e (l)	128e (l)	128e (l)	128e (l)	128e (l)	130e (l)
M'video, $ ...	† 51d.	27⅛–28½ 39⅜*b	27⅜–28½ 39⅜*b	27⅛–28½ 39⅜*b	27⅛–28½ 39⅜*b	27⅜–28½ 39⅜*b	28–28½ 39⅜*b
Lima, Sol.	17·38	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛	18⅛–19⅛
Mexico, Pes....	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Manila, Pes....	†24·66d.	24–24⅛	24–24⅛	24–24⅛	24–24⅛	24–24⅛	24–24⅛
Moscow, Rbls.	...	26·40	26·42	26·45½	26·42–42½	26·39½	26·39½
B'ngkok, Baht	†21·82d.	22–22⅛	22–22⅛	22–22⅛	22–22⅛	22–22⅛	22–22⅛

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅜ since dollar devaluation on February 1, 1934. § Par, 197·10⅜ since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4¼d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Aug. 6, 1937 Per £	Aug. 7, 1937 Per £	Aug. 9, 1937 Per £	Aug. 10, 1937 Per £	Aug. 11, 1937 Per £	Aug. 12, 1937 Per £
New York, cent.	1 Month	(p) ⅛–¼	(p) ⅛–¼	(p) ⅛–¼	(p) ⅛–¼	(p) ⅛–¼	(p) ⅛–¼
	2 „	1 1/16–⅛	1 1/16–⅛	1 1/16–⅛	1 1/16–⅛	1 1/16–⅛	1 1/16–⅛
	3 „	1 3/16–1/8	1 3/16–1/8	1 3/16–1/8	1 3/16–1/8	1 3/16–1/8	1⅛–1⅛
Paris, frs.....	1 Month	(d) ⅛–⅜	(d) ⅛–⅜	(d) ⅛–¼	(d) ⅛–¼	(d) ⅛–¼	(d) ⅛–¼
	2 „	1½–2	1 1/16–2 1/16	1½–2	1 1/16–1⅛	1⅛–1⅛	1⅛–1⅛
	3 „	3–3½	3–3½	2½–3	2½–2⅝	2½–2⅝	2⅝–2⅝
Amsterdam, c'nt	1 Month	(p) 1–⅛	(p) 1–⅛	(p) 1–⅛	(p) 1–⅛	(p) 1–⅛	(p) 1–⅛
	2 „	2–1⅛	2–1⅛	2–1⅛	1⅛–1⅜	1⅛–1⅜	1⅛–1⅜
	3 „	3–2⅛	2½–2⅝	3–2⅛	2⅝–2⅝	2⅝–2⅝	2⅝–2⅝
Brussels, cent ..	1 Month	(p) 1-Par	(p) ⅛-Par	(p) ⅛-Par	(p) ⅛-Par	(p) ⅛-Par	(p) ⅛-Par
	2 „	1-Par	1-Par	1-Par	1-Par	1⅛–⅜	1-Par
	3 „	1-Par	1-Par	1½–1⅝	1⅛–⅜	2⅛–¼	2–⅛
Geneva, cent ..	1 Month	(p) 1⅛–⅜	(p) 1⅛–⅜	(p) 1⅛–⅜	(p) 1⅛–⅜	(p) 1⅛–⅜	(p) 1⅛–⅜
	2 „	1⅞–2	2–1	2⅛–1⅜	1⅞–2	2⅛–1⅜	2⅛–1⅜
	3 „	2⅞–3	2⅛–1⅜	3⅛–2⅜	4–3	3⅛–2⅜	3⅛–2⅜

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Aug. 12, 1936	July 14, 1937	July 21, 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—			Selling Rates			
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Commercial accept., 90 days	⅜	⅜	⅜	⅜	⅜	⅜

Rates of Exchange, New York on—		Par Level	Aug. 12, 1936	July 28, 1937	Aug. 4, 1937	Aug. 11 1937
London—						
60 days	Dollars for £1	Old par 4·8666	5·01½	4·96⅛	4·97½	4·97½
Cable		New par 5·02½	4·9762	4·9806	4·9837	
Cheques		8·2397	5·0237	4·97½	4·98	4·98½
Paris .....cheques	Cents for 1 franc	6·63	6·59	3·74⅜	3·75½	3·75⅜
Brussels „	Cents for 1 belga	23·54	16·86	16·835	16·84	16·835
Switzerland „	Cents for 1 franc	32·67	32·62	22·945	22·97	22·965
Italy „	Cents for 1 lira	8·91	7·87	5·26	5·26	5·26
Berlin „	Cents for 1 mark	40·33	40·25	40·25	40·24	40·23
Vienna „	Cts. for Austrn. shig.	23·82	18·85	18·85	18·89	18·89
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·93	55·06	55·18	55·15
Copenhagen „	Cents for 1 kroner	45·37	22·43	22·22	22·24	22·25
Oslo „			25·25	25·02	25·035	25·045
Stockholm „			25·91	25·66	25·685	25·70
Athens „	Cents for 1 drachma	1·29⅜	0·94	0·91½	0·91⅝	0·91½
Montreal „	Cents for Can. $1	100·31	100	99⅛	100	99⅜
Yokohama „	Cents for 1 yen	84·40	29·41	28·99	29·05	29·07
Shanghai „	Cents for 1 dollar		30·22	29·60	29·60	29·65
Calcutta „	Cents for 1 rupee	61·80	37·98	37·59	37·61	37·64
Buenos Aires „	Cents for 1 peso	...	33·48	30·98	30·90	30·90
Rio de Janeiro „	Cents for 1 milreis	11·98	8·46	8·38	8·39	8·40

The Portuguese bank rate was reduced on August 11th from 4½ to 4 per cent. Other overseas bank rates appeared in last week's issue on page 317.

Exchange rates for South Africa, Central and South America and Australasia were also given in the above issue.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended August 12, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British W. Africa...	138,866	...	British India	5,473	10,150
British S. Africa ...	3,917,168	...	Straits Settlements	...	1,000
Tanganyika	20,098	...	Finland	22,796	...
Kenya	5,442	...	Germany	13,550	...
British India	250,691	...	Netherlands	...	22,150
Australia	8,776	32	France	70,365	5,600
New Zealand	21,874	...	Switzerland	...	6,750
British Guiana.....	3,940	...	Jugoslavia	252,563	1,960
Germany	809,793	...	U.S.A.	409,638	...
Netherlands	14,145	1,578	Other Countries ...	719	...
Belgium	2,812	...			
France	6,145,500	...			
Switzerland	33,568	...			
Venezuela	25,457	...			
Other Countries ...	3,328	206			
		888			
Total	11,401,456	238	Total	775,104	38,900
		2,466			8,710

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
Irish Free State ...	...	5,600	Aden and Dependencies	200	16,280
Australia	3,330	219	British India	264,867	...
New Zealand	3,408	...	Straits Settlements	...	1,000
Germany	1,495	170	Norway	1,261	...
Netherlands	...	20	Denmark	1,765	...
Belgium	11,704	77	Netherlands	1,470	...
France	2,534	512	Egypt	3,690	...
Switzerland	...	238	Other Countries ...	2,056	500
Portuguese E. Africa	...	15,681			
Japan	33,437	...			
Other Countries ...	1,805	50			
Total	57,713	21,550	Total	275,309	1,500
		1,017			16,280

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between August 6th and 12th. Details of previous movements were given in last week's issue on page 318.

GOLD MARKET

Messrs. Samuel Montagu and Company write on August 11, 1937:—The Bank of England gold reserve against notes amounted to £326,406,625 on August 4th, showing no change as compared with July 28th.

In the open market the amount of bar gold disposed of at the daily fixing during the past week was about £920,000, which was absorbed by a general demand. Prices ruled at or slightly below dollar parity, but touched lower levels owing to the firmness of sterling against the dollar; the price of 139s. 4d. fixed on August 9th is the lowest quotation so far recorded this year.

Gold shipments from Bombay last week amounted to about £332,000; the s.s. "Ranchi" carries about £249,500, and the s.s. "President Adams" about £82,500.

The Southern Rhodesian gold output for June, 1937, amounted to 66,330 fine ounces, as compared with 68,448 fine ounces for May, 1937, and 67,729 fine ounces for June, 1936.

The Transvaal gold output for July, 1937, established a new monthly record at 996,545 fine ounces; this compares with 979,069 fine ounces for June, 1937, and 967,993 fine ounces for July, 1936.

SILVER MARKET

There have been only small movements in prices during the past week and the market has been quiet, but with the Indian Bazaars limiting their buying orders to prices slightly under those current the tendency was inclined to be dull.

Sales on China account have been small, but yesterday offerings, which included re-selling from India, were made rather more freely and prices dipped to 19⅛d. for cash and 19⅛d. for two months' delivery, at which prices India both bought and sold. Cash regained ⅛d. today, 19⅛d. being fixed for both deliveries.

Although the market may be steady at about the present level, no marked recovery is anticipated until demand from India shows some improvement.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
August 5...	139 8	12 1·98	20	20⅛	
„ 6...	139 6½	12 2·11	20	20⅛	Aug. 4 to Aug. 10 inclusive 45
„ 7...	139 5	12 2·25	20	20	
„ 9...	139 4	12 2·33	20	20	
„ 10...	139 5	12 2·25	19⅞	19⅜	
„ 11...	139 6	12 2·16	19⅜	19⅜	
Average	139 5·75	12 2·18	19·969	20·000	
August 12...	139 6	12 2·16	19⅜	19⅜	

The highest rate of exchange on New York recorded during the period from August 5th to 11th was $4·99⅛ and the lowest $4·97½.

OTHER STATISTICS

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

To fill the vacancy created by the death of Sir Gerald H. Ryan, the directors have appointed the Rt. Hon. Lord Hutchison of Montrose, P.C., K.C.M.G., C.B., D.S.O., to the board of the Phœnix Assurance Company, Ltd.

MISCELLANEOUS

CORNBROOK BREWERY COMPANY has agreed to buy all preference and ordinary shares of Phœnix Brewery Company of Heywood, for about £450,000, subject to acceptance by 90 per cent. of holders of each class. The price offered is £7 per £5 preference share and £6 10s. for ordinary share, plus £13,550 to officials, staff, etc.

FODENS, LTD.—Trading profit for the year to June 30th was £45,192, against £469, or £46,383 net profit, against £264. Debit balance is now reduced from £58,032 to £12,563, and the directors hope to consider declaring an interim dividend at an early date.

IMPERIAL CHEMICAL INDUSTRIES and **A. REYROLLE AND COMPANY** have acquired a predominating interest in Pyrotenax, makers of fireproof cables.

PEARSON AND KNOWLES COAL AND IRON COMPANY (controlled by Armstrong-Whitworth Securities).—For the year to June 30, dividends, etc., received totalled £37,710, against £56,527 for the previous 18 months, chief holdings being in Lancashire Steel Corporation and Wigan Coal Corporation. Net profit, after £6,509 loan interest and £8,955 tax, is £20,979, against £33,388. A payment of 2½ per cent. for the year will be made on the income debenture stock and bank loan. Carry forward, £1,642.

PARTINGTON STEEL AND IRON (controlled by Pearson and Knowles).—Receipts for year to June 30th were £97,745, against £59,812 for previous 18 months (chief holding is in Lancashire Steel Corporation). Net balance, after £13,184 loan interest and £19,768 tax, is £63,777, against £59,812. Full payment for year will be made on 6 per cent. income debentures, against 4 per cent. £20,000 applied to reduce loan.

INTERNATIONAL NICKEL COMPANY.—Interim financial statement shows a net profit for the second quarter of 1937 of $14,199,395 (or 94 cts. per common share after preferred dividend), against $9,070,187 in 1936 (59 cts. per common share). For the half-year to June 30, 1937, net profit is $25,914,352, against $17,456,974 in 1936, or $1·71, against $1·13 per common share. Total earnings were $18,934,618 and $35,772,486 for the 3 and 6 months respectively, against $13,264,026 and $25,165,888 in 1936.

(Continued on page 364)

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
				%	%
BANKS					
Industrial Bank of Japan	6*	...	Same	...	...
INSURANCE					
Scottish Life Assurance	2/9 p.s.*	...	...	...	...
TEA AND RUBBER					
Glendon Rubber	4%*	Aug. 31	...	...	...
Pahang Para Rubber	2·08	Sept. 1	Nil	2·08	Nil
MINING					
Kuala Kampar Tin Fields	5%*	Aug. 25	...	...	...
OTHER COMPANIES					
Armstrong Shock Absorbers	15%†	Sept. 1	Same	20	20
Bath and Portland Stone	7%*	...	6%*	...	...
Booth's Distilleries	2½	...	2½	2	7½
British & Burmese Steam Nav. ...	2½%*	Aug. 21	Same	...	...
Caledonian Trust	2½%*	Sept. 1	Same	...	...
Collars.....	10%†	...	...	20	...
Collier (S.) and Co. ('A' and 'B')	7½%†	...	Same	10	10
Compass Investment	2†	Sept. 10	Same	2'	2
Courtney Pope and Company.....	20†	Aug. 23	First	20	...
Crossley Building Products.....	3%*	Sept. 11	Same	...	...
Dickins and Jones	5%*	...	Same	...	...
Eldridge Pope & Company	4%*	...	3½%	...	...
Evans, D. H.....	5%*	Sept. 24	15%*(a)	...	...
Fife Coal.....	3%*‡	...	Same	...	...
Folkestone Elec. Supply	4%*‡	Sept. 14	Same	...	...
General Funds Inv. Trust.....	2%*	...	Same	...	...
Greengate and Irwell Rubber.....	9d. p.s.*	...	Same	...	...
Groves and Whitnall	5%*	...	Same	...	...
Harrods	5%*	Sept. 16	Same	...	...
Hartlepool Gas and Water	2½%*	Aug. 30	...	...	...
Hyde's Bird Seed	15%§	Sept. 30	Same	...	...
Irrawaddy Flotilla.....	2½%*‡	Sept. 17	Same	...	...
Langham Hotel	4%*	Aug. 21	Same	...	...
Limmer and Trinidad Lake	6%*‡	Sept. 6	Same	...	...
Lochgelly Iron and Coal	10%†	...	7½%†	10	7½
London Brick Company	5%*	Sept. 6	Same(a)	...	...
Macleans.....	12½%†	...	5%†	20	10
Manvers Main Collieries	8%†	Sept. 9	6½%†	12½	10
Martinez, Gassiot and Company ...	2½%*	Sept. 1	Same	...	...
Oakey (John) and Son	12½‡	Sept. 4	10†	12½	10
Paterson Engineering	5%*	Aug. 31	Same	...	...
Phillips Rubber Soles.....	2½%*	Aug. 28	Same	...	...
Plymouth Breweries.....	7½%*	...	5%*(a)	...	...
Projectile and Engineering.....	3%*	Oct. 1	2%*	...	...
Scottish Iron and Steel					
Scottish Northern Investment Trust	4%*	Sept. 8	Same	...	...
Scottish Wagon	4%*	Aug. 9	Same	...	...
Scottish Western Inv.....	5%*	Sept. 1	Same	...	...
Sheffield Gas	3½%*	...	3%	...	...
Slough Estates	4%*	Oct. 1	Same	...	...
South Met. Elec. Light	3%*	Sept. 15	Same	...	...
Stone (J. & F.), Lighting, etc. ...	11½%†	...	...	17½	12½(a)
Strettons Derby Brewery	22½%†	Aug. 23	Same	35	35
Third Scottish Amer.	13%†	...	12%†	19	18
Thomas and Evans, Ltd.....	3%*	Sept. 1	Same	...	...
Triplex Safety Glass.....	35†	Sept. 15	60†(a)	35	60(a)
Waste Heat and Gas Elec.	2½%*	Aug. 31	Same	...	...
Waxed Papers	3%*	Sept. 1	...	...	...
Waygood-Otis	12½%*	Aug. 13	Same	...	...
Whitworth and Mitchell	4%†	Sept. 16	4%†	6	4½
Yardley and Company	15%*	Aug. 14	Same	...	...

‡ Tax free. (a) On smaller capital. § Second quarterly.

ELECTROLUX CORPORATION.— A quarterly dividend has been declared of 40 cents regular and 10 cents extra, payable September 15th.

FIRST PROVINCIAL FIXED TRUST "A" SERIES.—A seventh distribution will be made on August 20th at the rate of 6·7834d. net per sub-unit (including 2·6984d. realised from sale of Gaumont British Picture Corporation first preference shares eliminated from the investments.)

PASS AND JOYCE.—It has been decided to postpone for the present a preference dividend, although profits are more than adequate for the purpose.

WHITWORTH AND MITCHELL.—Final ordinary dividend of 4 per cent., against 2½ per cent., making for the year 6 per cent., against 4½ per cent.

HARRODS, LTD.—Ordinary interim dividend at the rate of 10 per cent., per annum (the same).

SCOTTISH AND NORTH COUNTRY INVESTMENT FUND.—Half-yearly distribution on coupon No. 3 for September 1, 1937, of 3·60d. per unit, tax free.

SECOND BRITISH FIXED TRUST.—Payment for half-year to August 7th of 7·60d. per sub-unit tax free.

SCOTTISH BANK INSURANCE AND INVESTMENT TRUST UNITS.—The first half-yearly distribution on August 16th will be at the rate of 2–8622d. per unit, tax free.

PROVINCE OF BUENOS AIRES.—Erlangers, Ltd., announce that they are instructed to pay, on and from September 1, 1937, coupons due on that date of 4½–4⅜ per cent. External Readjustment S.F. $ Bonds of 1935.

Trust of Insurance Shares, Ltd., announces that a branch office has been opened at 5 St. Andrew Square, Edinburgh.

The following appointments by the Southern Railway Company are announced to date from October 15th: Mr J. B. Elliot, to be assistant general manager in succession to Mr G. S. Szlumper, who succeeds Sir Herbert Walker as general manager; Mr R. M. T. Richards, development officer, to be assistant traffic manager in succession to Mr J. B. Elliot; Mr E. F. E. Livesey, deputy-Continental assistant, to be development officer in succession to Mr R. M. T. Richards.



COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE commodity markets have shown few new features and trading generally has been on quiet lines. In a number of cases, prices have displayed a rather easier tendency.

The event of the week was the publication on Monday of the official estimate of the United States cotton crop. At 15,593,000 bales, the estimate was well above market anticipations, the yield per acre, according to present indications, being the highest ever recorded. Prices reacted sharply on receipt of this estimate, but a firmer tone was subsequently manifest on the news that the Senate Agricultural Sub-Committee had voted in favour of a Bill providing for a ten-cent loan on cotton. Jute was also a shade cheaper this week, but other textile fibres were generally unaltered. Oilseeds were easier under the influence of crop reports.

Speculation in metals is beginning to revive and the London Metal Exchange was consequently more active. Although earlier gains were not fully held, quotations show a net advance on the week. News of drought in Malaya contributed to the firmness of tin, while spelter advanced in response to rumours of a shortage in the United States. If hopes concerning American imports are not realised, spelter prices are likely to fall to a lower level.

Wheat has been a quiet market and is now a shade cheaper than a week ago; maize prices, however, show little alteration. Sugar was also unchanged in price, but at the Mincing Lane tea auctions competition was brisk and quotations showed a hardening tendency. On the London Provision Exchange, bacon was marked up on shorter supplies, but Colonial makes of butter and cheese were reduced.

An easier price tendency in the United States is reflected in the movement of Moody's index of staple commodity prices (Dec. 31, 1931 = 100), which declined from 206·5 to 205·7 in the week ended Wednesday. The index stood at 208·7 a month ago and at 182·2 on the corresponding day last year.

COAL

SHEFFIELD.—Output and delivery are still being affected adversely by the recurrence of strikes at various South Yorkshire collieries. Demand for coal on inland account remains strong, a prominent feature being the call for locomotive hards. Industrial fuel is also moving freely. Demand for house coal has fallen to a low level. Small coal continues difficult to secure and is in rather shorter supply owing to the reservations for colliery use during the present disputes. There is a big demand for slack for electricity generating stations. Blast furnace coke is becoming more difficult to obtain. Patent oven coke for industrial use is strong. There has been a falling off in the demand for export fuel and inquiries for prompt shipment are somewhat restricted.

NEWCASTLE-ON-TYNE.—The general tone of the North-East coal market remains firm, the feature being the active demand from home consumers. Northumberland steam collieries are working regularly, and apart from odd parcels through vessels going out of position there is little coal available. In Durham, best steams are heavily sold both for home and export, whilst coking coals are just as difficult to obtain. All classes of bunkers are in better request and are not too plentiful. Patent oven coke remains firm under a brisk home trade.

GLASGOW.—Foreign enquiry has not yet opened up to any notable extent, but the collieries in the shipping areas are mostly comfortably booked, the usually favoured brands especially being well taken up. Washed treble nuts are, however, still fairly plentiful, and of other grades

(*Continued from page* 363)

LANCASHIRE AND CORBY STEEL MANUFACTURING COMPANY.—This private company, with a nominal capital of £1,000, has been formed in connection with the agreement last year between Stewarts and Lloyds, and Lancashire Steel Corporation, for the manufacture at Corby of rolled products.

EDMUNDSONS ELECTRICITY CORPORATION, LTD.—Results of operations of the group during July, 1937, as compared with July, 1936, show an increase of 13 per cent. of units sold.

WOLVERHAMPTON CORPORATION.—Williams Deacon's Bank announce that to prepare interest warrants due September 1st on the 3 per cent. stock, 1924–54, the books will be closed August 18th–31st inclusive.

ROYAL MAIL STEAM PACKET COMPANY.—The liquidator announces to holders of White Star Line preference shares that steps will be taken within the next few months to pay a small first dividend, though the amount cannot be fixed until it is known if there is to be an appeal against a recent judgment in the liquidator's favour. The accounts show receipts of £544,628 and payments of £5,253, leaving a £539,375 balance.

GAUMONT BRITISH PICTURE CORPORATION.—The following summarises an announcement by Mr. W. H. J. Drown, chairman of the Shareholders' Committee: In the report issued on July 20th, the names were mentioned, by way of example, of certain important shareholders who had sent supporting forms. Included were Bishopsgate Nominees, Ltd., and Princes Street Nominees, Ltd., who now state that their support forms were sent only in respect of two holdings aggregating £1,300 shares, but not in respect of all the holdings registered in their names. I desire to express regret for any misunderstanding. My committee have now received the support of over 1,000 individual shareholders, but still need further support before they can proceed.

CABLES INVESTMENT TRUST.—At the meeting of Cables Investment Trust on Tuesday last, Lord Pender gave an analysis of the Company's investments on June 30th, as 37½ per cent. in bonds, 14½ per cent. in preference shares and 47¼ per cent. in ordinary shares. A large preponderance of holdings is within the British Empire.

CLIFFORD WILLIAMS AND SON.—Preliminary figures (the first since company became public) for the year to June 30th show a profit of £35,745, or a net profit of £26,895 after fees, depreciation, and tax (£8,850). To reserve £3,000; carry forward £5,145.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation					Corresponding Period Last Year	
					Dividend			Carried to Reserve, Depreciation, etc.	Balance Forward		
					Prefce.	Ordinary				Net Profit	Dividend
					Amount	Amount	Rate				
		£	£	£	£	£	%	£	£	£	%
Banks											
Bank of New Zealand	Mar. 31	339,100	*550,790	889,890	150,000	375,000	10	...	364,890	515,962	10
Breweries											
Booth's Distilleries	Mar. 31	53,227	49,634	102,861	40,187	9,000	2	...	53,674	107,863	7½
Clarkson's Old Brewery ...	June 30	7,668	17,394	25,062	3,900	6,500	10	7,000	7,662	17,895	10
Empress Brewery Company	June 30	...	38,188	38,188	6,000	32,188	32·2	...	...	36,697	30·7
Iron, Coal and Steel											
Pearson and Knowles Coal, etc.	June 30	195	1,642	1,838	...	...	...	...	1,838	(*a*)	...
Partington Steel and Iron...	June 30	*Dr. 65,119*	20,924	*Dr. 44,195*	...	...	...	20,000	*Dr64,195*	(*a*)	...
Motor Cycle and Aviation											
Fodens, Ltd.	June 30	*Dr. 58,032*	45,470	*Dr. 12,562*	...	...	...	...	*Dr12,562*	206	...
Textile											
Fulton (Wm.) and Sons ...	June 30	2,240	5,763	8,003	3,225	...	...	3,000	1,778	3,853	...
Trusts											
Third Scott. Amer.....	July 1	21,659	46,081	67,740	9,175	28,967	19	15,000	14,598	43,506	18
Other Companies											
Asquith (Wm.), Ltd.	‡July 1	4,144	‡*Dr. 59632*	*Dr. 55,488*	...	...	...	...	*Dr. 55488*	27,752	...
Collier, S., and Company ...	June 30	1,051	8,554	9,605	...	6,000	10	2,500	1,105	10,740§	10
Gerrard Industries.....	Mar. 31	*Dr. 8,132*	16,420	8,288	...	...	...	10,684	*Dr. 2,396*	6,649	...
Macleans, Ltd.	June 30	20,840	266,259	287,099	44,404	150,000	20	73,525	19,170	182,345	10

* After long-term mortgage share dividend. ‡ For 15 months, against 1 year previously; after revaluation and provision of losses (*a*) No comparable figure. § Converted to annual rate.

the secondary classes of steam can also be had for prompt business. In the west the collieries are affected by the still sluggish demand for household fuel, idle time being necessary to some extent, but industrial and public utility requirements are on a brisk scale, and coastwise business is good. Navigation bunkers meet a strong demand, and very little metallurgical coke is available for export. Prices are generally maintained.

CARDIFF.—Demand for all grades was again quiet last week. Collieries' stocks have, however, been considerably reduced as a result of the loss of production over the holidays and current outputs continued to be steadily absorbed by standing business. Due to the suspension of work at the docks on one-and-a-half days, shipments from the South Wales ports were curtailed last week, amounting to 234,900 tons as against 492,400 tons in the previous week. They were, however, on a better scale than a year ago when they totalled 215,798 tons. Although buyers could usually cover their present requirements easily the amount of coal on offer was not excessive and prices were steady, while for the forward positions sellers were showing more reserve. The dry sized descriptions were particularly strong and supplies of these kinds remained extremely difficult to arrange over a long time ahead. The shortage of coal in South Africa has led to some inquiries being received locally from sources which normally take coal from this direction. Business has been concluded for one cargo for East Africa, totalling about 6,500 tons, while the Kenya Railways were inviting tenders for the supply of between 30,000 and 50,000 tons. Owing to the high cost of South Wales coals and the heavy transport charges, local shippers have received little business from this source in recent years and even despite the present shortage it was not expected that the district would benefit materially. A small inquiry for about 8,000 tons was circulating from Far Eastern buyers for delivery at Singapore, while industrial users in France asked for prices for the supply of several quantities ranging from 5,000 tons to 10,000 tons.

IRON AND STEEL

LONDON.—Quiet conditions, largely due to holiday causes, rule in the iron and steel markets, and are likely to prevail for the next few weeks, says the official report of the London Iron and Steel Exchange. Business is also limited by the inability of the makers to accept orders except for very extended delivery. Output is maintained at a high rate, but is immediately absorbed by the consuming industries. The arrangements, however, which have been made to supplement home production by imports of Continental steel should help to relieve the situation in the autumn.

Heavy quantities of pig iron are passing into consumption, but little new business is coming forward. Most consumers have covered their requirements, so far as possible, until the end of the year, and few producers have any iron and steel for delivery in 1937. Foreign foundry iron has been offered at high prices which have proved unattractive to most consumers. In the semi-finished steel department demand continues to outrun supply, although British works making this class of material are working at capacity. The demand for finished steel, particularly structural descriptions, is unrelaxed, and manufacturers are concentrating upon the execution of urgent orders. Export demand is maintained; but only a proportion can be satisfied owing to the heavy home requirements.

SHEFFIELD.—There has been little movement in the iron and steel market this week. This is in part due to the fact that the holidays are in full swing, but in greater measure to suppliers having but a minimum of material for disposal. Makers of pig iron are contracted in many cases to the end of the year, and have next to nothing for immediate delivery. The scarcity of foundry is most pronounced, although it is not easy to secure forge in any but very limited parcels. Hematite appears to be a rather less difficult market, but makers are not inclined to enter into new business of any magnitude. Makers of finished iron are booked well ahead and mills are working full time. Crown bars are coming into very much better demand. There is no easing of the pressure for basic and acid steel billets, and re-rollers are complaining of the long delay in deliveries. Wire rods continue in heavy request, and there is an expanding demand for structural steel. For the latter there is under consideration a scheme for regulating distribution.

All sections of local industry are fully engaged, and there is a continuous flow of important orders. Defence work is on an increasing scale, but this by no means accounts for all the pressure. Firms making heavy machinery report full order books, and the lighter branches have as much on hand as can easily be managed for the present. Makers of cutting and small tools are especially busy.

GLASGOW.—The steelmakers in this district are all fully employed and still unable to cope with the demands made upon them. Steelmakers are endeavouring to arrange programmes to cover a couple of months at a time. It is hoped by this means that makers will be able to meet the requirements of consumers in the matter of priority of deliveries, as, with say two months' definite specifications in their hands, production will be more easily regulated. These arrangements should eventually work out to the benefit of all consumers of steel, who will be able to arrange their manufacturing programmes for a like period, having some assurance as to quantity and class of material likely to be delivered to them within a specified time. Some fair deliveries of Continental semis have been made recently, and further shipments are expected within the next week or so. These afford some relief to re-rollers, but in this branch supplies of material are not yet equal to the requirements of users. Structural engineers in this district are now exceptionally busy, and there is much new work on the market at the moment, including a good tonnage for overseas trade.

CARDIFF.—Work was resumed in the tinplate trade on Monday after the usual August stop-week and, under the pressure of contract commitments, production was quickly restored to the level ruling a week or so ago. Shipments last week amounted to 6,206 tons against 8,515 tons in the previous seven days and 6,367 tons a year ago. Stocks were reduced to 1,442 tons from 2,808 tons in the preceding week, compared with 9,480 tons in the same period of 1936. Prices were firmly held at 25s. to 26s. per basis box, f.o.b. Galvanised sheets were quietly steady at £18 15s. per ton, f.o.b., while steel sheet and tinplate bars were quoted at £7 15s. per ton, delivered locally.

OTHER METALS

COPPER.—Copper has had a lively week. On Monday the cash price exceeded £60 per ton for the first time since the end of May. Subsequently, a reaction took place, but the price at the close on Wednesday (£58 15s.) still showed a net gain of £1 5s. on the week. While cash and forward prices showed the same level a week ago, there is now a contango of 3s. 9d. —an indication that the market expects an increase in prices later in the year. The stronger undertone was largely due to the hope that the United States domestic price would be raised from its present level of 14 cents per lb. When the increase was not forthcoming as promptly as had been expected, an easier tendency made itself felt. The immediate outlook will be largely dependent on the trend of the American market, and this seems to be promising, although some leading producers are reluctant to raise the price level.

Sales on the London Metal Exchange: 2,700 tons on Monday, against nil tons last week; 2,850 tons on Tuesday, against 1,800 tons last week; 2,550 tons on Wednesday, against 600 tons last week. Domestic spot was quoted at 14·40 cents per lb. in New York on Wednesday, against 14·20 cents a week ago and 13·70 cents a month ago. Wednesday's official closing price for standard cash in London was £58 5s. to £58 17s. 6d. per ton, compared with £57 10s. to £57 11s. 3d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 9,444 tons, showed an increase of 121 tons, while stocks of rough copper, at 9,499 tons, were 25 tons smaller.

LEAD AND SPELTER.—After rising from £22 10s. to £24 per ton, lead reacted to £22 15s. On the other hand, cash spelter maintained the bulk of its gains and closed exactly £2 up on the week at £25 2s. 6d. The difference between lead and spelter has thus widened to £2 7s. 6d. in favour of spelter. The reason for the particular strength of spelter is the circulation of reports that the United States will import spelter on a substantial scale in the near future. Speculators, who wish to share in the rise in prices under the influence of the American demand, have already acquired a substantial tonnage. Consequently, on various days during the week under review, turnovers on the L.M.E. were well above 4,000 tons. This is not the first time that reports of possible U.S.A. imports have played an important role in the rise of spelter prices. In the past these hopes have always been disappointed, and it is quite conceivable that they will be disappointed again, particularly if London prices are forced up further, thus making importation into the United States unremunerative.

Sales of lead on the London Metal Exchange: 3,250 tons on Monday, against nil tons last week; 1,650 tons on Tuesday, against 1,950 tons last week; 1,400 tons on Wednesday, against 1,400 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·25 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 15s. to £22 17s. 6d. per ton, compared with £22 10s. to £22 11s. 3d. last week.

Sales of spelter on the London Metal Exchange: 4,100 tons on Monday, against nil tons last week; 2,250 tons on Tuesday, against 2,350 tons last week; 2,300 tons on Wednesday, against 1,850 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·00 cents the week before and 7·00 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £25 2s. 6d. to £25 3s. 9d. per ton, against £23 2s. 6d. to £23 3s. 9d. last week.

TIN.—Tin prices moved in much the same way as copper. There was a sharp rise from £262 15s. to £270 10s. in the earlier part of the week, but subsequently the market reacted to £266 5s. Reports of increasing drought interference with the Malayan output provided the main stimulus of the market. When it became apparent, however, that the reports did not stimulate consumers' buying, the price declined. Whether prices will rise again depends first of all on a revival of buying by consumers, which is so far not yet noticeable on any substantial scale.

Sales of tin on the London Metal Exchange: 650 tons on Monday, against nil tons last week; 350 tons on Tuesday, against 300 tons last week; 250 tons on Wednesday, against 275 tons last week. The New York quotation on Wednesday was 59·62½ cents per lb., against 59·12½ cents a week ago and 60·10 cents a month ago. Wednesday's official closing quotation in London for standard cash was £266 5s. to £266 15s. per ton, compared with £262 15s. to £263 5s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,079 tons, an increase of 16 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 10s. to £13 10s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £69 to £70 per ton, ex warehouse, the same as last week. Chinese wolfram for "August–September" shipment was quoted at 78s. to 81s. per unit, c.i.f., compared with 73s. to 75s. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce compared with £10 5s. a week earlier.

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TEXTILES

COTTON.—Manchester.—The market has been over-shadowed by the United States Government estimate of the American cotton crop, the implications of which are discussed in the following note. At 15,593,000 bales, the estimate was nearly half a million bales larger than traders expected, and a fall in values consequently took place, equal to around ¼d. a lb. The possibility that prices might decline further has acted as a definite brake upon business in yarn and cloth. Buyers have not been in the mood to place important contracts. There has been a fair amount of price-testing from day to day, but the trade done has been within narrow limits. Reports being received from India are not very encouraging. Clearances from the bazaars are stated to be unsatisfactory, and it is to be hoped that conditions will improve so that the goods now being shipped, which are relatively high-priced, can be readily disposed of. Some attention has been given to fabrics for Rangoon and the Straits Settlements, while a little more demand has been met with in fine goods for South America. Buyers for the Dominions and the home trade have operated sparingly. Owing to the fall in prices since last March, there are fears of cloth contracts being cancelled for late delivery or on account of the quality not being up to standard. Difficulties are likely to be experienced in Lancashire failing a recovery in prices. Spinners of yarn are protecting their margins by the price agreements, but the total sales for several weeks back have been much less than the production. Most spinners, however, are well sold for two or three months ahead. Meanwhile, all traders are adopting a policy of caution. Producers, at the moment, are more concerned with keeping to delivery dates than booking fresh orders.

COTTON PRICES

	1937				Corresponding Date	
	July 21	July 28	Aug. 4	Aug. 11	1935	1936
Raw Cotton—Mid. American ..... per lb.	d. 6·71	d. 6·36	d. 6·14	d. 5·93	d. 6·44	d. 6·92
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	9·94	9·60	9·48	9·29	8·11	11·06
Yarns—32's twist ..... per lb.	13¾	13⅝	13½	13	10	11
„ 40's weft ..... per lb.	12¾	12⅝	12½	12	10½	11½
„ 60's twist (Egyptian) ..... per lb.	19½	19½	18½	18½	15½	17
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 20 1	s. d. 20 0	s. d. 19 9	s. d. 19 6	s. d. 17 3	s. d. 18 1½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	27 5	27 2	26 9	26 3	24 3	25 4½
36-in. ditto, 38 yds., 18 by 16, 10 lb.	11 5	11 4	11 3	11 1½	10 4	10 4
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 5	10 4	10 3	10 1½	9 2	9 4

AMERICAN COTTON CROP.—The official announcement of the U.S. Department of Agriculture estimating this season's cotton crop at 15,593,000 bales, administered a shock to the markets, and Liverpool prices fell by about ¼d. a lb. Traders had expected that the growth would total to no more than 15,000,000 bales. The reason for the large crop on an acreage amounting to 33,429,000 is the big yield per acre, which was given as 223·3 lbs., an all time record. The condition of the plants was given as 81·3 per cent. of normal, as against 72·3 per cent. at this time last season. The Department made allowances, as in the past, for probable losses due to boll weevil, but the indications are that losses from this source will be less than average in all States, with the exception of Virginia and the Carolinas.

Although there is still a critical period of weather to pass through, traders have made up their minds that there will be plentiful supplies of raw cotton during the next twelve months, and that there is little likelihood of prices moving on to a decidedly higher level. The crop for the season which closed at the end of last month was 12,400,000 bales, and world consumption of American cotton during that period has been estimated at 13,200,000 bales. An important development in the situation, however, was the announcement that the Agricultural Committee of the U.S. Senate had authorised the appointment of a Sub-Committee to draft legislation for loans to the farmers and that the Sub-Committee had voted for a Bill providing a loan of 10 cents a lb. The present New York price is slightly below 10⅛ cents. The proposed loan would be similar in principle to the 12 cent loan granted to the farmers in 1935, on condition that they "ploughed in" a large portion of the acreage. President Roosevelt, however, stated at the beginning of this week that if there was no legislation to control the acreage by January, there would be no loan. It is likely, therefore, that the farming interests will bring all pressure to bear to pass legislation in an attempt to prevent prices falling below 10 cents a lb. Already the cotton markets have been rather steadier, and there is less fear in Lancashire that any downward movement in values will take place and thereby cause further disturbance to the textile industry.

JUTE.—Dundee.—There has now been a long spell of dull conditions in the jute trade, and buyers still show no sign of operating on a larger scale. Stocks in the hands of consumers of both yarns and cloth must be running down to a low level, but they appear to be awaiting further developments in the markets. The raw material is being maintained at a comparatively high level, due to imports into Calcutta being on a small scale, the crop this season being late. The position in India, however, is improving, and there is a more plentiful supply of steeping water. Sellers have now shown more disposition to reduce their terms, and the market is easing off a little, but buyers' ideas of price are considerably lower than those quoted by sellers. The full group of Daisee-2/3 has dropped to £20 7s. 6d. and fours quoted at £19 10s., while Tossa-2/3 is named at £21 5s. and fours at £20 10s., October/November. Spinners are receiving no encouragement to purchase at these figures, and they have bought little of the crop this season so far. From the last crop, Dundee spinners imported during the season, August 1 to July 31, 1,077,000 bales, compared with 858,000 bales in the previous season, and they have good stocks in hand, which will enable them to keep out of the market until the weight of the crop is felt in Calcutta and lower prices ensue. The total exports from Calcutta during the past season were 4,896,000 bales, against 4,133,000 bales in the previous season. The Indian jute mills are selling their products at very low and uneconomical prices, and, as they cannot afford to pay the present prices for the fibre, they are also keeping out of the market, which is dominated by speculators. Good First Marks are quoted at £23 10s., Lightnings at £22 7s. 6d., and Hearts at £21 7s. 6d., August/September.

Jute yarns are very quiet, and even though spinners have indicated their willingness to accept 2s. 1d. for common 8 lb. cops and 2s. 2d. for 8 lb. spools, buyers are still not keen to operate any more freely at these limits. Twist is quoted at 4d. for 3 ply 8 lb., and sacking yarns rule at 2½d. for 24 lb. weft and 3 1/16d. for 8 lb. chains. Rove is slow and easily obtainable at £21 for 48 lb. and £17 to £17 5s. for 200 lb., while the Rio yarns are more or less neglected. Carpet 14 lb. warp is named at 3⅛d. to 3⅜d. Business in jute cloth is confined to trifling quantities, and prices are more or less nominal at from 2 11/16d. for 10 oz. 40 in. and 2 ⅞d. for 8 oz., the ⅛d. more is required. With Calcutta goods selling at approximately ¼d. per yard cheaper, home manufacturers cannot hope to compete. Linoleum hessians and heavy goods are quiet. Calcutta hessians are quoted at 18s. 1d. for 10 oz. 40 in. and 14s. 11d. for 8 oz., August/September. 18s. 3d. and 15s. 1d., October/December, and 18s. 3d. and 14s. 11d., January/March, with Liverpool twills at 48s. 9d. and "B" twills at 43s. 3d., August/September, and 50s. and 44s. 3d., October/December.

GRAIN MARKETS

WHEAT.—Prices are again slightly lower on the week. Unfavourable weather in Argentina and Australia, and a bullish official estimate of the condition of the Canadian spring wheat crop, were stabilising factors, but prices were marked down in response to an unexpectedly high estimate of the United States crop. Weather conditions in the Southern hemisphere growing areas are likely to be of increasing importance for the market from now on.

On Wednesday last, "September" futures were quoted in Chicago at 113¼ cents per bushel, against 113¼ cents the week before and 127⅛ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship, 51s. per 496 lbs., against 51s. 9d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 50s. 3d., against 51s. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 880,000 quarters, against 822,000 quarters in the previous week and 1,231,000 quarters in the corresponding week a year ago.

FLOUR.—Prices have again declined on a quiet demand. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 40s. 6d. per 280 lbs., as against 41s. 6d. a week ago; delivered inner London, 40s., as against 41s. a week ago. Manitoba patents, ex store, 38s. 6d. to 40s., as against 39s. 6d. to 41s. a week ago. Manitoba Australian, ex store, 33s. to 33s. 6d., as against 33s. 6d. to 33s. 9d. a week ago.

BARLEY.—Imported feeding barley has been a quiet market, sentiment being influenced by cheaper Russian offerings. "October" futures were quoted at 60⅜ cents per bushel in Winnipeg on Wednesday, as against 60½ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, 35s. to 36s., as against 35s. to 36s. a week ago; "English malting," at farm, not quoted; Californian, ex ship, 47s. 6d. to 60s., as against 49s. 6d. to 63s. a week ago. Chilean, brewing, ex ship, 46s. 6d. to 50s., as against 46s. 6d. to 50s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 29½ cents a bushel in Chicago, against 28⅛ cents a week ago and 38 cents last month. Quotations in London, Wednesday: "English Black," at farm, 27s. to 29s. per 336 lbs., as against 28s. to 29s. a week ago; "English White," at farm, 27s. to 29s., as against 28s. to 29s. a week ago; mixed Canadian feed (Vancouver), landed, 26s. 9d. per 320 lbs., as against 26s. 9d. a week ago.

MAIZE.—The market has had a quiet tone and prices have fluctuated within narrow limits. "September" futures were quoted on Wednesday at 100⅜ cents per bushel in Chicago, against 97 cents a week ago, and 112⅛ cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. 3d. per 480 lbs., as against 28s. 3d. a week ago, and ex ship, 27s. 3d., as against 27s. 3d. a week ago; "Plate," 27s. 3d., as against 27s. 3d. a week ago; "Plate," "July," was quoted at £7 5s. to £7 7s. 6d. per ton, as against £7 5s. to £7 7s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Aug. 12, 1936	Dec. 30, 1936	Aug. 4, 1937	Aug. 11, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lb.	82⅞	84⅛	100⅞	129	126	130⅛
Chicago (No. 2, Winter)— Cents per 60 lb.	98⅛	101½	110⅛	135⅛	113⅛	113⅛

The visible supply of wheat in Canada amounts to 30,023,000 bushels, against 33,286,000 bushels last week and 70,348,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to August 7	102,879	46,782	37,575	120,684
49 weeks to August 7	10,314,975	13,307,114	13,165,002	10,988,357
Average price of English wheat per cwt.	s. d. 5 0	s. d. 5 4	s. d. 7 6	s. d. 9 11

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
August 5, 1933	Cwts. 24,053	Cwts. 6,061	Cwts. 17,447	s. d. 6 8	s. d. 7 1	s. d. 5 10
August 4, 1934	102,879	4,314	16,563	5 0	8 5	6 4
August 10, 1935	46,782	3,863	22,240	5 4	6 7	6 8
August 8, 1936	37,575	2,532	7,506	7 6	7 3	6 6
July 31, 1937	110,047	1,421	12,626	9 11	9 8	9 4
August 7, 1937	120,684	1,476	12,205	9 11	9 4	8 11

OTHER FOODS

BACON.—All supplies have been easily disposed of and prices show an all-round increase. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 106s.; Canadian, 100s.; Danish, 105s.; against 101s., 94s. and 100s. last week. Arrivals in London last week included: Danish, 14,027 bales; Canadian, 4,988; Dutch, 1,754; Lithuanian, 1,496; and Polish, 2,624; as against 14,346, 5,233, 2,029, 1,111, and 3,332 bales, respectively, in the previous week.

BUTTER.—The market has been less active, New Zealand and Australian prices having declined. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 116s. to 117s.; Australian, choicest salted, 115s. to 116s.; Danish, 124s.; compared with 119s. to 120s., 118s. and 124s., respectively, a week ago.

CHEESE.—Quieter conditions have prevailed, only English descriptions having maintained their price level. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 86s. to 88s.; Canadian, finest coloured, 72s.; and New Zealand, finest coloured, 68s.; against 84s. to 88s., 73s., and 71s. to 72s., respectively, a week ago.

COCOA.—The cocoa markets both in London and New York are quiet but firm. The spot quotation in New York on Wednesday was 8¼ cents per lb., as against 8¼ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 39s. 3d. sellers per 50 kilos., c.i.f. Continent, against 38s. 9d. to 39s. a week ago. Last week's movements of cocoa in London were as follows: Landed, 3,017 bags; delivered, for home consumption, 2,209 bags; exported, 204 bags; stocks, 262,162 bags, against 160,479 bags a year ago.

COFFEE.—The announcement this week that 30 per cent. of Brazil's 1937–38 coffee crop is to be destroyed had little effect on the London market, for Britain imports negligible quantities of Brazilian coffee. American prices were also unaltered. On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed 24 cwt.; delivered, for home consumption, 84 cwt.; exports, nil; stocks, 1,781 cwt., against 10,432 a year ago. Central and other South American: Landed, 596 cwt.; delivered, for home consumption, 915 cwt.; exported, 177 cwt.; stocks, 101,308 cwt., against 98,349 last year. Other kinds: Landed, 342 cwt.; delivered, for home consumption, 2,155 cwt.; exported, 72 cwt.; stocks, 100,485 cwt., against 143,508 last year.

EGGS.—The market is quiet but prices have been well maintained. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 15s. 6d. to 16s. 6d. per 120, against 15s. to 16s. last week; while Danish (15½ lb.) made 11s. to 11s. 3d., as against 11s. to 11s. 3d. last week.

FRUIT.—Business at Covent Garden has been quite active for the time of year, states *The Fruitgrower*. As a result of the warm spell, dessert fruits are much in demand and prices have been well maintained. There have been heavy arrivals of plums, while English apples are still plentiful. Cultivated blackberries are now coming on to the market; black currant and raspberry supplies are shortening, whilst the red currant season has ended. English small pears are fetching good prices, and Italian Williams meeting a steady sale. The demand for hothouse grapes continues only moderately active. Melons, oranges and grape fruit are plentiful and cheaper, but the price of peaches and lemons has hardened.

MEAT.—Trade has not been very brisk, demand being strongest for Argentine chilled beef. At Smithfield Market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 10d. to 5s. 2d. per 8 lbs., as compared with 4s. 4d. to 4s. 8d. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 7,239 tons, a decrease of 466 tons on the corresponding week last year. Beef and veal accounted for 3,974 tons, mutton and lamb 2,442, and pork and bacon 460, as compared with 4,318, 2,490 and 534 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, August–October, was quoted at 4⅜d. per lb., sellers, c.i.f. Rotterdam–Hamburg, against 4⅜d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3d. per lb., sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 12 tons; stocks, 2,019 against 1,749 last year. White, landed, nil; delivered, 43 tons; stocks, 11,495 tons, compared with 12,195 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. 4½d. per cwt. ex warehouse, on Wednesday, as compared with 10s. 1½d. per cwt. a week ago. "August–September," in singles to Continent and U.K., was quoted at 9s. 4½d. to 9s. 7½d. per cwt., against 9s. 1½d. to 9s. 3d. last week. Movements in London last week were as follows: Landed, 3 tons,; delivered, nil; stock, 2,134 tons, against 2,627 a year ago.

SUGAR.—Both the London and New York markets are quiet, though New York prices are still moving slowly upwards. The New York spot quotation was 3·60 cents on Wednesday, as compared with 3·53 cents per lb. last week and 3·50 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 7½d., against 6s. 8d. to 6s. 8¼d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 17,473 tons, against 10,301 in the previous week, and 11,467 in the same week of 1936; deliveries, 6,237 tons, against 25,171 and 14,465 tons, respectively; stocks, 157,027 tons, against 145,791 and 113,614 tons, respectively.

TEA.—At this week's public auctions in Mincing Lane, 20,320 packages of Indian and 26,761 packages of Ceylon tea came up for disposal. Demand for all descriptions of Indian and Ceylon teas was strong, with prices showing a hardening tendency.

VEGETABLES.—Tomatoes and cucumbers have met with an increased demand at Covent Garden, on account of the warm weather, states *The Fruitgrower*, and prices have consequently hardened. Runner beans, cabbage and marrows are in good supply, with prices slightly easier. Imported onions are lower in price, but English bunched greens are selling well. Meanwhile, plentiful supplies of potatoes at London markets have encountered a fair demand at about late rates. At the Borough on Tuesday, King Edward ranged from 7s. to 8s.; British Queen, Majestic, Eclipse and Sharpe's Express made from 4s. 6d. to 5s. 6d. per cwt., ex market.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—After an easier period a better tone appears to be manifesting itself, though buying interest is still restricted. Linseed is still subject to the influences of crop and weather reports, and until the position is clearer the outlook for trade must remain uncertain. The United States, with only a small domestic crop to look forward to, continues to import substantial quantities from the River Plate. Future calls upon this source and India depend upon the continued heavy consumption of linseed oil in America and the out-turn of the new seed. The U.S. Department of Agriculture in its latest report estimates the probable yield at 8 million bushels, or 380,000 bushels more than the estimate of a month ago, with an average yield per acre of 7·4 bushels as against 7·1 bushels. Argentina is in need of copious rains to put the soil in condition for sowing if the full acreage projected by growers is to be given to linseed. Meanwhile, the old crop surplus is being steadily reduced. The Argentine Ministry of Agriculture gives the total remaining on August 5th as 380,000 tons. The Indian new linseed is moving off very slowly, the greater proportion estimated at 260,000 tons still being available for export in the coming months. A feature has been the shipment of Indian linseed to Australia. Supplies at hand are good. The quantity now afloat for Europe is 118,800 tons (including 23,400 tons from India). Demand for linseed here and on the Continent is only moderate, while linseed oil is firmer in sympathy with seed and little changed in value. Cotton seed is easier and a fair business in new black Egyptian to Hull has been done at £7 per ton for shipment to farmers. Cotton oil remains quiet on both home and export accounts, but the quotation for Egyptian crude ex Hull is unchanged at £27 10s.

POTASH.—It is reported from Spain that exports of Spanish potash are likely to be resumed within the next few weeks. The Catalonian potash mines of Suria, Salent and Cadona, which were taken over some time ago by the State, are producing again at a fairly high rate and are about to resume exports. This re-appearance of Spanish potash on world markets will probably lead to some decline in prices. In recent months Germany has benefited substantially from the discontinuation of Spanish exports; shipments from Germany advanced from 1,390,000 quintals in the first half of 1935 to 1,930,000 quintals in the first six months of this year. Despite this 40 per cent. advance in volume, however the value of Germany's potash exports increased by only 25 per cent—a fact which shows that, in spite of the discontinuation of Spanish exports, price conditions on the world market have been disappointing. The expected resumption of Spanish competition is, therefore, followed with apprehension in cartel circles.

RUBBER.—After a quiet week, prices are fractionally lower. A fair volume of trade buying has been evident at the lower level, while in the United States manufacturers have also shown increased buying interest. Meanwhile, United Kingdom stocks showed a slight increase last week.

The spot price in New York on Wednesday was 18⅜ cents per lb., compared with 18⅜ cents per lb. a week ago and 19 cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8 13/16d. per lb., as against 8⅛d. on the corresponding day last week. In forward positions business has been done at 8 13/16d. for "September" shipment, as against 8 13/16d. to 9d. a week ago. Stocks in London and Liverpool at the end of last week totalled 42,253 tons, against 42,056 tons a week earlier. A year ago stocks amounted to 112,243 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, August 11th

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

CEREALS AND MEAT

	s. d.	s. d.
GRAIN, Etc.—		
Wheat—		
No. 2, N. Man. 4/6 lb.	50 3	
Eng. Gaz. av., per cwt.	9 11	
Barley, Eng. Gaz. av. ...	9 4	
Oats, "	8 11	
Maize, La Plata, landed 480 lb.	28 3	
Flour, Lon. stan. ex mill, 280 lb.	38 9	
RiceNo.2 Burma,per cwt.	9 4½	9 7½
MEAT—		
Beef, per 8 lbs.—		
English long sides	4 10	5 8
Argentine chilled hinds	4 10	5 2
Mutton, per 8 lbs.—		
English wethers	5 8	6 8
N.Z. frozen "	3 6	4 2
Lamb, per 8 lbs.—		
N.Z. frozen	4 8	5 6
Pork, English, per 8 lbs.	5 0	5 6

OTHER FOODS

BACON—		
English per cwt.	106 0	
Irish	105 0	108 0
Danish	105 0	
Dutch	105 0	
HAMS—		
Canadian	109 0	110 0
United States	110 0	
BUTTER—		
Australian	115 0	116 0
New Zealand	116 0	117 0
Danish	124 0	
CHEESE—		
Canadian per cwt.	72 0	
New Zealand	68 0	
English Cheddars	88 0	88 0
Dutch	63 0	69 0
COCOA—		
(Duty, British grown, 11/8; foreign, 14/- cwt.)		
Accra, f.f. per cwt.	39 6	40 0
Trinidad	65 0	70 0
Grenada	55 0	58 0
COFFEE—		
(Duty, British grown, 4/8; foreign, 14/- cwt.)		
Santos supr. c. & f. cwt.	53 0	
Colombian, good	58 0	62 0
Costa Rica, med. to good	64 0	90 0
East Indian " " "	70 0	90 0
Kenya, medium	58 0	72 0
EGGS—		
English per 120	15 6	16 6
Danish	11 0	11 3
FRUIT—Oranges—		
S. African boxes	9 6	13 0
Brazilian boxes	8 6	9 6
Lemons, Malaga ... cases	...	
" Sicilian ... boxes	18 0	24 0
Apples: Amer. (var.) bris.	...	
" (var.) boxes	...	
" Australian	8 0	12 0
Onions—		
Valencia, case	...	
Egyptian, bags	5 6	6 0
Grapes, Almeria, barrels	...	
Grapefruit, Brazilian	12 0	18 0
" S. African ...	12 0	17 6
LARD—		
Irish, finest bladders	64 0	72 0
U.S. per cwt.	66 3	67 3

	s. d.	s. d.
POTATOES—		
Best King Edward ...	7 0	8 0
Other English	4 6	5 6
SPICES—		
Pepper, per lb.—		
Black Lampong	0 3	
White Muntock	0 6	
Cinnamon—1st sort, per lb.	0 9	
Cloves—Zanzibar, per lb.	0 8½	
Ginger—per cwt.—		
African	57 0	
Jamaica, ord. to good	63 0	90 0
Mace per lb.	1 10	2 4
Nutmegs, 65's	1 0	
SUGAR—		
(Duty, 11/8 per cwt.)		
Centrifugals, 96°, prpt. shipm., c.i.f. U.K./Cont.	6 8½	
B.W.I., crystallised	17 6	19 3
Java, white, c. & f. India Oct.-Dec.	Nominal.	
REFINED—London—		
Yellow Crystals	19 10½	
Cubes	24 1½	24 7½
Crushed	22 4½	
Granulated	20 3	21 1½
Home Grown	20 1½	20 4½
TEA—		
Indian—per lb.—		
Pekoe	1 4	...
Broken Pekoe	1 2	1 10
Orange Pekoe	1 5	2 5
Broken Orange Pekoe	1 2½	2 9½
Ceylon—per lb.—		
Pekoe	1 2½	1 7½
Broken Pekoe	1 2½	1 4½
Orange Pekoe	1 2½	1 8½
Broken Orange	1 2½	1 11½
TOBACCO—		
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)		
Virginia leaf—		
Common to fine	0 8	2 6
Rhodesian leaf	0 9	1 10
Nyasaland leaf	0 7	1 4
" strips	0 9	1 6
East Indian leaf	0 7	1 10
" strips	0 6	1 9

TEXTILES

COTTON—	d.		
Mid-American per lb.	5·93		
Sakellaridis, f.g.f.	9·29		
Yarns, 32's twist	13		
" 60's twist	18½		
FLAX—	£ s.	£ s.	
Livonian ZK per ton	82 0	86 0	
Pernau HD	84 0	85 0	
Slanetz Medium...1st sort	90 0	92 0	
HEMP—			
Italian P.C. per ton	66 0		
Manilla, Aug.-Oct. "J2"	34 10		
Sisal, African	25 0	28 10	
JUTE—			
Native 1st mks ... per ton c.i.f. H.A.R.B.			
Aug.-Sept.	£21/0/0		
Daisee 2/3 c.i.f. Dundee Oct.-Dec.	£20/7/6		
SILK—	s. d.	s. d.	
Canton per lb.	6 0	8 0	
Tussah	3 6	4 6	
Japan	7 9	8 6	
Italian—raw, fr. Milan	8 6	10 0	

	d.	s. d.
WOOL—		
English Southdown, greasy, per lb.	19	
" Lincoln hog, washed	18	
Queensland, scd. super cmbg.	32	
N.S.W. greasy, super cmbg.	19	
N.Z., grsy., half-bred 50–56	18½	
Crossbred 40–44	16	
Tops—		
Merinos 70's average	41	
" 64's "	38½	
Crossbred 48's "	26	
" 46's "	25	

MINERALS

	s. d.	s. d.
COAL—		
Welsh, best Ad'ty...ton	19 6	22 6
Durham, best gas, f.o.b. Tyne	22 6	
Sheffield, best house, at pits	21 0	22 0
IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101 0	
Bars, M'brough	265 0	
Steel rails, heavy	202 6	
Tin plates per box	25 6	26 0

	£ s. d.	£ s. d.
METALS—		
Copper, Electrolytic, ton	65/10/0	66/10/0
Sheets (Strong)	87/0/0	
Standard	58/15/0	58/17/6
Lead, Eng. pig... per ton	24/10/0	
Soft foreign	22 15·0	22/17/6
Spelter G.O.B.	25/2·6	25/3/9
Tin—English ingots	267/10/0	
Standard cash	268 5/0	266/15/0

MISCELLANEOUS

	s. d.	s. d.
CHEMICALS—		
Acid, citric, per lb., less 5%	1 0	1 0½
Nitric	0 2½	0 3½
Oxalic, net	0 5	0 6
TartaricEnglish, less 5%	1 1	1 1½
Alcohol, Plain Ethyl	12 0	
	£ s.	£ s.
Alum, lump per ton	8 10	8 15
Ammonia, carb. ton	27 0	28 0
Sulphate	7/3/6	
Arsenic, lump ... per ton	35 0	
Bleaching powder, per ton	8 15	9 0
	s. d.	s. d.
Borax, gran. ... per cwt.	13 6	
Do., powder	15 0	
Nitrate of soda ... per cwt.	8 0	
Potash—Chlorate, net	0 4	0 4½
Sulphate per cwt.	9 9	10 0
Soda Bicarb. ... per cwt.	10 0	11 0
Crystals per cwt.	5 0	5 3
Sulphate of Copper, per ton	£22 0.	
CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—		
4-ton loads and upwards 39/– per ton		
1 and up to 4-ton loads 41/– per ton		
COPRA—	£ s. d.	
S.D.Straits c.i.f., per ton	16/10/0	
DRUGS—		
Camphor—	s. d.	s. d.
Japan, refined... per lb.	2 3	
Ipecacuanha per lb.	7 9	
HIDES—		
Wet salted—Australian per lb.	0 7	0 7½
West Indian	0 5	0 5½

	s. d.	s. d.
Cape	0 6½	0
Dry and Drysalted Cape	0 9½	0
Market Hides, Manch'tr—		
Best heavy ox and heifer	0 7½	0
Best cow	0 6½	0
Best calf	0 7	0
INDIGO—		
Bengal, gd. red.-vio. to fine per lb.	5 6	6
LEATHER—		
Sole Bends 8/14 lb.— per lb.	1 3	2
Bark Tanned Sole	2 6	3
Shoulders fm DS Hides	0 8	0
Do. Eng. or WS do.	0 10	1
Bellies from DS do.	0 5½	0
Do. Eng. or WS. do.	0 6½	0
Dressing Hides	1 6	2
Ro. Eng. Calf, 20/30 lb.	5 0	6
Aust. Bends Avg. 7/1 lb.	1 3	1

	£ s. d.
VEGETABLE OILS—	
Linseed, naked, p. ton net	29/10/0
Rape, refined	38/0/0
Cotton-seed, crude	27/10/0
Coconut, crude	24/7/6
Palm	22/10/0
Oil Cakes, Linseed, Eng., per ton	9/2/6
Oil Seeds—Linseed—	
La Plata, p. ton, Aug.	13/6/3
Calcutta—per ton	15/5/0
	s. d.
Turpentine, per cwt.	36 0
PETROLEUM PRODUCTS—	
Motor Spirit, No. 1, London	1 6
Petroleum, Amer. rfd. bri. London..per gall.	0 10½
Fuel oil, in bulk, for contracts, ex instal. Thames—	
Furnace...per gall.	0 3½†
Diesel.....per gall.	0 4½†
ROSIN—	
American per ton	19/5/0 21/10/0
RUBBER—	s. d. s. d.
St. ribbed smoked sheet per lb.	0 8
Fine hard Para per lb.	0 9½
SHELLAC—	
TN Orange ... per cwt.	47 0 50 0
SHELLS—	£ s. £ s.
W. Aust. M.-o.-P. "	3 10 12 10
TALLOW—	s. d.
London town...per cwt.	25 6
TIMBER—	£ s.
Swedish u/s 3 x 8 ... per std.	24 0
" 2½ x 7 ... "	23 10
" 2 x 4 ... "	21 0
Can'dn Spruce, Dis.	24 10
Pitchpine per load	11 0
Rio Deals per std.	35 0
Teak per load	27 0
Honduras Mahg. logs ... c. ft.	0 12
African " "	0 0
Amer. Oak Boards " "	0 0
" Ash " "	0 0
English Oak Planks " "	0 0
" Ash " "	0 0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Aug. 12, 1936	July 14, 1937	Aug. 4, 1937	Aug. 11, 1937
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	110½(c)	126(b)	113¾(c)	113½(c)
Maize, nearest future, Chicago, per bushel	106⅛(c)	126⅞(b)	97(c)	100⅝(c)
Oats, nearest future, Chicago, per bushel	42⅝(c)	43⅛(b)	28½(c)	29½(c)
Rye, nearest future, Chicago, per bushel	79½(c)	95⅛(b)	77⅞(c)	82⅝
Barley, nearest future, Chicago, per bushel	82½(c)	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8	9½	9⅝	9½
" Santos No. 4, cash per lb.	9⅝	11⅝	11⅝	11⅛
Cocoa, Accra, nearest future, per lb.	6·24	7 54	8·08	8·20

(a) Nominal. (b) July. (c) September.

	Aug. 12, 1936	July 14, 1937	Aug. 4, 1937	Aug. 11, 1937
	Cents	Cents	Cents	Cents
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·65	3·50	3·53	3·60
Cotton, middling, spot, per lb.	12·60	12·97	11·24	10·75
Rubber, smoked sheet, spot, per lb.	16⅛	19	18⅛	18⅝
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·40	13·70	14·20	14·40
Copper "Electrolytic," Export prompt, per lb.	9·62½	13·92½	14·42½	14·62
Spelter, East St. Louis, spot, per lb.	4·80	7·00	7·00	7·25
Lead, spot, per lb.	4·60	6·00	6·25	6·50
Tin, "Straits," spot, per lb.	41·37½	60·10	59·12½	59·62

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Shanghai

IN an age when everything is being speeded up, Poetic Justice, too, seems to have quickened her tempo. Barbarism from the air, which was brought into action no longer ago than last year by white airmen against defenceless Africans, has since been employed by white men against themselves in Spain. Now we have entered on the third chapter; for at Shanghai—where 500 people were killed by a single bomb last Saturday—the victims were some of them white, and the airmen were all of them yellow. Each time the target of this hideous progressive experiment in the destructiveness of air warfare is some ever bigger and more modern city. The day before yesterday the victim-city was Dessie. Yesterday it was Madrid. To-day it is Shanghai. To-morrow——? Shanghai is so great a human ant-heap that, if the nationalistic Moloch demands a still greater victim to-morrow, there will scarcely be more than half a dozen cities left in the world large enough to satisfy its blood-lust.

For a Londoner who steams up the Hwangpu river for the first time and lands on the Bund, the impression is that of a broader Thames wafting him into a greater metropolis than his own. Shanghai is not yet, of course, actually half as big as London; and it is possible that, if air warfare has its way with her, she may never live to attain her "manifest destiny." But the Londoner who has also travelled in America feels something when he lands in Shanghai which he does not feel in London, but feels in New York. He becomes aware of an immense hinterland—stretching away westward for hundreds and thousands of miles—of which this gigantic port is the vestibule. If the Asiatic hinterland of Shanghai were to develop economically in the twentieth century on a scale at all approaching that of the actual development of the American hinterland of New York in the nineteenth, then by the year 2000 Shanghai would probably be running neck and neck with Chicago for the prize of becoming the vastest city in the world.

Unhappily there are alternative possibilities. They can be stated most graphically in the formula: Shanghai is to China what Smyrna was to Turkey. For some four centuries ending in 1922 Smyrna was the *entrepôt* of a trade between the Western world and Turkey-in-Asia. The community of Western business men who settled at this commercial meeting-point of two otherwise mutually alien worlds succeeded in conjuring a great city out of nothing. Smyrna was a pleasant place for Westerners to live in until she was suddenly blotted out in a war between the two local Near Eastern nations. Fifteen years ago the Greeks and Turks fought each other with Western weapons; and Smyrna went up in flames. To-day the Japanese and Chinese are fighting each other round, in, and over Shanghai; and immediately the Western world is threatened with another Smyrna holocaust—only this time the whole tragedy is on a vaster scale. The city is ten times as large; the combatants twenty times as powerful; the weapons infinitely more destructive. The Greeks and Turks in 1922 had fortunately not carried their battlefield off the ground into the air.

But why should Shanghai have become a Sino-Japanese battlefield at all? If the two great yellow peoples must lacerate each other, can they not find a

broad enough arena elsewhere without roping in this patch of ground and air and waterway where there are some thousands of white people's lives to be lost, and some hundreds of millions of pounds' worth of European and American property to be destroyed? At the moment of going to press the Powers are making strenuous efforts to induce the two local belligerents to treat at least a part of Shanghai as neutral territory; but a proposal which seems, on the face of it, as reasonable as it is humane, is beset with formidable difficulties.

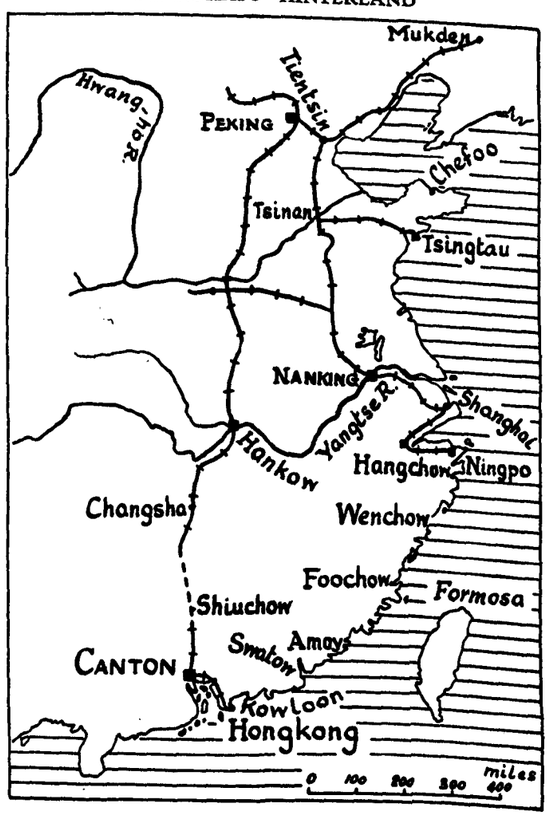
Shanghai is the physical heart of present-day China; and this means that nothing really important can happen to China without its happening principally in this vital organ which now pumps the blood of China's material life through all the other members. If the Japanese really mean to overcome China, they cannot afford to leave their adversary's heart unassailed. By the same token China, conversely, cannot afford to bind herself not to try to dislodge the Japanese from so crucial a point in China's own anatomy.

But if Shanghai can properly be described as China's heart, how do Japanese warships and barracks—or, for that matter, European and American forces of volunteers and police—come to be there? The answer lies in a social paradox. The material heart of modern China is not a native-born organ. It is a mechanism of foreign manufacture inserted—and that forcibly—by alien hands into the body which has now come to depend on it for keeping alive!

Shanghai is one of the five original treaty-ports—there are many more of them now—which the Chinese were compelled to open to foreign traders as part of the peace-terms that were imposed on China by Great Britain at the end of a victorious war of aggression: the " Opium War " of 1838-42. A supplementary treaty provided that the merchants who settled in the treaty-ports should be allowed to purchase plots of land there and erect buildings on them. The present " International Settlement " and " French Settlement " at Shanghai are simply two aggregates of plots which have severally been purchased, individually and privately, from their former Chinese owners by British subjects and by foreigners of other nationalities—eventually including the Japanese. These foreigners subsequently benefited by this British treaty-right either in virtue of treaties on the same pattern between their own Governments and the Chinese Government, or else by mere uncovenanted analogy. The constitutional theory on which the government of the two resulting foreign settlements rests is that of ROUSSEAU'S social contract. In theory, a few hundreds of foreign plot-holders in the treaty-port of Shanghai contracted with one another that the combined areas of their allotments should be administered as a couple of municipalities—and the result is the present administration of the International Settlement and the French Settlement, with their great staffs of officials and their correspondingly vast public services and works. Nor is this theory altogether academic. It brings out one practical point of capital importance in the present crisis: although the areas of the two settlements have ceased to be administered by Chinese authorities, they have never ceased to be under the sovereignty of the Chinese Government. And it is the Japanese insistence on their military rights in the Settlement, denied by China, which has led to the entry of the Japanese fleet into the river, the landing of Japanese soldiers in the Settlement, the air attacks, and the fighting on land. From this Shanghai explosion, war over all North China seems inevitable.

There is another paradox about the history of Shanghai. When the treaty-port of Shanghai was first opened, the population was divided, as it is now, into a foreign and a Chinese section; but the two communities were originally segregated—the Chinese living in the ancient walled city, while the foreign settlements were occupied exclusively by the foreigners who had bought the plots. But to-day, when the foreign population of Shanghai has risen to nearly 50,000 and the Chinese population to more than 2½ millions, not less than half of that immense Chinese population is living under one or other of the two foreign municipal regimes, and not more than half of it under the Chinese - administered municipality of Outer Shanghai, which covers Chapei — the suburban battlefield of to-day and of 1932—Wusung downstream, and Putung.

SHANGHAI'S HINTERLAND



The map shows the strategical location of Shanghai. From that city Nanking can be threatened. The advantages of Hankow as an alternative capital are described on page 379.

When the extraordinary facts about the history and administration and population of Shanghai are taken into consideration, it becomes evident that Shanghai's only hope of escaping disaster whenever China is at war is for the whole area of the treaty-port to be neutralised *de facto* if not *de jure*. But how is this to be done when a foreign Power which is waging a war of aggression upon China is one of the Powers whose nationals share in the privileges of the International Settlement, and when that Power abuses these privileges by making a base of military operations out of the section of the International Settlement that lies to the north of the Soochow Creek?

What the Japanese did in 1932 and are doing again to-day is calculated to make the paradoxical constitution of Shanghai quite unworkable. No man can foretell what the consequences may be for one of the greatest cities of the contemporary world. No man can tell what they may be for British, French and American trade. Still less can anyone now prophesy what they may be for Japan herself.

The King's Highway

THE tide of traffic on the roads is now at its seasonal height. The heavy volume of commercial traffic which fills the highways all the year round is swollen by the mass of private cars which do more mileage in August than in any other three months. With fine weather and prosperity, it is a safe guess that there are more vehicles on the roads this month than ever before.

Unfortunately, record traffic means record casualties. The July figures of road deaths were the highest of the year, and it is only too probable that the August total will show another increase. It is true that the figures of accidents are not increasing as rapidly as the number of vehicles registered, and some encouragement can be extracted from that fact. But it is very cold comfort indeed; it is impossible to be satisfied with an average daily death-roll of almost twenty persons. The most that has been accomplished by the great efforts made in recent years to increase safety has been to prevent the total from rising rapidly. Less than no progress is being made towards a reduction of the slaughter.

The chief reason for this lack of progress is that the fundamental factor responsible for the high totals of accidents is not being tackled. This factor is the grave inadequacy of our national system of roads for the volume of traffic they have to carry. The official statistics, owing to the method in which they are compiled, have a tendency to conceal the responsibility of the road and to exaggerate the human factor. Thus, in the last annual report on fatal road accidents, the Ministry of Transport, tabulating figures supplied by the police, blames nearly 91 per cent. of the total number of accidents on some personal mistake (the largest single error being " excessive speed ") and only 0.7 per cent. on " condition of the roadway." The comparison is fantastic.

Light is thrown on the mystery in a most interesting report recently prepared by MR G. T. BENNETT, surveyor to the Oxfordshire County Council. The police, it appears, are instructed to consider under the head of " condition of roadway " only whether the accident was due to (a) the view being obscured by a blind corner or a bend, or (b) a slippery road surface, or (c) " other cause," and being good policemen, they follow their instructions to the letter. MR BENNETT has carried out an investigation in his own jurisdiction and finds that in only 24 per cent. of the fatal accidents were there no road defects to be reckoned as a contributory cause. In as many as 40 per cent. of the cases, the provision of " major improvements," such as dual carriageways, cycle tracks or by-passes, would have prevented the accident altogether. Coming from an official who is responsible for the condition of the roads, these figures are most impressive.

The same truth can be further emphasised by a summary comparison with conditions in the United States of America. There are nearly thirteen times as many vehicles on the roads in the United States as in Great Britain, but less than six times as many people are killed each year. The same comparison can be put in another way. The number of cars per mile of road is 50 per cent. greater in Great Britain than in the United States. The number of cars per mile of *first-class* road is about the same in the two countries. Yet the number of deaths per mile is more than three times larger in this country than in America. Now the British car is slower than the American, and the British driver is, at the worst, not so much more foolish as to be responsible for the whole difference. The only possible explanation is that the quality of our roads is very much inferior.

If, then, as must be obvious to anybody who studies the matter, the state of the roads is responsible for a very large proportion of accidents, what is being done to put right this remediable state of affairs? The answer is that, in proportion to the dimensions of the problem, remarkably little is being done. Standards have, it is true, been laid down, and here and there roads are being built to these specifications. But what is being done is only a fraction of what needs to be done if the roads of the country as a whole are to be brought up to the standard. MR BENNETT estimates that the cost, in Oxfordshire, of equipping major routes with dual carriageways, cycle tracks and by-passes, and of removing ordinary defects on other roads, even with full grants from the Road Fund, would be such as to necessitate an increase in the rates of 5s. in the £1 for fifteen years. In short, the reduction of road deaths depends entirely upon the amount of money that the central Government is prepared to spend.

A recent memorandum of the International Chamber of Commerce on " Highway Administration and Finance " comes at the appropriate moment to enable a comparison to be made of highway policy in the chief countries. Definitions, and the costs of road making, vary so much from country to country that it is impossible to make any very rigorous comparison. But the main moral emerges very clearly from the figures. There is no other major country which shows the same striking contrast as Great Britain between the buoyancy of the yield from motor taxation and the stagnation of expenditure on the roads. Between 1928 and 1936 the revenue derived from motor vehicles doubled. But expenditure on the roads increased little, if at all. If account is taken of expenditure on new construction and major improvements, as distinct from maintenance, the comparison either in time or in space is even more striking. In 1930-31, £19.3 millions was spent for this purpose; in 1934-35 (the latest year for which figures are available), only £8.5 millions was spent, and though there has since been an increase, it is doubtful whether the earlier figure has yet been reached. Yet in 1935 the United States spent something like £120 millions for construction, and Germany (whose total mileage is less than ours) a sum which, at the lowest reasonable valuation of the Reichsmark, is over £22 millions. It may be that Great Britain improved at least the surface of her roads earlier than other nations. But at present, with the densest traffic of any country, we are doing almost least to accommodate it.

If this problem is ever to be resolutely solved, it will be necessary to think in large figures. On the basis of MR BENNETT'S figures for Oxfordshire, a thoroughgoing programme for the whole country would cost something like £800 millions. This is a colossal sum. But it is less than ten times the present revenue from motor taxation. Moreover, that revenue has doubled in eight years. If we were to set aside only the future *increases* in revenue from motor taxation, there would soon be a sum which would serve as the basis for a very large capital expenditure. Here the need for road safety impinges directly upon the problem of mitigating trade fluctuations. It is possible to imagine a resurrected Road Fund, endowed with the power to borrow, playing a thrice beneficent rôle—shielding the traveller from sudden death, saving the nation from the gradual hardening of its traffic arteries, and providing work for the unemployed. Judged by all the available indications of the Government's purpose, it is only an idle dream—but what a pleasant one!

The Clothing of the People—I

Cheap Clothes for All

NEARLY ninety years ago, CHARLES KINGSLEY denounced "Cheap Clothes and Nasty," on the ground that they were cheap because those who made them were underpaid and overworked. But he did not allow his generous concern for sweated tailors to blind him to the benefits of the "luxury of cheap clothes." "The public must look out," he wrote, "for some other means of procuring that priceless blessing." To-day, those other means have been largely found. A rising standard of living has brought us new luxuries. Mechanisation, factories and industrial efficiency have given us cheap and varied clothes, as well as motor-cars and wireless sets.

The cutter's measuring tape has now been brought within the reach of more and more men by mass production methods, applied with success and profit to the seemingly unpromising business of bespoke tailoring. The great increase in the demand for women's clothing, due to the wider employment and higher earnings of women, has been met by the development of large-scale methods of making and retailing ready-made articles. The demand for clothing has increased; it is cultivated by advertisement and fashion and is satisfied by the most modern industrial methods.

The magnitude of the demand for clothing can be readily illustrated. In 1934, some £319 millions were spent in this country on clothing. This total was equivalent to nearly 8 per cent. of the total national expenditure, over half of the aggregate expenditure on the upkeep of house and home, and nearly one-third of the total spent on food.

Four years earlier the Census of Production gave the value of the nation's clothing requirements, at the factory, as between £220 millions and £225 millions. The figures are remarkable for the variety of clothing to which they apply. Of the total, wholesale tailoring and dressmaking accounted for £58.6 millions, and retail bespoke tailoring and dressmaking for £21.6 millions. The value of the output of shirts and woven and knitted underwear was about £27.4 millions. The output of fancy hosiery—that is, of cardigans, jerseys, sweaters and scarves—was £10 millions; and the output of stockings and hose was worth £17 millions. Hats and caps accounted for a further £3.6 millions, gloves for £3.2 millions, and furs for £3.6 millions. The value of the production of boots and shoes was £44.1 millions.

Until the appropriate results of the 1935 Census of Production have been published, it will not be possible to say exactly what progress has been made since 1930. Such figures as are available, however, suggest that a rising trend of expenditure and production has been maintained. Indeed, the evidence seems to show that the decline in the cost of living in relation to average earned income, which took place after 1930, actually enabled a large part of the population to spend more on clothing and dress. In the case of stockings and hose, knitted underwear, fancy hosiery, hats and gloves, for instance, the value of output in the years 1933-35 was surprisingly little below that of 1930; and there were considerable increases in the quantities marketed. Over 373 million pairs of stockings and hose were sold in 1935, compared with 289 million pairs in 1930. The increase was most marked in the sales of artificial silk stockings, which rose from 80 million pairs in 1930 to 115½ millions in 1935, although sales of all other kinds of stockings and hose simultaneously increased. Similarly, sales of knitted underwear rose from 102 million garments in 1930 to 145 millions in 1934; and the production of fancy hosiery rose by about 12 per cent. in quantity over the same period. The increase in every case was much more rapid in the depressed years between 1930 and 1933, when real wages were rising, than in the following period when employment was increasing but the decline in the average level of prices was arrested.

These figures show how steadily the production and purchase of clothes have risen in recent years. The Ministry of Labour returns reveal the corollary—a considerable growth in the labour force of the clothing trades. Between June, 1923, and June, 1936, the number of insured persons in the hosiery trades rose by 32.7 per cent. In the manufacture of shirts, collars and underclothing the rise was as great as 55 per cent., compared with an increase of only 12.8 per cent. over the whole range of manufacturing industry in this country. On the other hand, in tailoring the increase in employment between 1923 and 1936 was only 9.3 per cent., and in dressmaking and millinery, and in the manufacture of hats and caps, there was actually a fall in employment. The fact that, despite these decreases, production and consumption were steadily rising, illustrates two dominant trends in the clothing trades—the increased mechanisation of manufacture, and the growth of factory work employing fewer hands per unit of output.

To-day, upwards of 5 per cent. of the working population of this country is employed in the clothing trades, apart from the manufacture of boots and shoes. These men and women, numbering more than half a million, no longer work under the appalling conditions which rightly disgusted CHARLES KINGSLEY. In this respect, progress has been continuous and has, if anything, been expedited in recent years. The retail bespoke section is controlled by a Trade Board. In November, 1936, a new national agreement was made between the Wholesale Clothing Employers' Federation and the National Union of Tailors and Garment Workers. Higher rates of pay were established in wholesale clothing factories; and the employers' organisation undertook to advise its members to grant holidays with pay. Though conditions of work and remuneration are not yet wholly satisfactory, the day is past when the clothing trades can be dismissed, in KINGSLEY's phrase, as "dishonourable" because of sweated conditions.

For the great majority of the population the "luxury of cheap clothes" has now been largely realised. We are better off, and we wear more varied clothes, thanks, in part, to the adoption by the clothing industry of modern technique and organisation. Not even industrial depression can arrest the march of fashion—witness the bewildering gamut of clothing worn by all classes of women to-day, and the steady assault upon the depressingly conventional uniforms of male English workers. The movement, however, does not end with shorts and gay shirts, pullovers, flannel trousers, bright colours and hygiene. The structure of the clothing industry is itself changing. Ready-made clothing is displacing home dressmaking; no feature of modern dress, indeed, is more striking than the increasing range and variety of women's ready-made clothes. For the male the outstanding development of the twentieth century has been the growth of multiple tailoring organisations, tapping hitherto unexplored fields of consumption. These developments will be the subject of a second article.

Expanding British Markets

THE epithet "sensational" has been freely applied to many less portentous developments than the recent rise in commodity prices and expansion in overseas trade. In three years, from mid-1933 to mid-1936, *The Economist's* index of wholesale prices (September 18, 1931 = 100) rose only 9 points from 107 to 116. Subsequently, in a little more than a year, it has advanced a net 23 points to 139. This spectacular movement has been followed, with a time-lag of only a few months, by a scarcely less dramatic revival in international trade. Imports into the United Kingdom were 14.7 per cent. higher in value, and British exports 14.6 per cent. higher, in the first three months of 1937 than of 1936. In the second quarter, the percentage increases were 25.4 and 27.8, respectively.

Clearly, despite the many remaining barriers to international trade, rising prices are rapidly creating navigable leads in the ice-pack which once supplied Mr Chamberlain with a memorable metaphor. Oversea countries, having obtained more for their products, are buying, *inter alia*, more British goods. Which nations have played the largest rôle, as suppliers or buyers, in our recent trade expansion? The answer is contained in the tables at the foot of this page (which are based on the Board of Trade's official figures), and in the accompanying two charts, which show the vicissitudes of our trade with all countries inside and outside the British Empire, respectively, in the second quarter of every year since 1929.

The first significant conclusion suggested by the figures is that whereas British countries contributed most to our trade revival in its first phase, the running is to-day being made rather by non-British countries. The value of our total imports (taking second quarter figures in every case) rose by £51 millions between 1936 and 1937, against an aggregate rise of no more than £42 millions during the three years 1933 to 1936. Of the total rise, foreign countries accounted for £30 millions

DISTRIBUTION OF BRITAIN'S OVERSEAS TRADE

(In the Second Quarter of each Year)

TRADE WITH EUROPEAN COUNTRIES

(000's omitted)

From or to	Imports				British Exports			
	1929	1933	1936	1937	1929	1933	1936	1937
	£	£	£	£	£	£	£	£
U.S.S.R.	5,572	2,379	3,665	5,121	983	872	874	476
Finland	3,110	2,429	3,773	4,178	893	744	1,050	1,501
Latvia	1,602	649	818	1,425	364	221	302	413
Sweden	6,240	3,531	4,604	5,811	2,912	1,564	2,444	3,305
Norway	3,451	1,538	2,049	2,629	2,521	1,253	1,738	2,293
Denmark	13,766	9,298	7,774	8,904	2,595	2,809	3,600	4,329
Poland	1,937	1,604	2,429	2,636	1,174	620	956	1,575
Germany	17,654	6,824	7,569	8,645	9,332	3,353	4,567	5,639
Netherlands	10,503	4,671	6,068	8,265	5,575	2,945	2,964	4,209
Dependencies	3,984	3,511	4,769	6,384	2,571	718	694	1,148
Belgium	10,977	2,965	4,081	5,019	4,961	2,079	2,156	2,929
Dependencies	42	8	6	14	214	89	118	125
France	14,860	4,308	5,701	6,352	7,629	4,473	4,157	5,582
Dependencies	1,924	744	1,122	1,539	1,775	921	813	1,140
Switzerland	3,255	1,271	1,419	1,750	1,621	925	875	1,213
Portugal	931	539	1,129	1,037	994	748	688	891
Dependencies	278	110	103	121	1,116	500	505	652
Spain	5,006	3,083	3,813	2,550	2,768	1,041	931	560
Dependencies	1,157	728	856	1,113	446	355	241	95
Italy	3,888	2,115	36	1,970	3,928	2,133	129	1,146
Dependencies	14	3	...	39	30	17	1	9
Austria	600	292	530	589	613	197	344	490
Czechoslovakia	1,714	605	1,337	1,845	560	185	411	676
Greece	385	335	222	227	1,099	466	885	606
Roumania	439	978	881	1,119	574	560	228	433
Other European Countries	1,532	1,190	2,354	2,802	1,300	663	1,028	1,285
TOTAL	114,821	55,706	67,108	82,084	58,538	30,451	32,759	42,720

TRADE WITH FOREIGN COUNTRIES OUTSIDE EUROPE

(000's omitted)

From or to	Imports				British Exports			
	1929	1933	1936	1937	1929	1933	1936	1937
	£	£	£	£	£	£	£	£
Turkey	373	157	177	281	877	365	248	331
Egypt	5,810	2,767	2,724	3,221	2,957	1,460	1,719	1,787
Iraq	223	60	589	905	602	474	457	601
Iran	2,135	1,806	1,779	3,656	501	196	626	707
China	2,080	862	1,367	1,591	3,359	1,574	1,462	1,933
Japan	1,982	1,340	2,106	2,510	3,213	1,031	761	1,094
Dependencies	...	313	239	181	44	54	89	117
United States	42,468	16,070	19,990	23,381	11,198	4,060	5,668	7,549
Dependencies	587	237	355	560	296	191	170	189
Cuba	2,128	1,044	1,488	1,408	588	154	232	298
Mexico	679	841	778	1,054	622	341	344	590
Colombia	733	392	216	21	1,005	596	564	782
Peru	794	740	691	1,158	521	215	264	317
Chile	3,647	1,353	1,911	3,501	1,977	125	396	436
Brazil	1,710	1,571	2,526	2,710	3,261	1,528	1,125	1,743
Uruguay	1,537	645	957	1,039	868	384	511	560
Bolivia	1,949	504	815	944	196	89	41	68
Argentina	19,885	10,061	9,489	14,477	6,597	3,088	3,575	4,761
Other Non-European Countries	3,356	2,277	1,997	2,173	3,119	1,413	1,046	1,408
TOTAL	92,076	43,040	50,194	64,771	41,193	17,338	19,298	25,271

TRADE WITH BRITISH COUNTRIES

(000's omitted)

From or to	Imports				British Exports			
	1929	1933	1936	1937	1929	1933	1936	1937
	£	£	£	£	£	£	£	£
Irish Free State	9,975	4,134	4,919	5,469	9,199	5,056	5,169	5,751
West Africa	2,613	1,269	2,321	3,399	2,712	1,278	2,136	3,258
South Africa	5,157	3,051	3,160	4,293	8,088	5,261	8,700	10,533
India and Ceylon	16,172	9,052	13,984	17,116	19,821	8,257	8,453	10,290
Straits Settlements	2,811	909	1,275	1,815	3,332	1,023	1,480	2,159
Australia	16,926	13,786	16,774	19,402	12,753	4,952	7,456	8,952
New Zealand	16,171	12,278	14,890	17,678	4,390	1,904	3,371	4,472
Canada	10,682	9,918	16,704	20,607	8,592	4,171	6,014	7,575
West Indies	1,681	1,706	2,742	4,079	1,224	1,052	1,066	1,527
Other Possessions	9,718	6,279	9,264	13,589	7,125	4,840	5,972	7,618
TOTAL	91,906	62,382	86,033	107,447	77,236	37,794	49,817	62,135
Excluding the Irish Free State	81,931	58,248	81,114	101,978	68,037	32,738	44,648	56,384

RE-EXPORTS

(000's omitted)

To	1929	1933	1936	1937
	£	£	£	£
U.S.S.R.	626	217	3,548	4,388
Germany	7,070	2,612	1,985	2,391
Netherlands	1,176	516	484	630
Dependencies	35	16	28	23
Belgium	2,767	1,142	1,224	2,288
Dependencies	9	6	4	5
France	5,779	1,849	2,182	2,486
Dependencies	39	28	39	44
United States	4,206	2,930	2,162	2,769
Dependencies	10	3	3	3
Other Foreign Countries	3,170	948	2,364	3,650
Irish Free State	2,433	1,201	1,179	1,404
Other British Countries	3,144	1,113	1,358	1,712
TOTAL	30,464	12,581	16,560	21,793

CHANGES IN BRITISH TRADE WITH CERTAIN COUNTRIES

(Second Quarter 1937, compared with that of 1936)

	All Countries	British Empire	Europe	U.S.A.	Other Countries	9 Primary Producing Countries*	Countries which realigned their Currencies in 1936†
	%	%	%	%	%	%	%
Imports	+25·4	+24·9	+22·4	+17·9	+36·6	+25·4	+38·6
British exports	+27·8	+24·7	+30·4	+32·6	+30·3	+26·7	+43·5

* India, Ceylon, Straits, Australia, New Zealand, Canada, Chile, Brazil, Argentina.
† France and Dependencies, Switzerland, Holland and Dependencies, Italy and Dependencies, Czechoslovakia, Latvia, Turkey and Greece.

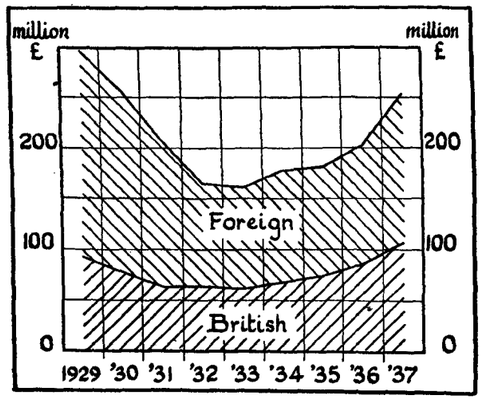
	Germany	Italy*	Spain*	U.S.S.R.	Japan*	China
	%	%	%	%	%	%
Imports	+14·3	†	−21·5	+39·8	+14·8	+16·4
British exports	+23·6	†	−46·8	−45·5	+42·4	+32·2

* Including Dependencies.
† "Sanctions" in 1936. Imports this year show rise from £36,000 to £2,009,000, and British exports from £130,000 to £1,153,000.

in the latest period, but only £19 millions in the earlier. On the export side, non-British countries have been responsible for £16 millions of a total increase of £28 millions in the second quarter of 1937, as compared with that of 1936; between 1933 and 1936 they accounted for only £4 millions of a total rise of £16 millions. Consequently, the Empire's share of our total imports, which rose, between the second quarter of 1933 (on the eve of Ottawa) and of 1936, from 38.8 per cent. to 42.3 per cent., has now fallen by a decimal point, and the Imperial percentage of our exports, after rising from 44.2 to 48.9, has declined to 47.8. In the present phase of trade recovery, obviously factors due to world prices count for more than political preferences.

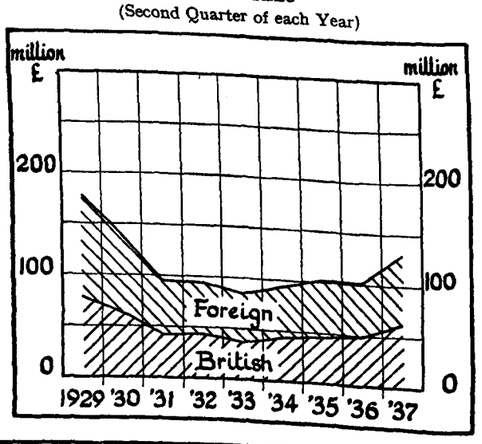
I.—U.K. IMPORTS FROM BRITISH AND FOREIGN COUNTRIES

(Second Quarter of each Year)



II—U.K. EXPORTS TO BRITISH AND FOREIGN COUNTRIES

(Second Quarter of each Year)



A second—and particularly gratifying—feature of latter-day trade revival has been its universality. Our tables show separate figures for 55 States and Dependencies. Only in five instances—Portugal, Spain, Japan's Dependencies, Cuba and Colombia—was there no expansion in sales to this country in the second quarter of 1937, compared with the second quarter of 1936; and only three countries—U.S.S.R., Spain and her Dependencies, and Greece—failed to increase the value of their purchases of British goods this year. The expansion in our *entrepôt* trade has been similarly widespread. Here a rise of nearly 32 per cent., between the second quarter of 1936 and of 1937, has been shared between every important group of countries shown separately in our table.

Analysis of recovery is thus for the most part a psalm of degrees, with interest attaching chiefly to revival's varying pace in different areas. The figures admit of endless re-grouping, but some of the more significant combinations are shown in our final table. The conclusions suggested about the trend of British trade are threefold. First, despite the fact that we are paying higher prices for raw materials from abroad, the percentage rise in our exports is greater than in our imports, outside the British Empire. Secondly, although primary producing countries (including those in the Empire) are buying more from us than in 1936, the greatest percentage rise, both in imports and exports, has been in our trade with countries which devalued, or otherwise realigned their currencies last year. Finally, events and policies which have made news headlines in the last twelve months have mostly been inimical to commerce—witness the serious decline in our trade with Spain, the subnormal increase in trade with Germany, and the fact that we are still buying less from Italy, and selling less to her, than in 1933. By the same token, the outbreak of hostilities between Japan and China, both of which have largely increased their purchases from us this year, cannot but be an unfavourable factor for our trade in the Far East. For the rest, the continued expansion of international commerce seems likely to remain a function, chiefly, of the trend of world prices, and the outlook, accordingly, remains favourable for Great Britain and for other countries.

Dissensions in Prague

TO a world whose wireless news this week is almost all of wars comes news of a less deadly, but in its implications scarcely less important, war in Czechoslovakia. A Press war has broken out in Prague between newspapers representing two main divisions in the Czechoslovak Coalition Government.

The present Czechoslovak Cabinet is a coalition of Czech and Slovak Agrarians, Clericals and Social Democrats, with the support of the " Activist " German groups under the same three titles. Outside its ambit stand the minorities headed by the Henlein Germans (*Sudetendeutsche Partei*), about thirty Communists, and the National Democrats. The Prime Minister is Dr Hodža, a Slovak Agrarian, before the war a Slovak Deputy in the Budapest Parliament; and the Slovak Agrarians are more Liberal than their Czech fellows, who have contrived to secure control of the profitable Wheat Monopoly and of the key Ministries of Agriculture, Defence and the Interior. Accordingly, the once decisive bulk of the great Agrarian Party has gradually tended to split into a moderate Slovak wing, and a more and more Rightward inclined Bohemian and Moravian Agrarian wing; which has rendered Dr Hodža's political position somewhat precarious. In recent months, Bohemian and Moravian Agrarians, with an eye on the now postponed autumn local elections, have made electoral agreements with the Henlein Germans in the German districts. They are also flirting with the extreme National Democrats and Business Party, to the Right of the Government.

At this juncture it is necessary to recall that the Czech Agrarians and their new friends have been opposed to the foreign policy of the old President Masaryk and of his successor and former Foreign Minister, Dr Beneš. For eighteen years the latter have based that policy on collective security under the League of Nations, the French and Little Entente alliances, and —as provided for in the Little Entente's Permanent

Statute—a renunciation of bilateral treaties with other Powers, unless previously discussed with the other two members of the Entente. The Right-wing Agrarians became impressed by the failure of Britain and France to prevent the Fascist Powers from oversetting the League, collective security, the territorial integrity of small Powers, and democracy abroad. Now, Czechoslovakia's foreign policy has traditionally run along the Masaryk-Beneš lines, as opposed to the extreme Right-wing Opposition's, the National-Democrats', policy of exclusive political and economic collaboration with Germany. The appointment of the non-Agrarian Dr Kamil Krofta to the Foreign Ministry in 1935 placed before the Right-wing Agrarians at least one objective whose capture might enable them to effect a revolution in foreign policy and buttress their power. Their campaign in the last twelve months has therefore been dual: to nibble away at the President's and other Coalition Parties' views both on foreign and domestic policy; and to " muscle in on " the protracted Henlein trouble.

The Italo-Jugoslav Pact, hastily concluded by Count Ciano and Dr Stoyadinovitch last Spring without consulting Czechoslovakia and Roumania, strengthened Dr Hodža in his view that a Czech-Austrian-Hungarian agreement, hitched on to the apparently omnipotent Rome-Berlin axis, would be better than the inaction of the passive Western democracies, and the incalculability of the Franco-Soviet and Czecho-Soviet Pacts. But the Czech Agrarians' plan of campaign misfired last month, for it became obvious. Their loss of face among a naturally shrewd and democratic people was so rapid—with the autumn local elections looming up—that they had either to spring a mine or retreat.

The mine was a demand by the Right-wing Agrarian Ministers of Agriculture and the Interior upon the Prime Minister and (non-Agrarian) Finance Minister for higher guaranteed cereal prices under the Grain Monopoly. It did not lead to Dr Hodža's replacement, on which the Czech Agrarians had counted. Instead of being able to side-track Dr Hodža into the Foreign Ministry in a Cabinet of officials, thus achieving both supreme control and a reversal of the Beneš-Krofta foreign policy, they found Dr Hodža entrusted by the President with the task of forming a new Cabinet. He could enlist anyone who would serve under him, including the pro-Beneš Slovak Agrarians. Hastily the Agrarian breach was healed and only the Finance Ministry changed hands.

The Right-wing Czech Agrarians saw the red light; and on August 6th, the Agrarian newspaper *Venkov*, dropped a bombshell on the very Government whose leader is a Slovak Agrarian. It announced, during the absence on holiday of the Foreign Minister, Dr Krofta, that direct negotiations between Berlin and Prague were going on; and that the Czech Government only required, in return for big concessions to the Henlein Party, recognition of the Czechoslovak frontiers by Germany. The sensation in Prague was profound. The newspapers of all the other Coalition Parties than the Right-wing Agrarians at once pointed out that no self-respecting Czech Government, even if it renounced its opposition to bilateral pacts, could treat with a powerful neighbour by asking it merely to confirm what it had freely accorded—indeed, with congratulations—eighteen years before. It could not prefer a Nazi assurance to the whole *corpus* of international law and existing treaties. It could not chaffer the domestic concerns of a free democracy against an uncalled-for recognition of frontiers.

That this bombshell was intended by the Czech Agrarians for the Foreign Minister, Dr Krofta—possibly even for the President—appeared last week when the *Venkov* returned to the charge by declaring that Czechoslovak foreign policy was not the perquisite of one man or even of the Cabinet. By the political explosion thus produced in Prague the Czech Agrarians hoped to force the President, Prime Minister and Dr Krofta either to fall in with their own foreign policy —which would powerfully aid the Czech Agrarians in the Südetenland—or to deny the story, which would make the deniers look as if they scouted *all* ideas of reconciliation with the Henlein Party and with Germany. This plan has also misfired. The non-Agrarian papers have made it clear that all Parties genuinely desire an understanding with both the Henlein Party and Germany.

In these circumstances further political dissension in Prague seems inevitable. The problem of covering the necessary increases in Budgetary expenditure—estimated at Kc. 1,500 millions at least—must be tackled after the holidays; and the present Finance Minister will assuredly place that responsibility before the Government as a whole. The consequent jockeying for position between the Agrarian and other elements of the Coalition will probably lead to a reconstitution of the Government, which can only be another Coalition of many Parties. But, next time, the extreme Right-wing Agrarians may be ousted from power, losing their long and powerful hold on the key-Ministries of Defence, Agriculture and the Interior. A situation has now arisen in domestic Czechoslovak politics, the developments and outcome of which will be followed with the closest attention far beyond the Czechoslovak frontiers.

Notes of the Week

Warclouds over the East.—The-war-in-all-but-name now raging in Shanghai and North China, without any official declaration or rupture of diplomatic relations, is running true to Manchurian, Ethiopian, and Spanish prototypes. The Chinese Government at Nanking apparently did not authorise the devastating Chinese bombing at Shanghai—one bomb killed over 500 people in the International Settlement last Saturday—and the anti-Japanese feelings of the local Chinese commanders, roused to fever pitch by the entrance of a Japanese war fleet into the Hwangpu river and the dictatorial demands of Japanese military leaders and junior officers on the mainland, found explosive expression. Owing to a typhoon, two army divisions from Japan were delayed, and the first was only due at Shanghai on Thursday; meanwhile the Japanese forces round Shanghai have been hard pressed, and those around Peiping have actually suffered sporadic reverses. The conflict has become general all over North China; the Japanese Diet, inflamed with patriotic zeal, have prepared for industrial and military mobilisation; and though the same measures have not yet been carried out in Nanking, the temper of the Chinese can scarcely allow President Marshal Chiang Kai-shek to accept the humiliating terms demanded by the Japanese militarists, involving loss of administrative sovereignty over all North China.

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The British authorities in Shanghai, in close touch with the Americans and French and with full instructions from the British Government, have been trying to get both sides to withdraw their " supplementary " forces to a zone some fifty miles clear of Shanghai; but the temper of the Japanese military authorities was shown by their refusal to renounce the International Settlement as a base for operations against the Chinese, by their military occupation, despite protests, of British buildings there, and by the addition to the Japanese Cabinet of military experts " for the duration." Some nervousness was naturally exhibited in the City of London this week lest the British Government's evacuation of British women and children from Shanghai under fleet protection indicated a disposition tamely to

acquiesce in all Japan could take in North China—for anything between £150 millions and £250 millions of British capital of all kinds is involved in the normally profitable China trade through Shanghai and in the revenues of the Nanking Government, mainly dependent on Shanghai and the Treaty Ports' traffic. The British Government have since categorically announced that they will protect British lives and interests in China by all possible means. Presumably this is more of a warning to Japan than to China; but, after the British attitude to the events of the last six years in North China, the Japanese may be pardoned if they elect to disregard the implied warning. In any case, the Japanese bow is bent, and no evidence is discernible among the non-Chinese Powers to do anything else but make from the shaft. The presence of Italy and Germany among the Treaty Powers consulted by the British authorities may complicate matters; for these associates of Japan in the famous anti-Communist *pacte à trois* of last year will not be able to disavow Japanese designs on China.

* * *

Aerial Manœuvres.—The exercises by the Royal Air Force over a large extent of Southern and Eastern England last week have produced reassuring results. Whether these results will encourage the inhabitants of the great focus of attack, London, depends on the attitude of the public itself to air-raids. First, the defending ground and air forces knew the attack was coming, when and whence it was timed to come, its strength and its duration. The attacking squadrons of fast bombers were intercepted, engaged in battle, picked up by searchlights and anti-aircraft batteries, with more success than hitherto; only about 30 per cent., contrasted with the traditional 70, get through. But, secondly, the main attack was on a fine, clear night; and if 30 per cent. get through in all these circumstances, 50 per cent. could get through on a cloudy night, if their advent were unheralded and continuous from all points of the compass. The attacking force apparently made no use of wireless cross-bearings for locating their objectives, as an enemy would do; nor were they shielded by their own fighters. It is clear that the authorities are not yet decided on a comprehensive policy of defence for big cities against air-raids; we hear less of balloon-barrages now, but whether the R.A.F. will increase the proportion of fighters and interceptors to bombers is open to doubt. Retaliation in kind is still alike the policy of the different national air forces, as it is the bugbear of the inhabitants of Europe's big cities. Finally, recent aerial manœuvres have done nothing to show that the killing of over 500 people in Shanghai by one bomb last Saturday may not be repeated a hundred- or a thousand-fold in Europe—even if only 30 per cent. of bombers get through.

* * *

Aerial Achievements.—Contrasting strangely with the Air Force manœuvres is a whole series of achievements by civil aircraft during recent weeks. The North Atlantic Ocean has been crossed several times and both ways for experimental purposes by the American "Clipper" class of flying-boat and the Imperial Airways "Caledonia" class of the same craft. The average duration of the crossing in either direction has worked out at about 14 hours, despite bad weather, bad visibility and head winds up to 60 m.p.h. Here, wireless directional advice from ground stations on both sides has been invaluable, reinforcing the Maybury Committee's recommendation that the use of this service for all British commercial aviation should be obligatory and under State operation. Again, the British Short-Mayo composite aircraft—a supercharged flying-boat bearing on its back a releasable lighter craft, unable to attain the necessary initial altitude with a full load of petrol and passengers—has made its trial flight successfully. The Russians, however, have captured the imagination of the Western world with their two successive spectacular flights in a single-engined machine from near Moscow, over the North Pole, practically into Western Mexico without a mechanical hitch. A third Russian flight with a multi-engined craft last week-end failed somewhere beyond the Pole, and search-parties are now looking for the crew of seven who, happily, have provisions for six weeks. It is by now well within the bounds of possibility that next summer, long before the most optimistic aerophils would have imagined it possible a year ago, regular air services over the North Atlantic, if not over the roof of the Northern hemisphere itself, will be in operation. New services to South America over the South Atlantic are heralded; and both German and French companies are exploring the possibility of regular services to the United States across the southern route of the North Atlantic via the Azores and West Indies. Girdles are being put round about the earth with a vengeance.

* * *

Death of a Shipmaster.—The death on August 13th of Lord Runciman at the age of ninety was more than the passing of the great father of a well-known son. With him departed something of the character of a bygone hardy age and much of the tradition of his own north country. Ships and shipping have been the mainstay of the north-east coast throughout the short crowded history of industrial Britain; and Lord Runciman's career spanned in time and range the whole development of this great industry. He ran away to sea at the age of twelve, and, still in sailing ships, rose from cabin boy to mate and master. Thirty-seven years old, he left the sea when the triumph of steam was assured, and, turning to ownership, became a Newcastle pioneer of the great epoch of north-eastern shipping and coal. Uncompromisingly a man of his age, his district and his avocation, he became President of the Chamber of Shipping of the United Kingdom and Chairman of the National Liberal Federation. When the War ended, his personal contribution to politics ceased. He turned again to ships, and his companies rode out the storm. In his latter years he was still unchanged: an avowed believer in individual enterprise and courage and a sharp critic of the cult of size and luxury.

* * *

Ubiquitous Submarines.—The Spanish event of the week has been, not the lightning successes of the insurgents against Santander or the lull in fighting elsewhere, but the sudden emergence of a submarine flying General Franco's colours off the Isle of Tenedos at the very mouth of the Dardanelles. There it torpedoed and sank a Spanish Government cargo ship coming from, or bound for, Russia via the Black Sea. This occurrence, 1,500 miles from any insurgent naval base, has caused a pother in French and British Government circles. The insurgents had only two submarines. In recent months these two submarines must have manifested themselves with superhuman ubiquity. They have not ceased from simultaneous fight, all round Spain, all along the North coast of Africa, in the full Mediterranean, and now in the Dodecanese and Greek Archipelago. They are still nominally only two; but their depredations may well make many European Governments pray they never become four or six. The latest incident follows the insurgents' aerial attacks on foreign shipping off Algiers. The British Government have made a further sharp protest to Salamanca over the unsettled "British Corporal" incident, saying they are perfectly satisfied that the aircraft were those of the insurgents, but, as usual, without avail. The not altogether inexplicable access of strength to General Franco's submarine force has compelled the French and British Governments (the latter after a special meeting of five Ministers on Tuesday) to instruct their warships, and, indeed, all armed craft, to use force against any submarines which attack their shipping, with or without warning, on the high seas. This step follows from the refusal hitherto of the two Governments to recognise the insurgents as belligerents capable of instituting

blockades. Clearly, if General Franco and his ubiquitous submarine coadjutors are to wage unrestricted submarine warfare against ships trading with the recognised Spanish Government up and down the Mediterranean without challenge, what is to prevent them torpedoing another "British Corporal," next time in the Mersey or the Channel?

* * *

A second surprise on the international periphery of the European war in Spain came on Thursday, when the Portuguese Government announced its rupture of diplomatic relations with Czechoslovakia because of the latter State's alleged refusal to give export licences to the Czech armaments firm Ceskoslovenska Zbrojovka for the execution of an arms contract with Portugal. The Portuguese *communiqué* says that the Czechs offered obsolete material because the Czech Government would not accept assurances that the arms would in effect be solely used in Portugal. The hitch occurred over a month ago, when the international trouble over the British Compromise Plan had ranged Portugal alongside Germany and Italy. Three things are evident: first, the contract was commercial; secondly, sovereign States have the right to prohibit arms exports even without giving their reasons—as our own has done in the past; and thirdly, the Czech Government have already refused to allow arms to be exported on Mexican account for fear they might get to Valencia or Madrid. Thus the Portuguese Government—as their resuscitation of the rather *passé* German and Italian propaganda about "Soviet aerodromes in Czechoslovakia" shows—have been hard put to it to find any reason for the unprecedented rupture of diplomatic relations. They allege that the Czech Government are "agents of Moscow," trying to prevent Portugal from re-arming, because—this last is an unwisely significant admission—the Portuguese Government are "a sure guarantee against a Communist Iberian peninsula." The dispute, luckily, need not involve the Great Powers, though it is only to be expected that the German and Italian controlled press will launch new broadsides against Russia and her alleged "Central European outpost." But the plain truth seems to be that the Czechs did not feel sure they would not be indirectly aiding one side in Spain. Hence Portugal's discomfiture.

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Aftermath in Iraq.—After the assassination of General Baqir Sidqi, the chief of the General Staff of the Iraq Army, and his colleague Major Ali Jawdat, the Commander-in-Chief of the Iraq Air Force, at Mosul airport last week—which we then briefly recorded—Iraq has obtained a new Government without internal convulsions. The late Baqir Sidqi's nominal Prime Minister, Seyyid Hikmat Suleiman, resigned with his Cabinet on Tuesday, and the new Cabinet is led by Senator Jamil Midfai, who is—perhaps to give him complete control of the Army—also Defence Minister, a post he held in 1934-35. The new Prime Minister now enters on his fourth term of office; he and many of his colleagues are moderates, friendly to Britain, and on that account were forced into retirement by the dead Generalissimo. We trust that this sudden and violent rise and fall of a dictator will be no more than an interlude which will not grievously interfere with Iraq's development. In particular, we trust that there will be no going back upon the rapprochement between Iraq and Turkey, which was the one incontestably good point in Baqir Sidqi's policy; and we also still look forward to some kind of closer union between Iraq and the other Arab States that are emerging out of the former Arab provinces of the Ottoman Empire. Deplorable though these political crimes may be, they should perhaps be looked upon as part of the price for liberation which has to be paid by politically inexperienced peoples. There have been similar chapters in the history of the Balkan States and of the Latin-American Republics in the period of their political adolescence. Iraq, in her turn, may have to go through this stage, but there is no reason to fear that she will not eventually leave it behind her.

* * *

Roosevelt on the Defensive.—The news of the week from Washington has shown President Roosevelt in a less fortunate political position than at any time since he took office. It is becoming clear that the episode of the Supreme Court proposals was a first-class political error. Not only did it result in a resounding defeat for the President, but it has split the Democratic Party wide open, and the dissidents are in full revolt. The President still retains control of a bare majority of his party in the Senate—Senator Barkley, who supports his policies, was elected leader of the party by 38 votes to 37—but his followers are in a minority in the Senate as a whole. As a result, he has lost his power to control the course of legislation, and even the usually docile House of Representatives is beginning to rebel. The wrath of the dissidents was aroused this week by the nomination of Senator Hugo Black of Alabama to fill the vacancy on the Supreme Court. Senator Black's chief qualification for the post is his undeviating support for the President. He is not a great Senator, still less a great judge. Mr Roosevelt doubtless calculated that, by nominating a Senator, he could get a firmer partisan on to the Bench than by nominating somebody who could not claim the benefit of the "courtesy of the Senate" when it came to confirmation of the appointment by that body. In the past, the Senate has made a practice of confirming the appointment of one of its members without debate or question. But on this occasion there was an embittered debate, and though Senator Black was confirmed by 63

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votes to 16, the mere fact that a vote was taken is a severe rebuke to the President.

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The President has been compelled to endure another snub this week. He has surrendered to the Southern section of the Democratic Party on the matter of cotton loans. Until a week ago his position was the logically strong one that he would not authorise loans by the Government on the 1937 cotton crop (which would have the effect of guaranteeing a minimum price to growers) until Congress had enacted legislation for the restriction of production. But this stand was not as strong in politics as in economics, and Mr Roosevelt has given way on the vague promise that Congress will enact some measure dealing with the matter at its next session. A price of 12 cents a pound, which is above the present market price, is now being mentioned as the probable basis of loans. Finally, the Southerners have staged still another successful revolt by holding up the Wages and Hours Bill, which now seems unlikely to pass at this session. The formal ground of their opposition is that the Bill would tend to raise Southern costs of production towards the Northern level and to abolish the present regional advantage, for some industries, of the South. But behind this specific opposition lies the fact that the Southern Democrats are no longer ready to support the New Deal. Thus the Supreme Court proposal appears to have acted as a catalyst in precipitating that division of the Democratic Party into its separate parts, Southern Conservative and Northern Radical, which has long been predicted as inevitable. Mr Roosevelt's task in his remaining three years is to make up his mind whether the breach is, or should be made, too wide to heal. If so, he must try to complete the chemical reaction and find new allies for his Northern Radicals which will produce a strong and stable party for the election of 1940.

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Finance and Government in Canada.—The long promised Royal Commission on the financial relations between the Canadian provinces and the Dominion has been appointed, after months of popular surmise about its personnel and terms of reference. Though its members, who are all Canadians, are neither fiscal nor financial experts, they are, *without exception*, well-known students of public affairs generally. They include Chief Justice Newton Rowell, the chairman, and Mr J. W. Dafoe, of the *Winnipeg Free Press*. The Commission's terms of reference accord with the broad interpretation of the issues that is implicit in the choice of Commissioners. The investigation is to include, naturally, the constitutional division of revenue sources and Governmental burdens, the nature of the taxes collected, the expenditure distributed, the debts incurred and the subsidies paid to the provinces by the Dominion. But the Commission is also required to consider whether the Dominion and Provincial Governments are able "to discharge their responsibilities within the framework of the present allocation of functions and powers, or on the basis of some form of reallocation." In brief, the whole problem of federal-provincial relations may be opened up. The inquiry has been rendered the more urgent by recent decisions of the Privy Council ruling unconstitutional a whole series of Acts concerned with agricultural marketing, unemployment insurance, and labour conditions. It has, at the same time, been made more difficult by the centrifugal tendencies lately displayed, not only by Quebec, the traditional champion of provincial rights, but also by Alberta under Mr Aberhart and by Ontario under Mr Hepburn. Clearly, any endeavour to redraft the constitution of Canada will be faced by determined opposition.

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Ottawa and Alberta.—The Federal Government's disallowance of the recent banking laws passed in Alberta took a good many people by surprise; for the power of disallowance had lately grown rusty. Mr Aberhart was invited to give facilities for the constitutional assay of his legislation by special reference to the Supreme Court of Canada. He refused, though he promised to allow the banks to test it in the ordinary Courts after they had submitted to its terms by applying for licences, and after the Social Credit supervisors had been appointed. The issue, declared the reply from Edmonton, was "universally recognised as financial tyranny *versus* democracy." The Federal Cabinet sniffed at this red herring, but abstained from following the trail. They were unable to accept the offer of eventual reference to the lower courts, which, they said, would not suffice to avoid confusion and disturbance. Tactically, their decision was clearly well-advised. All the evidence suggests that the Alberta Government, doubtful of the validity of the new Acts, hoped to gain nine points of the law by having them in full operation by the time they could be finally ruled unconstitutional. "The law's delay would be of the greatest help," recently wrote one of their unofficial Social Credit advisers. Yet it may in the long run be regretted that Mr Aberhart, instead of being allowed to pose as a martyr on a constitutional scaffold, was not given rope enough to hang himself.

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New Brooms in India.—The first budget proposed by a responsible Indian Provincial Government, which has been presented in Bombay, was also the first presented by a Ministry with Congress members. Its terms are indicative of two main directions of policy, one towards economy and the other towards agricultural aid. Retrenchment is to be achieved in Bombay largely by "super-cuts," but partly by lower Ministerial salaries and official allowances. That India has been paying, as a poor country, far too much for the overheads of Government has been in the past one of the chief complaints of the Congress against British rule. In the more distant future, the Bombay Finance Minister envisaged the public ownership of utilities and progressive taxation on large agricultural incomes. But for the moment the policy of the Ministries under provincial autonomy has revealed itself more in administration than in legislation, and particularly in respect of the release of political prisoners. Amnesties of varying scope have been granted in most provinces, but in Bengal, where the Congress is in Opposition, a motion demanding the immediate release of all *détenus* was defeated by a considerable majority. The Government's policy is progressive release as soon as safety allows. The issue has been complicated by the hunger-strike of 223 prisoners in the Andaman Islands. Though they had all been convicted of violent crimes, their cause has been espoused in the name of nationalism. The Government of India has refused to give way, arguing unanswerably that to do so would be to encourage the belief that similar methods could secure concessions in other prisons, with tragic results when authority had in the end to be reasserted. This argument must appeal to provincial Ministers who are now fully responsible for order, police and prisons.

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The Real British Empire.—The Crown Colonies are the real British Empire. They are mainly administered from London, have no full tariff autonomy, and in recent years have been closely assimilated, economically, to the United Kingdom. Since 1933, Japanese products in particular have been penalised in most of the Colonial Empire (except those African territories covered by international agreements) and all non-British products have been subjected to special disabilities. After 1933, however, when the Empire Marketing Board was abolished as the outcome of the Ottawa Agreements with the Dominions, the Crown Colonies felt the loss of the Board's work most. They felt they had been scurvily treated in comparison with the self-governing Dominions who got everything at Ottawa in 1932 in exchange for giving virtually nothing—indeed, much of what they got can be shown to have been at the expense of some of the Colonies. Now, according to an announcement last Saturday, the United Kingdom Government have set up an autonomous Colonial Empire Marketing Board of about fifteen members drawn from Parliament and business. Its duty will be to promote sales of Colonial Empire products here and overseas; the Colonial Secretary will preside; and it is expected to cost £52,000 in a full year, besides the grants from the Colonial Development Fund for scientific research into Colonial products. The news is welcome; for the multifarious small Colonies export nearly £250 millions' worth of products in a year and, now that world prices of primary commodities have risen, the time is ripe to organise the trade of the Colonies in a more co-ordinated manner, especially on the marketing side. But it will be interesting to see how the new Board tackles the problems of intra-Imperial competition: e.g. British West Indies sugar and United Kingdom beet sugar grown under a levy-subsidy; Colonial fruit, United Kingdom fruit and Dominion fruit; and many other products—like hemp, coffee, metals, tea, etc.—of both the Colonies and Dominions.

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China's Rail Communications.—It may be reassuring for the Nanking Government to reflect, at a time when Peiping has fallen and Shanghai is threatened, that if the worst comes to the worst they can retire, say, to Hankow in the interior and maintain railway communication north and south. It is only a year since a 250-mile gap was filled in and through communication was established with Canton. The importance of this connecting link will be apparent on reference to the map on page 370 of this issue, where it is indicated by a dotted line. Originally, a section of the Hankow-Canton line was laid down to Changsha and beyond, to a distance of about 350 miles south of Hankow. Another section ran north from Canton for about 150 miles. But for over twenty years the centre section was left unfinished, although it had been surveyed. Ultimately the Chinese Ministry of Railways undertook the building of this section and, aided by funds granted by the British Boxer Indemnity Committee, completed the line in July, 1936. The opening was not altogether auspicious; for through traffic was allowed before the permanent way had had time to settle and a series of accidents occurred through subsidence and faulty work. In the autumn the line was taken over by the military authorities for the transport of troops in connection with the suppression of the revolt in the South. To-day, however, the line is reported to be working normally. A journey between Hankow and Canton by rail, ocean and river used to take six days at least, whereas the time taken by direct rail is now less than forty-eight hours.

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Great hopes have been raised by the prospect that produce from the upper reaches of the Yangtse may be conveyed by rail from Hankow to ocean steamers at Hong Kong, instead of by river to Shanghai. At present this is impracticable, owing to pressure from Canton interests which has prevented the construction of a short line round Canton connecting the Canton-Hankow railway with the railway from Canton to Kowloon on the mainland opposite Hong Kong. Apart from commercial advantages, however, the strategic importance of the railway is obvious in existing circumstances. If the Central Government were forced back on Hankow it would, at least, be in close communication, on the one hand, with the Southern provinces and, on the other, with a portion of the territory north of the Yangtse which has not so far been occupied by the Japanese. Japan might not, possibly, have much difficulty in occupying the Southern ports from her various bases in Formosa; she might hesitate to penetrate far inland, where, apart from the Canton-Hankow railway, communications are scanty. Much, however, might depend on the successful defence of the river approaches to Canton. And then the British Government would have to do something about Hong Kong.

Facts About Road Traffic.—There is food for close study in *Basic Road Statistics*, published by the British Road Federation. Seldom have figures of so many facets of road transport been set out side by side. Revenue derived from motorists is calculated to have risen from £37,671,000 in 1929 to £75,406,000 in 1936; while the total contribution of motor taxation to the cost of roads remained steady at just over £21 millions, except in 1934 and 1935, when it rose to over £25 millions. Treasury grants for road maintenance fell from £17,015,275 in 1929 to £12,874,898 in 1936, and gross expenditure on roads (including loans and the proceeds of rates) from £57,130,000 to just over £55 millions. In the same period the number of motor vehicles increased from 2,181,832 to 2,758,346, and the number per mile on all roads rose from 12.2 to 15.5, and on classified roads from 52.9 to 62.9. The index of accidents (1928 = 100) rose from 103.9 in 1929 to 137.1 in 1936, and the total killed and injured from 177,613 in 1929 to 234,374 in 1936. These figures emphasise the conclusion reached in a leading article on page 371 of this issue of *The Economist*. The present position clearly cannot subsist indefinitely. Last month 607 people were killed on the roads of Great Britain, 18 more than in July, 1936, and 23 more than in May of this year, when the previous highest figure was recorded. Injuries number 22,728, also the highest total for any month in 1937. So long as the roads are inadequate to cope with the increasing flood of traffic and so long as the various road-users cannot adapt themselves to an almost impossible situation, so long will the danger to life and limb grow.

* * *

World Wheat Position.—With the approach of autumn in the Northern Hemisphere it becomes possible to form a reasonably accurate idea of the world's wheat position. The season in Canada has been the worst for many years and it is possible that the Dominion crop will be no larger than 160 million bushels, against 229 millions last season. The United States, on the other hand, has a bumper crop, which is estimated to yield approximately 890 million bushels. North American production, plus the carry-over, may therefore be expected to aggregate some 1,180 million bushels. If 755 millions are deducted for home requirements, this would leave a possible total of 425 million bushels for export and carry-over this season. The bulk of these supplies, however, will be concentrated in the United States, where Government policy envisages the ultimate accumulation of a reserve exceeding 200 million bushels. Actual North American exports may therefore be well below the theoretical maximum of 425 millions. Meanwhile, the area sown to wheat in Australia and Argentina is about 10 per

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cent. greater than in 1936, but rainfall has been insufficient and the growing plants are showing signs of deterioration. It is too early to hazard an estimate of Southern Hemisphere production, but weather conditions in Australia and Argentina will be of increasing market importance from now on.

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In Europe, production in Hungary and the Balkans, though smaller than last year, is likely to be well above average, while the requirements of European importers will probably be smaller than last year. There remains, however, the possibility of substantial exports from Russia. This factor has tended to depress the markets during the past fortnight. It has been plausibly argued that the crisis in the Far East may induce Russia to withhold her supplies; but a certain quantity of Russian wheat has, in fact, already reached this country. Altogether, world stocks may possibly increase during the 1937-38 season, but there are too many unknowns in the equation to make any forecast of price trends reliable at this stage.

* * *

Milk Consumption.—Ever since the Milk Marketing Board for England and Wales was established, nearly four years ago, it has been troubled by the problem of a "surplus" of milk, whose dimensions are graphically shown in the chart below. By virtue of the powers conferred by the Agricultural Marketing Acts, the Milk Board has been able to fix prices at a level sufficiently high to render a substantial increase in production profitable in certain areas. But while the trend of production has been steadily rising, consumption of milk has been held in check—despite the general increase in prosperity—by the Board's high-price policy. Consequently, a large proportion of the output (almost 50 per cent. in the period of peak production) has been sold at low prices for conversion into dairy products, which could have been obtained more cheaply abroad. In recent months, it is true, milk consumption has shown a welcome increase. The quantity sold for liquid consumption in July, for instance, exceeded 50 million gallons for the first time, and was some six per cent. above last year's corresponding figure. But this tendency will hardly be encouraged by the decision, taken this week by agreement between the Milk Board and the distributors, to increase the wholesale price of liquid milk during the coming twelve months by 8d. per dozen gallons and the retail price by a corresponding amount. The fundamental anomaly of the milk marketing scheme remains; and our chart shows the latest increase in consumption in proper perspective. While *per capita* consumption in England lags so far behind that of many other countries with a comparable standard of living, the dictators of the milk market can have no grounds for complacency.

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Overseas Trade in July.—Expansion is once more in evidence in the July returns of Britain's overseas trade. Total imports of £85,505,039 were, it is true, slightly lower than in June, when they reached the highest level since December, 1930. But British exports at £47,569,834 were greater than in any month since July, 1930. The trend of re-export trade remained satisfactory. The returns are summarised in the following tables:—

MONTH OF JULY

(000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	61,764	68,735	85,505	+ 16,770	+ 24·4
British exports	36,443	40,086	47,570	+ 7,484	+ 18·7
Re-exports	3,961	5,042	6,803	+ 1,762	+ 34·9
Total exports	40,405	45,128	54,373	+ 9,246	+ 20·5
Excess of imports over exports	21,359	23,607	31,132	+ 7,524	+ 31·9
Transhipments under bond	2,015	2,486	2,629	+ 143	+ 5·8

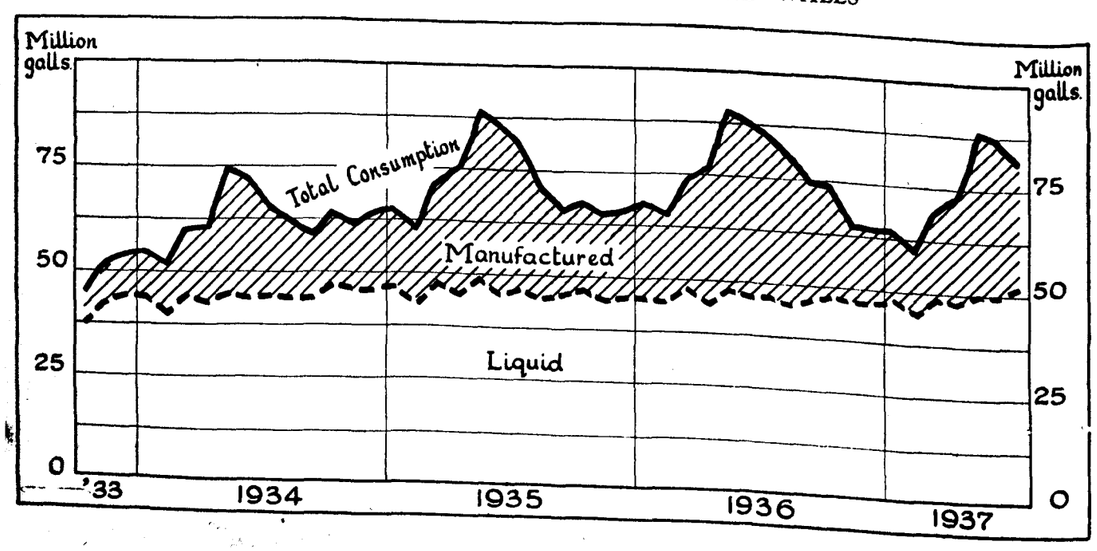
FIRST SEVEN MONTHS

(000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	420,442	471,044	568,338	+ 97,294	+ 20·6
British exports	242,874	247,986	298,900	+ 50,933	+ 20·5
Re-exports	32,588	37,442	47,346	+ 9,904	+ 26·4
Total exports	275,462	285,408	346,246	+ 60,837	+ 21·3
Excess of imports over exports	144,980	185,636	222,092	+ 36,457	+ 19·6
Transhipments under bond	13,784	15,242	21,585	+ 6,343	+ 41·6

Practically all classes of imports showed an increase compared with July, 1936, the most substantial advances being made by non-ferrous metals and manufactures (108 per cent.), grain and flour (49 per cent.) and wood and timber (45 per cent.). Among British exports, manufactured goods still lead the field, though the increase in coal shipments last month (37 per cent. compared with a year ago) is most encouraging. Part of the rise in the value of our overseas trade must be discounted in view of the rise in prices. This applies particularly to imports, though the extent to which exports are being affected by the same factor is increasing.

MILK CONSUMPTION IN ENGLAND AND WALES



Trade by Commodities.—The following tables show quantitative changes in the main items of imports and exports during the last three years:—

RETAINED IMPORTS

Month of July

Items and Measure	1935	1936	1937
Wheat '000 cwts.	8,401	8,542	8,215
Beef and veal '000 cwts.	1,333	1,327	1,355
Mutton and lamb '000 cwts.	636	560	465
Sugar, unrefined '000 cwts.	4,099	3,464	2,924
Iron ore and scrap '000 tons	469	616	668
Raw cotton '000 centals	701	1,295	779
Sheep's and lambs' wool ... '000 centals	420	173	259
Flax, hemp and jute tons	18,124	11,406	15,407
Crude petroleum '000 galls.	33,179	45,509	64,700
Hides, wet and dry '000 cwts.	133	120	142
Wood pulp '000 tons	190	209	152
Rubber '000 centals	212	– 17	238
Unwrought copper tons	21,594	26,102	38,925
Pig lead tons	19,876	29,270	30,961
Tin: ore and concentrates tons	4,175	4,542	2,528
Tin: blocks, ingots, slabs and bars...tons	618	223	787
Iron and steel manufactures ... '000 tons	90	170	201
Machinery tons	6,121	8,738	13,949

The principal increase compared with a year ago occurred in metals and iron and steel materials. Canada and Northern Rhodesia supplied the major part of our unwrought copper imports, and Canada and Australia were together responsible for 70 per cent. of our imports of pig lead. Crude petroleum imports, which fell to a low level in June, recovered last month as a result of heavy shipments from Iraq. Imports of machinery continued on a large scale, our main sources of supply being the United States and Germany.

BRITISH EXPORTS

Month of July

Items and Measure	1935	1936	1937
Coal '000 tons	3,679	3,360	4,131
Iron and steel scrap tons	11,894	12,866	11,899
Pig iron and ferro-alloys tons	12,930	12,813	12,462
Railway materials tons	21,755	31,306	26,550
Total iron and steel manufactures ... tons	199,274	216,129	232,171
Textile machinery tons	5,621	5,310	6,397
Total machinery tons	34,813	37,100	38,772
Cotton yarns '000 lbs.	11,935	13,305	13,421
Cotton piece-goods '000 sq. yds.	170,188	176,125	176,970
Wool tops '000 lbs.	3,987	3,730	3,075
Worsted yarns '000 lbs.	2,909	2,465	2,308
Woollen tissues '000 sq. yds.	6,477	7,882	7,881
Worsted tissues '000 sq. yds.	4,107	4,727	4,480
Linen piece-goods '000 sq. yds.	5,550	7,049	6,164
Leather boots and shoes doz. pairs	28,598	30,367	37,108
Leather cwts.	20,210	21,214	23,738
Paper and cardboard cwts.	331,130	393,126	382,089
Locomotives, complete and parts ... tons	1,422	2,163	1,431
Motor vehicles and chassis tons	5,213	7,752	9,414

A welcome increase was shown last month in coal exports. Italian demand has now almost regained its 1935 level. Scandinavian purchases also show considerable improvement. Increased supplies of iron and steel products were taken by Argentina, China and the Netherlands. Exports of textiles were maintained at about the level of a year ago.

* * *

Corn Crops in Britain.—The latest monthly report of the Ministry of Agriculture contains provisional estimates of the yield of the principal British corn crops, based on the condition of the crops on August 1st. July brought thunderstorms and an absence of sunshine, and the yield per acre of wheat, barley and oats may well be below average and rather smaller than in 1936. In the case of wheat, increased acreage is sufficient to raise the probable outturn above last year's level, but production of barley and oats is expected to fall short of the 1936 figures. The estimates are as follows:—

	Acreage '000 acres		Production '000 tons	
	1936	1937	1936	1937
Wheat	1,704	1,731	1,378	1,385
Barley	819	823	663	588
Oats	1,420	1,222	1,080	898

The condition of the corn crops is variable, but the need of more sunshine is general. Dull and unsettled weather made haymaking more protracted than usual, but the condition of the crop is satisfactory and the yield is estimated to be above normal. Meanwhile, early potatoes have lifted well and promise an average yield. The main crop, which is also expected to give an average yield, has made good growth and is generally free from disease. Root crops, on the whole, look healthy and vigorous, but hop bines need more sun and rain to promote growth. Generally, the weather this season has not been too kind to the British farmer; but any deficiency in yield is likely to be counterbalanced by an improvement in prices compared with last year.

* * *

Activity in Iron and Steel.—Mainly in consequence of Scottish holidays, the output of crude steel in July was rather smaller than in June; production, nevertheless, again exceeded 1,000,000 tons. Pig iron output again increased, the month's total being the highest since September, 1920, when 741,000 tons were produced. Production of hematite pig iron showed a notable expansion, owing to several furnaces being transferred from the smelting of basic iron. At the end of last month the total number of furnaces in blast was 126, the same as at the end of June. The latest production figures, issued by the Iron and Steel Federation, together with overseas trade statistics, are shown in the following table:—

(In thousands of tons)

Period	Production		Foreign Trade	
	Pig Iron	Steel Ingots and Castings	Total Imports	British Exports
1913—Monthly Average	855·0	638·6	185·9	414·1
1929 " "	632·4	803·0	235·2	364·9
1932 " "	297·8	438·5	132·7	157·4
1936 " "	640·5	974·8	123·6	183·8
1936—June	644·1	965·9	110·6	173·5
" July	665·6	974·1	170·3	216·1
" August	635·8	872·7	141·8	164·0
" September	650·8	1,027·0	165·0	183·0
" October	670·3	1,060·5	101·0	194·4
" November	643·1	1,001·3	90·7	193·3
" December	671·4	1,019·2	94·8	204·8
1937—January	650·7	998·9	83·1	215·0
" February	603·7	995·9	82·9	200·5
" March	680·3	1,109·5	94·3	231·6
" April	680·7	1,080·4	88·5	239·5
" May	696·3	1,047·3	98·1	228·3
" June	699·3	1,106·4	174·8	235·4
" July	729·3	1,059·2	202·3	232·2

A feature of the past month was the further expansion of imports—principally of pig iron from India and the United States. Imports of steel billets, blooms and slabs, however, were well below last year's corresponding figure, the reduction being mainly in shipments from Germany and Belgium. Exports were rather lower than in June, but remained above the level of a year ago. Sales to China, Argentina and the Netherlands were much larger than in July, 1936, but South Africa, Canada and British India took rather smaller quantities. Meanwhile, new business in iron and steel is still hampered by the inability of manufacturers to accept orders for near delivery.

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Business Activity Maintained.—The overseas trade returns and the iron and steel production figures, discussed elsewhere in this issue, show that business activity was maintained on a high level last month. Apart from holiday stoppages, there has been no subsequent slackening, and the tenor of this week's news is encouraging. The cotton textile industry has received increased inquiries for its products, owing to the improved tone of the raw cotton markets. Business with China has, unfortunately, been interrupted by the crisis in the Far East, but manufacturers generally are hard at work keeping up to contract time with their deliveries; in view of the decline in prices since current contracts were placed, cancellation is likely if deliveries are behindhand. In the neighbouring county of Yorkshire, all the Bradford mills have been idle in consequence of local holidays, but woollen and worsted manufacturers are looking forward to a busy period after the resumption. Iron and steel production in the Middlesbrough and Stockton areas has also been interrupted by holidays. New business in the meantime is still limited by the difficulty of securing early delivery, but the stringent supply position has been partially alleviated by the increased volume of imports. In consequence of the active conditions ruling throughout British industry, demand for coal remains well above the seasonal normal. Though household demand is negligible, all industrial grades of coal and coke are in eager request. A shortage of certain qualities is being experienced in Yorkshire, where some 5,000 miners are unemployed as a result of continued strikes among the haulage hands. The possibility of a general shortage of industrial fuel this autumn is being canvassed in certain areas.

* * *

London Housing Statistics.—Throughout the building boom the monthly figures of approved building plans published by the Ministry of Labour have been used, *faute de mieux*, as an index of prospective activity in the trade, though they are based on returns of only 142 local authorities. The London County Council area was excluded owing to the provisions of the London Building Act and the consequent independent existence of the district surveyors. Much of the rural area which is now receiving short shrift at the hands of the builder is also excluded. Information recently published by the London County Council emphasises the important part which the London figures ought to play in any complete index. As many as 683,916 of the 3,328,398 houses built in England and Wales in the seventeen years since 1919 have been in Greater London. Altogether, some 12·2 per cent. of the total State-assisted and 26·7 per cent. of the non-assisted house-building has fallen within this metropolitan area, which holds 21 per cent. of the population of England and Wales. The London building figures show little sign of falling-off; the 1936 figure of 78,838 houses and flats actually exceeds the 1935 total and almost equals the record total of 80,612 in 1934. Although in 1936 the number of houses erected by private enterprise was slightly lower than in 1935, at 67,704 against 68,015, this decline was more than offset by municipal building, which was responsible for the erection of 11,134 houses and flats, against 7,662 in 1935.

* * *

Prospects for 1937 are bright. Among the municipal builders, the London County Council is predominant, for its operations account for nearly 70 per cent. of the total. Its programme for the current year envisages an increase of several thousand houses over the record figure of last year. Results of private building activity are more difficult to forecast. Actually, in 1936, some 56,864 houses were built in Outer London, mostly for sale; while of the 10,840 built in the County of London area, as many as 6,963 (against 3,588 in 1935) were middle-class flats. The rapid rise in the provision of these flats may not yet have exhausted its impetus. The problems of town-planning and transport experts [illegible] still being accentuated, rather than brought nearer solution. Incidentally, the London County Council now has an annual income of £2,921,615 from rent paid by the 354,234 persons whom it houses.

* * *

Difficulties of the Poultry Industry.—Much has been heard recently of the plight of the British poultry keeper. The industry claims that the sharp rise in feeding costs and the competition of imported eggs and egg products have made home production unremunerative. It is consequently seeking Government assistance. Almost twelve months ago an application was made to the Import Duties Advisory Committee for increased import duties on shell eggs—the present duties range from 1s. to 1s. 9d. per great hundred. Ultimately it is hoped to secure the quantitative regulation of imports together with financial assistance from the Exchequer. A private member's Bill was introduced some few weeks before the adjournment of Parliament, to amend the Agricultural Marketing Acts to permit the imposition of import quotas, even though no egg marketing scheme is in being. Before these price-raising expedients are adopted, however, it would be well for responsible leaders of the industry to consider whether the proposed remedies are in fact appropriate.

* * *

It is true that feeding costs are perhaps 30 per cent. higher than a year ago. But the price of English eggs has shown a considerable advance during the same period. In view of the reduction in total supplies, this firmer price tendency seems likely to continue; and any further levering up of prices by artificial means would damage the industry's long-term interests by curtailing demand. A more promising line of approach would be for the Government to offer some incentive to improved general efficiency. In an industry which comprises half-a-million heterogeneous producers, generalisations may be dangerous. But the vitality of the laying flocks was undoubtedly impaired during the period of rapid expansion through which the industry has recently passed. According to the National Poultry Council mortality is now three times as high as it was ten years ago. The effort to maximise both the yield and the size of the eggs; the failure properly to "cull" the flocks; and the practice of breeding from pullets have all contributed to the industry's present troubles.

* * *

Road Transport in Northern Ireland.—The Northern Ireland Road Transport Board was set up on October 1, 1935, to acquire all public road motor transport in Northern Ireland, except the undertakings of the Belfast Corporation and certain local carriers in Belfast and Londonderry. On the first of this month the Board completed its absorption of all the goods haulage concerns. The last batch of undertakings to be taken over comprised 93 haulage companies, mainly "one-man" concerns. In all, nearly 1,700 goods vehicles have been absorbed by the Board. The passenger undertakings were already completely absorbed by the beginning of 1936, and the Board is at present running some 500 buses in place of the 700 which were acquired. It is anticipated that, when reorganisation has been completed, the work of the 1,700 goods vehicles which have been taken over may be eventually carried out by as few as 500 vehicles. Much criticism has in the meantime been heard from local trading associations and business men of increases in fares and rates made by the Board. Some, however, of the earlier rates were admittedly uneconomic. The Board is the first large-scale British experiment in transport co-ordination outside London, and its fortunes will be followed with widespread interest. The Board is a statutory undertaking which has definite arrangements for co-ordination with the railways. Subject to a few restrictions at holiday times, return halves of tickets are available, for example, by either road or rail. At least one of the three railway companies operating in Northern Ireland issues bus time-tables side by side with its own. Finally, provision is made for pooling traffic revenues of the Board and the railways.

Overseas Correspondence

From Our Special Correspondents

United States

Planning and Budget Policy

New York, August 10.—Probably the most telling point which the critics of national planning ideology in this country have is the frequency of disparity between plans and the results which the planners produce. And this point is particularly well made on governmental finance. The charge that "planning" merely means "spending" looks increasingly well founded when the budget is examined.

When Mr Roosevelt campaigned for his first term in 1932, one of the strongest charges he made against the incumbent Hoover Administration was that of profligacy. The deficit in the fiscal year ended June 30, 1931, had approached $1,000 million, including sinking fund, and for the fiscal year 1932 it reached $3,148 millions. In the months just after Mr Roosevelt took office on March 4, 1933, some substantial reductions were made in government outlays, with the result that the deficit for the fiscal year 1933 was slightly reduced to $3,063 millions despite the many new activities promptly undertaken by the new Administration.

Then, sometime during the fiscal year 1934, a different conception of Government finance came to be accepted in Washington (and to a considerable extent elsewhere). The new conception was that of a "cyclical" budget, a budget to be balanced over the business cycle rather than annually. While various persons explained their espousal of the idea on different grounds, it was, and is, intimately involved with many of the meanings of planning. And most of the points advanced in its favour were, and are, plausible.

To some, the merit of the idea is that an unbalanced budget in a depression prevents a damaging deflation of the supply of money, or constitutes the machinery for "reflation" of the money supply if undue shrinkage has occurred. To others, who think less in monetary terms, the explanation is "pump priming," i.e., the activation of private industry through the stimulus of governmental expenditure, with the confidence that once industry is given this stimulus it will continue of its own momentum. Others comprehend the purpose to be the maintenance or revival of the private income stream and velocity until private business can proceed on its own power. Still others justify the excess of outgo over income if assets, subsequently to be liquidated to repay the debt incurred, are acquired. And some view the process as a necessary expenditure of national capital for relief purposes, the capital to be replaced as soon as emergency has passed.

These concepts all have one point in common. As soon as recovery occurs, the debt incurred by these deficits is to be reduced. To all this is a necessity of prudent finance, and to many it has the additional merit of putting a brake on or against the development of a boom through restriction of the growth of the money supply, through the restriction of consumption by the amount saved through debt retirement, or otherwise.

Theory and Practice

The emergence of the cyclical budget concept during the fiscal year 1934 therefore was, and continues to be, well rationalised. If some were sceptical that the spring of perpetual prosperity had been found by a latter-day Ponce de Leon, the only strong objectors were the bankers, but they were anathema after the revelations of 1931-33 and were ignored. And if some politicians privately felt that an excellent job of stream-lining the pork-barrel had been done, they did not object. And so the era of deficits has proceeded with $3,989 millions in the fiscal year 1934, $3,575 millions in 1935, $4,764 millions in 1936, and $2,811 millions in 1937, all inclusive of sinking fund. And the national conscience has, on the whole, been easy.

Now, however, some concern is beginning to be felt. Business, if it is not booming, has at least recovered and is at a level of some prosperity. For the calendar year thus far the average of the business indices has been about the same as in 1928 and 1929. The supply of money is moderately above that reached at the peak of the last cycle. Business has been activated, and appears to have some momentum of its own. The national income for last year was estimated at $63,000 millions, and is already being forecast at $70,000 millions or better for this year, as against a little more than $80,000 millions for 1929. The figures are even closer if adjustment is made for the lower price level now prevailing. While the relief rolls still contain some millions of individuals (the number, of course, remaining in dispute as well as the necessity) an emergency hardly exists, and relief, it can be argued, should be paid from current income at present levels. And the assets acquired to cover the debt incurred in earlier years are being liquidated on a considerable scale, and the proceeds are being used, not for debt retirement, but for additional expenditures. The question is arising with growing emphasis as to when the cyclical budget is to be balanced, a process which obviously requires not merely equality between income and outgo, but as well the retirement of previously incurred indebtedness.

The Budgetary Position To-day

The latest revised official budget estimate for the fiscal year to June 30, 1938, forecasts a deficit, exclusive of sinking fund, of $418 millions. The revenue estimates made last December had to be revised downward during the spring, and there are still considerable doubts that the existing tax rates will bring in as much as the revised figure. The deficit for July, the first month of the fiscal year, was $249 millions exclusive of sinking fund, as compared with $123 millions in July, 1936.

Two qualifications, or explanations, should be made about the present figures. First, in July this year, the liquidation of assets provided only $2 millions, as compared with $216 millions in July, 1936; since proceeds from this source are treated as a credit against expenditures, the deficit in July, 1937, stands at $251 millions, as compared with $338 millions for July, 1936, if these are eliminated. But this merely emphasises the fact that previously acquired assets are being liquidated and used, not to reduce the debt, but to cover new expenditures. Secondly, while an accounting deficit is contemplated for this fiscal year, a cash surplus will result because a large volume of trust funds is accumulating for investment. But, to some extent, this is to argue that the reserves for future liabilities are current income. A final fact might be added: currently considered or expected supplementary appropriations for such items as housing may add items of expenditure for this fiscal year not contemplated in the latest budget estimates. Cyclical budgeting threatens to become permanent deficiteering.

France

Nearing the Last Decrees

Paris, August 19.—As the 31st August marks the term fixed by Parliament for the procedure of the decrees, one or several councils of ministers will be held previously in order to take the measures which have been foreshadowed for the reorganisation of the railways, the revival of the economic activity and the balancing of the 1938 Budget.

Meanwhile, public opinion and the Stock Exchange are showing the greatest calm. The latest quotations have been affected by the Chinese conflict, but Government issues have been stable despite the heavy tone of industrial shares. The Fund for the support of the rentes has had an opportunity to prove its efficiency.

In a recent speech, M. Chautemps remarked with satisfaction on the appearance of a real " appeasement " in the country. The word is not exaggerated. Workers are enjoying their second paid holidays, and this innovation, which is accompanied by great facilities on the railways, constitutes a veritable revolution in the life of many. The efforts of the French Cabinet for financial recovery have been accompanied in a few weeks by a rise in the rentes of 15 points, and this is felt to be equally satisfactory by another part of the nation. Finally, M. Chautemps announced new measures to encourage a greater activity and productivity in industry. And it is known that negotiations have begun between the representatives of the employers' and workers' organisations with the approbation of a great portion of their respective troops. A new spirit is apparent in the social negotiations. Thus the taxi drivers have protested against an excessive increase of their tariffs; the workers of the Port of Dunkerque protested on the same lines against an excessive rise of the duties; and the miners proposed on their own initiative new qualifications to the 40-hour week, allowing extra work on four days in order to increase production and diminish the passive balance of trade. The Government's struggle against the rise of prices is thus being assisted by important groups of the community.

Put briefly, the political situation to-day is as follows: The first decrees which followed the fall of the Blum Cabinet and the immense prosperity of the tourist industry have provided an indispensable breathing-space in which a more fundamental reconstruction may be attempted. Such a reconstruction already has the support of a few capitalists who are equally alarmed by the restrictions on free enterprise and the small returns on capital, but it might be hindered by political events. It seems that the Left extremists are making great efforts to obtain new successes in the October elections to the Senate. But it appears also that public opinion is very disturbed by the rise of prices and by some of the more severe obstacles placed in the way of industry, and especially of the smaller industrialists, by the new social legislation. This opinion may support the resistance to further immediate legislative activity of the Radical-Socialists and of certain Socialists under the guidance of a Prime Minister who is famous for his electoral skill. The formation of the Chautemps Cabinet appears more and more like a first attempt by Parliament and Liberal opinion to assert themselves against the tendency towards autarchy.

The results so far obtained by M. Bonnet are little by little bringing this Cabinet new support from the Left and the Right. And now that M. Chautemps, though in obscure terms, has warned his possible opponents from the Left that the participation of the Radical-Socialists might be refused if the present Cabinet were overthrown, better hopes are entertained for the probable longevity of the present Cabinet.

Prices and Production

In the motor industry, 17,011 automobiles were put on the road in June, 1937, against 15,206 in May and 15,483 in April. Unemployment on August 7th was 312,473, against 313,533 on July 31st, and 421,736 in the corresponding week of 1936. The figure of bankruptcies in July is 548, compared with 576 in June and 545 in May, 1937. Bankruptcies and judicial liquidations were 711, against 757 in June and 744 in May.

The Statistique Générale has just published its monthly indices of industrial production in France (1913 = 100):

	June, 1936	April, 1937	May, 1937	June, 1937
General index	98	105	104	102
Engineering	101	118	118	117
Iron and steel	78	104	105	106
Textiles	60	69	66	65
Mines (Adjusted figures)	94	103	98	95
Building " "	66	62	61	58
Leather " "	108	101	101	98
Paper " "	166	144	141	143
Rubber " "	970	781	801	833
Motors " "	425	459	423	433

The figures for prices in July are also now available:—

	July, 1936	May, 1937	June, 1937	July, 1937
Wholesale prices (1914 = 100):				
General index	383	529	537	579
Domestic products	427	552	565	584
Imported products	304	486	488	570
Foodstuffs	415	515	529	555
Industrial products	356	541	545	601
Retail prices (1914 = 100)	461	586	590	600
Lighting and heating (1930 = 100)	84·4	93·4	100·2	100·2
Clothing (1930 = 100)	57·6	93·7	93·7	93·7

If compared with June, prices in July—a month after the last devaluation—show an increase of 4 per cent. to 7 per cent. for wholesale prices and 1 per cent. to 2 per cent. in retail prices. If compared with July, 1936, the rises are respectively 48 per cent. and 30 per cent. The increase of wholesale prices between June and July is notably larger in the case of imported products, at 16 per cent., than for domestic products at 3 per cent. The rise of retail prices over the last year is 26 per cent. for foodstuffs (excluding fruit or vegetables), 18 per cent. for heating and lighting, 61 per cent. for clothing, and 33 per cent. for furniture. The cost of living index was 581 for the first quarter of 1937 (1914 = 100) and 606 for the second, as against 497 for the second quarter of 1936.

Nevertheless, the effects, particularly on retail prices and the cost of living, of the social laws, of the rise of world prices and the two devaluations do not yet appear to have reached their maximum. The likelihood of an increase in the price of wheat and the seasonal rise in the prices of several foodstuffs in the autumn may well create new difficulties to the Government at the end of the year.

Germany

New Reich Loan

Berlin, August 17.—A Reich Loan of Rm. 700 millions, to be used for the consolidation of re-armament and work-creation short-term debt, was announced to-day. This is the third Reich loan of the year, the two former totalling Rm. 1½ milliards. The interest rate is, as before, 4½ per cent., the price to subscribers 98¾ per cent., and the form, as customary, Reich Treasury bonds. The bonds have an average life of twelve years, one-sixth of the debt being repayable in each year 1947 to 1952. Rm. 100 millions of the total has already been placed; the remaining Rm. 600 millions will be marketed by a syndicate under the leadership of the Reichsbank. Subscription will be between August 25th and September 9th; payment in instalments between September 21st and November 5th. This loan was expected; but the announcement came rather earlier than was anticipated. The present condition of the money market is considered favourable, the recent slight tightness and the accompanying smallness of credit repayments to the Reichsbank in the first fortnight of August being attributed to the demand for money for the quarterly property and citizens taxes. The loan will bring the total sum consolidated since the beginning of 1935 to some Rm. 6,500 millions, this including Rm. 500 millions issued by the Reich Railways Corporation.

The Technique of Price Control

A decree by General Göring as Commissioner for the Four-Year Plan and an executive ordinance by the Reich Prices Commissar introduce important changes into the price regulation of imported goods. The " stop price " regulations of last winter, which professed to establish absolute stability, were not applied without qualification to imported goods. The first seller at home was allowed to charge not only the varying, and in general rising, foreign price paid, but also his own expenses and his profit in the form of percentages of this varying foreign price. Henceforth these two supplements will be independent of the price paid to abroad, and will as a rule be fixed. They will be the " economically justified expenses and profit supplements," and will not in general exceed the expenses and profits charged in 1936. The aim is to limit the rise in internal prices of imported goods to the absolute increase in world market prices. The Supervision Boards, already existing for the regulation of raw materials, will administer this system. They are given power to depart from the principles above described. An important change in the opposite direction is that the " replacement price," i.e. the price which will pay for a new import of equivalent quantity, may be charged instead of the price actually paid to abroad. This, however, is to apply only to goods dealt in on commodity exchanges and therefore having a determinate world market price. So long as the price that might be charged at home could not exceed that paid to abroad, plus expenses and a reasonable profit, an importer risked the gradual loss of his capital if world market price rose. Imported coal is outside this system, its price being fixed by the Reich Commissary.

Growing Shortage of Labour

The labour shortage continues to cause trouble. The number of unemployed in July sank to 563,000 (86,000 fewer than in June), as against 1,170,000 in July, 1936. The shortage is no longer confined to skilled workers. Of the 182,000 registered unskilled unemployed in July only 94,000 were employable in full sense. The shortage of skilled workers in several branches seems to have increased. Consequently questions have been raised involving Party principles, including that of wages, and therefore to some extent of price stability and also the question of the employment of women in industry, to which the Party was always inimical. A general or permanent labour shortage seems to be (at least in peace time) an economic anomaly. A complaint that a country has not enough workers is virtually equivalent to a complaint that it has not a larger population.

But though Germany is at peace, the vast Reich public works and armaments schemes have produced something like war conditions. The re-employment of women in industry is disapproved of by the President of the Reich Unemployment Board, who sees the solution in technical improvement and mechanisation, which would replace human hands by machinery. But already, though some 700,000 women were removed from industry by grants of marriage loans, 1,200,000 more women are working in the various Social-Insurance occupations than in 1933. This development, as a semi-official journal says, " is not favourably regarded " by the Government, which sees itself " compelled to surrender a part of the success which it had attained in its struggle against female work in industry." But " the pressure of economic necessity " has compelled the Government to accept the development, and even to encourage it by abandoning the former condition that marriage loans should be dependent on the retirement of women from industrial employment. In the first years of National-Socialist administration, when unemployment was still heavy, the Government was not only against the employment of women, but also against excessive " mechanisation "; and both these prejudices were proclaimed to be principles. To-day there are no principles, but only " economic necessities." The wages question has become very difficult. The right to " individualise " wage rates, which, despite the veto on increases of the general (collective-agreement) wage, was conceded to business, is now so much used in order to entice and retain workmen, that the whole system of wage-stability is threatened. An undertaking with its books full of urgent Government orders can easily afford to pay higher wages, the extra cost of which is counter-balanced by savings derived from the full utilisation of plant and the reduced incidence of fixed charges. In authoritative utterances it is declared that the high so-called " enticement wages " now being paid will drive up the general price-level, which is against official policy; and further that they will benefit a limited number of concerns at the expense of others. The apparent anomaly of a shortage of labour therefore involves practical questions that may be difficult to solve.

The Four-Year Plan at Work

In a speech at the opening of the Königsberg Eastern Fair, Herr Funk, the Secretary of State, attacked the criticism of the Four-Year Plan by " an international clique which never tires, and which spares no cost, in inciting the nations against National-Socialist Germany." Herr Funk denied that the Plan is aimed against international commerce. In fact, foreign criticism of the Plan is very often unreasonable and one-sided. The Plan is only, in an extreme form, the same autarky which most other nations, including the British, pursue. Soviet Russia, which is much better off than Germany from the viewpoint of self-sufficiency, had begun to produce synthetic rubber and to force cotton and copper production before Germany. The Four-Year Plan works are now proceeding actively. The Reich Railways Corporation mentions the carriage of heavy materials for the Plan as a reason why freight traffic has greatly increased. The shortage of materials has affected house building. In the first quarter-year the number of permits for the construction of dwelling-houses declined 23 per cent. below the corresponding 1936 level; but permits to construct non-dwelling buildings increased in cubic dimensions 22½ per cent. The number of new dwellings completed in 1936 was 332,370, of which 15 per cent., however, represented divisions-up of large flats, as against 263,810 and 19.2 per cent. respectively for 1935. The number of new dwellings was about twice as high as in 1932; and the new non-dwelling buildings increased in the same proportion. New dwelling construction now just about keeps pace with the increase in the number of households; but the existing deficit of 1,500,000 dwellings has still to be made good. Pig-iron output in July was 1,345,500 tons, as against 1,304,200 tons in June. Coal exports have greatly increased, totalling 18,962,000 tons in the first half-year, against 13,569,000 tons in the same half of 1936; while coke exports were 4,478,000 tons, against 3,297,000 tons. The export of coal briquets and lignite briquets has also risen. Coal imports were almost stable, being 2,217,000 tons, against 2,188,000 tons, and coke imports declined. The balance of payments for coal (including coke, briquets and lignite) was: 1937, first half-year, exports

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Rm. 275,398,000, imports Rm. 42,057,000, as against Rm. 179,482,000 and Rm. 42,884,000 respectively in 1936; active balance Rm. 233,341,000, as against Rm. 136,598,000. The average export price (not counting subsidy) is stated to have risen only from Rm. 10.09 to Rm. 10.28 per ton. Imports of British coal are given as 1,595,000 tons.

Sweden

Business Active

Stockholm, August 5.—Business activity in June and July continued its upward trend, and reports from the principal branches of industry were favourable. Following a larger supply of timber from Canada and from Balkan countries, demand for Swedish wooden goods has lately shown a slight decline. Yet the situation is viewed with calm by the Swedish timber exporters, and an increased demand is expected in early autumn, when stocks will be used up in the main timber importing countries. On July 15th about 700,000 standards of wooden goods, corresponding to 80 per cent. of the current year's production, were sold.

The situation on the pulp market is also satisfactory, and the entire sulphate pulp output of the current year, as well as most of the sulphite pulp output, has been placed. Of the 1938 output, about 80 per cent. of the sulphate and sulphite pulp production has been disposed of. Iron works report a slight reaction in output due partly to the summer holidays of their workers. Foreign demand for Swedish iron and steel has not, however, diminished, and prices remain firm.

Foreign trade continues to expand, and the value of imports during the first six months of the current year showed an increase of about 31 per cent. over the corresponding period of 1936, compared with an increase of 28 per cent. in the value of exports. Figures for Sweden's foreign trade, and for trade with Great Britain, are shown in the following table:—

Foreign Trade
(In million kronor)

	1936 January–June	1937 January–June
Imports	755·6	998·8
Exports	657·6	840·7
Import surplus	98·0	158·1

Trade with the United Kingdom
(In million kronor)

	1936 January–May	1937 January–May
Exports to U.K.	126·5	145·2
Imports from U.K.	116·4	146·1

Of exports to Great Britain valued at Kr. 145.2 millions, goods consumed there amounted to Kr. 134 millions, and the balance represents goods in transit. Of the latter, by far the largest items are pulp and paper, valued at Kr. 44.6 millions, followed by timber to the value of Kr. 24.8 millions, and iron and steel products to the value of Kr. 17.3 millions. Of the goods imported from U.K., valued at Kr. 146.1 millions, goods produced in Great Britain represent Kr. 101.2 millions. The largest items were textiles to the value of Kr. 33.7 millions, and coal and coke valued at Kr. 22.7 millions.

Prices and the Sterling Rate

Prices, which during the first five months of the current year had shown a gradual rise, became steady in June under the influence of the international decline in commodity prices. At the same time the cost of living index of the Bank of Sweden rose from 104·2 to 104·7 (September, 1931=100.)

The marked easiness of the Swedish money market did not diminish in June, and the supply of money continued to exceed demand for fresh credit accommodation. Since the growth of bank deposits was far faster than the increase in bank advances, the surplus of advances over deposits fell between June, 1936, and June, 1937, from Kr. 163 millions to Kr. 11 millions.

The rise in bank advances is chiefly due to the general rise in prices, and only to a very small extent to new loans, since industrial enterprises take advantage of their accumulation of liquid funds to redeem their liabilities to the banks. A characteristic feature is that the accumulation of idle money is largest in the four big banks.

Some influx of foreign capital can also be noticed, partly from foreign subsidiaries of Swedish companies, and partly from private investors speculating on the possibility of an appreciation of the Swedish currency. Though for the time being the question of lowering the present sterling rate does not arise, any inflationary development in Great Britain, which would necessarily affect the price level in this country, would certainly induce the Swedish authorities to reconsider their policy, lest other measures should fail to arrest a rise in retail prices.

Roumania

Democratic Victory at Polls

Bucharest, July 30. — The general elections are proving that the masses do not want to experiment with the semi-dictatorial parties, but are pinning their faith on the two constitutional parties, viz., the Liberals and the National Peasant Party. Out of 71 districts 43 have cast their votes, and more than one million votes were given for these two parties compared with slightly fewer than 450,000 for the two extreme right parties. The result is likely to show an even greater majority for the constitutional parties.

The Liberals, however, would be unwilling to be entrusted with the formation of a government. The National Peasant Party in power would ensure continuity in foreign politics with greater stress on friendship with France and possibly a little less flirtation with Poland. The attitude of France towards Roumania has lately been more than the rôle of spectator. The calling to power of any outsider would imply a change in the foreign policy of Roumania, and France would stint both financial support and technical help for armament purposes. The crux of the situation is that King Carol II dislikes several of the leaders of the National Peasant Party, whose austere constitutionalism runs counter to his endeavour to secure more initiative for himself in public affairs.

The economic situation continues to improve. During the first three months of the current Budget year (April-June) total revenues for the ordinary Budget were 6,100 million lei, compared with 5,300 millions in the corresponding period of 1936. All taxes show an increased yield.

Business life is running at high speed. The cement industry hopes to exceed the record 1936 figure of 37,000 carloads by 10-15 per cent. The production figures of one leading colliery for the first six months are about 5 per cent. higher than the corresponding figures for the year 1936. The sales of tobacco products have realised in the first six months 2,250 million lei, compared with 2,300 millions in the first half of 1936.

Difficulties in Oil and Agriculture

The situation is less satisfactory in the oil industry, and agriculture has suffered from drought. The production of crude oil in the first six months of 1937 was 3,650,000 tons, or about 700,000 tons less than in the first half of 1936; the average daily output has fallen from the peak figure of 2,522 car-loads in June, 1936, to only 1,850 car-loads in June, 1937. The total output of the year will probably not exceed 7 million tons, compared with 8.7 millions in 1936. The adverse effect of this reduced output is felt less by the producing and refining combines than by the refineries, who cannot obtain the necessary crude oil on the home market and are gradually slowing down activity.

The drought is a serious menace. In most parts of the country wheat may still be harvested before the hot dry weather can damage the crop, and estimates of the surplus available for export are as high as 90,000 car-loads, compared with 61,000 car-loads exported in 1936 and 87,000 in 1935. On the other hand the surplus of barley for export will not exceed 15,000 car-loads, compared with exports during the two preceding years of 52,000 and 18,000 car-loads respectively. The oats crop will hardly suffice to meet domestic needs; and estimates of the maize crop have fallen from 500,000 to 300,000 car-loads. This accounts for the embargo imposed in the second half of July on the exportation of maize.

Trade Restrictions Reduced

The large export surplus in foreign trade during the first six months of the year has led the Government to reduce exchange restrictions and to loosen the chains of the quota system. Exports in the first six months of 1937 were valued at 15.3 milliards of lei, compared with 7.4 and 6.6 milliards respectively in the first half of the two preceding years. The export surplus was about 7 milliards, compared with 1.9 and 1.4 milliards in the middle of 1936 and 1935 respectively. Consequently the quota restrictions have been practically removed for a number of commodities, mainly iron and steel products. Together with similar measures taken previously for a number of raw materials, this concession has exempted about two-thirds of total imports from quota restrictions.

Moreover, the use of blocked lei for financing of exports will shortly be permitted. The step has not yet been taken because the National Bank hesitates to make this exception to the rule that no foreign debts should be repaid if they originated before May, 1932, when exchange restrictions were first introduced in Roumania.

Japan

Industrial Shortages

Tokyo, July 9.—The capital goods industries are still experiencing a shortage of skilled labour and raw materials. In many cases the problem is rendered more acute by a scarcity of new machinery. As the result of large-scale re-equipment and extension of the capacity of Japanese industry, the need for new machinery is rapidly growing; but home industry is not in a position to satisfy all requirements, while there is increasing difficulty in supplementing them by imports from abroad. To meet the situation the Government is contemplating the organisation of a semi-official company, in co-operation with the leading manufacturers, to produce machine tools to the value, in five years' time, of 130–140 million yen yearly. The Government proposes to establish training schools for mechanics in the principal industrial cities throughout the country, and also to give encouragement to apprentice schools attached to engineering works.

Steep Rise in Value of Trade

Japan's foreign trade still continues to display a much greater buoyancy of imports than of exports. In each of the past six months of this year the increase in imports considerably exceeded that in exports; and the import surplus in the same period mounted at an alarming rate to 618,301,000 yen—the largest since 1924, when the rebuilding of the capital after the great earthquake necessitated unusually large imports of building and other materials. Comparisons of the value of foreign trade in June and the first six months of this year and last are as follows.

(000's omitted)

Month of June

	1936 Yen	1937 Yen	Increase in 1937 Yen	Increase in 1937 %
Imports	229,303	382,318	153,014	66·7
Exports	208,499	281,195	72,695	34·9
Total	437,892	663,513	225,711	51·5
Import surplus	*20,804*	*101,123*	*80,319*	*386·1*

First Six Months

	1936 Yen	1937 Yen	Increase in 1937 Yen	Increase in 1937 %
Imports	1,489,821	2,145,927	656,105	44·0
Exports	1,217,967	1,527,626	309,618	25·4
Total	2,707,788	3,673,553	965,765	35·6
Import surplus	*271,854*	*618,301*	*346,487*	*127·5*

The growth in imports is mainly accounted for by raw materials; textile materials alone are responsible for over two-fifths of the total increase. There are also notable increases in imports of iron and steel and other metals and machinery. On the export side, the expansion spreads over the whole list, with the exception of wheat flour, refined sugar, and vegetable oils. Among staple exports, cotton piece-goods rose in value by 40 million yen and raw silk advanced by 36·9 million yen. Higher prices are largely responsible for the rise on both sides of the accounts.

Population Problems

Other home trade statistics for last month show a continuance of the trend in recent months. The output of cotton yarn in June reached a new record of 136,684,000 lbs., an increase of 2,607,000 lbs. compared with May; but rayon production during last month amounted to 27,879,000 lbs., a decrease of 79,000 lbs. compared with the preceding month. The price index for the month of June of all shares listed on the Tokyo Stock Exchange fell further by 2.3 points to 160.9 (January, 1921=100) compared with 163.2 a month earlier.

According to the vital statistics recently published by the Bureau of Statistics, the growth of the Japanese population last year fell very far below the one million mark; and the birth rate was the lowest since 1899, with the single exception of 1906. The natural increase in 1936 was only 871,523, or 12·40 per 1,000 of the population, the number of births and deaths being 2,101,920 (29·92 per 1,000) and 1,230,397 (17·51 per 1,000), respectively. In 1935 the natural increase was 1,028,623 (14·85 per 1,000), and the birth rate and death rate were 31·63 and 16·78. The decline in 1936 is thus accounted for both by a lower birth rate and a higher death rate.

The military authorities have given a warning against the physical deterioration of young recruits, to which considerable attention has been drawn, and the Government is contemplating the creation of a Ministry of Health.

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Letters to the Editor

India and her Gold

TO THE EDITOR OF THE ECONOMIST

SIR,—In the concluding paragraph of his article on "India and her Gold," published in *The Economist* on June 19th, Professor P. J. Thomas raised an important issue. What should be the attitude of India towards a possible inflow of gold in the near future?

Gold imports into India may recommence as a result of the revival of liquidity and commodity demands for the metal. Rich countries hoard during depression, while poor countries hoard in prosperity. So far as gold inflows are caused by this factor, it would be neither desirable nor practicable to stop them wholly. Given the psychology of our people, if gold is not available, they will hoard silver or currency, which is worse. Even a moderate import duty on gold does not seem feasible; it might seriously disturb confidence and the value of present hoards of the metal. Moreover, so long as gold movements serve as one of the most important means of settling international balances, it will not be wise, with the rupee-sterling exchange fixed, to widen the margin between the prices of the metal in terms of the two currencies.

But all this does not necessarily imply a return to the full-blooded barbarism of olden times. Everything possible should be done to combat the commodity and liquidity demands of our people for gold. I would suggest a freer inflow of commodity imports especially of the cheaper variety, and State measures to extend facilities for liquid investments in forms that may appeal to the hoarder.

Besides the import of gold for the purposes mentioned above, it may flow in as a result of returning exported capital. There might also take place larger lending by foreigners to us. Should we allow this capital to enter our country in the form of gold or in the shape of commodities including productive assets?

A high level of revenue and protective duties and a high price of the rupee in terms of sterling would encourage the inflow of gold at the expense of goods, and conversely. But these are exactly the policies that find favour with the vocal section of the public and with our monetary authorities. The choice before the country is thus between a more liberal foreign policy in economic matters and a return to primitive ways in currency and social affairs.

Yours faithfully,
D. GHOSH.

University of Bombay,
Bombay.

Monetary Technique

TO THE EDITOR OF THE ECONOMIST

SIR,—In denouncing the U.S.A. Government's gold sterilisation policy the members of the Banking and Currency Committee of the House of Representatives demanded that a portion of the gold stocks be utilised towards paying off the public debt.

A corresponding increase in the reserve proportions of the banks would prevent the money being used for speculation because, under the Federal Reserve Act, the banks cannot draw on their "required" reserves except to meet existing liabilities, and cannot make new loans or pay dividends until such drafts have been repaid. The use of gold for the purchase of securities in the open market would therefore increase the funds available for investment by creditors only; and might result in loss, but not in general bankruptcy; the funds would tend to be transferred abroad because of the reduction of the volume of securities in the home market.

The banks would have to call in loans or sell securities to meet such transfers—thus reducing their deposits, and the Treasury would surrender its proportion of such reduction—thus reducing its gold stock.

A better method would be to allow the banks to draw on their impounded reserves, at a rate of interest above the current yield of long-term bonds, to be varied by the Treasury as circumstances might require. The banks would then lend freely at higher, but not at all at lower rates.

The further use of the gold reserve in redemption of debt would cease to be profitable when the Treasury was threatened with having to borrow from the banks, at a rate higher, *ex hypothesi*, than the yield of long-term securities, in order to maintain the reserve at a level sufficient to meet maturing obligations. But, meanwhile, the burden of debt would have been reduced and the yield of taxes increased.

Short-term rates of interest would then be permanently higher than the reduced long-term rate—thus putting an end to an anomaly of long standing. The readiness of governments to guarantee to pay a higher rate of interest for long than for short terms implies either a defeatist view of the State's solvency, or a serious acceptance of the Gilbertian notion that to increase the national debt is a desirable way of increasing individual wealth.

The restoration of international trade and amenities, so urgently needed in the case of peace, would follow quickly on such an injection of the gold reserves of creditor countries into international circulation—enabling outstanding debts to be paid off and the burden of the remainder to be reduced.

The U.S.A. clearly holds a key position, but is unlikely to amend her monetary practice in a way that would lead to the investment of American money in French rentes and other European securities unless France agrees, in the first instance, to resume her obligations in respect of her war debt. But, if the considerations suggested above have any substance, it should not tax the resources of British statesmanship to indicate, by example, a solution of the monetary difficulties of her partners in the Tripartite Agreement, and to negotiate an extension of that agreement in the direction indicated.

Yours faithfully,
A. C. DOBBS.

Co. Dublin.

The Price of Gold in U.S.A.

TO THE EDITOR OF THE ECONOMIST

SIR,—May I point out what appears to be an inaccuracy in your understanding of American laws relating to the price of gold and the weight of the dollar? In your issue of June 12, page 624, you remark that "President Roosevelt cannot at present reduce the dollar price of gold by more than a fractional amount without new legislation."

The Gold Reserve Act of 1934, which is our basic law on this subject, provides (by amendment of the "Inflation Act" of May 12, 1933) that the "weight of the gold dollar" shall be fixed by Presidential proclamation at a point somewhere between 50 and 60 per cent. of the former weight. President Roosevelt subsequently proclaimed a weight amounting to 59·06 per cent. of the former weight. This was taken as establishing a "price" of $35 an ounce, and this is the price which the Treasury has been paying.

This same Gold Reserve Act, however, makes a clear distinction between "weight" and "price," for Section 8 declares that:—

> With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts, at home or abroad, with any direct obligations, coin, or currency of the United States, authorised by law, or with any funds in the Treasury not otherwise appropriated, at such rates and upon such terms and conditions as he may deem most advantageous to the public interest; any provision of law relating to the maintenance of parity, or limiting the purposes for which any of such obligations, coin, or currency, may be issued, or requiring any such obligations to be offered as a popular loan or on a competitive basis, or to be offered or issued at not less than par, to the contrary notwithstanding. All gold so purchased shall be included as an asset of the general fund of the Treasury."

Under almost identical powers (Section 9) the Secretary of the Treasury may sell gold.

From the foregoing, it appears that the Treasury may buy and sell gold at any price it pleases. The weight of the gold dollar seems to be little more than an abstraction. It would, of course, become a great deal more than that if the price were moved back to, say, $20·67 an ounce, whereupon the question would arise whether foreigners having dollar balances in this country, and wishing to withdraw in gold, were entitled to buy gold as a commodity, at a price, or to have their dollars redeemed as money, by weight.

Respectfully yours,
S. PALMER HARMAN.

Books and Publications

Industrial Assurance Attacked

WHATEVER work Professor Levy undertakes is sure to be carried out with thoroughness and ability, and this book on Industrial Assurance* bears all the marks of his unfailing industry. In covering his ground he has read voluminously and on every page of the book footnotes testify to the researches which preceded its writing.

This form of insurance is one of the strangest social phenomena of the nineteenth century, for it had its origin and found its adult strength in the fear of a parish funeral and in the passion of working folk to be "buried respectable." From this simple instinct it has built up a premium income of over £60,000,000 a year in weekly payments. Burial benefits are not, of course, the only objective of industrial policies, but they are the foundation on which the vast structure rests, though to most men of education this pre-occupation of the working classes with their own obsequies is simply unintelligible. What does it matter what happens to my body when the breath is out of it? But the passion for a respectable or a showy funeral is there and cannot be neglected. As Mr Mould said at the funeral of old Chuzzlewit: "The laying out of money with a well-conducted establishment where the thing is performed upon the very best scale binds the broken heart and sheds balm upon the wounded spirit." Plumes and horses after death are often deemed a solace worth saving for throughout a life-time.

The authors of this book plainly dislike the whole business. They hold that if the funeral-complex must be recognised the duty of providing for it should be undertaken by the State. In their view the State ought to incorporate an insurance against death in the national health insurance, thereby making it a compulsory instead of a voluntary business and guaranteeing the certainty of every insured person dying with enough money in the offing to bury the corpse. The most obvious advantage of this plan is that the cost of collection would be reduced by the abolition of the army of agents who now develop new business and collect weekly payments on existing policies. Make insurance compulsory and you get rid of the cost of canvassing. Collect the premiums at the source and you get rid of the cost of the weekly visit to the insured person's house.

Of all the complaints against the present system the high expense ratio has always been the most weighty. The Prudential years ago recognised its force when, by an extraordinary successful reorganisation, it reduced its ratio from 39 per cent. of its premium income in 1910 to 24.5 per cent. in 1931. Many of the other companies and most of the collecting societies have, however, been very much less successful. The ratio in too many cases is still almost grotesquely high.

However, Sir Arnold Wilson and Professor Levy, in their lengthy attack on the present system, are not content to base their case on expense only. They criticise almost every feature of industrial insurance as it is now carried on. They denounce the methods of agents. They assume that "life of another" policies, which are commonly nothing more than a sporting chance on the life of a relative, are wholly bad (though there is really much more to be said for them than for the ordinary burial policies), and they hold up to scorn the lessons in salesmanship which are provided for canvassers (though they probably do not materially differ from the advice to salesmen which every modern selling organisation finds essential to its business). But the heart of the problem lies here: is it better to have a State scheme that is compulsory, universal, uniform and comparatively cheap, or a private competition system which leaves the individual with freedom of choice to insure or not to insure, and probably costs a good deal more to run? We shall all answer the question according to our own bias.

* "Industrial Assurance." By Sir Arnold Wilson and H. Levy. (London) H. Milford. 519 pp. 21s. net.

Shorter Notices

"Youth in British Industry." By John Gollan. Gollancz. 344 pages. 6s.

Mr Gollan has made a thorough attempt to describe comprehensively and objectively the working conditions of young people in Britain. Although his comments are occasionally tendentious, he has on the whole succeeded in giving an impartial survey, and the facts he has collected from reliable sources are not calculated to make us satisfied with current industrial conditions. Mr Gollan makes telling use of the strictures of Factory Inspectors about the neglect of safety precautions; and the most recent reports have done nothing to allay the anxiety which this book expresses. Proper standards of remuneration, hours, health, safety and amenities are sparingly observed; and the various remedies which Mr Gollan suggests will accordingly arouse readers' interest. Educational reform, planned apprenticeship, the regulation of hours and conditions more stringently, and special care for the young unemployed are included in the "Charter of Youth Rights" which he proposes.

"Cacao Fermentation." By Arthur W. Knapp. John Bale, Sons and Curnow, Ltd. 171 pages. 10s.

Not since 1913 has any comprehensive work on the fermentation of the cacao seed or bean appeared, despite the importance of the process in cocoa and chocolate manufacture. From time to time papers have been contributed to various journals and societies, but it has hitherto been impossible to find the results of current research and practical experience in a single volume. Mr Knapp has filled this gap, and his book is likely to remain the standard work on this subject for many years to come.

Books Received

A Century of Progress: The General Life Assurance Company, (London) The General Life Assurance Company, Aldwych. 62 pages. No price stated.

Transvaal Chamber of Commerce. Forty-seventh Annual Report, 1936. (Johannesburg) Hortons, Ltd., Harrison Street. 190 pages. No price stated.

The Scottish Provident Institution, 1837–1937. By M. D. Steuart. (Edinburgh) Scottish Provident Institution, 6 St. Andrew Square. 55 pages. No price stated.

The Wage-System and Some of its Critics. By J. A. A. Ralph. (London) James Clarke and Company, Ltd., Carter Lane, E.C.4. 234 pages. 5s. net.

Mines of Africa—1937 Edition. Edited by C. Carlyle-Gall. (London) African and Rhodesian Mines Publishing Company, Ltd., 262–263 Empire House, St. Martin's-le-Grand, E.C. 1,176 pages. 30s. net.

The Evaluation of Permanent Incapacity for Work in Social Insurance. International Labour Office. Studies and Reports. Series M. No. 14. (London) P. S. King. 375 pages. 10s. 6d. net.

Gestaltungskrafte der Energiewirtschaft. By G. Hünecke. (Leipzig) Felix Meiner. 195 pages. Rm. 11.50.

Official Publications

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

Ministry of Health: Rents of Houses and Flats owned by Local Authorities (England and Wales). Cmd. 5527. 4d. net.

Forty-Eighth Annual Report of the Railway and Canal Commission, 1936. Cmd. 5439. 6d.

Report of the Departmental Committee on Night Baking. Cmd. 5525. 9d. net.

CONTEMPORARY RUSSIA

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No. 4 Just Out: Soviet Russia's Gold Reserve; Collectivised Agriculture by Dr Otto Schiller, formerly agricultural adviser to the German Embassy in Moscow; and other articles.

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MONEY AND BANKING

American Banking Problems

The American banking system is at present confronted by a major dilemma, which involves questions of banking organisation, monetary policy and even politics. This condition is due to certain recent developments which directly affect the level of future banking earnings. In the following article, an American banking correspondent discusses these developments and their probable short-term and long-term effects.

Although the fact is often overlooked in quantitative monetary considerations, a bank is a corporation organised and operated for profit. The profit consideration bulks large in the determination of policies of the individual institutions, and therefore of the institutions regarded in the mass. When the banking system consists of thousands of individual institutions, poorly integrated and diversified, as it does in the United States, profits inevitably are a more important consideration than they would be if only a few large, well-integrated and highly diversified banks were involved. The lack of training, education and experience traditional in the American banking system means that the profit motive is not offset by caution to the extent that might be desired. History attests this fact. Every student is familiar with the extent to which low-grade securities have been purchased and questionable loans have been made to obtain a high interest rate in the past.

The Federal Reserve Board compiles figures covering the earnings of all of its member banks. These tabulations recently became available for the latter months of 1936. Analysis of the figures shows that the Federal Reserve member banks (6,376, holding 67 per cent. of all American bank deposits on December 31, 1936) had earnings of $465 millions in 1936, compared with $557 millions for a larger number of banks in 1929. Thus prosperity has in a large measure been superficially restored. But the figures also show that, to an unprecedented extent, recent earnings have arisen from recoveries on doubtful debts and other items previously written off, and from profits on the purchase and sale of securities.

The following table summarises the figures for all Federal Reserve member banks during recent years:—

Millions of dollars

	Recoveries and Profits from Security Trading	Total profits*	Capital†	Total Assets†
1927	− 17	+ 447	5,341	44,888
1928	− 37	+ 504	5,899	48,935
1929	−115	+ 557	6,709	48,843
1930	−197	+ 307	6,593	47,058
1931	−447	+ 12	5,999	39,688
1932	−623	− 255	5,409	36,260
1933	−431	− 356	4,962	33,876
1934	−541	− 224	5,054	40,077
1935	−102	+ 212	5,145	44,122
1936	+147	+ 465	5,275	48,718

* Net, including recoveries and security profits.
† End of each year.

The improvement in business activity in 1935 and 1936 meant that many loans formerly considered worthless or doubtful regained quality, and that lower-grade bonds rose rapidly in price. Furthermore, given the steady and rapid easing of monetary conditions, the price of high-grade bonds also rose rapidly. Conservative standards permit none of these items to be considered as current income. The larger banks generally followed these standards, but this was not true of many of the smaller banks, which not only counted security profits and recoveries as current income, but paid them out in dividends.

Income of this character is, of course, non-recurring, and apparently has fallen off sharply this year. The bond market has declined somewhat and turned stagnant, and though general business continues at high levels, most of the recoveries which are possible have already been realised. Operating income this year has advanced only very little, if at all; the average income on all assets during the first six months of 1937 showed slight change as compared with that of 1936, and the volume of earning assets, as indicated by the weekly reporting member banks, has fallen a little lower than a year ago. Consequently, the aggregate earnings for all banks must now be running substantially below last year, and there will be a substantial decline for the whole of this year if present trends continue. This is not true, of course, of certain individual institutions, but conversely, others are showing no earnings at all.

There can be little doubt, therefore, of the existence of growing pressure in the American banking system to increase earnings. In the absence of the non-recurring items present last year, the achievement of an increase means that either the volume of earning assets must increase or the yield on earning assets must rise or expenses must fall. It is thus that the dilemma rises.

Expenses can hardly be reduced appreciably, as these have been cut to the bone during recent years. Interest on demand deposits has already been abolished by law, and interest on time and savings deposits has been reduced so far that little, if any, further reduction is practicable. Other operating expenses can hardly be reduced appreciably. Nor are the prospects for a higher yield bright. Monetary policy continues to favour easy money, and the activities of the monetary authorities suggest that easy money involves a continuance of existing low rates. Further, the very pressure of the banks to obtain a greater income means that they are and will be competing for earning assets, and competition for loans and investments does not point toward higher rates. Meanwhile, excess reserves continue to total between $800 millions and $1 billion. Furthermore, competition for assets is not confined to the banks, but exists also between the banks and other lenders (e.g. insurance companies) who also have a large volume of idle funds. Only if monetary policy were altered would there be the likelihood of a substantially better return, and there are no indications that the monetary authorities are thinking of any alteration.

The prospects for an increase in earnings assets sufficient to bring about earnings as high as last year—to say nothing of a higher level—are similarly open to question. In the first place, assuming that operating earnings continue at the same level as last year, a very rough calculation indicates that assets would need to be increased by something like $7,000 to $9,000 millions merely to offset the decline in the non-recurring income. Assets of $7,000 millions at 3 per cent. would produce $210 millions, less any operating expenses entailed. But such an increase would be greater than present excess reserves would permit. Average reserve requirements are about 20 per cent.; consequently, with excess reserves of $800 millions, additional deposits of only $4,000 millions would be possible without recourse to borrowing from the Reserve banks. During the past year reserve requirements have been raised to double the level since the World War; these higher cash requirements limit the outlook for banking profits.

Further, such a rise in assets—which would, of course, involve a similar rise in deposits—would apparently meet with the opposition of the monetary authorities. The Board of Governors of the Federal Reserve System, in a message to the Senate in February this year declared:—

> The present volume of deposits, if utilised at a rate of turnover comparable to the pre-depression levels, is sufficient to sustain a vastly greater rate of business activity than exists to-day. In order to sustain and expand recovery, the country's commerce, industry and agriculture, therefore, require a more complete and productive utilisation of existing deposits rather than further additions to the amount now available. The excess reserves . . . eliminated as a base of further credit expansion . . . could support an increase in the supply of money in the form of bank credit which beyond a doubt would constitute an injurious credit expansion.

And Mr M. S. Eccles, the Chairman of the Reserve Board, in a recent address, observed that "America had reached the stage in recovery at which it was no longer desirable to have additions either to banking reserves or substantially to the volume of deposits."

In any event, it is doubtful whether the banks could acquire any spectacular volume of assets. The expansion of assets for several years past has resulted largely from the sale of Government bonds to the banks in order to finance the Budget deficit. A small deficit is indeed contemplated for the fiscal year 1938, but Government departments, including the Social Security reserves, will purchase an amount of Government securities several times greater than its anticipated amount. While an expansion of private borrowing is likely, it will in all probability fall far short of what the banks apparently need to maintain their earnings.

The final conclusion is that if these conditions persist they may inaugurate a period of bank consolidations. Willingly or unwillingly, the banking authorities may find themselves faced with an inescapable need for widespread mergers, even in the face of much political opposition. Easy money policies, high reserve requirements, and the present organisation of the American banking system appear to be in conflict. The easy money period at the end of the last century brought consolidation of the banking system in England. The present period may well bring it to the United States.

Financial Notes

Shanghai War Risks.—Ten days ago cargoes could be insured against war risks to Shanghai at 2s. 6d. per cent. above the normal rate and to ports north of Shanghai in China at 5s. per cent. above the normal rate. Thus if a cargo were shipped to Shanghai from London the war rate was 7s. 6d. per cent.—no risk after discharge from steamer. If to North China 10s. per cent. On August 12th both rates were increased by another 5s. per cent. But the events of last week-end had an immediate effect and the market rate both for Shanghai and Northern China was pushed up to £3 per cent., no risk after discharge from steamer, and £10 per cent. if the risk was covered right through to the warehouse. Those are the rates to-day at which cargoes are being insured, but whether they will ever reach Shanghai is at least doubtful. Some cargoes, it is known, are to be discharged at Hong Kong. One or two hulls have been insured at Shanghai at £3 per cent. per month. The interest of the insurance market on land is small, thanks to the agreement of last year not to accept war risks on property ashore. A few insurances are still running, and one of a considerable size will expire early in September. Shanghai has proved again the wisdom of last year's agreement.

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The Foreign Exchanges.—The Paris Exchange rate was quiet early in the week, with the spot rate held by the French authorities at Frs. 132⅝, but spot francs came on offer on Wednesday, and the rate eased to Frs. 132⅛-133. The market is beginning to look ahead to the end of the tourist demand for francs and to the cessation of the present good revenue receipts. Moreover, the offer of 4 per cent. Treasury bonds, to replace Frs. 5,000 millions of maturing 4½ per cent. bonds, has had to be kept open for a week longer than was intended, so that subscriptions appear to be coming in very slowly. Three months' francs at one time widened to Frs. 5 discount, but have since returned to Frs. 4½ discount. This weakness is partly technical, as many open positions are now maturing and are being extended for a further three months. Dollars are weak at just over $4.99, mainly because of the absence of any demand, commercial or otherwise. Belgas, guilders and Swiss francs continue to follow the dollar, but three months' belgas have stiffened from one to 2½ cents premium. Hong Kong and Shanghai dollars are a shade firmer at 1s. 3 1/16d. and 1s. 2⅛d., respectively. The Hong Kong dollar is reacting to transfers of money from China, but the firmness of the Shanghai dollar is not easy to understand. Still, the Shanghai rate has hardly moved at all, and business now is very limited.

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The Money Market.—In spite of this week's temporary reduction in bankers' deposits, explained in the Note on the Bank return, the clearing banks had no difficulty in meeting a fair afternoon demand for loans. There are, however, further signs of a growing shortage of outside money available for borrowing against bonds. Early in the week up to ⅞ per cent. was paid for loans against bonds, but by Thursday the rate had eased to ⅝ per cent.

	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate:—				
Clearing banks	½-⅝-1*	½-⅝-1*	½-⅝-1*	½-⅝-1*
Others	½-⅝	½-⅝	½-¾	½-⅝
Discount rates:—				
Treasury bills	½	½	½	½
Three months' bank bills	17/32-⅝	17/32-⅝	17/32-⅝	17/32-⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

On August 13th, the market secured 46 per cent. of the Treasury bill allotment of £45 millions. This was a better result than the previous week, and so business in bills has been a little brisker. The clearing banks, however, were only moderate buyers of bills.

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The Bank Return.—A further £6.9 millions of notes have returned from circulation, and the Reserve has now been restored to £36.8 millions. The bulk of the holiday notes have now returned, and the reflux during the past fortnight was rather greater than a year ago.

BANK OF ENGLAND

	Aug. 19, 1936	July 28, 1937	Aug. 4, 1937	Aug.11, 1937	Aug.18, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department:—					
Gold	243·8	326·4	326·4	326·4	326·4
Note circulation	444·5	498·3	503·8	497·9	491·0
Banking Department:—					
Reserve	60·3	29·2	23·6	29·8	36·8
Public deposits	23·6	10·5	9·8	19·0	28·5
Bankers' deposits	96·0	104·3	95·4	93·6	88·5
Other deposits	40·0	37·3	36·9	36·4	36·5
Government securities	86·4	114·4	110·2	111·1	107·1
Discounts and advances	9·7	5·8	6·4	5·9	6·2
Other securities	21·3	20·8	20·1	20·3	21·6
Proportion	*37·8%*	*19·1%*	*16·6%*	*19·9%*	*23·9%*

Owing to the Coronation and Whitsun, there were no Treasury bill maturities on August 12th, 16th or 17th, and so the market had more to pay out for new Treasury bills than it received in repayment of old bills. In consequence, there has been a temporary transfer of funds from bankers' to public deposits. Meanwhile, the increase in the Reserve has been off-set by a drop in Government securities, which during the holidays had been kept on the high side. The result of all this was a drop of £5.1 million in bankers' deposits, but this should be rectified when the present inequality between Treasury bill payments and maturities has worked itself out.

THE STOCK EXCHANGE

Investing in Motor Shares

AN article in last week's issue of *The Economist* (page 328) argued that the " expansion " demand for new private cars should not be measured—as it commonly is—by the annual increase of vehicles on the road. As the annual mortality of cars (on an average life of, say, eight years) would correspond roughly with the number of cars first registered eight years before, it would follow from this usual assumption that replacement demand would merely equal the sales recorded in an era of development long past. We suggested, instead, that the proper replacement demand for new cars should be more accurately related to a cycle of about three years.

If this argument be correct, it suggests that the replacement element in the market (which must necessarily be more stable than the expansion element) represents a larger proportion of the total demand than has hitherto been supposed. It would follow, therefore, that motor manufacturers should enjoy a more stable market than investors generally are disposed to assume. It was, perhaps, no accident that, during the depression, sales were maintained remarkably well. Nor is it to be expected that, in any ordinary circumstances, expansion demand will be suddenly reduced from a large to a negligible figure. The results of our analysis strongly suggest that if the decline in expansion demand were to occur, say, over a period of one-and-a-half to two years from start to finish, sales recorded only three years earlier would then be providing replacement demand, just when the lack of expansion demand was being seriously felt.

It is possible to obtain some rough measure of the movements from year to year in the turnover of the private car industry. For 1930-34 the Census of Production and " Import Duties " figures give precise information. During this period interesting movements occurred. By applying the Society of Motor Manufacturers and Traders' index of prices to an index of output, investors may obtain a fair guide to fluctuations in the value of annual turnover during the period. The result of these calculations for 1934 gives a figure of 115, against 119 for the " Import Duties " figures. The following figures, therefore, can be taken to indicate approximately the movements of turnover, based on 1930 = 100:—

TURNOVER OF PRIVATE CAR MANUFACTURERS (1930=100)

Year	Index	Year	Index
1929	118	1933	116
1930	100*	1934	119†
1931	83	1935	144*
1932	88	1936	160§

* Census of Production figures. † " Import Duties " figure. § Estimate, approximate only.

Owing to the technical nature of the S.M.M.T. price index (which records a fall if the horse-power offered for a given price rises), this index is probably a better indicator of turnover for the years 1929 and 1931-33 than an index similarly calculated for 1934-36. But the figures show that for the first part of this period the fall in total turnover, though great enough to be uncomfortable, was far from disastrous.

The probable sequence of events during a phase of falling turnover may next be examined. In the first place, maturing replacement demand (as measured by our suggested three-year cycle) would be capable of some postponement if necessary. Alternatively, replacement might be effected, but with cheaper models. Under such circumstances, price reductions for a given model might help to some extent to maintain output. But a more important method of maintaining sales was evolved during the depression, when, under the lead of Standard Motor, a new class of 10-h.p. car was produced which offered much of the economy of the older " baby " car, coupled with accommodation approaching that of popular models in the 12-h.p. class. It is conceivable that, under pressure of falling sales, the industry might produce some analogous technical advance.

Apart from the fortune of producing a model to fit the times, however, the normal effect of depression is to divert replacement demand from more expensive to less expensive models—the exact converse of the situation during recovery. It follows that the producer of higher quality cars must expect greater fluctuations than the popular makers. The following indices of profits (1930 = 100) show the combined profits of Morris, Austin and Standard as a " popular " group, while the " more expensive " group includes the profits of Rover, Riley, Humber and Alvis. The Ford company's profits are excluded from the popular group, for the period included a transition from one conception of Dagenham to another, and Continental profits are now excluded from the British company's accounts. But even if the Ford figures were included, the popular index would remain much the more stable of the two:—

PROFITS INDEX—1930=100

	" Popular "	" More Expensive "
1929	98	79
1930	100	100
1931	68	(*a*)
1932	75	(*a*)
1933	58	123
1934	79	273
1935	115	263
1936	142	N.A.

(*a*) Combined losses recorded for these years.

Two obvious conclusions may be drawn from these figures. First, the manufacture of more expensive cars, though not necessarily less profitable over a period than the manufacture of popular cars, is doubly speculative from the investor's point of view. Not only do the fortunes of the group as a whole fluctuate widely during the course of the trade cycle, but also the fortunes of individual makers must move even more widely, compared with the group average. The shares of the smaller manufacturers are thus emphatically reserved for the specialist with inside knowledge. On the other hand, the shares of typical " popular " producers are now weighted with little more than normal industrial risks. They can, at least, be treated in this way by a substantial investor who can afford to hold a balanced selection of the shares. Individually, all motor shares suffer appreciably from the risk that a given year's model may fall behind its competitors—though experience suggests that even this hazard is tending to diminish for the popular makers.

As may be seen from the table of prices and yields on the opposite page, the market is not settled in its mind regarding the proper valuation of motor shares. The spread between a yield of over 6 per cent. on Morris shares and of little over 3 per cent. on Standard is manifestly large. Is it not, indeed, too large? Austin yields over 5½ per cent., and Ford about 4⅝ per cent. On Morris, Austin and Ford combined the average yield is almost 5½ per cent. In view of the relative stability enjoyed by these popular leaders, a mixed holding of their shares is probably the best investment which the industry has to offer. Among the other companies, quotations in some cases reflect confident hopes, in others the caution embodied in 8 per cent. yields. Yet it is surely inevitable that depression would bear heavily on the smaller makers as a whole, and for some concerns profits would be converted into losses.

A very different basis of valuation might thus be found

PROFITS, DIVIDENDS AND YIELDS

	1933	1934	1935	1936	Ord. shares: Price (and denom.)	Ord. shares: Yield (%)
						£ s. d.
"Popular" Group						
Austin Motor (July 31)—						
Net profit (£000's)	506·8	661·3	623·9	553·6	44/- (5s.)	5 13 9
Earned for ord. (%)	285·5	405·8	90·0	77·1		
Paid (%)	100	100‡	50	50		
Ford Motor (Dec. 31)—						
Net profit (£000's)	742·2	483·7	597·2	511·8	27/4½ (£1)	4 7 9
Earned for ord. (%)	11·4	6·9	8·6	7·6		
Paid (%)	Nil	5	5	6		
Morris Motors (Dec. 31)—						
Net profit (£000's)	360·0	552·9	1,167.7	1,703·3	37/- (5s.)	6 1 6
Earned for ord. (%)	6·8†	16·4†	41·5†	74·4		
Paid (%)	5†	10†	15†	45		
Standard Motors (Aug. 31)						
Net profits (£000's)	92·0	86·8	120·5	200·0	£7½ (£1)	3 6 8
Earned for ord. (%)	40·9	37·3	51·8	57·0		
Paid (%)	15	15	20	25		
"More Expensive" Group						
Alvis (Dec. 31)—						
Net profits (£000's)	32·6	27·6	20·3	††	6/- (5s.)	8 6 9
Earned for ord. (%)	32·3§	17·5	9·4			
Paid (%)	7½	15	10			
Humber, Ltd. (July 31)—						
Net profits (£000's)	72·3	242·2	196·9	181·9	18/9 (*a*)	8 0 0
Earned for ord. (%)	Nil	215·0	161·1	125·1		
Paid (%)	Nil	10	10	15		
Rover Co. (July 31)—						
Net profits (£000's)	12·5	94·4	154·0	127·8	26/- (8s.)	3 1 9†
Earned for ord. (%)	4·0	29·0	29·6†	24·6†		
Paid (%)	Nil	Nil	Nil	10†		

† Tax free. ‡ And capital bonus of 300 per cent. § Assuming normal preference dividends. †† Accounts to be issued in future to July 31st.
(*a*) 15 per cent. non-cumulative preferred ordinary shares of 10s.

if the industry's output began to fall. The shares of smaller companies, we repeat, are best left to the specialists. Among the rest, diversification may be advised. But even diversification would be only a safeguard, tending to limit losses rather than prevent them if circumstances became adverse. It would be untrue to say that circumstances are becoming adverse in a positive sense; a glance at the favourable registration figures of recent months should reassure the pessimist on this point. During the present phase of prosperity, the car purchaser appears willing to pay a few extra pounds, and by their decisions to increase prices, manufacturers should be able to cover a considerable part—if not all—of their prospective increases in costs. Nevertheless, the cost-price relationship may present a more acute problem in the future. It is possible, in brief, to make out a case for diversified investment in carefully selected motor shares. It is quite another matter to credit the group with possibilities of large-scale capital appreciation at this stage.

Investment and Company Notes

A Stock Exchange Charter?—The Report of the Departmental Committee on Share-Pushing (reviewed in *The Economist* last week) has raised, as a by-product, an issue normally reserved for perennial discussion by reputable financial journals in the dead season—namely the expediency of granting a charter to the London Stock Exchange. The Committee mentions the possibility only to reject it, on the ground that the Stock Exchange " is by no means wholly in favour of being in any way controlled." It is, in fact, nearly sixty years since a Royal Commission recommended, by a majority, that a Royal Charter should be granted, but the suggestion has remained in the dusty limbo of forgotten conclusions. The case for a charter is, in itself, fairly obvious. The Stock Exchange—whose scope and importance have been greatly increased since 1878—is an indispensable part of the machinery of the world's greatest financial centre. The status of a private club, with an anomalous system of dual internal control, is not quite consonant with the House's dignity and responsibilities. However its members may value " the glorious privilege of being independent," the policy of those in control has been and must continue to be based on a progressive interpretation of the demands of public opinion and the requirements of public policy. By the same canon, even the most conservative of Stock Exchange members would acquiesce in a change of status if they were convinced that it would increase the usefulness of their institution.

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The question of a charter should, in fact, be decided not by sentiment but by need. Should the Stock Exchange (and the Provincial Stock Exchanges) be given a monopoly of share dealing? The Share-Pushing Committee's Report brings out one fact which has not, perhaps, been universally realised—that the London Stock Exchange with its 4,100 members, and the other recognised stock exchanges with their 1,365 members, already include the great majority, by numbers, of those whose profession is dealing in stocks and shares. The " outside " stock and share dealers number, according to the Committee, no more than 600 to 800. The majority, by the Committee's showing, do, on the whole, a reputable and useful business, and there would be only one fundamental bar to their ultimate inclusion as members of a chartered stock exchange—their facilities for advertising, which, presumably, they would be unwilling to relinquish. This has been the real rock on which efforts to secure support for a charter have hitherto split. Sooner or later, however, the powers that be will have to decide whether the abuses of the present system outweigh the inconvenience of an enforced choice between advertising by all or by none.

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Markets and the Far East.—The City this week has taken a serious view of the Shanghai fighting upon the British interests involved in the area. Despatches suggest that the personnel of the public utilities, banks and large mercantile concerns are safe, but that losses through the bombardment of Chapei and the mercantile districts are already heavy. Many Stock Exchange observers are pessimistic, in view of the scale of Japanese preparations, but all regard the protection of British interests—promised in Tuesday's official *communiqué*—as imperative. It is estimated that British interests are involved in China to the extent of some £250 millions, of which £200 millions consist of commercial investments. An appreciable part of this sum is represented by the assets of private houses of long standing in Shanghai and the East. But there are also a number of banking and trading concerns whose shares are listed on the London Stock Exchange, which have also suffered appreciably. The effect upon Chinese and Japanese bonds has inevitably been serious. In theory, cover for Chinese Customs and Salt loans may still be adequate, even on the worst assumptions about Shanghai, and there is a fairly widespread view that the foreign debt service of Japan is so small that default need never be envisaged. But such conclusions are barren while a state of war exists, and meanwhile the quotation of increased rates for certain classes of Japanese bills is evidence of deterioration in Japan's short-term credit. Finally, the diversion of cargo from Shanghai to Hong Kong and other ports must react adversely upon shippers and shipping companies.

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Effect on Prices.—Although domestic fixed-interest and industrial shares have tended slightly to revive after the first impact of the week-end news, there are few signs of recovery among the Sino-Japanese securities

OVER ONE HUNDRED AND TEN YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
INSURANCE COMPANY
ASSETS EXCEED £16,000,000
FIRE LIFE ACCIDENT MARINE
Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 45 Pall Mall, S.W.1

immediately affected. In the following table we compare the prices of such securities at the beginning of the year, immediately before the Peiping incidents, and at successive stages of the Shanghai hostilities :—

	Jan. 7, 1937	July 8, 1937	Aug. 12, 1937	Aug. 16, 1937	Aug. 19, 1937	Fall from July 8
Chinese Bonds						
Boxer	102	105	92	89½	92½	12½
5%, 1912	83	95½	80	73½	70½	24¾
Pukow Rly., 1908	55½	78	59	50	45	33
Nanking Rly.	74½	90½	67	60	50	40½
Japanese Bonds						
5%, 1907	78½	83¾	72½	67½	60½	23¼
5½%, 1930	81½x	86	75	70½	65½	20½
Commercial Securities						
Hong Kong & Shanghai Bank	110½	118	110½	101½	98	20
Chartered Bank of India, A. & China	15⅞	15 9/16	14 9/16	13¼	13¾	1 7/16
British American Tobacco	6 31/32x	6¼	6¼	5 15/16	6 1/32	7/32

During the first half of the year, China's credit rating was helped by evidence of greater national consolidation, and by her readiness to settle debt problems in a reasonable way. Further financial assistance had been afforded her for railway construction, and the possibility of a large loan was being canvassed at the moment when hostilities broke out. The extent of the subsequent decline in the railway bonds reflects the market's estimate of their vulnerability to war damage, in the widest sense of the term. Meanwhile, the market can find no answer to the question why Japan, with her vulnerable finances, has chosen war rather than peaceful penetration. Acting on the only possible inference, it has continued to mark down Japanese bonds.

* * *

Tithe Stock.— A stranger, in a garb of clerical cut, was introduced to the gilt-edged market of the Stock Exchange this week. The nomenclature of many gilt-edged stocks bears picturesque testimony to their origin. "Consols," War Loan, and Victory Bonds are samples —not to mention less familiar securities like Egyptian Government Guaranteed Loan, Irish Free State Land Bonds, and Turkish Guaranteed Loan, which dwell below the line dividing the Treasury's own children from its adopted family. On this occasion the powers have chosen a rather colourless title (3 per cent. Redemption Stock 1986/96) for their latest child. The stock has been created, under the Tithe Act of 1936, to provide compensation for the extinction of tithe rent charge. The first "quotation" for the new stock appeared in last Wednesday's *Supplementary List*, but no dealings were effected and the market had difficulty in finding a basis for an official price. The closest parallel to the new stock is offered by 3 per cent. Local Loans stock, but the latter has no fixed redemption date, whereas Tithe Stock has a long but closely defined life, and carries a sinking fund from 1942 onwards. Its duration, on the other hand, is considerably longer than the many British corporation redeemable loans which bear interest at 3 per cent. Perhaps the closest parallel of all is Metropolitan Water Board 3 per cent. "A" stock, whose final redemption date is 2003.

* * *

The upshot of Wednesday's cogitations was an initial "nominal quotation" for the newcomer of 86-88, against 85-86 for Local Loans (which include about 10s. less accrued interest), and 86-89 for Metropolitan Water Board "A." Dealings were recorded on Thursday on the basis of 87⅞. Whether the new security will have a really active market is doubtful. It will be placed, from the outset, in what are technically called "strong hands"; for the greater part of it will go to Queen Anne's Bounty and to the Ecclesiastical Commissioners, and the remainder to the Welsh Church Commissioners, universities, colleges, churches, and other owners of other lay tithe rent charge. No part will be issued directly to individual incumbents or ecclesiastical corporations. Possibly this condition may not be wholly displeasing to the members of a recent Board of Trade Departmental Committee.

* * *

Wall Street Outlook.—By last week-end Wall Street's two-month recovery had brought prices within sight of the peak touched early in the year. This week prices have drifted steadily downward. It seems generally agreed, at least outside New York, that the industrial prospect in America would justify greater confidence than Wall Street has demonstrated. The market has been dominated by fear of Washington and by the firm hand of the Securities and Exchange Commission. Consequently, the difficulties which now confront the President have encouraged professional operators, who await anxiously the adjournment of Congress. The hand of the S.E.C. is not so easily avoided. The annual report of the New York Stock Exchange attacks restrictions on the ground that they reduce the volume of business and affect liquidity. New charges are being suggested to compensate for the shrinkage of business. It is doubtful if protests against the operations of the S.E.C. will have much effect, and the British investor would do well to assume that regulation will continue along its present lines. While the economic prospect in America may seem better to the British investor than it appears to Wall Street, a special obstacle may be ahead for the outsider in the shape of higher taxes. The Special Joint Congressional Tax Committee recommended that both normal and sur-taxes should be levied on non-resident aliens with incomes of over $21,600, who were to be required to file income tax returns. Above this income the rate of taxation on American schedules would exceed the 10 per cent. withholding tax now in force. The House Ways and Means Committee has reported favourably on a bill which follows the joint tax committee's proposals, and this tax bill may possibly be passed by both chambers before the adjournment. But it should not be taken as the last word in the matter, since the necessary sting to the bill is lacking. Mr Marriner S. Eccles had proposed that the withholding tax should be raised to around 25 per cent. to compel non-resident aliens to file returns. The bill, as now proposed, does not include this essential element, and if, as is highly probable, aliens continue to ignore the present taxes, as they did in the past, further steps may be taken by the Administration to tighten up control. But this is not a development which need be anticipated in the near future.

* * *

Are Shipping Shares Too High?—There has been appreciable profit-taking in shipping shares in the past fortnight. The two Realisation issues, after touching 55s. 6d. for E.D. and 54s. 6d. for R.M., are now quoted at the common level of 52s. P. and O. deferred reached 34s. 1½d., and has reacted to 31s. 6d., but Royal Mail Lines and Furness Withy have held their position more successfully. Undoubtedly, technical considerations have contributed to the decline, for the advance was too hot to last. But some quarters in close touch with the industry appear to be doubtful whether present levels are themselves justified in relation to probable dividend expectations. The course of shipping freights in recent months has not been conclusive on the point, although conditions of boom are being experienced in certain markets. With the growth of British exports—particularly of coal—more remunerative outward cargoes may well be secured. But such considerations apply mainly to the tramp companies. The cargo liner concerns experience smaller fluctuations in depression and recovery. To measure the share prospects of such companies solely by reference to published freight rates is to exaggerate their prospective share in the improvement of the

industry. Further, their costs under the headings of wages, bunkers and stores, have significantly increased. There has, indeed, been a certain over-eagerness to discount increased future dividends, but this is no guarantee that the market's appetite will not again revive. The forthcoming distribution of the Union-Castle ordinary stock by the two Realisation companies may provide a test for the bulls, who hold that in due course the stock will command an appreciably higher price than the 27s. 6d. per £1 indicated by the present quotations for the Realisation issues. The test of a higher price will come later still.

* * *

Cotton Share Prospects.—The past few days have produced further information which provides the basis for a revised view regarding the situation of the cotton textile trades. Two important companies have published encouraging results. Tootal Broadhurst Lee (whose accounts were discussed in *The Economist* a fortnight ago) showed an advance in net profits, from £155,000 to £205,000. This week, Calico Printers announced a net profit of £116,174, against a net loss for the year to June, 1936, of £47,247. The profit does not cover a full year's preference dividend (which requires £150,805), but a half-year's dividend to December, 1935, is to be paid, and the credit balance of £83,351 is almost doubled. Although the ordinary shareholders are still some way from receiving dividends, the results of the company are of particular interest, since they reveal the big advance made last year in the exporting branch of the industry, which had hitherto tended to lag behind. The total value of cotton manufactures of all kinds exported in the first seven months of the year, according to the latest returns, rose to £40,722,000, an increase of £5,455,000, or 15.5 per cent. over the same period of 1936, which had been rather less favourable than 1935. Nor do the latest statistics bear out the common assertion that the greatest gains have been made, not by piece-goods, but by yarns. The reverse is true of the latest figures. The immediate future, however, depends largely upon the possibility of a further expansion of exports, and this, in turn, is associated with the general trend of prices for primary commodities. War in the Far East may provide adventitious benefit for Lancashire. At present, unemployment in the industry slightly exceeds 10 per cent. after a continuous fall for some months, and a further decline, which would reduce the percentage below the national average, is not unlikely, if and when the present uncertainties are removed. From the point of view of profits, however, another factor enters: the break in cotton prices after the publication of the biggest United States crop estimates since 1932. This may entail some appreciable inventory losses for concerns which hold large stocks. Investors should continue to confine their speculative interests to the large spinning concerns and to the defaulted preference shares whose prospects are improving.

* * *

Simms Motor Units Scheme.—In 1935, this concern earned its first net profit—of £6,252—since 1930 before writing off £11,998 for development of new products. Last year a net loss of £701 was recorded after providing £12,000 for the same purpose. No dividend on the £100,000 7½ per cent. preference shares has been paid since 1931, and no ordinary dividend since an interim of 2½ per cent. was distributed in 1930. In view of the existence of an accumulated debit balance of £59,092 and of qualifications on the accounts regarding the value of fixed assets, a reconstruction scheme has been indicated for some time. It may be doubted, however, if the prospective earnings outlook is sufficiently clear at the moment to justify irrevocable capital charges on the lines now proposed to shareholders. Altogether some £109,657 is to be written off fixed assets and goodwill, and the total is raised to £168,750 by the inclusion of the debit balance. The ordinary share capital, accordingly, will be written down by this amount to £81,250. Preference shareholders are asked to sacrifice claims to £37,500 of dividends, and to consent to a permanent reduction in their dividend rate from 7½ per cent. to 5 per cent. In return they will receive 75,000 5s. ordinary shares out of 325,000 shares to be issued. This might well have been offered as equitable compensation for the cancellation of dividend arrears, but as a return for the partial abandonment of preferential rights in perpetuity it appears wholly inadequate. It would imply that net profits of £15,000 approximately would be required to provide the cash return to which preference holders are at present entitled on earnings of £7,500—and this on the assumption that profits were fully divided. It is no part of the duty of preference shareholders to make sacrifices whose results inure wholly or mainly to ordinary shareholders. Circumstances suggest, on the whole, the expediency of postponement and presentation of a revised scheme when the earnings prospect is clearer.

* * *

Henry Briggs Son and Company.—Although sharp recoveries in coal-mining earnings have been frequent this year, the 60 per cent. rise in profits of this West Yorkshire colliery company is one of the most satisfactory improvements recently announced. Before the first signs of recovery in 1935-36, profits had varied within a comparatively narrow range for six years. This stability may have been only superficial, since total profits throughout exceeded ordinary dividends by only a trifling margin. More recent earnings are shown in the following table. Although the report brings good tidings, it is by no means expansive upon details of revenue and expenditure. Profits are analysed on the following page.

THE
STANDARD BANK
OF SOUTH AFRICA LIMITED
Bankers to the Imperial Government in South Africa; and to the Governments of Northern Rhodesia, Southern Rhodesia, Nyasaland and Tanganyika

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£3,000,000
CAPITAL UNCALLED	£7,500,000
	£13,000,000

BOARD OF DIRECTORS
William Reierson Arbuthnot, Esq. | Robert E. Dickinson, Esq.
Rt. Hon. the Earl of Athlone, K.G. | J. F. G. Gilliat, Esq.
Rt. Hon. Lord Balfour of Burleigh | Bertram Lowndes, Esq.
Stanley Christopherson, Esq. | Horace Peel, Esq.
Edward Clifton-Brown, Esq. | Rt. Hon. the Earl of Selborne, K.G.
Brigadier-General Sir Samuel Herbert Wilson, G.C.M.G., K.C.B., K.B.E. | Sir Roderick Roy Wilson.

General Manager in South Africa—Milton Clough
Deputy General Managers in South Africa
H. G. Hoey | J. Brenner
Assistant General Managers in South Africa
R. W. Normand | W. A. Coombs | J. T. Jurgens
London Manager—Ralph Gibson | Secretary—H. Dales

Head Office : 10 CLEMENTS LANE, LOMBARD STREET
and 77 KING WILLIAM STREET, LONDON, E.C.4
London Wall Branch : 63 LONDON WALL, E.C.2
West End Branch : 9 NORTHUMBERLAND AVENUE, W.C.2
NEW YORK AGENCY : 67 WALL STREET
HAMBURG AGENCY : 49 SCHAUENBURGER STRASSE
Over 370 Branches, Sub-Branches, and Agencies in SOUTH, EAST and CENTRAL AFRICA

EXECUTOR AND TRUSTEE BUSINESS CONDUCTED

COMMERCIAL SERVICE
The Bank has over 370 Branches in Africa, and Agents and Correspondents throughout the world. The closest touch with Trade and Industrial conditions is maintained, with special attention to Commercial and Credit Intelligence. This service is available to Exporters, Importers and others wishing to develop trade with South, East and Central Africa.

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

	Years ended June 30		
	1935	1936	1937
	£	£	£
Profit	52,607	65,143	103,271
Directors' fees	1,694	1,672	1,450
Ordinary shares—			
Earned	*50,913*	*63,471*	*101,821*
Paid	49,181	49,181	65,575
Earned %	*7·8*	*10·4*	*17·4*
Paid %	7½	7½	10
Investment depreciation	...	10,000	10,000
Overpaid mine rents	2,000	...	8,000
Reserve account	...	5,000	20,000
Carry forward	48,988	48,278	46,524

The directors underline their warning regarding the possible future effects of rising costs by treating the increase in dividend as a cash bonus. The main feature of the accounts, however, is the much wider margin between earnings and distribution. A reserve for overpaid mine rents is revived with an allocation of £8,000 (against £2,000 in 1934-35); the allocation of £20,000 to reserve (making a total of £150,000) represents four times the previous year's provision; and £10,000 is again set aside for the depreciation of investments. These stand in the balance sheet at £406,871, or nearly 24 per cent. of all assets. The nature and value of these investments is of some relevance to the liquid position, which, if the investments are omitted, again shows an excess of current liabilities. This situation, however, is but an imperfect guide to the liquidity of the company for trading purposes, for current liabilities include debts owing by the company and an unknown amount of credit balances. The more important changes in the balance sheet include an increase from £34,000 to £62,000 in stock, and from £59,000 to £137,000 in cash. The latest accounts, coupled with the maintenance of a 7½ per cent. dividend throughout a series of difficult years, are a good augury for the near future. The £1 shares are only available on the Yorkshire Stock Exchanges.

★ ★ ★

Store Dividends and Prospects.—Within the past fortnight seven London department stores have declared interim dividends—in six cases at the same rate as a year ago. The fact that there have been few changes is not significant by itself, but it invites shareholders to review prospects for the complete year. Harrods and their subsidiary, Dickins & Jones, with a progressive profits record in recent years, are each paying 5 per cent. D. H. Evans also pay 5 per cent., which compares with 15 per cent. on a capital since increased by a bonus of almost 200 per cent. Both this business, and that of John Barker, who repeat a 5 per cent. dividend, have been affected latterly by rebuilding operations, which may increase profitability in the long run, though investors have often been reminded that improvement in amenities is sometimes necessary to preserve an existing position. The repetition of a 10 per cent. interim payment by William Whiteley is even less of a pointer than the other distributions, since the Selfridge & Co. guarantee of an annual dividend of 25 per cent. has not yet expired. Whiteley's, however, have been able to earn a gradually increasing proportion of this distribution. Another store that has been paying the same dividend throughout a number of years is Frederick Gorringe, which declares the usual 3½ per cent. interim payment. The recent consolidation of the finances of Peter Robinson is followed by a resumption of interim dividends, with a payment of 1 per cent. It is to general considerations, however, rather than to recent dividend announcements that the shareholder must appeal for an interpretation of this apparent stability.

HOTEL WESTMINSTER
Le Touquet

The theme of rising costs, which throughout this year has been continually stressed by company chairmen, was not prominent in the speeches of department store chairmen earlier this year, although Mr Purkington, at the Frederick Gorringe meeting, spoke of increases in certain indirect expenses. A store whose wares cover a vast range of prices is less handicapped in readjusting selling prices than a dealer in a single commodity. But it is a matter of observation that selling prices in department stores are rising, and this suggests that store companies are not escaping the common experience. The outlook for the ordinary shareholder is therefore highly dependent on the ability of the stores to increase their turnover. Judging from the Retail Distributors' Association's index of retail trade activity there are reasonable prospects of a moderate increase in the volume of trade, though it is impossible to separate growing turnover from increasing prices. From February to June the average index of total sales for Great Britain was 121 against 112 in 1936—a satisfactory increase of 8.2 per cent. For Central London, however, the increase was only 7 per cent. Taking May alone, the discrepancy between London and the country as a whole is very pronounced, the improvement over 1936 being 3½ per cent. against 13½ per cent. respectively. The bus strike appears to have offset the benefits of the Coronation, although it seems that a certain amount of lost ground was made up in June. Owing to the importance of Christmas trading for London stores, there is perhaps some room for a modest increase in profits for the current year, but in view of the possibility of " consumers' resistance " to sharp price increases, investors should not take larger earnings for granted.

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Greyhound Racing Shares.—In the table below we give details of the earnings and dividends of five greyhound racing concerns. It will be remembered that, under the Betting and Lotteries Act of 1934, 108 days of racing were permitted, and the companies were allowed to deduct 6 per cent. of the totalisator pool for expenses. Before the Act came into force the " Tote " had been illegal for some months, following a legal decision, and much uncertainty existed whether the popularity of the sport would be renewed. The actual consequences in the two following years are graphically shown in the companies' results :—

Description of Share	1934		1935		1936		Share Price, Aug. 18
	Earned %	Paid %	*Earned* %	Paid %	*Earned* %	Paid %	
Albion Greyhounds*:							
5s. ordinary	*20·5*	22·5	*26·0*	27·5	*36·8*	35	20/-
1s. deferred	*4·1*	22·12	*53·5*	86·37	*148·5*	132·75	13/9
Clapton Stadium:							
5s. shares	*16·4*	10	*22·4*	20	*41·6*	35	25/6
Glasgow Albion Racing†							
10% non-cum. ord. 5s.	*16·2*†	14·93	*15·7*	15·55	*24·3*	21·1	11/3
1s. deferred	*50·1*	40	*48·6*	45	*115·7*	90	11/3
Greyhound Racing Association Trust:							
8% part. pref. £1 shs.	7·7	8·0	*9·6*	8·84	*12·6*	10·5	30/6
1s. ordinary	*Nil*	Nil	*19·4*	10	*55·6*	30	6/3
South London Greyhound**:							
10% non-cum. prefd. 10s.	*14·8*	11·9	*15·5*	13·75	*31·9*	20·0§	15/-
1s. deferred	*38·0*	15·0	*44·3*	30	*175·1*	80·0§	12/6

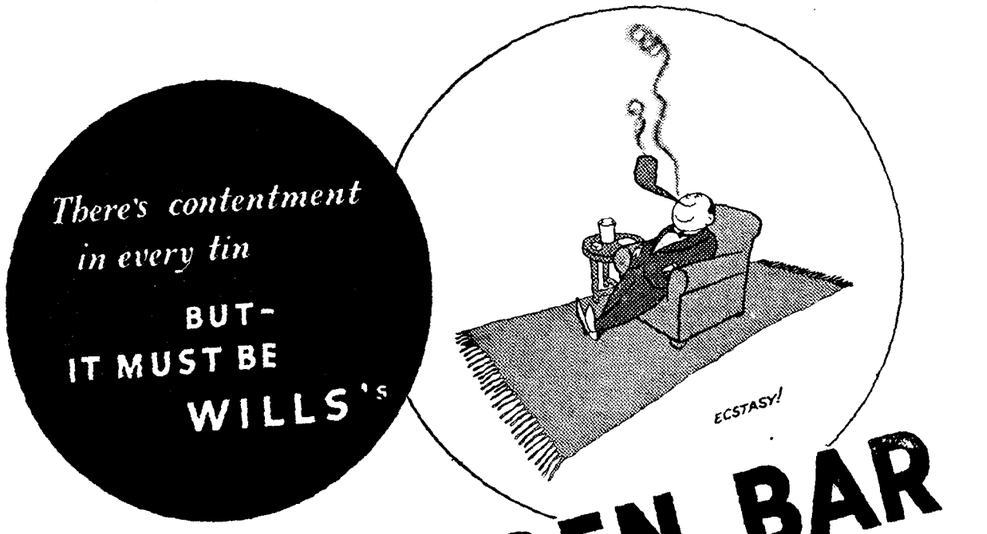
* Years from May 31. ‡ Years from February 28. † 54 weeks.
§ Capital bonus of 100 per cent. on deferred and 25 per cent. on preferred.
** Years from September 30.

In every case, earnings have increased at a very rapid rate. Expressed as percentages on the rather eccentric equity capitalisations of the companies, earnings have now attained fantastic proportions. The South London Greyhound 1s. deferred shares, for instance, are so highly " geared " that earnings were equivalent to 175 per cent. last year. It is clear that the 6 per cent. expenses deduction has enabled the companies to derive substantial profits from the immense and increasing popularity of the sport. Since it can only be reduced by new legislation—which seems unlikely at present—the only threats to profits would come from an extension in the number of licences granted (which was scarcely envisaged in the Act) from a withdrawal of licences when they come up for renewal in 1940 (which would be criticised as an arbitrary measure) or from a reduction of patronage for economic reasons. In effect, competition has been restricted by law, and unless fashion changes or incomes fall, shareholders appear to possess an interest in a highly protected industry. But they must also recognise the speculative nature of their shares, particularly in relation to any recession in trade.

★ ★ ★

Broken Hill Proprietary—The increased prosperity of this Australian undertaking is indicated in a cabled summary of the annual report. In October last year an issue of 1,482,660 shares was made to shareholders at 30s., to finance a comprehensive scheme of expansion at the company's iron and steel works in New South Wales. In their summarised report for the past financial year, the directors state that all departments were fully occupied and that production reached a new record. The increase is most impressive for steel, 783,140 tons being produced during the year, some 199,860 tons more than in 1935-36. Production of pig iron rose by 62,080 tons to 669,530 tons. From the properties at Broken Hill, where mining was resumed towards the end of the previous financial year, nearly 100,000 tons of ore were extracted. It may also be assumed that the company derived increased revenue under various miscellaneous headings. After providing £670,800, as against £615,050, for depreciation, a net profit of £1,183,170 is shown, which is £332,810 higher than for the previous year. The dividend rate is unchanged, but a substantially larger amount of capital now ranks. For complete particulars of the year's results investors must await the annual report. On the basis of dividends at the rate of 1s. 3d. per half-year, the indicated yield is approximately 4 per cent., which discounts increased payments in the future.

Company Results of the Week.—Seven additional reports are analysed on page 407 of this issue in our usual table. Two Ind Coope subsidiaries, *Alton and Company* and *Strettons Derby Brewery*, maintain their ordinary dividends. The first concern, however, shows an appreciable reduction in net profits for the past year. Precise comparison of the profits of *Ismay Industries* is difficult, since the previous profits related to a period of approximately 14⅛ months. In certain respects, however, the net profit of £52,384 is disappointing, for by far the greatest contribution to total income is still made by the company's lighting interests. The newer sections of the concern, owing to delays in building and production arrangements, have yet to provide an adequate return. The reduction in the dividend from 10 per cent. to 6 per cent. was somewhat greater than the market had expected. The report of *Tyne-Tees Steam Shipping* shows a satisfactory expansion of profits from £41,484 to £48,720, the dividend being maintained at 5 per cent. *Wilson Bros. Bobbin* and *Merchants' Warehousing* profits are slightly reduced. Declaring an interim dividend of 8 per cent., compared with 6 per cent. a year ago, the directors of *General Refractories* announce that sales have increased by over 50 per cent. and that trading profits are substantially in advance of those of the corresponding period last year, having increased by 40 per cent. during the second three months. A consolidated statement as at March 31st will be distributed with the dividend warrants. Increased profits are announced by *Wardle and Davenport*. Net earnings amount to £20,290 compared with £16,606, but the payment of a final dividend of 2½ per cent. tax free maintains the total distribution at 4 per cent. The announcement of a dividend on *Cable and Wireless (Holding)* 5½ per cent. preference stock for the half-year to June is the first interim payment since 1931.



THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: AUGUST 24 ACCOUNT: AUGUST 26

NOT since the "Sanctions crisis" of September, 1935, has the market taken so seriously to heart the threat of undeclared war. The bombardment of Shanghai, however, has been received with greater dismay in the City owing to the proximate nature of the British interests involved. The tale of destruction itself is sufficient to give the market pause, but the larger considerations regarding the future *modus vivendi* of the Powers in the Far East are no less discouraging. Coming so quickly after an abortive attempt by the professional bulls to get prices moving again, the effect of hostilities has been the more disturbing. The impact was felt with greatest force in the Sino-Japanese bond market, and upon shares of trading banks and other concerns directly involved. The falls are recorded on page 394 of this issue.

For the rest, the general trend has been featureless. There is some evidence of country support for War Loan at a fraction over par, but buying has been modest. It can be said of the gilt-edged market that mid-week conditions were relatively firm, but the market was not decisively tested, owing to the paucity of business. The Essex scrip touched par momentarily on Wednesday, Chinese Customs loans attracted speculative purchases on Wednesday, after severe falls earlier, on the argument that their cover would not be seriously impaired. But Japanese issues remained depressed. The adverse coffee situation acted as a further depressing influence on Brazilian issues, the Funding Loans being particularly affected.

Home rail stocks were neglected pending the acceptance of the wages adjudication by the Unions, and the traffics were not to the market's liking. Persistent small selling depressed prices, both for equity and prior charge stocks. London Transport "C" stock was affected by the traffic return, and Argentine rails remained dull.

The industrial market showed some tendency towards steadiness in mid-week, although the general effect upon the lower level of prices was almost negligible. There was no appreciable selling pressure at any time during the week, but investors refused to commit themselves further until the political outlook became clearer. Iron and steel shares showed small movements, and the trans-Atlantic group received no decisive impetus from Wall Street. Among Far Eastern shares, Hongkong and Shanghai Banking Corporation suffered most (being quoted as low as 90 at one time on Tuesday) followed by Chartered Bank of India and British American Tobacco. Electrical equipment, motor and aircraft shares remained irregular, even in mid-week, when the rest of the market tended if anything to improve slightly.

Marks and Spencer recovered, after a rather indifferent market performance recently, while textile shares were assisted by the Calico Printers results (discussed on page 395). Brewery shares received no provincial support and a considerable amount of profit-taking produced a succession of losses among shipping shares. Newspaper shares were uneasy and irregular. The miscellaneous leaders improved somewhat on Wednesday, after a series of appreciable falls. Building shares remained out of favour, on the July figures.

A sharp fall in Mexican Eagle to little over 11s. was the feature of a poor week in the oil share market. The threat that the company might have to abandon its Mexican interests came as a shock to the market, and despite speculative covering, the opening level was not regained. Hopes of a settlement of the strike were abandoned since the parties have reached deadlock. Kern River also fluctuated widely, on a succession of rumours.

The firmness at the Mincing Lane sales assisted tea shares, but buying remained selective, and only affected the Indian shares. In the rubber share market, the wheels almost stopped, and quotable movements in prices could be counted on the hand.

The mining markets commenced in dull style, but a moderate improvement was recorded as the week progressed. Most of the business was concentrated upon the developing mines, with some investment support for dividend payers. Australian and West African mines remained disappointing. Diamond shares, however, were again active, and the Rhodesian copper issues returned to life in mid-week. Beralt and Mawchi provided features in the base metal group on the rise in wolfram.

"FINANCIAL NEWS" MARKET INDICATORS

	Aug. 12	Aug. 13	Aug. 16	Aug. 17	Aug. 18	Aug. 19
Approximate total of bargains recorded in S.E. List	6,565	6,390	6,745	6,995	6,510	6,265
Corresponding day 1936	*8,692*	*8,576*	*9,395*	*7,862*	*8,251*	*8,258*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	114·5	114·2	113·7	112·9	113·1	113·0
Index of 20 Fixed Interest Securities (1928=100)	127·2	127·1	126·9	126·8	126·8	126·7

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

ACTUARIES' INVESTMENT INDEX

The reactionary tendency of markets is illustrated by a fall in the Actuaries' Index of 177 industrial shares to 83·8 this week, compared with 84·5 last week, and 82·6 a month ago (December 31, 1928 = 100). The corresponding yields are 4·34, 4·30 and 4·39 per cent. A selection of component indices which have fallen is given below:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Month ago (July 20)	Last week (Aug. 10)	This week (Aug. 17)	Month ago (July 20)	Last week (Aug. 10)	This week (Aug. 17)
Coal (7)	120·6	125·2	123·0	3·75	3·60	3·67
Iron and steel (12)	74·9	79·7	78·6	5·07	4·83	4·90
Oil (5)	96·4	99·3	96·1	6·67	6·47	6·70
Home rails (4)	78·7	81·4	79·4	2·72	2·76	2·83
Shipping (4)	25·3	27·0	25·9	1·76	1·61	1·67
Breweries and distill. (21)	144·1	147·4	146·4	4·44	4·27	4·39
Miscellaneous (58)	74·1	75·9	74·9	4·50	4·43	4·50

NEW YORK STOCK EXCHANGE

AT the end of last week, prices of industrial issues on Wall Street were reaching towards the peak touched in the second week of March. Steels, motors, and farm implement shares were prominent in a rise whose mainspring seemed to be enthusiasm over the troubles being experienced by the President with Congress. This week there has been a general decline, with farm implement and merchandising issues alone withstanding depression. The war in China was disturbing, and there was a decline in steel-mill activity. Congress was still in session, and Senator Black, a prominent new-dealer, was confirmed in his appointment to the Supreme Court. Oils and coppers, which have been well supported recently, moved downward, railroad shares lost some of the gains they had made on the more optimistic labour position, and industrials were generally uninteresting. On the bond market, all issues associated with Japan and China were adversely affected by the war. *Iron Age* estimates steel mill activity for the current week at 83 per cent. of capacity, against 84·5 per cent. for last week, but is optimistic to the extent that the volume of new business is increasing, and new orders from the automobile industry may reverse the present shrinking trend of orders on the books.

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

	1936		1937					
	Lowest Apr. 29	Highest Nov. 10	Lowest June 16	Highest Mar. 10	Beginning of Year 1937	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937
347 Industrials	112·7	145·9	130·2	155·7	143·2	144·3	144·6	144·4
32 Rails	42·8	60·2(b)	49·8(d)	64·5(f)	54·6	52·0	51·4	50·6
40 Utilities	91·2	111·0(e)	89·3	116·4(f)	111·7	98·6	97·6	96·5
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	121·5	121·5	121·0
Average yield*	4·50% High (c)	2·65% Low (a)	4·46% High	3·20% Low (g)	3·53%	3·96%	4·09%	4·17%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) June 30th. (e) December 2nd. (f) March 17th. (g) February 10th. (t) January 13th.

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

Highest*	Lowest†	Aug. 11	Aug. 12	Aug. 13	Aug. 14	Aug. 16	Aug. 17	Aug. 18
180·3	147·4	166·5	167·5	169·2	169·7	168·3	167·4	168·0

* March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	Aug. 12	Aug. 13	Aug. 14*	Aug. 16	Aug. 17	Aug. 18
Stock Exchange—						
Shares (No. Thous.)	790	1,040	470	620	660	700
Bonds (Thous. $)	6,570	7,770	3,180	5,120	5,320	5,990
Curb—						
Shares (Thous.)	170	262	116	188	209	221

* Two-hour session.

	Aug. 11, 1937 (Close)	Aug. 18, 1937 (Close)	Aug. 19, 1937 (Latest)
1. *Rails & Transport*			
Atchison	79	77½	77
Balt. and Ohio	27⅜	27⅜	26½
B.M.T.	22⅜	21½	19
Can. Pacific	12½	12	11⅞
Ches. and Ohio	51⅜	50⅜	50
Gt. Nthn. Rly. Pf.	50	51½	50⅜
Illinois Central	24½	23⅜	23½
N.Y. Central	40⅜	39⅜	39⅝
Nor. Pac.	29⅜	29½	29½
Pennsylvania R.R.	37⅛	36⅜	36⅝
Southern Pac.	47⅜	46	45½
Southern Rly.	29½	29½	29½
Union Pac.	124½	120½	120½
Greyhound Cp. New	15⅛	14⅜	14⅜
2. *Utilities and Communications*			
Am. Waterworks	20	19⅜	18⅝
C'wealth & S'thern	2⅜	2⅛	2⅛
(Cons. Gas of N.Y.) now Cons. Edison	37	36⅜	36½
Col. Gas & Electric	13⅜	13	12⅜
Elec. Bond & Share	19⅜	18½	18
Nat. Pwr. and Lt.	10⅛	10⅛	10⅛
North American	27	25⅝	25
Pac. Gas & Electric	31⅜	31	30⅝
Pac. Lighting	45	44	43⅜
Pub. Service N.J.	42⅞	40⅜	41
Stan. Gas & Elec.	8⅜	8⅛	8
United Corp.	5⅛	5⅛	5⅛
United Gas Imp.	13⅞	13⅛	13⅜
Am. Tel. & Tel.	170⅛	169½	170
Int. Tel. and Tel.	11⅜	10⅜	10⅛
Western Union	47	48⅜	47⅜
Radio	10⅜	10⅛	10⅜
Radio B. Pref. New	70½	73⅜	71⅜
3. *Extractive and Metal Industries*			
Am. Rolling Mills	40⅛	39⅜	39⅛
Beth. Steel xd	98⅛	100⅜	99⅛
Beth. Steel Pref. xd	120⅛	118	...
Republic Steel	39⅛	38⅛	37⅜
U.S. Steel	118⅛	118	115⅜
U.S. Steel Pref.	130	132	130⅛
Alaska Juneau	12	12	11⅞
American Metal xd	57	57	54⅛
American Smelting	98	95⅛	95⅛
Anaconda	61⅜	60	59⅛
Bohn Aluminium	45	45⅛	45⅛
Cerro de Pasco	75⅜	74⅛	73
Int. Nickel	66⅛	64⅛	64⅛
Kennecott	63⅛	62⅝	61⅛
Patiño Mines	16⅜	16⅛	16⅛
Texas Gulf Sulph.	39⅛	39⅜	39
U.S. Smelt.	93	91⅜	90⅞
Vanadium Corp.	32⅜	32⅝	31⅝
Atlantic Refining	29	29	29
Phillips Petroleum	62⅛	60⅜	60
Shell Union	27⅛	26	25⅞
Shell Union Pref.	130	104½	...
Socony Vacuum	22⅜	21⅛	20⅝
Stand. Oil Calif.	43⅜	44¼	44⅛
Stand. Oil N.J.	67⅛	68⅛	67⅛
Texas Corp.	64⅛	62⅜	62⅛
4. *Manufacturing*			
Briggs	45½	47	46
Chrysler	115⅛	115⅜	114⅛
Electric Autolite	38⅝	40⅛	40⅛
General Motors	58⅛	58½	57
Hudson Motor Car	16⅛	16	15⅝
Murray Corp.	13	13	12⅞
Nash Kelvinator	18⅝	18⅝	18⅛
Packard Motor Car	8⅜	9	8⅝
Bendix Aviation	20½	20⅝	19⅞
Boeing Airplane	34½	34⅜	33⅞
Douglas Aircraft	57⅜	57⅛	55⅞
United Aircraft	28⅝	28⅛	28⅛
Air Reduction	72½	71	71
Allied Chem.	235	240	230
Col. Carbon	123½	124	...
Comm. Solvents	14	13⅝	13⅜
Dupont	161	162	162⅜
Union Carbide	101	101¼	100⅛
U.S. Ind. Alcohol	33⅜	35⅛	35⅜
Allis Chalmers	68⅛	72⅛	71⅛
General Electric	56⅜	56⅝	56
Westinghouse	156	156½	155
American Can.	109	109	108
Addressograph	33⅛	34	...
Caterpillar	99⅝	98	97⅛
Cont. Can.	58⅛	60⅛	60
Ingersoll Rand	134	135⅜	132
Intntl. Harvester	118⅛	117⅛	116⅞
Johns Manville	135	138⅛	...
Am. Radiator	68⅜	21⅜	21⅛
Corn Products	65⅛	67	66⅛
J. I. Case and Co.	179⅛	181	177
Glidden	41⅛	43⅛	...
Gen. Am. Transpt.	65	69⅜	68⅝
Allied Mills	24	24⅜	...
Celanese of Amer.	38⅛	37⅜	36⅛
Ind. Rayon New	37⅜	38⅝	38
Colgate Palmolive	18⅜	18⅜	18⅜
Eastman Kodak	185⅛	195⅜	...
Gillette	14⅛	14¼	14⅛
Lambert Co.	19⅜	19⅜	19⅛
Loews	87⅛	83	81⅜
20th Century Fox	36⅛	36⅞	36⅜
5 *Retail Trade and Food*			
Montgomery Ward	64⅜	64⅛	63
J. C. Penney Co.	62⅜	99⅜	99
Sears Roebuck	98	97⅛	96
United Drug	11⅛	11⅜	11⅜
Walgreen	27⅞	28⅛	27⅞
Woolworth	48⅜	48¼	47⅞
Borden	24⅛	23⅝	23⅞
Gen. Foods	37⅛	37⅜	37⅛
Kroger Grocery	21⅜	21⅛	...
Nat. Biscuit	23⅞	24	24⅛
Nat. Dairy	20⅜	20⅛	20⅛
Standard Brands	11⅜	11⅛	11⅜
Am. Tobacco B.	82	80⅜	80⅛
Liggett Myers B	100⅜	100⅛	...
Lorillard	21⅜	21⅞	21⅜
Reynolds Tob. B.x	52⅛	52	51⅞
National Distillers	30⅜	30⅛	30⅛
Schenley Distillers	43⅜	43	42⅝
6. *Finance*			
Commercial Credit	64⅞	64⅛	63
Atlas Corp.	15⅛	15⅜	15⅜
Com. Invest. Trust	65⅜	65⅛	63⅝

CAPITAL ISSUES

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended August 14, 1937: *Dr. £150,000*

	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	121,250	...	611,562
To Shareholders only	...	...	...
By Stock Exchange Introduction	1,959,406	551,374	1,589,979
By Permission to Deal	102,091	...	329,371

Total Capital Raised—

	Including Conversions	Excluding Conversions
	£	£
1937 (New Basis)	405,997,474	357,323,579
1937 (Old Basis)	253,078,960	207,477,544
1936 (New Basis)	323,500,841	229,307,864
1936 (Old Basis)	216,264,329	123,880,242
January 1 to date (Old Basis)—		
1935	247,335,299	122,352,226
1934	288,579,794	114,057,056
1928	...	281,630,013

Total offered for Subscription—

	Including Conversions	Excluding Conversions
	£	£
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom	British Empire (excluding United Kingdom)	Foreign Countries	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	303,145,607	50,919,613	3,258,359	357,323,579
1937 (Old Basis)	189,712,046	16,272,998	1,492,500	207,477,544

Nature of Borrowing (Excluding Conversions)

	Debentures	Preference	Ordinary	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	163,750,425	25,772,436	167,800,718	357,323,579
1937 (Old Basis)	148,036,092	16,024,954	43,416,498	207,477,544
1936 (New Basis)	78,729,762	28,926,504	121,651,598	229,307,864
1936 (Old Basis)	62,827,798	14,492,182	46,560,262	123,880,242
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

BY STOCK EXCHANGE INTRODUCTION

3 per cent. Redemption Stock 1986-96. — Issued under Tithe Act of 1936 and charged on consolidated fund of the U.K.; a trustee stock. Redeemable October, 1996 (by half-yearly sinking fund commencing 1942), or from 1986 on notice at par. To be issued from time to time for compensation for tithe rentcharge; amounts published half-yearly, April and October 1st.

Peter Robinson, Ltd.—Particulars relating to £950,000 4 per cent. 1st mortgage debenture stock. No further or *pari passu* charges to be made; redeemable at par by annual drawings, by

(*Continued on page 402*)

Establish your factory — at

THE SCOTTISH INDUSTRIAL ESTATE

NORTH HILLINGTON

Nearly 90 per cent. of the population of Scotland lives inside the area covered by the Scottish Industrial Belt. This belt extends from the Ayrshire coast on the West to the Fifeshire coast on the East and contains Scotland's three largest cities—Glasgow, Edinburgh and Dundee.

North Hillington is situated on the outskirts of Glasgow. Manufacturers at North Hillington therefore will be within easy reach of the most distant part of the Scottish mass market and in the centre of its most densely populated section. In addition, North Hillington is a strategic distribution point to Northern England, Northern Ireland and indeed to all the world.

There are excellent transport facilities by air, river, road and rail. Skilled labour is plentiful.

FACTORIES—WITH ALL SERVICES

The rents are low as the company does not operate for profit. A factory can be leased. There is ample room for expansion of growing businesses. Factories are heated by the estate. Process steam is supplied if required. Every factory possesses a walled yard space at no extra cost. Insurance and upkeep of factories and upkeep of roads are paid by the estate.

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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Name of Security	Price, Aug. 11, 1937	Price, Aug. 18, 1937	Rise or Fall	Yield Aug. 18, 1937 £ s. d.
				British Funds				
87¾	82⅝	84 13/16	73⅞	Consols 2½%	74½	74¼	−¼	3 7 6
116½	112⅝	113	105⅞	Do. 4% Red. at par on or after Feb. 1957 (n)	108	107¼	−½	3 9 6
102 7/16	100	101 5/16	94⅞	Conversn. 2½% 1944-49	95½	95½	...	3 0 6
105⅞	103 3/16	103 3/16	97⅛	Do. 3%, 1948-53	98⅛	98⅛	...	3 2 9
108 5/16	104¼	106 11/16	99⅝	Do. 3½% after 1961	100⅞	100⅞	−¼	3 11 6
111 11/16	107	108	105	Do. 4½% 1940-44	106½	106⅛	−⅛	2 11 3
121⅛	116½	117½	111 11/16	Do. 5% 1944-64	113	113	...	3 1 9
95 13/16	92½	92½	84⅞	Funding 2½% 1956-61	87	87	...	3 6 3
...	...	93⅞	89⅞	Funding 2¾% 1952-57	92½	92½	...	3 6 0
104⅛	101	101⅝	92⅞	Funding 3% 1959-69	94¾	94¾	...	3 6 3
119¼	115⅝	116⅝	109	Funding 4% 1960-90	111	110½	−½	3 7 9
117 3/16	113⅞	114¾	107⅝	Victory Bonds 4%	109½	109¼	−¼	3 14 3
108 5/16	104¼	105 13/16	99⅝	War Ln 3½% after 1952	100¼	100⅛	−⅛	3 10 9
98⅛	94⅝	96 13/16	85	Local Loans 3%	85½	85½	...	3 10 6
103¼	101½	101½	99¼	Austria 3% 1933-53	100	100	...	3 0 6
76⅛	70⅞	72	62	India 2½%	67	67	...	3 15 0
89⅛	83½	85½	74⅜	Do. 3%	78	78	...	3 17 3
100	96	98¾	87	Do. 3½%	92	92	..	3 16 6
120⅜	116	119½	112¼	Do. 4½% 1958-68	115	115	...	3 10 6
107	104	105⅞	103½	U.K. & Arg. 4%A (1947)	103½	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅜	109½	109⅞	105	Australia 5% 1945-75	108	108	...	3 18 0
106½	102½	104½	101	Canada 4% 1940-60	104	104	...	2 19 0
118⅝	114	116½	112⅝	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117½	114	Nigeria 5% 1950-60	115	115	...	3 11 0
114½	108	109¾	104	N. Zealand 5% 1946	106	107	+1	4 2 6
109¾	106⅞	107⅞	104	Queensland 5% 1940-60	105	105	...	3 13 6
117⅛	113¾	114	110½	S. Africa 5% 1945-75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	101½	102	+½	4 8 9
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
93	82	90	84½	Do. 4½% 1934-59	87	89	+2	5 9 0
72½	71½	73	68¾	B. Aires (Prov.) 3½%	72½	73	+½	4 16 3
97¾	95¼	100¼	96	Belgian 4% red. by 1970	100½	101	+½	4 0 0
27½	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
83⅞	65⅛	89	84	Brazil 5% Fund. 1914	83	80½	−2½	6 4 6
23½	16	28	23½	Chili 6% (1929)	25½	25½	...	2 7 6v
84½	66	94½	81½	*China 5% (1912)*	82½	70½	−12	7 7 0f
95¼	80	101¼	89½	Do. 5% (1913)	90	83½	−6½	6 0 9f
112	95½	106	103¾	Czechoslovakia 8%	105½	105½	...	7 14 6
110	98	100	92½	*Danish 3%*	96	96	...	3 2 9
70	57	72¾	51½	Danzig 6½% (g) (1952)	61	61	...	9 13 9
106½	102	105½	101	Egypt Unified 4%	102½	103	+½	3 18 3
25½	17½	18	13½	French 4% (British)	14	14	...	5 9 0e
69¾	53	65	53	German 7% Dawes Ln.	63½	63½	...	11 3 6
46	34	49½	35	Do. 5½% (Young Ln.)	44½	44½	...	12 12 3
40	29	40¾	30	*Greek 6% Stab. Ln.*	36	35½	−½	6 16 0w
45½	35½	48½	38	Do. 7% Refugee	43	43½	+½	6 11 0w
52	39½	62	47½	Hungary 7½%	59½	59½	...	6 10 6h
90½	79½	88⅝	75	*Japanese 5½% 1936-65*	77	66½	−10½	8 16 9
97½	83	94⅝	81	Do. 6% (1924) red 1959	80½	73½	−7	8 16 9
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53½	41	61	54	Peru 7½% 1922	62½	62½	...	...
93½	60	83	56	Poland 7%	65½	67½	+2½	10 13 0
15½	8¾	20½	13	Roumania 4% Con. 1922	18	18	...	10 3 6y
116	112	116½	112	*U.K. & Argentine 1933* 5¼% B. Certs. (1951)	113½	113½	...	4 6 3
92½	79	95⅛	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932-57	24	24	...	...
119½	116	118	111	B'mgham 5% 1946-56	114	114	...	3 6 9
120	117	119	113½	Bristol 5% 1948-58	116	113x	−½	3 11 0
84	64	82	64	Danzig % (i) (1950)	71	71	...	9 4 0
121½	117½	119½	116	*E. London 5% 1960-70*	116½	116½	...	3 18 6
97½	93½	95¼	83½	L.C.C. 3%	83½	83½	...	3 12 6
106½	85½	103½	97½	Seine (Dpt of) 4½% 1952	98½	99	+½	4 12 9

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 11, 1937	Price, Aug. 18, 1937	Rise or Fall	Yield Aug. 18, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	113	113	...	3 14 3
				London Passenger Transport Board—				
123¾	110½	2¼	2¼	4½% "A" 1985-2023	115½	114½	−1	3 17 3
135	121½	2½	2½	5% "A" 1985-2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 9
99¾	77	2½(b)	1½(a)	"C" 1956 or after	82	82	...	4 17 9
99¼	86	1½	1½	Met. Wat. Bd. "B" 3%	87	87	...	3 9 0
121	113¼	2½	2½	Pt.of Lndn.5% 1950-70	117	117	...	3 8 6
				British Railways				
67¾	55¾	2¾(b)	½(a)	G. Western Ord. Stk.	65½x	64x	−1½	5 1 6
6⅛	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5½	5	−½	Nil
12⅜	9	Nil	Nil	Do. 5% Pref. Ord.	10½	10	−½	Nil
100¾	89⅜	5(c)	1½(a)	Do. 5% Pref. 1955	98x	98x	...	5 2 3
31½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	30	29	−1	1 14 6
79⅝	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	73x	72½x	−½	5 10 3
36⅞	27¼	Nil (c)	1½(c)	L.M.S. Ord. Stk.	33	32	−1	3 18 3
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	77x	76½x	−½	5 4 6
92½	80	2(a)	2(b)	4% Pref. Stk.	83½x	82½x	−1	4 17 0
27⅞	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	23¾	23	−¾	2 3 3
98⅞	87⅞	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	93x	92½x	−½	5 8 3
125⅝	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	114½x	113½	−1	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	20	...	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	11	11	...	Nil
35⅞	24	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	25½	24	−1½	Nil
31⅞	20	Nil	Nil	B.A. Western Ord. Stk.	23	21	−2	Nil
34½	24½	Nil	Nil	C. Argentine Ord. Stk.	25½	24	−1½	Nil
6⅞	4	Nil	Nil	C. Uruguay Monte V.	5½	5½	...	Nil
18	11⅛	Nil	Nil	Can. Pacific Com. ($25)	12½	12	−½	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33¼	2(c)	2(c)	Costa Rica Ord. Stk.	34½	34	−½	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	86	†2(a)	†3(b)	San Paulo Ord. Stk.	89	87½	−1½	5 14 3†
28/9	20/1½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 3/16	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 11, 1937	Price, Aug. 18, 1937	Rise or Fall	Yield Aug. 18, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 6
376	334½	6(a)	6(b)	Bank of England Stk.	341½	339½	−2	3 10 9
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	76/-	76/-	...	3 13 9
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/-	44/-	...	2 12 3
10⅞	9¼	3½(a)	4½(b)	Bk. of Australasia (£5)	9⅜	9¼	−⅛	4 6 6
£49½	£44⅛	8(c)	8(c)	Bk. of Montreal ($100)	£44½	£45x	+½	3 11 3e
29¾	27	5(c)(o)	5¼(c)(o)	Bk. of N.S. Wales (£20)	27½	27¼x	...	3 1 6e
101/-	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	14 3/16	7(a)	7(b)	Chtd. of India (£5)	14⅞	13½	−1¼	5 3 9
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9x	13/9	...	3 16 6e
94/-	82/1½	16⅞(b)	16⅞(a)	District A £5, £1 pd.	83/9x	83/9	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6x	52/6	...	3 16 0
108/9	93/9	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅞	18(c)	18(c)	Hambros £10, £2½ paid	11	10⅞	−⅛	4 3 9
121⅞	108¼	£3(b)	£2½(a)	Hong. and S. ($125)	£111x	£100	−11	5 10 0
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/6x	61/-	−6d	3 18 9
10 1/32	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	9x	8⅞	−⅛	3 19 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	89/-	88/-	−1/-	3 12 8
44½	39	4(a)	11(b)	Nat. of Egypt £10	40	40	...	3 15 0
47¾	39	9(a)	9(b)	Nat.ofIndia £25,£12½ pd	41	40	−1	5 12 6
16¼	14½	15(b)	15(a)	Nat. Prov. £20, £4 pd.	15x	14½	−½	7 2 9
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	463	462	−1	3 13 8
16⅛	14 1/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15½	15¼	−¼	4 9 0
101/4½	90/-	18(b)	18(a)	Westminster £4, £1 pd.	91/-x	90/6	−6d	3 19 8
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65	65/	...	5 7 9
6⅝	5⅛	5(b)	5(a)	National A £2½ fully pd.	6x	6	...	4 3 3
16 1/16	12⅞	17(b)	9(a)	„ B £7½, £2½ pd.	13½x	13½	...	4 18 0
54/9	44/3	6½(b)	3¾(a)	Union £1 of stock	45	45/	...	4 9 0
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27¼	27¼	...	3 6 0
15 13/16	13¾	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	14¼	14¼	...	2 16 0†
10 13/16	9½	20(a)	20(b)	Com. Un. £1, fully pd.	10¾	10¾	...	3 17 6
6 5/16	5	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5¼	5¼	...	3 4 9
35⅞	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	31	31	...	3 4 6
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd	12¼	12⅛	−⅛	2 13 0
21¼	18⅞	35(a)	40(b)	Northern £10, £1 pd.	20	20¼	+¼	3 13 2
22¼	19	†26½(b)	†25(a)	Pearl (£1), fully paid	20x	19¾x	−¼	2 11 11†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	15½	16	+½	3 15 0
37⅞	33½	†93¾(c)	†95¾(c)	Prudential £1 A	33¾	33¼	−½	2 17 2†
114/-	103/9	†43¾(c)	†50(c)	Do. £1, with 4s. paid	5⅛	5¼	+⅛	1 18 0†
11 7/16	9 7/16	11(a)	19(b)	Royal Exchange (£1)	10⅞	10⅞	...	2 18 0
9⅞	8 11/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	9	8⅞	−⅛	3 14 3
19⅛	16⅛	6/6(a)	6/6(b)	Sc.Un.&Nat.A£20,£1 pd.	17	17	...	3 16 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur.,£1 with5/- pd.	4 9/16	4⅝	+1/16	3 1 0
8⅞	7⅛	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7⅞	7⅞	...	2 6 6†
21	18⅛	†17½(a)	†30(b)	Yorkshire £1, fully pd.	18⅛	18⅛	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2¼(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	6/-	6/3	+3d	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	13/9	13/9	...	2 14 6
258	233	6(b)	4(a)	Debenture Corp. Stk.	233½	233½	...	4 6 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145⅛	145½	...	4 9 6
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	265	269	+4	4 1 10
336	282	5(a)	8(b)	Invest. Trust Def.	289	289	...	4 10 0
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	270	275	+5	4 3 6
181½	171	4½(b)	3(a)	Merchants Trust Ord.	170½x	170½x	...	4 8 0
302	288	7(b)	5(a)	Metropolitan Trust	285	285	...	4 4 2
7/9	6/-	1½(c)	2½(c)	Scottish Investment(5/-)	6/6	6/6	...	1 18 6
252½	240	2½(a)	7(b)	Scottish Mortgage, etc.	240½	240½	...	3 19 0
255½	229	3(a)	7(b)	Trustees Corp. Ord.	232½	233½	+1	4 5 6
253	222	7(b)	4(a)	United States Debenture	225½	225½	...	4 17 7
				Financial Trusts, &c.				
18/-	15/-	2½(c)	2½(c)	Argentine Land,etc. 10/-	15/6	15/6	...	1 2 6
37	28	Nil	Nil	Australian Estates, etc.	31½	31½	...	Nil
45/-	29/7½	6⅜(c)	10(c)	Brit. S. Africa 15/- fy. pd	36/9	36/6	−3d	4 2 2
34/3	25/-	10(c)	10(c)	Charterhouse Inv. £1	33/9	36/3	+2/6	5 10 3
19/6	17/10½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	42/6	†2½(a)	†8⅜(b)	Daily Mail & General £1	43/-	38/9	−4/3	5 16 3†
9⅜	8	†3½(b)	3¾(a)	Dalgety £20 £5 pd.	8¼	8¼	...	5 0 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	28/3	28/-	−3d	6 1 4
42/7½	34/-	Nil	Nil	Hudson's Bay Co. £1	37/-	35/6	−1/6	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	10½	Nil	Nil	Peruvian Corp. Pref.Stk.	10	10	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/-	22/-	...	6 16 6
57/6	44/4½	8(c)	10(c)	Sudan Plantations £1	46/3	45/-	−1/3	4 9 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	93/-	91/-	−2/-	4 18 10
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	34/3	33/6	−9d	4 15 9
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	138/6	138/6	...	3 8 3
93/6	83/6	14(b)	6(a)	Benskins Watford £1	94/-	95/6	+1/6	4 3 9
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	73/6	73/6	...	3 16 0
22/4½	17/7½	6(c)	20(t)	City of London Def. 5/-	15/3	15/-	−3d	...t
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/-x	91/-x	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	111/-	110/-	−1/-	4 1 9
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	131/6	131/-	−6d	4 8 6
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	121/6	121/-	−6d	4 10 10
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	47/-	47/6	+6d	4 12 8
109/6	98/9	†11⅛(b)	8(a)	Mitchells & Butlers £1	102/6	101/3	−1/3	4 11 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	74/-	74/-	...	4 14 6
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	84/-	83/-	−1/-	4 6 9
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	110/-	110/3	+3d	4 1 8†
72/9	57/6	10(c)	20(c)	S. African Dist. £1	60/9	59/-	−1/9	6 17 6
48/-	40/-	4(a)	6(b)	Taylor Walker Ord. £1	44/3	43/3	−1/-	4 12 6
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	27/-x	26/3x	−9d	4 11 4
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	83/3x	81/3x	−2/-	4 13 8
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	30/-	29/4½	−7½d	8 0 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	2/9	2/9	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	50/-	49/4½	−7½d	4 1 0
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	11/-	10/9	−3d	3 14 4
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
50/-	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	52/6	50/-	−2/6	4 10 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	38/6	37/6	−1/-	4 0 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	43/9	42/6	−1/3	3 17 3†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	15/6	14/9	−9d	1 16 8
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	29/3	28/9	−6d	4 17 6
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	14/3	13/9	−6d	3 12 [illegible]
88/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	90/-	88/9	−1/3	4 10 2
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	54/4½	53/1½	−1/3	2 5 4
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	75/-	75/7½	+7½d	3 12 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	36/6	35/9	−9d	3 7 0†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3½% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 11, 1937	Price, Aug. 18, 1937	Rise or Fall	Yield Aug. 18, 1937 £ s. d.
				Iron, Coal, &c.—*cont.*				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	35/6	35/-x	−6d	5 0 0
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/3	6/9	+6d	Nil
37/3	29/3	5(b)	2½(a)	Horden Collieries £1	37/6	37/6	...	4 0 0
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	33/9	33/9	...	2 19 2
17/9	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	18/-	17/9	−3d	2 5 0
16/1½	11/3	Nil(c)	5(c)	Pease and Partners 10/-	16/-	15/6	−6d	3 4 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	26/6	26/6	...	5 5 10
28/9	22/0	5(c)	6¼(c)	Ruston & Hornsby £1	24/6	24/9	+3d	5 1 0
50/10½	44/3	7½(b)	†2½(a)	Sheepbridge Cl & In. £1	52/6	51/3	−1/3	3 18 0
41/6	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	43/-	44/-	+1/-	5 9 0
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	55/-	55/-	...	4 7 3
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	30/-	30/-	...	4 0 0
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
61/3	52/3	†6(b)	†3(a)	Staveley Coal, etc. £1	60/-	61/3	+1/3	2 18 9†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	42/6	42/6	...	3 10 6
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	33/9x	33/9x	...	4 9 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	14/6	14/-	−6d	7 3 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-	8/-	...	3 2 6
$129¼	$76½	Nil	Nil	U. States Steel $100	118½	118½	...	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos.Ord. £1	32/3	32/-	−3d	4 13 9
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	32/6	31/6	−1/-	3 3 6
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	36/3	36/3	...	4 2 9
49/4½	40/10½	6(c)	10½(c)	Weardale Steel etc.Df £1	45/-	47/6	+2/6	4 8 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	122/6	125/-	+2/6	5 12 0
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/-	70/-	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	8/3	8/3	...	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord.(10/-)	7/9	7/10½	+1½d	Nil
15/6	10/-	Nil	Nil	Calico Printers £1	10/6	10/3	−3d	Nil
55/-	44/9	10(c)	10(c)	Coats, J. and P. (£1)	45/-	45/-	...	4 8 11
54/4	50/7½	7(b)	3½(a)	Courtaulds £1	54/3	54/6	+3d	3 17 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	43/1½	...	4 13 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	10/3	10/-	−3d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/10½	36/10½x	...	4 12 3
69/3	60/3	†12½(c)	†12½(c)	Patons & Baldwins £1	60/-	58/9	−1/3	4 5 0†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/-	20/-	...	6 5 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	49/6	49/6	...	4 0 10
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	100/-	100/-	...	4 0 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	57/6	60/-	+2/6	1 0 10
37/6	30/-	Nil	Nil	English Electric £1	34/-	34/-	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	86/-	86/-	...	4 1 4
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	20/6	20/6	...	3 18 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	48/1½	46/10½	−1/3	4 5 3
35/-	31/1½	6(c)	7½(c)	Siemens £1	33/9	33/9	...	4 9 0
				Electric Light, &c.				
$32	$18	40c.(b)	50c.(a)	Brazil Trac., no par	$28⅛	$27	−1⅛	3 6 8
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 9 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	28/-	28/-	...	4 5 9
38/9	32/-	4(b)	3½(a)	City of London £1	34/6	34/6	...	4 7 0
46/6	38/-	3(a)	5(b)	Clyde Valley Elec. £1	39/6	39/6	...	4 1 0
54/7½	45/9	7½(b)	3(a)	County of London £1	50/-	50/-	...	4 4 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-x	46/-x	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	37/-	37/-	...	4 6 6
34/9	30/9	2½(a)	4½(b)	North-Eastern Elec. £1	32/6	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	48/9	49/4½	+7½d	4 1 0
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	37/-	37/-	...	4 6 6
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/-x	39/-x	...	4 2 0
				Gas				
27/-	23/3	5⅜(c)	5⅜(c)	Gas Light & Coke £1	24/9x	24/9x	...	4 10 2
163¼	147	4(a)	6(b)	Imp. Continental Stk.	148½	148½	...	6 14 8
26/9	23/-	2½(a)	2¾(b)	Newc.-on-Tyne £1	24/6x	24/6x	...	4 7 10
120	107	3(b)	2½(a)	S. Metropolitan Stk.	106½x	106½x	...	5 3 3
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	47/6	45/-	−2/6	3 6 8†
50/4½	38/9	50(c)	50(c)	Austin 5/-	46/10½	46/3	+7½d	5 8 2
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/6	23/9	−9d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	36/3	36/3	...	4 12 0
33/9	25/6	5(c)	6(c)	Ford Motors £1	29/4½	28/9	−7½d	4 3 1
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	66/3	67/6	+1/3	4 8 11
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	100/-	97/6	−2/6	4 1 11
43/9	35/-	†15(c)	45(c)	Morris Motors 5/- Ord.	37/3	37/-	−3d	6 1 7
15/3	9/6	Nil	Nil	Napier 5/-	11/3	11/3	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	78/9	78/1½	−7½d	5 15 2
6⅝	4 11/16	7½(a)	15(b)	Rolls-Royce £1	107/6	107/6	...	4 3 10
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	153/9	150/-	−3/9	3 6 8
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	9/6	8/9	−9d	Nil
10⅞	8¼	5(a)	15(b)	Clan Line Steamers (£1)	10	10	...	2 0 0
8/7½	6/-	Nil	Nil	Cunard £1	6/6	6/-	−6d	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	29/6	28/6	−1/-	2 2 1
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	34/-	32/-	−2/-	2 10 0
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	24/3	23/9	−6d	4 4 4
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	40/3	39/6	−6d	3 10 11
53/9	38/3	5(c)	9(c)	Bah Lias £1	40/-	40/-	...	4 10 0
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	31/3	31/3	...	3 16 10
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	42/6	41/3	−1/3	3 17 7
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	41/3	41/3	...	3 17 7
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	26/10½	26/10½	...	3 14 5
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/1½	5/-	−1½d	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	39/-	38/3	−9d	3 18 5
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/9	4/7½	−1½d	4 6 6
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	41/6	40/3	−1/3	4 19 5
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	39/4½	...	6 6 0
132/-	85/-	5(a)	20(b)	Anglo-Iranian £1	87/6	85/-	−2/6	(z)
41/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	36/6	35/6	−1/-	5 5 7
32/3	17/9	Nil	Nil	Attock £1	32/6	30/9	−1/9	Nil
5/7½	3/-	Nil	Nil	Brit.Controlled(V.T.Cts.)	4/-	3/10½	−1½d	Nil
128/9	104/4½	5(a)	22½(b)	Burmah Oil £1	131/10½	127/6	−4/4½	4 6 4
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	47/6	46/3	−1/3	5 8 0
32/4½	16/7½	10d psc	11d psc	Mexican Eagle (Mex. $4)	15/-	12/9	−2/3	7 4 0
11/6	5/7½	Nil(c)	3⅞(c)	Phœnix Oil £1	6/3	6/-	−3d	12 10 0
£52½	£42⅞	5(a)	11¼(b)	Royal Dutch (fl. 100)	£47⅞	£47¼	−⅝	3 18 3
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	111/10½	110/7½	−1/3	3 12 4†e
172/-	123/9	17½(b)	10(a)	Trinidad Leaseholds £1	127/6	123/9	−3/9	4 9 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	51/10½	50/-	−1/10½	6 0 0
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/-	29/6	8(c)	9(c)	Allied Newspapers £1	30/-	27/6	−2/6	6 11 0
20/3	16/10½	Nil(c)	5(c)	Amal. Dental Def. £1	18/-	18/-	...	5 11 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	32/6	32/6	...	4 6 0
22/4½	20/1½	6(b)	5(a)	Amal. Press (10/-)	21/3	19/4½	−1/10½	5 13 6
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/3x	15/-x	−3d	6 0 0
24/3	20/9	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	20/6	18/6	−2/-	7 4 3
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	91/10½	−7½d	4 18 0
85/3	72/9	10(b)	5(a)	Barker (John) £1	76/3	76/3	...	3 19 9
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/-	65/7½	+7½d	4 17 6

Prices, Year 1937 Jan. 1 to July 28, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 11, 1937	Price, Aug. 18, 1937	Rise or Fall	Yield Aug. 18, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	52/6	52/6	...	2 15 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	31/10½	33/1½	+1/3	4 10 6
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	25/-	25/-	...	4 0 0
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	22/6	20/-	−2/6	9 0 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	53/9	53/9	...	4 3 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	54/-	54/3	+3d	3 13 9
39/4½	35/4½	2½(a)	5(b)	British Match £1	37/6	37/6	...	4 2 0
6 29/32	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6 7/32	5⅞	−11/32	3 8 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	106/10½	105/7½	−1/3	2 17 3
83½	77	...	...	Cable & Wir. Holding {A. Ord.	86	84	−2	Nil
106⅞	104	5½(c)	5½(c)	Cable & Wir. Holding {5½% Pf.	107	107	...	5 3 0
8 13/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8⅝	8⅝	...	4 1 3‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	16/6	15/6	−1/-	9 3 6
25/-	18/6	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	18/9	18/6	−3d	5 8 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	47/6	...	4 4 3
38/6	32/-	8(c)	9(c)	Dunlop £1	35/9	35/-	−9d	5 3 0
50/7½	45/-	10(b)	5(a)	Eastwoods Ord. £1	43/9	43/9	...	6 17 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	22/6	21/9	−9d	4 12 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	33/-	32/9	−3d	6 17 3
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	19/6	...	5 2 6
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	62/6	62/6	...	3 4 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	120/-	120/-	...	4 3 3
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/-	5/9	−3d	Nil
49/3	43/9	20(b)	17½(a)	Gestetner (D.) (5/-)	50/-	50/-	...	3 15 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros.Def.(£1)	138/9	138/9	...	2 17 9
91/10½	82/6	13½(b)	5(a)	Harrods £1	85/-	85/-	...	4 8 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/3	...	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	33/9	34/4½	+7½d	4 13 0
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	39/-	38/6	−6d	Nil
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	19/-	18/6	−6d	Nil
9 5/32	7⅞	†17½(b)	†7½(a)	Imperial Tobacco £1	7 13/16x	7 13/16x	...	3 5 0†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$65¾	$65½	−¼	3 1 8n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	16/-	16/-	...	5 0 0
76/3	56/4½	22½(c)	22½(c)	London Brick £1	56/10½	56/10½	...	8 1 0
6 15/16	5⅞	8¼(a)	14¼(b)	Lyons (J.) Ord. £1	6	6	...	3 15 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	69/4½	70/-	+7½d	2 17 6
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	6/-	6/-	...	5 0 0
5 13/16	4½	15(b)	7½(a)	Murex £1 Ord.	5 5/16	5 5/16	...	4 4 9
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/-	40/6	7½(a)	12½(b)	Pinchin Johnson 10/-	43/-	43/-	...	4 13 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	55/7½	55/7½	...	4 1 0
67/-	60/-	3¾(a)	11⅞(b)	Radiation Ord. £1	58/9	58/9	...	5 2 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	102/6	107/6	+5/-	4 3 6
18/9	13/6	†8⅓(b)	†5(a)	Sears (J.) Ord. 5/-	14/3	14/3	...	4 15 3†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	17/6	17/6	...	2 17 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	45/6	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	26/3	26/3	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	86/3	85/7½	−7½d	4 5 3
77/6	57/6	5(b)	5(a)	Tilling, Thos. £1	62/6	62/6	...	3 5 0
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	70/-	68/9	−1/3	4 7 3
74/3	56/3	60(c)	35(c)	Triplex Safety G. (10/-)	72/6	70/7½	−1/10½	5 4 3
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	90/-	87/6	−2/6	4 11 6
112/6	87/6	13⅜(b)	3¾(a)	Turner & Newall £1	98/9	96/10½	−1/10½	3 12 4
46/10½	37/9	3¼(a)	4(b)	Unilever £1	43/1½	42/6	−7½d	3 9 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	55/6	56/-	+6d	4 9 3
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	33/9	31/10½	−1/10½	3 8 0
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South) Ord. £1	9⅜	9⅜	...	4 5 6
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	41/3	41/3	...	6 1 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	37/9	38/3	−6d	4 14 0
96/3	71/3⅜	45(b)	15(a)	Woolworth (F.W.) Or.5/-	73/1½	73/1½	...	4 2 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	62/6	60/7½	−1/10½	6 5 3
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	18/9x	18/-x	−9d	9 13 0†
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/9	5/6	−3d	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	77/6	75/3¾	−2/2¼d	5 6 4
59/4½	30/-	27½(c)	30(c)	Cons.Mines Selection10/-	41/3	40/-	−1/3	7 10 0
16 13/16	11¼	95(b)	95(a)	Crown Mines 10/-	13⅛	13¼	+⅛	7 3 4
96/6	60/11¼	20(c)	20(c)	Johan. Cons. £1	70/7½	70/-	−7½d	5 14 3
76/6	43/1½	12½(a)	11¼(b)	Randfontein Ests. £1	50/-	49/4½	−7½d	9 12 6
19	11¼	5(b)	25(a)	Rhokana Corp. £1	15½	15⅝	+⅛	2 1 0
32½	17 5/16	Nil	Nil	Rio Tinto £5	23	22	−1	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	75/-	73/9	−1/3	2 0 9
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	10⅛	10⅛	...	8 18 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp.(12/6 fy pd.)	170/-	162/6	−7/6	5 4 6
19 13/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	9	8½	−½	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	20/7½	20/7½	...	Nil

UNIT TRUSTS *Latest prices, supplied by managers and Unit Trusts Association*

Name and Group	Aug. 18, 1937	Compared Aug. 11
Municipal and Gen		
1st British	48/6-49/3	−3d
2nd British	29/3-29/10½ x	...
3rd British	25/-–25/6	−3d
4th British	21/-–21/6	−3d
For. Govt. Bond	20/6-21/6	−1/-
Limited Invest.	23/9-24/3	−6d
Mid. & Sthn. Inv.	21/6-22/3	...
Scot. & N.C. Inv.	21/3-21/9x	−3d
Bank - Insurance		
Bank – Insur. Uts.	19/6-20/6	...
Insurance Units	21/-–22/-	...
Bank Units	18/6-19/6	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	17/-–18/-	...
British Empire		
British Empire "A"	22/7½ bid	−1½d
Do. "B"	10/7½ bid	
Do. Cum.	18/- bid	−3d
Do. Comp.	18/10½-19/10½x	−1½d
Do. First Unit	21/9-22/9	...
National		
National "A"	33/3 bid	...
Do. "B"	22/4½ bid	−4½d
Do. "C"	19/3-20/3x	−6d
Do. "D"	20/-–21/-	−3d
Do. Inv. Group	15/10½-16/10½x	−1½d
Amalgamated Certs	22/9-23/9	...
Century	19/6-20/6	−3d
Commercial	21/6 bid	−4½d
Gilt-edged	18/6-19/-	...
Scottish	18/9-19/9	−3d
Universal	21/1½-22/1½	−1½d
First Provincial		
First Prov. "A"	20/9-21/9x	...
Do. "B"	17/6-18/6	...
Do. Reserves	17/3-18/3x	−9d
British General		
Capital Securities	9/6-10/-	−3d
British General "A"	21/10½-22/10½	...
British General "B"	21/- bid	−1½d
British General "C"	20/-–21/-	−1½d
First Recovery	7/3-7/10½	−7½d

Name and Group	Aug. 18, 1937	Compared Aug. 11
Rubber & Tin		
Keystone.		
Keystone	1/9½-1/11	−1d
Do. 2nd	18/10½-19/10½	−3d
Do. Flexible	16/3-17/3	−3d
GoldProd.Dep.Rec.	18/3-19/3	+1½d
Do. 2nd Series	22/9x bid	+1½d
Do. 3rd Series	16/9-17/9x	...
Rand Certificates	12/9-13/9x	...
Oil Certificates	19/4½x bid	−3d
"15 *Moorgate*"	27/3 bid	−7½d
Hundred	20/10½-21/10½	−3d
Investors Flexible	17/3-18/3	...
Do. Gas & Elec.	13/7½-14/7½	...
Do. General	19/3-20/3	−1½d
Do. 2nd General	16/6-17/6x	−3d
Do. Gold	15/-–16/-	−4½d
Prov. Investors	16/7½-17/7½	−1½d
Security First	18/1½-19/1½	−3d
F.T.M.		
Aviation & Univer.	10/-–10/6	...
Domestic	8/6-9/-	...
Protected		
Protected 1st	22/9-23/9	...
Do. 2nd	20/6-21/6	−3d
Do. 3rd	15/9-16/9	...
Allied		
British Indus. 1st	20/6-21/6	−3d
Do. 2nd Series	18/3-19/3	...
Do. 3rd Series	19/6-20/6	−3d
Do. 4th Series	19/9-20/9	−3d
Elec. Industries	18/6-19/6	...
Metals and Minerals	17/-–18/-	−3d
Selective		
Selective "A"	18/-–19/-	−3d
Do. "B"	17/9-18/9	−1½d
British Transport	16/6-17/6x	...
Bank Insce. & Fin.	17/-–18/-	−3d
Brewery Trust Un†	16/9-17/9	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18½ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16½% basis. (t) Special Jubilee bonus. (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 17s. 7d.; at 16 per cent. = £3 15s. 4d.

(*Continued from page 399*)

December, 1976. £323,890 was issued to preference and debenture stockholders in conversion, and £54,100 for cash at par. Also £472,000 placed by Pember and Boyle at par for 1 per cent. commission; £100,000 under option to them on same terms.

ISSUES TO SHAREHOLDERS ONLY

Tunnel Portland Cement Company.—"A" and "B" ordinary shareholders are offered for cash at 40s. 130,000 "B" ordinary shares (ranking with existing "A" and "B" shares). Application can be made for the number desired.

Taquah and Abosso Mines.—Shareholders are offered 281,250 4s. shares at 25s. in the proportion of one new share for five held.

ISSUE ABROAD

Mersey Paper Co., Ltd.—Offer (by Royal Securities Corporation) at 99 and accrued interest of $4,000,000 5 per cent., 20-year 1st mortgage S.F. Bonds Series A. Redeemable 1957, or previously on notice at a premium of 4 per cent before 1942, decreasing thereafter by ½ per cent. annually until 1956. *Newsprint mill in Nova Scotia.* Consolidated earnings, before bond interest: 1934, $606,385; 1935, $703,488; 1936, $784,523. Combined total assets, $15,352,812.

FORTHCOMING ISSUE

Warne, Wright and Bowland.—*An offer for sale is to be* made on Wednesday, August 26th, of 260,000 2s. ordinary shares at 5s. The company are bolt and nut manufacturers and engineers. The offer will show that profits for three years to December, 1936, after preference dividend, represent 9¾ per cent. on the ordinary capital at the issue price.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Aug. 11, 1937	Aug. 8, 1937
Australia 3½% 1950–52	96½	21½	⅜–½ dis	⅜–½ dis
Blackburn 3½% Stock	101	16	⅛–¼ dis	¼ *dis–par*
Blackpool 3½% Stk.	100½	25	1½–1¾ pm	1½–1¾ pm
Brotherhood (Peter) Ord. 10/–	25/–	f.p.	29/3–30/–	31/9–32/6
Do. 5½% Pref. 20/–	20/–	f.p.	23/4½–23/10½	23/9–24/3
Cape Town 3½%	98	23	⅜–½ pm	⅛–⅜ pm
Collett (J.) Ord. 4/–	6/–	6/–	5/9–6/3	5/9–6/–
Essex 3½% 1957–62	101	5	...	½ dis.–par
Finchley 3½%	101	21	par–¼ pm	¼–½ *pm*
Grassmoor 6% Pref. £1	21/–	10/–	4½d–10½d pm	4½d–7½d pm
Grimsby, etc. Water 3½%	99	99	*99⅜–99⅝*	99⅜–99⅝
Imperial Airways £1	30/–	10/–	2/1½–2/4½ pm	2/3-2/9 pm
Iraq 4½% Bonds	94	25	2½–2⅞ pm	1½–2 pm
L.C.C. 3½% 1958–62	100½	f.p.	102⅜–102⅝	102⅜–102⅝
Middlesex 3½% 1957–62	101	26	⅛–¼ pm	⅛–¼ pm
Odeon Theatres Ord. 5/–	5/–	5/–	8/–8/6	8/1¼–8/6
Do. 5% 1st Deb.	99	25	6¼–5½ dis	6¼–5½ dis.
Premier (*Trinidad*) Oilfields	5/–	3/–	...	*6d. dis–par*
Rippingilles Ord. 5/–	9/–	9/–	7/–8/–	7/1½–7/10½
Salts (Saltaire) 5% Loan	100	50	1 dis–par	1 dis–par
Skinner (J.) (Publishers) 6% Pref.	...	...	20/9–21/3	20/6–21/3

WEEKLY TRAFFIC RETURNS
RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 14, 1937. (c) Week ended Aug. 13, 1937.	Miles Open	Gross Receipts, week ended Aug. 15, 1937 (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (32 weeks) (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western (1937	3,738	309	192	105	297	606	7,067	6,272	3,525	9,797	16,864
Great Western (1936	3,746	309	188	100	288	597	6,832	6,043	3,165	9,208	16,040
(c) L. & N. Eastern (1937	6,320	476	320	235	555	1,031	10,966	10683	7,818	18,501	29,467
(c) L. & N. Eastern (1936	6,333	448	316	236	552	1,000	10,428	10282	7,364	17,646	28,074
L. M. & Scottish (1937	6,877	714	470	231	701	1,415	16,853	15495	8,101	23,596	40,449
L. M. & Scottish (1936	*6,898*‡	696	460	239	699	*1,395*	*16,175*	*15045*	7,636	22,681	38,856
Southern (1937	2,153	443	62	25	87	530	10,550	1,935	947	2,882	13,432
Southern (1936	2,154	433	61	27	88	521	9,967	1,996	973	2,969	12,936
Total (1937	19088	1942	1044	596	1640	3,582	45,436	34385	20391	54,776	*100212*
Total (1936	19131‡	1886	1025	602	1627	3,513	43,402	33386	19138	52,504	95,906
(b) Belfast & Co. Down (1937	80	4·3	...	...	0·3	4·6	85·3	...	...	15·6	100·9
(b) Belfast & Co. Down (1936	80	4·0	...	...	0·5	4·5	85·7	...	...	17·8	103·5
(b) Great Northern (1937	543	18·3	...	...	9·0	27·3	351·1	...	...	299·3	650·4
(b) Great Northern (1936	543	17·1	...	...	8·7	25·8	342·2	...	...	312·1	654·3
(b) Great Southern (1937	2,076	58·2	...	...	39·9	98·1	1142·0	...	...	*1301·2*	2443·2
(b) Great Southern (1936	2,124	54·5	...	...	42·0	96·5	1136·9	...	...	1322·6	2459·5

COMPARISONS WITH CORRESPONDING PERIODS, *1935 and 1936*

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
Second half-year, 1936, compared with second half-year, 1935 :—	£	£	£	£
Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 :—				
Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936 :—				
6 weeks to Aug. 14, 1937 ...	+ 154	+ 264	+ 206	+ 137
Weekly average second half 1937...	+ 25⅔	+ 44	+ 34⅓	+ 22⅓
Latest week 1937 compared with 1936	+ *9*	+ *20*	+ *31*	+ *9*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Aug. 14, 1937	£528,900	+ 11,100
Aggregate 7 weeks to Aug. 14, 1937	£3,912,500	+ 37,200

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or –	Gross Aggregate Receipts 1937	+ or –
INDIAN				Rs.	Rs.	Rs.	Rs.
Assam Bengal	16	1937 July 20	1,330	‡4,84,000	+ 70,211	52,80,871	+ 2,93,002
Barsi Lt. Ry.	16	20	202	‡1,79,500	+1,37,000	6,20,000	+ 55,400
Bengal&N.Western	18	31	2,111	‡10,73,649	+2,06,284	1,40,81,318	+ 13,36,833
Bengal-Nagpur	16	20	3,288	‡23,73,000	+4,24,303	2,92,57,427	+ 31,56,830
Bombay, Bar. & C.I.	*19*	*Aug. 10*	3,072	‡25,25,000	+2,03,000	4,42,66,000	+ 32,43,000
Madras & S. Mahr.	16	July 20	3,223	‡18,37,000	–1,08,237	2,39,69,516	– 65,605
Rohilk'd & Kumaon	18	31	572	‡1,56,520	– 6,780	25,99,652	– 10,354
South Indian	16	20	2,532	‡14,88,845	+ 99,788	1,72,21,992	+ 3,69,290
		‡ *10 days.*				† 11 days.	
CANADIAN				$	$	$	$
Canadian National	32	1937 Aug. 14	23733	3,571,071	+ 314,807	118,752,396	+ 11471823
Canadian Pacific	32	14	17228	2,579,000	+ 147,000	83,993,000	+ 5,575,000
SOUTH AMERICAN							
Antofagasta (Chili and Bolivia)	33	1937 Aug. 15	834	£15,300	+ 4,020	533,190	+ 93,630
Argentine N.E.	7	14	753	‡167,200	+ 10,300	1,073,300	+ 40,100
				*£10,372	+ 1,186	66,582	+ 6,088
B.A. and Pacific	7	14	2,806	‡1,289,000	+ 23,000	8,508,000	+ 135,700
				*£86,583	+ 5,876	527,792	+ 37,585
B.A. Central	5	July 31	...	$151,800	+ 12,700	693,400	+ 163,400
B.A. Gt. Southern	7	Aug. 14	5,084	£1,934,000	+ 93,000	12,611,000	+ 349,000
				*£119,975	+ 1,298	782,320	+ *64,368*
B.A. Western	7	14	1,930	‡821,000	+ 89,000	4,733,000	+ 273,000
				*£50,931	+ 8,074	293,611	+ 32,476
Central Argentine	7	14	3,700	‡2,209,850	– 206,100	15,045,900	+ 389,300
				*£137,087	– 4,362	933,330	– 75,215
Central Uruguayan	6	7	980	d135,353	– 8,668	749,938	– 59,606
				e£15,227	+ 375	84,482	+ 1,019
Cordoba Central	7	14	1,218	‡670,000	+ 30,000	4,444,000	+ 166,000
				*£41,940	+ 4,420	275,690	+ 25,200
Entre Rios	7	14	810	‡235,900	+ 24,000	1,477,500	+ 111,000
				*£14,634	+ 2,228	91,656	+ 11,648
G. Westn. of Brazil	33	14	1,082	£6,600	+ 700	236,100	+ 12,600
Leopoldina	*33*	14	1,918	M3915000	– 299,000	57,345,000	– 6,425,000
Leopoldina Termnl.	33	14	...	£25,613	+ 217	737,833	+ 154,870
Nitrate	32	15	397	M-348,000	+ 41,000	11,542,000	+ 620,000
Paraguay Central	7	14	274	a£15,622	+ 2,505	100,988	+ 16,875
Salvador	7	14	109	$3,315,000	+ 901,000	23,252,000	+ 6,061,000
				Col. 13,450	+ 1,800	84,502	+ 11,879
San Paulo	32	8	153‡	M-2640000	+ 273,000	83,495,000	+ 3,981,000
				£34,980	+ 6,773	1,038,460	+ 91,921
United of Havana	7	14	1,353	£20,728	+ 5,228	122,741	+ 16,924

* Converted at average official rate during week ended Aug. 14, 18·12 pesos to £.
‡ *Receipts in Argentine* pesos. † Fortnight. a Converted at official rate.
d Receipts in Uruguayan currency. e Converted at "controlled free rate."

OTHER OVERSEAS

Egyptian Delta Light Railways	17	1937 July 31	621	£7,258	+ 745	76,563	+ 6,429
Egyptian Markets	32	*Aug. 12*	...	1,216	+ 73	52,612	– 1,377
Mexican Railway	6	14	483	$286,000	+ 32,900	1,843,000	+ 304,000

‡ *10 days.*

SUEZ CANAL RECEIPTS

Suez Canal	32	1937 Aug. 10	...	£269,800	– 2,200	6,939,400	61,700

‡ *10 days.*

TRAMWAYS WEEKLY GROSS RECEIPTS

Anglo-Argentine	32	1937 Aug. 12	325	$616,524	+ 18,133	20,380,225	+ 249,498
B. Aires Lacroze	5	1	...	$56,666	– 1,136	236,759	– 22,598
Burnley, Colne and Nelson *Jt. Trspt.*	32	14	80				
Calcutta Tramways	32	14	...	£5,365	+ 278	...	...
Liverpool Corp.	19	14	...	Rs.1,24,044	+ 3,647	33,65,860	+ 1,67,398
Madras Electric	32	15	...	£31,447	+ 1,349	598,491	+ 42,188
				‡R8,54,404	+ 2,749	7,74,945	+ 33,227

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or –	Receipts to Date 1937	+ or –
Algoma Central	6	June 30	Gross	$184,906	+ 4,542	972,062	+ 254,990
Catalinas Warehouses	1	July 31	Gross	£2,807	+ 702	...	...
Costa Rica	12	June 30	Gross	£31,051	+ 4,093	249,333	+ 62,753
N.W. of Uruguay	1	July 31	Gross	$18,000	3,908	...	...
Rhodesia Railways	9	June 30	Gross	£2,027	232	...	...
Singapore Traction	10	July 31	Gross	£419,881	+ 130,017	3,352,058	+ 767,188
State of Bahia S. Western	3	July 31	Gross	$204,000	+ 21,000	1,942,000	+ 75,000
Uruguay Northern	1	July 31	Gross	£4,740	+ 717	11,424	+ 3,229
				$6,800	1,978	706	– 139

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 14, 1937, amounted to £12,425,000, against ordinary expenditure of £8,842,000. After decreasing Exchequer Balances by £296,095, the operations for the week, as shown below, decreased the gross National Debt by £3,879,000, to about £7,995 millions.†

(000's omitted)

	£
Treasury Bills	– 489
Public Department Advances	– 2,540
National Savings Certificates	– 150
P.O. and Teleg. (Money) Act	– 700
	– 3,879

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

REVENUE	Estimate for the year 1937–38	Total Receipts into the Exchequer: April 1, 1936, to Aug. 15, 1936	April 1, 1937, to Aug. 14, 1937	Week ended Aug. 15, 1936	Week ended Aug. 14, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	34,365,000	39,074,000	2,991,000	3,280,000
Sur-tax	58,000,000	5,230,000	6,060,000	130,000	110,000
Estate, etc., Duties	89,000,000	32,060,000	33,990,000	1,580,000	1,200,000
Stamps	29,000,000	6,620,000	6,680,000	390,000	520,000
Other Inland Revenue Duties	1,500,000	110,000	130,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	78,385,000	85,934,000	5,091,000	5,110,000
Customs and Excise—					
Customs	219,850,000	76,676,000	81,713,000	3,942,000	4,271,000
Excise	113,150,000	36,200,000	37,951,000	1,400,000	1,051,000
Total Customs and Excise	333,000,000	112,876,000	119,664,000	5,342,000	5,322,000
Motor Vehicle Duties	34,000,000	‡8,070,000	8,362,000	‡209,000	239,000
Post Office (Net Receipt)	11,800,000	8,300,000	8,070,000	1,400,000	1,350,000
Crown Lands	1,350,000	520,000	500,000	...	...
Receipts from Sundry Loans	4,300,000	2,670,505	2,961,475	...	...
Miscellaneous Receipts	11,000,000	8,195,014	2,560,588	5,450,339	403,590
Total Ordinary Revenue	863,100,000	219,016,519	228,052,063	17,492,339	12,424,590
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	22,100,000	23,780,000	1,100,000	1,050,000
Total	...	241,116,519	251,832,063	18,592,339	13,474,590

EXPENDITURE	Estimate for the year 1937–38	Total Issues out of the Exchequer to meet payments: April 1, 1936, to Aug. 15, 1936	April 1, 1937, to Aug. 14, 1937	Week ended Aug. 15, 1936	Week ended Aug. 14, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	94,023,687	96,161,713	416,946	417,025
Payments to Northern Ireland Exchequer	8,000,000	2,174,378	2,447,950	...	...
Other Consolidated Fund Services	3,200,000	995,474	1,487,230	45,645	4,660
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	97,193,539	100,096,893	462,591	421,685
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	196324100‡	210,249,750‡	10190000	8,420,000
Total Ordinary Expenditure	862,848,000	293,517,639	310,346,643	10,652,591	8,841,685
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	22,100,000	23,780,000	1,100,000	1,050,000
Total	...	315,617,639	334,126,643	11,752,591	9,891,685

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to August 14, 1937, are shown below :—

(000's omitted)

	£		£
Ordinary Expenditure	310,347	Ordinary Revenue	228,052
		Decrease in balances	119
		Gross borrowing £84,561	
		Less :—	
		New Sinking Fund* 2,376	
		Old S. Fund, 1907-08 9	
		Net borrowing	82,176
	310,347		310,347

* Authority will be sought in the Finance Bill to meet the Statutory Sinking Funds in 1937 by borrowing.

POSITION OF THE FLOATING DEBT

	Aug. 15, '36	Mar. 31, '37	Aug. 14, '37	Movement Week ended Aug. 14, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	30,020,000	23,535,000	28,875,000	– 2,540,000
Treasury Bills outstanding	802,955,000	674,395,000	861,040,000*	– 490,000
Total Floating Debt	832,975,000	698,130,000	889,915,000	– 3,030,000

* Includes £1,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on August 13, 1937. The amount applied for was £82,140,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 4d. about 46 per cent. and above in full; Saturday at £99 17s. 5d. and above in full. The average rate per cent was 10s. 5·64d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,850,000	42,000,000	0 11 0·45
August 6, 1937	45,000,000	97,040,000	45,000,000	0 10 4·80
August 13, 1937	*45,000,000*	*82,140,000*	*45,000,000*	*0 10 5·64*

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended July 24, 1937	551,444	413,583
Week ended July 31, 1937	594,553	445,915
Five days ended August 7, 1937	445,022	333,766

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, is £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, AUGUST 18, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	490,974,774	Other Government Securities	187,467,038
In Banking Department ...	35,431,851	Other Securities	1,505,250
		Silver Coin	12,612
	526,406,625	Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
			526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	107,137,487
Rest	3,630,272	Other Securities :—	
Public Deposits*	28,540,330	Discounts and Advances ... £6,187,053	
Other Deposits :—		Securities £21,628,651	
Bankers £88,499,571			27,815,704
Other Accounts £36,531,124		Notes	35,431,851
	125,030,695	Gold and Silver Coin	1,369,255
	171,754,297		171,754,297

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

Both Departments	Amount, Aug. 18, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	490,974,774	– 6,892,502	+ 46,434,790
Public deposits	28,540,330	+ 9,504,284	+ 4,978,682
Bankers' deposits	88,499,571	– 5,074,522	– 7,466,254
Other deposits	36,531,124	+ 168,389	– 3,426,650
Total outside liabilities	644,545,799	– 2,294,381	+ 40,520,568
Capital and rest	18,183,272	+ 19,128	– 21,170
Government debt and securities	305,619,625	– 3,648,870	– 37,787,792
Discounts and advances	6,187,053	+ 279,953	– 3,490,396
Other securities	23,133,901	+ 941,997	– 662,377
Silver coin in issue department	12,612	+ 3,600	– 473,539
Coin and bullion (bank's reserves)	327,775,880	+ 148,067	+ 82,913,502
Reserves of notes and coin in banking department	36,801,106	+ 7,040,569	– 23,521,288
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	24·0%	+ 4·0%	– 13·8%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	50·9%	+ 0·3%	+ 10·4%

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
July 28	526,407	498,339	10,529	104,259	37,322	Nil	2
Aug. 4	526,407	503,877	9,810	95,491	36,995	Nil	2
„ 11	526,407	497,867	19,036	93,574	36,363	Nil	2
„ 18	526,407	490,971	28,540	88,500	36,531	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
July28	196,150	3,836	327,516	50⅛	114,410	5,812	20,815	29,177	19⅛
Aug. 4	196,801	3,193	327,521	50⅛	110,205	6,445	20,146	23,644	16⅜
„ 11	198,139	1,852	327,628	50⅛	111,130	5,907	20,340	29,761	19⅛
„ 18	198,482	1,505	327,776	50⅛	107,137	6,187	21,629	36,801	23⅛

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to August 4	22,677,665	1,317,695	2,266,311	26,261,671
Week ended August 11	682,988	42,707	89,987	815,682
Week ended August 18	679,374	36,905	67,986	784,265
Total to date, 1937	24,040,027	1,397,307	2,424,284	27,861,618
Total to date, 1936	20,873,278	1,280,509	2,196,582	24,350,369
Increase or decrease in 1937	+3,166,749	+116,798	+ 227,702	+3,511,249
	= 15·2%	= 9·1%	= 10·4%	= 14·4%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	= 8·0%	= 8·1%	= 9·6%	= 8·2%

PROVINCIAL (000's omitted)

	Week ended August 14: 1936	Week ended August 14: 1937	Month of July: 1936	Month of July: 1937	Month of July: Inc. or Dec.	Aggregate Totals, January 1 to August 14: 1936	Aggregate Totals, January 1 to August 14: 1937
No. of working days:			27	27			
	£	£	£	£	%	£	£
BIRMINGHAM	1,958	2,238	13,908	13,271	− 4·5	84,314	86,781
BRADFORD	617	926	3,956	4,613	+16·6	31,475	34,611
BRISTOL	1,226	1,205	5,852	5,810	− 0·7	40,975	41,434
DUBLIN	4,810	4,668	...	...	...	184,302	189,650
HULL	792	928	3,791	4,128	+ 8·8	26,507	29,840
LEEDS	649	802	4,553	4,771	+ 4·7	30,181	33,438
LEICESTER	621	679	3,470	3,650	+ 5·1	23,676	24,666
LIVERPOOL	5,904	6,113	29,603	31,322	+ 5·8	196,324	230,719
MANCHESTER	9,101	9,773	44,936	49,154	+ 9·3	325,266	360,948
NEWCASTLE	1,237	1,453	6,044	6,878	+13·7	42,193	47,395
NOTTINGHAM	443	477	2,520	2,502	− 0·7	16,572	17,123
SHEFFIELD	956	913	4,592	5,151	+12·1	32,403	35,960
	28,314	30,175	123,225	131,250	+ 6·5	1,034,188	1,132,565

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Estonia, Portugal, in July 31. Egypt, Finland, in August 7. Bulgaria, Denmark, Greece, International Settlements, Lithuania, Netherlands, Norway, Sweden, Federal Reserve Reporting Members, New Zealand, Canada, Austria, Czecho-Slovakia, in August 14

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

U.S.F.R. BANKS RESOURCES	Aug. 20, 1936	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937
Gold Certificates on hand and due from the Treasury	8,255,040	8,833,900	8,833,400	8 832,400	8,831,950
Total reserves	8,550,540	9,167,490	9,155,490	9,150,080	9,145,120
Total cash reserves	282,430	323,660	312,310	306,900	303,050
Total bills discounted	6,480	15,220	15,400	16,700	18,290
Bills bought in open market	3,090	3,200	3,080	3,070	3,070
Total bills on hand	9,570	18,420	18,480	19,770	21,360
Industrial advances	28,660	21,600	21,080	21,040	21,010
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,468,640	2,566,200	2,565,750	2,567,000	2,568,560
Total resources	11,722,490	12,439,530	12,439,500	12,414,650	12,471,970
LIABILITIES					
Federal Reserve notes in actual circulation	3,988,050	4,193,410	4,222,020	4,228,040	4,238,390
Aggregate of excess member-bank reserves over requirements	1,810,000	810,000	700,000	740,000	780,000
Deposits—Member-bank—reserve account	6,228,520	6,775,500	6,635,760	6,681,120	6,743,870
Government deposits	215,420	227,820	308,780	252,690	155,690
Total deposits	6,785,500	7,308,740	7,264,560	7,260,930	7,239,680
Capital paid in and surplus	302,760	305,750	305,790	305,870	305,880
Total liabilities	11,722,490	12,439,530	12,439,500	12,414,650	12,471,970
Ratio of total reserves to deposit and F.R. note liabilities combined	79·4%	79·7%	79·7%	79·6%	79·7%
U.S.F.R. BANKS AND TREASURY COMBINED RESOURCES					
Monetary Gold Stock	10,678,000	12,433,000	12,462,000	12,497,000	12,527,000
Treasury and National Bank Currency	2,499,000	2,574,000	2,572,000	2,573,000	2,577,000
LIABILITIES					
Money in Circulation	6,184,000	6,424,000	6,468,000	6,482,000	6,500,000
Treasury Cash and Deposits with Federal Reserve Banks	2,625,000	3,804,000	3,914,000	3,893,000	3,828,000

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

	Aug. 20, 1936	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937
Total gold reserves	3,218,490	3,451,400	3,345,630	3,344,620	3,357,470
Total bills discounted	4,530	7,100	7,370	8,020	8,000
Bills bought in open market	1,100	1,130	1,090	1,080	1,090
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	673,270	739,120	738,980	739,630	739,600
Deposits—Member-bank—reserve account	2,733,680	2,948,010	2,800,990	2,836,370	2,878,990
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·4%	84·0%	83·7%	83·7%	83·7%

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

ASSETS	Aug. 17, 1936	July 19, 1937	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937	Aug. 16, 1937
Gold and English sterling	16,004	16,009	16,009	16,007	16,007	16,007
Other coin, bullion and cash	6,735	5,304	5,676	5,226	5,347	4,793
Money at short call—London	19,285	33,976	33 692	33,091	33,337	33,264
Short-term loans	5,910	3,566	2,956	3,095	3,213	3,241
Securities	75,154	76,587	76,587	76,587	76,587	76,587
Discounts and advances	8,473	10,495	10,486	10,830	10,674	10,505
LIABILITIES						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	69,578	85,882	85,358	85,514	86,204	85,637

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

ASSETS	Aug. 14, 1936	July 16, 1937	July 23, 1937	July 30, 1937	Aug 6, 1937	Aug. 13, 1937
Gold coin and bullion	22,928	22,868	22,871	22,701	22,701	22,701
Bills discounted: Foreign	8,326	4,650	5,125	4,930	5,105	5,395
Investments	1,734	1,729	1,729	1,729	1,729	1,726
Other assets	12,153	10,623	10,643	11,446	10,928	10,879
LIABILITIES						
Notes in circulation	14,032	15,282	14,934	17,095	16,519	15,674
Deposits: Government	1,775	1,982	2,339	1,565	1,479	1,731
Bankers	24,567	17,125	16,629	16,174	18,156	19,083
Ratio of cash reserves to liabilities to public	53·3%	58·8%	58·3%	57·3%	55·7%	65·1%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

ASSETS	Aug. 14, 1936	July 30, 1937	Aug 6, 1937	Aug. 13, 1937
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	66,54,77	59,51,93	59,60,19	59,99,15
Balances abroad	3,74,37	16,54,64	15,88,94	15,96,86
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,40,54	27,37,62	27,37,72	27,37,80
Investments	5,80,40	8,43,20	8,00,92	8,06,31
LIABILITIES				
Note circulation	1,64,20,22	1,78,74,59	1,81,15,38	1,80,90,17
Deposits: Government	7,41,90	11,30,17	9,74,93	10,19,12
Banks	32,71,51	36,11,08	35,08,07	35,43,82
Ratio of gold and sterling to liabilities	55·4%	58·9%	58·9%	58·8%

* Held against notes.

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

ASSETS	Aug. 14, 1936	July 22*, 1937	July 29,* 1937	Aug. 5, 1937	Aug. 12, 1937
Gold	54,847,875	48,859,557	55,677,171	55,716,636	55,716,635
Advances on Gold Coin	1,274,211	1,099,156	1,099,156	1,099,158	1,099,156
Commercial Bills	13,001,335†	10,309,980	11,204,660	9,877,662	9,485,878
Bills bought abroad	1,234,040	868,901	919,974	880,696	880,696
Advances on securities	4,522,491	4,759,762	5,022,602	5,229,295	4,665,006
Loans to State without interest: (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	7,567,218	23,886,810	23,886,810	23,878,127	23,878,127
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,641,368	5,641,368	5,641,368	5,637,302
Other assets (excluding forward exch.)	3,668,292	4,137,395	4,182,637	4,271,546	4,228,142
LIABILITIES					
Notes in circulation	84,359,566	87,911,175	89,307,414	89,603,755	88,904,533
Public deposits	1,826,943	3,031,165	2,563,038	2,338,713	2,242,784
Private deposits	6,430,398	9,104,801	15,669,695	14,492,429	14,323,010
Other liabilities	2,338,374	2,715,788	3,294,234	3,359,589	3,320,746
Ratio of gold reserve to sight liabilities	59·2%	48·8%	51·7%	52·3%	52 8%

* Gold stock based on franc at 49 milligrams from Oct. 2, 1936, to July 22, 1937, and at 43 milligrams on and after July 29, 1937. † Includes fcs. 6,766,205,000 Treasury Bills.

REICHSBANK.—In Reichsmarks (000's omitted)

ASSETS	Aug. 15, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937
Gold	72,411	69,111	69,143	69,312
Of which deposited abroad	24,524	19,359	19,359	19,497
Reserve in foreign currencies	5,435	5,844	5,905	5,981
Bills of exchange and cheques	4,306,428	5,344,989	4,991,192	4,871,665
Silver and other coin	167,424	125,967	159,172	185,282
Advances	46,893	52,256	25,207	30,184
Investments	529,082	403,356	403,384	403,400
Other assets	591,661	734,218	697,391	709,347
LIABILITIES				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,240,326	5,111,635	4,866,613	4,756,228
Other daily maturing obligations	639,809	732,156	592,966	625,059
Other liabilities	215,638	248,973	248,838	250,907
Cover of note circulation	1·83%	1·46%	1·54%	1·58%

CENTRAL BANK OF ARGENTINA

In paper pesos (000,000's omitted)

ASSETS	July 15, 1936	May 15, 1937	May 31, 1937	June 15, 1937	June 30, 1937	July 15, 1937
Gold at home	1,224	1,224	1,224	1,224	1,224	1,224
Gold abroad and foreign exchange	102	269	262	330	344	328
Non-interest bearing Government Bonds	119	119	119	119	119	119
Treasury Bonds	399	399	399	398	398	398
LIABILITIES						
Notes	1,006	1,157	1,137	1,152	1,165	[illegible]
Government deposits	126	138	135	135	120	129
Bankers deposits	368	339	363	427	437	406
Certificates against Treasury Bonds	337	373	367	367	358	358
Ratio of gold and foreign exchange to note and sight liabilities	87·4%	90·7%	90·5%	91%	90·7%	90·7%

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

ASSETS	Aug. 12, 1936	July 15, 1937	July 22, 1937	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937
Gold	3,734,975	3,681,028	3,658,560	3,642,431	3,622,970	3,601,374
Silver and other coin	51,785	43,994	44,035	44,163	40 872	40,529
Securities	1,405,977	1,397,750	1,385,586	1,376,376	1,367,917	1,361,404
Advances	73,913	33,489	32,944	35,625	34,972	35,027
LIABILITIES						
Notes in circulation	4,492,270	4,491,030	4,465,716	4,440,266	4,459,714	4,442,431
Deposits: Govt.	19,212	171,265	194,935	214,692	163,371	106 846
Other	944,178	677,365	644,548	627,719	627,726	673,119

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

ASSETS	Aug. 15, 1936	July 17, 1937	July 24, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14 1937
Gold and silver	107,730	132,650	133,370	133,670	133,670	132,500
Discounts, advances and other investments	75,970	75,970	77,610	78,060	77,790	78,420
Foreign bills	2,370	5,070	5,360	5,500	4,350	4,580
Other assets	10,400	72,050	64,780	63,630	71,020	68,600
LIABILITIES						
Notes in circulation	159,770	197,420	194,740	195,200	200,720	200,530
Deposits and bills payable	25,030	74,930	72,940	72,420	72,780	70,200

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

ASSETS	Aug. 15, 1936	July 15, 1937	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937
Gold	1,461,505	2,624,414	2,594,415	2,594,418	2,567,780	2,553,427
Of which held abroad	215,707	534,469	534,469	507,438	482,100	467,115
Discounts	124,249	7,101	7,114	6,904	6,862	6,955
Confederation Bills	44,800	16,150	16,100	15,600	14,550	14,300
Advances	62,754	29,016	28,855	28,465	28,193	27,955
Securities	41,990	14,907	15,915	15,911	15,881	15,881
LIABILITIES						
Notes in circulation	1,249,825	1,482,222	1,371,622	1,411,851	1,381,917	1,361,173
Deposits	439,379	1,363,375	1,316,617	1,298,865	1,343,506	1,381,439

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

ASSETS	Aug. 7, 1936	July 15, 1937	July 23, 1937	July 31, 1937	Aug. 7, 1937
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	24,555	53,751	53,482	56,370	58,949
Token money	9,397	8,444	8,709	6,625	6,118
Inland bills, warrants and securities	461,287	366,724	372,305	398,351	378,997
Advances to Treasury	93,554	111,600	111,600	111,600	111,485
LIABILITIES					
Notes in circulation	373,354	388,480	383,146	459,622	425,778
Current accounts, deposits, etc.	123,090	190,657	199,671	155,598	174,166
Cash certificates	95,625	92,901	92,901	92,901	92,901
Other liabilities	162,520	158,819	160,337	160,207	162,448

NATIONAL BANK OF JUGOSLAVIA

In dinar (000's omitted)

ASSETS	Aug. 8, 1936	July 22, 1937	July 31, 1937	Aug. 8, 1937
Cash reserve:				
Gold at home and abroad	1,531,089	1,685,240	1,686,051	1,687,947
Other foreign exchange	440,878	757,202	723,337	689,442
Bills and advances against security	1,599,737	1,564,298	1,580,620	1,557,663
Government advances	1,661,502	1,650,803	1,651,226	1,651,286
LIABILITIES				
Notes in circulation	4,969,407	5,413,303	5,687,193	5,742,987
Sight deposits	1,493,064	2,397,450	2,177,400	2,106,123
Time deposits	50,000	50,000	50,000	50,000

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

ASSETS	Aug. 1, 1936	July 10, 1937	July 17, 1937	July 24, 1937	July 31, 1937
Gold and gold exchange	11,087,618	15,890,630	15,905,536	16,003,346	16,016,138
Commercial bills	5,566,253	6,053,591	6,104,856	6,131,406	6,175,246
Agricultural and urban advances	2,440,931	2,067,301	2,066,142	2,066,613	2,061,515
Treasury bills issued against losses on credit	5,695,707	6,433,031	6,438,446	6,439,516	6,449,975
State debt and advances to Treasury	5,633,095	4,618,628	4,618,628	4,618,628	4,618,628
LIABILITIES					
Notes in circulation	22,474,560	26,336,363	26,201,231	26,275,930	26,487,292
Other sight liabilities	8,646,416	12,488,062	12,817,825	12,942,853	12,782,868
Long-term liabilities	4,414,560	3,006,380	3,054,410	2,563,007	2,590,506

† First return after decree of November 7, 1936, was November 14th.

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

ASSETS	Aug. 10, 1936	July 10, 1937	July 20, 1937	July 31, 1937	Aug. 10, 1937
Gold	366,078	424,347	425,384	426,842	427,667
Foreign exch. and balances	10,435	27,281	28,319	29,932	31,467
Bills discounted	635,102	527,103	501,150	529,998	517,035
Loans against securities	124,122	32,197	26,980	25,465	27,306
Treasury bonds discounted	44,879	40,539	46,162	48,602	51,607
Securities	110,920	134,300	134,218	135,516	135,445
LIABILITIES					
Notes in circulation	998,925	960,785	939,070	1,018,954	981,715
Sight liabilities	171,192	284,8 55	282,660	230,220	274,414

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

ASSETS	Aug. 10, 1936	July 12, 1937	July 19, 1937	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937
Gold coin and bullion	46,425	77,466	77,468	77,469	77,471	77,473
Silver coin	16,373	15,362	15,337	15,320	15,293	15,293
Foreign currency	9,069	39,241	39,653	39,577	39,900	40,537
Treas. notes and small change	14,069	9,594	9,032	8,880	8,852	9,205
Short-term bills	50,495	50,767	50,680	50,559	50,784	49,966
Loans against securities	70,908	68,432	68,895	68,252	67,487	67,564
LIABILITIES						
Notes in circulation	33,369	45,972	48,876	46,975	47,261	46,336
Deposits	19,592	21,341	21,354	21,363	21,384	21,391
Current accounts	101,718	113,061	122,087	122,001	119,195	122,757
Government accounts	48,685	71,233	60,029	60,172	60,849	60,529

‡ Gold francs up to and including September 28, 1936, only.

BANK OF DANZIG.—In Danzig gulder (000's omitted)

ASSETS	July 31, 1936	May 14, 1937	May 31, 1937	June 15, 1937	June 30, 1937	July 15, 1937	July 31 1937
Gold coin and bullion	20,795	29,572	29,579	28,115	28,118	28,117	28,110
Danzig subsid. coin	4,016	4,623	4,412	4,819	4,134	4,580	3,761
Balances abroad and foreign bills	10,000	2,312	2,229	3,672	3,097	2,405	1,958
Discounts	14,135	12,804	12,910	12,951	13,025	13,794	13,517
LIABILITIES							
Notes in circulation	31,345	29,649	31,515	29,357	32,961	30,483	34,621
Deposits on demand	5,550	15,693	13,164	15,844	12,120	15,615	11,135

BANK OF JAPAN.—In yen (000's omitted)

ASSETS	July 25, 1936	July 3, 1937	July 10, 1937	July 17, 1937	July 24, 1937
Gold coin and bullion	528,353	519,458	515,659	498,225	495,013
Other coin and bullion	68,403	56,342	56,807	57,315	56,750
Discounts	527,969	479,826	475,050	474,408	483,446
Advances	188,967	265,343	269,387	271,757	270,224
Advances on foreign bills	29,999	29,999	30,000	43,918	44,755
Government bonds	477,188	827,961	731,865	730,404	698,971
LIABILITIES					
Notes	1,308,391	1,538,579	1,433,644	1,415,240	1,447,406
Government deposits	292,397	297,903	308,746	294,633	255,076
Other deposits	108,869	69,785	72,765	65,465	59,582

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Aug. 12, 1937	Aug. 13, 1937	Aug. 14, 1937	Aug. 16, 1937	Aug. 17, 1937	Aug. 18, 1937	Aug. 19, 1937
	%	%	%	%	%	%	%
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount—							
60 days' bankers' drafts	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
3 months' do.	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
4 months' do.	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8
6 months' do.	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16
Discount Treasury Bills—							
2 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
3 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
Loans—*Day-to-day*	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances: Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	¾	¾	¾	¾	¾	¾	¾

Comparison with previous weeks

	Short Loans	Bank Bills: 3 Months	Bank Bills: 4 Months	Bank Bills: 6 Months	Trade Bills: 3 Months	Trade Bills: 4 Months	Trade Bills: 6 Months
1937	%	%	%	%	%	%	%
July 22	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 29	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
Aug. 5	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 12	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 19	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Aug. 13, 1937	Aug. 14, 1937	Aug. 16, 1937	Aug. 17, 1937	Aug. 18 1937	Aug. 19, 1937
New York, $..	‡4·86⅔	4·98⅜–98⅞	4·98¼–98½	4·98–98⅞	4·99⅛–98½	4·98⅝–99⅜	4·98⅞–99⅜
Montreal, $...	4·86⅔	4·98⅜–98⅞	4·98¼–98¾	4·98–98⅞	4·98¼–98½	4·98⅝–99⅜	4·98⅞–99⅜
Paris, Fr.	124·21	132⅞–⅞	132⅞–⅞	132⅞–⅞	132⅞–⅞	132⅞–133	132⅞–133
Brussels, Bel.	35·00(a)	29·60–63	29·59–62	29·57–61	29·58–60	29·59–62	29·59–63
Milan, L.	92·46	94⅝–⅞ / 94·72i	94⅝–⅞ / 94·72i	94⅝–⅞ / 94·70i	94⅝–⅞ / 94·67i	94⅞–⅞ / 94·71i	94⅝–⅞ / 94·85i
Zurich, Fr.	25·22½	21·70–72	21·69–72	21·68–70	21·69–71	21·70–74½	21·71–74
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225¾–226½	225¾–226½	225¾–226½	225¾–226½	225¾–226½	225¾–226½
Madrid, Pt.	25·22½	70–100(l) / 67·00j	70–100(l) / 67·00j	70–100(l) / 68·00j	70–100(l) / 68·00j	70–100(l) / 68·00j	70–100(l) / 68·00j
Lisbon, Esc.	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm, Fl.	12·107	9·03⅜–04⅜	9·03⅛–04⅛	9·03–04½	9·03½–04½	9·03½–05½	9·04–05
Berlin, Mk.	20·43	12·38–40	12·38–40	12·37–40	12·37–40	12·38–41	12·39–42
Registered Marks	(c)	40–45	39½–44½	39½–44½	39–44	39·44	39·44
Vienna, Sch.	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen..	27·82	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜
Prague, Kc.	§164½	142⅞–143⅛	142⅞–143⅛	142⅞–143	142⅞–143⅛	142⅞–143⅜	142⅞–143⅜
Danzig, Gul.	25·00	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜
Warsaw, Zl.	43·38	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜	26⅛–⅜
Riga, Lat.	25·22½	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	620* / 628k	620* / 628k	620* / 628k	620* / 628k	621* / 628k	620* / 628k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	212–222
Kovno, Lit.	48·66	29–30	29–30	29–30	29–30	29–30	29–30
Sofia, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97½	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝
Br. India Rup.	† 18d.	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32
Hong Kong, $	† ...	14⅞–15⅛	14⅞–15	14 15/16–15 1/16	14 15/16–15 1/16	14⅞–15⅛	14⅞–15⅛
Kobe, Yen	†24·58d.	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32
Shanghai, $.	† ...	14–14¼	14⅛–½	13¾–14½(l)	14–14½(l)	Unquoted	14–14½(l)
Singapore, $.	† 28d.	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛
Batavia, F.	12·11	9·00–04	9·00–04	8·99½–9·03½	8·99½–9·03½	9·00½–04½	9·00½–04½
Rio, Mil.	†5·899d.	3 5/32–7/32f	3 5/32–7/32f	3 5/32–7/32f	3⅛–3/16f	3 3/32–5/32f	3 1/32–⅛f
B. Aires, $	11·45	16·45–51g / 16·12h	16·46–51g / 16·12h	16·46–51g / 16·12h	16·47–52g / 16·12h	16·48–58g / 16·12h	16·52–57g / 16·12h
Valparaiso, $..	40	128e(l)	128e(l)	128e(l)	128e(l)	130e(l)	130e(l)
M'video, $	† 51d.	28–28½ / 39 13/16*b	28–28½ / 39 13/16*b	28–28½ / 39 13/16*b	28–28½ / 39⅞*b	28–28½ / 39 13/16*b	28–28½ / 39 13/16*b
Lima, Sol.	17·38	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾
Mexico, Pes.	9·76	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Manila, Pes.	†24·66d.	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24⅜
Moscow, Rbls.	...	26·42½–⅞	26·41½–42½	26·40–40½	26·40⅞–41	26·42⅞–43⅛	26·45⅞–46
B'ngkok, Baht	†21·82d.	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23 7/32 since dollar devaluation on February 1, 1934. § Par, 197·10 3/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Aug. 13, 1937 Per £	Aug. 14, 1937 Per £	Aug. 16, 1937 Per £	Aug. 17, 1937 Per £	Aug. 18, 1937 Per £	Aug. 19, 1937 Per £
New York, cent.	1 Month	(p) 31/32-15/16	(p) 31/32-15/16	(p) 31/32-15/16	(p) 31/32-15/16	(p) 1/2-7/8	(p) 31/32-15/16
	2 „	1-1 1/8	1-1 1/8	1-1	1-1 1/8	1-1	1-1
	3 „	1 1/8-1 1/4	1 1/8-1 3/8	1 1/8-1 1/4	1 1/8-1 1/4	1 1/8-1 1/4	1 1/16-1 1/16
Paris, frs	1 Month	(d) 1/2-5/8	(d) 1/2-5/8	(d) 1/2-5/8	(d) 5/8-1	(d) 1 1/16-1 1/16	(d) 1-1 1/4
	2 „	1 1/2-1 7/8	1 1/2-2 1/16	1 1/2-2 1/8	2 1/4-2 1/2	2 3/8-2 3/4	2 3/4-3 1/4
	3 „	3-3 1/4	2 3/4-3 1/4	3-3 1/4	3 1/4-3 1/2	4-4 1/4	4 1/8-4 1/2
Amsterdam, c'nt	1 Month	(p) 1-1 1/8	(p) 1-1 1/8	(p) 1-1 1/8	(p) 1-1 1/4	(p) 1-1 1/4	(p) 1-1 1/2
	2 „	1 3/4-1 7/8	1 3/4-1 7/8	2-2 1/8	2-1 1/2	2-1 1/2	2-1 1/2
	3 „	2 3/4-2 7/8	2 3/4-2 7/8	3-3 1/4	3 1/4-3 1/2	3-3 1/2	4-3
Brussels, cent	1 Month	(p) 1/2-Par	(p) 1-Par	(p) 1-Par	(p) 1-1/2	(p) 1 1/2-1/2	(p) 1-1/2
	2 „	1 1/4-1/2	1 1/4-1/4	1 1/2-1/2	1 1/2-1	2-1	2-1
	3 „	2-1	1 1/2-1/2	2-1	2 1/2-1 1/2	3-2	2 1/2-1 1/2
Geneva, cent	1 Month	(p) 1 1/2-1/4	(p) 1 1/2-1/4	(p) 1 1/2-1/4	(p) 1 1/2-1	(p) 1 1/2-1	(p) 1 1/2-1
	2 „	2 1/2-1 1/4	2 3/4-1 3/4	2 3/4-1 3/4	3 1/4-2 1/4	4 1/2-2	4 1/2-1 3/4
	3 „	3 1/4-2 1/4	3 1/4-2 1/4	3 1/4-2 1/4	3 1/4-2 1/4	4-3	4-3

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Aug. 19, 1936 %	July 21, 1937 %	July 28, 1937 %	Aug. 4, 1937 %	Aug. 11, 1937 %	Aug. 18, 1937 %
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances :—	Selling Rates					
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Commercial accept., 90 days	⅝	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Aug. 19, 1936	Aug. 4, 1937	Aug. 11 1937	Aug. 18, 1937
London—						
60 days	Dollars for £1	Old par 4·8666	5·02½	4·97½	4·97½	4·9837
Cable		New par 4·8697	5·03½	4·9806	4·9837	4·99½
Cheques			5·0337	4·98	4·98½	4 9912
Paris cheques	Cents for 1 franc	6·63	6·5837	3·75½	3·75½	3 7537
Brussels „	Cents for 1 belga	23·54	16·875	16·84	16·835	16·865
Switzerland „	Cents for 1 franc	32·67	32·605	22·97	22·965	22·975
Italy „	Cents for 1 lira	8·91	7·87	5·26	5·26	5·26
Berlin „	Cents for 1 mark	40·33	40·23	40·24	40·23	40·235
Vienna „	Cts. for Austrn. shig.	23·82	18·86	18·89	18·89	18·89
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·95	55·18	55·15	55·19
Copenhagen „	Cents for 1 kroner	45·37	22·48	22·24	22·25	22·28
Oslo „			25·30	25·035	25·045	25·08
Stockholm „			25·96	25·685	25·70	25·735
Athens „	Cents for 1 drachma	1·29½	0·94½	0·91⅛	0·91½	0·91½
Montreal „	Cents for Can. $1	169·31	100	100	99·¹⁄₁₆	99·⁵⁄₁₆
Yokohama „	Cents for 1 yen	84·40	29·48	29·05	29·07	29·11
Shanghai „	Cents for 1 dollar	...	30·25	29·60	29·65	30·40
Calcutta „	Cents for 1 rupee	61·80	38·02	37·61	37·64	37·69
Buenos Aires „	Cents for 1 peso	...	33·57	30·90	30·90	30 96
Rio de Janeiro „	Cents for 1 milreis	11·96	8 48	8·39	8·40	8·42

The Portuguese bank rate is now 4 per cent., to which it was reduced on August 11th. Other overseas bank rates appeared in the issue of August 7th on page 317.

Exchange rates for South Africa, Central and South America and Australasia were also given in the above issue.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended August 19, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British S. Africa	1,615,351	...	Anglo - Egyptian Sudan	1,400	*250*
Tanganyika	16,079	...	British India	...	*6,250*
Kenya	21,131	...	Denmark	225	...
Uganda	3,301	...	Netherlands	...	*19,776* 9,268
Anglo - Egyptian Sudan	4,191	...	France	70,230	...
British India	722,964	...	Switzerland	...	2,150
Australia	297,656	...	Jugoslavia	151,058	...
New Zealand	37,231	...	U.S.A.	3,281,892	...
British Guiana	5,245	...	Other Countries	793	*30*
U.S.S.R.	2,245,803	...			
Germany	810,948	...			
Belgium	2,804	...			
France	...	5			
Switzerland	17,830	...			
China	1,214,538	...			
Other Countries	385	41			
Total	7,015,457	46	Total	3,505,598	*26,306* 11,418

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
Malta and Gozo	...	*2,090*	Aden and Dependencies	...	20,809
Germany	18,288	37	British India	18,869	...
Belgium	18,162	5,403	Straits Settlements	1,240	...
France	1,719	345	Sweden	2,530	...
Switzerland	...	46	Norway	1,222	...
Japan	2,550	...	Denmark	1,515	...
Other countries	...	*824* 97	Netherlands	2,325	*50*
			France	1,284	...
			Portugal	1,530	239
			Other countries	...	*50*
Total	40,689	*2,859* 5,891	Total	33,116	21,039

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between August 13th and 19th. Details of previous movements were given in *The Economist* of August 7th on page 318.

GOLD MARKET

Messrs. Samuel Montagu and Company write on August 18, 1937 :—

The Bank of England gold reserve against notes amounted to £326,406,625 on August 11th, showing no change as compared with August 4th.

Business in the open market has been quiet and a general demand absorbed about £960,000 of bar gold, offered at the daily fixing during the week. Prices ruled at about dollar parity and showed very little variation.

The s.s. "Comorin," which sailed from Bombay on August 14th, carries gold to the value of about £214,000.

SILVER MARKET

Movements in prices have been unimportant and conditions continued to be quiet.

Sales were made on China account and the Indian Bazaars bought, but although offerings were very moderate, the latter did not exert sufficient pressure to cause any appreciable advance, although prices recovered to 20d. on August 14th and remained at that figure until August 18th, when there was a decline of 1/16d. to 19 15/16d.

There is no change in the outlook and the market seems steady at about the present level.

Quotations for gold and silver are shown below :—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce Standard Cash	Price of Bar Silver in London per ounce Standard Two Months	Price of Silver New York per ounce .999 fine
	s. d.	s. d.	d.	d.	
Aug. 12	139 6	12 2·16	19 7/16	19 13/16	1937 6 cents
„ 13	139 5	12 2·25	19⅜	19 11/16	
„ 14	139 6	12 2·16	20	20	Aug. 11 to Aug. 17 inclusive 45
„ 16	139 7	12 2·07	20	20	
„ 17	139 6	12 2·16	20	20	
„ 18	139 4½	12 2·23	19 15/16	19 15/16	
Average	139 5·75	12 2·18	19·958	19·969	
Aug. 19	139 3½	12 2·38	19 15/16	19 15/16	

The highest rate of exchange on New York recorded during the period from August 12th to August 18th was $4·99⅞ and the lowest $4·98.

OTHER STATISTICS

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

Owing to ill-health, Mr A. FitzHerbert Wright has resigned from the board of the Butterley Company, and Sir Ernest W. Petter from that of Westland Aircraft.

Sir George Stuart Robertson has been appointed a director of Prudential Assurance Company.

Mr Edouard Muller, the vice-president and managing director, has been elected president of Nestlé and Anglo-Swiss Holding in place of the late Mr Louis Dapples.

MISCELLANEOUS

SMITH (STEPHEN) AND COMPANY.—Total profits of these wine and spirit merchants to April 30th last are £57,640, against £55,625, or, after expenses and depreciation £53,982, against £51,179, before £16,133 tax provision. Final ordinary dividend 7½, making 12½ per cent. To reserves : general, £5,000; contingent, £3,000; carry forward, £5,331.

ALLIANCE BANK OF SIMLA, LTD. (in liquidation).—The English agents of the Indian Liquidators announce the payment, on August 16th, of a seventh interim dividend of 5d. in the £, making total distributions up to 16s. 0½d. in the £.

KERN RIVER OILFIELDS OF CALIFORNIA.—The board announce that they have concluded negotiations for the subscription of part of the unissued capital of the company on satisfactory terms. The new capital will enable the company to carry out an extended plan of development. Sir William Alexander and Sir Thomas D. Nicol, associated with the subscribers of the new capital, have agreed to join the board.

KRAMAT TIN DREDGING.—A resolution has been passed for the sub-division of present £1 shares into 5s. shares.

CITY OF BUDAPEST LOANS.—The Swiss Association of Bankers announce that in conformity with the moratorium, extended to December 22, 1937, the City of Budapest has deposited with the Hungarian National Bank the equivalent in pengos of the coupons due July 1, 1937, on the 4½ per cent. Loan, 1914, and on the 4 per cent. Sterling Loan of 1910. The Bank, however, has not consented to the transfer of these sums into the stipulated currencies, but coupons can be paid in Hungary in pengos.

COURTNEY POPE AND COMPANY.—For the first year as a public company, i.e. to May 31st, the total profit is £39,830, or £13,330 net, after £24,188 expenses, £1,535 depreciation and £777 other expenses. Preference dividend absorbs £2,240. Ordinary dividend 20 per cent. Carry forward, £3,596.

STRETTON'S DERBY BREWERY.—Trading profit to June 30th, £133,255, or £4,801 more. Net profit (after interest, expenses, and £24,150 compensation fund and tax) is £93,866, against £93,421. Final ordinary dividend, 22½, making 35 per cent., less tax. To property improvement £5,222, against £1,550; to contingencies, £1,687; carry forward, £64,477 (£1,815 lower).

IMPERIAL CHEMICAL INDUSTRIES.—It is reported that it is intended that Imperial Chemical Industries (India) should float an Indian company for making products needed for Indian industrial development.

IPOH TIN DREDGING.—Total receipts for year to March 31 are £92,910, £21,414 less. Net profit after depreciation is £43,213, against £75,287. Final dividend 2s. 6d., making 3s. 6d. per 16s. share. To plant, etc., £2,114, against £32,065, reserve £5,000 (nil); carry forward, £6,162.

ISMAY INDUSTRIES.—Gross income for year to June 30th is £68,144 (against £53,448 for the initial period) or £65,300 after expenses and fees. Tax absorbs £12,916 and preference dividend £13,750. Ordinary dividend takes £27,540. Carry forward, £12,444.

BRITISH OXYGEN COMPANY.—The Norwegian Government have granted permission to buy control of Odda Smelteverk, carbide manufacturers.

CALICO PRINTERS' ASSOCIATION.—Accounts for the year to June 30th show a profit of £116,174 (after £372,428 for maintenance, etc., and £128,000 debenture interest), against a loss of £47,247. A preference dividend at the rate of 5 per cent. per annum is to be paid for the half-year to December, 1935. Carry forward, £83,351, against £42,579 brought in.

GUATEMALA 4 PER CENT. EXTERNAL DEBT—ISSUES OF 1895, 1913 AND 1928.—The Council of Foreign Bondholders have received from the Government of Guatemala £20,000 for this debt service above. This completes the amount required for the payment of Coupons due December 30, 1937.

BUENOS AYRES LACROZE TRAMWAYS COMPANY.—A Second Supplemental Scheme of Arrangement is proposed affecting holders of 5 per cent. 1st mortgage debenture stock, extension mortgage debentures, and consolidated mortgage debentures. Formal cancellation of instalments of interest arrears is proposed, to avoid showing in accounts a loss of 50 per cent. of capital (with consequent liability to liquidation). Aggregate of interest arrears at old par rate of exchange to be paid to trustees : rank after unsecured creditors, before share capital.

EQUITY AND LAW LIFE ASSURANCE SOCIETY.—To make the society eligible as trustees for unit trusts, and as foreshadowed at the last annual meeting, a call of 7s. 6d. per £5 share is to be made now, and a further 7s. 6d. before December 31st.

GENERAL REFRACTORIES, LTD.—Progress report for the first six months of 1937 of the Genefax group of Refractories companies announces an interim dividend of 8 per cent. actual. Report now and in future refers to trading profits as a whole, not dividing General Refractories and subsidiaries. Operations have extended, and profit for the second quarter was 40 per cent. above that for the first. Sales have increased by 50 per cent. over same period in 1936. Negotiations are proceeding for established businesses to join the group. Consolidated statement of subsidiaries' position at March 31st to be sent out with interim dividend.

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
BANKS				%	%
British Linen Bank	8%*	Sept. 15	Same	...	...
Dominion Bank	2½%*§	Oct. 1	Same	...	...
MINING					
Ipoh Tin Dredging	15⅝%†	...	12½%†	21⅝	18¾
Pengkalen	10%*	Sept. 11	5%*	...	...
OTHER COMPANIES					
Andrews Toledo	3%†	...	Nil	5	Nil
Aplin and Barrett	5%*	...	Same	...	...
Associated Coal Distributors	2½*	Sept. 8	2½%*	...	...
Austin Veneer and Panel	10%†	...	(c)	10(d)	(c)
Barker (John) and Company	5%*	...	Same	...	...
Barnsley Brewery	11%†	Aug. 30	12%†	16	15
Berkeley Property & Invest.	3%†	Aug. 30	(c)	5(e)	(c)
Briggs (Henry), Son and Co.	7½%†	...	5%†	10	7½
Carter and Company	20†	...	15†	20	15
Chester United Gas	2½%*	...	Same	...	...
Clyde Valley Electrical	3%*	Sept. 22	Same	...	...
Cook (M.) & Son	10†	Sept. 2	(c)	10	(c)
Cowans Sheldon	10†	...	7½†	10	7½
Cumberland Prop. & Inv. Trust	3½%*	Aug. 31	Same	...	...
Dunhill (Alfred)	4%*	Sept. 16	2½%*	...	...
European and General Corporation	4†	...	Nil	4	Nil
Foster (M. B.) and Sons	4½%*	Oct. 1	5½%*	...	...
General Refractories	8%*	Aug. 31	6%*(a)	...	...
Gorringe (Fred.), Ltd.	3½%*	...	Same	...	...
Harding Tilton & Hartley	10%*	Oct. 1	Same	...	...
Hine Parker	2½%*	Aug. 25	Same	...	...
Hugon and Company	5%*	Sept. 29	Same	...	...
Hurst Nelson and Co.	7½%†	Nov. 11	6⅓†	7½	6⅓
Illovo Sugar	5†	...	6	5	6
Ismay Industries	6†	...	6%†	6	10(a)
Latin American Investment	3†	Sept. 15	2†	3	2
Liverpool Gas	3%*	...	Same	...	...
London and Edin. Shipping	8†{	Aug. 21 / Feb. 1	10†	8	10
Marconi's Wireless Telegraph	2½%*	Sept. 30	Nil	...	...
May (Jos.) and Sons (Leeds)	7½†	...	6†	7½	6
Mooney (J. G.) and Company	7½%*	...	Same	...	...
Norvic Shoe Pref. Ord.	5%†	...	Same	8⅛	8⅛
Robinson (Peter)	1%*	Sept. 25	Nil	...	...
Romford Gas	4%*	Sept. 2	Same	...	...
Sears (J.) and Company	5%*‡	Aug. 31	Same	...	...
Southalls (Birmingham)	10%*‡	Oct. 1	Same	...	...
Southend Waterworks New Ord.	2½%*	Oct. 1	Same	...	...
Spratt's Patent (America)	5%*	Aug. 28	Same	...	...
Sunbeam Wolsey	7½%†	...	10†(a)	12½	10(a)
Tilling (Thomas)	5%*	Oct. 1	Same	...	...
Trojan (Holdings)	7½%†(b)	...	(c)	10(b)	(c)
United Carlo Gatti	4%*	Sept. 1	Same	...	...
United Flexible Metallic Tubing	3½%*	Sept. 1	2%*	...	...
Whiteley (Wm.)	10%*	Sept. 30	Same	...	...
Whitworth, Son and Nephew	4%*‡	...	3%*‡	10‡	9‡
Wilson Bros. Bobbin	5†	...	5†	5	5
Winterbottom Book Cloth	2½%*	...	Same	...	...

§ Quarterly. ‡ Tax free. (a) On smaller capital. (b) 14½ months' working. (c) No comparable distribution. (d) 7 months. (e) 15 months.

NATIONAL FIXED TRUST CERTIFICATES UNIT "C."—A seventh income distribution will be paid September 15th, of 4·2595d. net per sub-unit, for the half-year ended August 15th.

GOLD PRODUCERS FIXED TRUST.—Net distributions per sub-unit (to be made August 1st for the half-year ended June, 1937), are announced as follows :—First Series, 9·8323d.; second, 6·8908d.; third, 5·492d.

RAND FIXED TRUST.—A distribution is announced for the half-year to June last of 8·0683d. net per sub-unit, payable August 21st.

MARCONI'S WIRELESS TELEGRAPH.—An ordinary interim dividend of 2½ per cent. is the first interim payment since 1928. For 1936, 7 per cent. was paid for the year.

INVESTORS SECOND GENERAL TRUST.—Fourth distribution, in respect of February 2—August 7, 1937, of 5½d. net per sub-unit, payable September 1st. Of this, 5·1127d. represents cash dividends and 0·0873d. non-taxable proceeds.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Preference Amount	Appropriation: Dividend Ordinary Amount	Appropriation: Dividend Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Appropriation: Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
Breweries		£	£	£	£	£	%	£	£	£	%
Alton and Co.	June 30	58,117	40,047	98,164	7,562	32,125	42½	...	58,477	47,374	42½
Strettons Derby Brewery	June 30	66,292	93,866	160,158	9,553	79,219	35	6,909	64,477	93,421	35
Electric Equipment, etc.											
Ismay Industries	June 30	1,350	52,384	53,734	13,750	27,540	6	...	12,444	43,945a	10a
Iron, Coal and Steel											
Briggs (Henry) Son and Co.	June 30	48,278	101,821	150,099	...	65,575	10	38,000	46,524	63,471	7½
Motor Cycle and Aviation											
Simms Motor Units	Dec. 31	*Dr. 58,391*	3,849	*Dr. 54,542*	...	...	Nil	4,550	*Dr. 59092*	*Dr. 5746b*	Nil
Rubber											
Pahang Para Rubber Syn.	Apr. 30	*Dr. 922*	3,531	2,609	...	1,545	2·08	750	314	212	Nil
Shipping											
Tyne-Tees Steam Shipping	June 30	4,430	48,720	53,150	...	20,461	5	26,000	6,689	41,484	5
Warehouse and Trading											
Merchants' Warehousing	June 30	42,864	21,101	63,965	...	5,812	15‡	8,000	50,153	22,509	15
Other Companies											
Wilson Bros. Bobbin	July 15	1,511	15,321	16,832	...	14,250	5	...	2,582	16,923	5

(a) For period April 11, 1935, to June 30, 1936. (b) After deducting loss dealt with in Trading Account in 1936.
‡ Also 100 per cent. capital bonus.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE Far Eastern crisis, which has over-shadowed the stock markets this week, has had little influence on the majority of the commodity markets. Business, it is true, remains restricted by seasonal factors, but price fluctuations have been narrow and quotations generally are well maintained.

The main non-ferrous metals constitute the principal exception to the rule. Speculative interest in copper has waned with the deterioration of the political outlook and, with smaller consumer buying, prices are easier. Tin and lead also lost some ground and spelter was sharply reduced, following its recent speculative rise. An early recovery in these metals seems probable. Wolfram and antimony, on the other hand, were forced up in price owing to fears of a shortage of Chinese exports. But, although China supplies a high proportion of world demand for these metals, shipments are made principally from the Southern ports and this week's price rise therefore appears somewhat premature.

The recent fall in raw cotton was checked by the news that President Roosevelt is likely to agree to a growers' subsidy as well as loans, to stabilise the price. Wool remained firm, on the likelihood of short supplies, but jute was easier. Oilseeds were marked down owing to an inactive demand and a bearish estimate of the United States linseed crop; vegetable oils were easier in sympathy. The rubber market was quiet, with prices about unaltered.

Wheat was firmer after its recent decline and maize was also a steady market. Among other foodstuffs, sugar showed a weaker tendency, but competition at the tea auctions was active and quotations were consequently firm. Cocoa prices also showed a rising tendency. On the London Provision Exchange, Colonial butter and cheese were cheaper, but the official quotations for bacon were unaltered.

In the United States the tendency of prices has been definitely weak, grains, coffee, cotton, metals and rubber being cheaper than last week. This development is reflected in Moody's daily index of the prices of staple commodities (December 31, 1931 = 100) which fell from 205·7 to 201·6 in the week ended Wednesday, the latter figure comparing with 209·5 a month ago and 188·9 a year ago.

COAL

SHEFFIELD.—Certain qualities of coal have become scarce as a result of the continued trouble among the haulage hands at several South Yorkshire pits. About 5,000 miners are unemployed, and inconvenience is being caused by the redistribution of orders and the search for supplies of small coal to keep coking plants at work. On the inland market industry takes most of the supplies, household demand being virtually non-existent. Coke is a very active market. Export inquiry is dull, and shippers are showing anxiety concerning the immediate future in the light of limited supplies and high prices, combined with the developing competition from Germany and Poland.

NEWCASTLE-ON-TYNE.—Foreign inquiry for North-East coal for Autumn and Winter shipment is now steadily expanding. There have been several good enquiries from old markets and, in addition to this regular business, Northumberland steam coals have been sold for prompt delivery to South Africa. In Durham, coking classes are as scarce as ever. Gas collieries are much better placed and bunkers are only offered sparingly. The coke market maintains a strong position with all brands finding a ready outlet.

GLASGOW.—The position in the Scottish coal market is more generally firm. New inquiry from abroad remains on quiet lines, but the shipping collieries are well booked, and in some cases have secured outlets for those qualities not of late fully taken up on contract account. An improvement in trebles gives washed smalls a strong appearance all round, and in Lanarkshire the arrangement of some cargoes for Italy and elsewhere has helped the position in all coal. Coastwise business absorbs good tonnages, demand from Ireland helping the Ayrshire collieries, and industrial and public utility needs are heavy. A sluggish market continues in house coal, but with a seasonal expansion of demand at hand there is no question of any further easing of prices.

CARDIFF.—Only a very limited volume of new inquiry circulates in all the principal overseas trades on the Welsh steam coal market. Production, however, as is usual during August, is on a reduced scale, due to the number of absentees from the pits. Outputs generally continue to move off satisfactorily in respect of standing contract business. As a result, the amount of coal offering is greatly curtailed and buyers, in several instances, are finding it increasingly difficult to satisfy their present needs. Sellers, consequently, are showing more reserve and prices are steadier for prompt shipment. In view of the anticipated improvement in demand in the next few weeks the outlook ahead is more favourable. New contract business circulating is negligible. Coal shipments from the South Wales ports last week showed a good recovery after the holiday interruption. They totalled 378,220 tons compared with 234,900 tons in the previous week and 343,835 tons in the same period a year ago. Large coals move off fairly satisfactorily at late prices. Small descriptions, however, are not so freely offered as recently and washed sorts are scarce and firm. The sized kinds remain extremely difficult to arrange over several months ahead and are strong. Throughs are steadily absorbed. The demand for cokes is still brisk and high prices rule.

IRON AND STEEL

LONDON.—Business in iron and steel is moving on a limited scale, as it is difficult to place orders for steel for delivery this year, says the official report of the London Iron and Steel Exchange. Holiday stoppages in the manufacturing districts also contribute to the quiet appearance of the markets, although so urgent is the demand for all descriptions of iron and steel that, contrary to custom, few consumers are suspending deliveries. In the pig-iron market business has been principally confined to small transactions as most of the output has been disposed of until December, and neither producers nor makers are inclined to commit themselves beyond that time in the absence of fixed prices for delivery so far forward.

A severe stringency still exists in the semi-finished steel department; but lately some relief has been occasioned by imports of Continental steel and more regular deliveries from the British manufacturers. The position as regards finished materials is similar to that ruling in other departments of the steel trade. An enormous demand exists, only part of which can be satisfied, although the makers are endeavouring to ease the situation by concentrating upon urgently required work. The tonnage of material available for export remains limited in view of urgent home requirements.

SHEFFIELD.—With the holiday month drawing to an end, rather more active conditions characterise the iron and steel markets, but the volume of actual business is comparatively small. Pig-iron producers are not looking for customers, as, with the full output sold for some time ahead, they have nothing of any weight for disposal. Consumers are ready to take anything which comes on offer for early delivery, but such parcels are few and far between. Some contracts are being renewed, but on a rationed basis. There are good inquiries for both East and West Coast hematite, but new business is not easy to place. Finished iron is a strong market, and makers have little for disposal. Demand for basic steel billets remains at a very high level, and no guarantee is given by sellers as to date of delivery. Wire rod business is active, and the call for stainless steel sheets is greater than ever. Prices throughout the market are fully maintained, but are without change. All iron and steel scrap material is in request, and in certain classes there is pronounced shortage. Rather more imported scrap is procurable, but prices are high.

MIDDLESBROUGH.—No market was held this week as it is being observed as the local holiday week. Several of the steelworks and rolling mills are closed down and the opportunity is being taken to effect repairs which are obviously needed after the long run of machinery at high pressure. Foundries in the Stockton and Middlesbrough districts are all taking holiday during the present week. Whilst business is in a state of suspense, merchants report that they are being supplied with quantities of foundry and hematite pig iron under old contracts for shipment as producers of pig iron have reduced demands locally owing to the holidays mentioned above. An additional blast furnace is being restarted shortly at Messrs. Pease and Partners' Normanby Ironworks. This will produce hematite pig iron and will increase the number to thirteen on this class of iron in this district.

The official prices of pig iron remain at 101s. per ton for No. 3 Cleveland foundry pig iron and 123s. per ton for No. 1 hematite pig iron, delivered locally, the latter being subject to a rebate of 5s. per ton. Basic pig iron is also maintained at 100s. per ton, less 5s. rebate, but this quotation is quite nominal as producers require the whole of the output for their own steelworks. Steel manufacturers are still meeting with heavy demands for all classes of material, but deliveries will be reduced this month on account of holidays. Good Durham blast furnace coke is steady at 40s. per ton, delivered at the furnaces, with sellers well contracted. Prices for steel scrap are unchanged. Foreign ore imports are being well maintained, although no supplies are coming forward from Bilbao or North Spain, the total quantity imported into the Tees during the first seventeen days of August being 110,000 tons, compared with 108,500 tons during the same period in July.

GLASGOW.—There is little change in the situation here. Great activity continues at the steel plants, where the demand for shipbuilding material, which at all times absorbs a large proportion of the output of West of Scotland steelmakers, is still increasing, and at the same time there is a heavy demand from all other users of steel material. There is still an urgent need for better supplies of semis. While deliveries have been on a somewhat heavier scale just recently they fall far short of the requirement of the various re-rolling industries which, in almost every instance, have accumulations of orders on books from users who are pressing for delivery. The demand for finished material is likewise very heavy, all the manufacturing industries being exceedingly busy and requiring large tonnages regularly.

CARDIFF.—A fair demand was encountered for tinplates, and shipments proceeded on a moderate scale, totalling 3,124 tons last week, as against 6,206 tons in the previous seven days, and 1,730 tons a year ago. Stocks were 1,978 tons, compared with 1,442 tons and 4,431 tons, respectively. Prices were slightly firmer at 25s. 6d. to 26s. per basis box, f.o.b. Galvanised sheets were in better demand for the home market, but export inquiry was slower. Quotations were unaltered at £18 15s. per ton, f.o.b., while steel sheet and tinplate bars were steady at £7 15s. per ton, delivered locally.

OTHER METALS

COPPER.—The slowing down of buying in the United States and the deterioration of the political situation in the Far East caused a substantial setback this week. Consumers have bought comparatively little and speculators have also lost interest for the time being. Consequently, turnovers on the London Metal Exchange were much smaller than of late and the standard cash price declined by £1 13s. 9d. to £57 1s. 3d. per ton.

The unofficial copper statistics for July reveal a fresh increase of 12,665 short tons in world stocks, which totalled 313,110 tons on July 31st. The rise was divided between the United States and the rest of the world. Nevertheless, it does not show any major change in the recent trend of copper statistics. There was also a further drop in the world's apparent consumption from 189,680 short tons to 180,600 short tons. At the same time, world output of refined copper showed a surprising decline from 200,400 short tons to 193,270 short tons, which makes it clear that the period of difficulties on the production side has not yet been overcome.

Sales on the London Metal Exchange: 1,025 tons on Monday, against 2,700 tons last week; 1,350 tons on Tuesday, against 2,850 tons last week; 1,050 tons on Wednesday, against 2,550 tons last week. Domestic spot was quoted at 13·92½ cents per lb. in New York on Wednesday, against 14·40 cents a week ago and 13·95 cents a month ago. Wednesday's official closing price for standard cash in London was £57 1s. 3d. to £57 3s. 9d. per ton, compared with £58 15s. to £58 17s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week at 9,923 tons, showed an increase of 479 tons, while stocks of rough copper, at 10,275 tons, were 776 tons larger.

LEAD AND SPELTER.—As the result of the deterioration in the political situation both markets met with little support. Lead declined during the week by 7s. 6d. to £22 7s. 6d. per ton, while spelter lost £1 6s. 3d., closing at £24 1s. 3d. After the recent sharp speculative rise, the fairly large decline in spelter does not come as a surprise. In spite of the setback this week the undertone of both markets (particularly spelter) remains good and early recoveries are probable.

Sales of lead on the London Metal Exchange · 950 tons on Monday, against 3,250 tons last week; 1,150 tons on Tuesday, against 1,650 tons last week; 1,000 tons on Wednesday, against 1,400 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 7s. 6d. to £22 10s. per ton, compared with £22 15s. to £22 17s. 6d. last week.

Sales of spelter on the London Metal Exchange: 750 tons on Monday, against 4,100 tons last week; 1,700 tons on Tuesday, against 2,250 tons last week; 1,400 tons on Wednesday, against 2,300 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7·00 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £24 1s. 3d. to £24 2s. 6d. per ton, against £24 2s. 6d. to £25 3s. 9d. last week.

TIN.—After an early rise tin reacted and closed on Wednesday at £265, a net loss of £1 5s. on the week. There was no change in the basic position of this market. Home warehouse stocks on August 14th were 81 tons lower at 1,998 tons—the smallest since the beginning of June. The world's tin mines' production amounted (according to *Metallgesellschaft*) to 17,964 metric tons in June against 15,346 tons in May. Production during the first half of this year aggregated 97,662 metric tons, a rise of 12,244 tons, or 14·3 per cent., on the year. Consumption in the first half of this year is estimated by the market to have increased by more than 20 per cent Consumers' buying has, however, been extremely limited in the last few days, and as there have been some of the usual hedge sales, the market was easier. This weakness, however, should be overcome immediately consumers resume buying, because there are no weak offerings at the lower levels.

Sales of tin on the London Metal Exchange: 200 tons on Monday, against 650 tons last week; 250 tons on Tuesday, against 350 tons last week; 130 tons on Wednesday, against 250 tons last week. The New York quotation on Wednesday was 59·50 cents per lb., against 59·62½ cents a week ago and 60·00 cents a month ago. Wednesday's official closing quotation in London for standard cash was £265 to £265 5s. per ton, compared with £266 5s. to £266 15s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 1,998 tons, a decrease of 81 tons on the week.

TUNGSTEN AND ANTIMONY.—As a result of the outbreak of hostilities in Shanghai, tungsten and antimony prices showed substantial improvement. This is not fully reflected in the official quotations, which have become more or less nominal this week. There have been dealings in Chinese wolfram at over 90s. per unit, while antimony regulus (English) has been bought at £87 10s. per ton. China supplies two-thirds of the world's wolfram and 70 per cent. of the world's antimony, but this week's steep rise in prices, nevertheless, appears artificial and speculative. Practically the whole of the Chinese tungsten and antimony comes from the southern provinces and is shipped through the southern ports of the country, so that the war in Shanghai and the north will not necessarily interfere with production and shipments of the two metals.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 12s. to £13 12s. 6d. per flask of 76 lbs., as against £13 10s. to £13 10s. 6d. last week. Chinese antimony was quoted at £76 to £77 per ton, ex warehouse, as against £69 to £70 last week. Chinese wolfram for "August–September" shipment was quoted at 90s. to 95s. per unit, c.i.f., compared with 78s. to 81s. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—Inquiry has shown a slight improvement and some buyers have placed orders a little more freely, owing to the belief that prices, after the recent decline, are now on a more attractive level. Some customers have hesitated, however, to commit themselves, having doubts as to whether present margins for spinners and manufacturers will be maintained. On balance there has been very little change in raw cotton rates. A good deal of uncertainty exists as to what will be done by the Washington Government. It is reported that President Roosevelt has agreed to a loan to farmers if Congress will pass a resolution promising farm control legislation at an early date. Interference by the Government in cotton production in the past has not had very happy results. Quite apart from a big American crop, abundant supplies are probable from other countries, the latest advices with regard to the Egyptian growth being very favourable. Prices of American yarns have varied according to the fluctuations in raw material rates. Spinners' quotations, however, have been firm, margins being well preserved. Sales of medium American counts have been larger than for several weeks back. A little more activity has also shown itself in Egyptian qualities. Buyers of piece-goods have displayed more interest, but in most instances offers have been disappointing. There have been very few signs of increased activity for India, and trade with China has been brought to a standstill. Some very fair lines have been booked in fine mulls for Rangoon. The most promising outlet, however, has been South America and steady buying has taken place in printing and finishing styles. All manufacturers are working hard to keep up to contract time with deliveries, as there is a danger of cancellation if goods are late.

COTTON PRICES

		1937				Corresponding Date	
		July 28	Aug. 4	Aug. 11	Aug. 18	1935	1936
		d.	d.	d.	d.	d.	d.
Raw Cotton—Mid.American	per lb.	6·36	6·14	5·93	5·96	6·58	6·75
,, Sakellaridis Fully Good Fair Egyptian	per lb.	9·60	9·48	9·29	9·29	8·12	10·75
Yarns—32's twist	per lb.	13⅜	13½	13	12⅞	10⅜	10⅝
,, 40's weft	per lb.	12⅝	12½	12	11⅞	10½	10⅝
,, 60's twist (Egyptian)	per lb.	19½	18½	18½	18½	16	16½
		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
32-in Printers, 116 yds, 16 by 16, 32's and 50's		20 0	19 9	19 6	19 6	17 4½	18 0
36-in. Shirtings, 75 yds., 19 by 19,32's and 40's		27 2	26 9	26 3	26 3	24 4½	25 1½
38-in. ditto. 38 yds., 18 by 16, 10 lb.		11 4	11 3	11 1½	11 1½	10 4	10 3
39-in. ditto. 37½ yds., 16 by 15,8½ lb.		10 4	10 3	10 1½	10 1½	9 3	9 3

WOOL.—Bradford.—Wool continues to occupy a very sound position, and all descriptions display a slight hardening tendency. Higher prices are expected when the new Australian selling season opens at Sydney on August 30th and at Adelaide on September 2nd. There is a healthy demand for greasy combing merinos and crossbreds, and stocks are lighter than for many years. It is reported that contracts have already been booked for new clip B.A. 40–44's on a basis of 21d., clean, c.i.f. Liverpool, November–December delivery. This is unique, and shows clearly the keenness of firms to secure low preparing wools, which are exceedingly scarce. There is every likelihood of Japan being a bigger buyer next season in both Australia and New Zealand. Supplies of New Zealand crossbreds are so scarce that many firms are having to use domestic wools to satisfy their urgent needs; practically every quality of home-grown wool is lighter in stock to-day than for many years. The result is that all descriptions are very firm, with a tendency against the buyer. All Bradford mills are idle this week, but after the resumption of work machinery will be kept fully occupied until the end of the year. Already a reasonable amount of orders has been placed for next spring, and with firm values in sight wholesale fabric buyers are realising that the sooner they place their new spring business the better they are likely to fare.

GRAIN MARKETS

WHEAT—After last week's decline, prices of Manitoba wheat are now rather higher. In the United States spring wheat threshing is well advanced and good yields are general. In Canada the harvest is earlier than usual and it is possible that yields will be somewhat above recent estimates. Meanwhile, good rains have fallen in Australia, but moisture is still urgently needed for the growing crops in Argentina. In the United States wheat futures are lower on the week.

On Wednesday last, "September" futures were quoted in Chicago at 110⅛ cents per bushel, against 113¼ cents the week before and 122¼ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic) ex ship, 52s. 9d. per 496 lbs., against 51s. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 51s. 6d., against 50s. 3d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 818,000 quarters, against 880,000 quarters in the previous week and 1,248,000 quarters in the corresponding week a year ago.

FLOUR.—Business in imported flour is quiet, but demand for home-milled shows some improvement with prices unchanged. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 40s. 6d. per 280 lbs., as against 40s. 6d. a week ago; delivered inner London, 40s., as against 40s. a week ago. Manitoba patents, ex store, 39s. to 40s. 6d., as against 38s. 6d. to 40s. a week ago. Australian, ex store, 32s. 9d. to 33s. 3d., as against 33s. to 33s. 6d. a week ago.

BARLEY.—Prices show little alteration compared with those ruling a week ago. "October" futures were quoted at 56⅜ cents per bushel in Winnipeg on Wednesday, as against 60⅛ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed" at farm, not quoted, as against 35s. to 36s. a week ago; "English malting," at farm, 60s. to 65s.; not quoted last week; Californian, ex ship, 47s. 6d. to 60s., as against 47s. 6d. to 60s. a week ago. Chilean, brewing, ex ship, 46s. 6d. to 50s., as against 46s. 6d. to 50s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 29⅛ cents a bushel in Chicago, against 29½ cents a week ago and 34⅜ cents last month. Quotations in London, Wednesday: "English Black," at farm, not quoted, as against 27s. to 29s. per 336 lbs. a week ago; "English White," at farm, 26s. to 27s., as against 27s. to 29s. a week ago; mixed Canadian feed (Vancouver), landed, 26s. per 320 lbs., as against 26s. 9d. a week ago.

MAIZE.—Despite an easier tone on United States markets, prices here are a shade higher. Fluctuations have been small and the maintenance of a steady tone appears probable. "September" futures were quoted on Wednesday at 99¼ cents per bushel in Chicago, against 100⅞ cents a week ago, and 105¾ cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. 9d. per 480 lbs., as against 28s. 3d. a week ago; "Plate," ex ship, 27s. 9d., as against 27s. 3d. a week ago; "Plate," "August," 27s. 6d., as against 27s. 3d. a week ago; yellow maize meal, ex wharf, was quoted at £7 7s. 6d. per ton, as against £7 5s. to £7 7s. 6d. last week.

HOTEL WESTMINSTER
Le Touquet

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended July 31		Seven Months ended July 31	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	5,100,386	7,584,658	35,428,286	50,606,338
B. Feeding-stuffs for Animals	562,771	777,599	4,391,063	6,297,819
C. Animals, Living, for Food	615,097	532,316	3,674,254	3,837,334
D. Meat	7,058,107	6,982,318	45,925,814	49,124,105
E. Dairy Produce	6,429,388	6,798,415	37,818,025	39,465,022
F. Fresh Fruit and Vegetables	2,903,101	3,565,137	24,605,907	23,737,678
G. Beverages and Cocoa Preparations	2,889,147	2,956,556	23,895,218	24,619,912
H. Other Food	3,660,278	4,118,526	26,199,801	29,590,839
I. Tobacco	669,865	723,488	7,024,346	5,488,274
Total, Class I	29,888,140	34,039,013	208,962,714	232,767,321
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	361	5,353	18,580	17,167
B. Other Non-Metalliferous Mining and Quarry Products and the like	448,522	503,197	2,414,878	2,873,819
C. Iron Ore and Scrap	695,798	1,432,725	5,243,552	6,226,209
D. Non-Ferrous Metalliferous Ores and Scrap	1,147,613	1,308,245	7,030,357	10,119,645
E. Wood and Timber	5,503,088	7,989,622	19,899,180	27,787,184
F. Raw Cotton and Cotton Waste	4,012,917	2,704,827	25,029,178	29,062,533
G. Wool, Raw and Waste, and Woollen Rags	2,186,985	3,073,986	30,135,722	37,072,118
H. Silk, Raw, Knubs and Noils	103,023	150,995	1,137,482	1,124,111
I. Other Textile Materials	559,612	716,046	6,326,181	8,430,849
J. Seeds and Nuts for Oil, Oils, Fats Resins and Gums	2,249,000	2,956,071	17,491,019	21,783,330
K. Hides and Skins, Undressed	1,324,414	2,059,837	10,937,243	14,581,349
L. Paper-making Materials	1,005,945	1,298,423	6,565,284	8,002,958
M. Rubber	299,160	1,294,019	2,903,305	5,940,615
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	609,801	818,439	4,895,956	5,862,599
Total, Class II	20,146,239	26,311,785	140,027,917	178,884,486
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	3,831	8,972	51,428	85,326
B. Pottery, Glass, Abrasives, etc.	663,529	701,780	4,047,230	4,652,026
C. Iron and Steel and Manufactures thereof	1,238,985	1,813,828	6,938,598	7,746,593
D. Non-Ferrous Metals and Manufactures thereof	2,603,706	5,424,081	17,872,633	31,789,392
E. Cutlery, Hardware, Implements and Instruments	586,700	730,462	3,826,173	4,491,789
F. Electrical Goods and Apparatus	328,486	357,478	1,941,320	2,318,830
G. Machinery	1,578,099	2,400,468	10,363,633	14,204,601
H. Manufactures of Wood and Timber	669,749	815,797	4,397,536	4,674,651
I. Cotton Yarns and Manufactures	218,719	292,255	1,520,700	1,894,044
J. Woollen and Worsted Yarns and Manufactures	264,539	318,785	1,640,935	2,509,087
K. Silk Yarns and Manufactures	194,616	198,544	1,463,635	1,506,186
L. Manufactures of other Textile Materials	575,577	625,542	4,102,823	4,621,711
M. Apparel	675,684	799,266	5,503,281	6,323,467
N. Chemicals, Drugs, Dyes and Colours	947,613	1,098,638	6,972,660	7,623,212
O. Oils, Fats and Resins, Manufactured	3,492,425	4,074,417	20,960,917	26,954,148
P. Leather and Manufactures thereof	881,052	852,736	5,461,075	5,930,315
Q. Paper, Cardboard, etc.	1,286,144	1,459,800	8,308,898	8,917,874
R. Vehicles (including Locomotives, Ships and Aircraft)	323,673	565,588	3,114,213	4,013,287
S. Rubber Manufactures	44,270	65,405	346,175	443,093
T. Miscellaneous Articles wholly or mainly Manufactured	1,628,109	2,001,718	10,273,040	12,762,551
Total, Class III	18,205,506	24,605,560	119,106,903	153,462,183
IV.—Animals, not for Food	224,701	285,048	1,089,086	1,535,448
V.—Parcel Post	270,766	263,633	1,857,797	1,688,958
Total	68,735,352	85,505,039	471,044,417	568,338,396

EXPORTS OF PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.)

	Month ended July 31		Seven Months ended July 31	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	141,381	128,831	1,022,986	1,030,934
B. Feeding-stuffs for Animals	37,373	44,308	354,889	448,958
C. Animals, Living, for Food	175	8,455	2,158	95,147
D. Meat	76,335	78,573	553,185	581,910
E. Dairy Produce	147,675	161,838	719,924	687,038
F. Fresh Fruit and Vegetables	9,890	10,142	68,149	272,903
G. Beverages and Cocoa Preparations	1,084,513	1,304,742	6,945,750	8,681,255
H. Other Food	1,109,093	1,133,577	6,766,229	6,758,728
I. Tobacco	437,325	440,385	2,590,203	2,924,260
Total, Class I	3,043,760	3,310,851	19,023,471	21,481,133
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,863,546	3,925,655	16,493,351	20,569,782
B. Other Non-Metalliferous Mining and Quarry Products and the like	81,259	98,812	608,753	777,828
C. Iron Ore and Scrap	34,765	53,149	204,033	631,472
D. Non-Ferrous Metalliferous Ores and Scrap	189,621	266,083	1,230,043	1,984,024
E. Wood and Timber	14,619	8,210	58,550	61,857
F. Raw Cotton and Cotton Waste	73,292	97,232	494,236	640,530
G. Wool, Raw and Waste, and Woollen Rags	567,066	656,303	3,954,532	6,190,733
H. Silk, Raw, Knubs and Noils	556	1,017	7,848	5,648
I. Other Textile Materials	49,321	44,312	298,746	364,264
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	293,765	282,281	1,89),554	2,405,374
K. Hides and Skins, Undressed	117,391	141,388	1,132,657	1,241,693
L. Paper-making Materials	108,245	166,564	686,698	1,098,141
M. Rubber	22,241	42,672	110,281	241,115
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	174,871	171,925	1,684,266	1,756,616
Total, Class II	4,590,558	5,955,603	28,854,548	37,969,077
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	252,180	409,700	1,549,839	2,294,599
B. Pottery, Glass, Abrasives, etc.	878,291	949,153	4,925,807	5,732,609
C. Iron and Steel and Manufactures thereof	3,381,781	4,468,683	20,423,678	27,624,692
D. Non-Ferrous Metals and Manufactures thereof	1,056,386	1,447,864	7,205,879	8,996,688
E. Cutlery, Hardware, Implements and Instruments	801,533	905,831	4,630,287	5,454,561
F. Electrical Goods and Apparatus	872,739	1,142,928	5,514,486	6,967,186
G. Machinery	3,903,110	4,365,479	23,810,297	27,315,301
H. Manufactures of Wood and Timber	110,880	109,542	687,251	759,835
I. Cotton Yarns and Manufactures	5,721,221	6,447,589	35,267,948	40,721,916
J. Woollen and Worsted Yarns and Manufactures	3,180,474	3,548,258	18,491,127	21,196,419
K. Silk Yarns and Manufactures	109,244	125,614	706,433	858,500
L. Manufactures of other Textile Materials	1,615,819	1,827,860	9,921,794	11,969,861
M. Apparel	1,031,568	1,157,380	6,554,846	7,062,144
N. Chemicals, Drugs, Dyes and Colours	1,883,955	2,151,910	12,158,378	14,734,213
O. Oils, Fats and Resins, Manufactured	402,556	501,441	2,871,548	3,486,705
P. Leather and Manufactures thereof	346,628	487,180	2,361,887	3,210,373
Q. Paper, Cardboard, etc.	611,301	730,519	3,725,466	4,467,538
R. Vehicles (including Locomotives, Ships and Aircraft)	2,848,900	3,910,836	17,769,813	22,517,364
S. Rubber Manufactures	148,309	154,561	939,879	1,020,092
T. Miscellaneous Articles wholly or mainly Manufactured	2,335,983	2,534,273	13,881,260	16,135,811
Total, Class III	31,492,858	37,376,601	193,397,883	232,526,407
IV.—Animals, not for Food	153,573	75,367	589,220	418,323
V.—Parcel Post	805,173	851,412	6,101,280	6,504,936
Total	40,085,922	47,569,834	247,966,402	298,893,876

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937 :—

NEAREST FUTURE	Jan. 2, 1935	Dec. 31, 1935	Aug. 19, 1936	Dec. 30, 1936	Aug. 11, 1937	Aug. 18, 1937
Winnipeg (No. 1, Manitoba)—Cents per 60 lbs.	82⅞	84⅛	102½	129	130⅜	126⅛
Chicago (No. 2, Winter)—Cents per 60 lbs.	98⅜	101½	114⅜	135½	113½	110⅞

The visible supply of wheat in Canada amounts to 29,228,000 bushels, against 30,023,000 bushels last week and 62,306,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to August 14	85,463	137,807	14,170	70,146
50 weeks to August 14	10,400,438	13,444,921	13,179,172	11,058,503
Average price of English wheat per cwt.	s. d. 5 0	s. d. 4 7	s. d. 7 9	s. d. 9 9

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936 :—

Week ended	QUANTITIES SOLD			AVERAGE PRICE PER CWT.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts	Cwts.	Cwts.	s. d.	s. d.	s. d.
August 12, 1933	51,628	7,407	18,782	6 0	9 7	5 6
August 11, 1934	85,463	3,305	16,502	5 0	8 2	6 7
August 17 1935..	137,807	14,079	42,814	4 7	7 7	6 3
August 15. 1936	14,170	1,510	9,754	7 9	6 10	7 0
August 7, 1937	120 684	1,476	12,205	9 11	9 4	8 11
August 14, 1937	70,146	3,889	25,934	9 9	10 7	9 0

OTHER FOODS

BACON.—Market conditions have been quicter, but prices show no change. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were : English, 106s.; Canadian, 100s.; Danish, 105s.; against 106s., 100s. and 105s. last week. Arrivals in London last week included : Danish, 15,192 bales; Canadian, 4,786; Dutch, 1,652; Lithuanian, 1,251; and Polish, 2,981; as against 14,027, 4,988, 1,754, 1,496 and 2,624 bales, respectively, in the previous week.

BUTTER.—Demand continues rather inactive, and prices have declined, except for Danish. Quotations (per cwt.) on the London Provision Exchange on Wednesday were : New Zealand, finest salted, 114s.; Australian, choicest salted, 113s.; Danish, 125s.; compared with 116s. to 117s., 115s. to 116s. and 124s., respectively, a week ago.

CHEESE.—Market conditions remain quiet, but English descriptions have again increased in price. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows : English Cheddars, finest farmers, 88s. to 90s.; Canadian, finest coloured, 71s. to 72s.; and New Zealand, finest coloured, 66s.; against 86s. to 88s., 72s., and 68s., respectively, a week ago.

COCOA.—In both London and New York the markets are firm and prices show a rising tendency. The spot quotation in New York on Wednesday was 8¼ cents per lb., as against 8⅜ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 40s. 6d. sellers per 50 kilos., c.i.f. Continent, against 39s. 3d. a week ago. Last week's movements of cocoa in London were as follows : Landed, 2,009 bags; delivered, for home consumption, 10,753 bags; exported, 1,180 bags; stocks, 252,238 bags, against 163,379 bags a year ago.

COFFEE.—The London market is quiet; in New York conditions are irregular, being influenced by the Havana conference which has so far failed to reach agreement on the control of production. On Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb. in New York, as compared with 9¼ cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows : Brazilian, landed, nil; delivered, for home consumption, 38 cwt.; exports, nil; stocks, 1,743 cwt., against 10,409 a year ago. Central and other South American : Landed, 926 cwt.; delivered, for home consumption, 1,946 cwt.; exported, 699 cwt.; stocks, 99,589 cwt., against 95,154 last year. Other kinds : Landed, 3,873 cwt.; delivered, for home consumption, 3,203 cwt.; exported, 422 cwt.; stocks, 100,633 cwt., against 139,019 last year.

EGGS.—The market is steady, with prices of English eggs tending to harden. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 16s. 6d. to 17s. per 120, against 15s. 6d. to 16s. 6d. last week; while Danish (15½ lb.) made 11s. to 11s. 3d., as against 11s. to 11s. 3d. last week.

FRUIT.—Although trade at Covent Garden shows some falling off and prices are easier, the general volume of business is good for the time of year states *The Fruitgrower*. There is a good supply of plums and demand is steady. *English greengages are selling well* in the absence of imported varieties. The currant, raspberry and gooseberry season is now over, but supplies of blackberries are increasing. English apples are coming on to the market fairly steadily. The demand for hothouse grapes is steady, especially English varieties. Lower prices have, however, been obtained for peaches, nectarines, oranges, melons, grape-fruit and lemons, supplies being plentiful. Kent filberts and cobnuts have made an appearance and prices are good.

MEAT.—Trade remains inactive and prices have eased. At Smithfield Market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 8d. to 5s. per 8 lbs., as compared with 4s. 10d. to 5s. 2d. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. 2d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 7,053 tons, a decrease of 1,685 tons on the corresponding week last year. Beef and veal accounted for 3,844 tons, mutton and lamb 2,304, and pork and bacon 484, as compared with 4,808, 2,686 and 710 tons, respectively, in the same week of 1936.

MILK.—Information relative to the operation of the Milk Marketing Scheme during July as issued by the Milk Marketing Board is given in the following table, together with comparable statistics for earlier months. The development of consumption since the commencement of the Marketing Scheme is the subject of a Note of the Week.

	July, 1936	April, 1937	May, 1937	June, 1937	July, 1937
Regional pool prices* (*per gallon*) :	d.	d.	d.	d.	d.
Northern	9½	12½	9½	9½	10
North-Western	9½	12½	9½	9½	10
Eastern	10	12½	9½	9½	10½
East Midland	9½	12½	9½	9½	10½
West Midland	9½	12½	9	9	9½
North Wales	9½	12½	9	9	9½
South Wales	9½	12½	9½	9½	10
Southern	10	12½	9½	9½	10½
Mid-Western	9½	12	9	9	9½
Far Western	9½	12	9	9	9½
South-Eastern	10½	13	10	10	10½
Liquid milk price (*per gallon, all regions*)	13	16	12	12	13
Manufacturing price (*per gallon, average*)	5·05	5·293	5·532	5·404	5·55
	Million gallons				
Total sales under contract	84·59	72·81	89·08	86·85	81·53
For liquid consumption	47·29	47·77	49 73	48·93	50·50
For manufacturing	37·30	25·04	39·35	37·92	31·03

* On account to the nearest farthing.

Accredited producers receive 1d. per gallon in addition to the above prices. Premiums for level deliveries and for Grade "A" or special services are paid to the producers concerned in addition to the pool price. Transport charges are payable by individual producers and are deducted from accounts.

PEPPER.—On Wednesday, white Muntok, August–October, was quoted at 4 5/16d. per lb., sellers, c.i.f. Rotterdam–Hamburg, against 4⅜d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3½d. per lb., sellers, compared with 3d. per lb. last week. Movements of pepper in London last week were as follows : Black, landed, nil; delivered, 8 tons; stocks, 2,011 against 1,748 last year. White, landed, nil; delivered, 52 tons; stocks, 11,443 tons, compared with 12,154 a year ago.

RICE.—The spot price of Burma No. 2, cleaned, was 10s. 6d. per cwt. ex warehouse, on Wednesday, as compared with 10s. 4½d. per cwt. a week ago. "August–September," in singles to Continent and U.K., was quoted at 9s. 7½d. to 9s. 9d. per cwt., against 9s. 4½d. to 9s. 7½d. last week. Movements in London last week were as follows : Landed, 245 tons; delivered, 253 tons; stocks, 2,126 tons, against 2,372 a year ago.

SUGAR.—Demand on the London market remains inactive and prices have declined slightly; in New York the market is firm. The New York spot quotation was 3·60 cents on Wednesday, as compared with 3·60 cents per lb. last week and 3·42 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 5½d. to 6s. 6½d., against 6s. 7½d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows : Imports, 13,697 tons, against 17,473 in the previous week, and 25,541 in the same week of 1936; deliveries, 13,666 tons, against 6,237 and 19,940 tons, respectively; stocks, 157,058 tons, against 157,027 and 119,215 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks :—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
Aug. 13, 1936	12·67	11·86	12·86	10·23	9·76	11·20	12·47
July 8, 1937	15·34	14·38	15·12	14·64	12·25	13·69	14·83
,, 15, ,,	15·31	14·50	15·15	13·12	12·50	13·84	14·92
,, 22, ,,	15·15	14·55	15·33	13·44	12·38	13·52	14·92
,, 29, ,,	15·34	14·58	15·39	13·39	12·65	14·07	15·05
Aug. 12, ,,	16·04	14·73	15·49	14·46	12·68	14·27	15·25

At this week's public auctions in Mincing Lane, 42,944 packages of Indian and 27,125 packages of Ceylon tea came up for disposal. Demand for all descriptions of Indian and Ceylon teas remains strong and active, prices being well maintained.

VEGETABLES.—According to *The Fruitgrower* there is now a plentiful supply of tomatoes and cucumbers at Covent Garden market, and prices are consequently rather easier. Lettuce and spring onions have met with a steady demand. Runner beans and marrows are plentiful and cheap. The market in cabbage and cauliflowers shows some improvement. Mushrooms are scarcer and dearer. Although plentiful supplies of potatoes were again available at London markets, demand showed an improvement and prices were firmer. At the Borough on Tuesday, King Edward ranged from 7s. to 8s., the same as last week; British Queen, Majestic, Eclipse and Sharpe's Express made from 5s. to 5s. 6d. per cwt., ex market, as against 4s. 6d. to 5s. 6d. per cwt. last week.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—The tone generally is easier and there seems to be little disposition on the part of crushers and consumers to do business while holiday conditions remain. Linseed consequently is in slow demand, both here and on the Continent, and there has been some recession in prices. The official estimate of the probable yield of the United States crop at around 200,000 tons was higher than expected, but some time has yet to elapse before the plants come to maturity and the seed is harvested. Meanwhile America continues to draw upon the Plate surplus to enable the mills to carry on, and may have to still further do so. To the middle of August Argentina had exported 1,315,000 tons of which 551,000 tons was destined for the United States. India shipments show a slight improvement, but to date amount to only 125,000 tons, leaving about a quarter of a million tons of the new crop still available for export.

Attention is now turned to the progress of sowing in Argentina and although weather reports are variable all agree that copious rains are necessary if the large area projected is to be seeded. Immediate supplies are good. The quantity afloat for Europe has increased to 122,800 tons (including 26,500 tons from India). Cotton seed has sharply declined and again a fair business in new crop black Egyptians is reported for shipment to Hull. For August loading £6 16s. 3d. was conceded, but less was subsequently quoted for all positions to March next. Trade in vegetable oils is slow. Linseed oil has declined about 5s. per ton on the week and refined cotton oil has dropped £1 to £29 per ton ex Hull. The demand for oilcakes is moderate and prices are steady.

FURS.—From Geneva comes the news that the Marché International de Peaux et Fourrures S.A. is going into liquidation. The firm was founded in 1936 in order to make Geneva a leading international fur auction centre. Although the endeavour was warmly supported by the Geneva cantonal and municipal authorities it has failed completely. One sale was held at Geneva early this year, but despite active propaganda it found little support. Foreigners were hardly represented at all. Under these conditions the promoting firm found it impossible to continue its work, and, although it had originally planned to hold another Geneva fur sale in the autumn of this year, the firm is now to be wound up. This example shows clearly that the international fur trade has settled down again after the disorganisation which followed the rise of the Nazi party to power in Germany. Those former Leipzig firms which emigrated from Germany have found a new and satisfactory domicile in London or Paris, and accordingly show no inclination to support the development of new international fur trading centres.

RUBBER.—After a week of quiet trading, prices show no net change. In New York a slight decline has occurred.

The spot price in New York on Wednesday was 18 3/16 cents per lb., compared with 18⅛ cents per lb. a week ago and 18 3/16 cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8 13/16d. per lb., as against 8 13/16d. on the corresponding day last week. In forward positions business has been done at 8⅛d. to 8 13/16d. for "September" shipment, as against 8 13/16d. a week ago. Stocks in London and Liverpool at the end of last week totalled 42,849 tons, against 42,253 tons a week earlier. A year ago stocks amounted to 111,242 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, August 18th

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 4/6 lb.	51	6		
Eng. Gaz. av., per cwt.	9	9		
Barley, Eng. Gaz. av. ...	10	7		
Oats, " "	9	0		
Maize, La Plata, landed 480 lb.	28	9		
Flour, Lon. stan. ex mill, 280 lb.	38	9		
RiceNo.2 Burma,per cwt.	9	7½	9	9
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	10	5	6
Argentine chilled hinds	4	8	5	0
Mutton, per 8 lbs.—				
English wethers	6	4	7	4
N.Z. frozen "	3	6	4	0
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	6
Pork, English, per 8 lbs.	5	4	5	10

OTHER FOODS

BACON—				
English ...per cwt.	106	0		
Irish	105	0	108	0
Danish	105	0		
Dutch	105	0		
HAMS—				
Canadian	109	0	110	0
United States	108	0	109	0
BUTTER—				
Australian	113	0		
New Zealand	114	0		
Danish	125	0		
CHEESE—				
Canadian ... per cwt.	71	0	72	0
New Zealand	66	0		
English Cheddars	88	0	90	0
Dutch	63	0	69	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. ... per cwt.	39	6	40	0
Trinidad	65	0	70	0
Grenada	55	0	58	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	53	0		
Colombian, good	56	0	65	0
Costa Rica, med. to good	62	0	90	0
East Indian " " "	72	0	90	0
Kenya, medium	60	0	72	0
EGGS—				
English ... per 120	16	6	17	0
Danish	11	0	11	3
FRUIT—Oranges—				
S. African ... boxes	9	0	13	0
Brazilian ... boxes	7	0	8	6
Lemons, Malaga ... cases		...		
" Sicilian ... boxes	18	0	24	0
Apples: Amer. (var.) brls.		...		
" (var.) boxes	8	0	10	0
" Australian	8	0	9	0
Onions—				
Valencia, case		...		
Egyptian, bags	5	6	6	0
Grapes, Almeria, barrels		...		
Grapefruit, Brazilian		...		
" S. African	10	0	17	0
LARD—				
Irish, finest bladders	64	0	72	0
U.S. ... per cwt.	65	3	66	3

	s.	d.	s.	d.
POTATOES—				
King Edward (per cwt.)	7	0	8	0
Other English	5	0	5	6
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3½		
White Muntock	0	6		
Cinnamon—1st sort, per lb.	0	9		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	57	0		
Jamaica, ord. to good	63	0	90	0
Mace ... per lb.	2	0	2	6
Nutmegs, 65's	1	0		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	6		
B.W.I., crystallised	17	6	19	3
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	19	10½		
Cubes	24	1½	24	7½
Crushed	22	4½		
Granulated	20	3	21	1½
Home Grown	20	1½	20	4½
TEA—				
Indian—per lb.—				
Pekoe	1	2½	1	10
Broken Pekoe	1	2	2	7½
Orange Pekoe	1	6½	3	1
Broken Orange Pekoe	1	2½	4	3½
Ceylon—per lb.—				
Pekoe	1	2½	1	6½
Broken Pekoe	1	2½	1	4
Orange Pekoe	1	2½	1	9½
Broken Orange	1	2½	1	7½
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
" strips	0	9	1	6
East Indian leaf	0	7	1	10
" strips	0	6	1	9

TEXTILES

	£	s.	£	s.
COTTON—		d.		
Mid-American ... per lb.		5 96		
Sakellaridis, f.g.f.		9 29		
Yarns, 32's twist		12½		
" 60's twist		18½		
FLAX—				
Livonian ZK ... per ton	82	0	86	0
Pernau HD	84	0	85	0
Slanetz Medium...1st sort	90	0	92	0
HEMP—				
Italian P.C. ... per ton	66	0		
Manilla, Aug.-Oct. "J2"	34	0		
Sisal, African	25	0	28	10
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.-Sept.	£20/10/0			
Daisee 2/3 c.i.f. Dundee				
Oct.-Dec.	£19/17/6			
SILK—	s.	d.	s.	d.
Canton ... per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	8	0	9	0
Italian—raw, fr. Milan	8	6	10	0

	s.	d.	s.	d.
WOOL—				d.
English Southdown, greasy, per lb.				19
" Lincoln hog, washed				18
Queensland, scd. super cmbg.				32
N.S.W. greasy, super cmbg.				19
N.Z., gray., half-bred 50–56				18½
Crossbred 40–44				16
Tops—				
Merinos 70's average				41
" 64's "				39
Crossbred 48's				26
" 46's				25

MINERALS

	s.	d.	s.	d.
COAL—				
Welsh, best Ad'ty...ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6		
Sheffield, best house, at pits	21	0	22	0
IRON AND STEEL—				
Pig, Cleveland No. 3, d/d. ton	101	0		
Bars, M'brough	285	0		
Steel rails, heavy	202	6		
Tin plates ... per box	25	6	26	0

	£	s.	d.	£	s.	d.
METALS—						
Copper, Electrolytic, ton	63	0	0		64/0/0	
Sheets (Strong)	95	0	0			
Standard	57	1	3		57 3 9	
Lead, Eng. pig... per ton	22	5	0			
Soft foreign	22	7	6		22/10 0	
Spelter G.O.B.	24	1	3		24/2/6	
Tin—English ingots	266	5	0			
Standard cash	265	0	0		265/5/0	

MISCELLANEOUS

	s.	d.	s.	d.
CHEMICALS—				
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2	0	3
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump ... per ton	8	10	8	15
Ammonia, carb. ... ton	27	0	28	0
Sulphate	7/3/6		7/5/0	
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	8	0		
Potash—Chlorate, net	0	4	0	4½
Sulphate ... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ... per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0	22	5

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/- per ton
1 and up to 4-ton loads 41/- per ton

	£	s.	d.
COPRA—			
S.D.Straits c.i.f., per ton	16	2	6

	s.	d.	s.	d.
DRUGS—				
Camphor—				
Japan, refined ... per lb.	2	3		
Ipecacuanha ... per lb.	7	9	8	0
HIDES—				
Wet salted—Australian per lb.	0	7	0	7½
West Indian	0	5	0	5½
Cape	0	6½	0	7½
Dry and Drysalted Cape	0	10	0	10½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8½
Best cow	0	6½	0	7½
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine ... per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	3	2	6
Bark Tanned Sole	2	6	3	6
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	10
Bellies from DS do.	0	5½	0	6½
Do. Eng. or WS. do.	0	6½	0	9
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/1 lb.	1	3	1	7

	£	s.	d.
VEGETABLE OILS—			
Linseed, naked, p. ton net	29	10	0
Rape, refined	38	0	0
Cotton-seed, crude	27	0	0
Coconut, crude	23	2	6
Palm	21	12	6
Oil Cakes, Linseed, Eng., per ton	9	5	0
Oil Seeds—Linseed—			
La Plata, p. ton, Aug.	13	5	0
Calcutta—per ton	15	5	0
	s.	d.	
Turpentine, per cwt.	35	6	

	s.	d.	s.	d.
PETROLEUM PRODUCTS—				
Motor Spirit, No. 1, London	1	6		
Petroleum, Amer. rfd. brl. London..per gall.	0	10½		
Fuel oil, in bulk, for contracts, ex instal. Thames—				
Furnace...per gall.	0	3½†		
Diesel.....per gall.	0	4½†		
ROSIN—				
American ... per ton	19	5	0	21/0/0
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	8 3/8		
Fine hard Para per lb.	0	9½		
SHELLAC—				
TN Orange ... per cwt.	46	0	49	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. "	3	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	25	6		

	£	s.	
TIMBER—			
Swedish u/s 3 x 8 ... per std.	24	0	0
" 2½ x 7 ... "	23	10	0
" 2 x 4 ... "	21	0	0
Can'dn Spruce, Dia.	24	10	0
Pitchpine ... per load	11	0	0
Rio Deals ... per std.	35	0	0
Teak ... per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African " ... "	0	6	0
Amer. Oak Boards " ... "	0	8	0
" Ash " ... "	0	6	0
English Oak Planks ... "	0	6	0
" Ash " ... "	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Aug. 19, 1936	July 21, 1937	Aug. 11, 1937	Aug. 18, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 114⅜(c)	Cents 122(b)	Cents 113¼(c)	Cents 110⅞(c)
Maize, nearest future, Chicago, per bushel	116⅜(c)	116⅞(b)	100⅜(c)	99½(c)
Oats, nearest future, Chicago, per bushel	44⅜(c)	35⅛(b)	29½(c)	29⅜(c)
Rye, nearest future, Chicago, per bushel	84⅞(c)	92⅜(b)	82¾	80½(c)
Barley, nearest future, Chicago, per bushel	83(c)	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8	9¼	9¼	9
" Santos No. 4, cash per lb.	9⅜	11⅜	11⅛	11¼
Cocoa, Accra, nearest future, per lb.	6·25	7·95	8·20	8·30

	Aug. 19, 1936	July 21, 1937	Aug. 11, 1937	Aug. 18, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·70	Cents 3·42	Cents 3·60	Cents 3·60
Cotton, middling, spot, per lb.	12·13	12·17	10·75	10·40
Rubber, smoked sheet, spot, per lb.	16 1/16	18 5/16	18⅛	18 1/16
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·35	13·95	14·40	13·92½
Copper " Electrolytic," Export prompt, per lb.	9·57½	14·17½	14·62½	14·15
Spelter, East St Louis, spot, per lb.	4·80	7·00	7·25	7·25
Lead, spot, per lb	4·60	6·00	6·50	6·50
Tin, "Straits," spot, per lb.	42·50	60·00	59·62½	59·50

(a) Nominal. (b) July. (c) September.

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Japan's Challenge

THE return of the PRIME MINISTER from holiday to consult with MR EDEN, LORD HALIFAX, and SIR ROBERT VANSITTART on the Government's attitude to the latest international crisis emphasises the great gravity of the Far Eastern conflict. Within a few days a dispute between Japan and China has developed from a wrangle into a brawl, and from a brawl to a first-class war all over North China—without any declaration of war or rupture of diplomatic relations. Although the damage to American, French, British and other trade and property has run into tens of millions of pounds, and the naval and military forces of these Powers have had to evacuate their nationals from the zones of fighting, British proposals to separate the belligerents and minimise damage to life and property have been turned down by the Japanese authorities as "foreign intervention," and therefore inadmissible. Thus, though the Chinese Government have expressed willingness to call a halt at Shanghai, the Juggernaut of war rolls on; and it behoves all of us to ask where, by whom, and on whose prostrate body it will be stopped.

Those British and other optimists who, at all times in the last six years, have been saying that Japan would only "clean up" North China and then take a long time to digest it, have been perilously wide of the mark. Unless the tide of aggressive militarism is kept at the flood, militarist Governments are in danger of running aground in the shoals and shallows of domestic discontent. The reinforcement of PRINCE KONOE'S Cabinet by Army representatives shows that the temper of that Cabinet will not be permitted to weaken. The Japanese people's patriotism has been whipped up, and a foreign crisis has been created to stave off a domestic one.

A tragic reminder of the temper of the Japanese, as of the perilous international risks arising from their indiscriminate bellicosity, occurred on Thursday. Japanese aircraft followed, bombed and machine-gunned the BRITISH AMBASSADOR to China and his suite as they were motoring from Nanking to Shanghai for a conference with the British authorities there. SIR HUGHE KNATCHBULL-HUGESSEN received a grave spinal wound; and though the JAPANESE AMBASSADOR, military and naval authorities have expressed their most profound regrets, they excused this dastardly attack by pleading ignorance of the intended journey. If not even the person of the BRITISH AMBASSADOR is safe from Japanese attentions, it is tantamount to a declaration that no neutral citizen can be safe from aerial attack wherever Japan is undertaking a war. The event was not, we believe, intended by the Japanese Government, nor even by their military leaders; but the doctrine of frightfulness in war has been well assimilated by Japan if her soldiers, sailors, and airmen act as if they had been told not to worry about anyone else's interests while waging war. The whole affair is being investigated, but the British and other non-Japanese Governments who have interests and lives at stake in China may well be forced themselves to take warlike measures to safeguard those interests from Japanese attentions. From that to a War of the Powers in the Far East is a small step.

This, then, is what the whirligig of time has brought in the Far East. The prospects for China look grim; for

British and other traders and investors even more so; and the once Open Door, which our optimists assured us would be maintained by Japan, has only proved an ingress into China for Japan, and, it is to be feared, an ignominious exit for the rest of us. After Mukden, Tientsin; after Tientsin, Peiping; after Peiping, Shanghai; after Shanghai——?

It is precisely the answer to this last query which now perplexes the Foreign Offices and Defence Ministries in the United States, France, and this country. Doubtless, also, the Kremlin is as preoccupied as the Quai d'Orsay or the State Department. But for no country is it more crucial than for Britain. For the evacuation of British nationals from Shanghai, the destruction of British trade and property there, the dwindling prospect of future trade, and the blunt Japanese warning to this country to keep its nose out of Japan's business—even these grave events are of relatively minor importance compared with the contingency which looms larger and larger on the Eastern horizon. That contingency is the retreat of the British from the outposts of Empire.

Now, some may say, an ordered retreat to gather force for a more sustained defence is strategic. Other Empires have successfully done it. We ourselves repeated it over and over again in the darkest days of our history, yet came through firmer at the close. Others may say: Shanghai is not British; it is not Hongkong; we can stand a lot of retreating until British territory is touched; and no one will lightly touch British territory as long as we press on with re-armament as we retreat. Others again may hold that £200 or £250 millions of British investments—or an annual total of some £25 millions of trade—should not be allowed to weigh against the preservation of the peace throughout the rest of the world.

But, whatever may be our views on these things, they do not help us very much. At best they only put off the day of decision. The present war in China is eating slowly but surely farther into the Asiatic continent. This week the Japanese have declared a naval blockade of 1,000 miles of Chinese coast, as far down as Hongkong. Japanese bombers from Formosa have already attacked Canton; and from Canton runs the new railway up to Hankow along which Chinese armies, retreating like the TSAR before NAPOLEON in 1812, can now supply their needs. What will the British Government do at Hongkong if the Japanese deal with Canton, Swatow, Kowloon, as they are dealing with Shanghai and Tientsin, in an attempt to paralyse Chinese communications in the vast hinterland, and to roll up the map of China? British trade at Hongkong may be forced to go out by that same Open Door through which it is at present being bustled at Shanghai. That way we can keep peace for a long time—at the stiff price of surrendering our trade, our prestige, and our outposts of Empire. It may be worth it.

But, if so, we shall quickly be pushed back to our main bulwarks of Imperial defence. As much in our own peoples' interest as in that of the French and Dutch, we have to take up our stand at Singapore for Indo-China and the Netherlands East Indies. We may do this in the belief that, though Manchuria was not enough, all China will keep Japan busy for a long time. We may be right; and the Russians may, at this present moment, be thinking the same thing, not wishing to save British and American chestnuts from the Chinese holocaust by embroiling themselves. But Britain, France, Russia, and the United States, to say nothing of Holland and Portugal, may all be as hopelessly wrong as our optimists have been during the last six years.

Even so, in the light of the alarums and excursions during these years—and *a fortiori* of the disarrays and retreats which were their counterparts—it is hard to see what else can now be done. For the big opportunities to arrest the disintegration of world politics have been missed; indeed, thrown away. To-day the older Empires of the world are on the defensive. New ones are being forged by blood and iron. The turmoil in the Orient is but one incident of the process. There are others nearer home. The Mediterranean Sea—as much the *via* and *vita* (to use the DUCE'S words last Friday) of Britain and France as of Italy—is still the zone of contention which it became at the time of Italy's aggressive attack upon Ethiopia. The European war in and about Spain is a war for the mastery of one entrance into that sea, a mastery till now mildly exercised by Britain from one of her vital imperial outposts. At the other end and in the very middle, Italy's submarines and aircraft are running GENERAL FRANCO'S errands—and encountering ominous looks from British, French, Russian and Turkish warcraft.

The older democratic Empires may well be constrained to stay their hands in the Orient, that they may have them free for contingencies nearer home. If the already perilous "Spanish ulcer"—Napoleon's pithy phrase—is accompanied by military outbreaks in the very heart of Europe, will anyone say that a single European Great Power, Russia included, could contrive to escape the infection of general war? If it did, it would only be for a matter of weeks.

Such is the prospect the whole world faces. It is in large part a retribution for past sins of omission. It is a prospect which makes the extreme Orient seem very far away. Newer and nearer perils have crowded so thick and fast since Japan shot the first bolt just six years ago, that each has taken precedence over the one before: Manchuria, Ethiopia, the Rhineland, Spain—to-morrow, perhaps, Austria or Czechoslovakia, or both at once. In this ever nearing process of threatened aggression, another explosion in the Far East, though more intense than the first and second of its kind, and despite the grave material sacrifices it imposes on us, rouses less reverberation, even less alarm. "For where the greater malady is fix'd, The lesser is scarce felt." The malady with which Japan infected the Far East in 1931 is now fixed in Europe; and even those Powers, our country included, which then felt it most and now feel it more, cannot view the morbid state of Japan and China to-day as a thing apart from the latent morbidity of Europe to which it gave rise.

The picture of our world is, indeed, gloomy; but the gloom is not quite unrelieved. The paramount fear of the retreating democracies—that of a joint and simultaneous excursion by the three partners in last year's "Anti-Communist Front": Japan, Germany and Italy—has been exorcised by the dilemma in which the Japanese have now involved themselves. Japan's militarists have had to spring their mine ahead of their own desired zero hour. The closest possible collaboration between France, the United States and this country can, and should, now take place, with the wariest of eyes on Japan's European associates in the crusade against so-called "Communism." In the immediate Far Eastern crisis, as in its obverse European side, we think Russia should be invited to co-operate with Britain, France, and America; for if protests and reservations of rights look like retreats, they look less like them when taken in concert. And if more than protests become necessary, the quicker that concert is in being, the better.

One thing is sure: in the last few days we have only seen the opening of another act in that Far-Eastern drama which began six years ago. No one, perhaps least of all Japan, knows what the final act will bring, nor when it will come, nor even where it will be played. All we can say with certainty is: If the nations want a world free from aggression they can have it. But if it be so, those nations who aspire to pacific leadership of the whole comity must act far more effectively, and with longer vision, than they have acted since 1931.

Will Prosperity Last?

IT is reported from the coasts and the hills and the ports that this is a record holiday season. The claim is made with self-defeating regularity year by year. But this time there is reason to believe that it is true. The purchasing power of the people has been steadily expanding for five years, and the expansion has lately been taking the shape of paid holidays for those who previously either took no holiday or sacrificed wages to take it. In other directions also the business news is almost uniformly good. This is indeed the high summer of our prosperity. But summer leads to autumn, and autumn to winter. How long shall we have to wait for the first frosts? Are these summer months of 1937, like those of 1929, a peak from which the descent will be both steep and immediate? Or are we still climbing upwards to one, or two, more years of prosperity?

The materials for answering these questions can be found in the Monthly Supplement included in this week's issue of *The Economist*. But the good cook needs more than good ingredients; in what proportions are they to be combined, to give what final result? This is not an easy task, especially when there is no handy kitchen scales to determine the weight to be given to each factor.

The most comprehensive measure of present conditions is *The Economist* Index of Business Activity, which reflects the current output of the economic mechanism, in services as well as goods. The Index fell in July, but the fall was fortuitous, and may largely disappear when the provisional figures can be corrected. In any case, there is no reason to suppose that the curve will not rise again in August. Apart from this temporary aberration, the Index is rising now as rapidly as at any time since recovery began. There is no sign of that "levelling-off" which can be expected to precede a decline. The same story is repeated industry by industry as the roll is called. The metal industries are particularly active, restrained only by the impossibility of expanding productive capacity quickly enough. The textile industries are not quite so active as they were, but nobody in Lancashire or Yorkshire thinks this pause is more than a hesitation. This is not the season for company meetings, but such few chairmen as have recently been facing their shareholders have shown no diminution of optimism.

Perhaps the most encouraging feature of all is the very remarkable increase in British exports, apparently undeterred by the higher prices which British exporters are now charging. Imports, too, show no sign of any reduction in British industry's estimates of its raw material requirements. The motor-car, radio and similar consumer industries are still flourishing. Interest rates, it is true, are still rising. But they are also still low, and it could be argued with some force that the rise reflects nothing more than the return of a normal demand for money. There is certainly no tightness of credit. Nor, on the other hand, save for sporadic exceptions, is there any of the speculative excitement which characterises the dying phases of an unstable boom.

These are the favourable factors. But there are also some signals at danger. An imminent slump in the activity of the building industry has been confidently predicted for at least two years. That it has not arrived does not mean that it is never coming; on the contrary, it is impossible to imagine residential building continuing indefinitely on anything like the present scale. Moreover, in the last few months the first sign of impending decline has appeared, in the shape of lower totals of building plans approved. The significance of this indication must not be exaggerated—the figures omit London and all country districts and they take no account of Government contract work—but it cannot be ignored. On the other hand, the volume of employment in the building industries is the highest ever recorded. There is little sign that the building slump has actually arrived, and even less that it is going to take on the dimensions of a collapse. But it seems likely that the volume of building in 1938 will be less than in 1937.

Another danger signal can be found in the rise of prices. There are many industries which are stimulated by a rise in prices, which is, indeed, one of the most usual accompaniments of high business activity. But British recovery has been founded to a very large extent on the increased purchasing power of the masses and, to this same extent, a rising cost of living will necessitate industrial adjustments.

Of possibly greater significance than either a fall in building or rising prices, however, is the subtle change in psychology which has been discernible in the markets since the beginning of this year. The Stock Exchange reached its peak in January, and industrial shares have since fallen by fully 10 per cent. What is more, the symptoms of a "bear" market have appeared: bad news has invariably put prices down, while good news has been unable to rally them to an equivalent extent. It is easy, too easy, to dismiss this as merely "nerves in the City." The fact is that the Stock Exchange has an excellent record as a barometer of coming changes. It is almost impossible for a person having inside information of a company's affairs to deal in that company's shares without some member of the Stock Exchange noticing both the transaction and its significance. As a result, a change in the tone of the Stock Exchange may be one of the very earliest indications available to the public of a change in the trade cycle. That there has been such a change in the tone since the New Year must be listed as one of our most significant danger signals.

In view of all these facts, there is a case for caution rather than for pessimism. The omens point to an active autumn, with further records in production and turnover of goods. Beyond that, it is impossible to dogmatise. But it begins to look more likely than it did six months ago that next year will see some recession. Fortunately, there are good reasons for believing that any such recession would not be a disastrous slump, certainly not as the word is understood nowadays. Exports are still increasing, and the world as a whole seems to be both less mature in recovery and farther away from a reversal of trend than Great Britain, which started first and has gone farthest. Again, there is the factor of armament expenditure. The annual disbursement of £80 millions of borrowed money on this form of "public works" is almost certainly not enough to dominate the economic picture, but it is equally far from being negligible. Finally, there is no sign of a really steep rise in interest rates. So long as exports are rising, armaments are booming and interest rates are low, a severe depression in Great Britain is unlikely. It might be added that if there has to be a recession in a major industry, building is almost the easiest to accommodate, since it is widely spread across the country and its personnel are equally suitable for many other occupations.

The conclusion is, then, one of cautious confidence that, even in the worst eventuality, there is no new economic blizzard in the offing. But the outlook is unsettled, and it would be the course of wisdom to make preparation now before the clouds darken.

The Clothing of the People—II

Trends in the Clothing Trade

IN last week's issue of *The Economist* we pointed out that in 1934 some 8 per cent. of a national expenditure of £4,094 millions was spent on clothes and that not even the onset of economic depression had stemmed the steadily growing demand of the masses for cheap and varied dress. We now propose to consider, in greater detail, some of the underlying conditions of the progress recently achieved.

We may appropriately begin by setting out certain figures taken from the Bank of England's index of the value of retail sales, which is compiled from a sample of department stores, co-operative, multiple and independent shops.

PERCENTAGE CHANGE IN THE VALUE OF RETAIL SALES
(Years ended January 31st)

	1934	1935	1936	1937
Dress materials	−0·6	−3·8	−4·1	−3·3
Women's wear	+1·6	+2·1	+3·9	+4·4
Fashion departments	+2·7	+3·7	+5·6	+6·0
Girls' and children's wear	+0·8	+1·2	+2·2	+5·5
Fancy drapery	+1·1	+1·1	+3·2	+3·2
Men's and boys' wear	+3·6	+3·5	+6·8	+3·1
All goods *other than food*	+1·6	+3·2	+4·9	+4·2
All goods	Nil	+3·3	+6·5	+5·9

Sales of fashion goods and men's and boys' wear, it will be seen, have tended to increase more rapidly than the value of retail trade as a whole during the past four years. The coincidence of increased sales by fashion departments with declining sales of dress materials is evidence of the extent to which ready-made clothing is displacing the products of home dressmaking.

The story of the growth of the clothing industry in recent years, indeed, has been mostly the story of the increasing scope and diversification of ready-made women's wear, on the one hand, and the growth of multiple shops in men's tailoring on the other. Multiple shops have made much less headway in the market for women's than for men's clothing. The greater part of women's clothes are sold ready-made, rather than " to measure." Moreover, in the women's clothing branch of the wholesale trade there is a large number of competing firms of relatively small size. Fashion, by preserving the smaller firm, correspondingly limits the possibilities of mass-production. A large section of the women of this, as of other countries, takes its lead largely from the tastes of the upper class and the well-to-do, as these are depicted in the Press or on the screen. The wholesale manufacturer must meet these changes as a style spreads from duchess to housemaid; and be equally ready for a further change when the duchess alters her fashion because it has become too popular. The increasing tendency of women to wear " ready-mades" is an incentive to mass production, but these swift changes of general fashion preclude its widespread application to the industry.

In men's clothing, different problems arise, and a different organisation has been built up to meet them. The small bespoke tailor, who turns out single suits to order, without the resources of machines, factories and mass production, still survives, and is far from having been ousted by the multiple shop. The success of the latter, indeed, has been largely due to its ability to tap fields of consumption hitherto largely unexplored. The multiple tailor bridges the gap between clothes which sell for their quality and those which are bought for their price. He supplements the virtues of the cutter's scissors with the economies of mass production; and probably conflicts less with the small retail bespoke tailor (who is likely to retain a considerable part of his specialised market in any case) than with the wholesale manufacturer of men's ready-made suits and overcoats. All the three forms of organisation still control an important share of the total trade. Over 40 per cent. of the annual purchases of clothes for men is still produced by wholesale clothiers and sold ready-made by department and chain stores, by co-operatives and by small retail outfitters. Multiple tailoring organisations, such as Montague Burton, Price, Hepworth, Hector Powe and Rego, probably account for as much as 15 to 20 per cent. of the total. But a similar proportion is still supplied by the small retail bespoke tailor, employing only a few persons. Out of about 10,000 retail outlets for men's and boys' wear, not more than 2,000 are represented by branches of the multiple organisations.

The classical economists would have found matter for gratified comment in the ability of the modern clothing industry to satisfy increasing demand through the application of improved methods of technique in manufacture, organisation and marketing, and thus to bring varied fashions and pleasing qualities of dress within the range of a progressively larger number of people every year. The progress of the industry, even during the present decade, can be readily inferred from official figures. Domestic consumption of woollen and worsted cloths rose from 238 million square yards in 1930 to 299 million square yards in 1933 and, after a slight decline in 1934, reached 298 million square yards in 1935. Home consumption of cotton piece-goods rose from 991 million square yards in 1930 to 1,431 million square yards in 1935; and of silk and artificial silk fabrics and mixtures from 219 million square yards to 426 million square yards in the same period, the whole of the increase being due to the remarkable expansion in the use of artificial silk and artificial silk mixtures. It is true that cotton and silk fabrics are used for furnishing as well as for clothes; but the advance made in the latter industry is unmistakable.

Another and less well-known tendency in recent years has been the growing popularity of knitted fabrics. This is due in part to marked improvements in the quality of the material itself and also to changes in fashion. The result has been the expansion and prosperity of the hosiery trades. The output of knitted fabrics has more than doubled since 1930, rising from 7 million lbs. to 15 million lbs. Progress has been specially marked in the manufacture of knitted fabrics from mixed yarns of cotton and artificial silk—which compare favourably with woollen fabrics and cost much less.

Will this growth continue? It is difficult to give a certain answer. Probably it will; but the future of the clothing industry depends upon two things, one within and the other outside the industry's own control. If it can continue to combine reasonably good quality and up-to-date design with a diminishing *retail* price, it will go on opening up new markets. But it is also dependent on the ability of the public to spend a fairly high proportion of their income upon clothes. Up to a point, clothes are a necessity in a civilised state in the temperate zone; but the possession of many clothes, or their frequent renewal, tends to become a luxury. A rise in the cost of living which was not accompanied by an equivalent rise in the average level of earnings would, undoubtedly, tend to react unfavourably on the continued progress of the clothing trades.

Copper Supplies and Prices

COPPER stands high in the list of essential raw materials for a world which, at the moment, is simultaneously extending its industrial production, electrifying its services and re-arming. A year ago, when we last reviewed its future prospects (see *The Economist*, August 22, 1936, page 341), the world's copper producers were still grappling with the problem of preventing an excess of supplies. To-day, the position has been entirely transformed; production has fallen behind consumption, prices have risen sharply and producers are concerned rather to discover means of increasing available supplies than of limiting them.

It is now clear beyond all doubt that, in the absence of reliable consumption statistics, the leaders of the international copper restriction scheme underestimated the growth of consumption and consequently kept production at too low a level. When they eventually decided substantially to raise their quotas, in October and November, 1936, their action came too late to check a rapid upward movement in prices. When the complete removal of restriction was effected from January 14th, a formidable wave of market speculation was gathering headway, and by March the London Standard cash price of copper had been forced up to £78 per ton—a price twice as high as the average for 1936. Subsequently, the price has fallen back to £55-£60 per ton, but the technical position of the market is still strong, and the price may quite possibly be raised again in the near future.

The prolonged maintenance of organised output restriction had two far-reaching results. In the first place, it effected a rapid reduction in the world's copper stocks. At the end of last month, American stocks were equivalent to about six week's current consumption, and stocks outside America to about seven weeks' consumption. These totals are well below normal levels; for stocks in consumers' hands are not extensive.

A second consequence of the limitation of production between 1932 and 1936 is the difficulty, which now exists in securing a considerable increase of production at short notice. Last year, America's output was 400,000 metric tons less than in 1929, though American consumption was only 250,000 metric tons below the peak level of that year, In the rest of the world, production last year exceeded the 1929 figure by 206,000 metric tons, and consumption by 267,000. There has been no change in potential productive capacity in the United States, but in the rest of the world capacity has been increased by more than 650,000 tons since 1929. That substantial ore reserves are available, both inside and outside the United States, is undoubted; the problem is rather how to bring them into production with the least possible delay. In fact, all copper-producing countries have already appreciably increased their output, and total production expected in 1937 will almost certainly reach 1,900,000 to 2,000,000 metric tons—a record for all time, which may be compared with 1,699,000 metric tons in 1936, 931,000 metric tons in 1932 and 1,895,000 metric tons in 1929.

The trend of copper production and consumption in the leading countries of the world, and the course of average London prices since 1920, are set out in the annexed table and discussed on page 423.

The figures suggest that, even if a total production of nearly 2,000,000 metric tons is secured this year, the increase will scarcely do more than counterbalance current consumption, which has been supercharged by increasing industrial activity and world-wide rearmament. There will be no appreciable relief from the present shortage of marketable stocks of copper, and prices, consequently, are almost certain to remain relatively high. While consumers continue the reserved buying policy they have followed since the collapse of the market boom last March, the maintenance of a price between £55 and £60 is probable; if and when they decide to re-stock on a large scale, a rise to a price well over £60 may be expected. The average price for 1937 may well turn out to be about £30 higher than the average for 1936.

On a longer view, however, the continuance of present prices is much more doubtful. In the first place, current prices are inimical to consumption. Many of the new uses for copper developed by scientific research during the past five years have already been suspended. The process of substituting aluminium for copper has been markedly expedited, and its dimensions will be plainly evident as soon as the contemporary increase in world industrial production is checked. In the second place, the stimulus given by high prices to world copper production will increase the difficulty of future output regulation. Already the potential production of existing mines and plant is being extended, and arrangements have been made to work new deposits, the most important being the N'Changa Mine of Northern Rhodesia and the Namaqualand copper deposits of South Africa. Thus, the present temporary scarcity, due to the undue prolongation of restriction, may have far-reaching results; for the true problem of the industry has been, and is, to accommodate the large increase in low-cost production outside the United States, whose development during the last eight years has constantly threatened to involve cut-price competition and an uneconomic price level. The leading low-cost producers endeavoured to meet this danger by co-operation, by supporting a reasonable price level and by scientific research into new uses. But the trend of events during the past twelve months has undermined their policy.

Fortunately, the attitude of producers, inside and outside America, towards the immediate market situation is correct and well-advised. In the United States the domestic price was reduced from 17 to 14 cents per lb. between March 31 and April 29, and has been kept stable at the lower figure ever since, despite the danger of rising exports. The conservatism of the American producers stands in strong contrast to their past policy of raising prices to uneconomic heights. Its chief motive is anxiety to prevent the re-opening of small, high-cost mines. Producers outside America are increasing their output as rapidly as possible, in an effort to restore a more normal price level at the earliest possible moment. Thus, although powers to re-impose restriction were expressly reserved last January, the omens are against their use in the near future. If the leading copper producers fail to re-establish control of the market whenever the pace of the world's industrial activity begins to slow down, then the eventual downward adjustment of the price of copper may be abrupt and unregulated.

COPPER PRODUCTION, CONSUMPTION AND PRICES
(thousands of metric tons)

	1929	1932	1934	1935	1936
Smelter Output					
United States	998·8	279·0	251·2	377·7	596·3
Chile	303·2	97·5	247·7	259·9	245·3
Canada	72·7	95·7	151·8	175·9	173·4
Northern Rhodesia	5·6	69·0	140·1	145·8	144·6
Belgian Congo	135·5	54·0	129·6	145·5	121·4
World (including others)	1,894·8	931·0	1,280·9	1,497·5	1,698·4
Consumption					
United States	864·8	244·1	278·0	397·1	615·1
United Kingdom	153·8	120·0	222·7	243·9	257·5
Germany	216·4	137·2	221·4	208·2	183·2
France	143·9	95·1	90·9	106·0	113·9
Japan	70·4	59·0	113·4	134·2	127·5
U.S.S.R.	55·1	44·0	55·6	92·6	128·3
World (including others)	1,761·4	903·6	1,275·0	1,529·5	1,778·7
Prices					
Standard cash, London (per long ton)	£75 9s. 7d.	£31 14s. 8d.	£30 6s. 5d.	£31 18s. 1d.	£38 9s. 7d.

Note.—Figures of production and consumption are derived from *Metallgesellschaft*; those of prices are annual averages of London Metal Exchange official quotations.

What is Germany Thinking?

DURING the last twelve months the National-Socialist Party has encountered heavy weather in home waters. By a succession of events this has been made as obvious to foreign observers as to travellers in Germany. Up to the re-occupation of the Rhineland on March 7th of last year, the first three years of the regime had carried an anxious German people (of all classes and opinions) from one astonishing diplomatic triumph over the allegedly enfeebled Western democracies to another: the building of a vast Air Force; conscription and the traditionally most powerful land army in Western Europe; the resurrection of the German Navy; the Saar; the pocketing of Danzig; and, to cap all, the challenging re-occupation and remilitarisation *vi et armis* of the Rhineland, which laid Locarno in ruins.

But after March 7, 1936, the cup of Nazi triumphs abroad was full to the brim. Henceforward, diversions from domestic discontent to foreign glory would involve head-on clashes with other sovereign Powers: Poland, Denmark, Czechoslovakia, Austria, Belgium. Neither the Reichswehr chiefs, nor even those of General Goering's new Air Force, were prepared for a little war if it were likely to be prolonged, let alone general European war. This was their view despite the favourable European terrain then, when Italy depended on Germany in the Ethiopian war and Britain and France gave repeated evidence of being unprepared to deal effectively even with Italy alone. Accordingly, during the last twelve months the Nazi Party-State's drive for rearmament and self-sufficiency has been continuously intensified, while world prices have risen and the terms of Germany's foreign trade have turned against her. This has substantially vitiated the economic, social and therefore even the political assumptions on which the Party dictatorship's few leaders dressed their military, economic and diplomatic plans of campaign. One of the first of these assumptions was that the Party would, after four years, be so all-powerful at home that no carpers, no saboteurs—still less, no opposition of any kind, even if only of the mental kind—could exist. It is just this datum, if we can judge by evidences in Germany, which has not been accorded to the Party. This, however, is far from saying that any alternative Government, or organised opposition, is even conceivable.

How else is one to explain the bitter intensification during the last nine to twelve months of the Party's drive against the following: the Jews, the Roman Catholic Church, the Protestant Church, foreign journalists, the big industrialists, Germans' private property abroad, the independent "small man" in trade (once the white-headed boy of the Party), parents who keep their children from the Hitler Youth Movement, and—finally—that symbol of subtle reason, Dr Schacht? These things have neither been hid from the public gaze nor done in a corner. The death-penalty for non-disclosure of assets abroad; the supersession of Dr Schacht by General Goering in the Exchange Control and the omnipotent Four Years' Plan, and of the German Steel-masters' steel monopoly by the new State Steel Corporation; the repeatedly minatory utterances of General Goering, Dr Ley of the Labour Front, and Herr Darré, Minister of Agriculture, against peasants or farmers who hoard anything at all, now that their all is demanded of them by the State; the vastly increased frequency of beheadings, without due trial, for alleged Communism (much of it as far back as 1930!), espionage, activities prejudicial to the safety—or even renown—of the State, etc.; and the multiplication and expansion of concentration camps and their contents: these are a few outstanding symptoms alike of criticism of the regime in a wide circle, and, at the centre, of creeping paralysis of confidence.

Now no dictatorship has ever contrived to kill criticism and opposition outright; neither in Russia after twenty years, nor in Italy after fifteen; neither in the ancient Rome of Sulla, Nero, Diocletian, nor in Nazi Germany. Education means independence and criticism. And Germany plunged into dictatorship four and a half years ago with the most highly educated middle-class of all the Great Powers and the best-educated working class. During the last few months discontent with, and criticism of, the Nazi Party-State and regime has grown very much in both these classes: among the well-to-do traders, landlords, industrialists, functionaries, bankers and professional men, and among their clerks, labourers, craftsmen, assistants and artisans. Despite the Party's endeavour to mitigate the steady reduction in real wages by sharpening the attack on industrial profits and the propertied class, the workers have shown that they want social reform, not foreign glory; better conditions at home and in the factory, not conscription ending in death on unknown battlefields; socialisation of the chief consumption-goods industries and services, not State control of them for reasons of *Wehrwirtschaft*. After the three and a half years of diplomatic triumphs, the last year has given neither employers nor workers any foreign triumph or any domestic improvements. The Reichswehr's and Party's experimentation with men and machines in the Spanish quarrel has brought no glory: only disturbing reflections for the Reichwehr and the bereaved relatives of men "accidentally killed on manœuvres" alike.

Thus a dry-rot in enthusiasm for the Party regime has developed to a point at which the local Party organisation has had to stem a return of the popular tide towards the Churches and the family circle, where liberty of expression has had a renascence. Youth, too, has begun to show signs, not of rebellion against Party drill and discipline, but of that dangerous boredom which is born as soon as none sees to what concrete achievements the drill and discipline conduces. University students, too, have recently begun to seek out the remaining tutors whose independent spirit and objective philosophy underwent no profitable sea-change with the advent of the dictatorship. Thus, the inquiring spirit of man, always highly developed among Germans, even in the very young, has begun to probe beyond the bounds laid down by the Party. This has led to a lack of Nazi-guaranteed young civil servants; for more and more of the young go cheerfully into the Reichswehr or business, the two realms within the Third Reich where the Party writs run slowest and against most obstacles. Peasants and farmers are so controlled under the agrarian self-sufficiency programme, which orders their work and commandeers the outcome, that many call the Party's system "Communism," with which, indeed, the Nazi's entire economic organisation has great similarity. The big landowners have also been safeguarding their position by retiring strategically into the Reichswehr.

Finally—most important—the German heavy industrialists, self-deluded at the outset into thinking that Herr Hitler would prove a Sulla and restore to them their senatorial power, have seen their capital restored, their works running to capacity, and their earnings trebled and quadrupled; but their dividends are restricted, undivided profits and all reserves have to be placed in new Government paper, and even their salaries have been pared down. Those with the clearest minds among them see that Germany cannot for decades, perhaps a century, become simultaneously self-sufficient in food, fodder, raw materials and manufactures. Confiscation and inflationary forced savings in the last four years have not availed to reach anything approaching self-sufficiency even in fodder, food and a few key raw materials. These industrialists opposed, and still oppose, the Four Years' Plan as "a piece of sublime mysticism and nonsense," and a costly, racketeering kind of thing at that.

These are some of the psychological circumstances at a critical juncture in the Nazi Party's and the Third Reich's existence. This autumn the harvest and the agrarian self-sufficiency plan is a failure (see the Note in *The Economist* of August 7th, page 300); much of Germany's foreign exchange resources, and of the lessened compulsion she can still exert on her small south-eastern neighbours, will consequently be needed to save the workers' already curtailed standard of living, the herds of Germany's cattle, and the hitherto uninterrupted progress of re-armament. The latter will then be at its most costly stage, for the purchase alike of food, fodder and key raw materials from abroad with limited free foreign exchange will be difficult to carry out in its entirety.

These things are not hidden from the astute German citizen. He asks himself whether the next totalitarian diversion will be a *Verzweiflungstat*, an act of desperation, within the Reich or without. If within, he wonders whether the reasonables will "put it across" the Party extremists, or *vice versa*. If without, he wonders whether the Western democracies will allow those who in the past four years have so consummately and profitably practised the art of living dangerously to bring off one more *coup*, and thus again to save their own skins at Europe's and posterity's expense. If they do, his outlook is scarcely rosy; if they do not, it is at least as unpromising. The significant thing to-day, after four and a half years of Naziism, is that this German-in-the-street may be either worker or employer, either young or old. It is the change in the last year that is both encouraging and alarming. For the question he asks the regime under which he lives is the question all foreigners ask Germany: *Quo vadis?*

Notes of the Week

North China News.—War now rages all over North China: from around Kalgan in Chahar down through the Nankou pass, to either side of Peking, in southern Hopei, and round Shanghai. Shanghai itself has been continuously bombarded from air, land and sea. Over 150 people were killed on Monday by a bomb which landed in a big store at one of the principal crossings in the Settlement. All the British have now been evacuated who are not actually required in the Settlement. The Japanese began to land reinforcements on Wednesday at Woosung, downstream from Shanghai, as a diversion. Their strategy seems to be what it was in 1932: to weaken the Chinese line by outflanking movements, to seize the railways, and then to roll the Chinese back. To this end they have been successful in the north-west in the attacks on the Nankou pass and on Kalgan; for the Chinese have now had their westernmost northern flank turned. Next the Japanese hope to drive in from Tientsin and Peking, with Manchukuo safe behind them, to the south-east and south. South-east would lead them towards Nanking and Shanghai; south towards Hankow. Already Japanese aircraft have been bombing Nanking and Canton, as well as Kalgan in the north. But if the war settles down into a long business in which the Chinese are clever enough to avoid major frontal engagements, the distances over which the Japanese must have complete control for the safety of their armies and communications will make the cost colossal.

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If the Chinese go on retreating, they can embarrass Japan. As it is, the Japanese Diet has voted over £112 millions to carry the war up to the end of this year; but though this raises the military portion of the Budget to treble what it was only four years ago, it will be a trifle compared with the cost of running Manchukuo, *plus* all of North China, *plus* possibly Shanghai; holding down what they acquire; and meeting the demands of foreign Powers for damages. These latter demands on Japan were again foreshadowed this week both by the American authorities and the British; for the damage to British property in Shanghai alone is now estimated at £20 millions. Against this, the Japanese will try to seize the Customs revenues of Tientsin, Shanghai, etc.; and then the fat will be in the fire with all the foreign Powers whose trading and investors' interests are linked with these revenues.

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Dearer Milk.—The late summer usually sees an open and uncompromising battle between the milk producers and the milk distributors over the price to be fixed for milk for liquid consumption during the coming twelve months. This year, however, producers and distributors have reached agreement without an open breach. They are each to have something at the expense of the consumer. The wholesale price, at which milk is sold by producers to dairymen, is to be increased from an average of 15s. 3d. to 15s. 11d. per dozen gallons. What this means in practice is that the price is raised by 1d. per gallon in eight months of the year. The retail price, however, is to be raised 1s. a dozen gallons, or ¼d. a quart, on the average of the year. The difference between the two increases—namely, 4d. per dozen gallons—goes to the distributors. These increases are related to the increased costs in recent months. The producers claim that prices of feeding stuffs have increased by 37 per cent., while the distributors complain that they are paying more for labour and for bottles. The increase, like the serving maid's infant, is only a little one, and it is perfectly true that both parties' costs have recently increased. Indeed, if the 1936-37 prices were just, an increase in 1937-38 is also just.

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This reasoning, however, merely begs the main question. The consumer's costs are also rising. He has less money to spare for milk, which is already, relatively to the pre-war level, the highest item in his budget. Every increase in the price of milk, be it only ¼d. a quart, makes it more urgent to overhaul the whole system of prices in the milk industry. If the producer's costs have risen, his true remedy is to produce a smaller "surplus" of milk to be sold at a loss. His own receipts per gallon could then be increased while the consumer's price could be reduced. As for the costs of distribution, it is impossible to believe that a thoroughgoing measure of rationalisation would not reduce them by much more than 4d. a dozen gallons. The justification given for the increased price is, in short, only superficially convincing. The fundamental fact is that, once again, the sole effect of the Milk Marketing scheme seems to be to milk the consumer.

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British and Foreign Steel Prices.—It is not easy definitely to answer Lord Nuffield's publicly reiterated complaints last week-end that British steel prices are maintained too high. The advance in steel prices has occurred since the beginning of 1936, and was undertaken owing to the increase in the cost of ores, scrap and fuel. It is not possible exactly to determine the incidence of these increased costs, since the cost structures of the individual steel concerns differ greatly. Some companies use raw materials of their own, whereas others have to buy them. There are considerable differences in technical efficiency and in industrial integration. A tentative calculation shows that about half the total costs of manufacturing steel (i.e. the value of gross output) is expenditure on pig iron, semi's and coal. The advance in the prices of these items has resulted in a rise of total output costs of about 19 per cent. But the prices of items forming the remaining half of total costs have not risen by the same percentage. Wages, which represent about one-quarter of total costs, have not risen by anything like 19 per cent.; and overhead charges, which represent part of the remaining quarter of total costs, have declined per unit of output—owing to greater economies from a larger volume of production. Prices for steel products such as

plates, rails and joists, however, have been increased by about 25 to 30 per cent. during the last twenty months. It can therefore be concluded that, measured by the probable trend of cost factors, this increase has been liberal to the makers. So far, at least, Lord Nuffield makes out a *prima facie* case.

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Lord Nuffield's Attack on Steelmasters.—Lord Nuffield is really girding at the British Iron and Steel Federation's statutorily-conferred monopoly powers. They are able to enforce their price agreements by threats to withhold from recalcitrant member-concerns their supplies or their imports under the Federation's agreement with the countries of the Continental Steel Cartel. Such licensed imports from " quota countries " —for imports from these Cartel countries are limited by the Federation's agreement with the Cartel, and in order to avoid breaking the most-favoured-nation clause, have to be based on British imports from them in 1934—come under the Federation's thumb. On June 29th of this year, the Import Duties Advisory Committee, after being so advised by the Federation, brought duties on these " quota imports " down to a mere 2½ per cent. as a result of shortage and delayed delivery of British steels (Cmd. 5510). Imports from non-quota, non-Cartel countries and all imports from Cartel countries, *over* the quota limits have to pay 12½ per cent. duty. In effect, owing to the great shortage of supplies here, this gives the Federation power to corner all the cheaper imports up to the quota limits, to extend the quota by advising the Advisory Committee that it is essential, and still to monopolise the cheaper imports for its own members. If Lord Nuffield, or anyone else, wants to import steel he may not get a look-in for the cheaper quota imports; and if he *will* import steel he will have either to go outside the quota (Cartel) countries, e.g. to the United States, or to import from the Cartel countries, in excess of the British import quotas as fixed by the Federation and Advisory Committee. In either case he will pay a higher duty; that is the idea of protection. Here again, then, Lord Nuffield seems to have hinted at a case which lay behind his charges.

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But when all's said and done, Lord Nuffield's charges will raise sardonic smiles among the critics of protection. Lord Nuffield's own industry has benefited from the British car-consumers' pocket virtually since the war, as a result of the McKenna duties which penalised the entry of cheaper and more powerful American cars. Lord Nuffield has been loud in his castigation of those who bought foreign cars. Now, only a year or so after the price of protecting a British industry, of whose products Lord Nuffield is in his turn a consumer, becomes apparent to him, he threatens to " buy foreign." And if he does buy from foreign steelmasters to spite the British Iron and Steel Federation, his cars will still rank as British for the benefits of the McKenna duties. *O tempora! O mores!*

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Railway Wages—The recent awards of the Railway Staff National Tribunal, including the restoration of the final 1¼ per cent. of the 5 per cent. deduction made in 1931, have now been accepted by two of the unions concerned and are not likely to be rejected by the Railway Clerks' Association, which meets on Sunday. The National Union of Railwaymen accepted the Award grudgingly, and affirmed their determination further to pursue their claims to a 36-hour week and a 50s. minimum weekly wage. The Associated Society of Locomotive Engineers and Firemen were more militant, and at one time it seemed possible that their delegate conference might reject the Award and press for strike action. This would not have been the first time that the engineers and firemen had taken a strong and uncompromising line in isolation. Their deep resentment of the refusal of their claim for twelve days' holiday with pay found expression in the terms in which, on August 25th, they finally accepted the Award. Indeed, their final resolution was openly challenging; they questioned the methods, the statements and the reasoning of the Tribunal; and threatened that, if a similar line were taken in the future, they would have recourse to direct action to safeguard their rights and " the spirit and intention of the machinery of negotiation." The warmth of these terms—which appear to have borrowed something of the phraseology of recent international political exchanges—is disturbing. But it is solid gain nevertheless, that the locomotivemen have not carried their opposition to the point of destroying the established procedure of conciliation.

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Radiolympia.—The British radio industry gains much by holding its annual exhibition in August, when London holds many visitors and rival loud-speakers are out of action in the " dead " advertising season. This year's Radiolympia show is being staged against the background of a number of new factors which may profoundly affect the outlook for the industry. For the first time in radio's short history the trend of prices is upwards. Fifteen of the leading manufacturers recently announced a 5 per cent. increase on their more expensive sets and foreshadowed further price increases during the season. From the profits angle, this rising trend may, in one sense, be favourable. The basic weakness of the industry in the past has been over-expansion and fierce price competition. Nevertheless, the suggestion that an increased measure of co-operation on price policy, which the joint announcement implied, might serve to offset the effects of higher prices in an elastic market, should be accepted with reserve. The industry remains overexpanded and the multiplicity of models is as marked as ever. Moreover, the established manufacturers are encountering increasing competition from small-scale rivals, from imported sets and from the relay services which, incidentally, are affected to only a minor extent by rising costs. The number of licences is still expanding —the total rose from 7,695,000 on June 30, 1936, to 8,223,000, in June, 1937. Emphasis, however, is now almost wholly on replacement, and designers and advertising men seem to find the task of developing a new and convincing appeal more difficult with every season that passes.

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This year, on the radio side, interest is centred once more on all-wave sets. But the chief attraction of the present exhibition is not radio proper, but television. From the commercial point of view television is still largely an unknown factor. Large sums have been spent on development by nearly all the leading radio manufacturers. While receiving sets range in price, however, from forty guineas upwards, most makers can expect to tap only a relatively narrow market. Both investors and the manufacturers themselves are wisely cautious about the financial possibilities of television. Within the industry itself, the tendency of many manufacturers to extend their activities into new fields unconnected with broadcasting entertainment, and the rumour that they have reached an agreement not to expand their television interests too rapidly, are indicative of a strong desire to achieve some reasonable measure of stability. The implications of these facts for investors in radio shares are discussed in a Stock Exchange Note on page 438.

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Palestine and the Permanent Mandates Commission.—The Mandates Commission has now sent its report on Palestine to the Council, which will consider, when it meets next month, both the report itself and the minutes of the long session of the Commission out of which it has emerged. Meanwhile, the Secretariat at Geneva has published a summary of the report. The report deals in three sections with the insurrection of 1936, with certain details of the administration of the mandated territory, and with the recommendations of

the Palestine Royal Commission. It is this last-mentioned section that is of the greatest practical interest. The Mandates Commission whole-heartedly endorses the Royal Commission's proposal that the Holy Places in Palestine should be placed under a permanent British mandate which will not include the provisions of the Balfour Declaration; but it merely does not reject the proposal that the rest of the territory should be partitioned into two Arab and Jewish preserves. On this point the Mandates Commission makes the shrewd observation that, if a partition scheme is carried out, its success or failure will turn on the general effect of partition upon the relations between Jews and Arabs more than on the particular convolutions of a dividing line which cannot fail, however skilfully drawn, to produce sufferings and heart-burnings.

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This observation, however, surely militates against the second most important finding of the Mandates Commission in this section of its report. Having countenanced the idea of partition in principle, the Commission deprecates the corollary that a partition should be followed by the immediate creation of two independent states. It would like to see either a provisional " cantonisation " of Palestine under a single mandate, or else the administration of a partitioned territory under two separate mandates which would not both necessarily terminate at the same date. In this matter we suggest, with all respect, that the Mandates Commission has not shown as good an understanding for Jewish and Arab psychology as the Royal Commission. The latter has perceived—and this is one of the ablest strokes in its handling of the Palestine problem—that both parties might conceivably be induced to accept a line of partition that must be far from satisfactory to each of them, if, through making this sacrifice, they can look forward to obtaining straight away a house of their own in which to live as they like. Immediate independence is the sugar-coating on the Royal Commission's pill; and, if this *douceur* is withdrawn, we do not see much likelihood of the patients agreeing to swallow the nasty medicine neat. Surely the better way is to give both states their independence—which is, after all, the *raison d'être* of partition—at the earliest possible date, but at the same time to go further than the Royal Commission has gone in its report in making the grant of independence conditional upon the acceptance, by both sides in advance, of stipulations for close co-operation between the two new bodies politic. Independence within a treaty-framework seems the most promising line of advance.

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Congress in Recess.—The first session of the Seventy-fifth Congress adjourned last Saturday. The session lasted longer, and accomplished much less, than usual. This was due entirely to the fact that its time was absorbed with the President's plans for reform of the Supreme Court; and the defeat of those proposals meant that control of Congress passed, for the time being at least, from the President to his opponents within the Democratic Party. As a result, the President lost not merely his Court proposals but also the rest of his legislative programme. The Bill to control wages and hours, the reorganisation of the executive departments of the Government, and crop control were all abandoned; and the Housing Bill passed in a form so emasculated that its author refused responsibility for it. All that the President obtained from eight months of Congressional debates was a tax avoidance measure, a Coal Act and the first instalment of his campaign to convert farm tenancy into farm ownership.

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These defeats add up to an impressive setback for Mr Roosevelt. But he has not lost all along the line. The threat of his Court reform plans induced the Supreme Court to make a radical alteration in its attitude towards New Deal legislation. Moreover, the President has made it quite clear that he will now counter-attack against the dissident Democrats. The closing hours of the Senate session were embittered by an open threat, uttered by Senator Guffey, one of the President's most " regular " adherents, to consign the rebels to political oblivion. This is no idle threat, since the magic of the Roosevelt name, and the Roosevelt machine, is largely undiminished. Moreover, the rebels must win their battles within the Democratic Party, since apostasy is almost unknown in American politics and the foundation of a third party is almost impossible. Each of these rebels is now to be pursued into his own constituency. If these battles go in the President's favour, he has already served notice that he will bring up the matter of the Supreme Court again in order to defeat what he calls " the veritable conspiracy on the part of many of the most gifted members of the legal profession to take advantage of the technicalities of the law and the conservatism of the courts to render measures of social and economic reform sterile and abortive." As for the other Bills which have now been abandoned, the President will, if he finds enough support in the country, call Congress back into special session in the autumn to drive them through. Mr Roosevelt has lost a battle. But the campaign is only beginning.

* * *

New York Politics.—As pretty a comedy is currently being played out in the municipal politics of New York City as even that veteran political circus has ever witnessed. The city has to elect a new Mayor this autumn. The incumbent Mayor, Mr La Guardia, is a titular Republican, but actually a faithful adherent of the Democratic President Roosevelt. On the other hand, Tammany Hall, the old Democratic machine of the City, is in the hands of Mr Al Smith and other " Conservative " enemies of the President. Now Mr Roosevelt would be glad enough to see Mr La Guardia continue in office, so far as New York City is concerned. But he is even more interested to establish his sway over the Democratic machine of the City, since that machine will nominate a majority of New York State's delegates to the Democratic Convention of 1940, which will nominate the Presidential candidate of that year. Consequently, the " New Deal " Democrats have organised a revolt within the Democratic Party against Tammany Hall, and since Tammany's writ only runs on Manhattan Island, which is nowadays only one out of five boroughs of the City, it is quite likely that the rebels will win. But as a measure of self-defence, the Tammany candidates for the various City offices have entered the Republican " primary " in the hope of being able to secure enough Conservative Republican votes to wrest that party's nomination from Mr La Guardia. This manœuvre will probably not succeed, but if it does, Tammany Hall will have become a Republican, and a Conservative, institution, while the control of the Democratic machine will have passed, for the first time in a



century, out of its hands. There are thus three candidates, Mr La Guardia, the New Deal Democrat, and the Tammany nominee, who has not yet made up his mind whether he is a Republican or a Democrat; and is sure only that he is opposed to the President. There will clearly be much political diversion before the votes are counted.

* * *

Nazi Extra-Territoriality. — Arising from the German Government's expulsion of Mr Ebbutt in revenge for the British Government's virtual expulsion of three German journalists for non-journalistic activities, the chief of the Nazi Party's Foreign Organisation, Herr Bohle—who is also chief of the Foreign Office's department responsible for Germans abroad—has been busy. Herr von Langen, one of the three expelled Germans, was formerly an important servant of the Nazi Party's Foreign Organisation; and he is now billed to appear as guest of honour on the platform of the Nürnberg Party rally next month, to which is now to be given another name than the Rally of Unity. The Nazi Party's Foreign Organisation, under Herr Bohle, who will also be on the platform at Nürnberg, intends to clarify, at the Stuttgart conference of the Organisation next week, the German Government's view of the status which must be accorded to cells of the Organisation in foreign countries. An inspired article in the *Berliner Tageblatt* last week-end goes so far as to claim that, now the Party and State are one, as shown by the parallel administration of the Organisation and the official Foreign Office, the agents of the Organisation in the various foreign capitals to which the representatives of the German Reich are accredited must accompany the representatives to all diplomatic functions in those capitals, and must be accorded, both in their work and private lives, the status of diplomats.

* * *

No better parallel to this remarkable claim could be found than to imagine that the Comintern, in its wildest days, had presumed to claim diplomatic immunity, under the plea that its agents abroad were agents of the Communist Party-State, for their operations and personalities. The Russians never made such a claim. They said the Comintern was no concern of the Russian State; and if its members were caught in activities against the law of the land in which they operated they were left to suffer. That, indeed, is the international law of diplomatic status. The country receiving diplomatic representatives from abroad receives them in order that relations between it and foreign countries can be regulated. Indeed, while diplomats' persons are immune from the law of the land receiving them, *so that they may freely engage in all their diplomatic duties,* if they abuse this scope, they can be arrested and expelled—as was Bernardino de Mendoza, Spanish Ambassador in London in Elizabeth's time, for intriguing against the Crown. That is a clearly established principle in international law. For example, a diplomat cannot spy with impunity; he cannot murder one of his own compatriot employees and plead immunity from arrest; and he cannot deprive even his own compatriots resident or domiciled in the receiving country of the rights and liberties—nor exempt them from the duties which the law of that country affords them. If a diplomat could do these things, every legation and embassy would rule an extra-territorial exarchate of its mother-country, extending over a population of citizens of that country in the receiving country. Such a chaos would ensue as has not obtained in the Western world since feudal times. Herr Bohle, the Nazi Party's extreme zealots, and the *Berliner Tageblatt* must think twice before seriously and officially putting forward such a claim. They forget that, as the receiving country's *agrément* and *exequatur* must be given for each accredited diplomatic representative, they may, in pushing extreme claims, make an irreparable breach in Germany's relations with every civilised State in the world.

Spain and Mediterranean Piracy. — General Davila's advance troops entered Santander on Wednesday before the promised British warship could evacuate the Basque Government and the British subjects. Santander was untenable, first because the Basques were hopelessly outnumbered on land and in the air by Italian, German, Moorish and Spanish contingents, and secondly because sympathisers with the insurgents seized control in Santander itself. President Aguirre and other Basque Ministers escaped by air to Bayonne. In Aragon, Catalan Government forces have advanced between Huesca and Saragossa; elsewhere on land the week has been quiet. Not so, however, on the sea. Too late for comment in our Note last week on General Franco's ubiquitous submarines, a submarine torpedoed a second Spanish Government ship, laden not with contraband but with wheat from Russia, in Turkish waters near Tenedos, at the mouth of the Dardanelles. The French instructions to their Navy and Air Force to attack marauders of their shipping were earlier and less equivocal than those of the British Government last week. The new Tenedos incident, two more aerial bombing attacks on British ships off the Catalan coast, and obstinate passivity on the part of Salamanca in refusing to return three detained British cargo ships, have now goaded the British Government into something which begins to look like a firm attitude. This week there has been a somewhat tardy discovery in official circles and the semi-official daily newspapers of a traditional British attitude to piracy on the high seas and in other Powers' waters. This discovery was doubtless facilitated by a claim put forward from Salamanca that British merchantmen should conform to markings laid down by the insurgents and be subject to verification by visit. Signor Mussolini's speech in Sicily last week-end after the manœuvres there emphasised the possibility of peace and collaboration between Italy and Britain. It will not be easy to achieve this if the whole Mediterranean, from Gibraltar to Tenedos, is ranked by the Duce as Italy's *vita* and anyone else's mere *via*.

* * *

South-Eastern Signposts.—Despite alarums and apprehensions in South-Eastern Europe there are some good auguries in that incalculable region. The rupture by Portugal of Portuguese-Czech relations, noted last week, has led to embittered partisanship among the political parties in the Czechoslovak Coalition Government. The split between the Right-wing Agrarians, the extremists of the biggest Government party, and the moderate elements in the Coalition has been rent right open by their newspapers. The Right Wing have espoused the Portuguese allegations, to the scandalisation of Czech patriotism. As we pointed out in our leading article last week ("Dissensions in Prague," page 374), this division in the Czechoslovak Cabinet can scarcely now be healed. Happily, despite the ready anti-Czech polemics of Italian and German newspapers, which claimed to discern the "hand of Moscow" behind the interruption of an ordinary commercial contract, the dispute has remained a bit of a damp squib. It is greatly to be hoped that no Great Power will start a fire beneath it.

* * *

Meanwhile in Roumania the results of the departmental and communal elections show that the National Peasant Party, which yielded to the present administration by the so-called Liberals a few years ago, has regained ground. It has 28 per cent. of the poll, against 30 per cent. by the Liberals. The "Roumanian Front," the Fascist Party led by the ex-Peasant Party member, M. Vajda Voevoed, and the equally Fascist Party of MM. Goga and Cuza, received fewer votes than the latter alone last time. This leaves with the Liberals the necessity of an agreement with the Peasant Party; for they can no longer safely flirt with Fascist parties which the country has decisively rejected. Whether the Germanophil Right-wing leader of the Peasant Party, M. Mihalache, will enter the Liberal parlour, or whether the Left-wing leaders, MM. Maniu and Lupu, will stand out for a Peasant administration, is a crucial question for Roumania. In any case, the next Government will need to be more liberal than the Liberals. In Bulgaria, thanks to the untiring energy of King Boris since the Georgiev *coup* against parliamentarianism in May, 1934, a step back to democracy is being made by the new Electoral Bill. Deputies will be reduced to 120 chosen by universal secret suffrage, and 30 nominated by professional organisations. It is expected that elections will take place in October; and the former danger of splinter-parties representing splinter-interests is to be met by making candidates show a long residential qualification in their constituencies. This is to obviate representation of private interests by absentee deputies domiciled in Sofia. The only gloomy news this week is from Poland, where the discontent of the peasants with their virtual disfranchisement (described in our article "Aftermath in Poland," August 14th, page 330) has exploded in strikes and bloodshed.

* * *

The Dominions and Defence.—One of the more interesting sections of the Summary of Proceedings of the Imperial Conference was the statement of Australian defence policy. Australian opinion had been sharply divided between those who favoured concentration on air and land forces and those who wished to continue Australia's generation-old policy of maintaining a navy designed to co-operate with the Royal Navy in the event of war. The Imperial Conference report showed that the Commonwealth Government adhered to the traditional "extra-territorial" view as against the "local" and more isolationist view, which had been adopted by the Labour Party. Mr Lyons this week delivered in Parliament a vigorous defence of his policy. The growing strength of the Australian air force and field army was, he said, a valuable insurance against invasion. But a big invading force needed a fleet of ships, which would be vulnerable to naval attack. The Government held that the first line of defence against invasion was therefore naval defence. If naval defence were impotent, land and air defence could not prevent Australia from being brought to terms by blockade. Mr Lyons praised defence co-operation with Great Britain as being necessary to Australia, without injuring her sovereignty. In South Africa, where defence issues have also come to the fore recently, the problem of Commonwealth co-operation in defence is quite different. The Simonstown agreement, whereby in effect the Union supplies the base and Great Britain supplies the ships, places the naval aspect beyond controversy. Co-operation concerns the air, and well-informed opinion, with an eye on the Union Defence Minister's air survey of neighbouring British territories, foresees a pooling of aircraft and joint arrangements for the construction, maintenance and use of aerodromes. It is possible that in the future Australia may come to look upon her own air defence in the same light.

* * *

Moratorium in Alberta.—The Federal Government's disallowance of Mr Aberhart's banking Bills seems to have thrown the Alberta camp into some confusion. Mr Aberhart fumes, appeals to the will of the people, denounces Ottawa for subservience to the banks, but praises the British Constitution, which is apparently more favourable to his cause than the Constitution of Canada. In the same breath, however, he denies that Alberta has any wish to secede from "our great Dominion." The Provincial Ministers and their Social Credit advisers are laying their heads together. Meanwhile they have proclaimed a six-months' moratorium on all debts in the province, with the ostensible aim of checking the flight of capital. A leading banker, incidentally, has proposed a flight of the banks from Alberta if an attempt is made to enforce Social Credit laws. Such a move might actually play into the Social Creditors' hands; for the Federal prerogative of legislating for banking and currency could hardly be enforced against a province which, deprived of all other banking machinery, set about creating its own. However, provincial and Federal officials are now negotiating, and as Mr Aberhart is suspected of being no enthusiast for his own laws we may take it that the gage has not yet been taken up. The Alberta Premier has a genius for fending off the evil day, and the moratorium may well be merely another device to that end.

* * *

Indian Troops for the Far East.—Two battalions of Indian troops are being sent to Singapore and Hongkong to fill gaps caused by the despatch of reinforcements to Shanghai. The cost of their maintenance out of India will fall, according to convention, on British military funds. But the anxieties of Indian nationalists are not thereby satisfied; for what they denounce is the alleged use of India as a "Salisbury Plain for the Empire." India, they say, is compelled to support a vast military establishment which acts as a reserve for Imperial purposes. There was some outcry at the despatch of Indian troops to Shanghai in 1927, and even of the extra Legation Guard to Addis Ababa in 1935. The British Government and the Government of India have repeatedly denied that any such interpretation can be placed upon Indian military policy. On this occasion the Viceroy and Commander-in-Chief discussed with party leaders at Simla the decision to send troops abroad. The subsequent statement by the Congress representatives betrays a certain conflict of views. They complained that they had been told of the decision only after it had been taken, and railed against this alleged proof that Indian troops were being used for Imperial purposes. But in so far as the troops were to be used for the protection of Indian nationals abroad, Mr Satyamurthi and Mr Desai recommended their despatch. There are 2,400 Indians in Shanghai, more in Hongkong, and 50,000 in Singapore. On the other hand, the Congress spokesmen were opposed to the use of Indians in a struggle between Japan and China. Nevertheless, Indian sympathy—they declared—was with China, which was being subjected to Japanese imperialism. This crochet-work of qualifications suggests that, on the whole, the Government of India's decision is unlikely to meet with violent political criticism.

* * *

Copper Production and Consumption.—In a leading article on page 417, we discuss the outlook before the world's copper industry. Since 1929, far-reaching changes have occurred in the industry, both on the supply side and the demand side. An idea of the importance of these changes is afforded by the attached charts, which show the composition of world supply and demand in 1929 (the pre-depression year), 1932 (at the bottom of the ensuing slump) and in 1936. It will be seen that, on the supply side, American

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output is still well below that of 1929, and the same condition applies in Chile; but the output of the Belgian Congo has largely regained its 1929 proportions, while that of Canada has more than doubled in the interim, and Northern Rhodesia's contribution has grown from a negligible figure to 8½ per cent. of the world's aggregate production. On the consumption side, the United States absorbed less copper in 1936 than in 1929, but the United Kingdom took 67 per cent. more. Germany, however, used less copper in 1936 than in 1929, thanks to the large-scale substitution of aluminium, which is estimated to have displaced copper last year to the extent of 40,000 tons—a figure which will be increased, probably, to about 70,000 tons this year. Japan and the U.S.S.R. more than doubled their aggregate consumption last year, as compared with 1929. The general conclusions suggested are threefold: First, the world is using more copper to-day than in 1929, despite the development of substitute products, like aluminium. Secondly, consumption has appreciably exceeded world production recently. Thirdly, the rôle of countries outside the United States, both as producers and consumers, is relatively more important to-day than before the great depression.

* * *

A Shipping Event.—In Agricola's time, Tacitus tells us, the sun in the neighbourhood of the Orcades (which we now call the Orkneys) did not rise and set, but merely passed across. This may explain why, seventeen centuries later, Pope declared that the North, which meant the Tweed to a Yorkshireman and the Orcades to a Scot, was " the Lord knows where " to an Orcadean. But navigational doubts and fallacies have no meaning for the officers of the fine ship of 23,390 tons which, flying the Orient house-flag on her single mast and bearing the symbolic Orcadean hoop on her straight stem, started on her maiden cruise from Southampton last Saturday. Her departure was, in its way, an outstanding event in recent British shipping history; for the R.M.S. " Orcades " embodies very much else beyond the best modern shipbuilding practice. She typifies the far-seeing courage of her owners, who laid down an extensive new building programme in the depths of depression—and, incidentally, carried it through at considerably lower prices than those prevailing to-day. Her tonnage of just over 20,000 and her speed of a little over twenty knots probably mark the economic limits for passenger liners on Eastern routes—perhaps on any route except the North Atlantic ferry. And while these limits undoubtedly make for a comfortable ship, they allow full scope for taste in internal decoration and ingenuity in the provision of accommodation. Air-conditioning equipment, for example, may be costly in money and—more crucial still for a commercial vessel—in space. But if future generations of passengers demand it as a *sine qua non* on routes which cross the tropics, history may deem it worthy of record that the first ship with conditioned air in any of its state-rooms was put into commission in August, 1937.

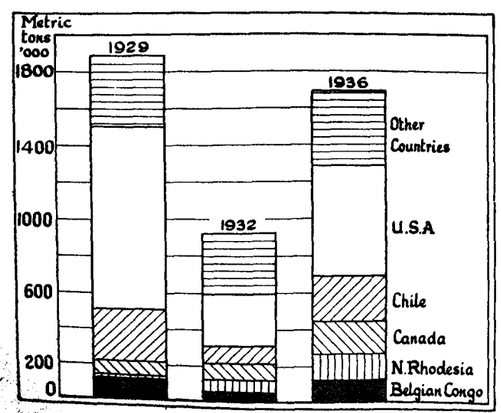
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High Shipbuilding Costs.—The events of the last twelve to eighteen months have put an unexpectedly high premium on the acumen of shipowners like the Orient line, who decided to build when the building was good. Less than a week after the sailing of the " Orcades," Lord Craigmyle, chairman of the Peninsular and Oriental group (with which the Orient Company is associated) politely but publicly expressed a doubt whether shipowners, except in a few special trades, could treat ships built at present prices as a paying proposition. More than once recently, Lord Craigmyle declared, a calculation of probable depreciation and working costs, including repairs, had suggested the imprudence of laying down a new ship. Lord Craigmyle's speech was avowedly an answer to that of Mr J. D. Christie, chairman of Swan, Hunter and Wigham Richardson, who, two days before, had vigorously defended the policy of the shipbuilders. Mr Christie had declared, in forthright terms: first, that there was little likelihood of a reduction in new tonnage prices for some years; secondly, that shipowners must balance recent increases against the favours they had received in the past, when builders frequently accepted unprofitable orders merely to keep their establishments together; and, thirdly, that given a continuance of good trade and higher freights, owners could order ships even at present prices with every prospect of making them pay. All industrialists are wont to avail themselves, on public occasions, of the right of preaching from their own book. That certain contemplated tonnage orders have, however, been withheld recently is a matter of admitted fact. The contention of the chairman of Swan Hunter is doubtless correct *if* present freight rates are maintained for the next fifteen or twenty years. But the barometer of many ships carries a message which their owners, mindful of the rapidity of the recent rise, are unlikely to overlook: " Long foretold, long last; short notice, soon past."

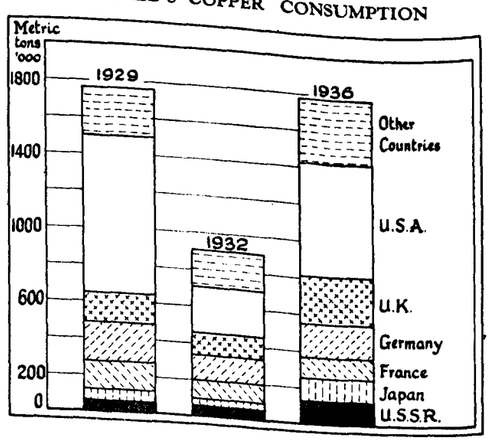
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Onslaught on Litter Louts.—After long preliminary skirmishes—during which polite requests, provision of refuse-baskets, and finally the passing of local by-laws have been invoked—an official onslaught has been launched against the " litter-lout." At Arundel Police Court on Monday last the bench convicted 38 out of 40 persons summoned for throwing litter about in scheduled areas, despite notices and baskets prominently displayed. The fines imposed were small—from 5s. to £1—but, as Sam Weller said, " Hurroar for the principle!" Only three defendants had the grace to turn up in Court;

I—WORLD'S COPPER PRODUCTION (Smelter Output)



II—WORLD'S COPPER CONSUMPTION



one of these, and another who did not appear, got off on the plea that they were feeding the birds. The litter lout has only really become a disfiguring pest in our countryside since the advent of cheap communal traffic: the light car, bus, char-à-bancs and motor-cycle and sidecar. Before the war, the bicycle brought no real litter louts; but to-day, and especially in the last five years, the menace has grown in costly and alarming fashion. It is pettifogging, silly, unnecessary, and so easily remediable, if only the citizen-traveller would stuff the litter from his repast into one receptacle and either take it back home to the dustbin, or put it in the litter-basket. No; it is easier to strew it about; so strewn about it is; and our beauty-spots in the light of Monday's dawn look like a Titan's paper-chase, a refuse-heap after a high wind, or the morning after Tannenberg. It is too much to expect the local authorities who proudly administer our many beauty-spots to police them. The cost, and the petty espionage, rule that out. But it might well be possible to enlist responsible voluntary observers, who could warn offenders at the time, and whose evidence might be taken in the event of future offences. The internal combustion engine on our roads has brought us death, noise and disfigurement of our countryside; yet not one of these three evils is necessary, if only a little individualism be sacrificed for the common weal, and if quick and cheap travel be used as a boon for which some meed of courtesy is required. In default of this, we may live to own that what might have been a boon became a bane.

* * *

Favourable Industrial News.—As the holiday season draws to its close, the pulse of industry is quickening. In the iron and steel markets, in particular, the usual increase of activity in the autumn is beginning earlier than usual. But new business in iron and steel materials is severely limited by the fact that practically all the steelworks have sold their output for the remainder of this year. Business in the coal markets is also stirring, and our correspondents' reports, given on page 450, indicate a high level of activity and firm prices in most districts. Shipments at South Wales ports last week, for example, were 426,800 tons, against 333,292 tons during the corresponding week last year. Even the house coal trade is tending to expand again. While the wool textile trade remains active in the expectation of firm and rising raw material prices, the Lancashire cotton trade has been upset by the heavy fall of raw cotton quotations and the uncertainty of American Government policy. The British jute industry is suffering from the growing flood of untaxed imports from India, which it is trying to stem by asking the Government for appropriate measures. On the other hand, the rayon industry is producing at a record rate. With a few exceptions, this week's news is encouraging, since it suggests an early expansion of activity in most branches. The business trend is reviewed in greater detail in the Trade Supplement published with this issue of *The Economist*, and discussed in a leading article on page 415.

* * *

Britain's Expanding Markets.—Our review of the direction of Britain's expanding overseas trade in the second quarter of this year (on page 373 of last week's issue of *The Economist*) may be supplemented by the figures for the full half-year to June 30th, which are contrasted with those of earlier periods on page 450 of this number. The detailed returns are a veritable mine of information for students of trade tendencies. They disclose, for example, that British imports from Empire countries were actually higher in value in the first half of this year than in the corresponding part of 1929, whereas imports from European countries were still only 71 per cent., and imports from extra-European " foreign " countries only 66 per cent., of the pre-depression level. On the export side, comparing the values of 1937 with those of 1929, the percentages were: British Empire, 75; European countries, 71; and other countries, 59. In view of recent discussions on the possibility of concluding an Anglo-American trade agreement, it may be relevant to point out that although the value of our merchandise imports from the United States in the first half of this year (£47,041,000) was nearly three times as large as that of our visible exports (£16,490,000), the latter have suffered a smaller net decline, since 1929, than the former. The value of our imports from America, in the first six months of this year, was only 47 per cent. of the corresponding pre-depression figure, while the value of our exports to America was 75 per cent. of that of the first half of 1929.

* * *

Age Distribution of the Unemployed.—The July issue of the *Ministry of Labour Gazette* contained a special analysis of the age distribution of unemployed men and women on the registers of Employment Exchanges in Great Britain in May, 1936 and 1937. The results are tabulated below:—

Sex and Age Group	Numbers Unemployed May 18, 1936	Numbers Unemployed May 3, 1937	Percentage of Total May 18, 1936	Percentage of Total May 3, 1937
Men:—				
18–20	62,237	41,536	4·6	3·7
21–24	166,602	121,210	12·2	10·9
25–34	337,668	260,658	24·8	23·4
35–44	274,443	227,987	20·2	20·5
45–54	256,701	219,415	18·8	19·7
55–59	141,314	125,273	10·4	11·2
60–64	118,517	114,656	8·7	10·3
65 and over	3,724	3,430	0·3	0·3
Total	1,361,206	1,114,165	100·0	100·0
Women:—				
18–20	33,360	24,676	12·5	11·1
21–24	54,405	41,970	20·5	18·9
25–34	74,059	61,776	27·9	27·8
35–44	48,217	41,867	18·1	18·8
45–54	34,240	30,954	12·9	13·9
55–59	12,914	12,403	4·9	5·6
60–64	8,366	8,575	3·1	3·8
65 and over	145	141	0·1	0·1
Total	265,706	222,362	100·0	100·0

As will be seen, the decline in the total number of unemployed since May, 1936, has been accompanied by a significant change in age distribution in favour of the younger. In the case of men, the proportion of the total unemployed formed by those whose age does not exceed 34 years has declined, while that of each of the older age groups has increased. The analysis for women shows a similar tendency. This development was not unexpected owing to the preference given by employers to younger persons, who are more adaptable than the others, especially as many of the latter have lost in skill through prolonged periods of unemployment.

* * *

Agricultural Returns for England and Wales.—Early in June each year the Ministry of Agriculture takes a census of the acreage under various crops, and the number of livestock on agricultural holdings above one acre. The 1937 returns, issued last week, are summarised with comparable data for earlier years in the table below. They show that the area of arable land continued the decline, which had been interrupted in 1935 and was 1.1 per cent. smaller than in 1936. An

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additional area of about 10,000 acres was returned as permanent grass, but the remainder of this year's reduction (91,000 acres) represents land which has gone out of cultivation or has been taken for other purposes:—

	1929	1931	1933	1935	1936	1937*
	Thous. Acres	Thous. Acres	Thous. Acres	Thous. Acres	Thous. Acres	Thous. Acres
Arable Land	9,948	9,582	9,250	9,398	9,120	9,018
Permanent Grass	15,490	15,701	15,870	15,559	15,743	15,753
Wheat	1,330	1,197	1,660	1,772	1,704	1,731
Oats	1,854	1,652	1,495	1,419	1,420	1,222
Barley	1,120	1,029	751	792	819	823
Potatoes	519	447	519	463	457	455
Sugar Beet	230	233	364	367	349	307
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
Cattle	5,958	6,065	6,620	6,541	6,540	6,614
Sheep	16,106	17,749	18,090	16,477	16,648	17,183
Pigs	2,367	2,783	3,069	3,813	3,894	3,632
Horses	999	939	903	874	865	858

* Figures for 1937 are provisional.

The area under wheat rose by 1.6 per cent., and thus regained part of the ground lost last year. The acreage under barley slightly increased, while the area under oats, after varying only slightly from 1934 to 1936, fell by almost 14 per cent. Although the area under first early potatoes fell by 2 per cent. this year, the main crop showed little change. The area devoted to sugar beet, which declined by 12.1 per cent., is the smallest recorded since 1932. Meanwhile, the number of cattle and sheep was larger, but the pig population was further reduced. The number of horses, which has declined continuously since 1918, fell by a further 0.9 per cent.

★ ★ ★

Industrial Production Index.—The official Index of production for April-June, published in last week's *Board of Trade Journal*, was the highest ever recorded, showing an increase of 2.3 per cent. over the first quarter of 1937 and of 9.1 per cent. over the corresponding period last year. The movement of the various group indices is indicated below:—

INDEX OF PRODUCTION
(1930=100)

Group	1935	1936	1936 June quarter	1937 March quarter	1937 June quarter
1. Mines and quarries	91·7	94·4	88·4	99·6	100·7
2. Iron and steel	125·6	150·1	149·5	158·1	165·6
3. Non-ferrous metals	137·3	143·8	140·9	154·4	166·7
4. Engineering and shipbuilding	104·8	123·1	122·4	136·3	137·4
5. Building materials and building	147·0	157·1	157·8	148·5	156·9
6. Textiles	119·1	126·4	124·9	130·3	135·2
7. Chemicals, oils, etc.†	112·0	115·4	112·9	121·8	123·4
8. Leather and boots and shoes	116·0	120·7	121·0	120·6	121·4
9. Food, drink and tobacco	107·6	114·5	114·5	111·2	122·1
10. Gas and electricity	132·6	148·2	(a)	(a)	(a)
Total of manufacturing industries (2–10)*	117·1†	129·4	129·2	137·0	140·2
Total of all groups (1–10)*	113·6†	124·7†	123·5†	131·7	134·7

* Includes also various industries not specified above.
† Revised figures.
(a) Quarterly particulars of gas production are not available and complete information in respect of the year 1936 cannot yet be given; a provisional estimate of the quantity made has been used for the calculation of the group index for the year 1936. The available data for electricity have been included in the general index numbers for the four quarters of 1936 and the first two quarters of 1937.

The movement of the official index of production thus confirms that of *The Economist* index of Business Activity which reflected sustained business recovery in the second quarter of this year and is given on page 11 of this week's *Trade Supplement*.

★ ★ ★

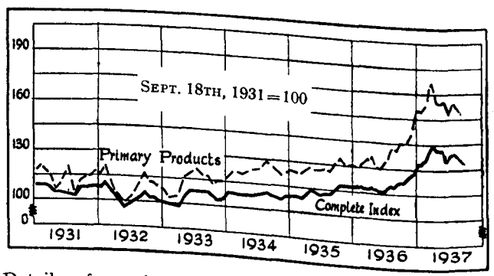
Further Decline in Prices.—This fortnight there has been a further drop in wholesale prices on both sides of the Atlantic. In England the complete *Economist* index number has fallen by exactly 1 per cent. and the primary products index by 1.4 per cent. In the United States primary products have fallen by 3.4 per cent., but the complete Irving Fisher index is unchanged. Sterling prices are now little above their New Year level, and the total drop since the March peak is 4.4 per cent. for all commodities and 9.6 per cent. for primary products. Even if it is fair to assume that the summer declines are only the natural reaction from the early spring sudden advance, in part due to re-armament, the fact remains that the price curve has flattened out completely since the New Year. The past fortnight has witnessed a further small advance in French wholesale prices, so that the effects of the franc depreciation are still working themselves out. There is a slight drop in German and Italian prices.

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	Primary Products: British (sterling)	Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933								
July 28th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	136·7	162·4	113·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	118·0	...	95·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·8	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·1	128·8	135·8	97·8
July 28th	140·2	167·1	171·8	164·5	133·8	130·8	137·1	97·9
Aug. 11th	139·3	166·8	171·1	164·2	133·3	131·3	137·0	98·2
Aug. 25th	137·9	164·4	165·3	164·2	133·3*	132·4*	...	98·1*

* These figures relate to August 18th
† Monthly averages.

We publish below a chart showing the course of *The Economist's* two index numbers of British wholesale prices from 1931 onwards.



Details of our index number follow. It will be seen that the fortnightly decline is common to four out of the five groups:—

The Economist INDEX
(1927 = 100)

	Sept. 18, 1931	July 28, 1937	Aug. 11, 1937	Aug. 25, 1937
Cereals and meat	64·5	92·6	90·8	89·0
Other foods	62·2	67·2	67·0	66·7
Textiles	43·7	70·7	69·9	68·7
Minerals	67·4	108·6	109·8	108·1
Miscellaneous	65·8	85·6	85·4	85·6
Complete index	60·4	84·7	84·2	83·3
1913 = 100	83·1	116·5	115·8	114·7
1924 = 100	52·2	73·1	72·7	72·0

Among food prices there were declines in meat, bacon, potatoes and coco-oil. Wheat, barley, tea and butter were firmer. The decline in the textile index was mainly due to lower prices for cotton, hemp and jute. All non-ferrous metals were cheaper. In the miscellaneous group there were advances in hides and leather.

Overseas Correspondence

From Our Special Correspondents

United States

Prosperity Without a Boom

NEW YORK, August 17.—While there has been some slackening of industrial activity this summer, it has been less than was generally anticipated in the spring; just as the spring activity failed to go as high as had been predicted in the winter. In short, for about ten months our economy has jogged along at a level somewhat higher than the average of 1928, which was rated a very good year. Allowing for the growth of population, this level would be described as prosperity, but not as a boom. It probably represents a slightly lower rate of advance than in England and Germany, which are both occupied more nearly at capacity. Such a generalisation must include the fact that some important elements of our economy have been operating at capacity; and that the economy as a whole is sufficiently near capacity to retain a seller's market in labour and to make prices sensitive to upward pressure. The outstanding characteristics of the American system for almost a year have been the steadiness of production and the marked rise in prices.

The absence of the summer recession is being explained away by the same reasons that were advanced to account for the absence of the spring upturn. Then it was labour troubles that damped down the usual expansion, and now it is their relative absence (for, since the middle of June, such interruptions, although numerous, have been smaller) which has maintained the continuity of demand. The net effect, apparently, has been to spread the volume of production over a longer period instead of concentrating it in a spring boom and a summer recession. Some weight also must be given to the official "boom control" measures of the early spring, which included warnings from high quarters, and positive measures of credit control.

Rising Cost of Living

The rise in commodity prices over this period is easy enough to report statistically, but not easy to evaluate. In the past year the wholesale index of the Bureau of Labour Statistics has risen about 10 per cent., from 79 in June, 1936, to 87 in June, 1937, a percentage rise smaller than that of the Board of Trade index for England and, of course, much smaller than those of France or Holland, whose currencies were devalued in the period. The official index of retail food shows only a negligible increase from 84 to 86; and the cost of living about the same—say 3 per cent. On the other hand, a very elaborate study worked out by the National Industrial Conference Board found an increase of over 7 per cent. in the cost of living between March, 1936, and March, 1937; and although the wholesale index has not risen since March, many, if not most, retail prices have advanced in that time. Whatever the statistical measure of the advance, it has been sufficient to be a source of continuous comment in domestic circles.

To some extent this pervasive rise in prices to the consumer may be attributed to the higher cost of primary commodities. But a larger factor has certainly been the increase in labour costs, since for most consumer goods the primary material is quite a small element in final price. For a large part of the population the increase in industrial wages has more or less offset the rise in prices; this statement is also true of the agricultural group whose income is estimated to be more than 15 per cent. higher than last year. That it is true of the population as a whole is questionable, as is emphasised by the mediocre statistics of retail trade. From June to June, department store sales rose from 87 to 93, and much of this advance must be attributed to price. Current comment on retail sales generally strikes a note of disappointment, and in some specific lines it is said that the actual volume of goods sold is lower than a year ago. Of course, a year ago we were spending the Veteran's Bonus, although that never could be positively identified in the data. Furthermore, in summer, a good deal of consumer income goes into channels not covered by statistics. The vacation or recreation industry is entirely non-statistical, and its growth has been one of the outstanding phenomena of the post-depression period. It is not an unplausible conjecture that more persons are employed in various phases of the recreation industry than in any other single vocation in the United States, except agriculture. Still, taking into account the comprehensive rise in prices and the partial increase in individual income, one can hardly avoid the conclusion that the aggregate of consumer real income, if it has risen at all in the past year, must have risen chiefly from whatever increase there has been in the number of persons gainfully employed; and that for those continuously employed, the feature of the past year has been a redistribution of consumer income rather than a conspicuous net increase.

Confidence and the 40-hour Week

The past year has brought some test of the forty-hour week, but nothing conclusive. During the depression many industries dropped below forty hours; the National Recovery Administration generally specified a forty-hour week; and after N.R.A. a considerable number of large industries continued the practice. In many of the collective bargaining contracts written in the past year the forty-hour week has been incorporated as standard. So widespread has the forty-hour week become in conspicuous industries that the impression has gained ground that the United States has "adopted" the forty-hour week; and that the proposed Hours-Wages Bill would not much affect an existing *status quo*. This is far from a fact. A comparatively small fraction of all persons "gainfully employed" are on the forty-hour week, and those mostly in highly mechanised industries. In these industries, as far as statistics are available, it appears that mechanisation has compensated for the reduction in the work-week, and that output per worker has been maintained. But this affords no test whatever of the economic consequences of the general establishment of the forty-hour week; and very little evidence of the effect of such a shortened week on the number of persons employed. The tendency in Wall Street to minimise the consequences of the imposition of a blanket forty-hour week is due to the fact that Wall Street is much better acquainted with big business than with industrial conditions in general, and that at present the forty-hour week is mostly confined to the type of industries represented on the Stock Exchange.

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France

Completing the Recovery Programme

Paris, August 26.—The last of the Government's decrees is in sight. Monetary decrees have established the "floating" franc and brought 15,000 million francs in new advances from the Bank of France to the Treasury. Fiscal decrees have furnished 10,000 million francs from higher taxes and charges. A Fund has been created to support public funds by the revaluation of the Bank's gold. Economy measures have reduced the charges on the Treasury by 6,000 million francs in 1937 and 25,000 millions in 1938. And now it remains to stimulate economic activity and production.

Public credit has been put on a sounder footing, because the needs of the Treasury for the present year can now probably be covered. Rentes have risen 20 per cent. in a few weeks, as the result of this effort to balance the Budget. The stability of the franc has been greatly assisted by the activity of the tourist industry. In spite of "paid holidays," new deposits in the public savings banks exceeded the withdrawals in the first fortnight of August; and subscriptions to the bonds of the Pensions Fund have increased steadily from 56 millions in the first week of July to 72 millions in the first and 103 millions in the second weeks of August.

In order to accentuate this favourable trend, M. Bonnet has decided to annul a decree made by M. Laval, placing an exceptional 10 per cent. tax on Rentes. M. Bonnet's decision was followed by a new advance in Rentes, the progress of which appears in the following table:—

	Lowest 1937	July 2nd	August 24th
3%	59·85	70·75	74·75
4% 1918	59·70	69·25	74·40
4% 1925	84·25	95·65	103·45
4½% 1932 "A" ...	65·80	73·80	78·60
4½% 1937	90	98·60	100·50

The Government has fixed the price of wheat for the 1937 crop at 180 francs compared with 140 francs in 1936. The price could not be fixed by agreement between the representatives of the wheat growers, who demanded a price of 200 francs, because of the devaluation and the rise of prices, and the representatives of the Government and the consumers, who objected that this price would be followed by a fresh rise in the cost of living and inevitably by claims of higher wages.

The last decrees, which will be published before August 31st, will concern the railways. The four systems will be merged in a National Company, in which the State will hold a controlling interest.

To stimulate production, one of the principal measures will be to expand mortgage credits in connection with building through the Crédit Foncier, which will mobilize its reserves for this purpose. Middle-term credits would also be given to manufacturers to recondition their plants. It is also possible that new exceptions to the 40-hour week will be made in certain industries.

The following table shows that prices are still rising.

Wholesale Prices	June, 1936	June, 1937	August 21st
General index	372	537	586
Home products.....	415	565	592
Imported products	296	488	573

The rise is still most marked in the prices of imported goods.

Falling Import Surplus

The value of foreign trade in July was 5,072 million francs, compared with 5,704 millions in June and 2,968 millions in July, 1936.

Imports and exports have both declined, in spite of further franc devaluation. Imports having fallen more than exports, the surplus is lower. Nevertheless, it still represents an annual deficit of something like 16,000 million francs. In present circumstances this is intolerable, even if it is balanced to some extent by receipts of 4,000 million francs from tourists and 4,000 millions from interest payments. This deficit, which constitutes a permanent menace to the franc, is widely discussed in the technical Press. It is generally held that the French balance of accounts cannot stand a commercial deficit much higher than 7 or 8,000 million francs.

	Value (Frs. 000,000 omitted) June, 1937	July, 1937
Imports:—		
Foodstuffs	845	776
Raw materials	2,166	1,878
Manufactured goods	695	544
Totals	3,707	3,199
Exports:—		
Foodstuffs	245	246
Raw materials	741	658
Manufactured goods	1,010	967
Totals	1,997	1,872
Import surplus	1,709	1,327

In the first half of 1937 the quantity of exports was 14,797,000 tons, compared with 14,660,000 in the same period of 1936, but the value increased by 50 per cent. from 7,205 million francs to 11,035 millions. Imports, on the other hand, showed an increase of 40 per cent. in value, but also of 25 per cent. in quantity, principally because of imports of industrial raw materials, partly in anticipation of a revival in business, but also in fear of a fresh rise in prices and a falling off in production. The decline of imports in July suggests that stocks have been replenished, or that private resources are temporarily exhausted. If this is so, and if new arrangements in the coal industry should bring about an increase in production, the deficit on the balance of accounts may diminish in the next few months.

Unemployment this year is still falling, whereas last year it was already rising according to the seasonal trend. In the week ended August 14th, there were 310,592 unemployed, 217,965 men and 94,627 women, compared with 312,473 in the preceding week and 418,293 a year ago.

Germany

Loans and the Capital Market

Berlin, August 24.—Preparations last week for the Reich loan of Rm. 700 millions caused some selling of stocks and fixed-interest securities and a considerable stiffening in the money market. Home bond prices had already declined slightly before the loan was announced. The liquidity in the money market has apparently ceased for the time being. Nevertheless, some new private debenture issues have been allowed, and have so far been successful. Fifteen such flotations have taken place this year, to a total (omitting conversions) of Rm. 278 millions. About half of this sum was raised for liquid fuel enterprises by Western heavy industry concerns.

It seems that industry is again drawing upon banking. The July balance sheets of the five chief Berlin banks show a decline in deposits of Rm. 81 millions. This includes a fall of Rm. 60 millions in customer deposits proper ("other creditors"). The recent increase in loans to business, though in itself small, is significant, because loans had been declining for months. The banks disposed of Reich and other public securities, but their holdings of bills increased.

According to an authoritative estimate, the total of new Reich loans between the beginning of 1935 and June 30th this year was Rm. 6,992 millions. Owing to the inclusion of numerous small borrowings, mostly Treasury certificates, which did not appear in the schedule of publicly marketed loans, this total is considerably higher than the total obtained by merely adding together the large consolidation loans, while consolidation borrowing has led to a large increase in the funded debt. There has been no corresponding decline in the officially returned short-term debt. This decreased by only Rm. 20 millions in the two financial years 1935-36 and 1936-37, when most of the consolidation loans were issued. The returned total of short-term debt takes no account, however, of the "special bill" debt.

Prices and Food Supplies

The index of wholesale prices for August 18th was 106.7, compared with 106.9 on August 11th. This decline is due to falls in the prices of non-ferrous metals and rubber. The list of imported commodities for which, under the ordinance of August 10th, the first seller at home may charge a "replacement price" sufficient to finance a new import, has now been issued. It contains a great many products, but nearly all of them are ores, metals and alloys or textile materials.

The reports for root crops are, in general, satisfactory and show the improvement made last month. In particular, the condition of the potato and sugar beet crops improved; the latter is now estimated to be about the same as in 1936. Potatoes are actually better than in 1936, which produced a record yield. The condition of meadows and pastures has deteriorated. In the north and east maize has been increasingly grown, contrary to the old belief that it would not grow there. Production has more than doubled in the last four years, though the absolute quantity still remains small. Sheep in June numbered 5,363,800, compared with 4,996,500 a year before.

Gold Movements

The export surplus in July was Rm. 30 millions, compared with Rm. 63 millions in July, 1936; this decline was due to heavy imports. Exports, valued at Rm. 530 millions, exceeded all records since March, 1932. It is noteworthy that gold to the value of Rm. 31 millions was exported. In the first seven months of 1937 the value of gold exports was Rm. 103 millions, so that the greater part of the year's imports of gold (Rm. 143 millions) has now disappeared. These gold movements do not appear in the Reichsbank's weekly returns. According to an unofficial Press statement, the gold imports and exports shown in the monthly trade returns are administered by the "trade supervision authorities," and in their hands, probably on deposit in the Gold Discount Bank, lies the imported gold. Hence the Reichsbank's gold reserve figure remains stable, and it plays a negligible part in settlements with abroad. The foreign trade figures are:—

	June	July	Jan.–July
	Millions of marks		
Imports			
I. *Foodstuffs*	*196·5*	*191·5*	*1,133·7*
(*a*) Livestock	6·6	6·4	52·9
(*b*) Animal foodstuffs.....	29·1	36·1	253·8
(*c*) Vegetable foodstuffs...	132·6	120·1	640·4
II. *Industrial Goods*	*303·9*	*304·1*	*1,865·2*
(*a*) Raw materials	184·2	180·6	1,117·3
(*b*) Semi-manufactured ...	88·2	91·5	536·9
(*c*) Manufactured	31·5	32·0	211·0
Total	504·6	499·7	3,027·0
Exports			
I. *Foodstuffs*	*7·3*	*7·4*	*52·3*
(*a*) Livestock	0·1	0·1	1·8
(*b*) Animal foodstuffs ...	0·6	1·0	4·8
(*c*) Vegetable foodstuffs...	4·4	3·9	27·8
II. *Industrial Goods*	*474·0*	*522·5*	*3,192·8*
(*a*) Raw materials	49·5	50·4	313·1
(*b*) Semi-manufactured ...	44·2	45·7	302·2
(*c*) Manufactured	380·0	426·4	2,577·5
Total	481·4	530·0	3,245·9

Reconstructing Waterways

Important works on the canal system of North Germany are in progress. The chief undertaking is the establishment of direct water communication by heavy barge canal between the Rhine and Berlin. The central part of this constitutes the Mittelland Canal, which will join Central North Germany to the Rhine via the Dortmund-Ems Canal. Opposition to this project by the Agrarians caused a convulsion in domestic politics nearly forty years ago. The Mittelland Canal, since sanctioned, will reach the Elbe next year. It will take 1,000-ton barges. As an independent undertaking its eastern end will be at the New Plauer Canal which connects the Elbe north of Magdeburg with Brandenburg on the Havel, which is in turn connected by river-canal with Berlin. But, as this latter system takes only 500-ton barges, it will have to be enlarged to the dimensions of the Mittelland system. This work, and the reconstruction of bridges and locks has already been begun. The result will be through traffic for 1,000-ton barges between the Rhine and Berlin. At first this will connect only with West Berlin. Later the Teltow Canal, which joins the western Havel system with the Spree in the east of the city, will have to be similarly enlarged.

The Elbe River is also being regulated. In order to prevent Silesian coal being driven from its present market in North Central Germany by Ruhr coal over the Mittelland system, the canal dues on a section of the new canal have been doubled. Further projects are the creation of an "Adolf Hitler Canal" to link up with Silesia, and the regulation of the Oder.

Belgium

Problems of Government Finance

Louvain, August 20.—Taxation receipts have remained very satisfactory this year despite certain reductions in the rate of tax. The figures are as follows for the first six months of recent years:—

	Frs.
1934	4,070,000,000
1935	4,060,000,000
1936	4,280,000,000
1937	4,830,000,000

The Budget has been considerably reduced by the diminution of the grant to the unemployed. This amounted to more than 1,000 million francs in 1934 and is now only half of this figure, although the basic rate of these allowances and the benefit conditions have been improved. The conversion of public debt has also reduced the Budget. The Government has saved about 600 million francs in this way.

Government securities can now be offered for subscription at the rate of 3½ per cent., and Treasury bonds are sold by auction at or about ½ per cent. In 1913 it was practically impossible to issue Government securities, even at 7 per cent. Treasury bills could only be placed if they bore a clause guaranteeing repayment in gold and were 4 per cents.

It will not be easy to balance the 1938 Budget, which is now being drafted. The effect of several reductions in the rate of tax will be fully felt for the first time in 1938, and a decline in receipts is probable. On the other hand, certain items of expenditure will be increased; for instance, old-age pensions will cost 120 to 150 million francs more than in 1937. The Belgian system of social pensions is the most generous in Europe, if not in the whole world. The Government has to raise about 650 million francs annually for this purpose; and the burden will ultimately reach about 800 million francs.

Taxation Reform Proposals

Nevertheless, the buoyancy of taxation receipts suggests that the 1938 Budget may be balanced without new taxes. But this is not enough, and the remission of taxation ought to be steadily continued. This, at any

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rate, is the conclusion of Mr Coart-Frésart, the royal commissioner appointed to report on the simplification of taxation, considered necessary by everybody. Mr Coart-Frésart is of the opinion that the burden of taxation should be reduced to make some simplification possible. He advocates the abolition of the luxury tax and the revision of the sales tax. These proposals would cause a loss to the Treasury.

Although the financial position of Belgium has been stabilised, it would not be correct to conclude that no mistakes in administration have been made. On the expenditure side, there are faults in the pension system. The Parliament has also passed a Bill levying an excess profits tax on the profits of the devaluation of the franc in 1935, made by the buyers of gold, pounds and dollars. The Act instituting this tax, which impounds 50 per cent. of the abnormal profit, was passed this summer, that is, two years after the devaluation. Belgian economists have unanimously regretted this measure, which shows the misunderstanding of Parliament about the devaluation of 1935. If the country then lost gold this was primarily due to mistakes in parliamentary policy.

Nevertheless, this tax is being levied. It is forecast that difficulties will arise and that this measure may even prove prejudicial to the credit of Belgium. For the Treasury, the financial results will probably be disappointing. Most of these operations were executed through foreign banks, so that the Department of Finance will in many cases know nothing about them.

Mixed Industrial Recovery

The industrial situation of the country has remained satisfactory. Business trends have, however, been markedly divergent. Collieries and the steel industry have still been operating at capacity and have enjoyed large profits. On the other hand, industries producing consumers' goods have been less affected by the upward swing. The home market has provided an inadequate demand for their products. In the textile industry a reduction in export business was experienced. The linen and woollen industries, as well as the cotton trade, have operated normally, but the orders obtained and waiting for execution are less abundant.

Purchasing power has increased. Another advance in wages of 2½ per cent. was made at the beginning of August in the coal-mining and metal industries. In Belgium wages are promptly adjusted to the cost of living, as indicated by the monthly official index. It is encouraging that these adjustments are performed automatically and without any discussion. They were more difficult to make during the crisis, but even then contractual reductions in nominal wages were made in the textile industry.

It is estimated that the total amount of wages paid out has increased 50 per cent. compared with the pre-devaluation level. The cost of living has risen about 15 per cent. to 17 per cent. A comparison of these two figures suggests how much purchasing power has been increased.

Denmark

Trade, Politics and Public Finance

Copenhagen, August 10.—A separate trade agreement between Holland and Denmark, under the multilateral agreement of May 28th between Belgium, Denmark, Finland, Holland, Norway and Sweden, will shortly come up for ratification. This agreement will mean increased Danish exports of beef, fish and various industrial products, and increased imports of Dutch flower bulbs and various raw materials and semi-manufactured products.

The long foreshadowed Royal Commission to consider a change in the Constitution began its deliberations on July 10th. A change has taken place in the Cabinet. The Minister of Finance, Mr H. P. Hansen, has retired and has been replaced by the Director of Taxation of the City of Copenhagen, Mr Buhl.

It is expected that the State will have to raise an internal loan of considerable size in the autumn. It is believed that the present easier conditions of the money market are due to the preparations of the National Bank for this contingency. The rather conspicuous veto of the Minister of the Interior on the flotation of a 20 million kroner 4½ per cent. bond issue by the city of Copenhagen must be viewed in the same light. The bonds in question were to be offered at a price which would give an effective yield of 6.27 per cent., but the Minister found this too dear. The city needed money, however, for various building schemes, and the result was that a loan of half the original size was agreed on at about the same issue price as originally planned.

Rise in Value of Trade

The foreign exchange position improved in July by about 2 million kroner. This was partly because of the current prosperity of shipping. As will be seen from the table below, the import surplus for the first six months of 1937 was 95.3 million kroner (compared with 17.8 million kroner for the same period of 1936).

	Imports		Exports	
	In million kroner	Comparison with first six months of 1936	In million kroner	Comparison with first six months of 1936
Total for 6 months ending June 30, 1937	846·9	+ 168	751·6	+ 91
Trade with :—				
Great Britain ...	334	+ 67	385	+ 30
Germany	200	+ 45	131	+ 7
Norway	33·4	+ 10·9	12·6	+ 6·1
Sweden	47·5	+ 4·6	50·2	+ 10·3

The considerable rise in imports is due to an increase of 52 million kroner in the value of corn imported and a 22½ million increase in the value of coal and coke. The value of imports of pig iron and steel rose by 19.3 million kroner, of piece goods by 9.6 millions, and of machinery and motor cars by 9.5 millions. Exports of agricultural produce rose by 30 million kroner in value, and of vegetable oil products by 12 million kroner.

Applications for import permits for the last licence period of the year, commencing on September 1st, are now being considered by the Exchange Control Office. Arrangements to facilitate the administrative working of the import control will come in force in the new period. A committee is considering a revision of the present Exchange Control Act upon its expiration at the end of the present year.

Distribution of National Income

The Department of Statistics has published an interesting analysis of the incomes earned and fortunes owned by taxpayers. There are now 1,286,568 taxpayers in this country, and the distribution of income among them is as follows:—

	No. of Persons
Income up to Kr. 5,000 per annum	1,192,659
,, ,, Kr. 30,000 ,, ...	90,543
,, ,, Kr.100,000 ,, ...	3,041
,, above Kr.100,000 ,, ...	325

There are 318,190 persons who own a "fortune" subject to taxation. Their distribution is as follows:—

	No. of Persons
Fortune up to Kr. 50,000	281,700
,, ,, Kr. 500,000	35,026
,, ,, Kr.2,000,000	1,301
,, above Kr.2,000,000.....	153

A more detailed examination of the figures reveals that about 57 per cent. of taxpayers have a taxable income of less than 2,000 kroner per annum, numbering some 732,386 persons.

The outlook for the corn harvest is favourable. The latest estimates of August 2nd foreshadowed a normal crop. This will mean a better crop than last year, when it was below normal, but the final results this year may still be considerably influenced by adverse weather. The wholesale price index for July stands at 148, 2 points higher than in June. The index of export prices has risen by 11 points to 152.

Palestine

Check to Business

Jerusalem, August 4.—Palestine is in the throes of political controversy, and the population wavers from day to day between optimism and pessimism.

The present economic condition of the country is somewhat below the 1936 level, but not below the level of the beginning of 1935. The currency circulation may serve as an index. This reached a peak in October, 1935, and then declined until July, 1936, from £P7,545,000 to £P6,041,000. Because of the lack of adequate investments during recent years, while the currency in circulation declined, banking deposits increased. Deposits, held by six foreign banks, 68 local banks and 95 Jewish credit-co-operatives, amounted to £P17,364,000 at the end of March and somewhat less at the end of April. The March level is the highest ever attained.

About £P13.25 millions were advanced by these banks and banking institutions to their customers. A new banking ordinance lays down that banks in Palestine shall have a subscribed capital of not less than £P50,000 and a fully paid-up capital of not less than £P25,000 two years after the ordinance has been enforced. The majority of the 68 local banks have less capital than is required and are unlikely to increase the present figure. The small banks, most of which were opened in the boom period between 1930 and 1933, with limited capital and insufficient means, have fulfilled an important task. They have supplied small undertakings with credits of between £P50 and £P100, such credits not always being granted by foreign or other banks.

Increased Exports

Palestine's trade figures for the first four months of 1937 show an upward trend. Compared with the figures for the same period of 1936, which was not yet affected by the disturbances but still influenced by the Italo-Ethiopian crisis, imports in the 1937 period, valued at £P5,674,000, were £P80,000 higher than those of the 1936 period, and exports rose to £P3,498,000 compared with £P2,168,000 in 1936. Thus imports are only £P98,000 below the boom figures of the corresponding period in 1935, while exports have actually increased by £P390,000 since that date. This is due to the increased citrus shipments in the past season, and to larger exports of many other goods, i.e. potash, bromines, wearing apparel, artificial teeth, etc.

Special arrangements for the transfer of German-Jewish money to Palestine may be given as some reason for the improvement in import trade in 1937. In the first four months of 1937 these arrangements led to a decline of the British share in Palestine imports from 19 per cent. in 1936 to 14.1 per cent., while imports from Germany rose from 15.4 per cent. to 16 per cent. For the first time, Palestine bought more from Germany than from the United Kingdom.

Sales of electric power supplied by two producers, i.e. the Palestine Electric Corporation and the Jerusalem Electric and Public Service Corporation, amounted to 70 million kilowatt hours in 1936 compared with 53.7 millions in 1935. About 18.4 million kilowatts were sold during the first four months of 1937, over a million more than in the corresponding period of 1936.

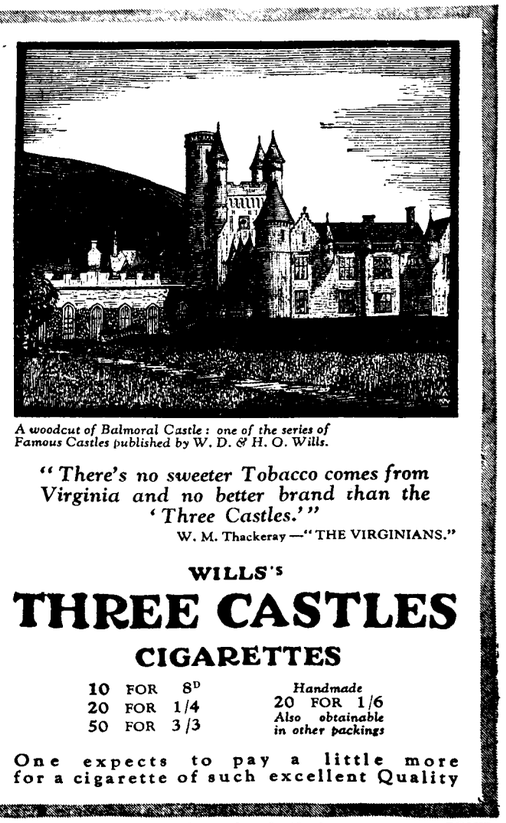
The business of the Palestine Railways in the first four months of 1937 was larger than in 1936. Gross revenue rose by 35 per cent. from £P273,000 to £P368,000. The number of passengers, however, declined from 874,000 to 776,000, while the tonnage of goods carried increased by 60 per cent. from 309,000 tons to 496,000 tons.

Cargo discharged at the ports of Haifa, Tel Aviv and Jaffa amounted to 323,000 tons in the first four months of 1937, a figure similar to that for the same period in 1936, while cargo loaded in these ports went up from 142,000 tons to 287,000 tons. The share of the new port of Tel Aviv is rising monthly; about 12,000 tons were handled there in June.

Total Post Office receipts increased in the first four months of this year to £P175,000 compared with £P145,000 in the same period of 1936. About 24,000 wireless receiving sets are now licensed, and the number has rapidly risen since the Jerusalem Station was opened at the end of March. About 75 per cent. of these sets are owned by Jews, 10 per cent. by Britons, and some 15 per cent. by Arabs.

Recession in Building

Following the decline in immigration, buildings under construction fell considerably below the level of 1935, and even below that of 1936. The index number for the period from January to May, 1937, is 176.5 compared with the previous year's average index number of 237.1 and with 374.8 in 1935 (1931=100). Industrial activity in the first six months of 1937 was affected by the slackness of the building market, since a third of local industry is connected with building. Most other industrial enterprises suffered only a small decrease of their turnover compared with the first half of 1936. During the past few weeks, however, a more significant setback has taken place, since there has been a decline in the power of consumption. Owing to the departure of many thousand important consumers, there is a slight standstill every year in the summer, which may be greater this year on account of the transfer of highly-paid building workers to less well-paid agricultural work.



South Africa

Gold *Canards* and Proposals

Johannesburg, August 1.—With the Stock Market still in the doldrums because of a variety of causes, not the least being the failure of fancied equines to run home in the Durban July Handicap, we have had time to be momentarily frightened by phantoms conjured up in the British House of Commons. The Private Member who asked Sir John Simon whether South Africa had suggested temporary limitation of the output of the gold mines, or made any proposals for retaining in South Africa and sterilising a quantity of gold, had an audience here quite out of proportion to the significance of his remarks.

Hollard Street has seen so many apparitions lately, however, that this latest one found the Exchange incapable of any reaction but laughter. It would be impossible for South Africa to agree to any suggestion for a voluntary restriction of gold output, because the whole country is maintained by the gold industry. No government dare make the suggestion, which would be suicidal. Why should South Africa, in any case, be selected as the sacrifice? Other gold-producing countries would certainly not participate in the voluntary immolation; and South Africa could never countenance any policy other than the unrestricted development of her chief industry.

Professor R. Leslie, of the University of Capetown, addressing the Economic Society of South Africa in Pretoria, dealt with the suggestion that an attempt should be made to persuade Britain, France and the United States to return to a gold standard with gold coinage at an early date. Sir Ernest Oppenheimer had said that if this attempt was successful the Union should stabilise independently on the basis of 140s.

As against the first proposal and also against some interpretations of Sir Ernest Oppenheimer's plan though not, I think, of the plan itself, it might be urged that they appear to regard the monetary system as existing for the benefit of the gold industry, not the gold industry as being worth its cost because of the benefits it might still yield in controlling the monetary system (said Professor Leslie). Another difficulty is that the level to which prices must rise to prevent redundancy in gold stocks is far from being a definite level. The gradualness of the proposal, too, involves some danger. The longer statesmen can hide the real costs of their policies under the cover of a rise in the price level, the less willing are they likely to be to welcome the re-introduction of a monetary system which checks that power. Obviously if the price of gold is allowed to rise with the price of commodities, gold stocks may always be redundant. This danger at least is avoided in Sir Ernest Oppenheimer's scheme.

An immediate worldwide return to the gold standard did not seem practicable, in Professor Leslie's view, partly because of these difficulties, and partly because statesmen in Britain and some other countries appeared to regard the gold standard as incompatible with their policy of cheap money, in the sense of an interest rate below the equilibrium level.

Sir Ernest Oppenheimer's proposal had been criticised because it would prevent a fall in the price of gold to a level at which gold would cease to be redundant; but it would appear to be equally directed against any further inflation beyond that necessitated by a price of 140s. The scheme would be worth striving for if it seemed likely to prevent additional inflation, and could guarantee some stability in monetary conditions.

Building Boom Maintained

Building activity in Johannesburg continued unabated at the higher levels established since the beginning of the year. Last month nearly 1,000 plans were passed by the municipality to a value of £902,215. This brings the total of plans passed during the financial year of the municipality to 11,522 with a record total value of £11,420,353. This is no less than £2,675,552 more than the previous record established in 1935-36.

The building boom has reached a new peak since January with an average value of more than £1,000,000 of plans a month. The following official table reveals the steady annual rise:—

	£
1932–33	1,707,903
1933–34	3,928,738
1934–35	5,840,155
1935–36	8,744,801
1936–37	11,420,353

Some idea of the extent to which the activity is adding to the number of buildings in Johannesburg may be gathered from the fact that the plans for the year alone include 3,307 new homes, 12,982 rooms in new flats, 1,465 additions to houses, and 3,645 new shops, stores, warehouses and factories. Since July 1 of last year increased accommodation has been provided in the city for 29,000 Europeans and 16,000 natives. Since 1934 additional accommodation has been made for 61,000 Europeans and 18,000 natives.

Letters to the Editor

Monetary Policy

TO THE EDITOR OF THE ECONOMIST

Sir,—Hot on the heels of the denunciation of the gold sterilisation policy of the U.S.A. by Republican Senators come advices of the intention of the administration to seek international co-operation to discourage the importation of "hot" money and establish a permanent type of gold sterilisation.

You kindly allowed me to suggest, in your issue of August 21st, a means of reducing the "temperature" of the money market, in so far as it is due to cheap money, without restricting the use of gold for the settlement of international balances of investment, trade, and debt. The chief value of gold lies in the universal acceptance of its transfer in discharge of such balances—as the standard by which credit is maintained; and the absurdity of borrowing in order to prevent such transfers is surely obvious.

On the contrary, let us discharge our debt to the U.S.A. when we may, and meet any protests by offering to borrow for a short term, at a lower rate of interest, as much as we can profitably use for the purpose of redeeming our internal debts. For the rest, our co-operation should be confined to restricting the use of the credit so created by an equivalent increase of the proportion of deposits held by the banks in reserve against loans.

Yours faithfully,

Co. Dublin. A. C. Dobbs.

The King's Highway

TO THE EDITOR OF THE ECONOMIST

Sir,—It is a pity that the Press gives so much prominence to the remarks of Mr G. T. Bennett, for most motorists who are not "fans" know them to be fundamentally wrong; although, admittedly, the present roads could be improved.

The railroads are made for speed and an enormous amount of money is spent to keep them in a sound condition for speed. Nevertheless, if a locomotive driver or the motorman of an electric train causes loss of life through taking a curve too fast or coming to a junction at an excessive speed he is rightly charged with manslaughter. He must drive according to his rule of the road which is laid down by the physical conditions of that road.

In like manner, motorists must drive according to the conditions of the road *as they find it*, or accept the consequences.

So long as motorists wish to have the use of the carriageways of the King's highways they must drive with especial regard to the rights of other users. As "other users" include two-year-olds, blind, deaf and maimed people, "other users" must, indeed, be given preferential rights.

Yours truly,

London, E.C.3. H. Lattimer.

Books and Publications

The Cradle of Co-operation

The romantic story of the growth of the co-operative movement from humble beginnings to its present position as the world's "biggest big business" is told by Mr Sydney R. Elliott in a recently published book.* In less than a hundred years the movement's annual turnover has risen to the amazing total of £300 millions. Its 15,000 retail stores with their 7½ million customers are supplied by 300 warehouses and factories, whose products range from bacon to bedsteads and from millinery to motor cycles. Almost 15 per cent. of Britain's food expenditure is paid over the counters of co-operative shops. The co-operative societies are the greatest distributors of tea. Co-operative mills produce one-third of the country's flour, and co-operative bakeries bake one in every five loaves consumed in this country. One-tenth of the nation's meat, one-seventh of its milk and a similar proportion of its domestic coal are handled by the co-operative societies. Co-operators have their own bank, their own insurance company, their national newspaper—and their own political party.

This vast movement is regarded by Mr Elliott as a monument to Robert Owen, who conceived the idea of "taking the profit out of price." His conception was first realised when 28 Rochdale weavers opened their humble store in Toad Lane in 1844. George Jacob Holyoake and John Stuart Mill became the movement's self-appointed propagandists, and progress was rapid. With the foundation of the Co-operative Wholesale Society the movement was extended to the wholesale markets; and the wholesale society soon entered the field of production. The Co-operative Insurance Society was formed in 1867, and the Scottish C.W.S. a year later.

The remarkable development of this most democratic of all big businesses was not accomplished without internal growing pains; nor has the movement escaped attack from without. Co-operation has aroused the resentment of private trader and multiple store alike. It has fallen foul of monopolistic producers, and has been snubbed by the Government. With the recent growth of subsidies and restriction schemes, and the abandonment of free trade, the economic climate has become increasingly favourable to monopolistic practices, and the attack on co-operation has been accordingly intensified. Mr Elliott sees in the movement the only effective means of breaking the modern price-ring and cartel; and he cites *inter alia* the example of soap manufacture, of milling, and of insurance to reinforce this view. Within the movement democracy controls a great volume of capital.

What is the secret of co-operation's continuous growth? The answer is probably that it returns to its consumer-members the bulk of the profit of its world-wide operations. Besides distributing £30 millions annually in the form of dividends on purchases, it makes generous provision for the depreciation of its capital, contributes substantial sums for educational purposes, and provides automatic death benefits for its members. Its treatment of its employees is in advance of contemporary standards and its financial position is one of great strength. Small wonder that Mr. Elliott looks forward to the future with optimism. His enthusiasm might perhaps have been tempered by more criticism, but for the most part his abundant array of facts and figures speaks for itself.

This book is an appropriate monument to a great movement which, though it has now spread to the corners of the earth, was cradled in industrial Britain. Mr Elliott shows skill and patience in expounding both the scope and direction of co-operation since its earliest days. He handles a great mass of statistical material ably, and, despite his obvious predilection for co-operative methods, is remarkably objective in his judgments. It is only a pity that, for lack of data, the remainder of retail and wholesale trade cannot be similarly treated by the historian.

* "England: Cradle of Co-operation." By Sydney R. Elliott. Faber and Faber. 287 pages. 8s. 6d.

Shorter Notices

"Women Must Choose." By Hilary Newitt. Gollancz 288 pages. 7s. 6d.

To Miss Newitt the choice before women in the future is threefold, between the status of women in Fascist, Soviet and democratic countries. She describes very clearly what these respective statuses at present involve, and her book carries conviction through the sheer weight of documented evidence. The fruits of suffragism and feminism have yet to be reaped. Where are they to be found? Or must they be abandoned as sour grapes? This is a book all democrats should read.

"Institute of Chartered Accountants. Library Catalogue." 2 vols. 256 and 259 pages.

Both in arrangement and typography these two volumes form an admirable bibliography. Volume One is a subject and author catalogue of the Institute Library, and a worthy successor to the earlier editions of 1903 and 1913. The second volume is claimed to be the largest list of works ever published on bookkeeping, rich with the treasures of the Kheil collection, which the Institute acquired in 1913. The Institute librarian and committee deserve congratulation upon their excellent work.

Books Received

Memorandum submitted by the Arab Higher Committee to the Permanent Mandates Commission and the Secretary of State for the Colonies. July 23, 1937. (Jerusalem) the Arab Higher Committee. 16 pages. No price stated.

Directory of Swiss Manufacturers and Producers, 1937. (Zurich and Lausanne) Swiss Office for the Development of Trade. 690 pages. 9s. postage paid.

Calcutta Stock Exchange Official Year Book, 1937. (Calcutta) Calcutta Stock Exchange Association, Ltd., 7 Lyons Range. 888 pages. Rs. 10 net.

Income Tax Up to Date. Rules and Regulations for the Current Income Tax Year (1937–38). By H. J. Gully. (London) *The Financial News*, 20 Bishopsgate, E.C.2. 27 pages. 9d. net.

The Rationalisation and Conservation of the Timber Resources of the World. By A. H. Unwin. (London) The Technical Press. Ltd., 5 Ave Maria Lane, E.C.4. 48 pages. 2s. 6d. net.

Economics. By F. R. Fairchild, E. S. Furniss and N. S. Buck. (London) Macmillan. 696 pages. 12s. 6d. net.

Denmark, 1937. (Copenhagen) Royal Danish Ministry for Foreign Affairs, Statistical Department. 337 pages. No price stated.

The British Year Book of International Law, 1937. (London) H. Milford. 282 pages. 16s. net.

City of Birmingham. Financial Statement for the Year ended March 31, 1937. (Birmingham) The Treasurer, The Council House. 545 pages. No price stated.

Co-operative Society Amalgamation in the Metropolis. By A. Temple. (London) The Author, 2 Springcroft Avenue, Fortis Green, N.2. 12 pages. 3d. net.

Official Publications

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

Agricultural Statistics, 1936. Vol. LXXI. Part I. 1s. 6d. net.

Department of Overseas Trade: Report on Economic and Commercial Conditions in Angola. February, 1937. 9d. net. *Report on Economic and Commercial Conditions in Czechoslovakia. February, 1937.* 1s. net. *Report on Economic and Commercial Conditions in Morocco, 1935–36.* 1s. 6d. net. *Report on Economic and Commercial Conditions in Poland, March, 1937.* 1s. net. *Report on Economic and Commercial Conditions in Siam. April, 1937.* 1s. net. *Report on Economic and Commercial Conditions in Sweden. April, 1937.* 1s. 6d. net. *Report on Economic and Commercial Conditions in Malaya, March 5, 1937.* 1s. net. *Report on Economic and Commercial Conditions in Bulgaria, 1935–36.* 1s. net.

Report by the Joint Committee on Gas Prices. 14s. net.

Accounts of the Metropolitan Police Fund, 1936–1937. 4d. net.

Burma: The Burma Frontier Force Act, 1937. 9d. net.

United States No. 1 (1937): Papers relating to the British War Debt. May/June, 1937. Cmd. 5480.

MONEY AND BANKING

Chinese Banking

Hitherto the outside world has considered the development of the Chinese banking system exclusively from the point of view of Chinese international balances and currency. This, however, is only one side of the story, for the internal aspect of the recent changes demands careful consideration. Some of these internal changes are outlined in the following article by a correspondent in China.

CHINESE society is almost entirely rural. Until the advent to power of the Kuomingtang Government ten years ago the dominant rôle in political and social life belonged everywhere to what the Chinese themselves call by a technical term equivalent to the English term "gentry." The gentry ruled the village almost in veiled opposition to higher authority, they financed the village economy and controlled every branch of trade. Though their outlook often did not extend beyond the confines of a county ("hsien"), they were the link between the village and the outside world.

The revolutionary outbreak of 1925-27, although crushed by General Chiang Kai-shek, hit the gentry hard. Not only did they lose face, but they became aware that the rural idyll which they had taken for granted was precarious. Moreover, a new type of landlord and farmer has begun to replace the old gentry. This new type includes merchants with a knowledge of commerce extending to an acquaintance with the new methods of trade as evolved in China's treaty ports. It also includes military officers and civilian officials who make use of their ill-gotten gains to develop a farming business on more modern lines, but who have no intention of leading the secluded life of the old-time gentry. In short, bright young upstarts are taking the place of old-established families.

This change of China's social structure was greatly facilitated both by revolutionary unrest, and by the impact of the world depression. Land was cheap, even well-to-do families were obliged to borrow, and there was a wave of change of land-ownership all over China.

Simultaneously the attitude of the modern Chinese banks towards rural credit underwent a rapid change. Nothing could show that change more clearly than the rapid spread of bank branches all over the country. This is illustrated by the following table, which shows the increase in the number of branches of the Bank of China alone:—

Province	No. of branches at end of 1930	1936	Province	No. of branches at end of 1930	1936
Kiangsu	11	120	Szechuan	4	23
Chekiang	13	140	Shensi	0	4
Anhwei	3	45	Shantung	2	15
Kiangsi	1	35	Shansi	2	8
Hupeh	0	15	Fukien	0	55
Hunan	1	9	Kwangtung	1	18
Honan	4	14	Kwangsi	0	17

Although the progress of other sound modern banks has been less spectacular, their tendency towards expansion is alike. There are county towns in China where a decade ago no modern bank was even known by name, while to-day it contains no less than six branches, each belonging to a different bank. Again, only if the importance of the new banking system of China is properly appreciated, can the steps taken in preparation for the currency reform be understood. The most important of these was the acquisition by the Government of a dominating influence over the two largest modern Chinese banks, namely, the Bank of China and the Bank of Communications. Simultaneously, the Government subsidised heavily three or four other modern banks which a few years ago were facing grave difficulties and without such assistance would probably have had to close down. Though in the crisis of the summer of 1935 the native banks were assisted as well, such assistance was far less thoroughgoing and effective than that given to the modern banks. In fact, while China's modern banking system was deliberately steered through the depression without any failure, native banks perished wholesale. It is also true to say that this spread of modern banking throughout China alone made possible the 1935 currency reforms.

The next fundamental point to consider is the way in which the banks have established themselves throughout the countryside. This was not in itself an easy matter. The development of banking came at a time of agricultural depression, and the banker quickly found that land was a doubtful security for a creditor not resident in the village where the land was situated. In fact he soon discovered that the new Civil Code of China was scarcely applicable in the countryside, and that there were wide variations between village and village in the old common law. Finally it was doubtful if a non-resident creditor could secure any bids at a forced sale of land after foreclosure.

To overcome these difficulties the banks quickly learned to make use of the co-operative societies as their instrument. The rapidly spreading so-called co-operative movement in China cannot be properly understood, if this link between the societies and the banks is overlooked. Indeed, most of the foreign experts who were called in by the Chinese Government for advice about matters of co-operative organisation went astray on this point. They were accustomed to stress the idealistic side of co-operative organisation, and to underrate its business importance. The banks left the idealism of co-operative spirit, etc., to the foreign advisers, to Chinese and foreign politicians and journalists, and to the Government. Meanwhile, the banks knew precisely what they wanted. Only by degrees have people in China begun to realise that the new co-operative societies are not a means to fight usury, or to achieve any other aim of social reform. On the contrary they are the means by which China's modern banks are able to extend their financial domination over the countryside. In fact, in certain provinces and counties, bitter competition between the banks could be observed to establish and finance co-operative societies. Conversely, the membership of really poor peasants is of insignificant influence.

This modern Chinese banking system is a very strong factor in the process of unification through which China is passing. It is again the influence of "barbarians" which is helping China along. Granted that the effective and lasting *political* unification of China dates from the days of Chengis Khan, her *economic* unification is the work of the much despised returned student and the much hated foreign financier, who, in involuntary co-operation, imported the idea of foreign branch banking into China and have since seen that idea carried towards realisation at an amazing speed.

The development of the banking structure has been so rapid that throughout the last decade the modern Chinese banks have suffered from a surplus of funds. That explains why so many of them have embarked on the dangerous sea of Shanghai real estate speculation, and also why the Chinese Government, even before it acquired a dominating share-holding interest, could always borrow from the banks. It also explains the vital importance of a balanced budget to the banking system. No Government can borrow indefinitely from its banks without a break, unless it be willing to impair permanently the credit standing of the country. There have been two well-marked periods in Chinese Government finance. These run from 1926-1933 and from 1933-1937. A third period has just begun. During the first period, while the national finances were managed by Dr T. V. Soong, a new revenue organisation was created, and China's public finances were brought near to a balanced budget. By contrast, during the second period, military expenditure, especially for the anti-Communist campaign, the air force, and the building up of a huge fortified district around Nanking, grew by leaps and bounds, and so did the budget deficit. Now, in 1937, repentance is being shown, and definite steps towards a balanced budget were to be taken. Were it not for the outbreak of hostilities with Japan, China's national accounts might at least have been balanced to the point where new borrowings and old debt repayments were equal to each other.

The achievement of this last objective is important, if only because the new Chinese banking system throws a heavy responsibility on the Government. Just as in other countries, Chinese modern banks have grown so big that their risk has become a public risk. No large-scale bank failure was allowed to happen in 1935, although the "man in the street" knew very well which banks were facing a crisis, while notes issued by some of the banks were occasionally refused by shops. From to-day onwards every failure of any of the bigger banks would be considered as indicating the inability of the Government to assist, and the immediate consequence would be a run on all the banks. No Government carrying such a risk can afford an unbalanced budget year after year.

Finally, a new distinction of economic classes is slowly emerging from the spread of modern banking. This is the distinction between those who have a bank account, and those who have not. It is a difference familiar to all the West, but difficult to associate with whatever conception the West has formed from literature and the arts about "unchanging" China.

Financial Notes

Underwriters and War Risks.—Events in Shanghai and the strange activities of mysterious submarines in the Mediterranean have led to a rapid raising of marine war-risk insurance rates for each of these areas. Rates for ships to Chinese ports are unchanged from those mentioned in *The Economist* of August 21 (page 391), but new schedules were issued at the end of last week for goods before shipment from China or for fifteen days after discharge in China. Underwriters, wherever possible, are exercising their right to make new agreements under the "forty-eight hour cancelling clause." Fortunately, since much can happen in two days, the decision last December not to insure for war risks on land, except in the United States and Canada, leaves only policies agreed before then in operation, and these are now few in number. The new rates on journeys through the Mediterranean should make interesting reading in Italy. The limit of the Western Mediterranean area of greatest risk has been moved east from the line running between Marseilles and Tangier to a line roughly from Rome, through Pantellaria, to Tripoli. West of that line rates are four times as high as to the east, but the whole level has been raised and rates double those on ordinary cargo vessels have been imposed on tankers. A further surcharge has been put on vessels calling at French ports on their way to the East. In the light of recent developments, the most startling feature of these changes is their moderation.

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The Foreign Exchanges.—M. Bonnet's speech created a good impression, and the discount on three months' francs has narrowed from Frs. 5 to Frs. 3¼, in spite of the absence of any support by the French Control. The French authorities, however, have had to give some support to the spot rate at Frs. 132⅞, mainly because of rumours that the French Government were not entirely agreed over the proposed railway reforms. Dollars at one time depreciated to $4.99½, but the rate has since come back to $4.98. There are reports of occasional support by the American authorities, but the market has also been helped by the cessation of Japanese selling. As regards the outlook, official American returns show the presence in the United States of $171 millions of "Far Eastern" balances, but the vital question of their distribution between Japanese and Chinese ownership is left unanswered. The Shanghai rate has been firmer, while Hongkong dollars have retained the strength imparted to them by transfers of Chinese funds to Hongkong. Argentina has decided that her exchange position is strong enough to justify the repatriation of her gold previously held under ear-mark in London.

★ ★ ★

The Money Market.—Money has been comfortable this week, partly because of the replenishment of bankers' deposits explained in the following note. There has been a fair afternoon demand for loans from the clearing banks, but there is no longer any suggestion of a reduction in the supply of outside money. The clearing banks have been ready buyers of bills at the rates previously in force, but although the market obtained an allotment of 43 per cent. at last week's tender, they were not ready sellers. This result is better from the market's point of view than some of the recent results, but is still not regarded as entirely satisfactory.

	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–⅝–1*	½–⅝–1*	½–⅝–1*	½–⅝–1*
Others	½–⅝	½–⅝	½–⅝	½–⅝
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	13/32–⅜	13/32–⅜	13/32–⅜	13/32–⅜

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The supply of Treasury bills is increasing, the total of tender issues having risen since July 31st from £543 to £573 millions. This is partly because of the seasonal revenue deficit and partly because of a reduction in the volume of "tap" Treasury bills.

★ ★ ★

The Bank Return.—A further £2.7 millions of notes have returned from circulation, and the reserve has risen now to £339.6 millions. This brings the Proportion back to 25.6 per cent., contrasted with 16.6 per cent. only three weeks ago.

BANK OF ENGLAND

	Aug. 26, 1936	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	244·8	326·4	326·4	326·4	326·4
Note circulation	443·4	503·8	497·9	491·0	488·3
Banking Department :—					
Reserve	62·4	23·6	29·8	36·8	39·6
Public deposits	17·2	9·8	19·0	28·5	25·4
Bankers' deposits	100·9	95·4	93·6	88·5	92·8
Other deposits	37·8	36·9	36·4	36·5	36·0
Government securities	84·8	110·2	111·1	107·1	108·8
Discounts and advances	9·2	6·4	5·9	6·2	4·3
Other securities	17·8	20·1	20·3	21·6	19·6
Proportion	*40·0%*	*16·6%*	*19·9%*	*23·9%*	*25.6%*

Public deposits have fallen this week to £25.4 millions, after having been raised last week to £28.5 millions by the absence on three days of Treasury bill maturities. This contraction is a normal movement, as this week there were maturities on every day except Monday. There is a small reduction in the Bank's earning assets, which offsets the increase in the reserve, but owing to the release of funds from public deposits, bankers' deposits have risen by £4.3 millions.

THE STOCK EXCHANGE

What Is Capital?

SOME fallacies, like old soldiers, never die; they simply fade away and re-appear disconcertingly, like giants refreshed. In the field of investment, informed opinion has lately been coming increasingly to the view that the capital of a business ought to be measured in terms of earning power rather than past expenditure, and that debentures differ from other capital obligations only in having a higher nuisance-value. Yet British industry this year narrowly escaped the levy of the original National Defence Contribution, which was based on a computation of capital at adjusted original costs, from which debentures were expressly excluded. This version of N.D.C. is dead, but lest the fallacy it resurrected should go marching on, it may be well to examine the rights and wrongs of the question: What *is* Capital?

Accountants, who differ on many things, are agreed on two: that capital must be differentiated from revenue; and that for practical purposes it may be sub-divided into working capital which is constantly circulating and being consumed, transformed and renewed; and into fixed capital which is used up much more gradually in the process of earning profits. Cash, trade debtors (less creditors) and stocks of materials *ex natura* call for a current valuation, but assets like buildings, plant, machinery and holdings in subsidiary companies are not meant to be realised while a company remains a going concern. It will be time to value the "Queen Mary" at a break-up figure when she goes to be broken up. But in the meantime, what figure shall we put on her? Shall we enter her at cost, allow, say, a twenty-five year life, and keep back enough of the annual earnings to reduce her book value to nil on her last voyage? If so, we shall finish with exactly the amount of capital with which we began; in technical jargon, we shall have preserved our capital intact.

This method of valuing long-lived but not immortal assets at "cost *less* depreciation" is almost universal. It is objective in conception and convenient in practice. But it has one disadvantage—it does not wholly fit the facts. A trading company is not formed primarily to return its members' subscriptions, like a slate club or an endowment insurance, at the end of a period. Its object is to earn profits and to go on earning them; and the keeping intact of its capital is only incidental to the main revenue-earning process. If an asset ceases to be profit-earning, its capital value is nil, whether it has served two or twenty-two years of its estimated working life; and if accumulated resources are insufficient to replace it, when replacement is necessary, by another asset which *will* earn profits, then by no stretch of imagination can "capital" be said to be "intact."

The position of debenture holders must needs be judged by the same ultimate test of earning power. Though they may apply for a receiver to take possession of the assets when their interest is unpaid, potential ownership of old iron is a right of no particular value. What distinguishes one railway from another is not the steel of which its rails are composed, but the question whether it runs through prosperous country to a busy port, or through bankrupt territory to a derelict terminus. Foreclosure, as a rule, is the penultimate certification of the impairment of true capital value. The real security for debenture holders is their priority over other capitalist risk-takers in the annual share-out of profits. Their foreclosure rights have a value mainly psychological; for the interests in charge of a business, who are normally ordinary shareholders, may be relied on to move heaven and earth before they will allow control to pass into other hands, by failing to earn and pay their debenture service.

It is precisely this distinction between the "physical" and the "earning power" conception of capital which makes exact valuation difficult. Clearly, the worth of an asset is relative and not absolute. If by "goodwill" we mean the likelihood that profits earned in the past will be maintained, reduced or exceeded in the future, then an element of goodwill attaches to all capital valuation. But this goodwill element is clearly of greater moment for fixed assets than for floating assets; for the former are expected to be profit-earning, possibly, for a generation or more, while the latter pass quickly into other hands, and the accuracy or otherwise of their valuation is determined, once and for all, by the "ordeal of the market." Now, the proportion between fixed assets and floating assets and, consequently, the risk of error in any conventional valuation, varies enormously between different companies and different groups of trades. In some industries—notably railways, public utility industries like gas, electricity and water, and the "heavy" steel and engineering trades—fixed assets must, from the nature of things, represent a high proportion of total assets. For example, the United Steel Companies at June 30, 1936, valued its fixed assets (as defined earlier in this article) in its balance sheet at a net figure of £8,566,000, while its surplus liquid assets were only £2,903,000. For Dorman Long and Company, at September 30th last, the figures were respectively £8,603,000 and £1,197,000; and for Stewarts and Lloyds at December 31st they were £10,311,000 and £2,445,000. In many other industries, however, capital is "turned over" more rapidly, and floating capital, consequently, plays a larger part. In the balance sheet of Patons and Baldwins, a wool textile company, at April 30th last, fixed assets were valued at £2,529,000, while the liquid assets were as much as £2,727,000. The Imperial Tobacco Company, on October 31, 1936, showed fixed assets of £26,497,000 (including £9,423,000 for goodwill, etc.), and net liquid assets of £32,037,000. In businesses wholly or mainly engaged in retail trade, floating assets are necessarily large. The banks are an extreme example of a different type of business, which obtains the bulk of its effective working capital not from shareholders but from the deposits of customers. Last December, the Midland Bank's fixed assets—i.e. its buildings, etc.—were valued at only £8,891,000 out of a balance sheet total of £532,712,000. Its shareholders' capital was £14,248,000, but its deposits totalled £479,767,000.

There is yet a different type of enterprise whose capital consists predominantly of skill and reputation. A group of popular newspapers, for example, may or may not own its offices and printing machines; but in either case its crucial asset is the goodwill of its readers. The chief asset of the vendors of other proprietary articles, such as patent foods or medicines, is the willingness of the public to buy their products. The business of E. Griffiths Hughes, Ltd., which manufactures and markets Kruschen Salts and other products, had fixed assets, at March 31st last, of only £142,000 against net liquid assets of £479,000. All merchanting concerns, again, must necessarily have a large proportion of their total capital invested, not in land or buildings, but in stock-in-trade. Even so, their most productive asset, in a business sense, is their knowledge, experience and trade connections.

The conclusions suggested by this review may be briefly expressed. If we set out to measure capital, for fiscal or any other purpose, we may employ various devices, none of which is wholly satisfactory. We may separate short-lived assets and value them at the price they will fetch in the market, because they are destined to be sold there. We cannot value long-lived assets on the same basis, because they are not sold but are gradually exhausted in the process of creating saleable assets. If we value them at the price we originally paid, we may be recording, not their capital worth, but the goodness or badness of our bargain; and if we reduce their subsequent value by amounts based on estimates of their working life, our calculations may turn out wholly wrong. Even the unhonoured draughtsmen of the original National Defence Contribution tacitly recognised that capital which was intangible might nevertheless be real, for they allowed "goodwill" to figure in a capital valuation when someone had transferred it to someone else for a financial consideration. Goodwill in fact, valued or unvalued, is present in capital assets of every kind. Business genius, situation, and opportunity make fixed assets out of bricks, mortar and iron. Even floating assets have a goodwill component, for a piano is worth less to a breeder of horses than to a piano-dealer.

The one trait common to all assets is ability to produce profits. Whenever a transfer of capital rights is made from one party to another, its value is invariably assessed in terms of estimated earning power. This holds good when a new business is being offered to the public; when a fractional part of the ownership of Imperial Chemical Industries is being sold from one shareholder to another through the Stock Exchange; and when the Inland Revenue is not planning N.D.C. but collecting Death Duties. Probable future profits are the determinant of the price paid for ownership of capital. Conversely, when a business has suffered a permanent reduction in its earning power, it very properly forgets what it originally paid for its capital assets, and writes them down to a figure based on their profit-earning potentialities under the new conditions.

It would have been a matter of regret if the State had lent the weight of its influence to the perpetuation of a misleading idea of the nature of business capital. It is not merely that any valuation which omits the intangible factors will bear hardly on companies and trades in which these intangibles are most important. In the past, accountants and business men have deliberately refrained from making any adequate valuation of goodwill when they were drawing up annual accounts, though they have invariably allowed for them when they were selling a business or offering new shares for cash. But this conservative illogicality has, in practice, made for increased liquidity and trade expansion; for goodwill can only be written down, or written out, normally, by withholding earned profits and ploughing them back into a company's business. The object of the capital valuation required under the original N.D.C., however, was not to retain but to remove profits. The upshot would seem to be that the present system of excluding goodwill from "capital" (so long as capital is not being transferred) may be praiseworthy when the owners of a business employ it for their own satisfaction, but it would be largely inequitable if the Treasury were to employ it for the Exchequer's enrichment.

Investment and Company Notes

Cheerfulness Under Difficulties.—In the early part of the week the security markets continued to play the rôle of Sir Despard Murgatroyd, the victim of circumstances. Their attitude towards possibilities in Shanghai and China generally was wholly pessimistic. Though Far Eastern bonds naturally suffered most, home industrial shares and the speculative markets generally were dull and dispirited. The rally which occurred before the close of business on Wednesday may have been due to a belief that Japanese military tactics would quickly remove actual hostilities from the immediate neighbourhood of Shanghai or merely to the hope which, springing eternal, makes every depressed market "oversold," sooner or later. At any rate, Far Eastern bonds finished three to five points higher on Wednesday and the *Financial News* index of home industrials showed a net gain of nearly a point. The week's home railway traffic figures were adjudged unexciting but satisfactory, and the decision of the locomotive men to grumble, but to accept the Tribunal's wages award, removed the fear of strike action at which the Union's earlier *communiqué* had broadly hinted. Most significant of all, the gilt-edged market became perceptibly firm—a phenomenon which may portend an early resumption of the new corporation borrowing which was unwillingly suspended during the holiday period.

* * *

Far Eastern Prospects.—Investors must needs welcome the ability of the market to find bottom fairly quickly after every decline in prices. But the current investment outlook, unfortunately, depends less on "sentiment" than on external circumstance. As we suggest in a leading article on page 415, the decline in home industrial securities may have a wider significance in the light of future prospects for trade as a whole. And so far as the immediate cause of contemporary depression is concerned, it is clear that no early end to Far Eastern troubles can be forecast. Japanese control at Shanghai would bode ill for Chinese Customs revenue, some 70 per cent. of which is normally collected there. The Japanese coastal "blockade" announcements and the decision of well-known British steamship companies to avoid the area of hostilities are anything but cheerful omens for trade with China. In Japan's case, it may be true that about three-fifths of her sterling obligations are Japanese-owned, and that nothing short of a revolutionary change of government would be likely to threaten the willingness and ability of the authorities to make annual oversea payments running only into a few million pounds. But Japan, by all appearances, is embarking on a long adventure, and experience shows that there is no bottom limit to a potential fall in foreign bond prices when no limit exists to a debtor's future commitments. The course of prices for representative Far Eastern securities is shown by the following table:—

	Highest 1935–37 to Aug. 24	Highest 1937 (Jan. 1 to Aug. 24)	July 8, 1937	Aug 12, 1937	Aug 26, 1937	Fall from Highest 1935–37	Fall since July 8, 1937
Chinese Bonds							
Boxer	105⅜	105	105	92	92	13⅜	13
5%, 1912	97½	95⅜	95⅛	80	65½	32	30⅛
Pukow Rly., 1908	78⅜	78⅜	78	59	40	38⅜	38
Nanking Rly.	90¼	90¼	90¼	67	45	45¼	45¼
Japanese Bonds							
5% 1907	86	84½	83⅜	72½	61	25	22⅜
5½% 1930	91½	88⅜	86	75	63½	28	22½
Commercial Securities							
Hong Kong & Shanghai Bank $125	£140¾	£122	£118	£110½	£97	£42¾	£20
Chartered Bank of India, A. & China, £5 fully paid	17	17	15⅝	14⅛	13½	13½	1⅛
British American Tobacco (£1)	6⅛	6⅛	6½	6½	6	⅛	½

That the market was taking, on the whole, a hopeful view of Far Eastern possibilities before the present trouble broke out is clearly suggested by the fact that on July 8th quotations for Chinese and Japanese bonds alike were at or near the highest points of the last few years.

* * *

Wall Street Hangs Back.—Wall Street's depression continues and prices are still drifting downwards in a narrow market. The end of the Congressional session has not brought the relief expected, and market men have a new fear of an emergency session before the end of the year. The last hours of the dead session saw the passage of the Tax Bill, which closely followed the

lines of the Committee's report; but the event had no influence on the markets. The effect on the vast majority of foreign investors in Wall Street will be negligible, since the 10 per cent. withholding tax is to be continued as at present for incomes from American sources up to $21,600. The main object of the Bill seems to be to catch those Americans who had formed personal holding companies and adopted other methods to avoid taxation. The dominant influences in Wall Street at the moment are threefold. The first is dislike of the New Deal, which has been reinforced by the apparent success of the conservatives in Congress in defeating the Supreme Court proposals, and by the President's recent statement that the fight must be continued. The second derives directly from the controls imposed by the Securities and Exchange Commission, and indirectly from the strong dislike of operators for the Commission and its works. The third influence is the war in China and the potential "damage" to American business if the neutrality law is applied.

* * *

With so much to trouble its mind, Wall Street is unable to find comfort from the state of trade, which, according to most reports, is thriving. Farm income is still growing, the total for July being higher than for any July since 1929. The cotton growers are apparently to have their economically unjustified cash dole from the Treasury, and their purchasing power will be substantially increased. The Federal Reserve Banks of Atlanta and Chicago have reduced their discount rates from 2 per cent. to 1½ per cent.—an action whose significance is symbolic rather than practical. But the dourness of Wall Street is shown by the thorough way in which it ignores such symptoms and seizes rather on the estimate of *Iron Age* that orders in the steel industry are not coming forward quite so rapidly as had been hoped. And as yet there is no sign of any change in the market's mood.

* * *

Radio Share Prospects.—The blaze of publicity which surrounds the annual Wireless Exhibition at Olympia usually has only a faint reflection in the market for Radio shares. This year, for a number of reasons (which are discussed in a Note of the Week on page 420), investment interest is definitely subnormal. The trade is obviously trying to achieve some measure of stability, external and internal, after suffering, in large measure, the growing-pains of a new industry. The goal, however, is not yet in sight and in the meantime the choice of the ordinary investor without specialised sources of information naturally tends to fall on those companies which have shown some success in negotiating their difficulties in the past. *Electric and Musical Industries* falls into this class; in certain respects, indeed, it stands alone. Radical changes have been effected, more than once in the past, in the nature of the company's principal product, but each time a substantial interest has been maintained in the superseded products. But while E.M.I. is the largest concern in the industry, it has never left far behind its younger, and sometimes more vigorous, rivals. In television the company now holds the leading place, and if television is eventually to become a sound, paying proposition E.M.I. may be expected to obtain its fair share of the resulting profits. The recently inaugurated household appliance business is doing well, and the revival of demand for gramophone records (most marked in the United States) should be an important source of additional revenue. Moreover, the company is reputed to have a small—but potentially large—armament interest which is at once an added attraction and a certain safeguard. At current prices E.M.I. 10s. ordinary shares offer a yield of 4½ per cent., which is about half the average rate for the radio group.

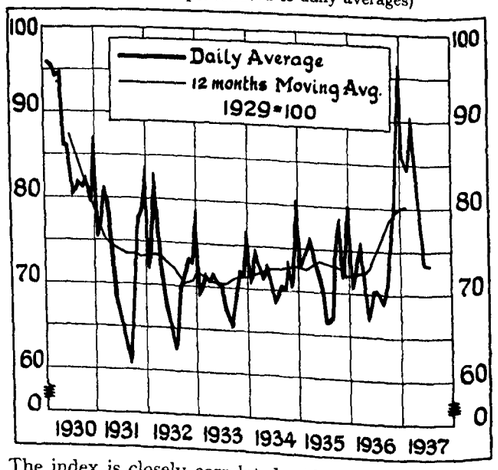
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The shares of the other wireless set manufacturers are rather more speculative. Despite, or perhaps because of, their high yields of 8 and 9 per cent., most of them are unsuitable for the investor who is not prepared to watch developments closely. *Pye*, which now has a fairly long and successful history, may be expected to maintain earnings in the immediate future. There appears to be some justification for the view that the recent fall in the shares of *E. K. Cole* has been overdone. The company is energetically developing the bakelite side of the business, which may help to compensate for fluctuations in radio profits. For the more adventurous investor there are the newer concerns, such as *Philco*, which as a public company has made a promising start. But, taken by and large, the long-term investment outlook for the radio set manufacturing industry is as obscure to-day as ever in the past.

* * *

Cable and Wireless Recovery.—When Cable and Wireless (Holding) reorganised its capital and started a new chapter in its eventful story, the future began to appear brighter than at any time since the world slump first played havoc with all conceptions of "standard revenue." The excellent traffic receipts of the early months of 1937 encouraged the market's tendency to adopt the view that the directors' suggestion of a 4 per cent. ordinary dividend was over-conservative; but in May, Mr Denison-Pender pricked the incipient bubble by foreshadowing the need for larger appropriations from revenue for special purposes. What, in fact, is the trend of current revenues? The answer is given by the attached chart, which shows movements in comparable traffic receipts for each month since 1930 (the actual figures are set out in detail on page 451), and has a supplementary twelve months' moving average:—

CABLE AND WIRELESS—TRAFFIC INDEX NUMBERS
(Monthly receipts reduced to daily averages)



The index is closely correlated with the trend of international trade. Recovery began at about the same time as general trade improvement, but proceeded only at a very slow pace until the latter part of 1936, since when it has made up in vigour what it lacked in speed. The average index for January-July, 1937, is 81.3, which is the best since 1930, and is 10 points above the corresponding average in 1936. Assuming in 1937 the same proportion between the yearly average and the January-July average as existed in 1936, the index for the year would be about 84½. Though that figure is somewhat below the 87.8 canvassed in our article in *The Economist* of June 5th last (page 574), we have no reason to revise the estimate given on that occasion of earnings of about 9 per cent. on the new ordinary stock, before allowing for the incalculable factor of special provisions.

* * *

The official estimate of a 4 per cent. distribution seems almost certain to be a minimum figure, though the actual percentage will be more than usually dependent on policy. Meanwhile, the directors have proceeded to carry out their declared intentions. Earnings arrears having been replaced by the issue of funded income stock under the scheme, interim distributions on the preference stock are being resumed, for the first time since 1931, with a half-yearly payment to September 1st of 2¾ per cent. A similar rate is to be paid by Marconi's Wireless Telegraph Company, who distributed 7 per cent. for the year 1936, but have not made any interim payment since 1928. It has been decided not to fill the vacancy on the board of Cable and Wireless (Holding) caused by the death of the Marchese Marconi, and a resolution has been passed limiting the size of the board to a membership of 15, with a minimum of 8. Clearly, the great undertaking is progressively setting its house in order, and, with the growth of world trade, its immediate prospects are brighter than at any time since the great depression.

* * *

Triplex Safety Glass Report.—Since the announcement of the dividend the market has marked down the 10s. shares of Triplex Safety Glass by 3s. 3d. to 67s. 3d. The full report does not provide any new source of encouragement to stockholders, although it reveals a position in every way sound and progressive. The trading profit has increased from £162,541 to £250,820, the 35 per cent. dividend absorbing almost the whole of the increased earnings. The balance sheet reveals no significant change apart from an increase from £47,803 to £462,983 in the holding of investments—a change balanced, *per contra*, by the increase of capital. It would appear that the company has found some difficulty, so far, in employing the new funds which it has obtained. The following table shows the changes in the profit and loss account:—

	Years to June'30 1935	1936	1937
	£	£	£
Trading profit	126,692	162,541	250,820
Other income	5,217	14,792	11,770
Total income	131,909	177,333	262,590
Fees	850	1,350	1,500
Depreciation, obsolescence	20,578	30,020	26,001
Taxation	25,000	40,000	75,500
Employees' profit sharing	...	12,763	21,802
Ordinary shares:—			
Earned Amount	*85,481*	*93,200*	*137,787*
Earned Per cent.	*55·1*	*61·1*	*36·7**
Paid Amount	46,500	91,500	131,250
Paid Per cent.	30	60	35*
To reserve	50,000	...	...
Carried forward	3,335†	6,163†	12,343†

* Capital increased from £200,000 to £500,000. † After taking profit on sale of investments of £1,023 in 1935 and £1,128 in 1936 and a loss of £357 in 1937.

The company's high prosperity is not wholly accounted for by the increase in motor output. To fluctuations in the demand for motor cars, of course, the sales of safety glass must be highly sensitive. But much of the spectacular profit increase of the last five years is due to the substitution of safety glass for ordinary glass, a substitution now partially enforced by statute. In 1936-37 the company derived a large part of its profits from the compulsory fitting of safety-glass windscreens to pre-1932 cars. Factors like this, however, are non-recurring. In future, the company's progress may depend more directly upon the trend of motor sales than in the immediate past—and that trend is not, at the moment, wholly certain.

* * *

Platt Brothers Scheme.—At the last meeting of Platt Brothers and Company (Holdings), Ltd., Sir Walter Preston promised shareholders a capital reorganisation scheme. Its terms have now been published, and seem likely to encounter keen criticism from preference shareholders. The scheme is designed to eliminate seven years' arrears of second preference dividend and (somewhat unnecessarily) to simplify the capital structure. At present the company has a capital of £3,710,160, composed of £1,236,720 of 4½ per cent. first preference shares, some £618,360 of 7 per cent. second preference shares, and £1,855,080 ordinary shares. The scheme consolidates the two preference issues into one 5 per cent. issue of equal amount. Thus the first preference shareholders gain ½ per cent. in dividend at the cost of some dilution of their priority rights, and the second preference shareholders lose 2 per cent. income but gain priority. In the last decade, the company has only three times earned enough to cover the new combined preference dividend. Unless prospects now are very much improved, therefore, the first preference shareholders are, in effect, being asked to sacrifice part of their security for the benefit of the second preference shareholders. If prospects are permanently improved, then the sacrifice of dividend on the second preference shares is disproportionately large. Indeed, only the ordinary shareholders have cause for undiluted satisfaction. Gross preferential dividends will be reduced by £6,183, while arrears of second preference dividend, totalling £302,996, are to be cancelled in exchange for the surrender of 10 per cent. of the equity to the second preference shareholders. The equity-for-arrears principle is sound in itself, but the ceded share appears to be wholly insufficient consideration for the sacrifice. Actually, the second preference holder will be worse off for *future* dividends, than before, if earnings fall below £217,000—a level which has not been approached since 1927. The Board's statement that, if the scheme is adopted, the company will be able next May to pay a small ordinary dividend, unintentionally emphasises the main objection to the scheme—that preferential shareholders are being asked to make substantial sacrifices merely to benefit ordinary shareholders.

* * *

A Russian Loan Repayment.—Some investors in pre-Soviet Russian loans are, it appears, to have their patience rewarded. Providence has appropriately favoured first those who still hold certificates of the £1,000,000 Holy Synod of the Empire of Russia 7 per cent. sterling Loan. This loan was issued with

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the guarantee of the Russo-Asiatic Bank, in 1916, to enable the Synod to replenish its stores of candles which had been depleted by the damming of the flow of German wax. Sometime at the end of 1917—the precise date is unknown—both the service of the loan and the Russian headquarters of the guarantors ceased to exist, the surviving branch of the Bank in Hongkong being regrettably unable to meet its obligations. Now, however, it has gone into liquidation and Messrs. Glyn, Mills and Co., as vigilant guardians of the stockholders' rights, have recovered the sum of £20,535. From this they are taking the modest sum of £532 to cover their expenses in the matter over the last twenty-one years. From the balance, 2½ per cent. is to be paid to stockholders as a capital distribution, and a sum of £54 19s. 1d. will be carried forward for contingencies. Thus has bread—or wax—cast upon the waters returned 6d. in the pound after many days.

* * *

William Baird's Progress.—The latest earnings of this iron and coal undertaking show an improvement of nearly 40 per cent. The interests of the undertaking within the sphere of the heavy industries are varied. They include, besides coal and coke, pig iron, cement and certain by-products; but the general improvement has produced something much more than the stability which Mr R. L. Angus a year ago hoped in the long run for a business with varied products and a relatively small dependence on export markets. The increase in profits of over £12,000 has, as we show in the following table, been conservatively employed.

	Years ended May 31		
	1935	1936	1937
	£	£	£
Trading profits	308,612†	310,480‡	432,734‡
Depreciation	40,375	40,300	65,000
Tax and property provisions...	40,500	65,000	110,000
Interest fees, etc.	53,469	45,650	39,646*
Ordinary stock :—§			
Earned	*174,268*	*159,530*	*218,088*
Paid	138,207	141,644	181,815
Earned %	*7·6*	*11·3*	*15·6*
Paid %	6	10	13
Carry forward.....	71,015	88,901	125,174*

† After adjustment for tax. ‡ After contingencies. * Before charging fees. § Ordinary capital £2,972,000 in 1934–35, and £1,857,625 thereafter.

Depreciation provision has been generously increased by over 60 per cent. and provision for tax (including N.D.C.) in a still greater proportion. Despite the 3 per cent. addition to the dividend, the margin of earnings over payments is doubled. As in previous years no allocation is made to general reserve from revenue, but the carry forward receives a substantial addition, and now exceeds 6 per cent. on the share capital. The balance sheet, shows only minor changes.

* * *

Braithwaite and Company.—The accounts for the year ended March 31st last of this constructional engineering and bridge-building company provide evidence of the spread of prosperity to firms which did not do particularly well in the earlier years of trade recovery. In 1934-35 profits were £5,026, they then rose to £27,328, and for the latest year have jumped to £44,103. Last year nothing was put to depreciation, since shares in a subsidiary were written down from reserves, but this year £7,325 has been allocated. Tax interest and fees reduce the remainder to £26,573. Out of this the directors propose to pay one year's preference dividend, gross, amounting to £8,437. This raises the carry-forward to £24,186, a sum nearly sufficient to pay off the three years of arrears on the preference shares, dating from 1934-37. But the company is in an apparently illiquid position, with debts to bankers and sundry creditors of over £250,000, against floating assets of £324,000; and the decision to conserve its cash is doubtless well-advised. The directors report that the order book is in a more prosperous condition than for some years, and provided the company does not suffer too much from the shortage of steel, the next accounts should show further progress.

* * *

Port of London Finances.—Except during two years of depression there has since the war been a steady increase in the net tonnage of vessels using London docks. The Port Authority meanwhile has continued to raise the quality as well as the quantity of its service. In addition to structural improvements, progress has been made with electrification in recent years, and work has now been put in hand in connection with a development scheme to be divided into six stages and costing in all £12 millions. Unused borrowing powers do not much exceed £4 millions, so, as announced last March, authority is to be sought for an increase in the present permitted total of stocks of £45 millions. The latest accounts reflect this policy of improving dock facilities generally, for in the past financial year capital expenditure was £339,116 against £288,558, and issues from the maintenance and renewal fund were £162,796, or more than double those for the previous year. The amount available (after all other expenses and redemption funds) for allocations to the maintenance fund and general reserve fell, however, from £206,166 to £99,385, and £100,000 was provided for these reserves, against £200,000. Although total revenue rose from £5,668,279 to £5,786,938, expenses increased in a greater proportion, so that net revenue of £1,533,726 represented a decline of £52,000, added to which income tax required a further £46,000. General activity in the docks is substantially more concerned with imports than with exports, but it is significant that between the latest year and 1932-33 (the worst period for the Authority) the tonnage of import goods handled increased by 15 per cent., and that of export goods by nearly one-half.

* * *

Company Results of the Week and Meeting.—For the summer season, the week has produced a good number of interesting results, and our usual analysis of profit and loss accounts on page 451 comprises some sixteen further companies. The market responded well to the *Staveley Coal and Iron* dividend announcement of tax-free payments of a 7 per cent. final dividend plus a 2½ per cent. bonus, making 12½ per cent. for the year against 9 per cent. free of tax. *Sheepbridge Coal and Iron* had previously declared an annual dividend at the same rate (10 per cent.) as before, but tax free instead of less tax. *Brightside Foundry* profits of £69,502 are almost doubled; in addition to the increase in dividend from 15 per cent. to 22½ per cent., a 50 per cent. capital bonus is payable. *Lochgelly Iron and Coal* earnings of £59,089 are £3,500 higher, but although higher prices were realised, costs of production are rising also, and the results have been adversely affected by strikes. Among companies who are newcomers, *Trojan (Holdings)* have earned £19,589 in their first fifteen-month period, but refer to difficulties in getting delivery of new plant, etc. Trading profit of *Austin Veneer and Panel* was £23,742 for the year (comparing with £15,403). Among the larger miscellaneous companies, *Carter and Company* are increasing their dividend from 15 per cent. to 20 per cent., and *Meccano, Limited*, from 2½ per cent. to 7 per cent., tax free. Net profits of the latter company are £33,668, against £27,684, but gross trading profit was some £9,500 lower. The week's important dividend announcements include the repetition by *Pinchin Johnson* of a 7½ per cent. interim, payable on a capital increased by a 1 in 10 bonus. *Debenhams* announce net profits of £580,754 against £558,263, and a dividend of 20⅝ against 16⅝ per cent. *Initial Services* have made record profits of £277,693 (a rise of £32,217) and again pay 25 per cent.; it is proposed to issue new shares to members on bonus terms (at par) in the ratio of one for five held. The expectation of growing business in electrical goods other than lamps was discussed by Mr John Ismay at the second annual meeting of *Ismay Industries*.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: SEPTEMBER 7 ACCOUNT: SEPTEMBER 9

It is holiday time in the markets, but a holiday severely disturbed by calamities in the Far East and the growing tension in Europe. The City has been none too sure of the economic outlook for many weeks now, and this fresh dose of uncertainty, added to the customary inertia of August, brought business to a very low ebb. Conditions only brightened up in mid-week when the first alarms had moderated and a series of good reports and traffics gave grounds for greater, though still very restrained, optimism.

Gilt-edged have been a pleasant contrast to the foreign bond market. The turnover has not been great, but the trend of prices under the influence of a plentiful supply of money has been satisfactory. A general rise in irredeemable stocks on Tuesday spread on Wednesday to the whole range with rises of the order of ⅛ or ¼. The new Essex scrip was restored to par, but on Thursday the trend was again easier.

The sudden collapse of Chinese and Japanese issues and their equally sudden rally which started on Tuesday are discussed in a note on p. 437. But these were not the only foreign bonds in the doldrums. The dispute with Czechoslovakia reacted unfavourably on Portuguese securities, and General Metaxas' appeal for sacrifices in the cause of armaments was badly received by investors in Greece. Both the Dawes and the Young Loans have fallen without interruption on a gloomy interpretation of the business outlook in Germany. On the other hand, M. Bonnet's speeches have left French issues very much firmer than before. Brazilians were depressed.

Home rails on a balance of forces—poor traffics and the union's acceptance, grudging as it was, of the wage award—have tended to decline. Prior charges and London Transport issues were weak at one moment, but they too joined in the mid-week rally. Among foreign rails, reports of much-needed rain caused Argentine issues to recover some earlier losses. American issues have closely followed movements in Wall Street, but in general little interest has been shown.

Industrial shares have sagged most of the week, principally under the influence of the war in China; in mid-week there was a day of improvement, but later prices turned downward again. The iron and steel group were prominent in the temporary revival, and Whitehead were consistently firm throughout. Staveley Coal and Iron shares also gained on the increased dividend distribution. The motor group were irregular, but Standard were in demand on a record order from Australia, and Morris benefited from the introduction of the new models. The Aircraft section was ignored. Electrical equipment shares were an irregular market, with a strengthening of tone in mid-week.

The stores group was neglected, but catering issues were somewhat firmer with Unilever in good demand. J. and P. Coats were supported in an inactive textile market, and the rayon group were better in mid-week, on prospects of increased rayon prices. Most of the time banking shares found an indifferent market, with individual issues affected by the China war. The shipping group were steady at first, but sagged on the warning of the Chairman of the P. and O. on rising costs. Conditions in the miscellaneous industrials section followed the general trend, without any outstanding features.

The oil market was quiet, with prices satisfactorily maintained. Interest naturally centred round Mexican Eagles, though nothing new of sufficient and definite importance emerged to alter the general trend of quotations. Early in the week, a favourable influence was the granting of two drilling licences by the Mexican Government. Prices sagged on profit-taking, but became firmer on the report that the Governments of interested companies would make representations to Mexico. Demand for the leaders, particularly Burmah Oil and Anglo-Iranian, was well sustained, and in common with other sections prices improved in mid-week. Rubber shares were quiet and uninteresting, and were only slightly affected by Wednesday's surprise rally. There was no selling pressure, holders having little inducement to realise at present levels, but buyers were so scarce that prices were unduly sensitive to the smallest degree of selling. Recovery in the tea shares market continued. The new account began briskly, and stimulated by the satisfactory auction prices, activity was at a greater level than for some months, being restricted only by occasional shortage of supplies. Ceylon issues were neglected, the market being far more interested in Indians.

Without any definite news to show which way to jump, and continuing to be faced with a bewildering assortment of international troubles, the mining market was particularly quiet. A certain amount of interest shown early in the week in West Rand issues (chiefly as a result of the favourable West Wits. borehole report) hardly served to lend colour to a drab Kaffir market. Otherwise, gold shares and base metals were alike neglected, though Rhodesian copper issues were firm. The next session was, if anything, worse, even the sporadic good features of Monday no longer being apparent. In common with other markets, a noticeably more cheerful tendency emerged on Wednesday, although it was more a question of sentiment than actual activity. Firmer prices all round were accompanied by a display of interest in diamond shares, and a renewed demand for Rhodesian copper issues.

"FINANCIAL NEWS" MARKET INDICATORS

	Aug. 19	Aug. 20	Aug. 23	Aug. 24	Aug. 25	Aug. 26
Approximate total of bargains recorded in S.E. List	6,265	7,530	7,225	6,230	6,235	5,900
Corresponding day 1936	*8,258*	*8,489*	*9,647*	*7,903*	*8,470*	*8,347*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100).....	113·0	112·7	112·0	112·0	112·8	112·7
Index of 20 Fixed Interest Securities (1928=100).....	126·7	126·8	126·7	126·6	126·6	126·6

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

ACTUARIES' INVESTMENT INDEX

This price index of 177 industrial ordinary shares stood on Tuesday last at 83·5, compared with 83·8 a week ago and 83·0 a month ago. The corresponding percentage yields are 4·37, 4·34 and 4·37. A selection of the separate indices follows :—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Month ago (July 27, 1937)	Week ago (Aug. 17, 1937)	This week (Aug. 24, 1937)	Month ago (July 27, 1937)	Week ago (Aug. 17, 1937)	This week (Aug. 24, 1937)
Building materials (5).....	91·2	91·0	88·9	5·93	5·95	6·10
Coal (7)	119·7	123·0	125·9	3·78	3·67	3·68
Iron and steel (12)	75·7	78·6	77·2	5·04	4·90	4·99
Motors (5)	49·1	53·2	51·8	4·97	4·59	4·71
Home rails (4)	83·7	79·4	78·5	2·60	2·83	2·85
Stores and catering (17).....	74·6	74·9	75·7	3·89	3·89	3·85
Breweries and distilleries (21)	145·2	146·4	145·4	4·40	4·30	4·32

NEW YORK STOCK EXCHANGE

Prices have moved irregularly downward this week, under the depressing influence of Wall Street's own fears of Washington, which continue unabated by the closing of the session of Congress. Criticism of the regulations of the SEC are outspoken and further cause for caution, if not gloom, is found in the war in China. Added to these troubles, the market still holds to its belief that business activity will not be maintained through the autumn. Monday saw a sharp downturn after a slight recovery toward the end of the previous

(*Continued on page* 444)

OLD GOWRIE
TOBACCO
"For almost a century skilled craftsmen have been tending, maturing and blending tobaccos for Rattray's in Perth; their Virginian blends—Old Gowrie and Hal o' the Wynd—are known the World over for their fineness—their unique flavour. Rattray's tobaccos continue to be blended by hand by skilled craftsmen who love and understand their art."
Price: 20/8 per lb., post paid. Send 5/2 for sample.
¼ lb. tin, post free. Export: 22/8 per 2 lbs., plus post.
Chas. Rattray
PERTH, SCOTLAND
Rattray's Hal o' the Wynd Tobacco is the full-bodied strength of Old Gowrie.

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to Aug. 25, inclusive Highest	Lowest	Name of Security	Price, Aug. 18, 1937	Price, Aug. 25, 1937	Rise or Fall	Yield Aug. 25, 1937 £ s. d.
				British Funds				
87¼	82⅝	84 11/16	73¾	Consols 2½%	74¼	74¼	...	3 7 6
116½	112⅝	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	107½	...	3 9 6
102 7/16	100	101 1/16	94⅞	Conversn. 2½% 1944-49	95½	95½	...	3 0 6
105⅞	103 1/16	103 1/16	97⅛	Do. 3%, 1948-53	98¼	98½	+¼	3 2 0
108 5/16	104⅝	106 11/16	99¼	Do. 3½% after 1961	100½	101	+½	3 11 0
111 11/16	107	108	105	Do. 4½% 1940-44	106⅛	106⅛	...	2 11 3
121⅛	116½	117½	111 13/16	Do. 5% 1944-64	113	113⅛	+⅛	3 1 0
95 13/16	92⅛	92½	84⅞	Funding 2¾% 1956-61	87	87¼	+¼	3 6 0
...	...	93¾	89⅞	Funding 2½% 1952-57	92½	92½	...	3 6 0
104¼	101	101⅝	92⅞	Funding 3% 1959-69	94¾	95	+¼	3 6 0
119½	115¾	116⅝	109	Funding 4% 1960-90	110½	110½	...	3 7 9
...	...	96 13/32	96 7/16	Nat Defce 2½% 1944-48	...	96½	...	2 18 7
117 5/16	113⅞	114¾	107¼	Victory Bonds 4%	109¼	107¼x	...	3 14 7
108 5/16	104¼	105 13/16	99⅝	War Ln 3½% after 1952	100⅛	100½	+⅜	3 10 0
98⅛	94⅝	96 13/16	85	Local Loans 3%	85½	85½	...	3 10 6
103½	101½	101¾	99½	Austria 3% 1933-53	100	100	...	3 0 6
76⅛	70⅝	72	62	India 2½%	67	67	...	3 15 0
89⅛	83¼	85¼	74⅝	Do. 3%	78	78	...	3 17 3
100	96	98¾	87	Do. 3½%	92	92	...	3 16 6
120⅝	116	119½	112¼	Do. 4½% 1958-68	115	115	...	3 10 6
107	104	105¾	103½	U.K. & Arg. 4%A (1947)	103½	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅝	109½	109⅞	105	Australia 5% 1945-75	108	108	...	3 18 0
106½	102¼	104½	101	Canada 4% 1940-60	104	104	...	2 19 0
118⅝	114	116½	112⅜	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117¼	114	Nigeria 5% 1950-60	115	115	...	3 11 0
114½	108	109¾	104	N. Zealand 5% 1946	107	108	+1	3 18 6
109⅞	106⅝	107⅞	104	Queensland 5% 1940-60	105	105	...	3 13 6
117⅛	113¾	114	110½	S. Africa 5% 1945-75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	102	102	...	4 8 9
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
93	82	90	84½	Do. 4½% 1934-59	89	89	...	5 9 0
72¼	71½	73	68⅝	B. Aires (Prov.) 3½%	73	73	...	4 16 3
97¾	95¼	102	96	Belgian 4% red. by 1970	101	101	...	4 0 0
27¼	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
83¾	65½	89	78¼	Brazil 5% Fund. 1914	80½	79	−1½	6 6 7
23¼	16	28	23¼	Chili 6% (1929)	25½	25½	...	2 7 6r
84¼	66	94½	64½	China 5% (1912)	70½	65½	−5	7 12 8
95¼	80	101⅝	76	Do. 5% (1913)	83½	78½	−5	6 7 5
112	95¼	106¾	103¼	Czechoslovakia 8%	105½	105½	...	7 14 6
110	98	100	92¼	Danish 3%	96	96	...	3 2 9
70	57	72¾	51½	Danzig 6½% (g) (1952)	61	57½	−3½	10 3 0
106¼	102	105½	101	Egypt Unified 4%	103	103	...	3 18 3
25¼	17½	18	13½	French 4% (British)	14	14	...	5 9 0e
69¾	53	65	53	German 7% Dawes Ln.	63½	62½	−1	11 4 0
46	34	49½	35	Do. 5½% (Young Ln.)	44½	43	−1½	12 15 3
40	29	40¾	30	Greek 6% Stab. Ln.	35½	35½	...	6 16 0w
45¼	35¼	48½	38	Do. 7% Refugee	43½	43½	...	6 11 0w
52	39¼	62	47½	Hungary 7½%	59½	58½	−1	6 8 2h
90¼	79¼	88⅝	58⅞	Japanese 5½% 1936-65	66½	61½	−5	8 14 0
97½	83	94⅝	57½	Do. 6% (1924) red 1959	73½	62½	−11	10 10 0
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53½	41	61	54	Peru 7½% 1922	62½	60	−2½	...
93½	60	83	56	Poland 7%	67½	67½	...	10 13 0
15⅛	8¾	20½	13	Roumania 4% Con. 1922	18	17½	−½	10 5 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	113½	114	+½	4 6 0
92½	79	96	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932-57	24	25	+1	...
119½	116	118	111	B'mgham 5% 1946-56	114	114	...	3 6 9
120	117	119	113	Bristol 5% 1948-58	113x	113	...	3 11 0
84	64	82	64	Danzig % (i) (1950)	71	71	...	9 4 0
121½	117½	119½	115	E. London 5% 1960-70	116½	116½	...	3 18 6
97½	93½	95¼	82⅞	L.C.C. 3%	83½	83	−½	3 12 3
106½	85½	103½	97½	Seine (Dpt of) 4½% 1952	99	99½	+½	4 12 6

Prices, Year 1937 Jan. 1 to Aug. 25, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 18, 1937	Price, Aug. 25, 1937	Rise or Fall	Yield Aug. 25, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950-70	113	113	...	3 14 3
				London Passenger Transport Board—				
123¾	110¼	2¼	2¼	4½% "A" 1985-2023	114½	114½	...	3 17 3
135	121½	2½	2½	5% "A" 1985-2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 9
99¾	77	2½(b)	1½(a)	"C" 1956 or after	82	82	...	4 17 7
99¼	86	1½	1½	Met. Wat. Bd. "B" 3%	87	87	...	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 8 6
				British Railways				
67⅝	55¾	2¾(b)	½(a)	G. Western Ord. Stk.	64x	63	−1	5 3 2
6¼	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5	5	...	Nil
12¼	9	Nil	Nil	Do. 5% Pref. Ord.	10	10	...	Nil
100¾	89⅝	5(c)	1½(a)	Do. 5% Pref. 1955	98x	98	...	5 2 3
31½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	29	29	...	1 14 6
79¼	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	72½x	72	−½	5 11 1
36¼	27¼	Nil (c)	1½(c)	L.M.S. Ord. Stk.	32	32	...	3 18 3
82¾	71	4(c)	4(c)	4% Pref. Stk. 1923	76½x	76	−½	5 5 3
92¼	80	2(a)	2(b)	4% Pref. Stk.	82½x	82	−½	4 17 7
27¾	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	23	23	...	2 3 3
98¼	87½	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	92½x	92½	...	5 8 3
125¾	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	113½	113½	...	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	20	...	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	11	11	...	Nil
35¾	24	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	24	24½	+½	Nil
31¾	20	Nil	Nil	B.A. Western Ord. Stk.	21	21½	+½	Nil
34¼	22½	Nil	Nil	C. Argentine Ord. Stk.	24	24	...	Nil
6¼	4	Nil	Nil	C. Uruguay Monte V.	5½	5	−½	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	12	11½	−½	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33½	2(c)	2(c)	Costa Rica Ord. Stk.	34	34	...	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	85	†2(a)	†3(b)	San Paulo Ord. Stk.	87½	86½	−1	5 15 7†
28/9	19/4½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 3/16	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to Aug. 25, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 18, 1937	Price, Aug. 25, 1937	Rise or Fall	Yield Aug. 25, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 6e
376	334½	6(a)	6(b)	Bank of England Stk.	339½	339½	...	3 10 9
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	76/-	75/6	−6d	3 14 0
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/-	44/-	...	2 12 3
10⅜	9 1/16	3½(a)	4½(b)	Bk. of Australasia (£5)	9½	9½	...	4 6 6
£49½	£44½	8(c)	8(c)	Bk. of Montreal ($100)	£45x	£44½	−½	3 12 6e
29¾	26½	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27½x	26½	−¾	3 2 6e
101/-	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	13½	7(a)	7(b)	Chtd. of India (£5)	13½	13½	...	5 3 9
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9	13/9	...	3 16 6e
94/-	82/1½	16⅜(b)	16⅜(a)	District A £5, £1 pd.	83/9	83/9	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	92/6	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10¾	18(c)	18(c)	Hambros £10, £2½ paid	10¾	10¾	...	4 3 9
121¾	96	£3(b)	£2½(a)	Hong. and S. ($125)	£100	£98	−£2	5 12 3
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/-	61/-	...	3 18 9
10 1/32	8¾	7(b)	7(a)	Martins £20, £2½ pd.	8⅞	8¾	−⅛	4 0 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	88/-	87/6	−6d	3 13 0
44½	39	11(b)	4(a)	Nat. of Egypt £10	40	40	...	3 15 0
47⅜	39	9(a)	9(b)	Nat. of India £25, £12½ pd	40	41	+1	5 8 6
16½	14 1/16	7½(b)	7½(a)	Nat. Prov. £20, £4 pd.	14½	14½	...	4 2 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	462	465	+3	3 13 0
16½	14 3/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15⅜	15¼	−⅛	4 10 6
101/4½	89/3	9(b)	9(a)	Westminster £4, £1 pd.	90/6	90/-	−6d	4 0 0
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/-	65/-	...	5 7 9
6⅜	5½	5(b)	5(a)	National A £2½ fully pd.	6	6	...	4 3 3
16 5/16	12 13/16	17(b)	9(a)	" B £7½, £2½ pd.	13¼	13¼	...	4 18 0
54/9	44/3	6¼(b)	3¾(a)	Union £1 of stock	45/-	45/-	...	4 9 0
				Insurance				
32	26¼	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15 13/16	13¾	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	14¼	14	−¼	2 17 6†
10 13/16	9½	20(a)	20(b)	Com. Un. £1, fully pd.	10⅝	10¼	−¼	3 19 0
6 3/16	5	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5¼	5⅛	−⅛	3 5 0
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	31	30¼	−¾	3 5 7
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd	12¼	12	−¼	2 13 0
21½	18¾	35(a)	40(b)	Northern £10, £1 pd.	20½	20½	...	3 13 2
22¼	19	†26¼(b)	†25(a)	Pearl (£1), fully paid	19⅞x	19½	−¼	2 12 6†
16 13/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16	16	...	3 15 0
37⅝	32½	†95½(c)	†25(a)	Prudential £1 A	33¼	32¾x	−½	2 18 0†
114/-	103/9	†43½(c)	†50(c)	Do. £1, with 4s. paid	105/-	106/3	+1/3	1 17 0†
11 7/16	9 7/16	11(a)	19(b)	Royal Exchange (£1)	10⅝	10⅝	...	2 18 0
9⅞	8⅜	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8¾	8⅝	−⅛	3 15 0
19¼	16⅛	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	17	17	...	3 16 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	87/6	87/6	...	3 1 0
8⅞	7⅛	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7¾	7¾	...	2 6 6†
21	18¼	†17½(a)	†30(b)	Yorkshire £1, fully pd.	18½	18½	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	6/3	6/3	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	13/9	13/9	...	2 14 6
258	233	6(b)	4(a)	Debenture Corp. Stk.	233½	235½	+2	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145½	145½	...	4 9 6
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	269	269	...	4 1 10
336	282	5(a)	8(b)	Invest. Trust Def.	289	292	+3	4 9 0
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	275	275	...	4 3 6
181½	167	4½(b)	3(a)	Merchants Trust Ord.	170½x	167½	−3	4 9 7
302	280	7(b)	5(a)	Metropolitan Trust	285	280	−5	4 5 9
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 18 6
252½	230	2½(a)	7(b)	Scottish Mortgage, etc.	240½	235	−5½	4 0 10
255½	229	3(a)	7(b)	Trustees Corp. Ord.	233½	233½	...	4 5 6
253	222	7(b)	4(a)	United States Debenture	225½	225½	...	4 17 7
				Financial Trusts, &c.				
18/-	14/9	2½(c)	2½(c)	Argentine Land, etc. 10/-	15/6	15/6	...	1 2 6
37	28	Nil	Nil	Australian Estates, etc.	31½	30½	−1	Nil
45/-	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/- fy. pd	36/6	35/3	−1/3	4 5 0
37/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	36/3	36/3	...	5 10 3
19/6	17/7½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	38/3	†2½(a)	†8¾(b)	Daily Mail & General £1	38/9	38/9	...	5 16 3†
9¾	8	†3½(b)	3¾(a)	Dalgety £20 £5 pd.	8½	8½	...	5 14 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	28/-	28/-	...	6 1 4
42/7½	33/6	Nil	Nil	Hudson's Bay Co. £1	35/6	34/-	−1/6	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	9½	Nil	Nil	Peruvian Corp. Pref.Stk.	10	10	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/-	22/-	...	6 16 6
57/6	43/6	8(c)	10(c)	Sudan Plantations £1	45/-	43/9	−1/3	4 11 5
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	91/-	91/-	...	2 15 0k
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/6	33/6	...	4 15 9
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	138/6	138/-	−6d	3 9 9†
95/6	83/6	14(b)	6(a)	Benskins Watford £1	95/6	95/-	−6d	4 4 6
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	73/6	73/6	...	3 16 0
22/4½	14/9	6(c)	20(t)	City of London Def. 5/-	15/-	15/-	...	(t)
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/-x	91/-	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	110/-	109/9	−3d	4 2 0
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	131/-	129/6	−1/6	4 9 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	121/-	121/-	...	4 10 10
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	47/6	47/6	...	4 12 8
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/3	101/6	+3d	4 10 6
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	74/-	74/-	...	4 14 6
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	83/-	81/3	−1/9	4 8 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	110/3	111/3	+1/-	4 0 3†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	59/-	58/-	−1/-	6 18 0
48/-	40/-	6(b)	4(a)	Taylor Walker Ord. £1	43/3	42/6	−9d	4 15 3
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	26/3x	26/-	−3d	4 12 0
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	81/3x	81/3	...	4 13 8
				Iron, Coal and Steel				
35/-	28/-	4(a)	7½(b)	Allied Ironfounders £1	29/4½	28/1½	−1/3	8 0 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	2/9	3/3	+6d	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	49/4½	48/1½	−1/3	4 3 0
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	10/9	10/6	−3d	3 15 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
52/6	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 10 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	37/6	37/6	...	4 0 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	42/6	...	3 17 3†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	14/9	14/6	−3d	1 17 0
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	28/9	28/6	−3d	4 18 0
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/9	14/-	+3d	3 11 0
91/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	88/9	90/7½	+1/10½	4 8 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	53/1½	54/4½	+1/3	2 4 3
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	75/7½	76/3	+7½d	3 13 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	35/9	35/9	...	3 7 0†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3¾% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to Aug. 25, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Aug. 18, 1937	Price, Aug. 25, 1937	Rise or Fall	Yield Aug. 25, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	35/-x	35/3	+3d	4 19 9
12/3	5/9	Nil	Nil	Har. & Wlf. 6% Cm. Pt.	6/9	6/3	−6d	Nil
37/6	29/3	5(b)	2½(a)	Horden Collieries £1	37/6	36/3	−1/3	4 2 9
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	33/9	32/6	−1/3	3 1 6
18/-	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/9	17/9	...	2 5 0
16/3	11/3	Nil(c)	5(c)	Pease and Partners 10/-	15/6	16/-	+6d	3 2 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	26/6	26/6	...	5 5 10
28/9	22/0	5(c)	6¼(c)	Ruston & Hornsby £1	24/9	24/9	...	5 1 0
52/6	44/3	†2½(a)	†7½(b)	Sheepbridge Cl & In. £1	51/3	52/6	+1/3	3 16 2†
44/-	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	44/-	43/3	−9d	5 11 0
57/6	47/6	11(c)	12(c)	S. Durham Steel & Iron Ord. £1	55/-	53/9	−1/3	4 9 3
33/6	25/7½	5(c)	6(c)	S. Durham Steel & Iron B Ord. £1	30/-	30/-	...	4 0 0
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
63/6	52/3	†3(a)	†9½(b)	Staveley Coal, etc. £1	61/3	62/-	+9d	4 3 0†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	42/6	42/6	...	3 10 6
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	33/9x	32/6	−1/3	4 10 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	14/-	14/3	+3d	7 0 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	8/-	7/9	−3d	3 3 3
$129½	$76½	Nil	Nil	U. States Steel $100	$118½	$115½	−$3	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	32/-	31/6	−6d	4 15 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	31/6	31/6	...	3 3 6
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	36/3	36/3	...	4 2 9
49/4½	40/10½	6(c)	10⅔(c)	Weardale Steel etc. Df £1	47/6	46/3	−1/3	4 10 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	125/-	130/-	+5/-	5 7 0
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/-	70/-	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	8/3	8/-	−3d	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/10½	7/10½	...	Nil
15/6	9/9	Nil	Nil	Calico Printers £1	10/3	10/-	−3d	Nil
55/-	44/3	10(c)	10(c)	Coats, J. and P. (£1)	45/-	45/7½x	+1/1½	4 8 0
55/3	50/7½	7(b)	3½(a)	Courtaulds £1	54/6	55/-	+6d	3 16 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	43/1½	...	4 13 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	10/-	9/9	−3d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/10½	36/3	−7½d	4 13 9
69/3	56/3	†12½(c)	†12½(c)	Patons & Baldwins £1	58/9	57/6	−1/3	4 7 0†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/-	20/-x	+9½d	6 0 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	49/6	49/6	...	4 0 10
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	100/-	98/9	−1/3	4 2 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	60/-	60/-	...	1 0 10
37/6	30/-	Nil	Nil	English Electric £1	34/-	34/6	+6d	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	86/-	86/-	...	4 1 4
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	20/6	20/6	...	3 18 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	46/10½	46/3	−7½d	4 6 6
35/-	31/1½	6(c)	7½(c)	Siemens £1	33/9	33/9	...	4 9 0
				Electric Light, &c.				
$32	$18	40 c.(b)	50 c.(a)	Brazil Trac., no par	$27	$25⅞	−$1⅛	3 7 6
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 9 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	28/-	28/-	...	4 5 9
38/9	32/-	4(b)	3½(a)	City of London £1	34/6	34/6x	+8½d	4 7 0
46/6	38/-	5(b)	3(a)	Clyde Valley Elec. £1	39/6	40/-	+6d	4 0 0
54/7½	45/9	7½(b)	3(a)	County of London £1	50/-	50/-	...	4 4 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-x	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	37/-	37/-	...	4 6 6
34/9	30/9	4½(b)	2½(a)	North-Eastern Elec. £1	32/6	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	49/4½	49/4½	...	4 1 0
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	37/-	37/6	+6d	4 5 3
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/-x	39/6	+6d	4 1 0
				Gas				
27/-	23/3	5⅔(c)	5⅔(c)	Gas Light & Coke £1	24/9x	24/9	...	4 10 2
163½	145	4(a)	6(b)	Imp. Continental Stk.	148½	145½	−3	6 17 6
26/9	23/-	2½(a)	2⅞(b)	Newc.-on-Tyne £1	24/6x	24/6	...	4 7 10
120	105	3(b)	2½(a)	S. Metropolitan Stk.	106½x	106½	...	5 3 3
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	45/-	45/-	...	3 6 8†
50/4½	38/9	50(c)	50(c)	Austin 5/-	46/3	45/7½	−7½d	5 9 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	23/9	24/3	+6d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	36/3	35/7½	−7½d	4 13 6
33/9	25/6	5(c)	6(c)	Ford Motors £1	28/9	28/1½	−7½d	4 5 0
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	67/6	...	4 8 11
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	97/6	97/6	...	4 1 11
43/9	35/-	†15(c)	45(c)	Morris Motors 5/- Ord.	37/-	37/-	...	6 1 7
15/3	9/6	Nil	Nil	Napier 5/-	11/3	12/6	+1/3	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	78/1½	78/1½	...	5 15 2
135/-	98/9	7½(a)	15(b)	Rolls-Royce £1	107/6	107/6	...	4 3 10
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	150/-	153/9	+3/9	3 5 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/9	...	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	10	10	...	2 0 0
8/7½	5/8½	Nil	Nil	Cunard £1	6/-	6/-	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	28/6	28/6	...	2 2 1
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	32/-	32/6	+6d	2 9 0
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	23/9	23/-	−9d	4 5 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	39/6	39/6	...	3 10 11
53/9	38/3	5(c)	9(c)	Bah Lias £1	40/-	38/9	−1/3	4 12 10
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	31/3	32/6	+1/3	3 15 0
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	41/3	43/9	+2/6	3 12 6
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	41/3	42/6	+1/3	3 15 0
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	26/10½	26/3	−7½d	3 18 0
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/-	5/-	...	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/3	38/3	...	3 18 5
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/7½	4/7½	...	4 6 6
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	40/3	40/3	...	4 19 5
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	39/4½	...	6 6 0
132/-	85/-	5(a)	20(b)	Anglo-Iranian £1	85/-	88/1½	+3/1½	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	35/6	35/-	−6d	5 6 3
35/-	17/9	Nil	Nil	Attock £1	30/9	34/-	+3/3	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/10½	3/10½	...	Nil
130/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	127/6	130/-	+2/6	4 5 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	46/3	46/10½	+7½d	5 6 0
32/4½	12/9	10d psc	11d psc	Mexican Eagle (Mex. $4)	12/9	13/6	+9d	6 6 0
11/6	5/7½	Nil(c)	3⅔(c)	Phœnix Oil £1	6/-	5/9	−3d	12 15 0
£52½	£42⅜	5(a)	11¼(b)	Royal Dutch (fl. 100)	£47⅛	£47	−⅛	3 18 3e
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	110/7½	110/-	−7½d	3 12 9†
172/-	120/-	17½(b)	10(a)	Trinidad Leaseholds £1	123/9	122/6	−1/3	4 8 0
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	50/-	49/4½	−7½d	6 2 0
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/-	26/3	8(c)	9(c)	Allied Newspapers £1	27/6	26/9	−9d	6 14 0
20/3	16/10½	5(c)	5(c)	Amal. Dental Def. £1	18/-	17/6x	+6d	5 15 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	32/6	31/3	−1/3	4 9 0
22/4½	19/3	6(b)	5(a)	Amal. Press (10/-)	19/4½	19/4½	...	5 13 6
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/-x	15/-	...	6 0 0
24/3	18/6	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	18/6	18/6	...	7 4 3
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/10½	92/6	+7½d	4 17 0
85/3	72/9	10(b)	5(a)	Barker (John) £1	76/3	76/3x	+1/-	3 19 9
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/7½	65/7½	...	4 17 6
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	52/6	52/6	...	2 15 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	33/1½	32/6	−7½d	4 11 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	25/-	23/9	−1/3	4 4 2
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	20/-	18/9	−1/3	9 12 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	53/9	53/9	...	4 3 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	54/3	55/6	+1/3	3 12 0
39/4½	35/4½	2¾(a)	5(b)	British Match £1	37/6	37/-	−6d	4 3 0
6 27/32	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	5⅞	6	+⅛	3 6 9†
138/9	91/3	7(a)	8(b)	British Oxygen £1	105/7½	103/9	−1/10½	2 19 6
83½	77	...	...	Cable & Wir. Holding A. Ord.	84	83	−1	Nil
107	104	5½(c)	2¾(a)	Cable & Wir. Holding 5½% Pf.	107	106x	+1¼	5 3 9
8 13/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8⅝	8	+M	4 0 0‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	15/6	16/3	+9d	9 4 0
25/-	17/9	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	18/6	17/9	−9d	5 10 3
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	47/6	...	4 4 3
38/6	32/-	8(c)	9(c)	Dunlop £1	35/-	35/9	+9d	5 0 0
50/7½	43/9	10(b)	5(a)	Eastwoods Ord. £1	43/9	43/9	...	6 17 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	21/9	22/-	+3d	4 11 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	32/9	32/6	−3d	6 18 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	19/6	...	5 2 6
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	62/6	62/6	...	3 4 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	120/-	120/-	...	4 3 3
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	5/9	5/9	...	Nil
32/3	25/6	6(a)	10(b)	Gen. Refractories (10/-)	...	29/3x	...	5 3 3
50/-	43/	20(b)	17½(a)	Gestetner (D.) (5/-)	50/-	50/-	...	3 15 0
166/3	136/3	15(b)	5(a)	Harrisons&Cros.Def.(£1)	138/9	138/9	...	2 17 9
91/10½	82/6	13⅓(b)	5(a)	Harrods £1	85/-	87/6x	+3/6	4 4 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/3	4/9	+6d	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	34/4½	34/4½	...	4 13 0
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	38/6	37/9	−9d	4 5 4
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	18/6	18/6	...	Nil
9 3/32	7⅜	†17½(b)	†7½(a)	Imperial Tobacco £1	7 11/16x	7 11/32	−1/32	3 6 0†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$65½	$64⅜	−1⅛	3 2 0n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	16/-	16/3	+3d	4 19 0
76/3	54/6	22½(c)	22½(c)	London Brick £1	56/10½	55/-x	−10½d	8 3 9
6 5/16	5⅜	8⅓(a)	14⅙(b)	Lyons (J.) Ord. £1	6	5⅞	−⅛	3 17 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	70/-	68/1½	−1/10½	2 18 9
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	6/-	6/-	...	5 0 0
5 13/16	4⅛	15(b)	7½(a)	Murex £1 Ord.	5 5/16	5 5/16	...	4 4 9
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/-	40/6	12½(b)	7½(b)	Pinchin Johnson 10/-	43/-	43/-	...	4 13 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	55/7½	54/4½	−1/3	4 3 6
67/-	58/1½	3⅓(a)	11⅞(b)	Radiation Ord. £1	58/9	58/9	...	5 2 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	107/6	106/3x	−3d	4 4 3
18/9	13/6	†8⅓(b)	†5(a)	Sears (J.) Ord. 5/-	14/3	14/-x	...	4 12 6†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	17/6	18/3	+9d	2 14 6
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	45/-	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	26/3	26/3	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	85/7½	85/-	−7½d	4 6 3
77/6	57/6	5(b)	5(a)	Tilling, Thos. £1	62/6	62/6	...	3 5 0
77/6	66/3	10(b)	5(a)	Tobacco Secrts. Ord. £1	68/9	67/6	−1/3	4 8 6
74/3	56/3	60(c)	w35(c)	Triplex Safety G. (10/-)	70/7½	68/1½x	+1/-	5 2 0
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	87/6	88/9	+1/3	4 10 0
112/6	87/6	13¾(b)	3¾(a)	Turner & Newall £1	96/10½	95/-	−1/10½	3 14 0
46/10½	37/9	3⅓(a)	4(b)	Unilever £1	42/6	43/1½	+7½d	3 8 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	56/-	57/-	+1/-	4 8 3
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	31/10½	31/10½	...	3 8 0
10½	8 13/16	30(c)	40(c)	Utd.Tob.(South) Ord. £1	9⅝	9⅝	...	4 5 6
45/-	39/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	41/3	41/3	...	6 1 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	38/3	38/3	...	4 14 0
96/3	71/-	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	73/1½	71/3	−1/10½	4 4 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	60/7½	60/-	−7½d	6 6 9
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	18/-x	18/-	...	9 13 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/6	5/3	−3d	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	75/3¾	75/-	−3¾d	5 6 9
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	40/-	37/6	−2/6	8 0 0
16 11/16	11¼	95(b)	95(a)	Crown Mines 10/-	13¼	13⅛	−⅛	7 6 8
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	70/-	67/6	−2/6	5 16 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	49/4½	48/9	−7½d	9 15 6
19	11¼	5(b)	25(a)	Rhokana Corp. £1	15⅝	14⅛	−1½	2 2 0
32½	17 5/16	Nil	Nil	Rio Tinto £5	22	21	+1	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	73/9	71/3	−2/6	2 2 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	10⅛	10⅛	...	8 18 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	162/6	162/6	...	5 4 6
19 13/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	8½	8¼	−¼	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	20/7½	20/-	−7½d	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Aug. 25, 1937	Compared Aug. 18
Municipal and Gen		
1st British	48/6-49/3	...
2nd British	29/-29/7½x	−3d
3rd British	24/9-25/3	−3d
4th British	20/9-21/3	−3d
For. Govt. Bond	20/-21/-	−6d
Limited Invest.	23/9-24/3	...
Mid. & Sthn. Inv.	21/6-22/3	...
Scot. & N.C. Inv.	21/-21/6x	−3d
Bank - Insurance		
Bank-Insur. Uts.	19/3-20/3	−3d
Insurance Units	20/9-21/9	−3d
Bank Units	18/-19/-x	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	16/9-17/9	−3d
British Empire		
British Empire "A"	22/7½ bid	...
Do. "B"	10/4½x	−3d
Do. Cum.	18/0 bid	...
Do. Comp.	18/9-19/9x	−1½d
Do. First Unit	21/9-22/9	...
National		
National "A"	33/3 bid	...
Do. "B"	22/4½ bid	...
Do. "C"	19/3-20/3x	...
Do. "D"	20/-21/-	...
Do. Inv. Group	15/10½-16/10½	...
Amalgamated Certs	22/6-23/6	−3d
Century	19/6-20/6	...
Commercial	21/4½ bid	−1½d
Gilt-edged	18/6-19/-	...
Scottish	18/9-19/9	...
Universal	21/-22/-	−1½d
First Provincial		
First Prov. "A"	20/9-21/9x	...
Do. "B"	17/3-18/3	−3d
Do. Reserves	17/-18/-x	−3d
British General		
Capital Securities	9/1½-9/7½x	...
British General "A"	22/-23/-	+1½d
British General "B"	20/3 bid	−9d
British General "C"	19/3-20/3	−9d
First Recovery	7/3-7/10½	...

Name and Group	Aug. 25, 1937	Compared Aug. 18
Rubber & Tin	1/9½-1/11	...
Keystone.		
Keystone	18/9-19/9	−1½d
Do. 2nd	16/3-17/3	...
Do. Flexible	18/1½-19/1½	−1½d
GoldProd.Dep.Rec.	22/7½ bid	−1½d
Do. 2nd Series	16/7½-17/7½	−1½d
Do. 3rd Series	12/7½-13/7½	−1½d
Rand Certificates	19/3 bid	−1½d
Oil Certificates	27/3 bid	...
"15 *Moorgate*" Hundred	20/9-21/9	−1½d
Investors Flexible	16/9-17/9x	...
Do. Gas & Elec.	13/9-14/9	+1½d
Do. General	19/1½-20/1½	−1½d
Do. 2nd General	16/4½-17/4½x	−1½d
Do. Gold	14/10½-15/10½	−1½d
Prov. Investors	16/4½-17/4½	−3d
Security First	17/9-18/9	−4½d
F.T.M.		
Aviation & Univer.	9/9-10/3	−3d
Domestic	8/6-9/-	...
Protected		
Protected 1st	22/9-23/9	...
Do. 2nd	20/6-21/6	...
Do. 3rd	15/6-16/6	−3d
Allied		
British Indus. 1st	20/6-21/6	...
Do. 2nd Series	18/-19/-	−3d
Do. 3rd Series	19/-3-20/3	−3d
Do. 4th Series	19/9-20/9	...
Elec. Industries	18/6-19/6	...
Metals and Minerals	17/-18/-	...
Selective		
Selective "A"	18/-19/-	...
Do. "B"	17/7½-18/7½	−1½d
British Transport	16/6-17/6x	...
Bank Insce. & Fin.	17/-18/-	...
Brewery Trust Un.	16/9-17/9	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18¾ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16½% basis. (t) Special Jubilee bonus. (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 12s. 0d.; at 16 per cent. = £3 12s. 0d. (w) Paid on £500,000 more capital than in preceding year.

(*Continued from page 441*)

week, but later the issues which led in the retreat recovered. Steel issues were prominent in this movement, but in mid-week they became weak again on the indications, reported by *Iron Age*, that buying in the steel industry was not as good as had been hoped. Steel mill activity was estimated at 83 per cent. of capacity, the same as last week. There were not lacking numerous signs of sustained business activity, but the market is still blind in its optimistic eye. The railroad wages dispute is not being settled so easily as had been hoped, and it is the market's expectation that an emergency session of Congress will be summoned before the end of the year to pass legislation insisted on by the President.

	Aug. 18, 1937 (Close)	Aug.25, 1937 (Close)	Aug.26, 1937 (Latest)
1. Rails & Transport			
Atchison	77¼	75½	73½
Balt. and Ohio	27⅜	26⅛	24⅞
B.M.T.	21¼	19⅝	19¼
Can. Pacific	12	11⅛	11⅛
Ches. and Ohio	50⅜	49⅜	48⅜
Gt. Nthn. Rly. Pf.	51¼	49⅝	48½
Illinois Central	23⅝	23⅜	22½
N.Y. Central	39⅛	37⅞	35⅞
Nor. Pac.	29½	29⅛	27⅝
Pennsylvania R.R.	36⅜	36	35⅜
Southern Pac.	46	42½	41½
Southern Rly.	29½	28½	26
Union Pac.	120½	119	116
Greyhound Cp. New	14⅜	14⅜	14
2. Utilities and Communications			
Am. Waterworks	19⅜	17½	17
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅜	2⅜	2⅜
Col. Gas & Electric	36⅜	34½	34
Elec. Bond & Share	13	12½	12
Nat. Pwr. and Lt.	18½	17⅜	16⅜
North American	10½	10⅛	10
Pac. Gas & Electric	25⅜	25	24½
Pac. Lighting	31	30⅛	30
Pub. Service N.J.	44	42⅜	42½
Stan. Gas & Elec.	40⅜	41	40⅜
United Corp.	8¼	8⅛	8
United Gas Imp.	5⅜	5	5
Am. Tel. & Tel.	13½	13	12⅞
Int. Tel. and Tel.	169½	168½	168
Western Union	10⅜	10½	10½
Radio	48⅜	47	46
Radio B. Pref. New	10⅞	11⅛	11
	73⅛	74½	73
3. Extractive and Metal Industries			
Am. Rolling Mills	39⅜	38½	37½
Beth. Steel xd	100⅜	97½	93½
Beth. Steel Pref. xd	118	118½	...
Republic Steel	38½	36⅜	35⅜
U.S. Steel	118	113⅜	110½
U.S. Steel Pref.	132	131⅜	129½
Alaska Juneau	12	11⅜	11⅛
American Metal xd	57	54½	51⅜
American Smelting	95½	91⅜	89⅜
Anaconda	60	57⅛	55½
Bohn Aluminium	45½	46	45
Cerro de Pasco	74½	71	68
Int. Nickel	64⅛	63⅜	62⅜
Kennecott	62½	60⅛	59½
Patiño Mines	16⅛	15⅛	15⅛
Texas Gulf Sulph.	39⅜	38⅛	38⅛
U.S. Smelt.	91⅛	88	...
Vanadium Corp.	32⅜	32⅛	31⅛
Atlantic Refining	29	27⅜	27½
Phillips Petroleum	60⅜	58½	57⅜
Shell Union	26	25⅞	24⅜
Shell Union Pref.	104½	104½	104½
Socony Vacuum	21½	21⅜	20⅜
Stand. Oil Calif.	44⅜	43⅜	43
Stand. Oil N.J.	68⅛	66⅜	65⅛
Texas Corp.	62⅜	60⅜	59

	Aug.18, 1937 (Close)	Aug.25, 1937 (Close)	Aug.26, 1937 (Latest)
4. Manufacturing			
Briggs	47	45	44
Chrysler	115⅝	111½	109
Electric Autolite	40½	39⅛	38⅜
General Motors	58⅛	56⅛	54⅛
Hudson Motor Car	16	15⅜	15½
Murray Corp.	13	12⅛	11⅜
Nash Kelvinator	18⅞	18⅛	18
Packard Motor Car	9	8⅛	8⅛
Bendix Aviation	20⅜	19⅜	19
Boeing Airplane	34⅜	32⅜	32⅛
Douglas Aircraft	57⅛	54½	52
United Aircraft	29⅜	28	26⅞
Air Reduction	71	69½	68½
Allied Chemi	240	232	226
Col. Carbon	124	119	117½
Comm. Solvents	13⅞	13⅜	13⅜
Dupont	162	159	157½
Union Carbide	101⅛	100	97½
U.S. Ind. Alcohol	35⅜	35⅜	32
Allis Chalmers	72½	67½	64⅞
General Electric	56⅜	55½	53⅞
Westinghouse	156½	150½	147⅜
American Can	109	107⅜	106½
Addressograph	34	33	32
Caterpillar	98	96	95⅜
Cont. Can.	60½	59	58½
Ingersoll Rand	135⅜	134	...
Intntl. Harvester	117½	112½	111½
Johns Manville	138⅜	132	128½
Am. Radiator	21⅜	20⅞	20
Corn Products	67	65⅞	64½
J. I. Case and Co.	181	172	169
Glidden	43½	43	42
Gen. Am. Transpt.	69½	67⅜	66½
Allied Mills	23⅜	23⅛	22½
Celanese of Amer.	37⅜	37	35⅜
Ind. Rayon New	38⅜	38	37⅛
Colgate Palmolive	18⅜	18	17⅝
Eastman Kodak	195½	188	183
Gillette	14½	14½	14½
Lambert Co.	19⅜	19½	19½
Loews	83	82½	80⅞
20th Century Fox	36⅜	36⅜	36
5 Retail Trade and Food			
Montgomery Ward	64½	61½	60
J. C. Penney Co.	99½	100⅛	98⅜
Sears Roebuck	97⅛	94⅜	92⅛
United Drug	11⅜	11⅜	11⅛
Walgreen	28½	27	25½
Woolworth	48½	47½	46⅜
Borden	23⅞	23½	23⅜
Gen. Foods	37⅛	36⅞	36⅜
Kroger Grocery	21⅛	21⅛	21⅛
Nat. Biscuit	24	26⅛	25⅜
Nat. Dairy	20⅛	20⅛	20
Standard Brands	11⅜	11⅛	11⅛
Am. Tobacco B.	80⅛	78⅜	78
Liggett Myers B	100⅛	99⅜	99⅛
Lorillard	21⅜	20½	20⅜
Reynolds Tob. B.x	52	52	51½
National Distillers	30⅛	30	29⅜
Schenley Distillers	43	42	41
6. Finance			
Commercial Credit	64½	63⅜	62½
Atlas Corp.	15⅜	15⅛	15
Com. Invest. Trust	65⅜	62⅛	61⅛

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

	1936 Lowest	1936 Highest	1937 Lowest	1937 Highest	Beginning of Year 1937	Aug.11, 1937	Aug.18, 1937	Aug.25, 1937 *
347 Industrials	112·7	145·9	130·2	155·7	143·2	144·6	144·4	140·6
32 Rails	42·8	60·2(*b*)	49·6(*d*)	64·5(*f*)	54·6	51·4	50·6	49·6
40 Utilities	91·2	111·0(*e*)	89·3	116·4(*f*)	111·7	97·6	96·5	95·1
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	121·5	121·0	118·1
Average yield*	4·50% High (*c*)	2·65% Low (*a*)	4·46% High	3·20% Low (*s*)	3·53%	4·09%	4·17%	4·29%

* 50 Industrial Common Stocks. (*a*) April 8th. (*b*) Oct. 14th. (*c*) December 23rd. (*d*) August 25th. (*e*) December 2nd. (*f*) March 17th. (*s*) February 10th. (*t*) January 13th.

HOTEL WESTMINSTER
Le Touquet

Daily Average of 50 American Common Stocks (1926 = 100)

Highest*	Lowest†	Aug. 18	Aug. 19	Aug. 20	Aug. 21	Aug. 23	Aug. 24	Aug. 25
180·3	147·4	166·0	163·4	161·7	162·8	161·3	162·9	161·5

* March 6th. † June 16th.

Total Dealings in New York

	Aug. 19	Aug. 20	Aug. 21*	Aug. 23	Aug. 24	Aug. 25
Stock Exchange—						
Shares (No. Thous.)	760	800	280	580	560	500
Bonds (Thous. $)	7,380	9,450	3 010	7,380	6,840	5,870
Curb—						
Shares (Thous.)	199	219	65	139	126	139

* Two-hour session.

CAPITAL ISSUES

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended August 21, 1937: *Dr. £150,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	26,000	...	65,000
To Shareholders only	368,171	...	1,108,294
By Stock Exchange Introduction	46,700,000	...	41,002,750(*s*)
By Permission to Deal	46,974	...	70,065

(*s*) Includes £40,803,750 for allotment of £46,500,000 3% Tithe Redemption Stock at 87¾ per cent. (estimated allotment only).

Total Capital Raised—

	Including Conversions £	Excluding Conversions £
1937 (New Basis)	448,093,583	399,419,688
1937 (Old Basis)	254,102,254	208,500,838
1936 (New Basis)	326,200,659	232,007,682
1936 (Old Basis)	217,293,228	124,909,141
January 1 to date (Old Basis)—		
1935	249,754,718	124,771,645
1934	290,690,429	116,167,691
1928	...	283,431,964

Total offered for Subscription—

	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

January 1 to date	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
1937 (New Basis)	345,241,716	50,919,613	3,258,359	399,419,688
1937 (Old Basis)	190,735,340	16,272,998	1,492,500	208,500,838

Nature of Borrowing (Excluding Conversions)

January 1 to date—	Debentures £	Preference £	Ordinary £	Total £
1937 (New Basis)	204,603,175	25,795,279	169,021,234	399,419,688
1937 (Old Basis)	147,886,092	16,024,954	44,589,792	208,500,838
1936 (New Basis)	79,284,556	28,926,504	123,798,622	232,007,682
1936 (Old Basis)	62,777,799	14,492,182	47,639,161	124,909,141
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	160,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

BY OFFER FOR SALE

Warne, Wright and Rowland.—Offer for sale of 260,000 2s. ordinary shares at 5s. (Permission to deal to be sought from Birmingham Stock Exchange.) Bolt and nut manufacturers and engineers. Profits, before interest and after depreciation: 1934, £8,104; 1935, £10,118; 1936, £21,512. Net assets, £76,860. Issue expenses. Managing director receives 5 per cent. of net profits. Lists closed four minutes after opening on August 26th. Oversubscribed.

BONUS ISSUE

Blakey's Boot Protectors.—Scrip bonus is recommended of one new 5s. ordinary share for every five held on August 21st, to rank as from July 1, 1937.

ISSUES TO SHAREHOLDERS ONLY

Brightside Foundry and Engineering.—A sum £50,000 in reserve account is to be capitalised and issued as bonus shares to Ordinary shareholders registered August 21 in proportion of one

Ordinary for two held. A further 25,000 £1 ordinary shares are to be offered to the ordinary shareholders at 40s. in proportion of one for four held.

British Homophone Company.—Issue of 100,000 5s. ordinary shares at par.

Ingersoll Limited.—Issue of 92,614 2s. ordinary shares at 3s.

Ranks Limited.—Issue of 1,235,640 5s. ordinary shares at 16s. 6d. to shareholders on August 19th; ranks for dividend from July 4. 1937, but not for any dividend for year ended 3rd July.

PRIVATE PLACINGS

Associated Gas and Water.—This Company has placed privately £87,300 3½ per cent. debenture stock, 1951–61. The amount in issue has thus been brought to within a little of the authorised amount of £500,000.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Aug. 18, 1937	Aug. 25, 1937
Arnott and Harrison 4/-	5/-	5/-	...	4/9–5/0
Australia 3½% 1950–52	96½	21½	⅜–½ dis	⅜–½ dis
Blackburn 3½% Stock	101	16	½ dis–par	½ dis–par
Blackpool 3½% Stock	100½	100½	1¼–1½ pm	101½–102
Cape Town 3½%	98	28	⅛–¼ pm	⅜–½ pm
Chesterfield 3½% £10	...	...	...	10¾–11¼
Essex 3½%, 1957–62	101	5	¼ dis–par	⅛ dis–¼ pm
Finchley 3½%	101	21	⅛–¼ pm	⅛–¼ pm
Grassmoor 6% Pref. £1	21/-	10/-	4¼d–7¼d pm	4¼d–10¼d pm
Grimsby, etc. Water 3½%	99	99	99⅜–99⅝	99⅜–99⅝
Imperial Airways £1	30/-	10/-	2/3–2/9 pm	1/10½–2/4½ pm
Iraq 4½% Bonds	94	25	1½–2 pm	1½–2 pm
Johannesburg 3½%	99	10	...	⅜–⅝ dis
Lindsay Parkinson Pref. 20/-	20/-	20/-	...	25/1½–25/7½
Middlesex 3½% 1957–62	101	21	⅛–¼ pm	⅛ dis–¼ pm
Odeon Theatres Ord. 5/-	5/-	5/-	8/1½–8/6	8/0–8/6
Do. 5% 1st Deb.	99	25	6½–5½ dis	5½–5½ dis
Premier (Trinidad) Oilfields	5/-	3/-	6d dis–par	¼d–1d dis
Tithe Redemption 3%	...	...	...	87⅛–88⅛
Rippingilles Ord. 5/-	9/-	9/-	7/1½–7/10½	7/9–8/3
Salts (Saltaire) 5% Loan	100	50	1 dis–par	½ dis–½ pm

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 21, 1937. (c) Week ended Aug. 20, 1937.	Miles Open	Gross Receipts, week ended Aug. 22, 1937 (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (33 weeks) (£'000) Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937	3,738	293	204	114	318	611	7,360	6,476	3,639	10,115	17,475
	1936	3,746	289	191	103	294	583	7,121	6,234	3,268	9,502	16,623
(c) L. & N. Eastern	1937	6,320	447	335	252	587	1,034	11,413	11018	8,070	19,088	30,501
	1936	6,333	430	319	234	553	983	10,858	10601	7,598	18,199	29,057
L. M. & Scottish	1937	6,877	613	493	242	735	1,348	17,466	15988	8,343	24,331	41,797
	1936	6,898½	587	482	247	729	1,316	16,762	15527	7,883	23,410	40,172
Southern	1937	2,153	419	66	30	96	515	10,969	2,001	977	2,978	13,947
	1936	2,154	412	64	33	97	509	10,379	2,061	1,005	3,066	13,445
Total	1937	19088	1772	1098	638	1736	3,508	47,208	35483	21029	56,512	103720
	1936	19131½	1718	1056	617	1673	3,391	45,120	34423	19754	54,177	99,297
(b) Belfast & Co. Down	1937	80	4·1	...	...	0·4	4·5	89·4	...	...	16·0	105·4
	1936	80	3·9	...	...	0·5	4·4	89·6	...	...	18·4	108·0
(b) Great Northern	1937	543	16·2	...	...	9·4	25·6	367·3	...	...	308·7	676·0
	1936	543	15·8	...	...	9·4	25·2	358·0	...	...	321·6	679·6
(b) Great Southern	1937	2,076	57·7	...	...	39·1	96·8	1199·7	...	...	1340·3	2540·0
	1936	2,124	55·5	...	...	41·5	97·0	1192·4	...	...	1364·1	2556·5

Comparisons with Corresponding Periods, 1935 and 1936

(000's omitted)

	Great Western £	L.M.S. £	L.N.E.R. £	Southern £
Second half-year, 1936, compared with second half-year, 1935: Gross increase or decrease	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936: Gross increase or decrease	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936: 7 weeks to Aug. 21, 1937	+ 182	+ 296	+ 257	+ 143
Weekly average second half 1937	+ 26	+ 42	+ 36	+ 20
Latest week 1937 compared with 1936	+ 28	+ 32	+ 51	+ 6

London Transport

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Aug. 21, 1937	£535,500	– 10,000
Aggregate 8 weeks to Aug. 21, 1937	£4,448,000	+ 27,200

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or –	Gross Aggregate Receipts 1937	+ or –
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	18	July 31	1,330	†5,42,900	+ 82,580	58,23,771	+ 3,75,582
Barsi Lt. Ry.	18	31	202	†43,200	+ 9,800	6,63,200	+ 65,200
Bengal & N. Western	19	Aug. 10	2,111	‡9,24,629	+ 1,28,415	1,49,85,947	+ 14,65,248
Bengal-Nagpur	19	10	3,268	‡20,20,000	+ 1,78,473	3,40,07,788	+ 39,40,578
Bombay, Bar. & C.I.	21	20	3,072	‡26,68,000	+ 2,89,000	4,67,67,000	+ 33,65,000
Madras & S. Mahr.	18	July 31	3,229	†22,25,000	+ 2,36,089	2,61,94,516	+ 1,70,484
Rohilk'd & Kumaon	19	Aug. 10	572	‡1,35,693	– 1,664	28,33,554	+ 85,741
South Indian	18	July 31	2,532	†15,22,150	+ 81,956	1,87,44,142	+ 4,51,236

‡ 10 days. † 11 days.

				£	£	£	£
CANADIAN		1937		$	$	$	$
Canadian National	32	Aug. 14	23733	3,571,071	+ 314,807	118,752,396	+ 11471823
Canadian Pacific	33	21	17228	2,562,000	– 40,000	86,555,000	+ 5,535,000
SOUTH AMERICAN		1937		£	£	£	£
Antofagasta (Chili and Bolivia)	34	Aug. 22	834	£16,020	– 980	549,210	+ 92,650
Argentine N.E.	8	21	753	‡189,000	+ 29,800	1,262,300	+ 69,900
				*£11,725	+ 2,399	78,307	+ 8,487
B.A. and Pacific	8	21	2,806	‡1,301,000	+ 8,000	9,809,000	+ 143,700
				*£80,707	+ 4,960	608,499	+ 42,545
B.A. Central	6	7	...	$158,200	+ 19,200	851,300	+ 182,600
B.A. Gt. Southern	8	21	5,084	‡1,898,000	– 35,000	14,509,000	+ 314,000
				*£117,742	+ 4,502	900,062	+ 68,870
B.A. Western	8	21	1,930	‡880,000	+ 152,000	5,593,000	+ 425,000
				*£53,350	+ 11,874	346,961	+ 44,350
Central Argentine	8	21	3,700	‡2,129,700	– 229,000	17,175,000	+ 160,300
				*£132,115	– 6,063	1,065,445	+ 69,152
Central Uruguayan	7	14	980	d120,932	– 24,222	870,870	– 83,828
				e£13,716	– 1,253	98,198	– 234
Cordoba Central	8	21	1,218	‡573,000	– 72,000	5,017,000	+ 94,000
				*£35,550	– 2,240	311,240	+ 22,960
Entre Rios	8	21	810	‡258,900	+ 49,300	1,736,400	+ 160,300
				*£16,060	+ 3,781	107,718	+ 15,427
G. Westn. of Brazil	34	21	1,082	£6,200	+ 400	242,300	– 11,500
				Ms2253000	– 87,000	59,599,000	+ 6,339,000
Leopoldina	34	21	1,918	£29,946	+ 2,743	767,779	+ 157,613
				Ms. 356,000	+ 35,000	11,898,000	+ 655,000
Leopoldina Termnl.	34	21	...	a†£5,622	+ 2,505	100,988	+ 16,875
Nitrate	32	15	397	$3,640,000	+ 1084000	26,892,000	+ 7,145,000
Paraguay Central	8	21	274	Col. 10,127	+ 251	93,629	+ 12,130
Salvador	8	21	100	Ms2780000	+ 386,000	86,275,000	+ 4,367,000
San Paulo	33	15	153½	£36,258	+ 7,728	1,074,483	+ 99,437
United of Havana	8	21	1,353	£20,377	+ 4,281	143,118	+ 21,205

* Converted at average official rate during week ended Aug. 21, 16·12 pesos to £.
‡ Receipts in Argentine pesos. † Fortnight. *a* Converted at official rate.
d Receipts in Uruguayan currency. Converted at "controlled free rate."

OTHER OVERSEAS

				£	£	£	£
		1937					
Egyptian Delta Light Railways	19	Aug. 10	621	£6,709	+ 607	83,275	+ 7,036
Egyptian Markets	33	19	...	1,212	– 125	53,824	– 1,502
Mexican Railway	7	21	483	$299,300	+ 4,700	2,142,300	+ 308,700

‡ 10 days.

SUEZ CANAL RECEIPTS

				£	£	£	£
		1937					
Suez Canal	32	Aug. 10	...	‡269,800	– 2,200	6,839,400	– 61,700

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

				£	£	£	£
		1937					
Anglo-Argentine	33	Aug. 19	325	$613,651	– 3,668	20,993,876	+ 245,830
B. Aires Lacroze	6	8	...	$58,195	– 76	314,955	– 23,591
Burnley, Colne and Nelson Jt. Trspt.	33	21	80	£5,417	+ 294	...	...
Calcutta Tramways	33	21	...	Rs. 1,23,885	+ 6,202	34,89,745	+ 1,73,570
Liverpool Corp.	20	18	...	£30,549	+ 1,430	629,041	+ 43,619
Madras Electric	32	15	...	‡Rs. 54,404	+ 2,749	7,74,945	+ 33,227

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or –	Receipts to Date 1937	+ or –
Brazilian Traction	7	July 31	Gross	$3,574,702	+ 798,961	22,109,307	+ 4,110,091
			Net	$2,034,905	+ 480,862	12,188,403	+ 2,343,346
Manchester Ship Canal	7	July 31	Gross	£113,650	+ 7,450	779,221	+ 22,056
Santa Fé	1	July 31	Gross	£126,936	+ 1,396	...	...


DON'T BE VAGUE – ASK FOR Haig

COMPANY MEETING

ISMAY INDUSTRIES, LIMITED

FURTHER PROGRESS

The second ordinary general meeting of Ismay Industries, Limited, was held, on the 26th instant, at Southern House, E.C.

Mr John Ismay (chairman and managing director) said: Our total interests in subsidiary and associated companies come to approximately £1,050,000, against our issued capital of £862,000, and we propose to adjust the capital position by making an issue of shares later in the year.

Our interests are divided into two main groups, the lighting industry and the other electrical activities. In the lighting industry we have roughly £450,000 invested, from which we received an income of £57,000. The other interests stand in our books at £600,000. Most of them have progressed quite satisfactorily. Our hire-purchase Corporation had a largely increased turnover and their profits will be substantial. The gas refrigerator which we are putting on the market will, we hope, produce substantial results.

The dividend of 6 per cent. which we are paying for the year under review has, I understand, caused a little disappointment, but in my opinion the report is really a very satisfactory one. Some criticism has been expressed about our issuing shares at 7s. 6d. each in December last, but, considering the real value of our two groups of interests—the dividend-producing one in the lamp trade and the non-dividend-producing one in the other activities—there is no doubt in my mind that the equity in each group would represent at least 5s. a share. Therefore, taking the two together, how can one say that they could be worth less than 7s. 6d. a share? We are quite confident that we shall have no trouble in maintaining the present dividend of 6 per cent. even on any increase of capital which we may make this year.

The electrical industry is still in its infancy, and I am sure that we shall get our share of the increasing trade. Our lamp business has possibilities for increased profits in the future, and I am convinced that in time our return from our other interests will be at least equal to that which we are at present obtaining from our electric lamps.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 21, 1937, amounted to £17,852,000, against ordinary expenditure of £11,965,000. After increasing Exchequer Balances by £131,765, the operations for the week, as shown below, decreased the gross National Debt by £5,526,000, to about £7,990 millions.†

(000's omitted)

	£		£
Public Department Advances ...	+ 2,670	Treasury Bills ...	− 8,050
2½% Nat. Defence Bonds ...	+ 4	National Savings Certificates ...	− 150
	+ 2,674		− 8,200

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

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REVENUE	Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Aug. 22, 1936	April 1, 1937, to Aug. 21, 1937	Week ended Aug. 22, 1936	Week ended Aug. 21, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	38,371,000	43,595,000	4,000,000	4,521,000
Sur-tax	58,000,000	5,320,000	6,140,000	80,000	80,000
Estate, etc., Duties	89,000,000	33,820,000	35,410,000	1,760,000	1,420,000
Stamps	29,000,000	6,900,000	6,910,000	280,000	230,000
Other Inland Revenue Duties	1,500,000	120,000	140,000	10,000	10,000
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	84,531,000	92,195,000	6,146,000	6,261,000
Customs and Excise—					
Customs	219,850,000	80,839,000	85,378,000	4,163,000	3,665,000
Excise	113,150,000	42,500,000	44,700,000	6,300,000	6,749,000
Total Customs and Excise	333,000,000	123,339,000	130,078,000	10,463,000	10,414,000
Motor Vehicle Duties	34,000,000	18,070,000	8,362,000	‡...	...
Post Office (Net Receipt)	11,800,000	7,900,000	8,370,000	*Dr400,000*	300,000
Crown Lands	1,350,000	520,000	500,000	...	...
Receipts from Sundry Loans	4,300,000	2,670,505	3,336,515	...	375,040
Miscellaneous Receipts	11,000,000	9,195,014	3,063,016	1,000,000	502,428
Total Ordinary Revenue	863,100,000	236,225,519	245,904,531	17,209,000	17,852,468
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	23,800,000	25,330,000	1,700,000	1,550,000
Total	...	260,025,519	271,234,531	18,909,000	19,402,468

EXPENDITURE	Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Aug. 22, 1936	April 1, 1937, to Aug. 21, 1937	Week ended Aug. 22, 1936	Week ended Aug. 21, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	94,341,723	96,526,657	318,036	364,944
Payments to Northern Ireland Exchequer	8,000,000	2,174,378	2,447,950	...	...
Other Consolidated Fund Services	3,200,000	999,811	1,487,476	4,337	246
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	97,515,912	100,462,083	322,373	365,190
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	‡202824100	221,849,750	‡6,500,000	11,600,000
Total Ordinary Expenditure	862,848,000	300,340,012	322,311,833	6,822,373	11,965,190
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	23,800,000	25,330,000	1,700,000	1,550,000
Total	...	324,140,012	347,641,833	8,522,373	13,515,190

† Including margin for Civil Supplementary Estmates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to August 21, 1937, are shown below :—

(000's omitted)

	£		£
Ordinary Expenditure	322,312	Ordinary Revenue	245,905
Increase in balances	13	Gross borrowing ... £79,035	
		Less :—	
		New Sinking Fund ... 2,606	
		Old S. Fund, 1907–08 9	
		Net borrowing	76,420
	322,325		322,325

POSITION OF THE FLOATING DEBT

	Aug. 22, '36	Mar. 31, '37	Aug. 21, '37	Movement Week ended Aug. 21, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	25,020,000	23,535,000	31,545,000	+2,670,000
Treasury Bills outstanding	798,205,000	674,595,000	852,990,000*	−8,050,000
Total Floating Debt	823,225,000	698,130,000	884,535,000	−5,380,000

* Includes £1,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on August 20, 1937. The amount applied for was £83,505,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday, at £99 17s. 4d. about 43 per cent. and above in full; Saturday at £99 17s. 5d. and above in full. The average rate per cent. was 10s. 5·39d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
August 13, 1937	45,000,000	82,140,000	45,000,000	0 10 5·84
August 20, 1937	45,000,000	83,505,000	45,000,000	0 10 5·36

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended July 31, 1937	594,553	445,915
Five days ended August 7, 1937	445,022	333,766
Week ended August 14, 1937	519,781	389,836

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, is £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, AUGUST 25, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt ...	11,015,100
In Circulation ...	488,266,998	Other Government Securities	188,296,136
In Banking Department ...	38,139,627	Other Securities ...	678,518
		Silver Coin ...	10,246
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion ...	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital ...	14,553,000	Government Securities ...	108,837,487
Rest ...	3,845,684	Other Securities :—	
Public Deposits* ...	25,376,710	Discounts and Advances ... £4,317,646	
Other Deposits :—		Securities ... £19,642,715	
Bankers ... £92,819,213			23,960,361
Other Accounts £35,997,679		Notes ...	38,139,627
	128,816,892	Gold and Silver Coin ...	1,454,811
	172,392,286		172,392,286

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

Both Departments	Amount, Aug. 25, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	488,266,998	− 2,707,776	− 44,857,700
Public deposits	25,376,710	− 3,163,620	− 8,147,140
Bankers' deposits	92,819,213	− 4,319,642	− 8,092,190
Other deposits	35,997,679	− 533,445	− 1,842,577
Total outside liabilities	642,460,600	− 2,085,199	+ 43,070,073
Capital and rest	18,198,684	− 15,412	− 29,333
Government debt and securities	308,148,723	− 2,529,098	− 33,472,208
Discounts and advances	4,317,646	− 1,889,407	− 4,884,006
Other securities	20,321,233	− 2,812,668	− 174,386
Silver coin in issue department	10,246	− 2,366	− 445,614
Coin and bullion (bank's reserves)	327,861,436	+ 85,556	+ 82,016,954
Reserves of notes and coin in banking department	39,594,438	+ 2,793,332	− 22,840,746
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	25·7%	+ 1·7%	− 14·3%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	51·0%	+ 0·1%	+ 10·0%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
1937	£	£	£	£	£	£	%
Aug. 4	526,407	503,877	9,810	95,491	36,995	Nil	2
,, 11	526,407	497,867	19,036	93,574	36,363	Nil	2
,, 18	526,407	490,971	28,540	88,500	36,531	Nil	2
,, 25	526,407	488,267	25,377	92,819	35,998	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio	Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"
1937	£	£	£	£	£	£	£	%
Aug. 4	196,801	3,193	327,521	50⅝	110,205	6,445	20,146	23,644	16⅛
,, 11	198,139	1,852	327,628	50⅛	111,130	5,907	20,340	22,761	19⅛
,, 18	198,482	1,505	327,776	50⅛	107,137	6,187	21,629	36,801	23⅛
,, 25	199,311	679	327,861	50½	108,837	4,318	19,643	39,594	25⅛

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to August 11	23,360,653	1,360,402	2,356,298	27,077,353
Week ended August 18	679,374	36,905	67,986	784,265
Week ended August 25	550,102	34,203	61,611	645,916
Total to date, 1937	24,590,129	1,431,510	2,485,895	28,507,534
Total to date, 1936	21,485,434	1,313,442	2,256,646	25,055,522
Increase or decrease in 1937	+3,104,695	+118,068	+ 229,249	+3,452,012
	− 14·4%	− 9·0%	− 10·1%	− 13·8%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Egypt, in August 7. Bulgaria, Denmark, International Settlements, Norway, Lithuania, in August 14. Argentina, Danzig, Java, Latvia, Poland, Roumania, Hungary, in August 21.

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

U.S.F.R. Banks Resources	Aug. 27, 1936	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937
Gold Certificates on hand and due from the Treasury	8,274,030	8,833,400	8,832,400	8,831,950	8,831,950
Total reserves	8,571,040	9,155,490	9,150,080	9,145,120	9,150,240
Total cash reserves	282,940	312,310	306,900	303,050	308,860
Total bills discounted	7,240	15,400	16,700	18,290	18,700
Bills bought in open market	3,090	3,080	3,070	3,070	3,080
Total bills on hand	10,330	18,480	19,770	21,360	21,780
Industrial advances	28,550	21,080	21,040	21,010	20,930
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,469,290	2,565,750	2,567,000	2,568,560	2,568,900
Total resources	11,685,610	12,439,500	12,414,650	12,471,970	12,414,550
Liabilities					
Federal Reserve notes in actual circulation	3,993,660	4,222,020	4,228,040	4,238,390	4,234,680
Aggregate of excess member-bank reserves over requirements	1,890,000	700,000	740,000	780,000	760,000
Deposits—Member-bank—reserve account	6,331,500	6,635,760	6,681,120	6,743,870	6,729,550
Government deposits	143,420	308,780	252,690	155,690	160,880
Total deposits	6,811,360	7,264,560	7,260,930	7,239,680	7,246,690
Capital paid in and surplus	302,760	305,790	305,870	305,880	305,870
Total liabilities	11,685,610	12,439,500	12,414,650	12,471,970	12,414,550
Ratio of total reserves to deposit and F.R. note liabilities combined	79·3%	79·7%	79·6%	79·7%	79·7%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,695,000	12,462,000	12,497,000	12,527,000	12,541,000
Treasury and National Bank Currency	2,501,000	2,572,000	2,573,000	2,577,000	2,577,000
Liabilities					
Money in Circulation	6,184,000	6,468,000	6,482,000	6,500,000	6,495,000
Treasury Cash and Deposits with Federal Reserve Banks	2,553,000	3,914,000	3,893,000	3,828,000	3,844,000

PROVINCIAL (000's omitted)

	Week ended August 21		Month of July			Aggregate Totals, January 1 to August 21	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			27	27	%		
BIRMINGHAM	£ 2,589	£ 2,017	£ 13,908	£ 13,271	− 4·5	£ 86,903	£ 88,798
BRADFORD	708	559	3,956	4,613	+16·6	32,183	35,171
BRISTOL	1,261	1,281	5,852	5,810	− 0·7	42,236	42,715
DUBLIN	4,902	4,836	...	...	...	189,204	194,386
HULL	755	847	3,791	4,128	+ 8·8	27,262	30,687
LEEDS	983	871	4,553	4,771	+ 4·7	31,164	34,309
LEICESTER	647	629	3,470	3,650	+ 5·1	24,323	25,296
LIVERPOOL	5,858	5,783	29,603	31,322	+ 5·8	202,182	236,502
MANCHESTER	9,305	9,250	44,936	49,154	+ 9·3	334,571	370,199
NEWCASTLE	1,272	1,437	6,044	6,878	+13·7	43,464	48,832
NOTTINGHAM	414	409	2,520	2,502	− 0·7	16,986	17,533
SHEFFIELD	895	978	4,592	5,151	+12·1	33,298	36,938
	29,589	28,897	123,225	131,250	+ 6·5	1,063,776	1,161,366

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	Aug. 27, 1936	Aug. 5, 1937	Aug. 12, 1937	Aug. 19 1937	Aug. 26, 1937
Total gold reserves	3,308,520	3,345,630	3,344,620	3,357,470	3,367,870
Total bills discounted	5,200	7,370	8,020	8,000	11,640
Bills bought in open market	1,100	1,090	1,080	1,090	1,090
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	673,960	738,980	739,630	739,600	743,190
Deposits—Member-bank—reserve account	2,844,250	2,800,990	2,836,370	2,878,990	2,890,900
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·5%	83·7%	83·7%	83·7%	83·8%

FEDERAL RESERVE REPORTING MEMBER BANKS.

In $'s (000,000's omitted)

	Aug. 12, 1936	July 14, 1937	July 21, 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937
Loans, total†	8,352	9,714	9,740	9,784	9,908	9,917
Investments	13,972	12,449	12,473	12,499	12,470	12,414
Reserve with Federal Reserve Bank	4,855	5,352	5,302	5,231	5,089	5,122
Due from banks	2,408	1,801	1,785	1,753	1,691	1,680
Demand deposits	14,752	15,031	15,018	15,033	14,877	14,914
Time deposits	5,221	5,250	5,251	5,268	5,244	5,229
Government deposits	821	451	429	430	463	498
Due to banks	6,372	5,733	5,701	5,621	5,624	5,568

† In this item, comparison between May 20, 1937, onwards and preceding weeks is affected by a revision of the statement.

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

	Aug. 24, 1936	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937
Assets						
Gold and English sterling	16,004	16,009	16,007	16,007	16,007	16,007
Other coin, bullion and cash	6,774	5,676	5,226	5,347	4,793	4,970
Money at short call—London	19,170	33,692	33,091	33,337	33,264	33,384
Short-term loans	6,209	2,956	3,095	3,213	3,241	3,563
Securities	75,154	76,587	76,587	76,587	76,587	76,587
Discounts and advances	8,653	10,486	10,830	10,674	10,505	10,282
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,038
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	70,221	85,358	85,514	86,204	85,637	86,020

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

Assets	Aug 21, 1936	July 19, 1937	July 26, 1937	Aug 2, 1937	Aug. 9, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	19,487	20,589	20,859	20,876	20,153
Advances to State	...	5,004	4,577	4,513	4,584
Investments	2,038	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	10,770	12,580	12,590	12,630	12,601
Demand liabilities :—					
Government	6,538	6,121	6,418	6,725	6,613
Other	5,878	11,173	10,723	10,361	9,823
Ratio of reserves to sight liabilities	96·1%	78·3%	79·6%	79·7%	79·1%

BANK OF CANADA.—In $'s (000's omitted)

Assets	Aug. 19, 1936	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937
Reserve, of which	201,055	204,006	204,182	201,956
Gold coin and bullion	179,447	179,492	179,476	175,507
Investments	110,806	141,013	145,041	146,764
Liabilities				
Note circulation	103,667	141,374	142,865	144,177
Deposits : Dominion Government	23,326	21,483	22,181	26,203
Chartered banks	180,704	178,386	174,261	172,245
Ratio of reserves to notes and deposit liabilities	65·2%	59·6%	60·0%	60·0%

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

Assets	Aug. 21, 1936	July 23, 1937	July 30, 1937	Aug 6, 1937	Aug. 13, 1937	Aug. 20, 1937
Gold coin and bullion	22,932	22,871	22,701	22,701	22,701	22,703
Bills discounted : Foreign	8,490	5,125	4,930	5,105	5,395	5,490
Investments	1,734	1,729	1,729	1,729	1,726	1,726
Other assets	11,281	10,643	11,446	10,928	10,879	10,370
Liabilities						
Notes in circulation	13,605	14,934	17,095	16,519	15,674	15,089
Deposits : Government	2,199	2,339	1,565	1,479	1,731	2,202
Bankers	22,838	16,629	16,174	18,156	19,083	17,525
Ratio of cash reserves to liabilities to public	54·0%	58·3%	57·3%	55·7%	56·1%	57·7%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	Aug. 21, 1936	Aug 6, 1937	Aug. 13, 1937	Aug. 20, 1937
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	66,94,32	59,60,19	59,99,15	60,65,77
Balances abroad	2,84,26	15,88,94	15,96,86	14,56,51
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,39,46	27,37,72	27,37,80	27,38,02
Investments	5,71,48	8,00,92	8,06,31	8,40,75
Liabilities				
Note circulation	1,63,11,98	1,81,15,38	1,80,90,17	1,79,10,13
Deposits : Government	6,36,81	9,74,93	10,19,12	8,61,04
Banks	33,39,21	35,08,07	35,43,82	38,50,59
Ratio of gold and sterling to liabilities	55·3%	58·9%	58·8%	58·6%

* Held against notes.

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

Assets	Aug. 21, 1936	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937
Gold*	54,674,052	55,677,171	55,716,636	55,716,766	55,717,154
Advances on Gold Coin	1,270,980	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	11,734,280	11,204,660	9,877,662	9,485,878	9,178,188
Bills bought abroad	1,231,130	919,974	880,696	880,696	880,696
Advances on securities	4,413,548	5,022,602	5,229,295	4,665,007	4,472,331
Loans to State without interest : (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	8,736,332	23,886,810	23,878,127	23,878,127	23,878,126
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,641,368	5,641,368	5,637,303	5,637,302
Other assets (excluding forward exch.)	3,747,042	4,182,637	4,271,546	4,228,142	4,091,426
Liabilities					
Notes in circulation	83,617,299	89,307,414	89,603,755	88,904,533	88,216,281
Public deposits	1,726,432	2,563,038	2,338,713	2,242,785	2,204,098
Private deposits	6,790,830	15,669,695	14,492,429	14,323,010	14,340,862
Other liabilities	2,512,620	3,294,234	3,359,589	3,320,746	3,393,141
Ratio of gold reserve to sight liabilities	59·3%	51·7%	52·3%	52·8%	53·1%

* Based on franc at 49 milligrams Oct. 2, 1936, to July 22, 1937, and at 43 milligrams from July 29, 1937. † Includes fcs. 5,597,091,000 Treasury Bills.

REICHSBANK.—In Reichsmarks (000's omitted)

Assets	Aug. 22, 1936	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937
Gold	70,428	69,143	69,312	69,259
Of which deposited abroad	22,531	19,359	19,497	19,672
Reserve in foreign currencies	5,527	5,905	5,981	6,208
Bills of exchange and cheques	4,268,732	4,991,192	4,871,665	4,696,045
Silver and other coin	196,342	159,172	185,282	221,993
Advances	41,484	25,207	30,184	33,739
Investments	529,162	403,384	403,400	403,422
Other assets	560,364	697,391	709,347	733,562
Liabilities				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,138,442	4,866,613	4,756,228	4,590,226
Other daily maturing obligations	692,917	592,966	625,059	682,895
Other liabilities	217,119	248,838	250,907	248,400
Cover of note circulation	1·83%	1·54%	1·58%	1·65%

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

Assets	Aug. 20, 1936	July 22, 1937	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937
Gold	3,726,930	3,658,560	3,642,431	3,622,970	3,601,374	3,589,035
Silver and other coin	53,150	44,035	44,163	40,872	40,529	42,862
Securities	1,407,191	1,385,586	1,376,376	1,367,917	1,361,404	1,354,909
Advances	75,015	32,944	35,625	34,972	35,027	32,788
Liabilities						
Notes in circulation	4,469,918	4,465,716	4,440,266	4,459,714	4,442,431	4,409,302
Deposits : Govt.	31,393	194,935	214,692	163,371	106,846	138,510
Other	949,972	644,548	627,719	627,726	673,119	655,837

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

Assets	Aug. 24, 1936	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937
Gold	671,506	1,265,880	1,265,883	1,265,883	1265883 }	1,285,595
Silver	22,805	18,598	17,843	18,518	19,693 }	
Home bills discounted	24,118	14,514	12,987	12,924	13,086	12,908
Loans and advances in current account	120,966	170,721	186,670	179,604	180,112	177,458
Liabilities						
Notes in circulation	750,081	821,936	860,778	831,747	821,909	821,981
Deposits	110,899	669,595	646,739	669,192	681,076	678,086

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

Assets	Aug. 22, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937
Gold	1,471,677	2,594,415	2,594,418	2,567,780	2,553,427	2,547,817
Of which held abroad	226,399	534,469	507,438	482,100	467,115	462,737
Discounts	122,345	7,114	6,904	6,862	6,955	7,048
Confederation Bills	42,800	16,100	15,600	14,550	14,300	14,300
Advances	63,568	28,855	28,465	28,193	27,955	27,607
Securities	41,836	15,915	15,911	15,881	15,881	15,881
Liabilities						
Notes in circulation	1,245,014	1,371,622	1,411,851	1,381,917	1,361,173	1,353,316
Deposits	451,514	1,316,617	1,298,865	1,343,506	1,381,439	1,426,849

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

Assets	Aug. 23, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937
Gold reserve	433,987	466,148	466,110	466,026	466,865
Government securities :					
Swedish	28,500	2,000	2,000	2,000	2,000
Foreign	75,573	52,141	46,094	46,684	47,070
Gold abroad *not* included in the gold reserve	76,563	68,771	68,776	68,789	68,663
Balances with foreign banks	243,812	209,386	219,616	210,829	221,300
Bills payable in Sweden	10,658	12,771	12,373	11,902	11,877
Bills payable abroad	211,164	659,851	674,818	682,218	682,218
Advances	32,777	28,303	25,747	25,539	24,552
Liabilities					
Notes in circulation	728,120	862,840	829,524	829,814	810,662
Deposits : Government	171,108	136,834	135,643	130,478	134,016
Banks	333,112	673,334	716,431	715,081	748,422
Other	16,314	9,930	10,060	10,207	9,942

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

Assets	July 22, 1936	June 23, 1937	June 30, 1937	July 7, 1937	July 14, 1937	July 21, 1937
Gold	910,275	915,183	915,288	915,414	915,481	915,637
Balances abroad	536,214	586,898	592,136	586,585	589,226	593,195
Discounts	343,964	313,230	314,565	311,611	310,746	304,707
Securities	110,162	124,412	124,000	124,109	124,453	124,451
Government loans	1,044,860	1,042,900	1,042,900	1,042,900	1,042,900	1,042,900
Liabilities						
Notes in circulation	2,064,047	2,029,342	2,082,804	2,082,733	2,061,654	2,033,380
Government deposits	486,105	396,923	341,044	350,182	373,703	387,488
Bankers' deposits	464,581	674,308	887,651	678,740	674,318	709,561
Other deposits	49,462	85,281	102,016	86,880	77,337	73,309
Foreign commitments	34,660	44,391	44,390	44,393	44,394	44,721

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

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937
Cash reserve—					
Gold coin and bullion	242,687	243,018	243,028	243,040	243,048
Other foreign exchange	115,018	110,162	116,125	121,249	124,212
Bills discounted	219,241	191,362	193,192	193,099	194,718
Federal debt	624,444	620,152	620,152	620,152	620,152
Liabilities					
Notes in circulation	896,756	812,536	915,076	858,972	864,566
Deposits	300,021	346,988	251,358	314,540	307,693

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.* (000's omitted)

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 8, 1937	Aug. 15, 1937
Gold	2,696,422	2,576,822	2,576,389	2,574,560	2,573,781
Balances abroad and foreign currency	22,158	358,241	347,645	354,706	351,756
Discounts and advances	1,556,469	1,822,952	2,267,870	2,221,000	2,072,427
State notes debt balance	2,034,533	2,014,716	2,014,573	2,014,220	2,014,215
Liabilities					
Bank notes in circulation	5,518,203	5,407,034	6,036,806	5,898,210	5,791,791
Deposits	526,699	530,990	296,249	447,073	407,161

* First return showing effects of devaluation, October 15, 1936.

NATIONAL BANK OF JUGOSLAVIA In dinar (000's omitted)

Assets	Aug. 15, 1936	July 31, 1937	Aug. 8, 1937	Aug. 15, 1937
Cash reserve :				
Gold at home and abroad	1,531,168	1,686,051	1,687,947	1,690,026
Other foreign exchange	455,093	723,337	689,442	702,347
Bills and advances against security	1,615,770	1,580,620	1,557,663	1,571,268
Government advances	1,661,502	1,651,226	1,651,286	1,651,674
Liabilities				
Notes in circulation	4,991,173	5,687,193	5,742,987	5,732,588
Sight deposits	1,518,080	2,177,400	2,106,123	2,176,939
Time deposits	50,000	50,000	50,000	50,000

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

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937
Gold and gold exchange	2,767,428	3,320,253	3,308,414	3,305,743	3,291,659
State Gold Bonds	566,440	543,026	543,026	527,715	527,715
Bills discounted	328,626	555,542	556,885	559,094	556,152
Advances	5,699,097	3,297,598	3,298,137	3,767,777	3,677,868
State Debt	3,605,111	3,557,205	3,557,205	3,557,205	3,915,411
Liabilities					
Notes in circulation	5,497,137	6,356,242	6,329,682	6,325,679	6,295,080
Deposit and current accts.	6,546,802	4,934,093	4,967,801	5,380,530	5,230,458
Foreign exchange liabilities	246,059	165,364	161,187	159,754	173,778

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

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937
Gold reserve	569,543	602,892	602,887	602,869	602,854
Gold abroad not included in the gold reserve	...	37,003	37,003	37,003	37,003
Foreign correspondents	1,103,876	2,022,751	2,046,859	2,076,081	2,085,799
Foreign bills, bank notes, and coupons	89,429	88,147	86,556	86,372	86,746
Inland bills and other home loans	942,726	1,060,595	1,035,597	1,023,204	1,002,430
Finnish and foreign bonds	515,167	541,838	540,902	540,325	536,396
Liabilities					
Notes in circulation	1,446,614	1,778,852	1,840,860	1,846,707	1,831,451
Government deposits at sight	44,392	247,590	241,128	291,886	349,646
Other deposits at sight	660,935	1,059,782	991,448	1,004,671	1,002,538
Ratio of ordinary cover to liabilities at sight	73·64	77·94	78·44	78·34	77·98

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

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937
Gold coin and gold bullion	34,157	34,195	34,196	34,196	34,198
Net foreign exchange	4,344	17,636	17,499	16,712	17,138
Home bills discounted	8,886	12,055	12,252	11,987	12,097
Loans and advances	8,142	9,583	12,037	8,850	8,902
Liabilities					
Notes in circulation	38,863	44,529	43,992	42,573	42,768
Sight deposits and current accounts	25,362	35,327	37,719	36,312	36,704
Ratio of reserve to current liabilities	59·9%	64·9%	63·3%	64·5%	64·6%

BANK OF JAPAN.—In yen (000's omitted)

Assets	Aug. 1, 1936	July 10, 1937	July 17, 1937	July 24, 1937	July 31, 1937
Gold coin and bullion	529,319	515,659	498,225	495,013	488,437
Other coin and bullion	68,371	56,807	57,315	56,750	55,603
Discounts	564,256	475,050	474,408	483,446	562,386
Advances	189,495	269,387	271,757	270,224	271,940
Advances on foreign bills	78,370	30,000	43,918	44,755	81,814
Government bonds	457,138	731,865	730,404	698,971	780,314
Liabilities					
Notes	1,376,047	1,433,644	1,415,240	1,447,406	1,579,961
Government deposits	271,796	308,746	294,633	255,076	270,696
Other deposits	60,409	72,765	65,465	59,582	74,271

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Aug. 19, 1937	Aug. 20, 1937	Aug. 21, 1937	Aug. 23, 1937	Aug. 24, 1937	Aug. 25, 1937	Aug. 26, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
3 months' do.	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
4 months' do.	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝	9/16–⅝
6 months' do.	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16	⅝–11/16
Discount Treasury Bills—							
2 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
3 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances : Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	¾	¾	¾	¾	¾	¾	¾

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
July 29	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2¼	2¼–2½	2½–3
Aug. 5	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2¼	2¼–2½	2½–3
„ 12	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2¼	2¼–2½	2½–3
„ 19	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2¼	2¼–2½	2½–3
„ 26	½–1	17/32–9/16	9/16–⅝	⅝–11/16	2–2¼	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Aug. 20, 1937	Aug. 21, 1937	Aug. 23, 1937	Aug. 24, 1937	Aug. 25, 1937	Aug. 26, 1937
New York, $..	‡4·86⅔	4·98⅝–99	4·98⅞–99	4·98¾–99¼	4·98¾–98⅞	4·98¼–98⅞	4·98–98¼
Montreal, $...	4·86⅔	4·98⅝–99	4·98⅞–99	4·98¾–99¼	4·98¾–98⅞	4·98¾–98⅞	4·97⅞–98¼
Paris, Fr.	124·21	132⅞–133	132⅞–15/16	132⅞–133	132⅞–15/16	132⅞–15/16	132⅞–15/16
Brussels, Bel.	35·00(a)	29·59–62	29·60–63	29·60–64	29·60–63	29·58–62	29·56–60
Milan, L.	92·46 {	94 15/16–⅞ 94·82i	94⅞–⅞ 94·79i	94 15/16–⅞ 94·81i	94 13/16–15/16 94·79i	94⅝–⅞ 94·75i	94 13/16–⅞ 94·68i
Zurich, Fr.	25·22⅛	21·71–73	21·71–73	21·71–73	21·70–72	21·69–72	21·68–71
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225¾–226¼	225¾–226¼	225¾–226¼	225¾–226¼	225¾–226¼	225¾–226¼
Madrid, Pt.	25·22½ {	70–100(l) 68·00j	70–100(l) 68·00j	70–100(l) 68·00j	70–100(l) 68·00j	70–100(l) 69·00j	70–100(l) 69·00j
Lisbon, Esc.	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm, Fl.	12·107	9·03½–04½	9·03½–04½	9·03½–04½	9·03¾–04½	9·02¼–04	9·02¼–03½
Berlin, Mk.	20·43	12·38–41	12·39–41	12·39–42	12·39–42	12·38–41	12·38–41
Registered Marks	(c)	39½–44½	39–44	39½–44½	40–45	40½–45½	40½–45½
Vienna, Sch.	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen.	27·82	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜
Prague, Kc.	§164¼	142⅞–143¼	142⅞–143¼	142⅞–143¼	142⅞–143⅛	142½–143	142⅜–⅞
Danzig, Gul.	25·00	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝
Warsaw, Zl.	43·38	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝	26⅛–⅝
Riga, Lat.	25·22½	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾
Buchar'st, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110 {	621* 628k	621* 628k	621* 628k	621* 628k	621* 628k	620* 628k
Belgrade, Din.	276·32	212–222	212–222	212–222	212–222	212–222	211–221
Kovno, Lit.	48·66	29–30	29–30	29–30	29–30	29–30	29–30
Sofia, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97½	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝
Br. India Rup.	† 18d.	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32
Hong Kong, $	† ...	14¾–15⅛	14¾–15⅛	14 13/16–15⅛	14 13/16–15⅛	14 13/16–15 1/16	14 13/16–15⅛
Kobe, Yen	†24·58d.	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32
Shanghai, $	† ...	13⅞–14½(l)	13⅞–14½(l)	14–14¾(l)	14–14¾(l)	14–14¾(l)	14–14¾(l)
Singapore, $..	† 28d.	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛
Batavia, F.	12·11	8·99½–9·03½	9·00–04	9·00–04	8·99½–9·03½	8·99–9·03	8·99–9·03
Rio, Mil.	†5 899d.	3–3⅛f	3 1/32–3/32f	3 1/32–⅛f	3 1/16–3/32f	3⅛–3/16f	3⅛–3/16f
B. Aires, $	11·45 {	16·51–57g 16·12h	16·50–55g 16·12h	16·50–58g 16·12h	16·50–58g 16·12h	16·51–57g 16·12h	16·51–57g 16·12h
Valparaiso, $..	40	130e(l)	130e(l)	130e(l)	130e(l)	130e (l)	125e (l)
M'video, $	† 51d. {	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39⅞*b	27¾–28¼ 39 13/16*b
Lima, Sol.	17·38	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾
Mexico, Pes.	9·76	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Manila, Pes.	†24·66d.	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24⅜
Moscow, Rbls.	...	26·43⅝–44⅛	26·44 3/16–44 7/16	26·44 7/16–44 11/16	26·42⅝–43⅛	26·42–42½	26·39 13/16–40 1/16
B'ngkok, Baht	†21·82d.	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼

Usance : T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23 11/32 since dollar devaluation on February 1, 1934. § Par, 197·10 1/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England :—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Aug. 20, 1937 Per £	Aug. 21, 1937 Per £	Aug. 23, 1937 Per £	Aug. 24, 1937 Per £	Aug. 25, 1937 Per £	Aug. 26, 1937 Per £
New York, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	15/32–13/32	15/32–13/32	13/32–11/32	15/32–13/32	7/16–⅜	13/32–11/32
	2 „	15/16–13/16	⅞–13/16	29/32–27/32	⅞–13/16	⅞–13/16	13/16–¾
	3 „	1 7/16–1 5/16	1 7/16–1 5/16	1 7/16–1 5/16	1⅜–1 5/16	1⅜–1¼	1 7/16–1 5/16
Paris, frs.		(d)	(d)	(d)	(d)	(d)	(d)
	1 Month	⅞–1⅛	⅞–1⅛	13/16–⅞	⅝–¾	½–¾	⅝–¾
	2 „	3–3¼	2⅞–3⅛	2½–2¾	2⅝–2⅞	1⅞–2⅛	2–2¼
	3 „	4 11/16–4 15/16	4 9/16–4 13/16	3 13/16–4 1/16	3½–3¾	3⅛–3⅜	3¼–3½
Amsterdam, c'nt		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	1–½	1–½	⅞–⅝	1–½	⅞–⅜	1–½
	2 „	2–1½	2–1½	2–1½	1⅞–1⅜	1¾–1¼	1⅞–1⅜
	3 „	2⅞–2⅜	2¾–2¼	2¾–2¼	2¾–2¼	2¾–2¼	2⅝–2⅛
Brussels, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	½(p)–½(d)	½(p)–½(d)	½–Par	½–Par	½–par	½–par
	2 „	1–Par	1–Par	1–Par	1–Par	1–par	1–par
	3 „	1–Par	1½–½	1½–½	1–Par	1–par	1–par
Geneva, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	1½–1	1½–1	1½–1	1½–1	1½–1	1½–1
	2 „	3–2	3–2	3–2	2¾–1¾	2½–1½	2¾–1¾
	3 „	4–3	4¼–3¼	3½–2½	3½–2½	3¼–2¼	3½–2½

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Aug. 26, 1936	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937
	%	%	%	%	%	%
Call money	1	1	1	1¼	1	1
Time money (90 days' mixed coll.)	1¼	1¼	1¼	1¼	1¼	1¼
Bank acceptances :—		Selling Rates				
Members—eligible, 90 days	3/16	½	½	½	½	½
Non-mem.—eligible, 90 days	3/16	½	½	½	½	½
Commercial accept., 90 days	⅜	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Aug. 26, 1936	Aug. 11 1937	Aug. 18, 1937	Aug. 25, 1937
London—		Old par				
60 days	Dollars for £1	4·8666	5·0187	4·97½	4·9837	4·9737
Cable	Dollars for £1	New par	5·0312	4·9837	4·99¼	4·98¼
Cheques	Dollars for £1	8·2397	5·03	4·98¼	4·9912	4·9812
Paris ......cheques	Cents for 1 franc	6·63	6·5837	3·75½	3·7537	3·7512
Brussels „	Cents for 1 belga	23·54	16·89	16·835	16·865	16·84
Switzerland „	Cents for 1 franc	32·67	32·60	22·965	22·975	22·965
Italy „	Cents for 1 lira	8·91	7·87	5·26	5·26	5·26
Berlin „	Cents for 1 mark	40·33	40·22	40·23	40·235	40·21
Vienna „	Cts.forAustrn.shig.	23·82	18·86	18·89	18·89	18·88
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·90	55·15	55·19	55·19
Copenhagen „	Cents for 1 kroner	45·37 {	22·46	22·25	22·28	22·24
Oslo „	Cents for 1 kroner		25·28	25·045	25 08	25·04
Stockholm „	Cents for 1 kroner		25·94	25·70	25·735	25·69
Athens „	Cents for 1 drachma	1·29⅓	0·94⅓	0·91⅓	0·91⅓	0·91⅓
Montreal „	Cents for Can. $1	169·31	100	99 63/64	99 63/64	100
Yokohama „	Cents for 1 yen	84·40	29·46	29·07	29·11	29·07
Shanghai „	Cents for 1 dollar	...	30·25	29·65	30·40	30·25
Calcutta „	Cents for 1 rupee	61·80	38 03	37·64	37·69	37·64
Buenos Aires „	Cents for 1 peso	...	33·53	30·90	30·96	30·90
Rio de Janeiro „	Cents for 1 milreis	11·96	8·47	8·40	8·42	8·40

The Portuguese bank rate is now 4 per cent., to which it was reduced on August 11th. Other overseas bank rates appeared in the issue of August 7th on page 317.

Exchange rates for South Africa, Central and South America and Australasia were also given in the above issue.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended August 26, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports			Exports		
From	Bullion*	Coin†	To	Bullion*	Coin†
	£	£		£	£
British W. Africa	172,285	...	Finland	21,549	...
British S. Africa	2,125,721	...	Germany	22,320	8,070
Tanganyika	8,957	...	Netherlands	...	{ *3,000* 10,547
Kenya	3,007	...			
Uganda	4,309	...	Jugoslavia	152,178	...
New Zealand	21,551	...	Iran	153,298	...
British Guiana	4,736	...	U.S.A.	1,096,192	...
Germany	807,439	...	Other countries	697	*250*
Belgium	2,901	...			
France	11,611	{ *300* 3,615			
China	679,712	...			
Venezuela	24,455	...			
Other countries	1,460	...			
Total	3,868,144	{ *300* 3,615	Total	1,446,234	{ *3,250* 18,617

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion*	Coin†	Exports To	Bullion*	Coin†
	£	£		£	£
Irish Free State ...	...	2,815	Sweden	2,025	...
British W. Africa...	...	730	Norway	2,037	...
		920	Portugal	2,010	...
Canada	7,630	...	Other countries ...	391	360
Germany	181	...			
Belgium	9,315	315			
		644			
France	...	20			
		225			
Egypt	...	62,000			
Japan	33,566	...			
Ecuador	4,155	...			
Other countries ...	...	500			
		60			
Total	54,847	4,380	Total	6,463	360
		63,849			

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between August 20th and 26th. Details of previous movements were given in *The Economist* of August 7th on page 318.

GOLD MARKET

Messrs Samuel Montagu and Company write on August 25, 1937 :—

The Bank of England gold reserve against notes amounted to £326,406,625 on August 18th showing no change as compared with August 11th.

In the open market about £1,700,000 of bar gold was disposed of at the daily fixing during the week. With a continuation of the firm tendency of sterling against the dollar, a fresh low record for the year was established on August 19th when the price was fixed at 139s. 3½d. Prices have ruled at about dollar parity and some of the offerings were taken for shipment to America, but there was also a fair general demand.

The s.s. " Kaisar-i-Hind " which sailed from Bombay on August 21st carries gold to the value of about £235,000.

SILVER MARKET

After remaining unchanged at 19 15/16d. for both cash and two months' delivery for four days of the week under review, a slightly easier tendency developed on August 24th owing to re-selling by the Indian Bazaars and on August 25th the respective prices declined to 19 13/16d.

There have been sales on China account, but these have been made with some reluctance and the steadiness of the market during most of the week was due largely to sellers holding back, as buying orders were limited to lower prices.

The tone of the market appears steady at the moment and even should Indian re-selling continue, support from America for trade or other purposes might be expected at or slightly under the present level.

Quotations for gold and silver are shown below :—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
Aug. 19.....	139 3½	12 2·38	19 13/16	19 13/16	
„ 20.....	139 4½	12 2·29	19 13/16	19 13/16	
„ 21.....	139 4	12 2·33	19 13/16	19 13/16	
„ 23.....	139 4	12 2·33	19 13/16	19 13/16	
„ 24.....	139 4½	12 2·29	19 15/16	19 13/16	Aug. 18 to Aug. 24 inclusive 45
„ 25.....	139 6	12 2·16	19 13/16	19 13/16	
Average ...	139 4·42	12 2·30	19·906	19·917	
Aug. 26.....	139 7	12 2·07	19 15/16	19 15/16	

The highest rate of exchange on New York recorded during the period from the 19th to the 25th August was $4·99 3/8 and the lowest $4·98 1/8

OTHER STATISTICS

DISTRIBUTION OF BRITAIN'S OVERSEAS TRADE

(IN THE FIRST SIX MONTHS OF EACH YEAR)

See Note of the Week on page 425 of this issue.

TRADE WITH BRITISH COUNTRIES

(000's omitted)

From or to	Imports 1929	Imports 1933	Imports 1936	Imports 1937	British Exports 1929	British Exports 1933	British Exports 1936	British Exports 1937
Irish Free State ...	19,480	8,140	9,144	9,833	17,213	9,119	10,309	11,105
West Africa	6,963	3,302	6,045	9,153	5,932	3,134	4,885	6,653
South Africa	12,959	7,829	7,213	7,633	16,224	10,567	17,998	20,440
India and Ceylon	36,155	18,876	28,923	34,101	43,250	17,476	18,307	20,676
Straits Settlements	6,171	1,769	2,904	2,930	6,499	2,118	2,925	4,066
Australia	32,853	25,974	33,259	37,496	25,241	9,991	14,778	16,896
New Zealand	32,709	22,212	26,151	29,289	9,551	4,351	6,928	9,338
Canada	21,666	20,414	31,884	39,567	17,903	7,204	10,740	12,901
West Indies	2,862	2,744	3,980	6,107	2,251	2,222	2,308	2,839
Other Possessions	18,244	12,971	17,770	23,591	14,834	11,159	11,940	14,429
TOTAL	190,062	124,231	167,273	199,680	158,898	77,341	101,118	119,343
Excluding the Irish Free State	170,582	116,091	158,129	189,847	141,685	68,222	90,809	108,238

TRADE WITH EUROPEAN COUNTRIES

(000's omitted)

From or to	Imports 1929	Imports 1933	Imports 1936	Imports 1937	British Exports 1929	British Exports 1933	British Exports 1936	British Exports 1937
U.S.S.R.	8,738	5,092	5,974	8,193	1,713	2,182	1,572	973
Finland	4,931	4,280	6,713	7,227	1,656	1,148	1,708	2,423
Latvia	2,510	1,038	1,377	2,301	561	324	568	696
Sweden	10,740	6,181	8,779	10,185	5,019	3,113	4,808	6,018
Norway	6,924	3,323	4,315	5,278	4,325	2,521	3,481	4,445
Denmark	25,809	17,280	15,638	17,086	4,906	5,666	7,179	8,626
Poland	2,976	2,954	4,499	4,873	2,123	1,255	1,941	2,718
Germany	31,960	13,415	15,489	16,700	18,528	6,877	9,207	10,732
Netherlands	19,828	8,851	11,363	14,907	10,775	5,845	5,980	7,763
Dependencies ...	9,445	6,999	8,760	10,210	5,143	1,441	1,362	2,040
Belgium	21,336	5,962	8,981	10,229	9,915	4,522	4,637	5,973
Dependencies ...	90	20	10	22	395	208	241	230
France	28,410	8,638	12,311	12,548	15,205	9,420	8,513	11,327
Dependencies ...	3,788	1,455	2,387	2,821	3,427	2,096	1,825	2,144
Switzerland	6,826	2,444	2,815	3,352	3,327	1,869	1,871	2,416
Portugal	1,868	1,106	1,823	2,049	1,966	1,516	1,355	1,999
Dependencies ...	418	189	185	203	2,185	1,054	994	1,191
Spain	9,954	6,168	6,645	5,404	5,825	2,192	2,191	929
Dependencies ...	1,983	1,337	1,597	1,906	893	763	559	255
Italy	8,062	4,370	94	3,752	8,145	4,505	237	1,908
Dependencies ...	25	3	3	70	62	47	3	10
Austria	1,147	547	966	1,198	1,273	411	765	989
Czechoslovakia ...	3,048	4,150	2,540	3,364	1,119	395	853	1,292
Greece	812	630	458	569	2,373	968	1,863	1,369
Roumania	777	2,049	1,914	2,360	1,194	1,200	400	833
Other European countries	2,331	2,250	4,545	5,135	2,586	1,271	2,140	2,402
TOTAL	214,536	107,511	130,197	151,942	114,639	62,809	66,253	81,321

TRADE WITH FOREIGN COUNTRIES OUTSIDE EUROPE

(000's omitted)

From or to	Imports 1929	Imports 1933	Imports 1936	Imports 1937	British Exports 1929	British Exports 1933	British Exports 1936	British Exports 1937
Turkey	912	322	350	541	1,508	778	541	507
Egypt	13,302	5,798	6,592	8,600	6,464	3,131	3,804	3,528
Iraq	697	121	1,076	1,931	1,284	1,028	961	1,112
Iran	4,301	3,900	3,649	5,789	1,093	421	1,123	1,455
China	5,458	2,036	2,924	3,516	7,473	3,206	2,732	3,834
Japan	4,306	2,832	4,415	5,131	6,344	2,457	1,534	2,352
Dependencies ...	...	562	485	636	79	80	202	229
United States.....	99,707	34,429	43,779	47,041	22,020	7,362	12,604	16,490
Dependencies ...	1,190	350	705	936	619	408	339	400
Cuba.....	3,240	1,440	2,123	2,087	1,170	341	502	642
Mexico.....	1,409	1,461	1,511	1,999	1,214	698	675	957
Colombia.....	1,283	556	430	34	1,915	1,177	1,071	1,443
Peru.....	2,043	1,568	1,413	2,019	1,012	374	587	634
Chile	5,581	1,973	2,881	5,130	3,853	258	880	839
Brazil	3,009	2,411	4,341	4,412	7,299	3,170	2,127	3,181
Uruguay	3,328	1,700	2,400	2,224	1,704	805	950	1,002
Bolivia	3,198	715	1,770	1,584	318	213	80	108
Argentina	40,983	21,922	20,834	34,017	14,014	6,352	7,502	9,068
Other Non-European countries	6,233	4,531	3,653	4,173	5,821	2,880	2,195	2,789
TOTAL	200,180	88,627	105,331	131,800	85,205	35,139	40,519	50,550

RE-EXPORTS

(000's omitted)

To	1929	1933	1936	1937
U.S.S.R.	1,064	475	5,785	7,405
Germany	14,258	5,112	3,874	4,255
Netherlands	2,355	1,032	930	1,107
Dependencies	69	33	45	41
Belgium	5,442	2,535	2,520	3,876
Dependencies	20	12	8	9
France	11,121	4,547	4,617	4,968
Dependencies	85	83	71	106
United States.....	9,093	3,509	4,270	6,555
Dependencies	19	6	4	8
Other Foreign countries	5,949	3,162	5,174	6,486
Irish Free State	4,941	2,190	2,369	2,498
Other British countries	6,146	2,527	2,740	3,241
TOTAL	60,562	25,203	32,407	40,553

TRINIDAD LEASEHOLDS, LTD.—Oil produced during June, 37,684 tons. Oil purchased during June from other companies, 58,443 tons. The corresponding figures for May were 51,188 tons and 76,619 tons, respectively. Production and refinery operations have been affected by the strike in Trinidad. Practically 100 per cent. of the men have now returned to work on all the company's fields, including the refinery and shipping port at Pointe-a-Pierre. July : Oil produced, 59,490 tons; purchased from other companies, 66,272 tons.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended July 24, 1937, was : Bolivar district, 865,403 barrels; Maracaibo district, 23,644 barrels; total, 889,047 barrels. Production for the week ended July 31, 1937, was : Bolivar district, 378,487 barrels; Maracaibo district, 21,851 barrels; total, 900,338 barrels. Production for the week ended August 7, 1937, was : 950,174 barrels. Production for week ended August 14, 1937, was 927,121 barrels, against 950,174 barrels in the previous week. Production for the week ended August 21, 1937, was : Bolivar district, 953,281 barrels; Maracaibo district, 22,732 barrels; total, 976,013 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Prefce. Amount	Appropriation: Dividend Ordinary Amount	Appropriation: Dividend Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Appropriation: Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Financial, Land, etc.											
Inter-Union Finance	June 30	...	(a)35,481	35,481	6,336	10,391	10	14,370	4,384	(s)	(s)
Trojan (Holdings)	Aug. 14	...	(b)19,589	19,589	4,781	13,388	10	1,200	220	(s)	(s)
Iron, Coal and Steel											
Baird (William) and Co. ...	May 31	88,901	283,088	371,989	...	181,815	13	65,000	125,174	203,830	10
Braithwaite & Co., Engineers	Mar. 31	6,049	26,574	32,623	8,438	...	...	...	24,185	21,687	Nil
Brightside Foundry, etc. ...	June 30	18,497	69,502	87,999	2,500	22,500	22½	42,042	20,957	37,704	15
Insoles, Ltd.	June 30	*Dr. 62,988*	*Dr. 17,638*	*Dr. 80,626*	...	...	...	...	*Dr80,626*	*Dr25,122*	Nil
Lochgelly Iron and Coal ...	May 31	11,706	59,089	70,795	7,257	27,711	10	20,000	15,827	55,593	7½
Rubber											
Eaglehurst	Mar. 31	1,452	4,383	5,835	...	4,000	4	...	1,835	641	Nil
Gadjah.....	Mar. 31	1,349	5,120	6,469	...	4,822	10	...	1,647	2,293	2½
Tebing	Mar. 31	1,141	7,297	8,438	...	6,740	7½	...	1,698	4,092	3½
Textile											
Wardle and Davenport.....	June 30	25,262	20,291	45,553	3,300	13,800	4†	2,500	25,953	16,606	4†
Trusts											
Compass Investment Trust	June 30	10,826	24,357	35,183	19,020	4,569	2	...	11,594	23,833	2
Waterworks											
East Worcestershire	June 30*	13,905	8,392	22,297	987	4,000	10	1,250	16,060	7,224	10
Other Companies											
Austin Veneer and Panel ...	June 30	...	(r) 13,567	13,567	...	7,500	10	4,000	2,067	(s)	(s)
Blakey's Boot Protectors ...	June 30	13,823	23,833	37,656	442	(c)31,472	15	...	5,742	23,261	15
British Lion Film	Mar. 31	26,450	*Dr. 14,016*	12,434	...	...	...	...	12,434	12,094	Nil
Carter and Co.	May 31	12,510	39,057	51,567	13,475	15,112	20	10,500	12,480	30,950	15
Lawes Chemical Co.	June 30	2,148	12,223	14,371	2,686	7,558	6	1,906	2,221	10,263	5
Meccano Limited	Feb. 28	49,273	33,668	82,941	5,381	14,000	7†	...	63,560	27,684	2½†
Toogood and Sons	June 30	19,289	5,246	24,535	...	5,625	3	...	18,910	7,814	4
Triplex Safety Glass	June 30	6,163	137,430	143,593	...	131,250	35	...	12,343	94,328	60(p)

* For half-year. † Free of income tax.

(a) May 19, 1936, to June 30, 1937. (b) May 15, 1936, to August 14, 1937. (c) Includes £20,081 for paying up in full 80,324 ordinary 5s. shares by way of bonus, one for every five held. (p) Absorbed £91,500. (r) November 30, 1936, to June 30, 1937. (s) No comparable figure.

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

Lt.-Col. H. C. B. Hickling, D.S.O., has been appointed a director of Apex (Trinidad) Oilfields.

MISCELLANEOUS

BRIGHTSIDE FOUNDRY AND ENGINEERING COMPANY.—For year to June 30, 1937, trading profit was £89,787, against £43,229 for 1935–36 and £21,069 for 1934–35. Ordinary dividend and bonus, 22½ against 15 per cent. for previous year. To loss on investments, £1,042; staff fund, £1,000; general reserve, £40,000 (against £19,000). Carry-forward, £20,957.

DORMAN LONG ACQUISITION.—The purchase has been completed of the Linthorpe plant of the Linthorpe-Dinsdale Smelting Company of Middlesbrough. The price has not been stated, but is understood to be a considerable sum.

MOZAMBIQUE COMPANY.—Earnings for 1936 jumped from £79,384 to £96,258. Amortisations absorb £12,223, compared with £12,217, and £4,813 is placed to statutory reserve. The State receives 2½ per cent., or £2,406, and the balance of £76,816 is put to " special reserve fund."

AERONAUTICAL CORPORATION OF GREAT BRITAIN, LTD.—Shareholders, who met on August 20th, to consider the voluntary winding-up of the company, unanimously agreed to adjourn the meeting for 14 days, after Major C. A. R. Warren had announced that offers had been received which might make the step unnecessary.

CABLE AND WIRELESS, LIMITED.—INDEX NUMBERS.—The index numbers are all shown upon a comparable basis. Monthly figures reduced to working day average. Working day average of comparable receipts; year 1929 = 100.

	1930	1931	1932	1933	1934	1935	1936	1937
January	96·0	76·3	73·4	69·9	71·8	73·2	71·2	85·8
February.....	95·7	81·2	82·9	71·7	74·7	74·4	73·3	84·6
March	94·5	79·6	77·8	70·4	72·8	76·2	76·0	90·6
April.....	94·9	74·5	71·4	71·8	71·6	74·6	71·6	83·7
May	86·2	68·8	67·7	70·7	73·1	72·5	67·6	78·6
June.....	86·0	66·6	64·7	70·1	70·1	70·2	70·3	73·5
July.....	80·8	64·7	63·2	67·5	68·9	68·7	70·3	73·4
August.....	82·1	61·8	69·6	65·9	70·7	67·1	69·1	
September	81·4	73·0	71·4	67·9	70·3	75·5	70·7	
October	82·5	77·8	73·2	72·1	73·6	78·8	75·9	
November.....	80·4	79·0	73·0	71·8	71·3	72·7	80·5	
December	87·1	83·6	78·8	76·7	80·7	80·1	96·4	

WARDLE AND DAVENPORT.—Net profit for year to June 30, 1937, was £20,290, against £16,606. Ordinary dividend is maintained at 4 per cent., tax free. £2,500 (against nil) to additional depreciation, leaving £25,952 to go forward.

LOCHGELLY IRON AND COAL.—For year to May 31, 1937, trading profit, after depreciation, was £65,284, comparing with £50,792. Ordinary dividend raised from 7½ to 10 per cent. To reserve, £20,000 against £15,000. Carry-forward increased from £11,706 to £15,827.

CORNBROOK BREWERY COMPANY, LTD.—Holders of a majority of Phoenix Company share capital have accepted the offer made by Cornbrook Company. The latter have, however, extended the date for acceptance by their shareholders until September 4, 1937.

ABITIBI POWER AND PAPER COMPANY.—Member companies of Dominion Mortgage and Investments Association holding Abitibi first mortgage bonds support the bondholders' plan for reorganisation. Member companies were recommended to support the plan of sale of assets and reorganisation dated July 21, 1937.

KRAMAT TIN.—For year to March 31, 1937, profits amounted to £99,104, an increase of £18,701. Dividends and bonuses amounted to 50 per cent. against 25 per cent. Depreciation raised from £16,752 to £32,227. After £3,000 against £4,500 to a replacement reserve, carry-forward is £39,369 against £57,991.

ARMSTRONG SHOCK ABSORBERS.—Second report, for year to June 30, 1937, shows net profit of £12,007, against £27,245 for period from July 2, 1935, to June 30, 1936. Final dividend 15 per cent., making 20 per cent. (same); nil to general reserve against £15,000; carry-forward, £1,471 against £761.

DANZIG LOANS.—The League Loans Committee announce that the Danzig Government now propose that the reduced rates of interest on the Municipality 7 per cent. mortgage loan, 1925, and Free City 6½ per cent. tobacco monopoly loan, 1927, shall not come into operation until immediately after the payment of the next due coupon. Thus the September 1, 1937, coupon of 1925 loan, and the October 1st coupon of the 1927 loan will be paid at the full rates, but subsequent coupons at 5 per cent. and 4½ per cent., respectively.

CORRECTION.—We regret that, owing to a printer's error in our issue of August 7th last, the price of Old Gowrie Tobacco advertised on page 304 was given as 20/- per 8 lb., post paid. This should have read 20/8 per lb., post paid.

MECCANO, LTD.—For year to end of February, 1937, trading profit was £197,306, against £206,728. Other income £11,498, against £12,934. To depreciation £11,609, against £16,991. Carry forward raised from £49,273 to £63,560.

AUSTIN VENEER AND PANEL COMPANY.—Trading profit for year to June 30, 1937, £23,742 (comparable with £15,403). To writing down goodwill £4,000. Ordinary dividend 10 per cent. actual, equal to 17 per cent. per annum, absorbing £7,500. Carry forward £2,068.

TRANSVAAL GOLD OUTPUT

STATISTICS FOR JULY 1937

(Revenue calculated on basis of £6 19s. 6d. per fine ounce)

Name of Mine and Group	Tons Milled	Output Fine ozs.	Net Estimated Value	Working Costs	Profit	Working Costs Per Ton
			£	£	£	s. d.
Anglo-American Corporation						
Brakpan Mines	140,000	...	247,720	137,659	110,061	...
Daggafontein Mines	129,000	...	269,556	139,551	130,005	...
Springs Mines	151,600	...	301,050	141,042	160,008	...
West Springs	90,000	...	115,880	74,865	41,015	...
Central Mining—Rand Mines						
City Deep	110,000	21,165	147,770	...	20,070	23 2·6
Cons. Main Reef	165,000	31,132	216,796	...	50,081	20 2·5
Crown Mines	364,000	87,136	608,471	...	264,979	18 10·5
Durban Roodpt. Deep	106,000	21,326	148,862	...	31,819	22 1·0
East Rand Prop.	213,000	46,863	327,195	...	95,534	21 9·0
Geldenhuis Deep	65,100	10,144	70,842	...	16,656	16 7·8
Modderfontein B.	93,000	15,812	110,729	...	45,978	13 11·1
Modderfontein East	116,000	23,084	161,048	...	56,650	18 0·0
New Modderfontein	200,000	38,593	269,841	...	121,853	14 9·6
Nourse Mines	81,000	16,864	117,754	...	23,579	23 3·0
Rose Deep	76,000	13,233	92,422	...	15,119	20 4·1
General Mining						
Van Ryn Gold	63,000	...	56,455	...	7,601	16 2
West Rand Cons.	175,000	...	240,378	...	99,504	16 5
Goldfields						
Simmer and Jack	103,000	22,433	156,467	...	46,157	21 5·8
Robinson Deep	114,000	27,182	189,748	...	80,198	19 2·6
Sub-Nigel	60,000	42,783	298,734	...	201,229	32 6
Vogestruisbuit‡	60,800	13,349	93,107	...	18,387	24 6·9
Luipaards Vlei	47,000	9,885	68,952	...	18,252	21 11
Johnnies Group						
East Champ D'or	13,000	...	20,513	...	3,552	26 2
Government Areas	224,000	...	451,455	...	255,592	17 8
Langlaagte Estate	95,000	...	105,942	...	20,180	18 4
New State Areas	127,000	...	270,619	...	156,041	18 3
Randfontein Estates	400,000	...	459,145	...	133,230	16 6
Van Ryn Deep	109,000	...	138,983	...	47,306	16 11
Witwatersrand	85,000	...	92,285	...	13,051	19 0
Johnnies Group Total	1,053,000	...	1,538,942	...	628,952	17 6
Union Corporation						
East Geduld	126,000	36,564	254,914	106,055	148,859	...
Geduld Prop.	109,000	27,257	191,134	78,129	113,005	...
Modder. Deep	51,000	7,012	49,057	40,850	8,207	...
Other Mines						
Glynn's Lydenburg*	8,600	2,691	18,713	...	5,171	31 5·9
New Kleinfontein	71,800	13,230	92,422	66,199	26,223	18 5
Transvaal Gold	26,100	4,745	33,019	...	4,552	21 9·8
Witwatersrand Deep	50,000	8,380	58,305	50,201	8,104	...

* Revenue from gold based on a price of £6 19s. 0d. per fine ounce. ‡ The tonnage milled includes 11,300 tons from low grade surface dumps accumulated during the development period.

TRANSVAAL OUTPUT, EMPLOYMENT AND WORKING PROFIT.—Gold output, July, 1937: Witwatersrand, 971,574 fine ounces; outside districts, 24,971 fine ounces; total, 996,545 fine ounces. Value for purposes of declaration, £6 19s. 6d. Total output, June, 1937: 979,069 fine ounces. The number of natives employed at end of July was: Gold mines, 292,618; coal mines, 15,652; total, 308,270. Total estimated working profit for July, 1937: Witwatersrand, £2,650,479; outside districts £9,723; total, £2,660,202. Comparable figures for June, 1937: Witwatersrand, £2,619,460; outside districts, £9,151; total, £2,628,611.

OIL OUTPUTS

ANGLO-IRANIAN OIL COMPANY.—Production in Iran for June amounted to 879,000 tons, making 4,749,000 tons for the first six months of 1937.

THE ATTOCK OIL COMPANY, LTD.—Production for July, 23,617 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for July, 59,930 barrels; shipments for July, 57,517 barrels. Production for week ended August 7th, 12,844 barrels. Production for the week ended August 14th, 12,743 barrels. Production for the week ended August 21st, 12,255 barrels.

DHULIAN.—The third deep test, reported at the Annual General Meeting on 25th June last as being at 6,307 ft., has obtained a fairly good show of black oil at 7,203 ft. Production is not being taken meantime and the well is being deepened for more definite information as to its position on the structure.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of June amounted to 127,290 barrels, or approximately 18,184 tons. Production in Trinidad has been affected by the closing down of operations during the oilfields strike. The company's men returned to work on July 5th and both production and drilling have been resumed. To total production during the month of July amounted to 152,361 barrels, or approximately 21,766 tons.

LOBITOS OILFIELDS, LTD.—The production of the Peruvian Company for June is cabled as 27,950 tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended June 19, 1937, was 653,000 barrels. Production for the week ended June 26, 1937, was 664,000 barrels. Production for the week ended July 3, 1937, was 648,000 barrels. Production for the week ended July 10, 1937, was 667,000 barrels. Production for the week ended July 17, 1937, was 645,000 barrels. Production for the week ended July 24, 1937, was 468,000 barrels. Production for the week ended July 31, 1937, was 312,000 barrels. Production for the week ended August 7, 1937, was 302,000 barrels. Production for the week ended August 14, 1937, was 260,000 barrels. Production for the week ended August 21, 1937, was 307,000 barrels.

TAMPICO OIL, LTD.—Total production from the company's properties in Mexico during July was 12,001 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 900 barrels.

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
RAILWAYS				%	%
Buffalo and Lake Huron Railway	...	...	...	2½	2½
BANKS					
National Bank of Egypt	4%*	Sept. 1	Same	...	...
INSURANCE					
Prudential Assurance ("A")	‡5/-p.s.	Sept. 9	Same	...	...
Union Insurance of Canton	15/-p.s.*	Oct. 22	...	...	...
TEA AND RUBBER					
Eaglehurst Rubber	...	...	...	4	Nil
Gadjah Rubber	7½%†	...	...	10	2½
Kota Tinggi Rubber	8%†	...	...	10	3
Kota Tinggi Rubber	2%*	...	...	...	...
Sungei Chinoh Rubber	5%*	...	Same	...	...
Tebing Rubber	5%†	Sept. 8	Nil*	...	...
MINING		...	...	7½	3½
North Broken Hill	40%†	Sept. 30	25%†	120	77½
Witbank Colliery	7½%†	...	Same	12½	12½
OTHER COMPANIES					
Anglo-American Asphalt	(n)10%*	Sept. 7	10%*	...	...
Arnott and Company	2½%*	Sept. 1	Same	...	...
Austin Veneer	10%	...	First	...	...
Barlow and Jones	3½%*	...	...	...	...
Blakey's Boot Protectors	7½%†	...	2½%*	...	...
Boake (A.) Roberts and Company	22½%*	Sept. 1	Same	15	15
British American Tobacco	‡10d ps*	...	Same	...	...
Cable and Wireless (Holding) Pref.	2½%	Sept. 30	...	...	...
Canning (W.) and Company	5%*	Sept. 9	Same	...	...
Cash and Company	‡1½%*	...	Same	...	...
Chamberlain, King and Jones	5%*	Oct. 1	Same	...	...
Coats (J. & P.)	2½%*	...	Same	...	...
Coleman and Company	(s) 5%*	Sept. 30	Same	...	...
Duckham (Alexander) and Co.	5%*	Sept. 3	Same	...	...
Field, Sons and Company	5%*	Sept. 1	Same	...	...
Flower and Son	5%*	Oct. 1	...	...	...
Gamage (A. W.)	(m)2½%*	...	Same	...	...
General Refractories	(c) 8%*	...	...	...	...
Hopkins (G.) and Sons	4%*	Sept. 4	6%*	...	...
H.P. Sauce	7½%*	Sept. 15	...	...	...
Inter-Union Finance (5s.)	10	...	Same	...	...
Lawes Chemical	...	Sept. 9	...	...	...
Linway Trust	...	Sept. 15	...	6	...
Maple and Company	2½%*	Oct. 1	Same	3	1
Meccano, Ltd.			...	...	...
North-Eastern Electric	2½%*	...	...	7‡	...
Page's	7½%*	Sept. 10	Same	...	...
Pennsylvania Water, etc.	$1 p.s.	Oct. 1	First	...	...
Perfection Motor	‡7½%†	...	Same	...	...
Petroleum Corporation of America	50 cents	Sept. 14	First	12½	...
Pinchin, Johnson and Company	(s)7½%*	Sept. 24	25 cents	...	...
Planters Stores and Agency	10%*	...	7½%*	...	...
Power (John) and Son	...	...	Same	...	...
Rangoon Electric Tramway (£1)	(t)6 ans.*	Oct. 29	...	4	2½
R.F.D. Company	6½%*	Oct. 1	Same	...	...
Royal Brewery, Brentford	4%*	Aug. 28	First	...	...
Sheepbridge Coal and Iron (Pref. and Ord.)	‡7½%†	Oct. 1	Same	...	...
South African Druggists	6½%*	Oct. 15	7½%†	10‡	10
South Essex Waterworks	10*	Sept. 1	6%*	...	...
Do.	7*	Sept. 1	Same	...	...
Do.	6*	Sept. 1	Same	...	...
Do.	5*	Sept. 1	Same	...	...
Staveley Coal and Iron	‡9½%†	Sept. 1	Same	...	...
Strand Electric Holdings	6%*	Oct. 4	‡6%†	...	...
Taylor Walker and Company	4%*	...	...	‡12½	‡8
United Indigo, etc.	...	Oct. 4	Same	10	8
Upsons	5%*	...	...	...	...
Vaughan Brothers (Drop-Forgings)	10%*	...	Same	7½	6½
Yorkshire Dyeing, etc.	4%†	...	...	...	...
		...	Same	8	8

(c) Paid on £175,000 more capital. ‡ Free of income tax.
(t) Free of Burman income tax. (m) Paid on increased capital.
(n) Paid on a capital of £135,000 against £75,000 a year ago.
(s) Paid on a larger capital. (r) 17 months.

EASTMAN KODAK.—Interim dividend of $2 per common share (same) is payable October 15th.

J. SEARS AND COMPANY.—The previous year's interim dividend of 5 per cent. tax free, has been repeated.

THOMAS TILLING.—Interim dividend of 5 per cent. (same) is payable October 1st.

WRIGHT'S BISCUITS.—As the audit was not completed when the fixed dividend on the 5½ per cent. cumulative participating redeemable preference shares was declared, the board were unable to recommend a participating dividend. But they anticipate that the profits will enable payment of such dividend at the rate of 2 per cent. per annum for the period from November 1, 1936, to June 30, 1937.

COATS (J. AND P.), LTD.—Quarterly interim ordinary dividend maintained at 2½ per cent.

MECCANO, LTD.—Tax free ordinary dividend raised from 2½ to 7 per cent.

NORTH BROKEN HILL.—Dividend of 40 per cent. for quarter on £700,000, comparing with 25 per cent. For year to June 30, 1937, dividends and bonus were 120 per cent.

SHEEPBRIDGE COAL AND IRON.—Final dividend on ordinary and preference of 7½ per cent. tax free, against 7½ per cent. less tax, making 10 per cent. tax free against 10 per cent. less tax.

RANKS, LTD.—Final dividend for year to July 3, 1937, 12 per cent. on existing shares, making 18 per cent. for year, against 15 per cent.

VAUGHAN BROS. DROP FORGINGS.—Initial dividend 10 per cent. actual (equivalent to 20 per cent. per annum), less tax, for six months from incorporation to June 30, 1937.

A. W. GAMAGE.—Interim dividend again 2½ per cent. on increased capital.

MAPLE AND COMPANY.—Interim dividend unchanged at 2½ per cent.

PINCHIN, JOHNSON AND COMPANY.—Interim dividend maintained at 7½ per cent. on larger capital.

NORTH-EASTERN ELECTRIC.—Interim unchanged at 2½ per cent.

UPSONS, LTD.—Interim dividend maintained at 5 per cent.

STAVELEY COAL AND IRON COMPANY.—Final ordinary dividend, 7 per cent. plus 2½ per cent. bonus, making 12½ per cent. tax free, for year to June 30, 1937, against 8 per cent., making 9 per cent., tax free.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

On the principal commodity markets trading has again been on quiet lines and prices are frequently easier. Thus, cotton suffered a further sharp decline after last week's recovery. The details of President Roosevelt's scheme for the assistance of American growers are not yet available, but it cannot be assumed that its effect will be encouraging from the viewpoint of the world market. Flax, hemp and jute were also easier this week, but wool remained a firm market.

On the London Metal Exchange, copper and tin were lower in price owing to the uncertainty occasioned by the crisis in the Far East. Lead and spelter were a shade lower in sympathy, but Chinese wolfram was again marked up. The undertone of the metal markets is steady and an early recovery seems probable in the absence of further political complications. Meanwhile, rubber remains a quiet market, and quotations have fluctuated within narrow limits.

Among foodstuffs, wheat was cheaper in response to better crop reports from Australia, and growing Russian exports, but other cereals were about unchanged. Sugar was also lower in price, but competition at the tea auctions was active and quotations were firm. On the London Provision Exchange, butter was dearer, cheese irregular, and bacon cheaper than a week ago.

Prices were also generally easier in the United States. Thus, Moody's index (December 31, 1931 = 100) declined from 201·6 to 197·0 in the week ended last Wednesday, compared with 207·7 a month ago and 184·3 on the corresponding day last year.

COAL

SHEFFIELD.—Supplies of steam coal have become rather more plentiful and are being well taken up. There is not much doing in households, and stocks are rising. All the same, there is talk of higher prices next month, September now being regarded as a "winter" month for house-coal purposes. Small coal is scarce, and more coking coal is required. On export account there is a paucity of prompt business, but forward inquiry makes a much better showing. German and Polish competition is retarding the recovery of export trade through Humber ports. Prices are unchanged and firm.

WORKINGTON.—The revival of the demand for house coal has begun, and coke makers accordingly find difficulty in obtaining full supplies for their ovens. Round coal is being crushed and small coal from Wales is being imported. Yet the position is one of unease, and it will become more acute in winter. Irish consumers are being rationed, the cross-channel shipments seldom being above 3,000 tons weekly. Prices are steady. Best round stands at 23s. 6d.; washed doubles at 22s.; washed singles at 21s., all f.o.b. Smalls are 15s. 6d.; best house coal, 35s. 8d.; house nuts, 34s., at station. Gas coal is 27s.; local coke 15s. 6d. to 16s. 6d. per ton.

NEWCASTLE-ON-TYNE.—The North-east coal market remains firm. Forward inquiry from Scandinavian countries is well sustained, and the ban on South African coal exports is bringing new business to this district. Northumberland steam collieries are working regularly and, being well sold ahead, are only interested in new business at full current prices. Apart from prime gas qualities the Durham market is very firm and there is likely to be a shortage of all classes of manufacturing coal this winter. Patent oven coke is firm under a persistent home demand and steady export.

GLASGOW.—Foreign inquiry remains slow, but the collieries nevertheless contrive to secure good outlets for production. They are well booked in most qualities, and have only odd parcels to offer for new prompt business. Steam coal is in general well taken up, although available to a limited extent in the Lothians and, as regards Dysart main, in Fifeshire. This is partly due to a tightening up of the supply of steamers now that the English holidays are over. Washed smalls are also heavily sold, but owing to the larger coal output trebles remain in excess of demand. Heavy tonnages are being absorbed in the home market, in which house coal remains about the only dragging feature; but there are signs of a seasonal revival in this branch, the cheaper qualities being now slightly more active.

CARDIFF.—Apart from the seasonal slackness in the demand for house coal the market continues to show considerable strength. Export trade is being well maintained at a higher volume, and with deliveries in excess of allocations, the Executive Board under the control scheme is contemplating an immediate application for a supplementary quota of approximately 750,000 tons for the September quarter. For current sales large and small coals are available, but sized descriptions are scarce while cokes and coking coals are very strong. Merchants have been informed that the minimum prices for house coals will be increased by 1s. 8d. per ton as from September 1st, and that advances are probable also in the prices of locomotive, gas, and other grades. Patent fuel is steady, but pitwood prices, ex ship, are easier. The Kenya Railways have placed orders for part of their contract for 50,000 tons. There are tentative inquiries in the market for supplies to the East, and it is anticipated that the embargo on the export of South African coal will have favourable reactions on South Wales. Shipments at the South Wales ports last week totalled 426,800 tons, compared with 333,292 tons in the corresponding week last year, and for the current year to date the increase over the corresponding period last year exceeds 2·6 million tons.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that although the markets are still under the influence of holiday conditions, the volume of inquiry has increased of late, there being indications that the usual autumn revival in activity will make itself felt earlier than usual this year. New business in iron and steel, however, must be limited since practically all the steelworks have sold their production until the end of the year, and in many cases will carry over into 1938 a heavy tonnage of orders.

In the pig iron department the situation has become somewhat easier, and for the time being consumers of hematite and basic iron appear to be receiving enough supplies to meet their immediate needs, whilst in the foundry section of the market the demand has declined somewhat.

Consumers of semi-finished steel are working on hand-to-mouth supplies. Production is at a high rate and more regular deliveries of British material are being made; whilst at the same time rather larger imports of Continental steel are becoming available for the consuming industries.

Demand for finished steel is unrelaxed, but makers are concentrating upon completing work in hand and are unable to accept any orders but those of an extremely urgent nature. Inquiry on export account is becoming increasingly active, but only a proportion can be placed owing to the heavy requirements of the home market.

MIDDLESBROUGH.—Local foundries and steelworks restarted operations this week after the holidays, and deliveries of semi-finished and finished steel will now be resumed. There are still considerable arrears to overtake, but owing to the increase in the import of semi-manufactured material, re-rollers are now better supplied, although they could take still larger quantities. The blast furnaces continued in operation last week and the opportunity was taken to ship parcels of pig iron to Scotland, and against export orders which are still considerably in arrear. The total quantity of pig iron shipped from the Tees from August 1st to August 24th amounted to 7,315 tons, compared with 4,862 tons to the same date in July. Shipments of manufactured steel are being well maintained. The market for pig iron is strong, whilst numerous inquiries are being received, makers are almost fully sold, so that actual business is limited to small lots. Consumers are prepared to buy for delivery further ahead, but in view of the possible revision of prices, makers are not anxious to negotiate.

Demand for blast-furnace coke continues to increase, and whilst nominally the price indicated is 40s. per ton, delivered at works, the market is firm and higher prices are expected to be realised. Imports of foreign ore are being well maintained, and although there have been no arrivals from Bilbao so far, it is expected that permits will shortly be granted for cargoes to be shipped from that port. The scrap trade is very active, and there is a big demand for all classes of material. Heavy steel scrap is quoted at 69s. per ton, delivered works.

SHEFFIELD.—The iron and steel market has undergone but little change this week, although the drawing to an end of the holiday period is bringing more buyers into the market. Producers, however, have hardly anything for disposal for early delivery, and many of them are disinclined to make any further contracts for the present year. Foundry pig is most sought after, but it is not easy to place new business for forge. Both East and West Coast hematite makers are disinclined to sell far forward, although some easing of the position is looked for over the next month or two. Finished iron makers are fully booked for the present, and are not seeking fresh orders. The call for common and marked bars is very strong. Basic and acid steel billet demand is still far ahead of supply, although imported billets give some relief. More business is offering in wire rods than can be accepted, and stainless steel requirements are on a record scale.

There is a continuous flow of new orders to firms, both from this country and abroad, and some firms will require twelve months to clear present orders off their books. Sheffield's output of steel ingots and castings in July is officially returned at 133,800 tons, making 986,900 tons for the first seven months of the year, and an excess of 73,800 tons over the corresponding period of last year.

WORKINGTON.—There has been some reduction of the pressure of demand this month in the North-West Coast hematite pig-iron market, but inquiry has not slackened a great deal and it will be renewed briskly as holiday influences wane. Production is still at its maximum, though there would be a little more iron available if foreign ore was in sufficient supply for the two furnaces at Ulverston which it is desired shall change over from basic to hematite. The local steelworks are getting all the iron they want, but consumers in the Midlands, South Wales and Scotland are going short, and exports are on the smallest scale. Prices remain at the fixed minimum, but they are expected to be raised in November. Bessemer mixed numbers are quoted at £6 0s. 6d. at works, with an additional 5s. 6d. to 16s. 6d. per ton for special qualities. Malleable iron is in firm request at £8, delivered at Birmingham, and a like statement applies to ferro-manganese, at £18 15s., home. The steel trade is strong. Makers possess orders that will keep their mills in engagement during the whole of next year. Workington is on rails, billets, bars and slabs, and Barrow on rails, hoops and strip. Native ore, at 24s. 6d. per ton, f.o.t., is in exceptional request. The Barrow Hematite Steel Company is to develop its royalty under Cleator Moor if it can gain leave from the Railway and Canal Commission; the United Steel Cos. propose to work more fully their Bigrigg ore, and Kennedy Bros., of Ulverston, are to explore for ore in the Frizington district. Importations of North and West African ore are heavy, but the strike at Bona arouses anxiety as to their continuance.

CARDIFF.—Production of tinplates has not yet been restored to the pre-holiday volume. In the week following the August stoppages the output was 67 per cent. of allocated capacity, but it has since improved. Shipments last week were considerably below the recent average figures, totalling only 4,964 tons, compared with 6,400 tons in the corresponding period last year, but there has been no lull in foreign demand. Prices of tinplates as well as of sheets, steel bars, ingots, and pig iron are unchanged.

OTHER METALS

COPPER.—In consequence of the tense political situation and reports of easier conditions in the United States, demand was poor and prices easier. But, since offerings were also sub-normal, the net fall amounted only to £1 2s. 6d. per ton. The undertone nevertheless remains favourable and, in the absence of a further deterioration of the political situation, a

HOTEL WESTMINSTER
Le Touquet

rally appears likely in the early autumn. Last week's rise in home warehouse stocks by 2,450 tons to 22,648 tons did not unduly influence the market; for the development was due to the scanty demand rather than to an improvement in the supply position.

Sales on the London Metal Exchange: 900 tons on Monday, against 1,025 tons last week; 1,950 tons on Tuesday, against 1,350 tons last week; 1,050 tons on Wednesday, against 1,050 tons last week. Domestic spot was quoted at 13·77½ cents per lb. in New York on Wednesday, against 14·15 cents a week ago and 14·07½ cents a month ago. Wednesday's official closing price for standard cash in London was £55 18s. 9d. to £56 per ton, compared with £57 1s. 3d. to £57 3s. 9d. a week ago. Stocks of refined copper in British official warehouses at the end of last week at 11,255 tons, showed an increase of 1,332 tons, while stocks of rough copper, at 11,393 tons, were 1,118 tons larger.

LEAD AND SPELTER.—Both metals were slightly easier, mainly in sympathy with copper and tin. Meanwhile, according to the *Metallgesellschaft*, world output of smelter lead, excluding Spain and the United States, rose by 74,101 metric tons (13·6 per cent.) during the first half of this year to 593,224 metric tons. The world's zinc smelter production, excluding the United States, was 43,700 metric tons (8·7 per cent.) higher at 544,619 metric tons. In both cases the increase in production was larger than the rise in consumption, though it was not great enough to have much effect on current offerings. The immediate future of both lead and spelter will be largely dependent on the trend of business in the United States.

Sales of lead on the London Metal Exchange: 950 tons on Monday, against 950 tons last week; 1,350 tons on Tuesday, against 1,150 tons last week; 600 tons on Wednesday, against 1,500 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6·00 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 to £22 1s. 3d. per ton, compared with £22 7s. 6d. to £22 10s. last week.

Sales of spelter on the London Metal Exchange: 775 tons on Monday, against 750 tons last week; 1,500 tons on Tuesday, against 1,700 tons last week; 725 tons on Wednesday, against 1,400 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7·00 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £23 15s. to £23 16s. 3d. per ton, against £24 1s. 3d. to £24 2s. 6d. last week.

TIN.—The cash price showed a net loss of £2 10s. per ton during the week ended Wednesday, though the basic position of the market shows little alteration. Exports from the six leading restricting countries amounted to 13,582 tons in July, 4,462 tons below the permissible quota, but about sufficient to satisfy current consumption.

During the week Hawthorn brand tin, produced by the British Tin Smelting Company at its Liverpool smelter, was listed on the London Metal Exchange. The entry of this new company on to the London market is warmly welcomed.

Sales of tin on the London Metal Exchange: 240 tons on Monday, against 200 tons last week; 425 tons on Tuesday, against 250 tons last week; 150 tons on Wednesday, against 130 tons last week. The New York quotation on Wednesday was 59·12½ cents per lb., against 59·50 cents a week ago and 59·12½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £262 10s. to £262 15s. per ton, compared with £265 to £265 5s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,387 tons, an increase of 389 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and *rolling billets* at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 12s. to £13 12s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £77 per ton, ex warehouse, as against £76 to £77 last week. Chinese wolfram for "August–September" shipment was quoted at 97s. 6d. per unit, c.i.f., compared with 90s. to 95s. last week, with c.i.f. quoted at 100s. to 105s. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—Market conditions during the past week have not been conducive to active trading. The attitude of buyers has again been affected by the sagging tendency of raw cotton prices, a new low level having been reached. Bearish sentiment has again been pronounced. Considerable interest has shown itself in news from Washington with regard to the proposed loan and crop control for next season. Congress has authorised a subsidy fund of 68,000,000 dollars. New legislation dealing with crop restriction will be dealt with next session. There have been rumours that the loan will be 9 cents per lb., with a subsidy to farmers of 3 cents per lb. The authorities, however, will no doubt avoid, if at all possible, any scheme which may result in substantial quantities of cotton being left on the hands of the Government.

Spinners have had to give way in price in sympathy with the decline in raw cotton rates, but sellers have continued to quote firm. Sales of American spinners have been of fair extent. There is still considerable pressure for the delivery of medium wefts. Irregular operations have occurred in Egyptian descriptions.

COTTON PRICES

	1937				Corresponding Date	
	Aug. 4	Aug. 11	Aug. 18	Aug. 25	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	6·14	5·93	5·96	5·68	6·29	6·72
" Sakellaridis Fully Good Fair Egyptian ..... per lb.	9·48	9·29	9·29	9·00	7·95	10·33
Yarns—32's twist ..... per lb.	13½	13	12⅞	12⅝	10	10⅝
" 40's weft ..... per lb.	12¼	12	11¾	11½	10½	10⅝
" 60's twist (Egyptian) .... per lb	18⅛	18½	18¼	18	15⅝	16½
	s. d	s. d.	s. d.	s. d.	s. d	s. d.
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	19 9	19 6	19 6	19 5	17 1½	17 10½
36-in. Shirtings, 78 yds., 19 by 19, 32's and 40's.....	26 9	26 3	26 3	26 1	24 1½	25 0
38-in. ditto. 38 yds., 18 by 16, 10 lb.	11 3	11 1½	11 1½	11 1	10 3	10 2
39-in. ditto. 37½ yds., 16 by 15, 8½ lb	10 3	10 1½	10 1½	10 1	9 2	9 2

Inquiry in the cloth market has continued more encouraging, but a large part of it has been for the purpose of finding out the position of manufacturers and the price concessions possible in view of the fall in the price of raw cotton. Makers have complained that buyers have been slow in making firm offers. Irregular operations have taken place for the several outlets of India, the turnover being comparatively small. News from Shanghai has been watched very closely. There seems to be a possibility that Lancashire may gain some advantage as a result of the hostilities in the Far East. Rather more demand has been reported for Hong Kong, Java and the Straits Settlements. Isolated cases have been mentioned of contracts being cancelled owing to late deliveries.

COTTON SPINNING REORGANISATION.—For some time the leaders of the Lancashire cotton industry have pressed the Government for assistance in reorganising the trade, and it is understood that proposals of an important character are about to be placed before the Government. In the meantime, as a result of a joint meeting held in Manchester this week between representatives of the Master Cotton Spinners' Federation and the Operative Spinners' Amalgamation, a serious attempt is about to be made by the trade itself to reorganise the internal working of the spinning mills. After a discussion on the general situation at the meeting last Tuesday, it was resolved unanimously that a joint sub-committee should be established for the purpose of considering seriously and in a spirit of mutual co-operation the present problems concerning the industry, with a view to evolving a system of reorganisation so far as working conditions and other factors are concerned. It was agreed that this sub-Committee should meet on September 15th.

This movement has been due to the understanding that when the advance in wages was conceded by the employers last December, an attempt should be made to reorganise the internal working in the mills. The Operative Spinners' Amalgamation made a demand for better wages for little piecers. This was refused by the Masters' Federation, but it was suggested that there should be an extension of the system of joiner minding in the spinning mills in other districts outside Oldham. It is certainly time that something was done to change some of the working conditions in the spinning mills. Pressure for action is partly due to the present shortage of labour, especially young persons. If the two sides are prepared to co-operate, there is no reason whatever why beneficial alterations should not be agreed upon.

JUTE.—Dundee.—Sellers of raw jute are still very reluctant to reduce their prices, even though imports of the fibre into Calcutta are now on a bigger scale. During July, the first month of the new season, only 240,000 bales were imported into Calcutta, compared with 347,000 bales in the previous season, and 454,000 bales in 1935. Exports were 296,000 bales in July this year, 301,000 bales last year and 313,000 bales in 1935, while the Indian jute mills received 99,000 bales, 149,000 bales and 247,000 bales, respectively. It is satisfactory to observe that exports were being more or less maintained, but this may be due to the fact that there will be a second increase of 5s. per ton on freight rates on October 1st next, following the first on July 1st. Trade in most European countries continues on a fair scale, however, but that of the United Kingdom is being seriously affected by the huge imports of both cloth and bags from India at prices with which home manufacturers are unable to compete. Indeed, there is a difference of nearly ¼d. per yard between Calcutta and Dundee hessians of the ordinary makes. Efforts are being made to induce the British Government to impose a quota system on the goods imported from India. They are at present allowed to enter this country free of duty, and for the first seven months of this year imports of jute manufactures totalled 104,673,000 square yards, compared with 83,175,000 square yards during the same period last year, in addition to which there were 562,942 cwts. of sacks and bags imported this year, against 516,510 cwts. last year. In the whole of 1928, on which year it is requested a quota should be based, imports into the United Kingdom from India were only 27,952,150 yards of cloth and 45,846,900 bags. The whole question is being considered by representatives from India and the Board of Trade, but negotiations have been suspended until Parliament resumes next month.

The price of Daisee-2/3 is £19 15s. per ton for the full group; fours are quoted at £18 7s. 6d., while Tossa-2/3 is named at £20 12s. 6d. and fours at £19 15s., October/November. Good First Marks rule from £22 12s. 6d., Lightnings from £21 5s., and Hearts from £20 7s. 6d., August/September.

Jute yarns are still quiet, though spinners have reduced their prices to 2s. for common 8 lb. cops and 2s. 1d. for 8 lb. spools. Twist is now obtainable at 3¼d. for 3 ply 8 lb., and sacking yarns are steady at 2⅝d. for 24 lb. weft and 3¼d. for 8 lb. chains. Rove is a firm item at £21 for 48 lb. and £17 5s. for 200 lb., while the Rio yarns have been sold at the lower rates of 2s. 9d. for second quality 8 lb. warp, 2s. 5½d. for third, and 2s. 3½d. for fourth. Carpet yarns are in some demand at from 3⅜d. for 14 lb. warp.

Cloth is still rather slow at from 2⅛d. for 10 oz. 40 in. and 2¼d. for 8 oz. Buyers have shown a little more interest and inquiries are on an extended scale.

Calcutta goods have been more or less maintained in price, with only slight variations taking place.

GRAIN MARKETS

WHEAT.—Prices have eased under the influence of Russian offerings, increasing pressure from North America, and the break in the Australian drought. In the latter country, rainfall has been heavy and widespread throughout the wheat areas, and crop prospects have correspondingly improved. In Argentina, however, good rainfall is still urgently needed.

On Wednesday last, "September" futures were quoted in Chicago at 105½ cents per bushel, against 110¼ cents the week before and 118½ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic), ex ship, 50s. 3d. per 496 lbs., against 52s. 9d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 48s. 3d., against 51s. 6d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 959,000 quarters, against 818,000 quarters in the previous week and 1,296,000 quarters in the corresponding week a year ago.

FLOUR.—The market is quiet and prices are lower. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 39s. per 280 lbs., as against 40s. 6d. a week ago; delivered inner London, 38s. 6d., as against 40s. a week ago. Manitoba patents, ex store, 37s. 6d. to 39s. 3d., as against 39s. to 40s. 6d. a week ago. Australian, ex store, 32s. to 32s. 6d., as against 32s. 9d. to 33s. 3d. a week ago.

BARLEY.—The market is firm. "October" futures were quoted at 56⅜ cents per bushel in Winnipeg on Wednesday, as against 56¾ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed," at farm, not quoted; "English malting" (new), at farm, 60s. to 65s., as against 60s. to 65s. a week ago; Californian, ex ship, 47s. 6d. to 60s., as against 47s. 6d. to 60s. a week ago. Chilean, brewing, ex ship, 46s. 6d. to 50s., as against 46s. 6d. to 50s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 28½ cents a bushel in Chicago, against 29⅝ cents a week ago and 30¼ cents last month. Quotations in London, Wednesday: "English Black," at farm, not quoted; "English White," at farm, 26s. to 27s., as against 26s. to 27s. per 336 lbs. a week ago; mixed Canadian feed (Vancouver), landed, 25s. 3d. per 320 lbs., as against 26s. a week ago.

MAIZE.—Prices are a shade easier both here and in the United States. "September" futures were quoted on Wednesday at 98½ cents per bushel in Chicago, against 99¼ cents a week ago, and 97½ cents last month. Quotations in London, Wednesday: "Plate," landed, 28s. per 480 lbs., as against 28s. 9d. a week ago; "Plate," ex ship, 27s., as against 27s. 9d. a week ago; "Plate," "August," 26s. 9d., as against 27s. 6d. a week ago; yellow maize meal, ex wharf, was quoted at £7 2s. 6d. to £7 5s. per ton, as against £7 7s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Aug. 26, 1936	Dec. 30, 1936	Aug. 18, 1937	Aug. 25, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lbs.....	82⅞	84⅜	97½	129	126⅜	122⅛
Chicago (No. 2, Winter)— Cents per 60 lbs	98⅜	101½	115⅜	135½	110⅞	105½

The visible supply of wheat in Canada amounts to 30,769,000 bushels, against 29,228,000 bushels last week and 60,434,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to August 21	71,825	337,193	14,219	102,339
51 weeks to August 21.....	10,472,263	13,782,114	13,193,391	11,160,842
Average price of English wheat per cwt.	s. d. 5 1	s. d. 4 5	s. d. 8 1	s. d. 9 2

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
August 19, 1933	263,433	21,384	33,138	5 4	10 4	5 4
August 18, 1934	71,825	21,556	23,715	5 1	10 6	6 7
August 24, 1935	337,193	27,899	41,399	4 5	9 0	6 2
August 22, 1936	14,219	1,557	10,976	8 1	7 3	7 0
August 14, 1937	70,146	3,889	25,934	9 9	10 7	9 0
August 21, 1937	102,339	6,008	23,052	9 2	12 2	8 8

OTHER FOODS

BACON.—Prices were marked down last week-end and trading has since been steady. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 101s.; Canadian, 94s.; Danish, 100s.; against 101s., 94s. and 100s. last week. Arrivals in London last week included: Danish, 15,840 bales; Canadian 5,073; Dutch, 1,736; Lithuanian, 1,341; and Polish, 3,151; as against 15,192, 4,786, 1,652, 1,251 and 2,981 bales, respectively, in the previous week.

BUTTER.—The market has shown an improved tone following last week's decline. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 116s.; Australian, choicest salted, 116s.; Danish, 130s.; compared with 114s., 113s. and 125s., respectively, a week ago.

CHEESE.—Dutch has been rather quiet this week, with other descriptions firm. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 88s. to 90s.; Canadian, finest coloured, not quoted; and New Zealand, finest coloured, 66s. 6d. to 67s.; against 88s. to 90s.; 71s. to 72s. and 66s., respectively, a week ago.

COCOA.—Prices have suffered a sharp reaction. The spot quotation in New York on Wednesday was 8⅛ cents per lb., as against 8½ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 37s. 9d. sellers per 50 kilos., c.i.f. Continent, against 40s. 6d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 516 bags; delivered, for home consumption, 6,163 bags; exported, 511 bags; stocks, 246,080 bags, against 160,683 bags a year ago.

COFFEE.—The spot markets in London and New York have had a quiet tone. On Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb. in New York, as compared with 9 cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 294 cwt.; delivered, for home consumption, 30 cwt.; exports, 2 cwt.; stocks, 2,005 cwt., against 10,267 a year ago. Central and other South American: Landed, 385 cwt.; delivered, for home consumption, 1,769 cwt.; exported, 187 cwt.; stocks, 98,018 cwt., against 93,252 last year. Other kinds: Landed, 270 cwt.; delivered, for home consumption, 2,785 cwt.; exported, 717 cwt.; stocks, 97,401 cwt., against 135,695 last year.

EGGS.—The tone of the market has been firm, and imported descriptions are generally dearer. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 16s. 6d. to 17s. per 120, against 16s. 6d. to 17s. last week; while Danish (15½ lb.) made 12s. to 12s. 3d., as against 11s. to 11s. 3d. last week.

FRUIT.—As usual at this season of the year, business at Covent Garden was slow during the past week, according to *The Fruitgrower's* report. With supplies well up to requirements, prices were generally easier. Heavy arrivals of plums were a feature of the week and quotations were consequently lower. Increasing supplies of apples encountered a steady demand at the lower rates ruling, while pears remained a steady trade. With supplies abundant, hothouse grapes were very slow, but English peaches and nectarines were short and dearer. Cobnuts improved in price but blackberries were easier at 3d. to 5d. per lb. Business in oranges was not very active and prices were generally lower. Grape fruit also declined on heavier arrivals, and lemons were a point easier.

MEAT.—At Smithfield Market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 4d. to 4s. 8d. per 8 lbs., as compared with 4s. 8d. to 5s. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 7,931 tons, an increase of 129 tons on the corresponding week last year. Beef and veal accounted for 4,303 tons, mutton and lamb 2,505, and pork and bacon 703, as compared with 4,296, 2,503 and 554 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, August–October, was quoted at 4½d. per lb., sellers, c.i.f. Rotterdam–Hamburg, against 4⅝d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3½d. per lb., sellers, compared with 3¼d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 24 tons; stocks, 1,987 against 1,758 last year. White, landed, 6 tons; delivered, 45 tons; stocks, 11,404 tons, compared with 12,140 a year ago.

RICE.—Rice has recently been a firm market, in response to the crisis in the Far East, and futures are higher in price. The spot price of Burma No. 2 cleaned, was 10s. 6d. per cwt. ex warehouse, on Wednesday, as compared with 10s. 6d. per cwt. a week ago. "August–September," in singles to Continent and U.K., was quoted at 9s. 9d. to 9s. 10½d. per cwt., against 9s. 7½d. to 9s. 9d. last week. Movements in London last week were as follows: Landed, 22 tons; delivered, 47 tons; stocks, 2,101 tons, against 2,101 a year ago.

SUGAR.—The London market has been quiet and easier. In New York prices show little alteration. The New York spot quotation was 3·60 cents on Wednesday as compared with 3·60 cents per lb. last week and 3·45 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 2¾d. to 6s. 3½d., against 6s. 5¾d. to 6s. 6¼d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 9,818 tons, against 13,697 in the previous week, and 23,268 in the same week of 1936; deliveries, 20,949 tons, against 13,666 and 19,372 tons, respectively; stocks, 145,927 tons, against 157,058 and 123,111 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 15, 1937	15·31	14·50	15·15	13·12	12·50	13·84	14·92
" 22, "	15·15	14·55	15·33	13·44	12·38	13·52	14·92
" 29, "	15·34	14·58	15·39	13·39	12·65	14·07	15·05
Aug. 12, "	16·04	14·73	15·49	14·46	12·68	14·27	15·25
" 19, "	17·55	14·88	15·55	14·53	12·79	14·36	16·22

At this week's public auctions in Mincing Lane, 47,126 packages of Indian and 25,095 packages of Ceylon tea came up for disposal. Demand for Indian grades was strong and prices were fully firm to occasionally dearer. The market in Ceylon descriptions was firm, with prices showing little alteration.

VEGETABLES.—According to *The Fruitgrower's* Covent Garden report, tomatoes and cucumbers were a dull trade throughout last week, but showed some signs of recovery this week. Demand for lettuce showed an improvement and green onions were inquired for. Marrows, however, were plentiful and very cheap. Good green peas and runner beans were in short supply, the bulk of the arrivals being of poor quality. Plentiful supplies of good cabbage were on the market. The potato trade was quiet with prices rather easier. Thus, at the Borough on Tuesday, King Edward ranged from 7s. to 8s., the same as a week earlier, while British Queen, Sharp's Express, Eclipse and Majestic made from 4s. 6d. to 5s. per cwt., against 5s. to 5s. 6d. last week.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Trade continues quiet. Linseed has fluctuated slightly in sympathy with wheat and on reports of Argentine weather being favourable to sowing operations, but on the whole remains steady. Buying is restricted and appears likely to continue so until the crop outlook is better defined and there is a seasonal revival of demand for oilcakes. Shipments from the River Plate continue at a fairly substantial level and include a large proportion destined for the United States. The exportable Plate surplus has now been reduced to a round 300,000 tons. The estimate of the quantity of the new Indian linseed which will be available for export to the end of the year has been reduced to 150,000 tons, leaving 50,000 tons for January–March shipment. News of slight rains in the northern districts of Argentina is to hand, but really heavy and general precipitation is needed if the soil is to be made ready for seeding to the extent projected. The quantity now on passage to Europe is 107,300 tons (including 18,000 tons from India), a reduction of 17,000 tons on the week. That afloat for the United States is returned at 44,100 tons, compared with 47,600 tons a year ago. So far this year no less than 558,000 tons of linseed has been shipped from Argentina to the United States and Canada as against 215,000 tons in the same period last year. Cotton seed after a sharp fall has rallied somewhat and a good business in black Egyptian for shipment has been done around £6 10s. per ton. Trade in vegetable oils is slow. Linseed oil remains steady and unchanged on balance. Refined cotton oil has eased considerably and now offers at £28 per ton naked ex Hull. Oilcakes are steady and in moderate demand as is usual at this season of the year.

RUBBER.—The market has again been quiet and prices have fluctuated within narrow limits. In the United States prices are fractionally higher.

The spot price in New York on Wednesday was 18¼ cents per lb., compared with 18⅜ cents per lb. a week ago and 18½ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8⅛d. per lb., as against 8⅛d. on the corresponding day last week. In forward positions business has been done at 9d. for "October" shipment, as against 9d. for "October–December" a week ago. Stocks in London and Liverpool at the end of last week totalled 44,023 tons, against 42,849 tons a week earlier. A year ago stocks amounted to 109,461 tons.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, August 25th

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	50	3		
Eng. Gaz. av., per cwt.	9	2		
Barley, Eng. Gaz. av. ...	12	2		
Oats, "	8	8		
Maize, La Plata," landed 480 lb.	28	0		
Flour, Lon. stan. ex mill, 280 lb.	37	3		
RiceNo.2 Burma,per cwt.	9	9	9	10½
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	6	5	4
Argentine chilled hinds	4	4	4	8
Mutton, per 8 lbs.—				
English wethers.....	5	8	6	8
N.Z. frozen "	3	6	4	0
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	6
Pork, English, per 8 lbs.	5	6	6	0

OTHER FOODS

BACON—				
English .....per cwt.	101	0		
Irish.....	98	0	103	0
Danish.....	100	0		
Dutch	98	0		
HAMS—				
Canadian.....	107	0	108	0
United States.....	104	0	106	0
BUTTER—				
Australian	116	0		
New Zealand	116	0		
Danish.....	130	0		
CHEESE—				
Canadian ..... per cwt.				
New Zealand	66	6	67	0
English Cheddars	88	0	90	0
Dutch	58	0	66	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. ..... per cwt.	39	6	40	0
Trinidad	65	0	70	0
Grenada	55	0	58	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt....	52	0		
Colombian, good	56	0	65	0
Costa Rica, med. to good	62	0	90	0
East Indian " " "	72	0	90	0
Kenya, medium.....	60	0	72	0
EGGS—				
English ..... per 120	16	6	17	0
Danish.....	12	0	12	3
FRUIT—Oranges—				
S. African ..... boxes	9	0	11	0
Brazilian ..... boxes	7	0	8	6
Lemons, Malaga ... cases			...	
" Sicilian ... boxes	14	0	18	0
Apples: Amer. (var.) brls.	19	0	20	0
" (var.) boxes	8	0	10	0
" Australian.....			...	
Onions—				
Valencia, case.....			...	
Egyptian, bags			...	
Grapes, Almeria, barrels			...	
Grapefruit, Brazilian.....			...	
" S. African ...	8	0	15	0
LARD—				
Irish, finest bladders...	64	0	72	0
U.S. ..... per cwt.	63	6	65	0

	s.	d.	s.	d.
POTATOES—				
King Edward (per cwt.)	7	0	8	0
Other English.....	4	6	5	0
SPICES—				
Pepper, per lb.—				
Black Lampong.....	0	8½		
White Muntock	0	5½		
Cinnamon—1st sort, per lb.	0	9⅓		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	57	0		
Jamaica, ord. to good	63	0	90	0
Mace ..... per lb.	2	3	2	9
Nutmegs, 65's.....	1	0		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	4½		
B.W.I., crystallised ...	17	6	19	6
Java, white, c. & f. India Oct.-Dec.....	Nominal.			
REFINED—London—				
Yellow Crystals	19	9		
Cubes	24	0	24	6
Crushed	22	3		
Granulated	20	1½	21	0
Home Grown	20	0	20	3
TEA—				
Indian—per lb.—				
Pekoe	1	2½	1	8½
Broken Pekoe.....	1	2½	2	4
Orange Pekoe.....	1	3½	3	6½
Broken Orange Pekoe	1	2½	4	9
Ceylon—per lb.—				
Pekoe	1	2½	1	8
Broken Pekoe.....	1	2½	1	4
Orange Pekoe.....	1	2½	1	9½
Broken Orange	1	2½	1	8½
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine.....	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
" strips	0	9	1	6
East Indian leaf.....	0	7	1	10
" strips.....	0	6	1	9

TEXTILES

COTTON—	d.			
Mid-American..... per lb.	5·68			
Sakellaridis, f.g.f.	9·00			
Yarns, 32's twist	12½			
" 60's twist	18			
FLAX—	£	s.	£	s.
Livonian ZK ..... per ton	82	0	86	0
Pernau HD.....	84	0	85	0
Slanetz Medium...1st sort	90	0		
HEMP—				
Italian P.C. ..... per ton	66	0		
Manilla, Aug.–Oct. "J2"	33	0		
Sisal, African	24	10	27	5
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.–Sept.	£20/7/6			
Daisee 2/3 c.i.f. Dundee Oct.–Dec.	£19/15/0			
SILK—	s.	d.	s.	d.
Canton .....per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	7	9	8	9
Italian—raw, fr. Milan...	8	6	10	0

	s.	d.	s.	d.
WOOL—				d.
English Southdown, greasy, per lb....				19
" Lincoln hog, washed				18½
Queensland, scd. super cmbg.				32
N.S.W. greasy, super cmbg.....				19
N.Z., grsy., half-bred 50–56				18½
Crossbred 40–44				16
Tops—				
Merinos 70's average				41
" 64's "				39
Crossbred 48's				26
" 46's				25

MINERALS

	s.	d.	s.	d.
COAL—				
Welsh, best Ad'ty...ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6		
Sheffield, best house, at pits	21	0	22	0

	£ s. d.	£ s. d.
IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101 0	
Bars, M'brough	265 0	
Steel rails, heavy	202 6	
Tin plates ..... per box	25 6	26 0
METALS—		
Copper, Electrolytic, ton	62/10/0	63/10/0
Sheets (Strong)	93/0/0	
Standard.....	55/18/9	56/0/0
Lead, Eng. pig... per ton	23/10/0	
Soft foreign.....	22/0/0	22/1/3
Spelter G.O.B.	23/15/0	23/16/3
Tin—English ingots	263/10/0	
Standard cash 262/10/0		262/15/0

MISCELLANEOUS

	s.	d.	s.	d.
CHEMICALS—				
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2	0	3
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl.....	12	0		
	£	s.	£	s.
Alum, lump ..... per ton	8	10	8	15
Ammonia, carb. ..... ton	20	0	21	0
Sulphate	7/3/6		7/5/0	
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	8	0		
Potash—Chlorate, net ...	0	4	0	4½
Sulphate ..... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ..... per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0	22	5
CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—				
4-ton loads and upwards 39/– per ton				
1 and up to 4-ton loads 41/– per ton				
	£	s.	d.	
COPRA—				
S.D.Straits c.i.f., per ton	15/11/3			
DRUGS—				
Camphor—	s.	d.	s.	d.
Japan, refined... per lb.	2	3		
Ipecacuanha ..... per lb.	8	3		
HIDES—				
Wet salted—Australian per lb.	0	7	0	7½
West Indian	0	5	0	5½

	s.	d.	s.	d.
Cape.....	0	6½	0	7½
Dry and Drysalted Cape	0	9½	0	10½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8½
Best cow	0	7½	0	7½
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine ..... per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	4	2	6
Bark Tanned Sole....	2	6	3	8
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	10
Bellies from DS do.	0	5½	0	6½
Do. Eng. or WS. do.	0	6½	0	9
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	6
Aust. Bends Avg. 7/1 lb.	1	3	1	7

	£	s.	d.
VEGETABLE OILS—			
Linseed, naked, p. ton net	29/2/6		
Rape, refined	38/0/0		
Cotton-seed, crude.....	26/0/0		
Coconut, crude	22/10/0		
Palm	20/17/6		
Oil Cakes, Linseed, Eng., per ton.	9/7/6		
Oil Seeds—Linseed—			
La Plata, p. ton, Aug.	13/3/9		
Calcutta—per ton	15/5/0		
	s.	d.	
Turpentine, per cwt.....	35	6	
PETROLEUM PRODUCTS—			
Motor Spirit, No. 1, London	1	6	
Petroleum, Amer. rfd. bri. London..per gall.	0	10½	
Fuel oil, in bulk, for contracts, ex instal. Thames—			
Furnace...per gall.	0	3½†	
Diesel.....per gall.	0	4½†	
ROSIN—			
American ..... per ton	20/5/0	22/5/0	
RUBBER—	s.	d.	s. d.
St. ribbed smoked sheet per lb.	0	8⅞	
Fine hard Para per lb.	0	9½	
SHELLAC—			
TN Orange ... per cwt.	47	0	50 0
SHELLS—	£	s.	£ s.
W. Aust. M.-o.-P. "	3	10	12 10
TALLOW—			
London town...per cwt.	25	6	

	£	s.	d.
TIMBER—			
Swedish u/s 3 x 8 ... per std.	24	0	0
" 2½ x 7 ... "	23	10	0
" 2 x 4 ... "	21	0	0
Can'dn Spruce, Dis.... "	24	10	0
Pitchpine ..... per load	11	0	0
Rio Deals ..... per std.	35	0	0
Teak ..... per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African " ... "	0	6	0
Amer. Oak Boards " ... "	0	6	0
" Ash ..... "	0	6	0
English Oak Planks ..... "	0	6	0
" Ash " ..... "	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Goverament tax.

UNITED STATES

New York quotations unless otherwise stated

	Aug. 26, 1936	July 28, 1937	Aug. 18, 1937	Aug. 25, 1937
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	111⅛(c)	124 (b)	110⅞(c)	105½
Maize, nearest future, Chicago, per bushel	112⅛(c)	100⅜(b)	99½(c)	98½
Oats, nearest future, Chicago, per bushel	42⅞(c)	31 (b)	29⅞(c)	28½
Rye, nearest future, Chicago, per bushel	83 (c)	89 (b)	80½(c)	79½
Barley, nearest future, Chicago, per bushel	79 (c)	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.....	8	9½	9	9
" Santos No. 4, cash per lb.	9⅜	11½	11½	11½
Cocoa, Accra, nearest future, per lb.....	6·62	7·96	8·30	8·10

	Aug. 26, 1936	July 28, 1937	Aug. 18, 1937	Aug. 25, 1937
	Cents	Cents	Cents	Cents
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.....	3·70	3·45	3·60	3·60
Cotton, middling, spot, per lb.	11·88	11·44	10·40	9·78
Rubber, smoked sheet, spot, per lb.....	16 5/16	18⅛	18 5/16	18¼
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel.....	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·40	14·07½	13·92½	13·77½
Copper "Electrolytic," Export prompt, per lb.....	9·62½	14·30	14·15	14·00
Spelter, East St. Louis, spot, per lb.....	4·80	7·00	7·25	7·25
Lead, spot, per lb.	4·60	6·00	6·50	6·50
Tin, "Straits," spot, per lb.	42·50	59·12½	59·50	59·12½

(a) Nominal. (b) July. (c) September.

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The People's Food

NUTRITION is in some danger of becoming, like Mesopotamia, a blessed word. After the spate of pronouncements on the subject in recent years, the average member of the public is ready to presume that our national standard of feeding is much less satisfactory than he had been wont to believe; he is ready to agree that something should be done about it. There is a considerable accumulation of goodwill for "nutrition policy." But the layman still asks in some bewilderment to be told exactly of what a sound nutrition policy would consist. And hitherto he has received only the vaguest of answers.

Some part of the vagueness will be removed by the publication of the Final Report of the Mixed Committee of the League of Nations, which was appointed, with LORD ASTOR as chairman, by the Assembly of 1935 to study the nutrition problem both in its health and its economic aspects. This report is a most useful document, the most authoritative and the most nearly complete exposition of the subject which has yet appeared. It will serve for some time to come as a source-book for all those interested in the subject.

The foundation of any nutrition policy must necessarily be the recent physiological advances, starting with the discovery of vitamins by SIR FREDERICK GOWLAND HOPKINS in 1906. The present state of medical knowledge on the subject is clearly set out in the Report; it may be summarised as enjoining the consumption not only of sufficient calories to generate energy but also of sufficient "protective foodstuffs" to provide the necessary minimum of minerals and vitamins. In short, not merely a minimum quantity but also a minimum quality of food is essential for health.

Judged by this standard, there have been great improvements in the nutrition of most Western peoples in recent decades, due not only to rising standards of living, but also to the great growth in the availability of imported supplies of meat, dairy produce and citrus fruit for the industrial populations of Europe. But in spite of this improvement, the average standard of nutrition is still very poor. The greater part of the evidence in support of this statement comes from Great Britain, the United States and the Scandinavian countries. And if in these countries, where average incomes are relatively high and food prices (except for the United States) relatively low, such high percentages of malnourished families can be found, the situation in other countries must be very unsatisfactory indeed. Strangely, the interest taken in the problem of nutrition seems to be least in the countries where conditions are worst. By a similar paradox, in every country, it appears to be the rural population, the food producers, who are worst fed.

The Report reaches the centre of its subject when it tackles the intricate relationships between food consumption, prices and incomes. The treatment of the subject is scientific and careful, taking nothing for granted, but it succeeds only (like so much that is scientific and careful) in giving an elaborate endorsement to common sense. It needs little more than a glance or two at the figures reproduced in Notes on page 467 of this issue of *The Economist* to show that the consumption of food, and therefore the degree of nutrition, is first and foremost a matter of price. A most striking illustration of this obvious truth can be found in the case of milk in England. Generally speaking, this country shows up

well in comparison with other industrial countries. Our prices are as low as, and our consumption of high-quality foods is greater than, those of most comparable countries. But milk is the conspicuous exception; our average consumption per head is much lower than in many other countries—only about one-third, for example, of that in Finland, a much poorer country. The reason can be found in the fact that the price of milk in this country is the highest in Europe.

It is when the Report moves from exposition to recommendation that the reader will find precision giving place again to vagueness. But it is hardly fair to blame the Committee. They were working with inadequate data, especially in respect of some countries which have an avowed preference for guns over butter. An official, still more an international, committee is debarred from direct criticism of the policies of Governments, although one of the largest single reasons for inadequate nutrition is to be found in agricultural protectionism. And anybody who attempts to make recommendations on the subject can be excused for being overwhelmed with its immensity and for falling back on such sweeping ideals as the general raising of the standard of living of all the world's peoples. That is, in truth, the only ultimate remedy, and it is a useful corrective to the fashionable delusion that "Science" has solved the problem of production to be told that the world cannot yet produce enough of the most elementary necessity: food for its millions.

Immensity, nevertheless, cannot be allowed entirely to swamp practical policy. There are some clear immediate lessons to be drawn from the Report. One obvious beginning is to lay it down as a sacrosanct principle of policy that no governmental action shall be taken which will have the effect of making the cost of food greater than it would otherwise be. This might seem a truism. But the Committee have only been able to find one governmental action in the world which was undertaken with the deliberate intention of cheapening food, while even in this country, with its comparatively favourable record, there are such nutritional absurdities as the Milk Marketing scheme. Milk should, indeed, be the first objective of a British nutrition policy, since it is not only the most valuable food but also the one of which our consumption is most inexcusably low. The cost of milk to the British consumer must be drastically reduced.

Guidance can be extracted from the Report not only on the objectives but also on the methods of nutrition policy. Much can be done in a general way by increasing the efficiency, and lowering the costs, both of the production and of the distribution of foodstuffs. But a warning is uttered against any hope that the problem can be easily or completely solved by such means. If we really wish to improve the standard of nutrition of the people the problem must be attacked directly. One direct attack would be the provision of family allowances, since it is the families rich in children which are poor in food. An even more direct method would be what the Committee calls the "social provision of essential foods to particularly exposed sections of the population." Translated into technical terms, this means the subsidisation of differentially low prices of essential foods for defined categories of the public. A small, very small, beginning has been made on these lines in the Milk-in-Schools scheme, but a very much greater extension of the same idea will be needed if the problem in its entirety is to move appreciably nearer to solution.

These are large and far-reaching suggestions. But they are intended to meet a large and far-reaching problem. In the past hundred years the community has thought it expedient to supply education, housing and medical services to the poor at prices below their cost of production. Any one of the arguments used to justify this action would apply with added force to the question of food, especially the food of children. The problem of nutrition differs from what are already accepted as social services chiefly in its immensity. Properly regarded, that is a challenge, rather than a barrier, to policy.

Britain's Note to Japan

THE clouds in the East are gathering so fast that a single week has added a number of new touches to the sombre picture which we painted in the last issue of *The Economist*. This week has seen the presentation of a British Note to Japan about the wounding of the British Ambassador.

The two conspicuous features of the British Note are its *piano* tone and the impersonal basis of its protest. The Note calls for three things: a formal apology to be conveyed by the Japanese Government to the British Government; suitable punishment of those responsible for the attack; and an assurance by the Japanese authorities that the necessary measures will be taken to prevent the recurrence of incidents of such a character. These eminently reasonable desiderata are presented as requests, not demands; *a fortiori* not as demands with a time limit or a threat of resort to force. The protest is based on the fact that, in machine-gunning and bombing SIR HUGHE KNATCHBULL-HUGESSEN'S car, the Japanese were making a deliberate attack upon non-combatants. "The foreign, even the diplomatic, status of the occupants is irrelevant." The Note appeals to "one of the oldest and best-established rules of international law" by which "direct or deliberate attacks on non-combatants are absolutely prohibited," whether inside or outside the area in which hostilities are taking place. The Note does not fail to point out that there were no Chinese troops in the neighbourhood of the scene of the outrage. It was remote from any theatre of hostilities. And the attack was committed by Japanese on the territory, and might have been directed against the head, of a foreign country against which they have not even yet declared war.

The Note is skilfully drawn; for while on the one hand it takes its stand on ground which cannot be traversed by any conceivable excuse that the Japanese may trump up, it is careful on the other hand to avoid committing MR CHAMBERLAIN'S Cabinet to any action which might bring this country into collision with Japan in the event of the Japanese Government's unwillingness to accede to some or all of these "requests." Thus the Note appears to secure that Japan shall stand convicted of a shameful barbarity which she cannot deny, without any risk of involving Great Britain in hostilities.

But that is not all. A critic might say that the British Cabinet has once again affirmed the sanctity of international law on paper while taking care not to let itself in for any obligation to vindicate the outraged law. It is little good declaring that "aircraft are in no way exempt" from the rule that non-combatants ought not to be made the targets of deliberate attack, if no sanction is going to be applied against Powers on the warpath which trample the rule under foot. The moral of the story is not, of course, that civilians must be given over to massacre. It is that, in an age when war has become synonymous with frightfulness, the reign of law in international affairs must be carried to the length of "steady and collective resistance to all acts of

unprovoked aggression." But if this is the true moral of the British Note, how does it square with the policy which is being followed by the Government? That policy has allowed our inchoate post-war system of collective security to be smashed to pieces in the hope that the British Empire may purchase immunity for itself.

The indiscriminateness of our present instruments of warfare has been illustrated again, within the past week, by the bombing, on the high seas, of an American liner. Like the British Ambassador's car, the "President Hoover" was proceeding on its lawful occasions. In this case, the number of civilian lives endangered was 577, and one member of the vessel's crew has since died of wounds. The Chinese airmen who committed this outrage were less guilty than the Japanese airmen who wounded the British Ambassador; for the "President Hoover" was not their target; they bombed her by mistake when they were attacking a convoy of Japanese troop-transports. Moreover, they are to be court-martialled and punished, and the Chinese Government agreed, without any formal American request, to pay compensation. The United States Government replied by banning their shipping from entering, or even sailing near, Shanghai. But they, like the British Commonwealth, will assuredly find out sooner or later that our present state of international anarchy cannot be dealt with simply by refraining from bad behaviour oneself and keeping out of the gangster's way.

Such a policy might perhaps work if the anarchy could be localised. But the essence of modern civilisation is its ubiquity. Anarchy travels round the globe as swiftly as aeroplanes and radio. If any English-speaking statesman still imagines that he can localise the Far Eastern conflict by a studious exhibition of non-intervention under provocation, he had better read the signs of the times in the Russo-Chinese Pact.

This pact, signed on August 21st, is, in itself, as unexceptionable as the British Note to Japan. It is simply a pact of non-aggression in fulfilment of the mutilated (Briand-Kellogg) Pact of Paris. There is no reason to suppose that it is really supplemented by the secret military clauses which the Japanese profess to suspect. But it does mean that China, for her part, has made up her mind not to adhere to the notorious Japanese-German "Anti-Communist Pact" concluded last year. This is important; for the forcing of China into the anti-Russian camp is one of the war-aims which Japan has in mind supposing she succeeds (in the Japanese PRIME MINISTER'S words last week-end) in "beating China to her knees." The new Sino-Russian Pact thus emphasises that the conflict which has again broken out in the Far East cannot be insulated from that other conflict already raging everywhere but on the surface in Europe. Russia has a front on the Niemen, as well as on the Amur. Nor is Russia the only Power involved in both areas. Great Britain and France are in the same predicament. One reason, no doubt, for the studious peaceableness of the British Note to Japan is the Cabinet's awareness that an Anglo-Japanese clash in the Far East would play into SIGNOR MUSSOLINI'S hands in the Mediterranean and the Bay of Biscay.

One event after another points the same truth. There is a solidarity about the modern world which cannot be evaded by ignoring it. It is not just a technical solidarity. It is moral as well. If we persist in refusing to acknowledge and act upon it, we shall draw upon ourselves a retribution which will be spiritual as well as material. We shall lose the world and our own soul into the bargain.

Earnings and Hours

THERE is a widespread impression that the industrial wage-earner is now earning a bigger income and working fewer hours than ever before. How far is this true? The recent publication of the results of an inquiry by the Ministry of Labour into average earnings and hours of labour in October, 1935,* goes some way to supply an answer to the question.

The inquiry covered all the manufacturing and certain non-manufacturing industries. It excluded agriculture, coal mining, railway services, shipping, domestic service and the distributive and catering trades. In the cases of coal mining and the railways, however, statistics are regularly collected and published. In the second place, the whole investigation was carried out on a voluntary basis. Forms were sent to all employers with more than ten workpeople and to about 20 per cent. of the smaller firms, taken at random. Altogether 126,000 forms were issued, and the number of effective returns was approximately 76,000—a highly satisfactory response. These returns provide a trustworthy indication of the average earnings and hours of labour in particular industries. The general averages, however, are affected by the fact that some industries are less completely represented than others, and in certain cases adjustments have been made to allow, where possible, for this factor.

We may first discuss the question of earnings. In the inquiry, employers were asked by the Ministry to state the number of wage-earners at work in the week ended October 12, 1935, and the total wages paid to them, giving separate particulars for men (21 years and over), youths and boys, women (18 years and over) and girls.

* *Ministry of Labour Gazette*, February, March, April, May and July, 1937.

The results are summarised in Table I, which gives the average earnings (as distinct from wage rates) of workpeople, with comparable figures for 1924 and 1931, where possible. The amount of the *average* earnings of all workpeople, irrespective of their age and sex, is, of course, largely dependent on the relative numbers of males, females and juveniles. The separate averages shown for men, males, women and females are not substantially affected by the variation in the proportions of returns received from different industries. But owing to the under-representation of the building trades and the relative over-weighting of textiles, women's earnings have an undue influence on the averages for all workpeople. These averages, accordingly, have been adjusted upwards, but the comparison between 1924 and 1935 is not affected.

What the table brings out clearly is the remarkable stability of money earnings. Between October, 1924, and October, 1931, the average earnings of all workpeople declined by some 2 per cent., part of which was due to an increase in short-time working. Between October, 1931, and October, 1935, a recovery occurred, which brought the average back to a level slightly above that prevailing in 1924. If coal mining and the railway service are included, the average fell by 1 per cent. between 1924 and 1935—or, roughly, from 50s. 6d. to 50s. As one would expect, there were declines in nearly all industries between 1924 and 1931. But these declines were moderate. Even in shipbuilding the fall was not more than 13 per cent.

Recovery was general in the four years after 1931. On balance, over the whole period, earnings rose in some industries and fell in others. The most important

movements were a drop of 5 per cent. in average earnings in textiles and a rise of 3 per cent. in the metal group. In coal mining, the net fall was 8 per cent.

The statistics do not reveal any significant tendency for the industrial population to shift from the less to the more remunerative occupations. Before the war this sort of labour mobility was always a factor tending to increase the income of the working classes, but it has not been perceptibly operative in the last decade. The conclusion is, indeed, that changes in the cost of living and the risk of losing his job have been much more important to the British worker than variations in his money earnings. Between October, 1924, and October, 1931, the cost-of-living index number fell by some 16 per cent. After October, 1931, it declined further, and then regained its 1931 level in October, 1935. If this index number is applied to the changes in the average money earnings of all workpeople, we find that real earnings increased by something like 17 per cent. between 1924 and 1931 and by a further 3½ per cent. between 1931 and 1935. The Ministry of Labour's inquiry suggests, in short, that there is sound basis for the view that the real income of the working classes was bigger than ever before in October, 1935.

We may note, incidentally, that the 1935 inquiry made it possible for the first time to calculate the average earnings of adult men and women. The general average for men was in the region of 64s. 6d. and for women of 31s. 3d. Among the principal groups of industries the average earnings of men were lowest in mining and quarrying (other than coal) at 53s. 4d., and highest in paper and printing at 83s. 8d. Activity in the metal industries was reflected in an average of 67s. 7d. Women's earnings averaged 32s. 8d. in the clothing trades, 30s. 3d. in textiles, and 32s. 1d. in food, drink and tobacco.

So much for earnings. What of hours? In 1935, employers were asked to give particulars, first, of normal weekly hours; and, secondly (for a specified week), of hours lost by workers on short time and of additional hours worked by those on overtime. In Table II this information is summarised for all persons covered by the inquiry. The figures for short time and overtime are liable to a small margin of error. It is obvious from the figures that recognised hours of labour have changed little since 1924. In almost every important group of industries average normal weekly hours have remained unchanged at about forty-seven. A week of forty-seven to forty-eight hours is still worked by about two-thirds of those employed, but forty-seven hours are now more common than forty-eight. At the extremes, a smaller proportion of workpeople has a normal week of forty-four hours or less and a larger proportion has a week of more than forty-eight hours.

It is a striking fact that as much as one-tenth of the workpeople covered by the inquiry in 1935 were working more than forty-eight hours in a normal week. In some industries, such as the making of bricks and tiles, the proportion was as high as 30 per cent. In mining and quarrying (other than coal) it was 16 per cent., and in food, drink and tobacco 13½ per cent. Plainly, the movement for shorter hours has achieved but limited success in the last decade. There are still many British citizens to whom the idea that leisure presents problems of its own must appear as an ironic pleasantry.

Moreover, while normal hours of labour have changed very little, the figures show that the hours actually worked rose on the average from 46.0 in October, 1924, to 47.8 in October, 1935. At the latter date approximately 27 per cent. of all workpeople were working overtime. In the metal industries the proportion was 41 per cent.; in paper and printing it was 30 per cent., and in the leather industry it was 33 per cent. In 1924 the majority of the principal industries worked less than normal hours; in 1935 all but textiles and the clothing trades worked more than the normal week. Moreover, there is every reason to suppose that overtime has become not less but more common since October, 1935. If recovery continues at its present rate, excessive hours of labour may well become an urgent problem.

Let us sum up the conclusions which emerge from the Ministry of Labour's admirable survey. In 1935, the industrial worker in employment was earning a bigger real income than ever before. His money income had been extraordinarily constant, even in the depth of depression, and the enlargement of his real income between 1924 and 1935 was wholly due to the decline in prices. But the cost of living had already begun to rise again in 1934 and in recent months its pace has been accelerated. Money wages have also risen and overtime has been extended, but whether money earnings will exceed, or even keep pace with, the rising cost of living may be doubted. It is more than possible that 1935 and 1936 may prove to have been peak years for the real incomes of British workers.

To obtain a larger real income in 1935, the average worker was engaged for longer hours than in 1924. Since October, 1935, it is true, recognised hours of labour have shown a decline for the first time since 1919 and 1920. But overtime has undoubtedly been extended simultaneously. It is certainly not true that the British worker is working fewer hours than ever before. On the contrary, his position has slightly worsened in the last fifteen years. In this respect, it is not too much to say, Great Britain must regrettably be numbered, to-day, among the backward nations of the world.

BRITISH EARNINGS AND HOURS.—TABLE I.—AVERAGE EARNINGS OF LABOUR

	October				
	1924	1931		1935	
	Amount	Amount	*Oct., 1924 = 100*	Amount	*Oct., 1924 = 100*
Average weekly money earnings of :	s. d.	s. d.		s. d.	
Men (21 years and over)	...	...	...	64 6	...
All males	56 11	55 8	*98*	57 11	*102*
Women (18 years and over)	...	...	...	31 3	...
All females	27 6	27 0	*98*	27 7	*100*
All workpeople (unadjusted)	48 3	47 4	*98*	48 11	*101½*
(adjusted)	48 6–9	...	...	49 6	...
Cost of living	...	...	*84*	...	*84*
Average weekly real earnings of all workpeople	...	...	*117*	...	*121*

TABLE II.—HOURS OF LABOUR

	October 1924	October 1935
Percentages of workpeople whose normal weekly hours were :—		
44 or less	13·7	10·7
Over 44 and under 48	40·8	46·0
48 or more	45·5	43·3
Average normal weekly hours	47·1	47·2
Proportion of workpeople on short time	9·8	12·2
Average number of hours lost by those on short time per week	11·0	8·4
Proportion of workpeople on overtime	...	27·0
Average number of additional hours worked by those on overtime, per week	...	6·1
Average hours actually worked	46·0	47·8
Excess of average hours actually worked over average normal hours	− 1·1	+ 0·6

The Woolcombing Industry

Combing is the first important process through which wool passes on its way to the worsted industry. For the last few years an organisation has been operative for the purchase and scrapping of redundant woolcombing plants, its resources being furnished out of the surplus profits of its members. The following article embodies the views of a trade correspondent on the work of this organisation and the outlook for the industry itself.

THE worsted branch of the wool textile industry has a number of clearly defined processes: combing, spinning, weaving and, as the ultimate stage, dyeing and finishing. The process of wool combing converts the raw material into a main product, tops, and a chief by-product, noils. The tops are converted into yarn by worsted spinners.

The woolcombing industry itself has three branches. The commission combers work solely for wool importers, who are known as topmakers. The topmakers possess no machinery of their own, but are said to be responsible for over half the tops available for sale to spinners. The second branch comprises the topmaker-combers, who, working their own wool imports, make tops for sale. The third branch includes the spinner-combers, who work their own wools into tops for their own spindles. Actually, the average topmaker-comber endeavours to run his own plant full time and gives out to the commission comber any surplus above its capacity. And it is not unknown for spinner-combers, when they have no wool of their own, to work as commission combers for anyone who requires their services.

In the recent depression wool combing suffered from over-abundant capacity in the same way as iron and steel, shipbuilding and many other trades. Consequently, an organisation known as the Woolcombers' Mutual Association was formed, and endeavoured to bring the majority of combers under its ægis. Its operations resulted in an increase of combing charges, which had been subject to ruthless cutting by individual firms. The new charges not only turned losses into profits, but provided a surplus which was available for purchasing and scrapping redundant and semi-obsolete plants. Although many woolcombers, despite the slump, were wealthy and had large reserves, these were not drawn upon for the purposes of the scheme; for those in control shrewdly obtained their finance from their own customers, who complained, with some show of reason, that they had been required to provide the rod for their own backs.

The Association deserves credit for its initial contribution to recovery in the woolcombing industry, which succeeded in regaining a sound position without any extraneous assistance either from the Government or from the banks. But to-day, when the new regime has been in operation for a full quinquennium, some combers are beginning to be doubtful whether its long-term effects are likely to be wholly beneficial. Increased combing charges have encouraged the installation of combs by firms outside the ring and the extension of plant by existing firms who are non-members of the Association. It has been estimated, indeed, that the potential output of the new machinery is equal to that of the plant already scrapped. The commission combers as a body, therefore, are no nearer a monopoly to-day than when the Mutual Association was formed, but the latter is entitled to reply that to obtain a monopoly was never an essential part of its policy. It may fairly claim, further, that its members are much better placed now than they were in the depression, since outside competition to-day comes from other firms and not from financial institutions who, during the slump, were prepared in some cases to operate at a loss plant which fell into their hands.

The difficulties of the present position are due rather to factors outside the direct control of any trade association. A well-known public company, engaged in commission woolcombing, recently called attention to the problem of rising costs in its report, which accompanied a balance sheet showing reduced profits. The commission combing tariff is being raised from the beginning of September, and the industry can make out a convincing case for the advance. They are supported by the topmaker-combers because that section of the industry, normally running full time, stands to gain more from the advance than the commission comber, who must take bad months with good throughout the year and cannot run full time consistently. Incidentally, there is a widespread impression in the industry that the commission combing tariff is so graded as to yield a profit to those firms whose output is about 70 per cent. of the maximum.

Now, the higher the charges for woolcombing (and/or the greater the profits which can be earned) the more plant the spinner-comber and the topmaker-comber will be tempted to instal and the less work they will give out on commission. In other words, the more the commission firms tighten the screw now, the less wool they will tend to receive for combing in the future and the more outside machinery with which they will have to contend. It is easy to envisage conditions under which no "scrapping fund" would be large enough to buy out competitive plants, even if competitors were willing to sell. Increased combing rates, again, may tend to transfer an increasing share of the business of topmaking from those wool importers who have no machinery to topmaker-combers who, having occasionally in the past been compelled to work for a combing profit only, without a topmaking profit, will be capable, if necessary, of again adopting that procedure. Thus, in times of bad trade, undercutting in the selling price of tops, by firms possessing their own combs, may become a progressively serious factor. If, as is still claimed by some, there is even now too much commission woolcombing machinery, then the effect of the present system is to transfer the balance of advantage from the importing topmaker to the topmaker-comber. If all machinery were competing freely, the former would benefit from keenly cut rates, as he did before the formation of the Woolcombers' Mutual Association. To-day, however, when the major part of any potential surplus of machinery is precluded by the "ring" agreement from free competition, rates are kept high and the topmaker-comber correspondingly benefits.

How can the commission comber, who is an essential part of the industry, cope with this difficult problem? There seem to be four courses open to him.

First, he may use his reserves, as well as the resources of the Mutual "scrapping fund," to buy up competitors. This policy, however, scarcely seems wise, since if woolcombing, as an industry, earns good profits, the introduction of new plant cannot be prevented. Secondly, the commission comber might use his reserves to buy wool on joint account with topmakers who possess no combs. This is a well-known practice on the Continent, but it would involve him in the risks inseparable from fluctuations in wool prices, from which he is at present free. Thirdly, he might choose to cut combing rates below cost, if necessary, and draw on his reserves in order to discourage topmaker-combers or spinner-combers from running their own plants. This, however, would mean a return to the war of attrition which the "ring" was formed specifically to prevent. A final alternative would be to use the "scrapping fund" to break up machinery already held by commission combers, which, even in the last year or two, has been so under-employed as to be definitely uneconomic. If the remaining plants were able to run full time, costs would be reduced, combing charges could be lowered, and the further growth of competition would be discouraged. It is for those members of the industry most closely concerned to decide in which direction their long-term interests lie.

P. & O. Centenary

ONE hundred years ago, the Peninsular Steam Navigation Company began to operate a mail contract, which had been signed on August 22, 1837. Some two or three years earlier the firm of Willcox and Anderson, of the firm of St. Mary Axe in the City of London, had inaugurated a line of small steamers; but the obtaining of this contract from the British Admiralty, in the face of formidable difficulties, was a turning point in the firm's history. The first monthly list of the Peninsular Company, in September, 1837, advertised weekly sailings from London and Falmouth, maintained by a fleet of five steamships of 500 to 900 tons each, and fortnightly sailings from Liverpool, maintained by two ships. In addition, a branch service between Lisbon and Madeira was run by a single vessel. To-day, the "P. & O." and its subsidiaries control 311 ships, aggregating over 2 million gross tons, and conservatively valued at £22 millions. It is the second largest tramp owner in Great Britain and its lines circle the world. The story of its growth is one of the most fascinating chapters in the history of British merchant shipping.

History awards chief credit for the founding of the parent firm to Arthur Anderson, who was born in the Shetlands in 1792, given a scrappy education, and, while still a child, set to the heart-breaking work of a beach boy. Anderson first made his mark on the brokerage side of the business, which involved him, incidentally, in Iberian adventures, in the course of which he supported the cause of Donna Maria of Portugal against her uncle, Miguel, and later espoused the claims of the Queen Regent, Isabella of Spain, against Don Carlos. Contrary to popular belief, Anderson made little money from these connections, but he gained an invaluable insight into the business possibilities of Spain.

The first extension of the new company's service took its steamers from Gibraltar to Egypt, where it organised transport from Alexandria to Suez, already partially developed by Lieutenant Waghorn, the indefatigable pioneer of the "overland route." In 1840 the company was incorporated by Royal Charter as the Peninsular and Oriental Steam Navigation Company. The departure of the "Hindostan" (1,800 tons and 500 h.p.) from England to the East was, in its way, a national event. When the Treaty of Nanking opened five Chinese ports to European trade, the "P. & O." quickly seized its opportunity. By 1845, it was operating mail services from England to Alexandria, from Suez to Ceylon, Madras and Calcutta, and from Ceylon to Penang, Singapore and Shanghai. In 1852 Australia was linked to the Mother Country for the first time, and a year later the company took over the Bombay-Suez route from the Indian Navy.

As early as 1843, Arthur Anderson, then, as always, a generation ahead of the public opinion of his time—had published a pamphlet warmly supporting the project of a Suez Canal, in the face of the almost unanimous opposition of British shipowners. The "overland route" extended for 90 miles across the desert between Cairo and Suez, and for another 160 miles along the Mamoudeih Canal and the Nile. As many as 4,000 camels were frequently employed to transport merchandise, mail and baggage in a trade whose value reached £40 millions per annum. But steady progress with the Suez Canal's construction warned Anderson (who had become chairman of the P. & O. in 1862) and his fellow directors of the coming of revolutionary change. In 1869—a critical year for the company—some 100,000 tons of shipping were scrapped and replaced by tonnage capable of carrying freight and passengers under the new competitive conditions, due not only to the Canal but also to the introduction of the compound engine.

Some years before this crucial period, Thomas Sutherland—a name famous in P. & O. annals—had joined the company's service. In 1854, at the age of twenty, Sutherland had gone out to Bombay, and had quickly distinguished himself by his ability and commercial acumen. With the opening of the Canal, freight charges on the overland route were reduced by 75 per cent. and passenger fares by 50 per cent. In 1881, Sutherland obtained complete control of the company and proved himself a far-sighted iconoclast. He changed the company's English terminal from Southampton to London, and improved its second-class accommodation, to the immense satisfaction of eastward-bound junior military and civil officers, planters and missionaries. He met the heavily subsidised competition of French and German companies by further improvement in the standard of his mail steamers. In 1887, the first of the "Jubilee" class of steamers, with a tonnage of over 6,000 and a speed of 17 knots, was made for the company by Harland and Wolff. The capital structure of the P. & O. was reorganised in 1889, when the paid-up capital was reduced by repaying cash to shareholders and the balance was sub-divided into preferred and deferred stock, with a moderate amount of debenture stock employed in the business. This type of capital structure has been maintained to the present day. Alone among British securities, P. & O. stock rose in value during the three-day financial crisis of 1890. The stock has remained a leader among shipping equities through all the vicissitudes of the industry.

Subsequently, the company has contrived, almost without intermission, to extend its interests and widen its economic scope. The fusion with the British India Line—the outstanding development of the period before the Great War of 1914—brought in Sir James Mackay, the first Lord Inchcape, on whom fell the mantle of Sir Thomas Sutherland. Mackay, like Anderson, had scanty schooling, and found early employment in a humble capacity with a rope-maker and canvas manufacturer at Elgin. Like Sutherland, he first made his name in the East. He rose rapidly in the British India Company's service at Calcutta. In 1902 he negotiated on the British Government's behalf a new commercial treaty with China at Shanghai. After the War, Lord Inchcape preserved his predecessor's policy of amalgamation and extension, and on his death in 1932 his son-in-law, the Hon. Alexander Shaw (now Lord Craigmyle) became chairman and managing-director of a company owning or controlling more than 2,000,000 tons of shipping which (within the limitations of size imposed by the Suez Canal) challenged comparison with any afloat for efficiency, comfort and profitability.

For a hundred years, the P. & O. has held mail contracts, obtained and retained in public competition and retained by the merit of its services. The value of the assistance it has rendered to British commerce overseas is incalculable. Like all successful shipping concerns, it has endured many vicissitudes of trade and prosperity—not least the depression of 1931-35. But the group has emerged from this searching test with a financial position whose strength is only partially indicated by its consolidated, general and contingency reserves (according to the last balance sheet) of £13,504,500 and consolidated surplus liquid assets of £14,867,000. During the worst year of the depression the group carried over 11 million tons of cargo and 1,800,000 passengers. The present revival of international trade and the sharp rise in freight rates should further strengthen the group's position—though, as the chairman has pointed out, higher ship-building costs are the reverse side of the medal. To-day, the company begins its second hundred years at a moment when high traditions, sound finance and reviving international trade provide the best possible background for the enhancement of its reputation as a characteristically useful and profitable British institution.

Notes of the Week

Scientists Assembled.—The British Association for the Advancement of Science is in session at Nottingham. No announcement of an epochal discovery is likely to startle the world in these days, when the diurnal labours of scientists are common knowledge, and the splitting of the atom is followed in the Press like a timeless test match. The giants and their works are too well known: no Faraday, no Dalton, no Darwin, no Lamarck, no Mendel and no Kelvin will raise the curtain on a world yet unexplored. We take our scientists for granted, and sometimes, as at Shanghai to-day, we use the fruits of their labours with reckless negligence and malice. Yet science has still lessons for the chaotic communities of post-war politics, and straight words to speak about the progress we seem to squander. Fifty-six years ago, Mr Edward Poulton attended the British Association at York, when the dust of the Darwinian controversy was scarcely laid and the conflict about the mechanism of evolution was still to come. On Wednesday, Sir Edward, now President of the Association, surveyed the growth of evolutionary thought in those crowded decades—the disputes about inheritance and heredity and the battle about geological time. Against the background of natural selection in millions of years the pains of our own social changes may seem slight, but Sir Edward was encouragingly optimistic. Men, he declared, may control their own destinies, abolish wars and make their own progress without the waste of blind trial.

> With all the terrible disappointments there has been great progress, and a time will surely come, and may it come quickly, a time which shall prove that the visions of the young and the dreams of the old were prophetic of a glorious reality.

With these words ringing in their ears, the scientists turned to their sectional discussions, which cover the whole field of science and society, and are much concerned this year with the ordinary problems of the layman's world.

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Economists and Industry.—The proceedings of the Economics Section of the British Association are peculiarly relevant to the practical problems of business men and the State. Papers and discussions have so far covered labour transference and the relations between business practice and economics. Next week they will include retail distribution and industrial location. The same realistic note was appropriately struck in the presidential address on September 3rd, when Professor Sargant Florence asked how economic research could help to determine the most efficient site, size and scope of industrial organisations. Economists, he said, were learning to measure industrial location, which was of great importance when the State was trying to locate industries in depressed areas and, perhaps, to control the growth of Greater London. Thus, economists might help to determine the best distribution of industry between urban and rural areas and the most efficient siting of particular trades. In that way, the State might plan the most desirable location of industry without the wastage of private trial and error. Similarly, the size of plants and firms was fundamental in planning. Economic research could analyse the factors, such as mechanisation, which made for growth in industrial units.

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Professor Florence forecast that the increase in the size of plants was likely to persist, although many mechanised industries were scattered in small plants to be close to the consumer, while many highly localised industries were medium-sized in scale of plant, and small shops with small clientèles seemed to survive in retail distribution. In the last resort, however, the unit of planning was the firm, the controlling business unit on which depended economies of marketing and finance. Economic research, by measuring profits and costs, might suggest the optimum size of firms. Already the prevailing tendency was for plants to specialise on a narrow range of products within wider and wider areas of business control. Generalisation between industries and trades was, however, impossible; and the economist could only be helpful in industrial policy if his statistical material were complete, precise, relevant and well-defined.

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Army Recruits.—The War Office announced on August 30th that the upper age limit for recruits in combatant units of the army would be raised from twenty-five to twenty-eight. The age limit for combatant regiments was twenty-five before the War, during which it was raised by stages to forty; for non-combatant units it is thirty. The announcement marks the second stage of Mr Hore Belisha's recruitment campaign. His first step was to permit serving soldiers to extend their service to twenty-one years and qualify for a pension, and reservists to rejoin the Colours on the same basis. As we suggested in *The Economist* on August 14th, this drastic change is not likely in itself to be wholly satisfactory since the military value of a soldier is not increased by long service. It is now credibly reported that the new long-service element in the Army will be limited and that a substantial number of men may be recruited for periods of less than seven years. This dual system would, on the one

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hand, provide an army career for those who wanted it, and, on the other, a quick flow of short-period recruits. In the last resort, however, the all-important task is to stimulate recruiting immediately. The number of Army Reservists who have intimated their desire to rejoin the Colours under Mr Belisha's new scheme is 3,100, and 800 are already back in the army. Recruiting figures in most districts are steadily rising, and in London have reached a record level for recent years. Nevertheless, there is much leeway to make up, and it may still be doubted whether the soldier's present lot is sufficiently happy to encourage a rush of recruits to the Colours.

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Penny Post.—In a recent speech at Aberdeen, the Postmaster General stated that the return to the penny post for letters and the halfpenny post for postcards, after allowing for a slight increase in these services, would reduce the Post Office revenue by £7½ millions a year. His conclusion, therefore, was that this reform, so much sought by business men, was not feasible. Perhaps Major Tryon considered that this pronouncement could most appropriately be made in a great city whose caution in matters of business is proverbial. We pointed out in *The Economist*, on March 20th (page 632), that the contribution of the Post Office to the Exchequer (which has been fixed, since 1933, at £10¾ millions annually, or about 13 per cent. of the gross income of the Post Office) was more than enough to cover any net loss of income caused by a reversion to the penny post. Major Tryon's figures amply confirm this statement ; if the penny post were restored there would still, on his own computation, be over £4 millions to hand over to the Exchequer, since the usual Post Office annual surplus exceeds the Exchequer contribution by between £1 million and £2 millions. The trouble is that Postmasters General habitually regard the millions paid annually to the Exchequer as a proper charge, almost as a legitimate cost of service; and to some people Major Tryon's obdurate statistics at Aberdeen suggested that the restoration of the penny post would involve the Post Office in a net annual *loss* on operation of £7½ millions—which is absurd. The function of the Post Office is to provide an efficient service as cheaply as possible, having regard only to the proper costs of service. To use the Post Office as a large and regular source of national revenue is, as *The Economist* has held for ninety-four years, " an unfortunate, regressive and clumsy method of taxation." Moreover, while the demand for the carriage of letters is probably much more inelastic that it was ninety-eight years ago, when the penny post was instituted, it is not entirely inelastic, and over a period of years the revenue of the Post Office would probably suffer much less than is commonly estimated from a return to the penny post.

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Spain and the Mediterranean.—The fall of Santander has coincided with another of those efforts by the Spanish Government's forces to drive wedges into other insurgents' positions while the latter's strength is concentrated elsewhere. This week in Teruel and Aragon Government forces have advanced, and Huesca is said to be surrounded. Meanwhile the focus of all attention has been the relations between Italy and the two West European Great Powers; for Signor Mussolini last week-end, apparently counting on further diplomatic paralysis in Britain and France as a result of the Far Eastern crisis, sent a vivid telegram of congratulation to twelve regular Italian generals commanding the Italian divisions which captured Bilbao and Santander for General Franco. In making this operatic gesture he seems to have over-reached himself; and the news that he is to visit Herr Hitler at Berchtesgaden in the third week of this month may be a way of reinsuring his prestige. These gestures accompanied a recrudescence of indiscriminate bombing and torpedoing by submarines in the Western Mediterranean. This week a Russian steamer, totally unconnected with affairs in Spain, was sunk off the Algerian coast, without warning, when proceeding with coal from Cardiff towards the Black Sea; and more British merchantmen have been bombed. The Turkish Government have cancelled their fleet's visit to Italian ports in order to patrol the Dardanelles and Sea of Marmora where submarines " of an unknown Power " have been operating.

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The climax came in the night of Tuesday–Wednesday, when a torpedo was fired at H.M.S. " Havock " without warning. This was the second time that this destroyer, one of those on the still active British–French naval patrol of the insurgents' coastlines, has been fired at; and the third, but most serious, time that a British warship has been attacked without warning. On this occasion, acting on the belated Admiralty instructions of a fortnight ago, the destroyer at once dropped depth charges and two more destroyers steamed from Gibraltar to engage in the search. It was announced in London on Wednesday that more destroyers would be sent to the Western Mediterranean. The French Government have gone one better than the British. They have called for a meeting of the Non-intervention Committee at which they will officially protest and accuse Italy of duplicity all along, intervening in Spain and preaching non-intervention. They have reinforced their navy in the Mediterranean and given it unlimited powers to cope with " unknown submarines." They have proposed, and the British Government have accepted, a conference of Mediterranean Naval Powers at Geneva next week. And they are talking earnestly and seriously, since M. Blum's six months' law of last January to stop volunteers from going into Spain expired on August 21st, of opening the Spanish-French frontier if Italian intervention and piracy continue. Kindly Mr Neville Chamberlain recently tendered an olive branch to the Duce. The Duce seems likely to impale it on an Italian bayonet.

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Pirates, Potentates and Politics.—The moral of these piratical depredations from end to end of the Mediterranean is gravely disturbing. It is now established beyond any reasonable doubt that the overwhelming bulk of the aerial bombing and naval torpedoing in the Mediterranean is not being done by the insurgents' warcraft. The air and surface craft have been repeatedly recognised; a submarine has been recognised; and Signor Mussolini's telegram last week-end shouts to the skies that Italian divisions and generals are fighting Franco's " rebellion " for him. In other words, the war in and about Spain is not a civil war; it is European. Italy has been and is levying war-without-declaration on the Spanish Government in its own territory, and abetting piracy against everyone else on the high seas of what the Duce hopes to make both *mare clausum* and *mare nostrum*. Are our ships, merchantmen and warcraft, to be sunk by night or day, without warning? If not, we shall have to convoy them; for we cannot catch a tithe of these submarine pirates after the event. A special meeting of British Ministers was held on Thursday to consider what action is appropriate. The Nemesis of French and British weakness in the Ethiopian affair has come fast upon us. It has brought Far Eastern methods to our doors—indeed, within our walks. Is the Duce coolly calculating that the British will stomach any treatment at all, after their meekness in the last five years? It is a natural, but fearfully wrong, conclusion, if he is. *Quem ad finem sese effrenata jactabit audacia?*

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China and Japan.—The undeclared war in the extreme Orient has now become general all over the eastern half of China. The Japanese, acting on the Prime Minister's declared intention of " beating China to her knees," have been bombing Chinese cities as far apart and inland as Nanking, Hankow, Kalgan, and Canton;

while their northern forces have occupied Kalgan, capital of Chahar, and the Nankou pass, and are now driving south to turn the northern Chinese forces' left flank. The Chinese Government has handed out a pretty backhanded compliment to the League of Nations, by merely regularly informing it of Japanese aggression and warlike progress. China knows that, after her betrayal by the Western Great Powers in 1931–1933, there is no salvation in appeals to the League. But her leaders must be grimly chuckling at the rapidity with which Nemesis has overtaken the Western Great Powers' interests in the extreme Orient. At Shanghai this week, apart from the accidental Chinese bombing of the " President Hoover," operations have not greatly affected the neutrals or the International Settlement. Last Saturday and Sunday, Japanese airmen practised the doctrine of frightfulness in bombing railway stations whence refugees were fleeing from the city. Many hundreds were killed, and the combined Western Christian missionary churches sent telegrams to their countries urging them to protest against such conduct. The Japanese reinforcements have been landing during the past week just outside Wusung, near the coast, and latterly at Yangtsepu in the Settlement—this last being an attempt to turn the Chinese right flank and force a retreat. The Chinese have been stubbornly refusing both direct battle and a retreat; accordingly the Japanese landings have been held up and their progress has been slow. As we go to press there is still no reply by Japan to the British note, the excuse being that " inquiries " have not been completed. The note made it clear that on the British side no need for any inquiry was recognised: *res ipsa loquitur*. The Japanese dilatoriness contrasts unfavourably with the despatch of the Chinese Government in apologising for, and offering to punish those responsible for and to compensate those suffering from, the accidental bombing of the " President Hoover."

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America and the Far East.—The American neutrality policy, as expressed in the Act passed by Congress last April, is being subjected to a severe test by the Far Eastern crisis. Under the Act, the President is obliged to declare that a state of war exists when hostilities, civil or international, have broken out; thereafter, it is illegal to export any munitions of war. If the President declares, further, that the peace and neutrality of the United States are endangered, it is illegal to sell anything to the combatants except on the " cash and carry " principle. Japan and China are undoubtedly at war; yet no declaration has come from the President. One party in America demands immediate application of the full neutrality policy; another urges cautious procedure and the protection of American interests. The Administration does not seem to favour the isolation policy. On July 16th Mr Cordell Hull, Secretary of State, said that there could be no serious hostilities anywhere in the world which would not affect the interests, rights and obligations of America. Marines have been dispatched to Shanghai, and it is assumed that they will co-operate with the forces of other nations in the event of a general attack on the International Settlement. On August 24th a further statement of American policy was made. This declared that although America did not believe in political alliances or entanglements, she had co-operated with other parties for the purpose of maintaining international standards of decency through pacific methods. The American Government was endeavouring to keep alive its fundamental pacific principles in the Pacific area and in all the world. The language of these statements has been carefully phrased to avoid offending isolationist sentiment within America; but there seems evidence that the Administration is not willing to see the short- or long-term interests of the American people go by default in the Far East. Public opinion may strengthen this attitude, for sympathy lies with China. But for the moment the neutrality attitude seems to be the stronger among the public.

France Emerges from Emergency.—The emergency powers conferred on M. Chautemps' Government by the French Parliament just before the recess in June, expired on August 31st. To mark the return to governmental normalcy, M. Bonnet, the Finance Minister, reviewed the financial and economic situation of the country to *The Times* correspondent on Wednesday, and summarised the Government's achievements. There would still be a deficit on the ordinary 1937 Budget, but it had been halved; revenues both of old and new taxes were rising; and the 1938 ordinary Budget would balance, on conservative revenue estimates and not-too-conservative expenditure estimates. The 1938 extraordinary Budget had been severely pruned, notably for defence and public works; but the principal reform was the amalgamation of all railway companies in a single Corporation of which the State is to hold 51 per cent. of the shares. The decree establishing this Corporation, the last issued under the emergency powers, was signed by President Lebrun at a Council of Ministers on August 31st. The merger Corporation—Société Nationale des Chemins de Fer Français—is to begin on January 1st next; it is to co-ordinate road and rail transport with a view to abolishing those cumulative deficits of the railways which, covered by borrowing like the borrowing for the British Unemployment Fund's deficits in 1930-31, have amounted in the past four or five years to about Frs. 33,000 millions. (We discuss the implications of this for the English investor in a Note on page 482.

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M. Bonnet pointed out that the reduction of Government borrowing, the rise in rentes, and the steadiness of the exchange were lowering money rates; and he said that the effects of the 1936 social reforms had by now either been absorbed into the French economy or offset by the devaluation. France could henceforward compete with other countries as long as French prices did not move up faster than others; and this the Government could control by supervision. Flexibility was their watchword; and they could adjust their tariffs strictly by reference to the movements in French prices. M. Bonnet paints a better picture than anyone has been able to do in France for some time. Whether the obvious increase in political stability and business activity will lure back the vast sums of fugitive capital is more doubtful; its return will be slow. But the Chautemps Cabinet are showing a firmer grip both in domestic and foreign affairs; and the Socialists' decision last week-end not to accept the Communists' offer of a common organisation must be taken as a bull point both for M. Chautemps and for France's political stock.

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Political Manœuvres in Belgium.—The Belgian Cabinet, a Coalition of Liberals, Socialists and Catholics, has again been marked out for an onslaught from the Right. This time, however, the Rexists and Flemish Nationalists did little more than utilise the occasion offered them by the difference between the Prime Minister, M. van Zeeland, a former Vice-Governor of the National Bank of Belgium, and his Socialist Finance Minister, M. de Man, over the nature of the future relations between the Government and the Bank

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under the latter's revised statutes. These powers have long been under discussion; but the matter came to a head last Monday at an extraordinary general meeting of the Bank's shareholders. The Rexist and Flemish Nationalist leaders got in by having become shareholders; and the trouble centred not round the Bank's alleged future subordination to the Government, but round a much more personal matter. The Press hostile to the Government had criticised the Prime Minister for still receiving payments from the Bank; but the Prime Minister officially denied this in Parliament, and the Finance Minister also published a Cabinet denial of the allegations. The Prime Minister was still attacked, however, and declared last Saturday that the only sum he had received, even remotely connected with the Bank, was in 1935 when he retired from the de Brocqueville Cabinet in which he held no portfolio. He then received a payment out of a common fund belonging to the Bank's directors. As M. van Zeeland entered that Cabinet by leaving his high position at the Bank, and left that Cabinet only to become Prime Minister, it is not surprising if compensation were paid to him then. That is very different from the Right Wing's accusations. The crisis has passed for the moment; but Parliament is to meet next week, when the criticisms will be fully met.

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Luther's Heritage.—In nothing is the Third Reich so palpably defeating its own ends as in its treatment of the churches. After four and a half years of it, the spirit of the Christian people of Germany under persecution is stronger than it was at the beginning. The Protestants started under the double handicap of being divided in organisation and of being made the first target of the Nazi attack—perhaps just because they were expected to be easier prey. But last Sunday the unity and the courage of these German Protestants under pressure were both displayed in the reading of an important proclamation from the pulpits of the churches. This proclamation is the outcome of a Protestant conference held at Cassel on July 5th and 6th; and the signatures show how representative it is. It expresses the present attitude, not only of the fighting wing of the Confessional Church, but of the whole of German Protestantism save for the misnamed "German Christians." This document calls in question the whole basis of the Nazi policy and *Weltanschauung*. "Can proper homage be rendered to people, blood and race, only by setting them in place of the Living God?" Here the German Protestants have put their finger on the same error—the idolisation of the human tribe—which was castigated by the Pope in the encyclical relating to Germany issued earlier in the year. The Protestants also denounce, in the present proclamation, "a false pride" which "forces humanity to belie itself" by denying the fundamental fact of sin—a denial which is at the bottom of other forms of modern paganism besides the Nazi variety. They go on to protest against the State's denial to them of certain lawful and indispensable liberties: freedom of spiritual discussion, freedom to work among the young, and even the freedom of conducting church services. The Protestant Church in Germany has asked Herr Hitler to give its members an opportunity of presenting their case directly to the Government of the Reich, instead of being left, without appeal, at the mercy of government departments. This request has not so far been granted. If the Führer persists in turning a deaf ear, he may live to regret it.

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Conference at Sinaia.—The Sixteenth Little Entente Conference was held at Sinaia from August 30th to September 1st. Since last year's Bratislava meeting, Czechoslovakia has drawn closer to Austria and Hungary; Roumania has refurbished her alliance with Poland; and Jugoslavia has concluded the Ciano-Stoyadinovitch pact with Italy. The latter pact has not availed to secure the three States' recognition of the Italian conquest of Ethiopia; and Poland's domestic troubles have confirmed Roumania in her halting attitude to Poland. The outstanding event at Sinaia was the united agreement that the time had come to allow Hungary the right to rearm. This is a most welcome, perhaps epoch-making, development in Central European politics. The conference declared it was unnecessary to alter the League Covenant, and finished with a proclamation of fidelity to the Entente's established principles. To-day this means more than it says; for the Roumanian Government is at last seeking an understanding with Russia, and the Jugoslav Government is incensed at German activity in the domestic Jugoslav ecclesiastical split. The president of the conference even went so far as to announce that the Czechoslovak-Soviet pact was not only prepared and concluded with the express concurrence of the other two Entente States, but that it made Roumania even glad that Czechoslovakia was on the best of terms with Roumania's great neighbour to the East. It will be interesting, after this important conference, to see whether Italy will begin once more to favour and assist the solidifying process between the Little Entente, Austria, Hungary and Bulgaria.

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Mr Aberhart's Intransigence.—While a gentleman from Tonypandy, in South Wales, has been losing a moral victory on points, in a bout of fisticuffs with a coloured gentleman in New York this week, another type of challenger has been maintaining, north of the Canadian border, his determination to fight to the bitter end. Mr Aberhart, Premier of Alberta, has rejected all counsels of compromise in his struggle against orthodox banking and currency conceptions, against the Dominion Government, against Canadian constitutional law—indeed, against all principalities and powers of a world that knows not Social Credit of the Albertan type. Mr Mackenzie King, at Ottawa, is threatened with a nice dilemma. The removal of a duly elected Provincial Government is an unheard-of step; but if Mr Aberhart's plans are allowed to come even temporarily into effective operation, it may be difficult and expensive to unscramble the crazy omelette. The position of the Ottawa Government to-day might have been easier if the Ministry had been more ready to use its right of disallowance against the power legislation of the Hepburn Ministry in Ontario and the anti-Communist legislation of the Duplessis Ministry in Quebec, or had taken a firm stand when Mr Aberhart issued his famous "prosperity scrip" a year ago—a move generally regarded as a violation of the terms of the Bank Act. Possibly, however, time will solve the Ottawa Government's difficulties. Opposition in Alberta is being mobilised, and an appeal to the electorate of the Province might show whether Mr Aberhart, who has not succeeded in holding together the whole of his original ministerial team, has been more successful in retaining popular confidence. Mr John L. Hugill, K.C., who recently resigned his position as Attorney-General, was the fourth Minister to be discarded in two years. Mr Hugill, in a public statement, declared that he could not countenance any policies savouring of confiscation or repudiation, and that as a lawyer he could not accept responsibility for measures which threatened the solidarity of Canada's constitution. Mr Mackenzie King would doubtless give much to know how many others in Alberta share this view.

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Australia in the Boom.—Australia, like this country, has escaped from depression to a level of prosperity higher than any previously attained. And Australia, like this country, is unwilling to use the opportunity to balance her budget, and pleads the same cause—the overriding necessity for a rapid expansion of armament expenditure. The Federal Treasurer, Mr R. G. Casey, in his speech last week, proposed to budget for a total revenue of £85,190,000, a sum only £3,400,000 in excess of receipts last year. Expenditure is put at a figure which will permit a trifling surplus, but will not include £3,000,000, the balance in the Defence Trust Funds, and £2,500,000 to be raised on Treasury bills in London, both of which are to be spent in the course of the year on armaments. Since expenditure for that purpose is raised from £8,067,000 to £11,500,000, the Commonwealth is in effect borrowing to pay her rearmament bill. The rise in wages granted in a recent award and the small concessions to pensioners proposed in the budget, would in themselves provide a case for increasing taxation, quite apart from the now widely accepted argument for such a policy in time of boom. Instead, the authorities have chosen the easier path of expansionism: though they could no doubt point to the rising balance of their London funds as a proof that they have not slipped so far along this path as they might have done.

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Nevertheless, the economic situation of the Commonwealth as a whole indicates that "sound finance" might have been a wiser policy. Unemployment is at a low level, more men are employed in factories than ever before, and the export trade balance has reached a total of £35,700,000, only £22,000,000 of which is needed for debt service. But this happy state of affairs is almost wholly the result of rising demand and rising prices for wool and wheat. It can last only so long as the present demand for Australia's exports, whose prices are now about 75 per cent. higher than in the worst phase of the depression, and in some cases are higher than they were in 1928. Whether they will indefinitely maintain these levels is another matter. Apart from the disruption of trade by war in the Far East, and from the possibility of a serious recession of trade, rising world production in a year or so may be inevitable; the Commonwealth's policy, as a whole, in the last few years, has been sound, but there may be something in the recent Royal Commission's complaint that it has sometimes been belated. Meanwhile, current news continues to be favourable. The Sydney wool sales opened on Wednesday with prices a quarter to a third as high again as those of last year. The country is concerned less with future uncertainties for the primary producer than with the contemplation of old records broken in the good times of to-day.

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Food Consumption Statistics.—The Final Report of the Mixed Committee of the League of Nations on Nutrition, which is discussed in a leading article on page 457, contains a large number of figures on the consumption of various important foodstuffs in the different countries. As these figures are somewhat scattered through the volume, an attempt has been made in the following table to bring them together, so far as eight important countries are concerned. The figures in every case are those of annual consumption per head of population.

ANNUAL PER CAPITA CONSUMPTION OF FOODSTUFFS

	Wheat	Sugar	Meat	Fish	Eggs	Butter	Cheese	Citrus fruits & Bananas
	Kilog. 1929–34	Kilog. 1928–29	Kilog. 1930–34	Kilog. various years since 1928	No. 1930–34	Kilog. 1935	Kilog. 1930–34	Kilog. 1930–34
United Kingdom	134·7†	45·9‡	63·7	18·1	172	11·4	4·3	19·4
United States	100·2	54·0	61·2	6·8	252	7·8	2·1	*
France	190·0	24·6	39·0	7·8§	149	5·8	5·7	11·5
Germany	*	26·1	51·0	9·5	129	7·5	6·0	7·0
Italy	171·2	9·7	16·3	5·0§	119	1·2	4·8	*
Belgium	*	27·9	40·8	*	236	8·2	2·9	12·5
Denmark	*	56·1	52·4	11·3	111	9·4	5·8	5·5
Switzerland	*	43·1	47·2	2·8§	157	6·9	8·4	10·7

* Figure not given. † British Isles. ‡ England. § Approximate.

The most remarkable feature of these figures is the very wide range of variation from country to country. The average Englishman, for example, finds it possible to consume nearly five times as much sugar as the average Italian, as well as nearly four times as much meat, over three times as much fish, and nearly ten fimes as much butter. The statistics of milk consumption are too scanty to be susceptible of tabulation, but it is stated that consumption per head in Great Britain is about 100 litres, compared with something like 150 litres in the United States and nearly 300 litres in Finland.

Retail Food Prices.—The Report also contains a table of urban retail food prices in twenty different countries in October, 1936. In the original form, the quotations are given in Swiss francs, but in the following table they have been converted, for each commodity, into percentages of the average for all the countries. A column has also been added giving the average for each country of all eight commodities. It must be borne in mind that this final column is only the roughest indication of the actual relative cost of food in the different countries, as the proportions in which the different commodities go to make up the national diet vary considerably.

RETAIL FOOD PRICES, OCTOBER, 1936
(100 = average of 20 countries.)

	Wheat Flour	Beef, 2nd qual.	Pork, 2nd qual.	Bacon	Skimmed Milk	Butter	Eggs	Dried Peas	Average
Argentina	68	56	51	42	57	56	43	‡	53
Australia	77	95†	94†	105	141	88	78	114	99
Austria	145	125	118	104	114	124	113	130	122
Belgium	*	104	105	79	74	101	113	82	94
Canada	94	77	115	130	141	92	104	*	108
Czechoslovakia	104	114	103	108	81	89	96	98	99
Denmark	73	85	82†	110	104	87	96	*	91
Estonia	80	39	56	49	47	63	43	54	54
France	155	100	109	85	101	110	148	109	123
Germany	198	188	168	172	135	179	189	199	178
Great Britain	90	83	116	131	178	110	139	73	115
Hungary	56	112	74	72	74	75	70	70	75
Latvia	102	34	59	57	47	59	78	62	62
Netherlands	114	143	87	73	77	129	104	83	101
New Zealand	77	74	89	105	108	76	78	*	87
Poland	99	75	62	57	57	82	70	47	69
Sweden	109	115	*	106	84	99	122	75	101
Switzerland	82	193	*	171	104	158	104	98	130
U.S.A.	114	131	167	177	188	130	130	142	148
Jugoslavia	70	60	71	64	84	91	87	163	86

* Quotation not given. † First quality. ‡ Excluded.

Here, again, the chief observation to be made is on the variation of the figures. The high average of Germany is partly due to the fact that quotations have been converted at the official rate of exchange for the Reichsmark. But the application of any other reasonable valuation for that currency would not avail to make Germany a cheap country.

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Industry and Rising Costs.—The progressive rise in costs is perturbing many British industrialists. Rising prices are, of course, a normal concomitant of economic revival. As the demand for raw materials approaches the margin of current output, sellers are able to obtain more for their wares. Similarly, as the volume of unemployment decreases, wage-earners profit from increased competition for their services. Lastly, as the operation of industrial plant nears the limit of capacity, profits tend to increase. So long as the resulting upward movement is slow, it is not necessarily dangerous to recovery. But when it involves an unduly rapid marking-up of prices and brings inefficient plant into service, a serious maladjustment may occur which is usually the forerunner of a collapse. The present movement has certainly not reached such a stage, but hardly a day passes without the announcement of an increase in the prices of some manufactured product or other, which is usually explained by reference to higher raw material quotations and labour costs. Motor-car prices were advanced only a few weeks ago. The published prices of metal goods and machinery are steadily increasing and delivery dates are lengthening. Consumers of steel are

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apprehensive of a further upward revision. Cotton yarns were marked up at the end of last week; a few days ago a cargo vessel, built twenty-two years ago for £47,000, changed hands at £51,500. The Board of Trade's indices of prices for basic materials, intermediary products and manufactured articles in July showed increases of 32 per cent., 21 per cent., and 16½ per cent., respectively, as compared with a year ago. The pace obviously cannot be maintained for long without endangering recovery.

* * *

Britain's Industrial Progress.—Every quarter the Board of Trade publishes indices of production for the main branches of British activity. In *The Economist* of August 28th, page 426, we gave the latest of these quarterly statistics, which cover the April-June period. As the Board of Trade indices are now available for a period of ten years, we have reproduced some of them in the chart below. The series, however, is not continuous, for in 1934 the figures were revised in the light of changes in the structure of British industry. But indices for 1934 are available both on the old and new bases, and we have, accordingly, shown both figures on the chart at the foot of this page, with the necessary break—except in the case of iron and steel, where the discrepancy is very slight. In no case, it will be seen, is the difference serious enough to disturb the long-term trend which the chart shows. The output of food, drink, etc., showed correspondingly little variation during the ten-year period. The index has a secular tendency to rise with the increase of population. The output of the iron and steel industry, after many vicissitudes since 1927, is now far above the pre-depression peak owing to the large-scale renewal and extension of Britain's industrial equipment. The current level of production in all manufacturing industries, it will be seen, is some 30 per cent. higher than in 1929.

* * *

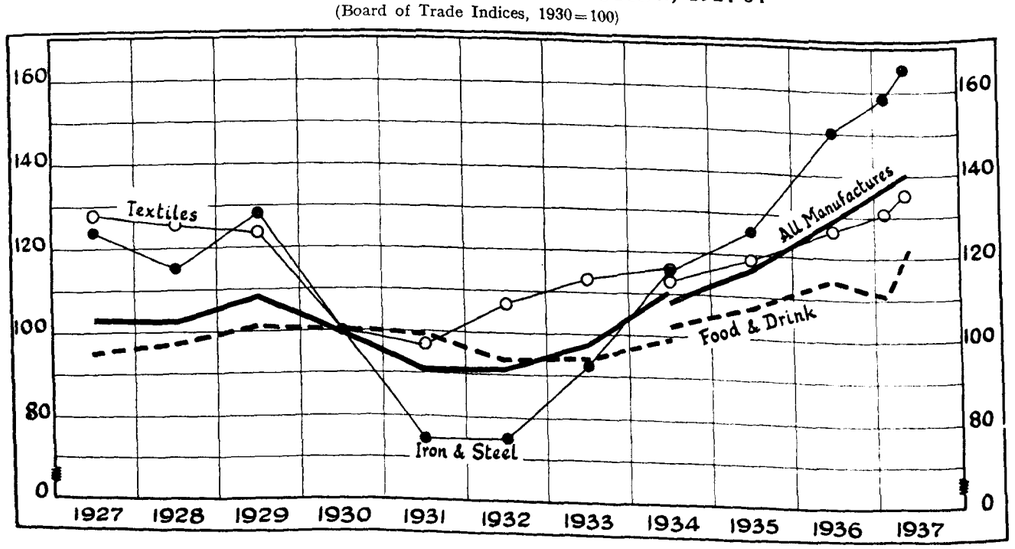
Seasonal Expansion in Industry.—While the Sino-Japanese conflict has dislocated trade at Shanghai, signs of the usual revival of new business in the autumn are not lacking this year. The iron and steel and metal-using industries are experiencing growing pressure for delivery. As the output of many firms during the remainder of this year is already sold, little new business can be undertaken for delivery this year. Business in iron and steel and metal goods for delivery next year is already brisk. The scarcity of semi-finished steel is still acute, and although bigger quantities of Continental material are now being delivered, these are not sufficient entirely to relieve the shortage. New business in coal has not yet increased very much in some districts, but an early revival of house coal demand should give a fillip to the trade. Incidentally, as our Cardiff correspondent points out on page 501, the average profit of Welsh collieries fell from 3·52d. per ton in February–April to 2d. per ton in the three months ending July this year, mainly as a result of the increase of 10d. per ton in labour costs. The market in cotton goods has been quiet, for the uncertain future trend of raw cotton prices, which suffered a sharp fall this week, is holding up new orders. Most other consumption goods trades are active, and satisfactory orders are reported from Radiolympia.

* * *

Loans on Cotton.—One of the subjects which embittered the closing days of the last Congressional session in Washington was the proposal that the Government should, as in the worst years of the depression, make loans on the cotton crop and grant subsidies to the growers. The subject became urgent when the official crop report forecast a bumper crop with correspondingly low prices. But the whole matter is highly charged with politics, since it is precisely the representatives of the cotton-growing States of the South who are leading the rebellion against President Roosevelt within the Democratic Party. The President refused to countenance loans until he had exacted a promise of the enactment at the next session of Congress of legislation to restrict the 1938 crop. Even with that promise, he has not gone as far as was hoped in the South. Loans are to be made at 7¾ to 9 cents a pound, according to the grade. The receipt of a loan on his cotton virtually guarantees the return which the grower will receive, for if the market price falls below the loan price he will leave the cotton with the Government. In addition, however, growers are to be given outright subsidies of 3 cents a pound. But this subsidy will only be given on 65 per cent. of the total production, and even then only to growers who promise in advance to abide by the 1938 restriction programme. These terms have proved a disappointment both to growers and to the cotton markets. The whole philosophy of restriction is repugnant to many people inside and outside the cotton-growing areas. But price bolstering is an absurdity without some control of production. If the growers want the one they must stomach the other. It may be hoped that the position of the United States in the world cotton market will be a guarantee against any excessive use of this dangerous double-edged weapon.

BRITISH INDUSTRIAL PRODUCTION, 1927-37

(Board of Trade Indices, 1930=100)



Overseas Correspondence

From Our Special Correspondents

United States

Credit Control

New York, August 24.—Just a year has passed since the Federal authorities, deciding that the time for reflation was ended, undertook measures of control or limitation over the expansion of bank reserves and of bank credit. This control took two forms. First, on August 15, 1936, the cash requirements of the member banks were increased by 50 per cent.; and in two instalments dated March 1 and May 1, 1937, these requirements were increased another 50 per cent. Secondly, in December, the Inactive Gold Fund was established.

At the time the programme was inaugurated, required reserves amounted to about $3,000 millions, and excess reserves (that is, bankers' balances at the Reserve Banks over and above the required percentages) stood at about an equal figure. After August 15, 1936, excess reserves amounted to about $1,800 millions. Between August 15th and the end of the year, however, gold imports were large enough to offset in part the action of August 15th, and the so-called gold sterilisation policy was adopted. As a result the expansion of member bank reserves ended in December; gold sold to the Treasury was no longer monetised.

The completion on May 1st of the programme of increasing reserve requirements left the member banks with something under $900 millions of excess reserves, which statistically was a more than comfortable figure; in the 20's, even in periods of extremely easy money, excess reserves rarely, if ever, reached the figure of $50 millions.

This series of manœuvres checked the expansion of bank credit. On August 11, 1937, the total loans and investments of all reporting member banks were $22,331 millions and had only risen $7 millions in the year; the increase in loans almost precisely equalled the decrease in investments. For these banks also, both time and demand deposits were only slightly higher, mostly because of a decline in Government deposits. After three years of rapid and extensive credit expansion (or reflation), the total of bank credit in the reporting member banks has been stabilised for a year, approximately at the level of bank credit in 1929.

Difficult Adjustments

These totals, however, mask certain problems of adjustment, which fell principally upon the banks of New York City. The total of excess reserves was abundant, but the proportion in New York was relatively small; and from July, 1936, the New York banks felt apprehensive about their position. There was an increased demand for loans and a withdrawal of bankers' balances, and these banks sold investments heavily, particularly Governments. The following table shows this:—

The New York City Reporting Member Banks

($000,000)

	July 1, 1936*	Dec. 2, 1936†	Aug. 11, 1937
Reserves with F.R. Banks...	2,004	2,547	2,342
Demand deposits	6,215	6,417	5,968
Total loans and investments	9,063	8,680	8,323
U.S. securities.....	4,036	3,722	2,921

Reporting Member Banks Outside New York City

($000,000)

	July 1, 1936	Dec. 2, 1936	Aug. 11, 1937
Reserves with F.R. Banks...	2,483	2,824	2,780
Demand deposits	8,464	9,047	8,946
Total loans and investments	13,556	13,779	14,008
U.S. securities.....	5,474	5,451	5,288

* Shortly before announcement of increased reserves.
† Shortly before announcement of Inactive Gold Fund.

Between July and December, incoming gold increased reserves in both groups, but the New York banks were apprehensive of their reserve position or feared an increased commercial demand. They sold some Governments, their total earning assets declined, but their demand deposits increased. Outside New York, total loans and investments, as well as deposits, increased, although there was no increase in the holdings of Government securities. For the first time in many years, the financing of the Budget deficit fell on the public market.

Since December, with the stream of incoming gold shut off, the New York banks have continued to lose reserves to the interior, and at times their margin of excess has been uncomfortably small. On the other hand, banks elsewhere have kept just about an even reserve position. The consequence was that the New York banks accelerated their sales of Government securities, and although there was an increase in commercial lending, both their total loans and investments and their deposits fell rather substantially.

The Inactive Gold Fund is now about $1,250 millions, which, without sterilisation, would have been added to excess reserves, and would have all but cancelled the control policy of the Reserve Board.

The Burden of Public Debt

This transition from reflation to stabilisation occurred, however, in the presence of an increasing public debt. Over the period, the public debt rose by about $3,000 millions, of which approximately one-third was attributable to one of the control measures, the Inactive Gold Fund. The commercial banks took none of this increase ($96 millions was bought by the Reserve Banks). The necessity of absorbing $3,000 millions of new Government securities *plus* something over $1,000 millions sold by the banks, imposed some strain on the capital markets, for hitherto a large part of Federal financing had been carried by the banks. There has thus been a strong demand for commercial credit accompanied by a continued expansion of the public debt. The reporting member banks sold investments and increased their commercial loans by almost equal sums. The liquidation of securities, however, was concentrated in the banks of New York City, which found themselves under some pressure for reserves. Although the aggregate of reserves was abundant, the internal balance of payments was adverse to New York City, which was obliged to adjust its position through the security markets, in the absence of a functioning money market. This combination of a heavy demand from the Treasury and liquidation by the New York banks depressed the bond market, raised the long-term interest rate, and impeded the issue of new securities. Considering the scope of the undertaking, it was carried through with remarkably little disturbance; but the experience has emphasised two



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obvious point: that while the Federal deficit was a help in a programme of reflation, it is a hindrance to a programme of control; and that credit management in the United States is handicapped by the absence of a money market, in that it throws upon the bond market and the long-term interest rate functions of adjustment for which they are by no means suited.

France

Railway Reorganisation

Paris, September 2.—The last Decree has set up the National Railway Company, which will absorb all French railways from January 1, 1938, and manage them until 1982, when all the assets of the companies will pass into the hands of the State. The capital of the company will be about 1,500 million francs, 51 per cent. of which will be held by the State. The other 49 per cent. will be held by the companies, but remain blocked until 1955. This new body will reorganise the railways and attempt to eliminate the deficit, which would have reached 7,000 million francs this year but for the recent increase in charges expected to produce 2,000 or 2,500 million francs in new receipts. Last year the cumulative deficit was 27,000 million francs.

This company is the conclusion of laborious negotiations with the private companies. It is a success for the Radical-Socialists, principally for M. Chautemps, who has led them and discarded the nationalisation schemes again advocated by the Socialists.

Another Decree authorises the State to take steps to convert foreign loans contracted by public undertakings, notably by the cities and the railways. Another extends to the debentures of the post, telegraph and telephone services, the Caisse Autonome, the Crédit Foncier and the railways, the abrogation of the 10 per cent. emergency tax decreed by M. Laval. This remission was previously confined to Rentes possessed by "physical" persons.

Social and Political Calm

The political atmosphere remains very calm; and financial confidence has improved. The fixing of the price of wheat at 180 francs has been welcomed by the farmers. The enjoyment of paid holidays, and the postponement of the revision of hours of work, have removed any motives for conflict between the Government and the workers. The Socialists have rejected the proposal of the Communists to hold periodical joint meetings. Socialists and Communists will go separately to the first ballot for the Senatorial elections on October 10th. The question now is how well the Radical-Socialist Party has organised this impending election and how the country will vote.

A committee of experts has now been appointed to investigate the various industries and to make suggestions to increase production, either by extending factory plants or by making new exceptions to the 40-hour week. The conclusions of this inquiry must be laid before the Government on September 30th, and action should be promptly taken. Cheaper credit facilities will be given by the Crédit National to industrialists in order to improve their plants, in the same way as credits will be given by the Crédit Foncier to building to stimulate this industry after the abandonment of the greater part of the public works programme.

Increased Production

French coal production in July was 3,588,558 tons for 21.1 working days, compared with 3,569,867 tons in June (21.1 working days) and 3,972,468 tons in July, 1936 (23.9 working days). The average daily production was thus 170,100 tons, compared with 169,200 tons in June. The number of men employed was 238,148 at the end of July, compared with 237,636 at the end of June and 223,380 at the end of July, 1936. The production of coke was 348,817 tons in July, compared with 366,263 tons in June and 349,521 tons in July, 1936.

Production of pig iron was 697,000 tons in July, compared with 685,000 tons in June and 519,000 tons in July, 1936; ingot steel production was 680,000 tons, compared with 685,000 tons in June and 542,000 tons in July, 1936. For the first seven months of the year, pig iron production reached 4,516,000 tons, compared with 3,619,000 tons in the same period of 1936; ingot steel production was 4,611,000 tons, compared with 3,899,000 tons; production of these commodities thus shows increases of 897,000 and 712,000 tons respectively. Production of iron ore was 3,135,000 tons in July, compared with 3,035,000 tons in June and 2,726,000 tons in July, 1936.

Fiscal receipts in July, 1937, were 4,186 million francs, of which ordinary receipts were 3,891 million francs. This is the most favourable monthly yield since the beginning of the year. Compared with the yield of July, 1936, the improvement has been as follows:—

Increase in Fiscal Receipts
(July, 1937, compared with July, 1936)

Direct taxes	+	37 million francs
Indirect taxes	+	484 ,,
Estate duties	+	1 ,,
	+	522 million francs

Total receipts for the first seven months of the year were 19,680 million francs, compared with 17,817 millions in the same period of 1936. The yield is naturally higher because of the two devaluations and the important rise of prices. The latest figures show, unhappily, a decline of 139 million francs in the yield of the turnover tax, while the increased yield of the indirect taxes is principally due to Customs.

The index of wholesale prices has risen this week from 586 to 589. This was mainly due to the rise in the price of food products from 557 to 572 because of the increased price of wheat. The price of imported goods actually fell from 573 to 568.

Germany

Germany and the Far East

Berlin, September 1.—Developments in the Far East are having a crippling effect on shipping, export and the Bourse. Ships for the Far East have left without a great part of already-booked cargoes, while new freight business is paralysed. Exporters fear, among other unfavourable developments, a new depreciation of Japan's currency. Home-bound freight traffic is stated to be still satisfactory, and tramp tonnage must ultimately profit from the withdrawal of Japanese ships from commercial transport. Nervousness prevails not only about the loss of future export business to China, but also about German claims for past deliveries.

The value of German exports to China has lately risen, and was Rm. 78 millions in the first six months of this year, compared with Rm. 132 millions in the whole of 1936 and Rm. 96 millions in 1935. The former balance against Germany has disappeared: in the first half of this year there was an export surplus in German trade with China of Rm. 36 millions, in the whole of 1936 an export surplus of Rm. 19 millions, and in 1935 an import surplus of Rm. 7 millions. This movement has been associated with the granting of longish credits, though no figures are available of the net liability.

From the commercial viewpoint, as well as from the political, Germany has every interest in the restoration of peace in the Far East. The present *de facto* war has brought her face to face with a political dilemma, which, it seems, cannot be escaped. This expresses itself in a generally impartial attitude towards the immediate Sino-Japanese dispute. In regard to this dispute, the same policy is pursued as in regard to the Abyssinian War while it was in progress. Since its termination Germany has been compelled by her association with Italy to adopt Italy's viewpoint that the Abyssinian war was the healthy, justified, undertaking of a Have-Not. China is a harder problem. An anti-Japanese attitude is, of course, not to be thought of; but, equally, China, where there are commercial opportunities, must not be alienated by pro-Japanese agitation. In addition, the Germans are convinced that Japanese success will not favour European commercial enterprise.

But these grounds for official and Press impartiality are only one facet of opinion. The increasing distrust of Japan in Great Britain and in the United States must automatically tend, it is apprehended, to bring these Powers nearer to Russia. That is what Germany, whose immediate aim is the detachment of London from the Paris-Moscow combination, fears most. In accord with this German interest, the Press sought to minimise Japan's attack on the British Ambassador to China as an unfortunate blunder; and expressed the hope that London would not take the matter too gravely.

At this juncture the Moscow-Nanking non-aggression pact introduced a new and undesirable factor. Owing to the unlucky, and indeed unfounded, if not unreal, Russo-German antagonism, the pact would tend to alienate Germany from China. In consequence, it is asserted that Nanking has made a disastrous mistake, from which only Communism can profit. But if the pact foreshadows increasing Russian support of China against Japan, then in certain conditions it might make also for joint Anglo-American-Russian pressure on Japan, and therefore for the general co-operation of these three Powers. That is what Germans fear.

Reich Financial Policy

Subscription to the Reich Treasury Certificate Loan was opened last week, the banks, as usual, taking up large amounts temporarily for the sake of the interest gain. The circulation of the Gold Discount Bank's promissory notes had fallen to Rm. 700 millions (about half the recent highest) by the last week of August, and the repayments have since continued. Therefore the immediate money market position, in general somewhat strained, has been alleviated. As proof of the increasing ability of the public to subscribe to Reich loans, the Trade Research Institute emphasises the fact that the recent loans were almost entirely offered in the market, whereas earlier loans were in part arranged directly with (in fact imposed on) savings banks, insurance corporations and banks. Of the total Rm. 6,700 millions borrowed for consolidation since early 1935, Rm. 3,900 millions was publicly subscribed.

The *Deutscher Volkswirt* (supposed to voice Dr Schacht) has published a warning article. Owing to short-term borrowing (says the *Volkswirt*) the credit apparatus is strained. By the end of July the currency circulation had, for the first time since the inflation, passed the Rm. 7,000 millions limit. The foreign exchange position is unsatisfactory, and "if the stock of exchange declines, the public will feel it." For defence a certain reserve is indispensable. "Expenditure by public authorities, and, correspondingly, the currency circulation" must be reduced. About the fever of demonstrations and decorative building, the journal asks whether "the heroic aspiration of our age to embody its aims in convincing artistic symbols of stone and iron" can be reconciled with "the expected caution and thrifty reserve."

Favourable Autumn Outlook

The Leipzig Autumn Fair opened favourably, with an instructive show of the new materials; and the industrial outlook is promising. In July the number of industrially employed was 10.2 per cent. higher than in the same month of 1936, and slightly exceeded 7,000,000; but the average time worked declined compared with June—heavily in the consumers' goods trades.

Department stores sales in the first half of the year were nearly 8 per cent. higher than in the same period of 1936. This, being nearly as much as the increase of the total retail turnover, indicates that the Nazi war against department stores is no longer effective.

Ingot steel production in July was 1,656,600 tons, which, per day worked, showed a sharp fall; in the first seven months of 1937 11,202,900 tons were produced, compared with 11,035,500 tons in 1936. In the first half of 1937, exports of pig-iron and semi-products were 7.5 per cent. of the total export, compared with 16 per cent. in the same half of 1936; but joists, bars, and bands were 42.6 per cent. compared with 35.1 per cent., and tubes 16.2 per cent. compared with 13 per cent. The increased exports went exclusively to European countries. Coal output in January-July was 105,179,800 tons, against 88,881,900 tons in 1936, and of lignite 103,067,600 tons against 88,744,300.

Turkey

The Second Five-Year Plan

Istanbul, August 14.—The Government continues to devote its energy to the rapid improvement of the Eastern Provinces, the enforcement of the second industrialisation plan, the increase of Turkish exports, the building of ships in Turkish dockyards and, to no small extent, to the equipment of the Turkish Army with the most modern means of warfare.

The process of carrying civilisation from Western Turkey to Eastern Turkey is perhaps the most remarkable. The new Agrarian Reform Bill, calculated to break up the large landed estates and distribute them among the peasants, is expected to bring about the end of the feudalism still existing in those provinces. Exactly as in Western Turkey, factories, formerly an unknown thing, will contribute to make the east self-supporting and afford employment to several thousands of men. The building, besides, of roads, railways, bridges, hospitals and schools is in full swing.

While the first five-year plan is nearing completion, the second, mainly connected with mining and electricity, is in full development. Power stations producing current at low cost are being erected at various points, and estimates forecast that Istanbul will be induced to purchase her current from Kutahya at about one-half of the present Istanbul cost price.

Shipbuilding is a new aspect of Turkish industrial activities. That one of the first Turkish-built vessels should be a submarine illustrates the active encouragement shipbuilding is sure to receive from Turkey's military-minded leaders. Thus the various boats recently ordered in Germany will not represent a mere means of recuperating Turkish funds blocked in Germany. They are expected to become the nucleus of an up-to-date commercial fleet.

Trade Restrictions Modified

Turkish exports continue to be on the up-grade. During the first five months of the current year they

Sun Life Assurance Company of Canada

(Incorporated in Canada in 1865 as a Limited Company)

Sums assured by new, paid-for Life Assurance policies issued during 1936 in Great Britain and Ireland exceeded

£5,000,000

Total Assurances in force at November 15th, 1936, in Great Britain and Ireland

£71,000,000

H. O. LEACH
(General Manager for Gt. Britain)
2, 3 & 4 Cockspur Street, London, S.W.1

totalled £T 0,145,000, by far the highest figure reached since 1931. Imports, too, rose, but only slightly, reaching a total of £T38,020,000, compared with £T35,724,000 and £T36,533,000 in the same period of the two preceding years. The increase has been mainly in grain, tobacco, rye, canary seeds and barley.

It is this favourable position that has probably encouraged the Turkish Government to modify the regulations governing imports and to discard certain restrictions. All kinds of goods may now, without any restriction, be imported from the United States, Egypt, Syria, Palestine, as well as from all countries whose clearing agreements with Turkey stipulate in favour of the latter a margin of payment in free foreign exchange of not less than 20 per cent. But the readjustment of the tariff has simultaneously provided for a protective wall behind which Turkish existing industries may develop. Although the reform was meant as a tentative step towards the removal of foreign trade obstacles, it has not been concerned with the main difficulty hampering trade, that of payments. Private compensation, considered as a corrective to clearing, means considerable formalities and, on an average, an additional 25 per cent. to the c.i.f. price of imported goods.

National Income and Taxation

Turkish national income per head is steadily increasing. Before the world crisis in 1927-28, it amounted to £T117, and the Bulgarians were the only nation in the Balkans worse off than the Turks. After the catastrophic slump and the remarkable recovery that followed, the Turkish national income per capita last year reached £T82, that is £13 4s. 6d., compared with £T76 in Jugoslavia, where in 1927-28 *per capita* income was £T172.

Of the £T1,336,000,000 (or £215,000,000) making up Turkey's yearly income, some £T435,000,000 are derived from agriculture, £T215,000,000 from industry, £T62,000,000 from immovable property, £T104,000,000 from services, and £T514,000,000 from trade. There has been an increase of about 20 per cent. in income from agriculture and industry since the two previous years. The collection of taxes has been favourably affected by this advance in income. The Government decided to increase the amount of the Budget to £T229,676,000 on the basis of figures for the first eight months of 1936-37, but the receipts for the four subsequent months were so favourable that the total expenditure was raised to £T231,017,776, which figure is 10 per cent. more than in the last Budget. The actual increase in expenditure will amount to £T20,150,000, and of this only £T3,200,000 will be spent on National Defence; the bulk will go to public education, to agricultural reform and similar objects. No additional taxation appears to be contemplated.

Argentina

Foreign Trade in Prosperity

Buenos Aires, August 14. — Argentine exports, although not comparable with the figures attained in the early months of the year, nevertheless continue at a high level. In July they amounted to 1,255,521 tons valued at 155,708,250 pesos, against 1,021,341 tons, valued at 121,136,881 pesos, in the same month last year. During the first seven months of the present year exports were 77.7 per cent. higher in volume than in the same period of 1936, while in value they were up 85.3 per cent. For the purpose of comparison details are given in the following table:—

Exports January to July inclusive, in Pesos

	1936	1937	Increase
Pastoral	364,127,548	452,308,382	88,180,834
Agricultural	439,343,899	1,058,135,978	618,792,079
Forest	20,853,209	28,290,358	7,437,149
Mining	5,449,549	10,310,719	4,861,170
Hunting and Fishing	3,141,605	3,721,796	580,191
Miscellaneous	11,523,838	12,239,556	715,718
Total	844,439,648	1,565,006,789	720,567,141

During the first seven months of this year prices of nearly all products were considerably higher than in the corresponding months of 1936. Wheat was 19.5 per cent. up, maize 34.2, linseed 6.2, unwashed wool 47, washed wool 53.4, and cow-hides 49 per cent. higher.

The rise in imports—a natural consequence of the boom in exports—is now becoming more pronounced. During the first half of 1937 imports were 24.2 per cent. higher than in the same period of 1936 (by market value), while exports were 94.8 per cent. up. The figures for foreign trade during the first half of this year and last year are as follows:—

Year	Imports	Exports	Balance
	(Pesos)		
1936 (first half)	538,940,336	723,302,767	+ 184,362,431
1937 (first half)	669,146,045	1,409,047,103	+ 739,901,058

Iron and steel, machinery and vehicles still record by far the biggest increases among imports. Next come textiles with a rise of 13,203,815 pesos, or 11.3 per cent. over the corresponding figure for the first half of last year. Competition from Great Britain's chief competitors shows signs of increasing. The United States, Italy and Japan have bought more from Argentina than in previous years, and thus feel entitled to some reciprocity Italy is now able to obtain "official" exchange for practically all her exports to Argentina, whereas before Argentine importers of Italian goods were called upon to pay the surcharge of 20 per cent. It is expected that concessions in this respect will be made to Japan in the near future. It is unlikely, however, that any appreciable advantage will be accorded to the United States until that country ratifies the Sanitary Convention with Argentina, which grants concessions for the import of Argentine meat into the United States. British textile exporters are experiencing fierce competition from both Japan and Italy. Japanese prices for cotton-piece goods have recently been reduced by 20 per cent. following the fall in the price of raw cotton. Exporters of Italian woollen cloth are quoting prices which in some cases are as much as 40 per cent. below that of their British rivals, as the result, it is said, of subsidies.

Politics and the Business Outlook

Owing to the Presidential election campaign no parliamentary business is being done. Most of the Senators and Deputies are away in their respective provinces, and Congressional sessions have had to be adjourned owing to lack of a quorum. When the election is over only three weeks will remain before the end of the ordinary sessions which finish on September 30th. It is, therefore, very possible that some important bills, including those for the purchase by the Government of the Córdoba Central and Argentine Transandine Railways, may have to be postponed and extraordinary sessions called later.

As the consequence of the increased movement of crops, receipts of all the British-owned railways are appreciably higher than at this time last year. Since the beginning of the economic revival there has been agitation among the railwaymen for the cancellation of the award of the President of the Republic of 1934 regarding wages. The award, however, can be cancelled only by agreement of the companies as well as of the workers. The two railwaymen's unions, La Fraternidad and La Unión Ferroviaria, have announced that they will call a stoppage of five minutes on all the railways simultaneously at 9.30 a.m. on August 20th, except on the State Railways, the Provincial Railway of Buenos Aires, and the Midland Railway. The unions state that they do not wish to inconvenience the public authorities but only to demonstrate their dissatisfaction at the refusal of the companies to annul the presidential award.

Among evidences of the satisfactory state of Argentine finances is the decision to repatriate the dollar loans of the Municipality of the City of Buenos Aires amounting to 11,737,000 United States dollars.

Prospects for the coming crops are not altogether satisfactory. Complaints of lack of rain have been coming from many parts of the cereal zone for many weeks past. In some parts, and notably in the Provinces of Santa Fé and Córdoba, and in some districts of the Territory of La Pampa a state of semi-drought exists.

Rain fell over a large area a week ago, but was very light in those regions where it was most needed. The next few weeks will be the critical period.

On the whole, the economic outlook of the country is bright. It is true that the present prosperity is largely due to crop failures in other countries—a factor which cannot be counted upon to repeat itself. On the other hand, there is reason to suppose that the high prices of cereals and wool will continue as long as the industrial nations of the world devote extraordinary expenditure to the increase of armaments and preparations for war.

Canada

Mixed Crop Prospects

Ottawa, August 13. — Harvesting is now in full swing in all parts of Canada and is proceeding under very favourable conditions. The latest general crop survey of the Bureau of Statistics reports that the crops in Eastern Canada, in Manitoba and British Columbia are very satisfactory and that the farmers of Ontario are garnering one of the best crops within memory. In Alberta good rains have helped the crops. But in Saskatchewan over a large area the crops are not worth harvesting; and the Bureau reported that the condition of the province's wheat crop at the end of July was at the amazingly low figure of 15 per cent. of the long-period average. It also placed the condition of the whole spring wheat crop on that date at 35 per cent. of the long-period average, which is the lowest figure in thirty years of continuous records.

The feed situation in the prairie country has been materially relieved by the breaking of the drought, but the relief problem for indigent farming families is more serious than ever. The Bureau puts the carry-over of Canadian wheat at the end of the crop year on July 31st at 36,850,700 bushels compared with 127,362,598 and 213,852,118 bushels respectively on the same dates in 1936 and 1935. Since the beginning of August Eastern Canada has been suffering from an unpleasant heat-wave, but business conditions remain quite satisfactory, especially in view of the shortness of the Western wheat crop.

Business Confidence

General business conditions remain satisfactory and, despite the shortage of the western grain crop, there is increasing confidence about the outlook for the autumn and winter. One encouraging factor has been the comparative stabilisation of most commodity prices, and many raw materials are now lower in price than they were in the spring. Three months ago many price lists were carrying the caveat that, owing to unsettled market conditions, they were subject to change without notice, but now the situation permits manufacturers to plan production ahead.

The general economic index of the Bureau of Statistics has fluctuated from week to week; after standing at 112.3 in the week ended July 24th, it fell to 110.1 in the following week, but in the week ended August 7th moved upward again to 111.7. Given below are data of three major components of the index:—

Week ending—	Car-loadings	Wholesale Prices	Bank Clearings	General Index
July 24, 1937	81·78	87·6	103·7	112·3
July 31, 1937	81·77	86·7	93·2	111·1
August 7, 1937	83·62	86·0	99·4	111·7
August 6, 1936	75·36	76·3	99·0	111·5

Retail trade has been comparatively dull in the towns and cities owing to the absence of people on holiday, but it has been very brisk in the summer resorts and has been stimulated by the tourist traffic, which is estimated to be about 15 per cent. heavier than a year ago and likely to bring $300 millions into the Dominion during the year. Despite the recent stability of general prices there has lately been a sharp rise in the prices of some commodities; the price of pigs last week reached the highest point for eleven years and of hides and skins the highest level since 1929.

Business is generally active, but in the industrial world there is considerable anxiety about the labour situation. An epidemic of strikes to secure shorter hours, higher wages and the right of collective bargaining has been spreading. It has chiefly affected textile mills, and strikes of textile workers are in progress at Cornwall and Peterborough in Ontario and at nine plants in Quebec. In Quebec, responsibility for the strike does not lie either with the Committee for Industrial Organisation or the Trades and Labour Congress of Canada, but with the National Catholic Union of Textile Workers, a very conservative organisation, usually well controlled by the priesthood. At various places there have been riots and disorders and all attempts at mediation have failed. But the heavy industries are still busy; the sales of the motor industry are 25 per cent. higher than last year; and the fortunes of the forestry industries are on the upgrade. The increasing use of sulphite pulp in the manufacture of clothing and other goods is responsible for a great expansion of its production in Canada. Not only are certain pulp and paper companies diverting existing plants to its manufacture, but a number of new mills are being erected for this sole purpose. The augmentation of air mail services is also creating a demand for very light paper.

Royal Commission on Canadian Finance

Some divergence of opinion in the Cabinet about the scope of the Royal Commission to investigate the financial and taxation problems of Canada has caused delay in naming its personnel. Some Ministers want it to confine its energies to these special problems, but others hold that its report will be valueless, unless it examines the whole financial and economic working of the structure of Confederation and makes recommendations to be a basis for constitutional reform. It has been decided to restrict the personnel of the committee to three Canadian members. The chairmanship has been accepted by Chief Justice Rowell of Ontario, who combines a high reputation as a lawyer and constitutional expert with long political experience. The other two members will probably be a French-Canadian judge of the Supreme Court and a well-known Western editor.

Egypt

Political Stability

Alexandria, July 30.—The discussion of the Budget has been proceeding for several weeks without any major incident and the political atmosphere is singularly devoid of excitement. Criticism from the Opposition has failed to arouse much general interest. The ratification of the Montreux Convention for the abolition of the Capitulations was opposed by only two members both in the Chamber of Deputies and in the Senate. The plan for the partition of Palestine has been discussed with restraint.

Business activity has not yet recovered from the setback in the early summer but a slightly better tone now prevails on the Stock Exchange. This is due far less to French buying induced by the unpegging of the franc than to enhanced confidence in the local situation. The deliberation in drafting the law about the new taxes and in setting up the necessary administrative organisation is persuading financial circles that the change from the old to the new order of things will take place very slowly.

The negotiations for the abolition of the international Public Debt Commission have not aroused any further

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ASSURANCE COMPANY LIMITED
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Annual Income £6,400,000
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concern. After a long period of aloofness there is a renewed inclination to invest in Egyptian securities, despite the absence of a large number of investors at this time of the year. Funds are abundant and bank advances on securities exceptionally low.

Record Agricultural Production

The outlook for agriculture is causing some misgivings. With an increase of 15.2 per cent. in acreage, the new cotton crop bids fair to exceed by a large margin the previous one which was the biggest ever picked. Similar conditions have developed in wheat where supply now exceeds domestic consumption by about 12-15 per cent. Tariff protection which aimed during the depression period at securing a fair price for growers and at realising self-sufficiency, has over-reached its object.

A new situation has arisen which has called for the granting of an export bonus. Thus Egyptian agriculture has come to depend on foreign outlets more than at any previous time. Those who are chiefly concerned about the problem of the rapid rise in the population cannot but view with satisfaction this very substantial jump in agricultural production during the last few years.

Foreign trade figures make an excellent showing:—

	1936 (Six months)	1937
	£E	£E
Exports	15,000,591	22,994,822
Imports	15,106,820	17,647,881

As usual, the United Kingdom heads both the export and import lists; but, while British purchases from Egypt, chiefly of cotton, increased from £E4,724,818 to £E6,214,794 in the first five months of 1937, sales of British goods to Egypt fell from £E3,367,360 to £E3,045,586.

The most striking changes were recorded by Japan and Italy. While imports from and exports to Japan amounted to £E903,688 and £E898,717 in the first five months of 1936, the corresponding figures for 1937 were £E648,831 and £E1,894,372.

Italy, on the other hand, has staged a remarkable come-back since sanctions were lifted. Italian exports to Egypt were valued at £E1,171,582 in the January-May period of 1937, against £E66,141 and £E640,630 in the corresponding periods of 1936 and 1935.

Letters to the Editor

What is Capital?

TO THE EDITOR OF THE ECONOMIST

SIR,—In your stimulating Stock Exchange Leader this week you refer to the method of capital valuation required under the original N.D.C., and claim that "the present system of excluding goodwill from 'capital' . . . would be largely inequitable if the Treasury were to employ it for the Exchequer's enrichment." You suggest that "the capital of a business ought to be measured in terms of earning power rather than past expenditure." Now it is undoubtedly true, as you point out, that the price at which a business or part of a business changes hands is determined on the basis of its estimated earning power. It is less certain, however, whether a calculation of capital on this basis is suitable for purposes such as those of the original N.D.C.

One aim of the original N.D.C. plan was to impose a higher rate of taxation of the growth of profits on businesses which were prosperous. The criterion of prosperity was the current rate of profit earned on capital, as defined for purposes of the tax. This may or may not have been a suitable criterion, and the principle may or may not have been equitable, but the fact remains that, if capital had been evaluated on the basis of earning power, the businesses which were prosperous would not have been penalised. All rates of profit earned on capital would have been approximately the same, after allowance had been made for risk and any divergence of expected from current earnings, just as yields on stock exchange securities are approximately the same after these and certain other technical allowances have been made.

The "rate of profit" on capital was also to be used in calculating the chargeable growth of profits, in cases where the taxpayer elected to be charged on the capital standard. If capital had been calculated on the basis of earning power, the "rate of profit" earned by a business on its capital would have corresponded approximately to the general yield to be obtained on money invested in similarly risky enterprises. It is doubtful whether many "rates of profit"—except those earned by companies whose future was very insecure, and whose capital value was therefore very low—would have exceeded 6 per cent., and so doubtful whether the tax would have raised much money!

If the State wishes to tax property passing at death, or to give compensation for property expropriated, it may evaluate the property concerned at its selling price—i.e. on the basis of its earning power. But if it is desired to penalise concerns which earn more than a certain rate of profit, as in the case of public utilities or excess profits duties, it is useless to choose a capital base which increases at roughly the same rate as profits increase, thus keeping the "rate of profit" approximately constant.

Yours faithfully,

G. D. A. MACDOUGALL.

The University, Leeds.

[Our correspondent does not controvert our thesis that the real determinant of capital values is earning power; his contention is rather that a "capital" basis for the original N.D.C. proposals was inherently unsuitable. In practice, however, earning power valuations of capital would be no more uniform than are *actual* yields on Stock Exchange securities. It is only in the dark that all cats are black.—ED. *Econ.*]

Copper Supplies and Prices

TO THE EDITOR OF THE ECONOMIST

SIR,—Referring to your article of August 28th I would point out some supplementary facts. Any proposed change in production takes some months to be effected, and three months may pass before the refineries actually put reduced or increased quantities on the market.

In 1936 monthly production averaged 140,000 tons. By January, 1937, it had risen to nearly 150,000 tons owing to allowances for a bigger output in the last quarter of 1936. Restriction was then abolished, and production rose slowly but steadily; it must have passed the 170,000 ton mark by now and will soon reach 180,000 tons. By the end of the year we will have to reckon with a *pro rata* production of nearly 2¼ million tons.

Consumption went ahead last year, and early in 1937 there was a buying movement which was only stopped by sharply rising prices. Then, we had under-production and stocks began to decrease. The scare in the beginning of this year—aided by over-estimates of the requirements for British re-armaments—made dealers and consumers cover their requirements. The rolling mills were booking orders on a scale not witnessed for years and hurried to cover. Dealers finding they had to wait 3 to 6 months for delivery instead of so many weeks, were forced to order three or four times the usual quantities for fear they might be stranded without adequate stocks. Political uncertainty, fear of devaluation by France and low money rates also made for a demand by the rolling mills for speedy deliveries of copper which would, however, not be needed for months. Refineries could not cope with demand and the quotation for Electro was at times £9 above standard, against a normal difference of £5 to £6.

Since then, however, conditions have changed entirely. Increased quantities have come to the market, stocks are rising and unless some unforeseen circumstances occur which will make consumption increase materially, over-production will force prices down.

Consumption has been rising and may reach its peak in the autumn. No illusions should be entertained about a further large increase of the use of copper in the armament industry. Germany, Italy and Japan have consumed huge quantities for this purpose during the last 4 years and a continuation at the same rate would put too much stress upon their finances which are going from bad to worse.

If prices should drop to a level the big producers consider too low they will not hesitate to put restriction to effect. But it remains an open question where this level will be; some think £50, others £45, or even less. And then it will take as long to reduce the supplies as it took to increase them. Consumers are, on the average, fully covered. Demand is actually slowing down. Taking into consideration the cost price of the leading producers, a drop to £45 or even £40 for standard does not seem improbable.

Rotterdam. p.p. A. KATER.

Books and Publications

America's National Debt

THE growth of the American national debt has been, with reason, one of the aspects of the period of the Roosevelt Administration in the United States to which most publicity has been given. Since 1930, the gross debt of the United States Government has more than doubled, rising from $16,185 millions to $36,425 millions. This has come about because of the policy of financing deficits. This study by the Twentieth Century Fund* of the problems raised by this remarkable increase of State indebtedness is accordingly most opportune.

Despite its enormous increase in the past seven years, the national debt of the United States is not excessive, if we are to judge it by European standards. It should be noted, however, that the comparisons on which the authors of this study base their estimate that the total Government debt was only 17 per cent. of the national wealth of the United States in 1936, compared with 48 per cent. in the United Kingdom and 41 per cent. in France, must be regarded with some scepticism. Nevertheless, in spite of these and similarly reassuring assessments, certain aspects of the recent development of the American national debt appear to contain the seeds of possible difficulties in the not far distant future.

For instance, guided by technical expediency rather than financial wisdom, the American Treasury has elected to carry out the bulk of its new financing at medium term. Consequently, nearly half of the interest bearing debt will have to be refunded during the next five years—a heavy commitment. Moreover, the proportion of Government debt held by the banking system and insurance companies has simultaneously risen from 31 per cent. in 1930 to 62 per cent. last year. Clearly, medium term securities make a greater appeal to the institutional investor than to the private investor.

The authors of this book reach the conclusion that the debt of the United States is not yet a menace to Government credit, but that a policy of substantial retrenchment is essential. This judgment will probably be generally accepted; and, fortunately, it seems reasonably certain that the United States will have achieved a balanced Budget by 1939. It is likely, therefore, that the position will be somewhat easier in the near future. What the size and nature of the American national debt will be at the end of the forties is much less easy to forecast. The compilers of this study—and here they move into the realm of conjecture—attempt to examine the probable position at the end of the next decade. They do so on three alternative assumptions: that the depression of the 1930's will be repeated; that moderate prosperity will be preserved; and, finally, that there will be a return of the prosperity of the 1920's. They conclude that, according to the assumption taken, the national debt of the United States will lie somewhere between $50,000 millions and $20,000 millions. Some reduction from the present level seems to them fairly certain, unless economic disaster or financial catastrophe intervene.

These estimates may or may not be important, though they are undoubtedly most suggestive. What is significant is the fact that all leading countries of the world, including the United Kingdom, which has embarked upon a policy of financing re-armament largely by loan, are now approaching the crest of the trade cycle in a heavily indebted condition. As Mr Henderson pointed out a short time ago, it is with the problem of budgetary equilibrium that we should now be seriously engaged. Future monetary policy will have to take the fullest account of the existence of considerable State indebtedness side by side with greatly increased budgetary expenditure. If the Twentieth Century Fund's little volume can only hammer this point home, it will have served its purpose.

* "The National Debt and Government Credit." Twentieth Century Fund, Inc., 330, West 42nd St., New York. 171 pages. $1·75.

Shorter Notices

"Soviet Understanding." By Richard Terrell. Heinemann. 285 pages. 7s. 6d.

This is an oddly deceptive book, giving in quick succession the semblance of a travel story and a philosophic discourse. Mr. Terrell believes he is a convert to Marxism and has been to Russia. He is anxious to tell us the truth about Soviet life and to show us the real value of Communist theory and practice. But none of us can see Russia straight because of our individual, class and national peculiarities of tradition and outlook. Mr. Terrell sets out to allow for all this and to give us an honest understanding of what clearly arouses in him a perception of goodness and justice in the making. The task is enormous, and for all Mr. Terrell's learning and lucidity his book is ill-constructed and lacks direction. The author has attempted to get down to fundamentals, and although he has not quite succeeded he has written a most interesting book.

"Business Budgets and Budgetary Control." By A. W. Willsmore. Pitman. 241 pages. 10s. 6d.

The first edition of this book, which is unrivalled on this side of the Atlantic, was based upon the experience of an electrical manufacturing concern. This welcome second edition embraces the author's experience of another and opposite type of manufacture. Nevertheless, apart from the addition of a summary of the advantages already realised in British business from the adoption of budgetary control, the work remains substantially unaltered. The objects and scope of budgetary control, budgets for sales, production, expenses and finance, administration and planning are lucidly discussed. A valuable handbook for all business administrators.

Books Received

Marketing Research. By D. M. Phelps. (Michigan) University of Michigan and Bureau of Business Research. 81 pages. No price stated.

Contemporary Russia. Vol. I, No. 4, August, 1937. (London) Contemporary Russia, 92 Fleet Street, E.C.4. 1s. net.

Labour's Pension Plan: Old Age, Widows, and Children. National Council of Labour, Transport House, Smith Square, London, S.W.1. 32 pages. 2d. net.

The Calendar of the London School of Economics and Political Science (University of London) for the Forty-third Session, 1937–38. (London) London School of Economics, Houghton Street, W.C.2. 506 pages. 2s. 6d. net.

Official Publications

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

Imperial Conference, 1937: Summary of Proceedings. Cmd. 5482. 1s. net.

Accidents which occurred on the Railways of Great Britain during the year 1936. Cmd. 5477. 1s. net.

Twenty-ninth General Report of the Public Trustee. 2d. net.

Agriculture: Memorandum on the Financial Resolution. Cmd. 5493. 2d. net.

THE
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MONEY AND BANKING

Argentina's Exchange Problem

THE announcement of the repatriation of the gold previously held in London by the Argentine authorities is evidence of steady improvement in the economic condition of the Republic. As long ago as last December the recovery in Argentina's export trade and the resulting abundant supply of export bills induced the Argentine Government to reduce the selling rate of exchange in the " official " market from 17 to 16 pesos to the pound. As there was no change in the official buying rate of exchange of 15 pesos to the pound—at which practically all export bills are bought by the Exchange Control—the Government's profit was reduced from two pesos to one peso on each pound's worth of exchange sold or on its equivalent in other foreign currencies. The reduction in the official selling rate was, of course, advantageous to importers and other remitters, including the British-owned railway companies. The Central Bank charges a commission of ¾ per cent. on all sales of official exchange, which brings the effective selling rate up to 16.12 pesos to the pound. Occasionally, the " free " rate of exchange has hovered around the official rate, but it is now 16.53 pesos to the pound.

Following the events of December last, rumours have persisted in Buenos Aires that the official selling rate is to be further reduced, and this has naturally resulted in an occasional appreciation in the " free " market rate. An air of expectancy is not surprising in view of the extraordinarily high level attained by Argentina's export trade during the earlier months of 1937. Despite the decline which set in in the second quarter of the current year, Argentina's total exports for the period from January to June, 1937, reached the spectacular figure of 1,409 million pesos, against only 723 millions in the first half of 1936. Imports also expanded, but are still below the level of the years preceding the crisis. The visible export surplus for the first half of this year, consequently, was nearly 740 million pesos (say, £46 millions sterling), which not only constitutes a six-months' record, but exceeds all earlier twelve-months' figures except those of 1919, which showed a surplus of nearly 853 million pesos.

The Argentine Minister of Finance, in his recent annual report, stated that the exchange profits fund was created at a time of grave emergency following the disastrous fall in agricultural prices towards the end of 1933. Fortunately, however, subsequent improvement had made it unnecessary to utilise the fund, except to a small extent, for the maintenance of guaranteed grain prices. Meanwhile the fund had been invested in gold and foreign exchange, and its existence had rendered possible the pursuit of a beneficial monetary policy without endangering the liquidity of the national position. The report revealed that the total profits accruing from the introduction of the present exchange control system on November 28, 1933, to the end of 1936, were 325.7 million pesos. Payments from the profits fund during the period aggregated 133.4 million pesos, including: (1) expenses of the Exchange Control Fund, 525,400 pesos; (2) sums distributed to the various produce " Regulating Boards," 17.7 million pesos; and (3) exchange losses on Government remittances, 115.19 million pesos. Of the last sum, a total of 85.06 million pesos was due to remittances for the public debt services, 19.08 millions were for armaments, 3.45 millions for expenses of diplomatic and consular officials abroad, and 7.6 million pesos for other remittances. Deducting these expenses, there remained at the end of the year 1936 an unused balance of 192.3 million pesos. This was almost wholly invested for the time being in gold and foreign exchange, but was ultimately destined to be applied towards the redemption of dollar loans from the United States, the payment of a subsidy to meat exporters, and the making of a contribution to the cost of erecting grain elevators.

The Argentine Government has lately been faced with the new problems created by the enormous favourable balance of trade, the rise in commodity prices and the influx of foreign capital. To reduce the risks entailed by these factors, the Government has purchased large amounts of gold and foreign exchange. For this purpose it has drawn on the profits derived from exchange control, on the proceeds of Consolidated Treasury Bonds, and on the banks' excess funds, which have been handed over to the Central Bank for short-term investment in gold and foreign currencies. These investments by the Government have created a strong monetary reserve which has already facilitated the repatriation of high-interest-bearing American dollar loans. By these measures, an undue expansion of credit was also avoided. Indeed, the cash resources of the banks at the end of 1936 were 6.7 per cent. less than at the end of 1935, while these loans rose, during that period, by only 5.4 per cent.

The extent of the repatriation of the foreign debt of Argentina (including that of Provinces and Municipalities) is governed by the capacity of the local money market for absorbing internal loans, but considerable amounts have, in point of fact, been recently subscribed. The Municipality of Buenos Aires is now paying off its entire dollar debt of some U.S.$11.6 millions instead of issuing a conversion loan in New York. To cover this repayment the Argentine Government is supplying the necessary foreign exchange at the official rate. The exchange plethora may also be used to a considerable extent for the purchase within Argentina of properties now under English or American ownership. For example, proposals have been made for the purchase of the Cordoba Central Railway, the Argentine Transandine Railway, and the Standard Oil interests in Argentina. For the moment, however, all these proposals, with others of more immediate urgency (including measures for rationalising the working of the British-owned railway companies) are held up in Congress, pending the Presidential elections.

Under existing law the reserves of the Argentine Central Bank in foreign currencies may not exceed 20 per cent. of the gold reserves. If the supply of foreign exchange continued to be at a superabundant level, the only alternative remaining to Argentina would be to import gold or to earmark gold abroad. The balance sheet of the Central Bank does not separately show the amount of foreign exchange held abroad, which is included under the heading: " Gold Abroad and Foreign Exchange." This item has shown relatively large fluctuations. At the end of last December it was 303,247,199 pesos; at the end of May, 1937, it had fallen to 261,715,656 pesos; at the end of June it had risen to 343,537,755 pesos; and on July 15th it was 328,475,202 pesos (say, £21,900,000). Gold held at home, according to the balance sheet of the Central Bank, has remained unchanged at 1,224,417,646 pesos (equivalent to over £81 millions).

The decision to repatriate Argentine gold deposited with the Bank of England in London will, presumably, be reflected in the Central Bank's accounts, in an increase in the item representing gold held at home, and a corresponding decrease in the item " Gold Abroad and Foreign Exchange." The total gold holding, however, will be unchanged, and Argentina's note circulation will not be affected. The removal of the gold will have no effect on the London money market. The gold is understood to have accumulated partly from shipments made to London before 1933, and partly from funds which have subsequently accrued to Argentina in this country. At the current price, the gold is equivalent to over £13 millions sterling, and it obviously accounts for more than 50 per cent. of the " Gold Abroad and Foreign Exchange " held by the Central Bank. Its repatriation of the gold is ascribed to the fact that the redemption of a significant part of Argentina's external debt has obviated the necessity for the maintenance of large gold reserves abroad. Possibly the disturbed European situation may also have influenced the decision; certainly, it has been a factor in the large influx of private foreign capital into Argentina in recent months.

Argentine Government revenue from exchange profits during 1937 is expected to reach only 50 million pesos, owing to the reduction in December last of the margin between the official buying and selling rates of exchange. Congressional permission is required to utilise exchange profits for purposes other than those already specifically allowed. In view of the present size of the exchange profits fund, however, there appears *prima facie* little reason why the official selling rate should not be further reduced. The alternative of a reduction in the official buying rate below 15 pesos would present certain technical difficulties—the foreign currency holdings of the Central Bank, for example, are probably based on this rate. The authorities, however, are well aware that the prosperity of Argentina depends to a large degree on the present heavy demand and high prices offered for grains. In a depression, prices might well fall abruptly, and the building up of impregnable exchange reserves may therefore be a primary official consideration. Argentina's export prosperity can hardly continue indefinitely at its present level; she has shipped, indeed, practically the equivalent of two crops within a single year. Exports are now slowing down rapidly from the record-breaking totals of the early months of the year. Wheat shipments in July, for example, were only 92,836 tons, compared with a monthly average of 850,000 tons in the first quarter of 1937. The export surplus in June fell to 31 million pesos, against 71 million pesos in May and 185 million pesos in February. Further, the prolonged drought has held up ploughing for the next harvest, and there is little doubt that the volume of this year's wheat harvest will be appreciably below that of last year.

All things considered, therefore, Argentina may well be inclined, as a matter of precaution, to abstain from reducing either the official buying or selling rates of exchange in the immediate future. An additional motive in favour of delay is that the improved purchasing power of Argentina is now making itself felt. Imports in June were 122 million pesos, against 108 million pesos in May. A continuation of that tendency would automatically absorb a great part of Argentina's present exchange surplus.

Financial Notes

Insurance and War Risks.—In Notes on this page of the last two issues of *The Economist* changes in marine insurance rates in the Far East and the Mediterranean have been recorded. The past week has now seen further developments, less important but still indicative of the gradual deterioration of the situation. The Mutual Insurance Association has exercised its power to cancel the war risk clauses for ships going to Shanghai or any other port on the Yangtze. This means that the deviation of ships from that destination will have no effect upon the insurance policies already in force; if the clause had not been cancelled the cautious shipowner who redirected his ship to, say, Hongkong would have suffered the loss of his cover. Insurer and insured therefore both gain. At the same time, Korea and Formosa have been added to the list of places to which the Eastern schedule of war risk rates applies, but some minor revisions later reflect a lessened fear of attack on vessels away from the immediate area of war. Ships containing arms are left for special treatment. A change has also been made in the rates on cargo in passenger liners and cargo liners in the Western Mediterranean which brings the two into equality by raising the first and reducing the latter. This last move was made rather to meet the criticism of the cargo liner owners, who were encountering greater competition from the passenger liners, than because of any fear of attacks on passenger vessels. Indeed, Gibraltar and Tangier are now excluded from the danger zone, though it remains to be seen whether the attack on H.M.S. " Havock " will lead to another stepping up of rates.

* * *

A Banking Centenary in Australia.—Exactly a hundred years ago a director of a small Tasmanian bank proceeded to London to raise fresh capital. He succeeded in doing so, and on September 1, 1837, the prospectus was issued of the Union Bank of Australia. Since then the bank has made steady progress in Australia and New Zealand, and has kept pace with current developments first in the field of gold-mining and later in the production of wool, meat and wheat. It survived the collapse of 1893, and like the other Australian banks weathered the world depression of recent years. To-day it is one of the chief Australian banks. Its authorised capital, which a century ago was a mere £500,000, has now risen to £12 millions, and it carries deposits of approximately £35 millions. The London office still preserves a circular letter to branch managers, written in the early 'forties and laying down the principles of banking to be followed in the Colonies, and while Australia and New Zealand have since grown into Dominions and have developed in a way which could hardly have been then foreseen, the bank says that these principles still hold good to-day. This may be the secret of the bank's successful growth, but all will congratulate it upon the state of robust health in which it finds itself upon its hundredth birthday.

* * *

An Australian Banking View.—Mr Ashton's address to the shareholders of the Commercial Banking Company of Sydney, at the meeting held in Sydney on August 10th, contained several points of interest. Much of his speech was devoted to a review of the present upward trend of Australian trade and banking, with special reference to the importance of wool, wheat, meat and dairy produce, but at the end of his speech Mr Ashton referred to the recent report of the Banking Commission. One point made by him here calls for some comment. He cited the passage in the report stating that where a difference of opinion develops between the Commonwealth Bank and the Government, the latter's view should prevail, and he added that between this and nationalisation there would appear to be but a thin line. This raises the whole question of the relative functions of a Government and a central bank. Broadly speaking, the Government alone is responsible for financial and monetary policy. The central bank's duty is to act as the Government's banker, to execute the details of the Government's policy and to render technical advice to the Government upon matters within its province. If the Government chooses to reject that advice, it is entitled to do so, and in a democratic country the remedy lies with the electorate. A Government which interfered with matters of central banking routine would undoubtedly be exceeding its proper functions, but a Government which gave way on matters of policy would equally be failing in its duty, and in point of fact no central bank would think of going further than giving advice. If this demarcation of function is understood, there is no inconsistency in this passage in the Australian Banking Commission's report, nor is there any need to fear that this passage opens the door to nationalisation

American Bank Rate.—On August 26th the New York Federal Reserve Bank reduced its re-discount rate from 1½ to 1 per cent., an all-time world record low level. This action had been expected after previous reductions of their rates to 1½ per cent. by the Chicago, Atlanta and Minneapolis Reserve Banks. It is suggested that the main reason for the alteration is that the Government wishes to buttress the market for its own securities, which have been sold recently by the banks, whose commercial loans and reserve requirements have increased. But it is doubtful if the member banks will be persuaded to secure cash by re-discounting with the Federal Reserve Bank instead of selling securities. The re-discount rate is still high compared with the yield of short-term governments, and in any case, one of the principal links in the credit control of the American system is the dislike of the member banks to be in debt to the Federal Reserve. It does not seem reasonable to suppose that this reduction in rate is to be taken as a sign that the Administration has decided to preserve cheap borrowing for itself at the cost of discarding its recent restraints on credit expansion. Up to now the Reserve System has been concerned to increase reserve requirements, diminish surplus reserves and throttle the inflow of foreign money, in order to prevent an inflationary growth of credit. These measures were adopted at a time when American recovery was progressing rapidly. But in recent months revival has been much more sober, and the stock market and banking worlds have been persistently gloomy. It may be that the Federal Reserve Board has decided to encourage further reasonable expansion by reducing reserve rates, just as Alice attempted to control her own size by nibbling first a piece of the expanding and then of the contracting mushroom. It is to be hoped that the Reserve Board will avoid some of the consequences which Alice found so unpleasant.

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The Money Market.—Money has been more usable once again this week, and, as is explained in the Note below, September 1st dividend payments have replenished bankers' deposits. The market was fortunate in receiving a much larger allotment of 62 per cent. at last week's tender, despite a slight reduction in the rate, and they were in consequence fairly ready sellers of October-November bills.

	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–¾–1*
Others	½–½	½–⅝	½–⅝	½–⅝
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The rates shown in the table above have now been unchanged since July 6th.

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The Foreign Exchanges.—Interest this week has centred upon movements in the dollar. At one point last week, under the pressure of Japanese sales, the exchange moved to $4.99½. At the end of the week it was back to under $4.97, but the bombing of the American liner at Shanghai caused a momentary recession to $4.97⅜, which in turn was followed by a further improvement to $4.96½. The main explanation of this sharp movement is, of course, the commercial demand usual at this season, though the reduction of the New York bank rate, the cessation of Far Eastern sales of dollars, and the tension in Europe have all contributed. The Control has been operating, and forward dollars for long dates are bid. The crisis in Brussels gave rise to some transfer of funds to New York, and at one point the premium on three months' dollars was 2 cents above par. This flurry did not last long. Francs have been kept steady throughout the week, though they came on offer when the Bank of France's return showed that the Government had borrowed Frs. 1,400 millions, and the Bank rate was reduced to 3½ per cent. Other rates have moved in sympathy with the dollar,

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The Bank Return.—Currency requirements for the end of the month have checked the fall in the note circulation, which this week has risen by £2.0 millions. The Reserve is, in consequence, reduced by the same amount.

BANK OF ENGLAND

	Sept.2, 1936	Aug.11, 1937	Aug.18, 1937	Aug.25, 1937	Sept.1, 1937
Issue Department :—	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Gold	245·4	326·4	326·4	326·4	326·4
Note circulation	445·8	497·9	491·0	488·3	490·3
Banking Department :—					
Reserve	60·7	29·8	36·8	39·6	37·6
Public deposits	18·1	19·0	28·5	25·4	14·1
Bankers' deposits	101·1	93·6	88·5	92·8	104·2
Other deposits	38·8	36·4	36·5	36·0	36·5
Government securities	85·7	111·1	107·1	108·8	109·3
Discounts and advances	10·6	5·9	6·2	4·3	5·4
Other securities	19·1	20·3	21·6	19·6	20·8
Proportion	*38·4%*	*19·9%*	*23·9%*	*25·6%*	*24·3%*

In the banking department, a slight increase in earning assets off-sets the reduction in the Reserve. Government dividend payments on September 1st explain the transfer of about £11 millions from public to bankers' deposits.

★ ★ ★

Irish Banks' Returns.—The returns for the banks operating in the Irish Free State for the June quarter, published by the Currency Commission, are as follows:—

(£ thousands)

	June quarter 1936	March quarter 1937	June quarter, 1937		
			In I.F.S.	Elsewhere	Total
LIABILITIES :					
Capital, reserves, etc.	17,235	17,338	10,204	7,159	17,363
Notes in circulation	8,855	8,769	5,120	3,846	8,966
Current, deposit and other accounts	164,474	165,132	119,221	45,025	164,246
Other liabilities	5,928	5,232	3,238	2,631	5,869
Total	196,492	196,471	137,784	58,661	196,445
ASSETS :					
Cash and balances with London agents and other banks	14,518	12,470	5,375	7,576	12,951
Money at call and short notice	10,604	10,230	7	10,565	10,572
Bills	6,403	6,346	5,465	1,350	6,815
Loans and advances	67,849	69,047	45,316	24,324	69,640
Investments—					
(a) Government	79,605	80,086	3,580	74,159	77,719
(b) Other	9,679	10,622	3,680	7,076	10,756
Other assets	7,834	7,667	3,317	4,673	7,990
Total	196,492	196,471	66,721	129,725	196,445
Excess of assets outside I.F.S. over liabilities outside I.F.S.	72,366	72,596	...	71,064	...

The slight reduction in deposits suggests that savings are being drawn upon by the rural community, which is still suffering from considerable agricultural depression. This suggestion is borne out by the fact that the withdrawals are mostly from the country branches of the banks, while urban current accounts are increasing. The increase in the amount of loans and advances reflects the growing demand by borrowers stimulated by rising prices. Investments and cash have been slightly depleted to provide for the increased advances. The decline in the net sterling assets of the Free State banks reflects the growing adverse balance of payments, which is the result of the failure of exports to keep pace with the increase in the volume and value of imports. The total monetary circulation has increased from £15,211,342 in June, 1936, to £16,151,537 in June this year.

1837 Centenary 1937
of
The Union Bank of Australia Limited

One hundred years ago (1st Sept. 1837) saw the birth of The Union Bank of Australia Limited.

In 1837 Mr Philip Oakden, a Pioneer and a Director of the Tamar Bank in Launceston, Tasmania (then Van Diemen's Land), realising that this small Organisation could not hope to compete successfully with its rivals, proceeded to London to raise further Capital. In this he succeeded with the result that out of the ashes of the Tamar Bank, The Union Bank of Australia Limited arose.

The initial Authorised Capital was £500,000, and the Prospectus dated 1st September 1837 contained the following passage :—

> The Directors are fully persuaded that in no part of the World can Capital be more securely and advantageously employed.

A study of the progress of Australia and New Zealand from that date makes it quite clear that the optimism of the Original Directors was amply justified.

Since then these great Countries have attained the Status of Commonwealth and Dominion respectively, and it is interesting to reflect how closely the conduct of Australasian Banking Institutions has been associated with and assisted the prodigious growth of these territories.

The history of The Union Bank of Australia Limited provides romantic reading, from the description of its first Branch in Van Diemen's Land to the development of its present establishment of some 250 Branches and Agencies. One can follow the spirit of the pioneer in the rapid establishment of the Bank in Victoria in 1838 and in New South Wales in the following year.

In 1840, when British Sovereignty was proclaimed in New Zealand, the Bank's activities were extended to that Colony, which recalls the fact that The Union Bank of Australia Limited was the first of the existing Banking Institutions to operate in New Zealand.

The settlement of New Zealand was not altogether peaceful on account of the spirited opposition of the Maoris, and the difficulties experienced by Managers in establishing Branches there are shown by the following extract from the Auckland Manager's letter on his arrival :—

> I apprehend I shall have some difficulty in getting a house for the Bank as General Pitt and his Staff have just arrived and have taken every house that could be had.

Meanwhile the establishment of the Bank in New Zealand and the steady progress thereof in Victoria and New South Wales, called for further Capital, and this was increased in June 1840 to £800,000 and two years later it stood at £1,000,000.

A Circular letter from the London Board to Branch Managers at this time setting out the principles of banking to be followed in the Colonies, is preserved at the London Office of the Bank, and it says much for the soundness of banking practice as initiated by our forebears that the principles therein laid down are equally applicable to-day.

In 1850 operations were extended to South Australia where, for many years, the Bank had been in friendly relationship with the South Australia Company. Later on the Bank of South Australia was absorbed. In 1858 the first Branch was opened in Queensland, a newer Colony which was then attracting Settlers.

The penetration of the interior by Explorers, Pioneers and Settlers had been gradually proceeding and the foundation of the great pastoral and agricultural industries laid. It was the discovery of gold, however, in the fifties which brought large numbers of immigrants into Victoria and New South Wales. Branches of the Bank were established inland to meet the requirements of these developments. When the gold boom subsided, many of those who found themselves out of employment turned to wool, meat and wheat and so gave an impetus to the primary industries on which Australia's prosperity chiefly depends. The Bank followed these changes rapidly, providing the services as they were required and expanding its representation accordingly. During this period, within the space of three years the Bank's deposits rose from £700,000 to £3,700,000.

In 1878 there was expansion Westwards; Western Australia was then a young undeveloped Crown Colony, but that year saw The Union Bank established at Perth.

The Colony rapidly developed following the discovery of gold at Coolgardie, and Branches were opened in quick succession to meet the needs of the new Communities in the interior. An interesting and significant record of the Kalgoorlie Branch of the Bank is that it has handled no less than 11,000,000 ounces of gold since it was opened.

During the present Century the primary industries of wool, meat and wheat and dairy produce, the chief sources of wealth, have forged ahead and have been accompanied in more recent years by the recrudescence of the Gold Mining Industry and by the development of secondary industries in the big centres of population on the Coast. The Union Bank keeps constant pace with this expansion and with the services required of it, as may be illustrated by the provision of 14 new Branches during the past 18 months.

Thus down to the present day the Bank's records present a striking picture of the growth of Australia and New Zealand, but it would be idle to suggest that this period has been unhampered by difficult times, and one has only to recall the great land slump of 1893 when The Union Bank was happily one of those to weather the storm.

The World depression of recent years is too fresh in our memories to call for comment, but once again the Commonwealth and Dominion, aided by their Banks, have risen superior to misfortune, and can point proudly to an achievement of recovery which is founded on a solid basis.

A study of the Bank's history and figures over 100 years leaves one with the impression of sound management and of service to the community.

The Union Bank of Australia Limited

Established 1837

HEAD OFFICE :
71 CORNHILL, LONDON, E.C.3

Capital Authorised and Issued		£12,000,000
Paid-up Capital	£4,000,000	
Reserve Liability of Proprietors (Not capable of being called up except in the event of and for the purpose of the Bank being wound up.)	£8,000,000	£12,000,000
Reserve Fund		£3,250,000
Special Currency Reserve		£1,600,000

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THE STOCK EXCHANGE

American Investment Trusts

EIGHTEEN months ago, *The Economist* reviewed the experience of American investment trusts from their relatively recent birth in the late 'twenties to the end of 1935. We then expressed the opinion that results during the six-year period 1930-35 were only moderately favourable to the managements, whether performance were judged by asset value or by income. We pointed out that one of the most important characteristics of an American investment trust was the degree of its gearing, because of the latter's direct bearing upon the break-up value, and hence the market valuation, of the common stock. At the end of 1935 stocks with a low gearing ratio stood at a discount on net asset value, while stocks with a high gearing ratio frequently stood at a premium, in the expectation that a further improvement in asset value during 1936 would bring its reward.

The experience of the last eighteen months has been peculiar, and at first sight extremely favourable for the investment trusts. At the top of a bull market, in which it would have been almost impossible for investment trust managements to go far wrong, the flow of dividends was stimulated by the Administration's tax on undistributed corporate profits. It was almost unavoidable that trust assets should increase in value.

The magnitude of the increase for a number of prominent trusts is indicated in Table I, at the foot of this page. The table classifies twenty-two trusts in the three general groups which cover the field. The largest of these groups includes the investment trusts of the " geared " type, with either bonds or preferred stock or both outstanding in the hands of the public. The second, and smallest group, are the non-geared companies, with only common shares outstanding. And the third classification includes the " mutual funds," similar in capital structure to the non-leverage type except that the market price of their ordinary shares is pegged to their asset value by an agreement on the part of each respective company to repurchase the shares from holders at a price based upon the current market price of the underlying portfolio. The funds of trusts in the last group are invested in a stated but varying list of securities, and the whole income is automatically distributed. The " mutual funds " are growing in importance as a result of special treatment afforded to them under the law imposing taxes on inter-company dividends.

The table shows the change in net assets of the companies over the seven years to December 31, 1936, and the single year, 1936. The changes in net assets have in every case been adjusted to allow for interest and dividends paid and for capital readjustments such as the retirement or flotation of securities. In the same table are shown the Dow Jones indices of the prices of seventy stocks and forty bonds, which have been arbitrarily adjusted for income at the rate of 3 per cent. per annum.

It is difficult to choose a standard by which to measure the performance of the companies. It would be unfair to use either a stock price index or a bond price index separately, or without proper weight for the make-up of the company portfolios. An analysis made by the Standard Statistics Company for fifteen investment companies showed that in 1930 assets were invested as to 15.6 per cent. in cash, 13.2 per cent. in bonds or preferred shares, and 71.2 per cent. in equities. In 1935, the proportions were 5.2 per cent. in cash, 21.3 per cent. in bonds and preferred shares, and 73.5 per cent. in equities. A composite index of bond and share prices based on the above proportions would show a 17 per cent. decrease over the seven-year period to the end of 1936, and a 20 per cent. increase during 1936.

If the individual performances in the table below are compared with these rough standards, it will be apparent that the year 1936 went some way to restore the reputation of the investment companies. In 1936, only one of the twenty-two companies did worse than the standard, and that was a company specialising in insurance company shares. Over the seven-year period, only two did worse than the standard. As might be expected, the worst performances were put up by companies specialising in single industries, such as insurance or public utilities. A wider survey, which includes approximately eighty investment companies of all kinds, shows an increase in combined net assets of about 27.5 per cent. in 1936.

Evidence of the improvement is also found when attention is transferred from assets to income. The effect of the trade recovery during 1936 and of the exceptional dividends stimulated by the new Revenue Act is illustrated for some of the leading companies in Table II. Many companies have been able to pay dividends on their own common stocks for the first time for years, if not for the first time in their history. But there still remains a large number of cases in which interest and preferred dividends are not being earned with a wide margin. High management expenses still absorb a large proportion of income in many cases.

The most interesting feature of the present market for investment company shares is disclosed by a comparison of asset values and market prices for the common shares of geared companies. These shares are esteemed in the market not for their promise, if any, of future income, but as counters in a gamble for capital gains. In this valuation the all-important factor is the gearing ratio, which is the proportion borne by the total net assets of the company to the net assets available for the common stock. The higher the gearing ratio the more rapidly the common stock stands to benefit from a given rate of increase in total assets. The higher the ratio the higher the premium the market is likely to put upon these shares in a time of rising security prices. Table III shows, for a number of companies: (1) the net asset value and (2) price of the common stock on December 31, 1936; (3) the gearing ratio at that date; (4) the asset value per dollar of market price; and (5) latest prices.

A glance at the table shows that of the twelve common stocks only two showed a market premium over asset value; all the other stocks stood at discounts averaging about 30 per cent. Nothing has happened during 1937 to alter this position. A number of explanations have been offered for the present disappearance of the premium characteristic of these shares during the earlier years of the recovery. In the market considerable prominence is given to the investigation of investment company practices by the Securities and Exchange Commission, which was first reported at the end of 1935, and still holds the market under its threat. It is feared that the known abuses of the movement in the past will be dwelt on in the Commission's report, and that, in view of the Administration's dislike of High Finance in general, stringent regulations may be introduced, which may permanently lower the status of investment company shares as speculative securities.

Perhaps an equally important reason for the disappearance of the market premium on investment company shares is that their prices have already risen substantially since the depression levels, and in the whole market to-day a pessimistic view of future prospects seems to be solidly entrenched. However high the gearing ratio on a given share, operators who do not anticipate an increase in net asset values are unlikely to pay a premium for it.

On the whole, the present position seems to be that American investment company shares are no longer valued as gambling counters. Conversely, even after one of the best years of recovery, they have not completely established themselves as a means of providing the benefits of skilled management and the spreading of risk. It may be that the movement started under somewhat inauspicious circumstances, and that the skill of managers may improve with experience. But the action of the S.E.C. remaining unknown, the movement may well lead from investment to speculation, from speculation to official control—and so back to investment again.

SOME AMERICAN INVESTMENT TRUST FIGURES

TABLE I

Change in Net Assets, 1930–36

	Change in Net Assets (Adjusted)			Change in Net Assets (Adjusted)	
	Dec. 31, 1929, to Dec. 31, 1936	Dec. 31, 1935, to Dec. 31, 1936		Dec. 31, 1929, to Dec. 31, 1936	Dec. 31, 1935, to Dec. 31, 1936
Geared Companies	%	%	*Non-Geared Companies*	%	%
Adams Express Co.	+ 11	+ 51	Fourth National Investors Corp.	+ 32	+ 21
American European Securities Co.	− 21	+ 34	Insurance Shares Certificates, Inc.	− 37	− 1
American International Corp.	− 1	+ 36	Lehman Corp.	+ 71	+ 32
Capital Administration Co.	+ 55	+ 32	Third National Investors Corp.	+ 36	+ 21
General American Investors Co., Inc.	+ 71	+ 32	*Mutual Funds*		
General Public Service Corp.	− 26	+ 26	Broad Street Investing Co.	+ 81	+ 45
Prudential Investors, Inc.	+ 8	+ 31	General Capital Corp.	− 8	+ 24
Railway & Light Securities Co.	0	+ 20	Incorporated Investors	+ 3	+ 50
Second National Investors Corp.	+ 34	+ 20	Massachusetts Investors Trust	+ 2	+ 32
Selected Industries, Inc.	+ 34	+ 31	Spencer Trask Fund	− 15	+ 22
Standard Invstg. Corp.	+ 1	+ 33	State Street Investment Corp.	+106	+ 60
Tri-Continental Corp.	+ 35	+ 41	Dow Jones Index of 70 Stocks	− 31	+ 28
			Dow Jones Index of 40 Bonds	+ 38	+ 10

TABLE II

Earnings Cover

(Excluding Security gains or losses)

	Times Interest Charges Covered		Times Interest and Preferred Dividends Covered	
	1935	1936	1935	1936
Adams Express Co.	2·06	2·72	...	...
American European Securities Co.	2·52	3·50	0·84	1·17
American International Corp.	1·01	1·31	...	...
Capital Administration Co.	1·60	4·82	0·94	1·65
General American Investors	1·92	3·77	0·79	1·56
General Public Service Corp.	0·92	1·17	0·64	0·75
Tri-Continental Corp.	4·85	11·83	0·94	1·60
U.S. and Foreign Securities Corp.	...	...	0·72	1·04

TABLE III

Gearing and Market Values

	Net Asset value per share, Dec. 31, 1936 $	Price, Dec. 31, 1936 $	Latest available price $	$ of Asset value per $1 Mkt. price Dec. 31, 1936	Gearing ratio Dec. 31, 1936
Adams Express	22·84	15½	(c) 17⅛	1·50	3·0
American General Corp.	16·11	11½	(a) 10½	1·43	3·5
American European Securities	19·18	13	(b) 12½	1·48	4·2
American International Corp.	19·07	14	(c) 13	1·36	2·9
Capital Administration Co., Cl. "A"	24·61	15½	(b) 14	1·61	3·9
Equity Corp.	3·12	2½	(a) 2	1·39	3·8
General American Investors	16·49	12⅜	(c) 13	1·29	2·2
General Public Service	3·55	4½	(a) 3	0·84	2·3
Prudential Investors, Inc.	16·97	11	(c) 10⅜	1·43	2·2
Selected Industries, Inc.	(e)	3⅜	(c) 2⅜	...	5·3
Tri-Continental Corp.	12·86	9½	(c) 7⅜	1·39	3·3
U.S. and Foreign Securities Corp.	29·09	18½	(c) 16½	1·60	5·7

(a) Price or (b) average of bid and asked on August 24, 1937.
(c) Price on August 31, 1937.
(e) Net asset value of Selected Industries common stock was nil on December 31, 1936; rose to 50 cents on March 31st, fell to zero again on June 30, 1937.

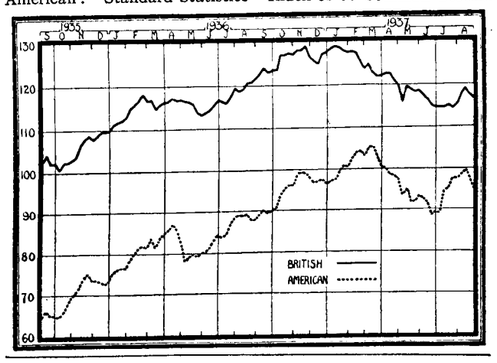
Investment and Company Notes

Course of Share Values.—August has been truer to its reputation as a holiday month than was expected when investors departed on the eve of Bank Holiday. In the early part of the month, indeed, there was reason for expecting the first real check to the persistent downward movement which has been characteristic of 1937. Before the middle of August, British ordinary share prices (as will be seen from the annexed chart) had recovered practically all the ground lost since the end of April. In America equities, which had been rising fairly steeply since the end of June, continued to move upward. Unfortunately, progress was rudely interrupted in both centres by the opening of hostilities at Shanghai. Probably not a hundredth part of the securities whose prices have been unfavourably affected have a direct and considerable interest in a Far Eastern conflict which, according to the firm conviction of the Stock Exchange, will remain localised. Even the threat of permanent damage to British trading interests in China would be insufficient, by itself, to explain the down-turn in the share indices in the second part of last month.

BRITISH AND AMERICAN INDUSTRIAL SHARE VALUES DURING THE PAST TWO YEARS

(1928=100)

British: "Financial News" Index of 30 Ordinary Shares.
American: "Standard Statistics" Index of 50 Common Stocks.



Nor can domestic business prospects be adduced as an adequate explanation of the behaviour of markets either here or in America. Trade activity is still running free in Great Britain, and such clouds as there are on the horizon are as yet no bigger than a man's hand. In America, general prospects are equally satisfactory, but conservatism, shading into pessimism, is becoming a determined attitude of mind in Wall Street. To say that the same mental approach was characteristic of London would be an exaggeration, for the undertone of the market is still relatively firm. For one thing, Britain has a larger stake than America in the recovery in international trade, which is still proceeding. And in London home politics can be taken for granted in a manner quite impossible in New York. There is still time for an impressive upward reaction in share values during the autumn; but its absence would be construed as definite evidence that the down-turn which began some months ago marked a definite change of trend. The markets would prefer increased business to a firm " undertone."

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INSURANCE COMPANY
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FIRE LIFE ACCIDENT MARINE
Edinburgh: 35 St. Andrew Square
London: 5 Walbrook, E.C.4, and 45 Pall Mall, S.W.1

Railway Traffic Trends.—Railway stock-holders have received so much new information of major significance during the last two months that the trend of weekly traffics has dwindled to secondary importance. Now that wages and freight rates have been settled, however, the course of traffics resumes its customary rôle as the leading indicator of future railway dividends. Since the turn of the half-year, the general trend of the weekly figures has been reasonably satisfactory, but definitely uninspiring. The average weekly increase, for the four group lines, has been £119,000—a somewhat lower rate of advance than the average gain of £136,000 recorded during the first half-year, which included the abnormal Coronation receipts. From week to week, there is no perceptible tendency for the rate of improvement to increase—this week, indeed, the total gain has fallen to £73,000. By comparison with the figures for the "normal" period 1927–30, too, the traffics appear to have reached a roughly stable level. Passenger traffics have been satisfactory, but their relatively good showing has been almost entirely offset by a decline in the rate of improvement of merchandise and coal traffics. Thus, the showing of L.M.S.R. and L.N.E.R. has been somewhat uneven, especially during August. The Southern too, after an excellent return during Bank Holiday fortnight, has suffered some setback—this week its traffic was actually below the 1936 level. The Great Western has produced the most satisfactory results—an indication of the recovery in South Wales—but, unfortunately, this railway is the least interesting of all the four to the investor, for its proper market valuation depends upon the directors' intentions in reserve policy rather than upon the extent of traffic increases. As a whole, therefore, the trend of traffics from the long-term point of view is not unsatisfactory to the investor, but it provides little ground for the speculative purchase of "marginal" railway stocks.

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French Railway Bonds.—A few investment trusts and private persons have interests in French railway stocks, but the majority of British investors are concerned only with the possible effect of the French Government's plan for railway reorganisation (discussed in a Note of the Week on page 465) on three sterling bond issues: Midi, 4 per cent.; Orleans, 4 per cent.; and Nord, 6 per cent. All three are, to all intents and purposes, French Government-guaranteed securities. Though they are direct obligations to the companies concerned, their principal and interest have a fourfold security: (1) the operating receipts of each railway, (2) a joint fund of the French railways into which the excess receipts of any one system are payable, (3) an undertaking by the French Treasury to make up any deficiency in the fund, and (4) the State's undertaking to pay any interest and capital due on the expiration of the companies' concessions. Their status, therefore, could not have been bettered even if the Government had decided to nationalise the railways outright, instead of halting at a half-way house between majority ownership and commercial control. Broadly, the future trend of quotations for the bonds will be governed mainly by movements in Rentes, and to this extent holders have a lively interest in the success of the Chautemps-Bonnet plans for reviving France's industry and reorganising her finances.

The Midi and Orleans bonds are finally redeemable by 1975, by cumulative sinking funds beginning in 1941; but the companies have powers to pay them off at 103 between 1940 and 1960 and at par thereafter. The Nord bonds are redeemable at par by 1950, by means of a cumulative sinking fund which started in 1928; but they can be called at 103 at any time in the interim. The market price of the two 4 per cent. issues is now a little better than 85—they stand, in other words, on a 4¾ per cent. yield basis. The 6 per cent. Nord bonds, at 103½ ex dividend, are practically at their redemption level, which clearly suggests the market's expectation of an early conversion. In view, however, of the prospects, if the French Government's hopes are realised, of a rise in general security prices which would make conversion feasible, say, on a 4 per cent. basis—it may be presumed that the Government will hold its hands for the time being. The fusing of the separate French lines into a single system will involve formal changes in the designation and security of the bonds, but any further alteration, except on a voluntary basis, is precluded by the terms of the contract. A purchase of the 4 per cent. issues, under these conditions, may therefore be construed as a gesture of faith in France's recuperative powers under her present Government.

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Setback in Foreign Bonds.—Although in July there were important movements in individual quotations, good influences offset the bad sufficiently to keep bond prices as a whole practically unchanged. In August, by contrast, the bond market suffered from the steady deterioration of the situation in China, without the consolation of improvement in other quarters. Consequently, the index of 110 foreign bonds, compiled by Municipal and General Securities Company, fell no fewer than 9 points to 107·7 (January–June, 1934 = 100), and the whole gain achieved since the end of 1936 was wiped out in a single month. The movements of the index during the past year are shown below:—

Average January–June, 1934 = 100

	Europe	Near & Far East	Egypt	South and Central America: States	South and Central America: Provinces	South and Central America: Total	Complete Index	Undefaulted Bonds	Defaulted Bonds
1936	(32)	(31)	(4)	(36)	(11)	(47)	(114)	(60)	(54)
July...	94·7	110·6	100·9	99·1	89·2	96·7	99·8	104·4	95·0
August	95·1	113·2	100·7	99·3	89·8	97·0	100·7	105·7	95·3
Sept....	94·7	110·7	99·9	98·8	89·0	96·4	99·7	104·3	94·8
Oct....	95·2	111·7	99·7	105·3	93·0	102·3	102·5	104·3	100·6
	(31)						(113)	(59)	
Nov....	95·4	110·6	99·6	107·2	101·0	105·7	103·9	104·5	103·2
Dec....	97·7	114·0	99·7	120·2	110·0	117·8	110·3	105·8	115·3
1937				(35)		(46)	(112)	(58)	
Jan....	103·6	116·2	100·6	128·5	131·7	129·3	117·0	107·3	128·5
	(30)						(111)	(57)	
Feb....	102·9	120·0	99·6	131·8	131·8	131·8	119·0	108·1	131·4
	(29)						(110)	(56)	
March	100·3	120·8	97·8	126·2	120·1	124·7	115·7	106·7	126·0
April...	100·9	120·2	97·1	124·7	122·7	124·3	115·4	106·6	125·4
May....	101·6	123·1	98·3	124·3	120·7	123·4	116·2	108·0	125·3
June....	101·3	125·5	98·1	124·8	118·2	123·2	116·6	109·8	125·1
July....	105·9	117·6	97·9	127·8	117·5	125·3	116·7	106·3	128·6
August	103·1	95·3	98·5	122·4	118·4	121·4	107·7	99·1	117·4

Note: Figures in brackets show number of bonds.

The separate index for Near and Far East bonds has fallen to the lowest level of the period covered by the index (that is, since 1934). It is now 19 per cent. below the July level, and is nearly 24 per cent. lower than in June. Chinese bonds fell more seriously than Japanese. Their decline began immediately after the beginning of hostilities, and continued throughout August, though its pace was slower in the latter part of the month. The fall in Japanese issues was comparatively slow in the second half of August. The indices for both defaulted and undefaulted bonds have, consequently, been affected, that for undefaulted bonds falling to the lowest level since 1934. This category failed to experience the rapid improvement that was so conspicuous a feature of defaulted issues in 1937. In other sections of the foreign bond market, movements have been small, though the weakness of Brazilian loans has depressed the South American States index. European issues lost part of July's recovery; Greek coupons remain payable at 40 per cent., after the breakdown of negotiations for a debt settlement, while the reduction of interest on Danzig bonds does not take effect until after payment of coupons next due.

HOTEL WESTMINSTER
Le Touquet

★ ★ ★

Rayon Shares.—From the investment point of view it is almost an exaggeration to say that the number of British rayon companies with a satisfactory earnings record can be counted on one hand. Apart from Courtaulds, whose dominant position and low price policy set the pace for the others, there are seven companies known to the investor, and only two of them (both small) have paid dividends on their equity shares in their latest financial year. The recent experience of the chief companies is set out in the accompanying table. Even Courtaulds have not consistently made progressive profits, though this company's experience is not wholly a reflection of the industrial position at home, owing to interests in overseas subsidiaries. The company has expended large sums in developing the new product "Fibro," which seems likely to become of the first importance.

Company	Year to	Gross Profit	Earned for fixed charges	Equity: Earned	Equity: Paid	Price and denomination
		£	£	%	%	
Courtaulds...	1935	4,168,747	2,133,063	7·2†	7½†	53/1½ (£1)
	1936	4,508,149	2,291,458	7·9†	7½†	
	Dec. 31					
Brit. Celanese	1935	2,359,420	658,739	Nil	Nil	7/4½ (10s.)
	1936	2,310,784	573,938	Nil	Nil	
	June 30					
Cellulose Acetate	1936	78,237	19,442	2·7‡	2½‡	– (£1)
	1937	117,322	55,065	7·8‡	5‡	
	Mar. 31					
N. British Rayon	1935	33,483	25,262	9·8	Nil	4/6 (10s.)
	1936	50,526	31,360	10·0	6	
	June 30					
Kirklees	1935	61,358	20,521	6·9	3	4/– (5s.)
	1936	78,371	24,077	8·1	4	
	June 30					
British Enka	1935	101,297	55,789	Nil	Nil	3/7½ (£1)
	1936	43,575	*Dr.* 2,112	Nil	Nil	
	Dec. 31					

† Tax free, or equivalent. ‡ Ordinary shares (8 per cent. fixed dividend, and 25 per cent. of balance of profits).

British Celanese, having cleared off all first preference arrears, are still faced with arrears on 7½ per cent. second preference shares since 1930; the current price of 7s. 4½d. for the 10s. ordinary share takes no account of the company's history or of its current earnings position. The formation on private initiative in July of a Celanese Shareholders' Union is a commendable step. The Union has not existed long enough to accomplish the difficult task of uniting thousands of shareholders or to put forward definite proposals, but its founders are doubtless sensible of the virtues of perseverance. The position of Cellulose Acetate is improving, though its distributions still fall far short of the 8 per cent. preferential dividend to which the ordinary shares are entitled. North British Rayon and Kirklees, Ltd., have a fair record, but British Enka, which is handicapped by an accumulated debit balance of over £500,000, suffered a serious setback in 1936. Two other companies not shown in our table, Harben's (Viscose Silk) and British Bemberg, have been scarcely more fortunate.

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British rayon production continues to make new records. The official total has risen from 54,570,000 lbs. of yarn and waste in 1931 to 145,310,000 lbs. in 1936 and 75,890,000 lbs. in the first half of 1937. As exports do not form a significant part of the whole output, home consumption has increased commensurately with production. During 1936 alone it rose by 21 per cent. to an aggregate of 125,693,000 lbs. The level of yarn prices has not changed significantly since 1934. Prospects for the future are rather more doubtful, and it is not to be expected that the rise in consumption can maintain its recent pace indefinitely. The exploitation of staple fibre may compete chiefly with the cotton industry, but it can hardly help producers of continuous filament yarn, upon which an Excise duty is still payable. There is still much scope for the development of other cellulose products, but the main hope for further progress may lie increasingly in economies within the industry. And it is clear that, from the investor's point of view, Courtauld's shares still stand in a class by themselves.

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J. and F. Stone.—The investing public is less concerned with the retailing than the manufacturing aspects of the radio industry, but the possibilities of multiple trade in this branch are indicated by the rapid progress of J. and F. Stone, a comparative newcomer to the above market. A trebling of profits within two years has been accompanied by large increases in the number of shops opened, and this policy is apparently to be continued. The report makes no comment on the trend of profit margins; the company at least has the advantage of dealing in a variety of products. The field in which it operates is highly competitive, but the general standard of organisation of the trade is relatively poor, and offers scope for chain store methods and economies. The following table shows results since the company's inception, except for the initial six months' period:—

	Years ended June 30, 1935	1936	1937
	£	£	£
Profit	28,147	56,933	93,860
Income tax	3,750	7,000	7,500
Other charges	2,991	6,500	7,217
Preference dividend	...	4,392	15,478†
Ordinary shares:			
Earned	*21,406*	*39,041*	*63,665*
Paid	15,500	26,875	53,812
Earned (%)	*14·9*	*19·9*	*21·8*
Paid (%)	10	12½	17½‡
Expenses written off	4,778	10,000	7,500*
Carry forward	1,265	3,431	5,784

† Includes £5,850 for preference share redemption.
* To general reserve.
‡ On larger capital.

The balance of preliminary expenses and goodwill has

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been written off by a transfer of £53,059 from share premium and capital reserves, of which there remain £46,475. The excess of earnings over dividend payments has been allocated to a general reserve and to increase the carry-forward. The profits of the main subsidiary, Chain Store Finance Trust (carrying on hire-purchase finance business), have not been distributed, and since advances to that company amount to £272,620 out of a balance-sheet total of £686,563, it is satisfactory that the directors now publish a consolidated balance sheet covering the parent company and the Trust. The importance of the financial management of the undertaking (apart from the trading position) is well brought out by the item in the combined balance sheet of £355,236 for amounts receivable under hire-purchase agreements, which represent 46 per cent. of all assets. On the liabilities side, £82,110 comprises general reserves as well as provisions for future interest on hire-purchase agreements. At the current price of 9s. 6d. for the old 5s. ordinary shares, a yield of £9 4s. per cent. indicates a cautious market view of the future.

* * *

Initial Services Expansion.—Though this company, which supplies soap, towels and tea to business offices, is a specialist rather than a member of one of Britain's great industries, it has contrived to maintain its earnings throughout the depression, to increase its profits steadily in the earlier stages of recovery, and, in the latest period, to expedite its rate of progress appreciably. The record of the last three years is shown in the accompanying table :—

	Years ended June 30		
	1935	1936	1937
	£	£	£
Total profits	245,881	254,428	287,349
Tax	45,298	50,589	63,195
Other charges	7,493	8,952	10,656
Preference dividend	32,000	32,000	32,000
Ordinary shares :—			
Earned	*161,090*	*162,887*	*181,498*
Paid	87,188	114,844	130,094
Earned (%)	*92·4*	*35·5*	*34·9*
Paid (%)	50*	25†	25
General reserve	75,000	50,000	50,000
Carry forward	19,056	13,330§	14,734
Ordinary capital	225,000	675,000	690,000

* Also 100 per cent. capital bonus and £225,000 in ordinary shares issued on bonus terms. † 8½ per cent. interim on £450,000 and 16⅔ per cent. final on £675,000. § After writing off £3,769 expenses.

Roughly speaking, about half the latest increase in profits has been absorbed by higher charges, the other half being used to maintain the 25 per cent. dividend on a larger capital. The policy of expansion is to continue, for an issue of one new share in five is to be made to existing holders on bonus terms. The course of profits in recent years must be considered in relation to the extended sphere of operations and the absorption of new capital during the period. The original ordinary capital of 900,000 shares was doubled in 1935 by a bonus issue, and a similar number of shares was issued on bonus terms. Last year, 60,000 shares were issued at par to trustees for board and staff, and the new offer will involve a further 552,000 shares, again at par. At the current price of 33s. 9d. cum. dividend and rights for the 5s. shares, the yield of £4 7s. 3d. per cent. (allowing 4s. 8d. for the rights) implies solid expectations of further progress.

* * *

General Refractories.—General Refractories, Ltd., whose accounting methods are as progressive as its trading and profit-earning experience, has now circulated the statement of the combined assets and liabilities of its subsidiaries which was recently promised. The results have special significance for financial commentators who have urged, in season and out of season, that the issue of consolidated balance sheets should be common form with holding companies. The figures are somewhat difficult to interpret, for two reasons. First, the date of the subsidiaries' joint statement is March 31, 1937, while that of the parent company is December 31, 1936. Secondly, the figures were extracted in a transitional period, when the parent company was in process of taking over a larger proportion of the capital of some of the companies and was bringing others into the group. A comparison of the two documents as they stand, however, brings out several important features. The combined surplus of assets over liabilities in the subsidiary companies' books, attributable to shares held by the parent company, is £521,349, in respect of holdings which the parent company values in its own books at £379,591. There is thus a surplus of £141,758 in the holding company's favour. Secondly, the fixed assets of the subsidiaries, less their reserves against depreciation, total £859,000. As the parent company has apparently something like an 86 per cent. shareholding interest in the subsidiaries as a whole (if this interest may be measured by its share in the subsidiaries' surplus, already mentioned), it is clear that the fixed assets of the group as a whole greatly exceed those of the parent company, which were valued on December 31st last at £252,884. The stock-in-trade of the subsidiaries (shown at £162,154 on March 31st) is also much greater than that of the holding company (valued at £54,662 at December 31st). On the other hand, the parent company holds practically all the cash for the entire group; for the holdings of all the subsidiaries on March 31st were no more than £13,820. The group's general reserves are also held centrally with the parent. Finally, the group's vigorous expansion, re-equipment and extension are being financed partly by the parent company (which had advanced £179,085 to the subsidiaries on March 31st), and partly by secured and unsecured advances from outside (which represented an aggregate of £326,258 on the same date). The picture presented is one of vigorous progress and expanding scope, accompanied by conservative treatment of profits. The directors may be congratulated on a decision which marks a precedent in balance-sheet presentation, and should do much *pour encourager les autres*.

* * *

Wolfram Share Prospects.—One repercussion of the Sino-Japanese war has been a further rise in the price of wolfram and renewed interest in wolfram shares. The demand is speculative, and is based upon the rapid increase in the price of the metal from 59s. at the end of March to 105s. a unit to-day. Wolfram is used in the production of ferro-tungsten and steel alloys of various kinds, and demand will scarcely decline so long as military preparations and current technical trends are maintained. But the potential supply conditions are not easily assessable. Two-thirds of the supply comes from the Chinese Government monopoly's mines in the southern provinces. This is the fact mainly responsible for the latest advance in the price, for the market feared (or, rather, hoped) that General Chiang-Kai-Shek might be forced to control exports or that the Japanese blockade would prevent supplies from being shipped. Opinions differ about the longer-term prospects of wolfram. The Siamese supplies are within sight of exhaustion, but the resources of China are unknown. Indeed, there are other deposits throughout the world which are workable at current prices, and for this reason the maintenance of the present level of wolfram prices cannot be assured.

* * *

So much of the supply is controlled by the Chinese Government that the interest of the private investor is confined to only two shares—Mawchi Mines and Beralt Tin and Wolfram. There are other producers of wolfram —South Crofty, Kramat Pulai and Consolidated Tin of Burma are the chief—but their present supplies are relatively small and their resources are being exhausted. Interest, therefore, centres in Mawchi and Beralt. Neither share has held the ground it gained during the period of war scare. The 4s. shares of Mawchi stand at 66s. and offer an earnings yield of about 4½ per cent. on the 1936 results. So great is the response of profits to increases in the price of tin and wolfram, however, that if prices were maintained at their present levels for a whole year, and output at the rate of the last quarter, the "notional" prospective earnings yield would be of the order of 12 per cent. This level cannot be achieved in 1937, but its possibility in a "notional" year may attract the speculative investor. The other big concern, Beralt Tin and Wolfram, is in a less certain position. Its mines are in Portugal, and in the working-out of the big development programme, there have been serious teething pains. The latest news from the mines, however, is satisfactory. The 5s. shares stand at 16s. Both shares are, of course, inherently speculative.

* * *

Tea Share Outlook.—No surprise has been caused by the news that the tea restriction scheme agreed to by the Governments of India, Ceylon and the Netherlands East Indies, which is due to expire on March 31, 1938, has been renewed for a further five-year period. The tea share market, indeed, is in a happier position at the moment than for some time past. Little encouragement was drawn from the varied (and on the whole poor) tea company results published in recent months. But the greater majority of these companies did not include any part of 1937 in their financial period; and the accelerated improvement in tea prices and the substantial fall in tea stocks both date from the current year. Last week the average price for North Indian teas at the London Auctions was 16.61d. per lb. against 13.41d. a year earlier, and United Kingdom stocks have fallen by a third in the last twelve months. The possibility of a further increase, for 1938-39, in the present quota of 87½ per cent. is being freely canvassed. Recent changes in the prices of some of the leading shares are shown below :—

	Prices, 1937 (£1 shares)				
Company	Highest	Feb. 25	June 28	July 28	Sept. 1
Dooars	56/6	51/3	46/3	46/3	48/9
Doom Dooma	53/–	50/–	46/3	48/9	51/3
Jhanzie	34/7½	31/3	27/6	26/3	31/3
Jokai (Assam)	44/6	42/6	36/3	40/–	41/3
Jorehaut	46/6	43/9	36/3	38/9	42/6
Lunuva	42/6	38/9	35/–	36/3	38/9

In view of the improved outlook for and the greater activity in tea shares the recent rise in share prices has been relatively small, and the present level is still below the best of the year. On the other hand, tea shares are nearer their "high" for the year than most industrial shares.

* * *

The general investor and the specialist alike will find an excellent source of exact information in the latest edition of the manual of "Tea and Coffee Producing Companies." Particulars given include, besides comparative statements of profits allocations, net earnings and dividends, a five-year price record, capitalisation per acre, and where possible, crops, costs and the estimated crop for 1937. A set of tables summarises earnings and dividends for various groups. Not the least valuable features of this reference book are the symposium of views of the tea outlook put forward by representatives of the leading companies and the survey of events added by the compilers. The necessity for renewing the tea restriction scheme is strongly urged, since it has been estimated that potential production is no less than 350 million lb. in excess of current annual consumption.

* * *

Broken Hill South.—The cabled summary of the report for the year to June 30th (writes our mining correspondent) is satisfactory, though distinctly brief. It records a net profit which, at £768,300, is £282,100 higher than that of the preceding year. Practically the whole of the difference arises from the company's mining operations, as the income from investments is only about £5,000 up at £103,500. The expansion in earnings mainly reflects the marked recovery in lead and zinc prices, the setback in the price of silver being of much less importance. The quotations of the two former metals moved upwards almost steadily during the latter part of 1936, and reached their peak last Spring. Despite the recent setback, current quotations are well above the average of 1936, lead being approximately £21 15s. per ton against an average of £17 12s. 6d., and zinc £23 as compared with £15. Although the distributions for 1935-36 by the Broken Hill South included a jubilee bonus of 12½ per cent., increasing the total to 62½ per cent., the total for the past financial period further expanded to 70 per cent. The first quarterly distribution on account of the current year is at the rate of 1s. 3d. per 5s. share, equivalent to 100 per cent. per annum. This, of course, is in Australian currency; making the necessary allowance, the indicated yield is 9½ per cent.

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The position of the company is very strong, both in the matter of finances and of ore reserves, and the full text of the annual report will be eagerly awaited for the latest details under both headings.

★ ★ ★

Capital Issues in August.—Conditions in the new issue market were unusually quiet last month, even for August. On our old basis the total issued was £4.3 million, only two-thirds of the total for last year. That the new basis figure is high results almost entirely from the inclusion of an estimate for the amount of Tithe Redemption Stock issued by the end of the month. Figures are given in the table below:—

(000's omitted) Excluding Conversions

Monthly Average (Old Basis)		United Kingdom	British Possessions	Foreign Countries	Total
		£	£	£	£
1933		17,520	2,429	449	20,398
1934		11,474	2,494	125	14,093
1935		18,388	1,270	21	19,679
1936		19,195	2,035	58	21,288
(New Basis)					
1935		27,233	2,443	97	27,773
1936		37,370	2,823	964	41,157
Monthly Total (Old Basis)		Govt.	Other		
June, 1936	*Dr. 150*	8,556	1,676	30	10,112
June, 1937	*Dr. 650*	24,507	2,067	Nil	25,924
July, 1936	*Dr. 300*	16,621	2,669	138	19,128
July, 1937	*Dr. 750*	12,367	2,297	940	14,854
Aug., 1936	*Dr. 150*	2,949	3,712	Nil	6,511
Aug., 1937	*Dr. 450*	4,264	487	Nil	4,301
(New Basis)					
June, 1936	*Dr. 150*	20,752	2,019	168	22,789
June, 1937	*Dr. 650*	29,690	3,788	40	32,868
July, 1936	*Dr. 300*	35,691	6,763	138	42,292
July, 1937	*Dr. 750*	52,838	6,218	1,513	59 819
Aug., 1936	*Dr. 150*	12,887	4,779	Nil	17,516
Aug., 1937		† 41,254	8,246	1,163	Nil †50,663

† Includes £40,804 for Tithe Redemption 3 per cent. Stock.

If Redemption Stock be excluded from the new basis, new issues were only one-sixth of issues in the previous month, and about one-half of the total for August, 1936.

★ ★ ★

Other Company Results.—Apart from those already considered, the week's reports have produced little of general interest, our usual analysis of profit and loss accounts on page 500 comprising only seven further results. Although *Industrial Finance and Investment* earnings of £95,307 are over £20,000 higher, the dividend is unchanged at 2 per cent., since £48,972 is set aside for investment depreciation against nil in the two previous years. Dividends from Armstrong's Patents Company constitute almost the entire income of *Armstrong Shock Absorbers*, whose profits have declined from £27,245 to £12,007. The subsidiary earned £33,618 (before £4,491 depreciation and £9,500 tax), against £49,482 for 17 months, but information for the initial period does not show to what charges these earnings were subject. The week's news has included many good improvements in dividends. Investment trust dividend increases have so far rarely exceeded 1 per cent., but the *Second Alliance Trust* final payment of 11 per cent. makes 20 per cent. for the year against 18 per cent. *Leyland and Birmingham Rubber* have increased their final (and full year's) dividend by 5 per cent., thus paying 12½ per cent. for the year.

★ ★ ★

Company Meetings of the Week.—Prospects for the cinema industry in England were surveyed by Mr Oscar Deutsch in his address to shareholders at the statutory meeting of *Odeon Theatres*. The number of potential cinema patrons remained large, he declared, since in this country only 41 per cent. of the entire population went to the cinema every week, whereas in the United States the proportion was 69 per cent. There was a tendency, moreover, to favour the new and up-to-date cinema theatres. The first annual meeting of *Trojan (Holdings)* has also been held this week, Mr F. L. Blow commenting on the satisfactory speed with which the operating company had erected new buildings and installed its plant.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: SEPTEMBER 7 ACCOUNT: SEPTEMBER 9

The markets are not in a happy condition, the international situation rather than the economic outlook making a continuous readjustment of prices necessary. Few have any idea of what the future holds in store, and stray news has accordingly an almost disproportionate effect. The change of sentiment in the middle of last week did not last long. Dealers have returned to their old mixture of caution and pessimism—a mixture which the attack on H.M.S. "Havock" has done nothing to dilute.

Very little has been happening in the gilt-edged market. The downward movements affecting some issues at the end of last week became general on Monday, the trend being reversed on the following days. The usual beginning of September dividend disbursements contributed to the better development. Home Corporations and Local Loans shared these movements. Australians, after some initial selling last week, did very well on the optimistic budget speech of Mr Casey and the reiterated determination of the Commonwealth Government to keep down the rate of interest. Chinese bonds of all kinds depreciated steadily, less on any firm conviction of the outcome of the war than on an accurate knowledge of what Japan can do to Chinese revenues. Japanese bonds rose steadily, mainly through bear covering. On Wednesday, however, they fell for the first time in some days, on realisation of the implication for foreign investors of a war economy in Japan. Among European bonds, Austrians moved upwards erratically, German issues lost ground gained earlier late in the week, and Greeks and Roumanians did well. The recent weakness in Brazilians persisted.

Movements were also small in the home rail market. The final acceptance of the wage award was greeted with pleasure, and a few sporadic rises took place. But poor traffics brought fresh losses, London Transport also receiving little support. Argentine rails moved a good deal, ending weakly after some depressing traffic returns. Canadians and Americans followed the vagaries of Wall Street and therefore ended down.

Industrial markets opened on Monday with a featureless session, were slightly firmer on the second day and then drifted downward through the week. This reflected both local interpretation of outside events and the sharp drop in Wall Street prices. The only good feature in the iron and steel section was the demand for Vickers on the decision to redeem the whole of the 5½ per cent. first mortgage debenture stock. Prices in the coal group were lower, and among motors Standard were prominent with a rise on dividend hopes. Aircraft issues, after a dull opening, were slightly better in mid-week, and movements in the electrical equipment group, although small, were generally adverse to holders. Electric Supply shares were quietly firmer on investment demand. In mid-week Tennant Bros. shares gained sharply on the higher final dividend, but otherwise—as in most other directions—the brewery group was dull. Shipping shares were slightly better. The miscellaneous industrials section saw general but small losses, with some firm spots maintained among engineering issues.

The oil shares market was inactive, so that early in the week prices were unduly sensitive to quite small transactions. Though business remained quiet, there was a somewhat better tone later, interest again being shown chiefly in Anglo-Iranian and Burmah Oil. In mid-week prices sagged generally under the pressure of gloomy foreign news.

Business in rubber shares was quiet, with an extremely small volume of orders. The public neglected this market, for want of definite indications of the trend of the commodity price. The tea market was irregular and dull, the chief movements occurring mainly in Indian issues.

In the mining market there was no exception to the general tendency of a dull start to the week, a brighter session on Tuesday and a relapse in mid-week. On Monday Kaffirs showed very little movement, though at the end of the day's business there was a tendency towards greater activity. The improvement persisted throughout the next day, but conditions on Wednesday became quiet again. A general dullness of tone was more apparent than any selling pressure or marked decline in prices. West Africans stirred in their sleep, but succumbed later to Wednesday's inaction. Rhodesian coppers, though sharing in Tuesday's rally, were inclined to slip back. There was little business in base metals, Broken Hill South, however, rising 1s. 6d. on the good earnings statement.

"FINANCIAL NEWS" MARKET INDICATORS

	Aug. 26	Aug. 27	Aug. 30	Aug. 31	Sept. 1	Sept. 2
Approximate total of bargains recorded in S.E. List	5,900	6,110	6,645	6,010	6,120	7,475
Corresponding day 1936	*8,347*	*8,538*	*9,859*	*9,859*	*9,608*	*9,505*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	112·7	112·0	112·1	112·3	111·9	111·2
Index of 20 Fixed Interest Securities (1928=100)	126·6	126·6	126·6	126·6	126·6	126·4

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 108·6 (July 5); Fixed Interest 126·5 (Feb. 28).

ACTUARIES' INVESTMENT INDEX

The Actuaries' index of 177 industrial ordinary share prices stood at 83·4 on Tuesday last, against 83·0 a month ago and 87·0 a year ago. The respective average yields are 4·36, 4·37, and 3·63 per cent. We give below a selection of the component series (which show greater variation compared with last month than the small change in the general index would suggest), and also the usual monthly indices of certain fixed interest groups:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100) Year ago (Aug. 25, 1936)	Month ago (July 27, 1937)	This week (Aug. 31, 1937)	Yield (%) Year ago (Aug. 25, 1936)	Month ago (July 27, 1937)	This week (Aug. 31, 1937)
Fixed Interest:						
2½% Consols (1)	150·6	132·2	131·4	2·96	3·37	3·39
Misc. industrial deb. (20)	125·3	123·1	121·3	3·93	4·09	4·09
Misc. industrial pref. (47)	122·9	117·2	117·1	4·17	4·43	4·44
Ordinary:						
Coal (7)	104·1	119·7	128·0	3·21	3·78	3·66
Iron and steel (12)	79·7	75·7	77·8	3·74	5·04	4·96
Motors (5)	60·1	49·1	51·1	3·92	4·97	4·77
Oil (5)	85·0	98·9	95·7	3·29	6·42	6·79
Electric supplies (10)	149·7	146·3	149·0	3·62	4·37	4·31
Home rails (4)	77·1	83·7	78·6	1·54	2·60	2·85
Shipping (4)	19·5	26·9	24·6	0·77	1·62	1·78

OVERSEAS STOCK EXCHANGES

NEW YORK

The bears continue to rule over Wall Street. Prices were falling at the end of last week, and except for a partial recovery on Monday, have since continued their downward way, while turnover has been small. Reasons to which this condition has been attributed include the Far Eastern trouble, the growing evidence of the breakdown of international law in the Mediterranean, the political situation at home, and the usual Wall Street pessimism about the domestic business position. The public takes little interest in the markets, and Monday's temporary recovery was caused by the belief among many operators that the technical position justified a strong improvement. This market factor was augmented by a prediction of the U.S. Chamber of Commerce that a major boom in business lies ahead if labour troubles do not interfere. Steel issues led the fall later in the week on the estimate of *Iron Age* that steel mill activity for the current week is 83 per cent of capacity, as last week, and that the autumn demand in the industry is not yet clear. The possibility of applying the Neutrality Act to the Far Eastern trouble may have some adverse effect upon the business position, although there are considerable orders in hand for steel for Japanese buyers, who would be unable to carry away their goods if the Act is applied.

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

	1936 Lowest	1936 Highest	1937 Lowest	1937 Highest	Beginning of Year 1937	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937
	Apr. 29	Nov. 10	June 16	Mar. 10				
347 Industrials	112·7	145·9	130·2	155·7	143·2	144·4	140·6	134·1
32 Rails	42·8	60·2(b)	46·0(d)	64·5(f)	54·6	50·6	49·6	46·0
40 Utilities	91·2	111·0(c)	89·3	116·4(f)	111·7	96·5	95·1	92·1
Total, 419 Stocks	97·7	125·4	110·4	132·4	123·5	121·0	118·1	112·7
Average yield*	4·50% High (c)	2·65% Low (a)	4·60% High	3·20% Low (s)	3·53%	4·17%	4·29%	4·60%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) September 1st. (e) December 2nd. (f) March 17th. (s) February 10th. (t) January 13th.

GOLDEN MOMENTS

Partridge Shooting

Here they come—down wind at terrific speed—his experienced eye quickly picks his birds—he fires—Good! a right and left! Automatically he changes guns and turning swiftly he fires again at the fast retreating birds—*another* right and left!!

What a Golden Moment for him. But even he cannot smoke a better tobacco at a shilling an ounce than Cut Golden Bar.—But it must be Wills's!



2 oz. vacuum tin



WILLS'S CUT GOLDEN BAR

READY RUBBED
in 2 oz. Pocket Vacuum Tins and 1 oz. Airtight Tins
FLAKE FORM
in 2 oz. Vacuum Tins and 1 oz. Packets

1/- AN OUNCE

Issued by The Imperial Tobacco Company (of Great Britain and Ireland), Ltd. C.B. 69 B.

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

Highest*	Lowest†	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 30	Aug. 31	Sept. 1
180·3	147·4	161·5	158·4	155·4	155·8	158·0	157·1	152·9

* March 6th. † June 16th.

TOTAL DEALINGS IN NEW YORK

	Aug. 26	Aug. 27	Aug. 28*	Aug. 30	Aug. 31	Sept. 1
Stock Exchange—						
Shares (No. Thous.)	970	890	250	460	500	820
Bonds (Thous. $) ...	7,410	5,720	2,450	3,730	4,900	5,650
Curb—						
Shares (Thous.) ...	213	178	65	115	152	182

* Two-hour session.

	Aug. 25, 1937 (Close)	Sept. 1, 1937 (Close)	Sept. 2, 1937 (Latest)
1. Rails & Transport			
Atchison	75⅛	71⅛	69⅞
Balt. and Ohio	26⅜	22⅝	22⅛
B.M.T.	19⅜	18⅛	17⅝
Can. Pacific	11⅛	11	11
Ches. and Ohio	49⅜	46½	45⅜
Gt. Nthn. Rly. Pf.	49⅜	46⅞	46
Illinois Central	23⅜	21⅛	20⅜
N.Y. Central	37⅞	33⅜	32⅜
Nor. Pac.	29⅛	26⅛	25⅛
Pennsylvania R.R.	36	32⅜	33
Southern Pac.	42⅛	37⅜	37⅜
Southern Rly.	28⅛	25	24⅛
Union Pac.	119	115⅜	115
Greyhound Cp. New	14⅜	14	13⅜
2. Utilities and Communications			
Am. Waterworks	17⅜	16⅞	16⅛
C'wealth & S'thern	2⅜	2⅛	2⅛
(Cons. Gas of N.Y.) now Cons. Edison	34⅜	33⅞	33⅜
Col. Gas & Electric	12⅛	11⅛	11⅛
Elec. Bond & Share	17⅜	16⅛	15⅞
Nat. Pwr. and Lt.	10⅛	10	9⅜
North American	25	23⅜	23⅛
Pac. Gas & Electric	30⅛	29⅜	29⅜
Pac. Lighting	42⅜	42	42⅛
Pub. Service N.J.	41	39⅜	39⅛
Stan. Gas & Elec.	8⅛	7⅞	7⅞
United Corp.	5	4⅛	4⅜
United Gas Imp.	13	12⅛	12⅛
Am. Tel. & Tel.	168⅜	165⅛	165⅛
Int. Tel. and Tel.	10⅛	9⅜	9⅜
Western Union	47	44⅛	44⅛
Radio	11⅛	11	11⅛
Radio B. Pref. New	74⅛	73	72
3. Extractive and Metal Industries			
Am. Rolling Mills	38⅛	35⅛	35⅛
Beth. Steel xd	97⅛	89⅜	87⅛
Beth. Steel Pref. xd	118⅛	(116)xd	...
Republic Steel	36⅜	32⅛	32
U.S. Steel	113⅜	104⅛	102⅛
U.S. Steel Pref.	131⅛	128⅛	128
Alaska Juneau	11⅜	11⅛	11⅜
American Metal xd	54⅛	49	49
American Smelting	91⅛	85⅛	85
Anaconda	57⅛	53⅛	52⅜
Bohn Aluminium	46	44⅛	44⅜
Cerro de Pasco	71	67⅛	66⅜
Int. Nickel	63⅞	59⅜	59
Kennecott	60⅜	57⅜	55
Patiño Mines	15⅛	15⅜	15
Texas Gulf Sulph.	38⅛	37⅛	37
U.S. Smelt.	88	84	83
Vanadium Corp.	32⅜	29	28⅜
Atlantic Refining	27⅜	26⅞	26⅛
Phillips Petroleum	58⅛	54⅜	54⅜
Shell Union	25⅞	23⅜	23⅛
Shell Union Pref.	104⅛	104⅛	...
Socony Vacuum	21⅜	19⅜	19⅛
Stand. Oil Calif.	43⅛	40⅜	40⅛
Stand. Oil N.J.	66⅛	64⅞	63
Texas Corp.	60⅜	57	55⅞
4. Manufacturing			
Briggs	45	42	41⅛
Chrysler	111⅛	106	105
Electric Autolite	39⅛	37⅛	36⅛
General Motors	56⅛	52⅛	51⅛
Hudson Motor Car	15⅛	14	13⅜
Murray Corp.	12⅛	11⅛	11⅛
Nash Kelvinator	18⅛	17⅛	17⅜
Packard Motor Car	8⅛	8⅛	8
Bendix Aviation	19⅜	18	17⅞
Boeing Airplane	32⅜	30⅛	30⅛
Douglas Aircraft	54⅛	50	49⅛
United Aircraft	28	26⅛	26⅛
Air Reduction	69⅛	66⅝	67
Allied Chem.	232	225	220
Col. Carbon	119	116⅛	...
Comm. Solvents	13⅜	13	13
Dupont	159	152⅛	151⅛
Union Carbide	100	96⅜	93⅜
U.S. Ind. Alcohol	35⅜	32	30⅜
Allis Chalmers	67⅛	62	60⅜
General Electric	55⅛	51	51
Westinghouse	150⅛	14	140⅞
American Can.	107⅜	100	100
Addressograph	33	32	30⅜
Caterpillar	96	91	89⅛
Cont. Can.	59	55⅛	53⅜
Ingersoll Rand	134	129⅛	128
Intntl. Harvester	112⅛	106⅜	104⅛
Johns Manville	132	125	122
Am. Radiator	20⅞	19⅜	18⅜
Corn Products	65⅛	65	63
J. I. Case and Co.	172	162	155
Glidden	43	41	40
Gen. Am. Transpt.	67⅜	61⅛	60
Allied Mills	23⅜	22	21⅛
Celanese of Amer.	37	34⅜	34⅜
Ind. Rayon New	38	36⅜	36⅛
Colgate Palmolive	18	16⅞	16⅜
Eastman Kodak	188	179½xd	181
Gillette	14⅛	14	14
Lambert Co.	19⅜	185	18⅜
Loews	82⅛	79⅛	78⅛
20th Century Fox	36⅜	34⅜	34⅛
5. Retail Trade and Food			
Montgomery Ward	61⅛	57⅜	57⅛
J. C. Penney Co.	100⅜	95⅛	94⅜
Sears Roebuck	94⅜	88⅛	86
United Drug	11⅜	10⅜	10⅛
Walgreen	27	26⅜	25
Woolworth	47⅛	45	45
Borden	23⅜	23	23⅛
Gen. Foods	36⅞	35	34⅞
Kroger Grocery	21⅛	20⅜	20⅛
Nat. Biscuit	26⅛	25⅜	25⅜
Nat. Dairy	20⅜	19	18⅜
Standard Brands	11⅞	11⅛	11⅜
Am. Tobacco B.	78⅜	79	78⅛
Liggett Myers B.	99⅜	98	98
Lorillard	20⅞	20⅜	20⅜
Reynolds Tob. B.x	52	51⅛	50⅜
National Distillers	30	29⅜	29⅛
Schenley Distillers	42	40	40
6. Finance			
Commercial Credit	63⅜	61⅜	61⅜
Atlas Corp.	15⅜	14⅞	14⅛
Com. Invest. Trust	62⅜	60	...

PARIS

BY some irony the increasing gravity of the Far Eastern situation came at a time when the Bourse was perhaps in a better mood than for some months past to make the best of a more cheerful outlook at home. In the first half of the month a healthy tone prevailed in spite of the normal summer slackening in activity, and under the lead of rentes, small advances were general. But with the resumption of business after the mid-August holiday, the China war caused heavy selling for the Settlement (mostly by professionals) and considerable losses all round; rentes, however, being saved by timely official support. For the rest of the month the Bourse was distracted between bad foreign news and satisfactory political prospects at home, so that the tendency of prices became very irregular from day to day. In the last week, Treasury issues were a good feature on hopes that the 10 per cent. tax on rentes coupons would be removed, sentiment being helped also by the new official plan to assist industry and by the recent fresh batch of decrees. It was not, however, till quite at the end of the month that doubts were disposed of by the announcement that the removal of the rentes coupon tax would apply only to individuals, but that the remission would extend to certain other issues. The decree giving details of the railway reorganisation was well received, and railway shares advanced.

	July 30, 1937	Aug. 17, 1937	Sept. 1, 1937
3% Perp. Rentes	72·95	74·50	74·75
4% Rentes 1917	72·15	74·95	75·10*
Banque de France	6,990	6,850	6,695
Crédit Lyonnais	1,408	1,428	1,438
Suez Canal	25,505	25,140	25,350
Chargeurs Réunis	440	447	430
Rio Tinto	2,895	2,955	2,825
Royal Dutch	*62,050	62,000	59,400
Wagons Lits	111	107⅛	106
Mexican Eagle	117	95	99⅛
"Chartered"	236	238	231
Ford	75	75⅛	72
De Beers	2,427	2,470	2,409
"Johnnies"	482	481	465

* Ex coupon.

BERLIN

THE share market in August was dull, even active securities being at times unquoted, and the average price declined. The Chinese troubles, and later the impending Reich Loan, imposed reserve, and trading was mainly speculative, the public remaining aloof. The month opened with relatively heavy buying of commercial bank shares, due to newly announced progress in the resumption of private control, but steel, electrical and other standard shares weakened. In the following week steel issues were rather firmer, Hoesch in particular being bought, and interest was taken in certain mixed engineering and armaments securities, with a pronounced boom in Deutsche Waffen. This movement, with some reactions, lasted throughout the month. Shipping shares were bought for a time on an advance in the freight index, but later sold on bad news from the Far East; and the same factor led to a sharp decline of Deutsch-Asiatische Bank. Public utilities and private railways were steady to firm, but textiles were neglected with the exception of Stöhr Wool. Speculation in Bemberg rayon continued. Potash shares resumed their decline, and Reichsbank closed the month three points down. Home bonds were principally sold, and the average price reacted slightly. Dollar bonds were little changed. The official shares index (1924–26 = 100) for July was 114·56, against 112·81 for June; official bonds average 99·03, against 98·85.

	July 30, 1937	Aug. 17, 1937	Sept. 1, 1937
Reichsbank	217·25	215·50	213·00
D.D. Bank	124·50	125·00	124·00
Dresdner	105·00	105·00	105·00
I.G. Farbenindustrie	168·25	167·90	167·40
Norddeutscher Lloyd (New)	100·50	95·00	90·75
A. E. G.	c134·00	c131·50	c131·00
Siemens & Halske	224·00	218·60	219·25
Vereinigte Stahlwerke (New)	122·40	121·90	120·50
Hamburg-Amer. ("Hapag New")	92·50	89·00	84·50

(c) New issue.

AMSTERDAM

ALTHOUGH the Bourse watches events in other centres very closely, in recent months it has given indications of a better *morale* in difficult times than some of its fellow exchanges. Its cheerfulness had in the end to yield to the *force majeure* of the war in China, but it resisted almost until the last week of August, and even then ended the month with small but noticeable gains on balance. The crisis acted as an untimely check to a vigorous upward trend in prices which in the first fortnight distinguished Amsterdam from other centres. Plantation shares were the most favoured at first, but as the Far Eastern situation began to force its attentions on markets, interest turned more to shipping shares, which continued active throughout a number of sessions, otherwise dull and irregular. Among industrials, Philips Lamps were the most popular. Early in the month Unilever N.V. had failed to respond to the simplification plan.

	July 30, 1937	Aug. 17, 1937	Sept. 1, 1937
2½% Dutch Loan	82⅛	82½	82⅝
5½% German*	27⅛	35	35
Unilever N.V.	168⅛	155⅞	165⅛
Philips Lamps	349⅛	373⅜	380⅛
Netherland Ship Union	142	153	148½
Steel Common	85⅛	86⅜	79⅜
A. K. U.	71⅛	76½	72⅛
Ford Motor	265	281	271⅛
Deli Batavia Tob.	242½	267	250⅛
Royal Dutch	419⅜	424⅜	407½
Handels Ams.	528⅛	553⅛	517½

* Without transfer certificate.

CANADA

THE Canadian stock markets, after a dull period of about two months, suddenly livened up in the middle of July—a rare development with brokers and investors on holiday—and although there has been nothing like a boom, the tone was satisfactory and encouraging and the general tendency of prices upward. Issues like Brazilian Traction, Consolidated Smelters and International Nickel registered good gains, while newsprint and power stocks were popular. There was, however, considerable weakness in the stocks of western grain and of farm implement companies as the result of the shortness of the prairie grain crop. Interest in the mining market also revived, with a considerable advance in the prices of both gold and base metal stocks. In the latter part of August, however, quotations in all sections tended to drift downwards under holiday influences, and movements at the end of the month were irregular. The Bureau's "Investors" Index which stood at 131·9 on July 16th climbed to 134·5 on July 22nd, then to 135·6 on July 31st, and had risen to 136·8 on August 12th. The bond market has been firm and there has been steady buying of good bonds by insurance companies and similar organisations. The Bureau's index for long-term Dominion bond prices which stood at 115 on July 16th had risen by August 12th to 115·5. Prices of western provincial bonds have strengthened as the result of the Federal Government's disallowance of Alberta's banking legislation and of the appointment of the Royal Commission to investigate public finances and correlated problems.

	Price, July 30, 1937	Price, Sept. 1, 1937	Sept. 1, 1937 Eng. Equiv.†
Bell Telephone	169	168	169⅞
Canadian Car and Foundry	14⅞	14½	14⅞
Do. prefd.	25⅛	26	26⅞
Power Corporation	22⅛	21⅛	21⅛
Dome Mines	39⅜	39⅛	39⅛
Hollinger	11⅛	11⅜	11⅜
McIntyre	34⅛	33⅛	33⅞
Bank of Canada	59	58	58⅜
Bank of Montreal	224	218	219⅛
Bank of Nova Scotia	335	330	332½
Royal Bank of Canada	197	195	196⅜
Canadian Bank of Commerce	184	183	184½
Canadian Pacific Ry.	11⅞	11	11⅛
Cockshutt Plow	14¼	14	14⅛
Dominion Glass	112	112	112¾
International Petroleum	35⅜	34¾	35
Brazil Traction	26½	24	24⅛
British Columbia Power "A"	34½	35⅛	35⅛
Do. "B"	7⅜	7½	7⅜
Canada Cement	15⅜	14	14⅜
International Nickel	65½	60	60⅜
Massey Harris Com.	9⅛	10¾	10⅜
Montreal Light	33½	31	31⅜
Ogilvie Flour Mills	233	231	232⅜
Quebec Power	19	18	18⅛
Shawinigan Water	29½	27½	27⅛
Steel Co. of Canada	84½	83	83⅞

† $4·96½ to £.

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	345,905,853	53,529,797	3,258,359	402,694,009
1937 (Old Basis)	191,277,086	16,272,998	1,492,500	211,652,768

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	204,640,475	26,145,279	171,908,255	402,694,009
1937 (Old Basis)	147,836,092	16,374,954	47,441,722	211,652,768
1936 (New Basis)	80,029,967	28,926,504	124,039,238	232,995,709
1936 (Old Basis)	62,777,798	14,492,182	47,548,905	124,818,885
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,440
1936	184,255,833	41,580,731	268,303,201	494,139,765

BY STOCK EXCHANGE INTRODUCTION

L.D.C. Founders' Shares Company, Ltd.—Issued capital 300,000 5s. ordinary and 100,000 5s. "A" ordinary, shares. Each "A" share carries three votes, and each ordinary, one; otherwise same rights. Acquires assets of company whose chief asset is 80 Law Debenture Corporation £10 Founders' shares. Law Debenture profits, after preference dividend: 1934, £46,384; 1935, £53,304; 1936, £57,352. Founders' shares receive half of balance after 7 per cent. on ordinary and 25 per cent. of remainder to reserve (until £300,000 reached). Purchase price £100,000 in 299,993 ordinary and 100,000 "A" shares, and £2 cash. Profits: 1934, £4,367; 1935, £5,379; 1936, £6,009. Public and General Holdings Company place 160,679 ordinary and 53,560 "A" ordinary 5s. shares at 6s. 7d.

Rietfontein Consolidated Mines, Ltd.—Issued capital 1,122,252 5s. shares. Incorporated in South Africa 1934 to acquire mining rights, land, etc., in Germiston District. Original purchase price £70,000, out of which vendor took 200,000 shares at par; price £70,000, out of which vendor took 200,000 shares at par; further leases or claims bought in 1935 for cash £2,176 and in 1937 for £7,500 and £6,250; further contract for £2,000. Ore reserves June 30, 1937, estimated at 403,000 tons assaying 4·2 dwts. with 47·1 ins. stoping width. Balance from income and expenditure account, 1936, £111,568. Present area 303 claims, and further area of 130 claims. Mine not worked between 1915 and acquisition by company.

(Continued on page 492)

CAPITAL ISSUES

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended August 28, 1937: *Dr. £50,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	Nil	...	Nil
To Shareholders only	2,231,869	...	3,201,930
By Stock Exchange Introduction	Nil	...	Nil
By Permission to Deal	111,501	...	122,391

Total Capital Raised—

	Including Conversions £	Excluding Conversions £
1937 (New Basis)	451,367,904	402,694,009
1937 (Old Basis)	257,254,184	211,652,768
1936 (New Basis)	327,188,686	232,995,709
1936 (Old Basis)	217,202,972	124,818,885
January 1 to date (Old Basis)—		
1935	251,987,913	127,004,840
1934	291,847,297	117,324,559
1928	456,647,587	284,546,694

Total offered for Subscription—

	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1933 Highest	Lowest	Prices, Year 1937 Jan. 1 to Sept. 1, inclusive Highest	Lowest	Name of Security	Price, Aug. 25, 1937	Price, Sept. 1, 1937	Rise or Fall	Yield Sept. 1, 1937 £ s. d.
				British Funds				
87¼	82⅝	84 13/16	73⅞	Consols 2½%	74½	74½	...	3 7 6
116¼	112¾	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	107½	...	3 9 6
102 7/16	100	101 5/16	94½	Conversn. 2½% 1944-49	95½	94¾x	+ ½	3 0 6
105⅞	103 3/16	103 3/16	97⅛	Do. 3%, 1948-53	98½	98½	...	3 2 0
108 5/16	104¾	106 11/16	99¼	Do. 3½% after 1961	101	99½x	+ ½	3 10 4
111 11/16	107	108	105	Do. 4½% 1940-44	106⅛	106⅛	...	2 11 3
121¼	116½	117½	111 11/16	Do. 5% 1944-64	113⅛	113⅛	...	3 1 0
95 11/16	92⅛	92½	84⅞	Funding 2¾% 1956-61	87½	87½	...	3 6 0
...	...	93⅞	89⅞	Funding 2¾% 1952-57	92½	92½	...	3 6 0
104⅛	101	101⅞	92⅞	Funding 3% 1959-69	95	95	...	3 6 0
119½	115⅞	116⅞	109	Funding 4% 1960-90	110½	110½	...	3 7 9
...	...	96 11/16	96 7/16	Nat Defce 2½% 1944-48	96⅝	96⅝	+ ⅛	2 18 0
117 5/32	113⅞	114¾	107½	Victory Bonds 4%	107½x	107½x	...	3 14 7
108 9/16	104½	105 11/16	99⅝	War Ln 3½% after 1952	100½	100½	...	3 10 0
98⅛	94⅝	96 13/16	85	Local Loans 3%	85½	85½	...	3 10 6
103½	101½	101⅞	99½	Austria 3% 1933-53	100	100	...	3 0 6
76⅛	70¾	72	62	India 2½%	67	67	...	3 15 0
89⅛	83½	85½	74⅜	Do. 3%	78	78	...	3 17 3
100	96	98⅞	87	Do. 3½%	92	92	...	3 16 6
120⅝	116	119½	112¼	Do. 4½% 1958-68	115	115	...	3 10 6
107	104	105⅝	103½	U.K. & Arg. 4%A (1947)	103½	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅝	109½	109⅞	105	Australia 5% 1945-75	108	108	...	3 18 0
106¼	102⅛	104⅝	101	Canada 4% 1940-60	104	104	...	2 19 0
118⅝	114	116¼	112⅜	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117½	114	Nigeria 5% 1950-60	115	115	...	3 11 0
114½	108	109¾	104	N. Zealand 5% 1946	108	108	...	3 18 6
109⅞	106¾	107⅞	104	Queensland 5% 1940-60	105	105	...	3 13 6
117⅛	113¾	114	110½	S. Africa 5% 1945-75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	102	103	+1	4 7 5
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
93	82	91½	84½	Do. 4½% 1934-59	89	91	+2	5 4 3
72½	71½	73¼	68¾	B. Aires (Prov.) 3½%	73	73	...	4 16 3
97¾	95½	102	96	Belgian 4% red. by 1970	101	101	...	4 0 0
27½	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
83¾	65½	89	73	Brazil 5% Fund. 1914	79	75½	−3½	6 12 6
23¼	16	28	23¼	Chili 6% (1929)	25½	24½	−1	2 8 6v
84¼	66	94½	64	China 5% (1912)	65½	64½	−1	7 15 0
95¼	80	101½	74	Do. 5% (1913)	78½	75½	−3	6 12 6
112	95¼	106¾	103½	Czechoslovakia 8%	105½	105½	...	7 14 6
110	98	100	92½	Danish 3%	96	97½	+1½	3 1 6
70	57	72¾	51½	Danzig 6½% (g) (1952)	57½	57½	...	10 3 0
106½	102	105½	101	Egypt Unified 4%	103	103	...	3 18 3
25¾	17½	18	13½	French 4% (British)	14	14½	+ ½	5 6 0e
69¾	53	65	53	German 7% Dawes Ln.	62½	61	−1½	11 9 6
46	34	49½	35	Do. 5½% (Young Ln.)	43	41½	−1½	13 5 0
40	29	40¾	30	Greek 6% Stab. Ln.	35½	34½	−1	6 18 0w
45½	35½	48½	38	Do. 7% Refugee	43½	42½	−1	6 14 0w
52	39½	62	47½	Hungary 7½%	58½	58½	...	6 8 2h
90½	79½	88⅝	58⅞	Japanese 5½% 1936-65	61½	66½	+5	8 15 0
97⅛	83	94⅝	57½	Do. 6% (1924) red 1959	62½	70½	+8	9 3 0
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53½	41	61	54	Peru 7½% 1922	60	60	...	...
93½	60	83	56	Poland 7%	67½	67½	...	10 13 0
15½	8¾	20½	13	Roumania 4% Con. 1922	17½	18	+ ½	10 0 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	114	114	...	4 6 0
92½	79	96½	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932-57	25	25	...	...
119½	116	118	111	B'mgham 5% 1946-56	114	112x	+ ½	3 8 6
120	117	119	113	Bristol 5% 1948-58	113	113	...	3 11 0
84	64	82	64	Danzig % (i) (1950)	71	67½x	...	7 8 2
121½	117½	119½	115	E. London 5% 1960-70	116½	116½	...	3 18 6
97½	93½	95½	82¾	L.C.C. 3%	83	83	...	3 12 3
106½	85½	103½	97½	Seine (Dpt of) 4½% 1952	99½	100½	+ 1	4 10 0

Prices, Year 1937 Jan. 1 to Sept. 1, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 25, 1937	Price, Sept. 1, 1937	Rise or Fall	Yield Sept. 1, 1937 £ s. d.
				Public Boards				
120¼	111	2½	2½	Central Elec. 5% 1950-70	113	113	...	3 14 3
				London Passenger Transport Board—				
123¾	110½	2¼	2¼	4½% "A" 1985-2023	114½	113½	− 1	3 18 6
135	121½	2½	2½	5% "A" 1985-2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942-72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1965-2023	117½	117½	...	3 19 9
99¾	77	2½(b)	1½(a)	"C" 1956 or after	82	82	...	4 17 7
99½	86	1½	1½	Met. Wat. Bd. "B" 3%	87	87	...	3 9 0
121	113½	2½	2½	Pt. of Lndn. 5% 1950-70	117	117	...	3 8 6
				British Railways				
67⅜	55¾	2¾(b)	½(a)	G. Western Ord. Stk.	63	63¼	+ ¼	5 2 9
6½	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5	5	...	Nil
12⅛	9	Nil	Nil	Do. 5% Pref. Ord.	10	10	...	Nil
100¾	89⅜	5(c)	1½(a)	Do. 5% Pref. 1955	98	98	...	5 2 3
31½	21	Nil(c)	⅛(c)	Do. 4% 2nd Pref. Stk.	29	29	...	1 14 6
79¼	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	72	72	...	5 11 1
36⅛	27¼	Nil (c)	1¼(c)	L.M.S. Ord. Stk.	32	32	...	3 18 3
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	76	76	...	5 5 3
92½	80	2(a)	2(b)	4% Pref. Stk.	82	82	...	4 17 7
27⅜	21 11/16	Nil(c)	½(c)	Southern Def. Stk.	23	22¾	− ¼	2 4 0
98½	87⅛	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	92½	92½	...	5 8 3
125⅝	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	113½	113½	...	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	20	...	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	11	10½	− ½	Nil
35¾	24	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	24½	24	− ½	Nil
31¾	20	Nil	Nil	B.A. Western Ord. Stk.	21½	21½	...	Nil
34½	22	Nil	Nil	C. Argentine Ord. Stk.	24	23	− 1	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	5	5	...	Nil
18	11½	Nil	Nil	Can. Pacific Com. ($25)	11½	11½	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33½	2(c)	2(c)	Costa Rica Ord. Stk.	34	34	...	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	11	...	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	83½	†2(a)	†3(b)	San Paulo Ord. Stk.	86½	84½	−2	5 18 4†
28/9	19/4½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 1/16	1¼	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to Sept. 1, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 25, 1937	Price, Sept. 1, 1937	Rise or Fall	Yield Sept. 1, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 6e
376	334½	6(a)	6(b)	Bank of England Stk.	339½	339½	...	3 10 9
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/6	75/6	...	3 14 0
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/-	44/-	...	2 12 3
10¾	9 1/32	4½(b)	3½(a)	Bk. of Australasia (£5)	9½	9½	...	4 6 6
£49½	£43⅞	8(c)	8(c)	Bk. of Montreal ($100)	£44½	£44½	...	3 12 6e
29¾	26½	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	26½	26½	...	3 2 6e
101/-	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	13½	7(a)	7(b)	Chtd. of India (£5)	13½	13½	...	5 3 9
15/9	13/7½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9	13/9	...	3 16 6e
94/-	82/1½	16⅝(b)	16⅝(a)	District A £5, £1 pd.	83/9	83/9	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	92/6	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	95/-	...	4 3 6
11⅞	10¾	18(c)	18(c)	Hambros £10, £2½ paid	10¾	10¾	...	4 3 9
£121¾	£95	£3(b)	£2½(a)	Hong. and S. ($125)	£98	£97½	− ½	5 12 10
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/-	61/-	...	3 18 9
10 1/32	8 11/16	7(b)	7(a)	Martins £20, £2½ pd.	8¾	8¾	...	4 0 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	87/6	87	−6d	3 13 6
44⅛	39	11(b)	4(a)	Nat. of Egypt £10	40	39½x	...	3 16 0
47⅛	39	9(b)	9(a)	Nat.ofIndia £25,£12½ pd	41	41	...	5 8 6
16¼	14 5/16	7½(b)	7½(a)	Nat. Prov. £20, £4 pd.	14½	14½	...	4 2 0
496	460	8½(a)	8½(b)	Royal Bk. of Scotland	465	465	...	3 13 0
16⅛	14 5/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15½	15½	...	4 10 6
101/4½	89/3	9(b)	9(a)	Westminster £4, £1 pd.	90/-	90/6	+6d	3 19 0
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/-	65/-	...	5 7 9
6⅝	5½	5(b)	5(a)	National A £2½ fully pd.	6	6	...	4 3 3
16 5/16	12 13/16	17(b)	9(a)	" B £7½, £2½ pd.	13½	13	− ½	5 0 0
54/9	44/3	6½(b)	3¾(a)	Union £1 of stock	45/-	46/3	+1/3	4 6 6
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27¼	27¼	...	3 6 0
15 11/16	13 11/16	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	14	13¾	− ¼	2 18 0†
10 13/16	9¾	20(a)	20(b)	Com. Un. £1, fully pd.	10¼	10	− ¼	4 0 0
6 1/16	4 15/16	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5½	5½	...	3 5 0
35⅜	29⅜	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30½	30¼	− ¼	3 6 0
14	11¾	3/2(a)	3/1(b)	N.Brit.&Mer., £1¼, fy. pd	12	11⅞	− ⅛	2 13 6
21¼	18⅞	35(a)	40(b)	Northern £10, £1 pd.	20½	20½	...	3 13 2
22⅛	19	†26¼(b)	†25(a)	Pearl (£1), fully paid	19½	19½	...	2 12 6†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	16	15¾	− ¼	3 16 0
37⅝	32½	†95¼(c)	†25 (a)	Prudential £1 A	32¾x	33x	+ ¼	2 17 6†
114/-	103/9	†43⅞(c)	†50(c)	Do. £1, with 4s. paid	106/3	106/3	...	1 17 0†
11 7/32	9 7/16	11(a)	19(b)	Royal Exchange (£1)	10⅜	10¼	− ⅛	2 19 3
9⅞	8 5/16	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅜	8⅜	...	3 15 0
19½	16¼	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	17	16½	− ½	3 19 0
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	87/6	86/3	−1/3	3 2 6
8⅞	7⅛	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7¾	7¾	...	2 6 6†
21	18½	†17½(a)	†30(b)	Yorkshire £1, fully pd.	18½	18½	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8¼	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	6/3	6/3	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	13/9	13/9	...	2 14 6
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145½	145½	...	4 9 6
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	269	269	...	4 1 10
336	282	5(a)	8(b)	Invest. Trust Def.	292	292	...	4 9 0
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	275	275	...	4 3 6
181½	164	4½(b)	3(a)	Merchants Trust Ord.	167½	167½	...	4 9 7
302	275	7(b)	5(a)	Metropolitan Trust	280	275	− 5	4 7 3
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 18 6
252½	230	2½(a)	7(b)	Scottish Mortgage, etc.	235	235	...	4 0 10
255½	229	3(a)	7(b)	Trustees Corp. Ord.	233½	233½	...	4 5 6
253	222	7(b)	4(a)	United States Debenture	225½	225½	...	4 17 7
				Financial Trusts, &c.				
18/-	14/9	2½(c)	2½(c)	Argentine Land, etc. 10/-	15/6	15/6	...	1 2 6
37	28	Nil	Nil	Australian Estates, etc.	30½	30½	...	Nil
45/-	29/7½	6⅝(c)	10(c)	Brit. S. Africa 15/- fy. pd	35/3	35/-	−3d	4 6 0
37/-	25/-	10(c)	10(c)	Charterhouse Inv. £1	36/3	35/3	...	5 10 3
19/6	17/7½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	38/3	†2½(a)	†8⅜(b)	Daily Mail & General £1	38/9	40/-	+1/3	5 12 6†
9⅜	8	†3½(b)	3⅜(a)	Dalgety £20 £5 pd.	8¼	8¼	...	5 14 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	28/-	28/3	+3d	6 0 3
42/7½	33/-	Nil	Nil	Hudson's Bay Co. £1	34/-	33/6	−6d	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	9½	Nil	Nil	Peruvian Corp. Pref. Stk.	10	10	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	13/6	...	4 8 6
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/-	22/-	...	6 16 6
57/6	43/6	8(c)	10(c)	Sudan Plantations £1	43/9	44/-	+3d	4 11 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	91/-	91/-	...	2 15 0
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/6	33/6	...	4 15 9
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	138/-	138/-	...	3 9 9†
95/6	83/6	14(b)	6(a)	Benskins Watford £1	95/-	95/6	+6d	4 3 6
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	73/6	74/-	+6d	3 15 0
22/4½	14/9	6(c)	20(t)	City of London Def. 5/-	15/-	14/9	−3d	(t)
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/-	91/-	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	109/9	109/9	...	4 2 0
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	129/6	129/6	...	4 9 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	121/-	121/-	...	4 10 10
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	47/6	48/-	+6d	4 11 9
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/6	101/6	...	4 10 6
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	74/-	74/-	...	4 14 6
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	81/3	81/3	...	4 8 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	111/3	110/9	−6d	4 1 6†
72/9	57/6	10(c)	20(c)	S. African Dist. Ord. £1	58/-	60/-	+2/-	6 13 3
48/-	40/-	6(b)	4(a)	Taylor Walker Ord. £1	42/6	42/6	...	4 15 3
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	26/-	25/6	−6d	4 13 0
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	81/3	81/3	...	4 13 8
				Iron, Coal and Steel				
35/-	27/3	4(a)	7½(b)	Allied Ironfounders £1	28/1½	28/1½	...	8 0 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	3/3	3/6	+3d	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/1½	48/1½	...	4 3 0
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	10/6	10/6	...	3 15 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
52/6	45/9	3(a)	8(b)	Bolsover Col'ry Ord. £1	50/-	50/-	...	4 10 0
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	37/6	37/6	...	4 0 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	42/6	...	3 17 3†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	14/6	14/6	...	1 17 0
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	28/6	28/6	...	4 18 0
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	14/-	14/-	...	3 11 0
91/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	90/7½	90/-	−7½d	4 9 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	54/4½	53/9	−7½d	2 4 8
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	76/3	76/3	...	3 13 0
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	35/9	35/9	...	3 7 0†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3¾% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. (y) Yield basis 45% of face value. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. † Free of Income Tax. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to Sept. 1, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Aug. 25, 1937	Price, Sept. 1, 1937	Rise or Fall	Yield Sept. 1, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	35/3	34/9	−6d	5 0 0
15/3	14/9	Nil	Nil	Har. & Wlf. B. Ord. £1	15/-	15/-	...	Nil
37/6	29/3	5(b)	2½(a)	Horden Collieries £1	36/3	37/-	+9d	4 0 6
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	32/6	32/6	...	3 1 6
18/4½	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/9	17/9	...	2 5 0
16/3	11/3	Nil(c)	5(c)	Pease and Partners 10/-	16/-	16/-	...	3 2 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	26/6	26/6	...	5 5 10
28/9	22/0	5(c)	6¼(c)	Ruston & Hornsby £1	24/9	24/4½	−4½d	5 0 6
52/6	44/3	†2½(a)	†7½(b)	Sheepbridge Cl & In. £1	52/6	51/3	−1/3	3 18 1†
44/-	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	43/3	43/3	...	5 11 0
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	53/9	54/4½	+7½d.	4 8 4
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	30/-	30/-	...	4 0 0
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	48/9	+1/3	4 2 1
64/-	52/3	†3(a)	†9½(b)	Staveley Coal, etc. £1	62/-	63/9	+1/9	4 1 0†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	42/6	42/6	...	3 10 6
86/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	32/6	32/6	...	4 10 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	14/3	14/0	−3d	7 1 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	7/-	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	7/9	7/9	...	3 3 3
$129½	$76½	Nil	Nil	U. States Steel $100	$115½	$109½	−$6	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	31/6	31/6	...	4 15 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	31/6	31/6	...	3 3 6
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	36/3	35/-	−1/3	4 6 0
49/4½	40/10½	6(c)	10(c)	Weardale Steel etc. Df £1	46/3	47/6	+1/3	4 9 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	130/-	130/-	...	5 7 0
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/-	70/-	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/4½	Nil	Nil	Bradford Dyers (£1)	8/-	8/-	...	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/10½	8/-	+1½d	Nil
15/6	9/9	Nil	Nil	Calico Printers £1	10/-	10/-	...	Nil
55/-	44/3	10(c)	10(c)	Coats, J. and P. (£1)	45/7½x	46/3x	+7½d	4 6 6
55/3	50/7½	7(b)	3½(a)	Courtaulds £1	55/-	54/9	−3d	3 17 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	43/1½	42/6	−7½d	4 14 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	9/9	9/9	...	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/3	36/3	...	4 13 9
69/3	56/3	†12½(c)	†12½(c)	Patons & Baldwins £1	57/6	57/-	−6d	4 7 6†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/-x	20/-x	...	6 0 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	49/6	49/6	...	4 0 10
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	98/9	98/9	...	4 2 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	55/6	6½(b)	6(a)	Crompton Parkinson 5/-	60/-	60/-	...	1 0 10
37/6	30/-	Nil	Nil	English Electric £1	34/6	35/-	+6d	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	86/-	86/-	...	4 1 4
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	20/6	20/6	...	3 18 0x
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	46/3	46/3	...	4 6 6
35/-	31/1½	6(c)	7½(c)	Siemens £1	33/9	34/4½	+7½d	4 7 3
				Electric Light, &c.				
$32	$18	40c.(b)	50c.(a)	Brazil Trac., no par	$25⅜	$25	−$⅜	3 12 0
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6	...	4 9 0
31/6	25/6	2(a)	4(b)	British Power & Light £1	28/-	28/6	+6d	4 4 9
38/9	32/-	4(b)	3½(a)	City of London £1	34/6x	34/6x	...	4 7 0
46/6	38/-	5(b)	3(a)	Clyde Valley Elec. £1	40/-	40/6	+6d	4 0 0
54/7½	45/9	7½(b)	3(a)	County of London £1	50/-	50/-	...	4 4 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9¾(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	37/-	38/-	+1/-	4 5 6
34/9	30/9	4½(b)	2½(a)	North-Eastern Elec. £1	32/6	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	49/4½	49/4½	...	4 1 0
42/6	35/6	2½(a)	5½(b)	Scottish Power £1	37/6	37/6	...	4 5 3
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/6	39/6	...	4 1 0
				Gas				
27/-	23/3	5⅜(c)	5⅜(c)	Gas Light & Coke £1	24/9	24/9	...	4 10 2
163½	145	4(a)	6(b)	Imp. Continental Stk.	145½	145½	...	6 17 6
26/9	23/-	2½(a)	2¾(b)	Newc.-on-Tyne £1	24/6	24/6	...	4 7 10
120	105	3(b)	2½(a)	S. Metropolitan Stk.	106½	106½	...	5 3 3
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	45/-	45/-	...	3 6 8†
50/4½	38/9	50(c)	50(c)	Austin 5/-	45/7½	45/7½	...	5 9 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/3	24/3	...	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	35/7½	35/7½	...	4 13 6
33/9	25/6	5(c)	6(c)	Ford Motors £1	28/1½	27/6	−7½d	4 6 3
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	67/6	...	4 8 11
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	97/6	97/6	...	4 1 11
43/9	35/-	†15(c)	45(c)	Morris Motors 5/- Ord.	37/-	37/-	...	6 1 7
15/3	9/6	Nil	Nil	Napier 5/-	12/6	10/-	−2/6	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	78/1½	78/1½	...	5 15 2
135/-	98/9	7½(a)	15(b)	Rolls-Royce £1	107/6	106/3	−1/3	4 5 0
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	153/9	158/9	+5/-	3 3 6
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/9	...	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	10	9	−1	2 5 0
8/7½	5/8½	Nil	Nil	Cunard £1	6/-	6/-	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	28/6	27/9	−9d	2 3 0
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	32/6	30/6	−2/-	2 13 6
				Tea and Rubber				
40/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	23/-	23/-	...	4 5 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	39/6	39/6	...	3 10 11
53/9	38/3	5(c)	9(c)	Bah Lias £1	38/9	38/9	...	4 12 10
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	32/6	31/3	−1/3	3 16 10
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	43/9	42/6	−1/3	3 15 3
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	42/6	41/3	−1/3	3 17 6
36/6	25/6	Nil(c)	5(c)	Linggi Plantations £1	26/3	26/3	...	3 18 0
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/-	5/-	...	4 0 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/3	38/3	...	3 18 5
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/7½	4/7½	...	4 6 6
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	40/3	40/3	...	4 19 5
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	39/4½	...	6 6 0
132/-	85/-	5(a)	20(b)	Anglo-Iranian £1	88/1½	88/1½	...	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	35/-	35/-	...	5 6 3
35/3	17/9	Nil	Nil	Attock £1	34/-	33/3	−9d	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/10½	4/-	+1½d	Nil
130/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	130/-	129/4½	−7½d	4 6 6
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	46/10½	46/10½	...	5 6 0
32/4½	12/9	10d psc	11d psc	Mexican Eagle (Mex. $4)	13/6	13/6	...	6 6 0
11/6	5/7½	Nil(c)	3⅜(c)	Phœnix Oil £1	5/9	6/-	+3d	12 10 0
£52½	£42¾	5(a)	11⅓(b)	Royal Dutch (fl. 100)	£47	£45½	−£1½	3 19 6e
147/-	106/3	†7½(a)	†12½(b)	Shell Transport £1	110/-	107/-	−3/-	3 15 6†
172/-	119/4½	17½(b)	10(a)	Trinidad Leaseholds £1	122/6	120/-	−2/6	4 11 3
68/9	47/6	7½(a)	15(b)	V.O.C. Ord. 13/4	49/4½	48/1½	−1/3	6 4 9
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/-	26/-	8(c)	9(c)	Allied Newspapers £1	26/9	27/3	+6d	6 12 0
20/3	16/10½	5(c)	5(c)	Amal. Dental Def. £1	17/6x	18/-x	+6d	5 11 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	31/3	31/3	...	4 9 0
22/4½	19/3	6(b)	5(a)	Amal. Press (10/-)	19/4½	19/4½	...	5 13 6
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/-	15/-	...	6 0 0
24/3	18/4½	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	18/6	18/9	+3d	7 3 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	92/6	92/6	...	4 17 0
85/3	72/9	10(b)	5(a)	Barker (John) £1	76/3x	76/3x	...	3 19 9
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/7½	66/3	+7½d	4 16 0
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	52/6	53/6	+1/-	2 13 6
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	32/6	32/6	...	4 11 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	23/9	23/9	...	4 4 2
38/3	17/9	4(a)	5(b)	Bowaters Paper Mills £1	18/9	18/9	...	9 12 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	53/9	53/9	...	4 3 9
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	55/6	55/6	...	3 12 0
39/4½	35/4½	2¾(a)	5(b)	British Match £1	37/-	37/-	...	4 3 0
6 9/32	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	6	5⅞	− ⅛	3 7 6†
138/9	91/3	7(a)	8(b)	British Oxygen £1	103/9	102/-	−1/9	2 19 9
83½	77	...	...	Cable & Wir. {A. Ord.	83	82½	− ½	Nil
107	104	5½(c)	2¾(a)	Holding {5½% Pf.	106x	106x	...	5 3 9
8 11/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8	8⅜	...	4 0 0‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	16/3	16/3	...	9 4 0
25/-	17/9	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	17/9	18/-	+3d	5 9 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	47/6	...	4 4 3
38/6	32/-	8(c)	9(c)	Dunlop £1	35/9	35/3	−6d	5 1 0
50/7½	43/9	10(b)	5(a)	Eastwoods Ord. £1	43/9	43/9	...	6 17 0
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	22/-	22/-	...	4 11 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	32/6	32/-	−6d	7 0 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	19/6	...	5 2 6
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	62/6	62/6	...	3 4 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	120/-	120/-	...	4 3 3
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	5/9	6/-	+3d	Nil
32/3	25/6	6(a)	10(b)	Gen. Refractories (10/-)	29/3x	27/6x	−1/9	5 16 4
50/-	43/-	20(b)	17½(a)	Gestetner (D.) (5/-)	50/-	50/-	...	3 15 0
166/3	136/3	15(b)	5(a)	Harrisons & Cros. Def. (£1)	138/9	138/9	...	2 17 9
91/10½	82/6	13½(b)	5(a)	Harrods £1	87/6x	87/6x	...	4 4 0
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/9	4/9	...	Nil
62/6	33/9	7(c)	8(c)	Imperial Airways £1	34/4½	34/4½	...	4 13 0
41/10½	36/4½	2½(a)	5½(b)	Imperial Chem. Ord. £1	37/9	37/6	−3d	4 5 9
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	18/6	18/-	−6d	Nil
9 5/32	7⅜	†17½(b)	†7½(a)	Imperial Tobacco £1	7 31/32	7 15/16	− 1/32	3 7 6†
$75 3/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$64⅜	$61⅞	−$2½	3 4 6n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	16/3	16/3	...	4 19 0
76/3	54/-	22½(c)	22½(c)	London Brick £1	55/-x	55/-x	...	8 3 9
6 15/16	5¾	8½(a)	14½(b)	Lyons (J.) Ord. £1	5⅞	6	+ ⅛	3 16 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	68/1½	67/6	−7½d	2 19 6
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	6/-	5/9	−3d	5 4 0
5 15/16	4½	15(b)	7½(a)	Murex £1 Ord.	5 5/16	5⅜	+ 1/16	4 1 9
46/4½	40/6	2½(a)	9¾(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/-	40/6	12½(b)	7½(b)	Pinchin Johnson 10/-	43/-	43/-	...	4 13 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	54/4½	55/-	+7½d	4 1 9
67/-	58/1½	3½(a)	11⅞(b)	Radiation Ord. £1	58/9	58/9	...	5 2 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3x	106/3x	...	4 4 3
18/9	13/6	†8⅓(b)	†5(a)	Sears (J.) Ord. 5/-	14/-x	14/-x	...	4 12 6†
21/9	10/6	6¼(c)	2½(c)	Smthfld. & Arg. Meat £1	18/3	18/3	...	2 14 6
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	44/9	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	26/3	26/3	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	85/-	85/-	...	4 6 3
77/6	57/6	5(b)	5(a)	Tilling, Thos. £1	62/6	62/6	...	3 5 0
77/6	65/-	10(b)	5(a)	Tobacco Secrts. Ord. £1	67/6	66/3	−1/3	4 10 6
74/3	56/3	60(c)	w35(c)	Triplex Safety G. (10/-)	68/1½x	63/9x	−4/4½	5 9 0
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	88/9	87/6	−1/3	4 11 6
112/6	87/6	13¾(b)	3¾(a)	Turner & Newall £1	95/-	92/6	−2/6	3 16 0
46/10½	37/9	3½(a)	4(b)	Unilever £1	43/1½	42/6	−7½d	3 10 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	57/-	57/-	...	4 8 3
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	31/10½	31/10½	...	3 8 0
10½	8 11/16	30(c)	40(c)	Utd. Tob. (South) Ord. £1	9⅜	9⅜	...	4 5 6
45/-	38/3	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	41/3	38/9	−2/6	6 8 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	38/3	39/3	+1/-	4 12 0
96/3	70/3	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	71/3	70/7½	−7½d	4 6 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	60/-	60/7½	+7½d	6 5 0
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	18/-	17/3	−9d	10 0 0r
7/3	4/4½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/3	5/-	−3d	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	75/-	75/-	...	5 6 9
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	37/6	36/3	−1/3	8 5 0
16 13/16	11½	95(b)	95(a)	Crown Mines 10/-	13½	12⅞	− ⅝	7 6 9
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	67/6	67/6	...	5 16 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	48/9	48/9	...	9 15 6
19	11½	5(b)	25(a)	Rhokana Corp. £1	14⅛	13⅜	− ¾	2 0 0
32½	17 1/16	Nil	Nil	Rio Tinto £5	21	21	...	Nil
89/3	57/6	30(c)	30(a)	Roan Antelope Cpr. 5/-	71/3	70/-	−1/3	2 3 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	10⅛	10¼	+ ⅛	8 15 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	162/6	160/-	−2/6	5 6 9
19 11/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	8½	8	− ½	Nil
35/6	17/6	10(c)	Nil(c)	Wiluna Gold (£1)	20/-	18/9	−1/3	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Sept. 1, 1937	Compared Aug. 25
Municipal and Gen		
1st British	48/6-49/3	...
2nd British	29/--29/7½x	...
3rd British	24/6-25/-	−3d
4th British	20/9-21/3	...
For. Govt. Bond	20/9-21/9	+9d
Limited Invest.	23/9-24/3	...
Mid. & Sthn. Inv.	21/6-22/3	...
Scot. & N.C. Inv.	21/--21/6x	...
Bank - Insurance		
Bank-Insur. Uts.	19/3-20/3	...
Insurance Units	20/9-21/9	...
Bank Units	18/--19/-x	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	16/9-17/9	...
British Empire		
British Empire "A"	22/6 bid	−1½d
Do. "B"	10/3 bid	−1½d
Do. Cum.	17/10½ bid	−1½d
Do. Comp.	18/9-19/9x	...
Do. First Unit	21/6-22/6	−3d
National		
National "A"	33/3 bid	...
Do. "B"	22/3 bid	−1½d
Do. "C"	19/3-20/3x	...
Do. "D"	20/--21/-	...
Do. Inv. Group	15/9-16/9	−1½d
Amalgamated Certs	22/6-23/6	...
Century	19/6-20/6	...
Commercial	21/4½ bid	...
Gilt-edged	18/6-19/-	...
Scottish	18/9-19/9	...
Universal	21/--22/-	...
First Provincial		
First Prov. "A"	20/9-21/9x	...
Do. "B"	17/3-18/3	...
Do. Reserves	17/--18/-x	...
British General		
Capital Securities	9/1½-9/7½x	...
British General "A"	22/--23/-	...
British General "B"	20/- bid	−3d
British General "C"	19/--20/-	−3d
First Recovery	7/3-7/10½	...

Name and Group	Sept. 1, 1937	Compared Aug. 25
Rubber & Tin	1/9½-1/11	...
Keystone.		
Keystone	18/7½-19/7½	−1½d
Do. 2nd	16/3-17/3	...
Do. Flexible	18/--19/-	−1½d
GoldProd.Dep.Rec.	22/7½ bid	...
Do. 2nd Series	16/6-17/6	−1½d
Do. 3rd Series	12/6-13/6	−1½d
Rand Certificates	19/3 bid	...
Oil Certificates	27/- bid	−3d
"15 Moorgate"		
Hundred	20/9-21/9	...
Investors Flexible	16/9-17/9x	...
Do. Gas & Elec.	13/9-14/9	...
Do. General	19/1½-20/1½	...
Do. 2nd General	16/3-17/3x	−1½d
Do. Gold	14/10½-15/10½	...
Prov. Investors	16/6-17/6	+1½d
Security First	17/9-18/9	...
F.T.M.		
Aviation & Univer.	9/9-10/3	...
Domestic	8/6-9/-	...
Protected		
Protected 1st	22/9-23/9	...
Do. 2nd	20/6-21/6	...
Do. 3rd	15/6-16/6	...
Allied		
British Indus. 1st	20/--21/-x	...
Do. 2nd Series	18/--19/-	...
Do. 3rd Series	19/3-20/3	...
Do. 4th Series	19/9-20/9	...
Elec. Industries	18/3-19/3	−3d
Metals and Minerals	16/9-17/9	−3d
Selective		
Selective "A"	18/--19/-	...
Do. "B"	17/7½-18/7½	...
British Transport	16/6-17/6x	...
Bank Insce. & Fin.	17/--18/-	...
Brewery Trust Un.	16/9-17/9	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18¼ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16⅔% basis. (t) Special Jubilee bonus. (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent. capital bonus. Yield at 25 per cent. = £5 12s. 0d.; at 16 per cent. = 3 12s. 0d. (w) Paid on £300,000 more capital than in preceding year.

(*Continued from page* 489)

ISSUES TO SHAREHOLDERS ONLY

Broken Hill Proprietary Company.—Issue of 1,740,123 £1 shares at 30s., in proportion of one for three shares held on October 20th.

Initial Services.—Issue of 552,000 5s. ordinary shares at par to shareholders on September 15th (one for every five held).

Rowntree and Company.—Issue of 250,000 6 per cent. first £1 preference shares at 28s.

Field, Sons and Company.—Issue of 34,582 10s. ordinary shares at 30s., in proportion of one for eight shares held on September 1st. Lists close September 18th.

BONUS ISSUE

Ransomes and Marles Bearing Company.—It is proposed to make a £125,000 bonus issue, of one share for four held, to shareholders on October 8th.

CONVERSIONS AND REPAYMENTS

Vickers, Ltd.—There will be redeemed on December 1, 1937, at 103, all the £2,000,000 5½ per cent. first mortgage debenture stock. A half-year's interest will be paid October 1st, and interest October 1st–November 30th will be paid on redemption.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Aug. 25, 1937	Sept. 1, 1937
Arnott and Harrison 4/–	5/–	5/–	4/9–5/–	4/9–5/0
Australia 3½% 1950–52	96½	21½	⅜–½ dis	⅜–½ dis
Blackburn 3½% Stock	101	16	½ dis–par	⅜–½ dis
Cape Town 3½%	98	28	⅜–⅝ pm	⅜–⅝ pm
Chesterfield 3½% £100	...	...	...	100¾–101¼
Essex 3½%, 1957–62	101	26	⅛ dis–¼ pm	⅛–⅜ dis
Finchley 3½%	101	21	⅜–⅝ pm	⅛–⅜ pm
First Conversion Investment £1	...	...	...	23/0–23/3
Grassmoor 6% Pref. £1	21/–	10/–	4½d–10½d pm	4½d–10½d pm
Grimsby, etc. Water 3½%	99	99	99¾–99¾	99¼–99¾
Imperial Airways £1	30/–	10/–	1/10½–2/4½ pm	1/10½–2/4½ pm
Iraq 4½% Bonds	94	25	1½–2 pm	1½–1¾ pm
Johannesburg 3½%	99	99	⅜–⅝ dis	98¾–99
Lindsay Parkinson Pref. 20/–	20/–	20/–	25/1½–25/7½	24/4½–24/10½
Middlesex 3½% 1957–62	101	21	⅛ dis–⅜ pm	½–⅝ dis
Odeon Theatres Ord. 5/–	5/–	5/–	8/0–8/6	8/9–9/3
Do. 5% 1st Deb.	99	25	5½–5¾ dis	5¼–4¾ dis
Premier (Trinidad) Oilfields	5/–	3/–	4½d–1¼d dis	4½d–1¼d dis
Tithe Redemption 3%	...	...	87⅝–88⅛	86⅞–87⅛x
Rippingilles Ord. 5/–	9/–	9/–	7/9–8/3	7/9–8/3
Salts (Saltaire) 5% Loan	100	50	½ dis–¼ pm	¼ dis–¼ pm
Second Conversion Investment (9/–)	...	...	...	10/4½–10/7½
Third Conversion Investment (15/–)	...	...	...	18/3–18/6

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Aug. 28, 1937. (c) Week ended Aug. 27, 1937.		Miles Open	Gross Receipts, week ended Aug. 29, 1937 (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (34 weeks) (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937	3,738	278	212	119	331	609	7,638	6,688	3,758	10,446	18,084
	1936	3,742	285	193	106	299	585	7,407	6,427	3,374	9,801	17,208
(c) L. & N. Eastern	1937	6,315	423	322	247	569	992	11,836	11340	8,317	19,657	31,493
	1936	6,332	411	335	232	567	978	11,269	10936	7,830	18,766	30,035
L. M. & Scottish	1937	6,870	610	490	249	739	1,349	18,076	16478	8,592	25,070	43,146
	1936	6,898	603	469	233	702	1,305	17,365	15996	8,116	24,112	41,477
Southern ...	1937	2,157	402	65	29	94	496	11,371	2,066	1,006	3,072	14,443
	1936	2,154	409	64	32	96	505	10,788	2,125	1,037	3,162	13,950
Total	1937	19080	1713	1089	644	1733	3,446	48,921	36572	21673	58,245	107166
	1936	19128	1709	1061	603	1664	3,373	46,829	35484	20357	55,841	102670
(b) Belfast & Co. Down	1937	80	3·8	...	...	0·3	4·2	93·2	...	...	16·3	109·6
	1936	80	3·7	...	...	0·5	4·2	93·3	...	...	18·8	112·2
(b) Great Northern	1937	543	14·8	...	...	9·2	24·0	382·1	...	...	317·9	700·0
	1936	543	14·5	...	...	9·1	23·6	372·5	...	...	330·7	703·2
(b) Great Southern	1937	2,076	52·7	...	...	39·3	92·0	1252·4	...	...	1379·6	2632·0
	1936	2,124	50·0	...	...	41·2	91·2	1242·4	...	...	1405·4	2647·8

COMPARISONS WITH CORRESPONDING PERIODS, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935 :— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936 :— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936 :— 8 weeks to Aug. 28, 1937 ...	+ 206	+ 340	+ 271	+ 134
Weekly average second half 1937...	+ 25¾	+ 42¼	+ 33¼	+ 16¾
Latest week 1937 compared with 1936	+ *24*	+ *44*	+ *14*	– *9*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Aug. 28, 1937	£545,900	– 9,400
Aggregate 9 weeks to Aug. 28, 1937	£4,993,900	+ 17,800

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or –	Gross Aggregate Receipts 1937	+ or –
INDIAN				Rs.	Rs.	Rs.	Rs.
Assam Bengal	18	1937 July 31	1,330	†5,42,900	+ 82,580	58,23,771	+ 3,75,582
Bars'l Lt. Ry.	18	31	202	†43,200	+ 9,800	6,63,200	+ 65,200
Bengal & N.Western	19	Aug. 10	2,111	‡9,24,629	+ 1,28,415	1,49,85,947	+ 14,65,248
Bengal-Nagpur	19	10	3,268	‡20,20,000	+ 1,78,473	3,40,07,788	+ 39,40,578
Bombay, Bar. & C.I.	21	20	3,072	‡26,68,000	+ 2,89,000	4,67,67,000	+ 33,65,000
Madras & S. Mahr....	19	10	3,229	‡16,85,000	– 73,201	2,79,32,786	+ 1,50,553
Rohilk'd & Kumaon	19	10	572	‡1,35,693	– 1,664	28,33,554	+ 85,741
South Indian	18	July 31	2,532	†15,22,150	+ 81,956	1,87,44,142	+ 4,51,236
		‡ 10 days.		† 11 days.			
CANADIAN				$	$	$	$
Canadian National	33	1937 Aug. 21	123766	3,668,070	+ 112,658	122,420,466	+ 11584481
Canadian Pacific ...	33	21	117228	2,562,000	– 40,000	86,555,000	+ 5,535,000
SOUTH AMERICAN							
Antofagasta (Chili and Bolivia).....	35	1937 Aug. 29	834	£18,640	+ 6,120	567,850	+ 98,770
Argentine N.E.....	9	28	753	‡182,100	+ 18,300	1,444,400	+ 88,200
B.A. and Pacific ...	9	28	2,806	*£11,297	+ 1,690	89,604	+ 10,177
B.A. Central	7	14	...	‡1,271,000	+ 11,000	11,080,000	+ 154,700
B.A. Gt. Southern...	9	28	5,084	*£78,846	+ 4,946	687,345	+ 47,491
				$159,300	+ 31,600	1,010,600	+ 214,200
B.A. Western.....	9	28	1,930	‡2,004,000	+ 31,000	16,513,000	+ 345,000
				*£124,318	+ 8,600	1,024,380	+ 77,470
				‡802,000	+ 98,000	6,395,000	+ 523,000
Central Argentine ...	9	28	3,700	*£49,752	+ 8,462	396,713	+ 52,812
				‡2,095,350	– 368,400	19,270,350	– 206,100
				*£129,984	– 14,400	1,195,429	+ 54,752
Central Uruguayan..	8	21	980	d130,460	– 16,626	1,001,330	– 100,454
				e£14,864	– 438	113,062	– 672
Cordoba Central ...	9	28	1,218	‡515,000	– 137,000	5,532,000	– 43,000
				*£31,950	– 6,290	343,190	+ 16,670
Entre Rios	9	28	810	‡242,800	+ 33,200	1,979,200	+ 193,500
G. Westn. of Brazil	35	28	1,092	*£15,062	+ 2,769	122,778	+ 18,196
				(£6,400)	+ 1,000	248,700	– 10,500
Leopoldina.....	35	28	1,918	Ms2046000	– 140,000	61,645,000	+ 6,199,000
Leopoldina Termnl..	35	28	...	£27,024	+ 1,612	794,803	+ 159,225
Nitrate	32	15	397	Ms. 324,000	+ 36,000	12,222,000	+ 691,000
Paraguay Central ...	9	28	274	a£5,622	+ 2,505	100,988	+ 16,875
Salvador.....	9	28	100	$3,155,000	+ 314,000	30,047,000	+ 7,459,000
				Col. 11,420	– 255	105,049	+ 11,875
San Paulo	34	22	153½	Ms2850000	+ 418,000	89,125,000	+ 4,785,000
United of Havana...	9	28	1,353	£37,406	+ 8,425	1,113,691	+ 109,694
				£17,638	+ 460	160,756	+ 21,665

* Converted at average official rate during week ended Aug. 28, 16·12 pesos to £.
‡ Receipts in Argentine pesos. † Fortnight. *a* Converted at official rate.
d Receipts in Uruguayan currency. *e* Converted at "controlled free rate."

OTHER OVERSEAS

				£	£	£	£	£
Egyptian Delta Light Railways	19	1937 Aug. 10	621	†6,709	+ 607	83,275	+	7,036
Egyptian Markets...	34	26	...	1,201	– 167	55,025	–	1,669
Mexican Railway ...	7	21	483	$299,300	+ 4,700	2,142,300	+	308,700
		‡ 10 days.						

SUEZ CANAL RECEIPTS

				£	£	£	£	£
Suez Canal.....	33	1937 Aug. 20	...	‡269,000	– 37,600	7,108,400	–	99,300
		‡ 10 days.						

TRAMWAYS WEEKLY GROSS RECEIPTS

Anglo-Argentine ...	34	1937 Aug. 26	325	$607,718	+ 7,969	21,601,594	+	253,799
B. Aires Lacroze ...	7	15	...	$56,432	– 3,155	371,388	–	24,149
Burnley, Colne and Nelson Jt. Trspt.	34	25	87·68	£5,487	+ 315	...		...
Calcutta Tramways.	34	28	...	Rs. 1,13,087	– 2,346	36,60,969	+	1,71,224
Liverpool Corp.	21	25	...	£31,163	+ 1,361	660,203	+	44,979
Madras Electric.....	32	15	...	‡ Rs. 54,404	+ 2,749	7,74,945	+	33,227
		‡ Fortnight.						

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or –	Receipts to date 1937	+ or –
Burma Electric Supply.....	7	July 31	Gross	Rs. 53,030	+ 777	...	+ 19,038
Canadian National Rlwys.	7	July 31	Gross	$ 16,662,985	+ 1,366,690	111,659,299	+ 10,901,576
			Net	$ 958,899	+ 871,695	7,626,847	+ 5,064,603
Canadian Pacific Railway	7	July 31	Gross	$ 12,042,000	+ 465,000	78,832,000	+ 5,210,000
			Net	$ 1,095,000	+ 116,000	9,355,000	+ 1,585,000

COMPANY MEETINGS

TROJAN (HOLDINGS), LIMITED

A SATISFACTORY YEAR

The first ordinary general meeting of Trojan (Holdings), Limited, was held, on the 27th ultimo, at Winchester House, London.

Mr F. L. Blow, J.P. (the chairman) said that the accounts covered the working of Trojan, Limited, the operating company, to June 30th, resulting in a gross dividend receivable from them of £26,375. An interim dividend of £1,600 received from Beans Industries, Limited, had been reserved pending payment of that company's final dividend.

The directors considered the results to be very satisfactory. An interim dividend of 3 per cent. actual, less tax, had been paid, and the directors recommended a final dividend of 7 per cent. actual, less tax. Great credit was due to Mr Basil Monk, managing director of Trojan, Limited, for the capable way in which he had handled the affairs of the operating company since capital was placed at their disposal by the Holdings Company. Time and money had been saved by the prompt action taken to secure in advance steel and other material to be used in the erection of the new works, also in entering into contracts for construction without the slightest delay.

Within a comparatively short time the new buildings had been erected and equipped with lighting and heating. Roads, sewers and floorings had been made. Plant and machinery had been transferred from the old works to the new buildings with the least possible disturbance of the output, and a large amount of new plant had been installed. That had been carried out in face of abnormal difficulties due to shortage of labour and material and a rising market in prices.

On the commercial side of the business important contracts had been obtained—exceeding £450,000 with others in view—which would keep the works steadily engaged for some time. During the past year the manufacture of commercial vehicles and accessories had amounted to approximately 50 per cent. of the turnover.

The directors were optimistic about the future; the connection with Beans Industries was a valuable asset, and Mr Monk had joined the board of that company. The final dividend now recommended would be paid on the increased capital, from which the full benefit would be derived in the next accounts.

The report was unanimously adopted.

ITALY

ECONOMIC AND FINANCIAL DEVELOPMENT

The September issue of THE BANKER is mainly devoted to a special review dealing with economic and financial conditions in Italy. It contains articles by leading Italian authorities on such questions as State Finances, Monetary and Banking Policy, Price Movements and the general course of trade and social conditions.

Amongst the contributors are Alberto Pirelli, H.E. Count Thaon di Revel, H.E. V. Azzolini, H.E. Giuseppe Bianchini, H.E. Professor F. Guarneri, H.E. G. Tassinari, Professor Riccardo Bachi, T. Cianetti, Bruno Biagi, H.E. M. Benni, H.E. Alessandro Lessona and On. O. Bonomi.

There have been many fundamental changes in Italian economic conditions during recent years, and most of these are still imperfectly appreciated in England simply because in some respects Italy has been evolving a new system. This makes this issue of THE BANKER of considerable importance to a wide public, for one of the first needs for the maintenance of friendly international relations is a complete knowledge of the facts.

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THE BANKER

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ODEON THEATRES.

A SUCCESSFUL START

MR OSCAR DEUTSCH ON THE OUTLOOK

The statutory meeting of Odeon Theatres, Limited, was held, on the 31st ultimo, at 40 Park Lane, London, W.

Mr Oscar Deutsch (chairman and managing director) said: It will be recalled that we acquired 86 theatres in various parts of the country, and, although no audit has taken place, I believe a satisfactory increase in takings and resultant profit over the corresponding period of last year has been achieved. The company has management agreements with 71 further theatres and a considerable interest in the profits of these, which profits have been very satisfactory indeed, and it is pleasing to record that, apart from the 37 which were actually completed and in operation at the time, since our issue a further 15 of these managed theatres have been opened.

Apart from these newly opened Odeon Theatres, we have acquired a further 18 existing modern theatres, which we are bringing up to Odeon standard. In nearly every case the whole of the staff has been taken over. It is most gratifying to notice how enthusiastic these employees have been at the prospect of joining the Odeon Circuit, and I should like to call attention to the extraordinary team spirit on the part of our employees generally. The results of these newly opened and further acquired cinemas have, so far, fully justified the favourable opinion we had of their earning capacity.

PROSPECTS OF THE INDUSTRY

I am of the opinion that the prospects of the cinema theatre industry are extremely good. The general increase in employment and prosperity throughout the country, with the corresponding increase in the spending power of the people, coupled with the natural reaction to be amused during their leisure hours, cannot fail to have a marked effect on cinema attendances. The growing tendency to favour the newer and more up-to-date cinemas is of particular value to the Odeon Circuit, comprising as it does such a large proportion of cinemas erected within the past few years.

It is interesting to note the vast number of potential cinema patrons still untapped in this country. Ignoring the number of people who attend cinemas several times a week, in the United States of America approximately 69 per cent. of the population, men, women and children, attend the cinema once a week, while in Great Britain only approximately 41 per cent. of the population do so. If cinema-going in this country were increased to the extent prevalent in the United States, it would mean an increase of between 12,000,000 and 13,000,000 attendances each week in addition to the present weekly attendance of roughly 19,000,000.

EFFECT OF EARLIER PROVINCIAL FILM RELEASE

I believe there is one way in which this increased attendance in this country can be achieved, and we propose to put that method to the test. I believe that if, after the West End run, a picture goes immediately into the London suburban and provincial theatres, it would be fresher, more attractive and would draw much larger audiences. That system is already in force in the United States, and may, to some extent, account for the larger proportion of attendances there. It is our intention, following upon the opening of the new Odeon Theatre in Leicester Square, to put that policy into operation in this country. In this connection we have the enthusiastic co-operation of United Artists, the distributors of the outstanding films of such important producers as Alexander Korda, Samuel Goldwyn, David Selznick, Walter Wanger and others.

We have still a further 19 managed theatres to take over as soon as the buildings are completed, and it is gratifying to report that they are well up to scheduled time, not forgetting the Odeon Theatre that is being built on the site of the old Alhambra Theatre, in Leicester Square, which will undoubtedly be a most valuable asset to the profits of this business, and I look forward with a considerable amount of interest to our first annual general meeting next year.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended August 28, 1937, amounted to £8,810,000, against ordinary expenditure of £10,479,000. After increasing Exchequer Balances by £243,655, the operations for the week, as shown below, increased the gross National Debt by £1,913,000, to about £7,992 millions.†

(000's omitted)

	£		£
Treasury Bills	+ 2,888	Public Department Advances ...	– 425
		National Savings Certificates ...	– 50
		P.O. & Telegraph (Money) Act ...	– 500
	+ 2,888		– 975

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

REVENUE	Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Aug. 29, 1936	April 1, 1937, to Aug. 28, 1937	Week ended Aug. 29, 1936	Week ended Aug. 28, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	40,676,000	45,281,000	2,305,000	1,686,000
Sur-tax	58,000,000	5,370,000	6,240,000	50,000	100,000
Estate, etc., Duties	89,000,000	34,990,000	37,220,000	1,170,000	1,810,000
Stamps	29,000,000	7,580,000	7,630,000	660,000	720,000
Other Inland Revenue Duties	1,500,000	120,000	140,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	88,716,000	96,511,000	4,185,000	4,316,000
Customs and Excise—					
Customs	219,850,000	85,248,000	90,169,000	4,409,000	4,791,000
Excise	113,150,000	43,179,000	45,473,000	679,000	773,000
Total Customs and Excise	333,000,000	128,427,000	135,642,000	5,088,000	5,564,000
Motor Vehicle Duties	34,000,000	‡8,187,000	8,362,000	‡117,000	...
Post Office (Net Receipt)	11,800,000	7,000,000	7,170,000	*D1900,000*	*Dr1200000*
Crown Lands	1,350,000	620,000	590,000	100,000	90,000
Receipts from Sundry Loans	4,300,000	2,679,505	3,336,515	...	...
Miscellaneous Receipts	11,000,000	9,255,736	3,103,020	60,722	40,004
Total Ordinary Revenue	863,100,000	244,876,241	254,714,535	8,650,722	8,810,004
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	26,100,000	27,880,000	2,300,000	2,550,000
Total	...	270,976,241	282,594,535	10,950,722	11,360,004

EXPENDITURE	Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Aug. 29, 1936	April 1, 1937, to Aug. 28, 1937	Week ended Aug. 29, 1936	Week ended Aug. 28, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	94,557,057	96,741,042	215,334	214,385
Payments to Northern Ireland Exchequer	8,000,000	2,486,842	2,812,736	312,464	364,786
Other Consolidated Fund Services	3,200,000	999,811	1,510,654	...	23,178
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	98,043,710	101,064,432	527,798	602,349
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	212359949‡	231,726,750	9,535,849	9,877,000
Total Ordinary Expenditure	862,848,000	310,403,659	332,791,182	10,063,647	10,479,349
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	26,100,000	27,880,000	2,300,000	2,550,000
Total	...	336,503,659	360,671,182	12,363,647	13,029,349

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to August 28, 1937, are shown below :—

(000's omitted)

	£		£
Ordinary Expenditure	332,791	Ordinary Revenue	254,715
Increase in balances	257	Gross borrowing ... £80,948	
		Less :—	
		New Sinking Fund ... 2,606	
		Old S. Fund, 1907-08 9	
		Net borrowing	78,333
	333,048		333,048

POSITION OF THE FLOATING DEBT

	Aug. 29, '36	Mar. 31, '37	Aug. 28, '37	Movement Week ended Aug. 28, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	29,720,000	23,535,000	31,120,000	– 425,000
Treasury Bills outstanding	795,270,000	674,595,000	855,880,000*	+ 2,890,000
Total Floating Debt	824,990,000	698,130,000	887,000,000	+ 2,465,000

* Includes £3,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on August 27, 1937. The amount applied for was £79,970,000. Tenders were accepted for Treasury bills at three months dated Monday at £99 17s. 5d. and above in full; Tuesday to **Saturday at £99 17s. 5d. about 62 per cent. and above in full. The average rate per cent. was 10s. 3·02d.**

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·83
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·88
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
August 20, 1937	45,000,000	83,505,000	45,000,000	0 10 5·39
August 27, 1937	45,000,000	79,970,000	45,000,000	0 10 3·02

The OCEAN
Accident & Guarantee Corporation, Limited
Head Office : **36–44 Moorgate, London, E.C.**
FOR ALL CLASSES OF INSURANCE

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, SEPTEMBER 1, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	490,309,532	Other Government Securities	188,271,866
In Banking Department	36,097,093	Other Securities	702,944
		Silver Coin	10,090
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	109,274,772
Rest	3,689,250	Other Securities :—	
Public Deposits*	14,111,338	Discounts and Advances ... £5,368,210	
Other Deposits :—		Securities ... £20,754,690	
Bankers ... £104,172,489			26,122,900
Other Accounts £36,531,243		Notes	36,097,093
	140,703,732	Gold and Silver Coin	1,553,555
	173,048,320		173,048,320

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

Both Departments	Amount, Sept. 1, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	490,309,532	+ 2,042,534	+ 44,525,617
Public deposits	14,111,338	– 11,265,372	– 3,941,803
Bankers' deposits	104,172,489	+ 11,853,276	+ 3,105,167
Other deposits	36,531,243	+ 583,564	– 2,230,713
Total outside liabilities	645,124,602	+ 2,664,002	+ 41,458,268
Capital and rest	18,233,250	+ 34,566	– 13,848
Government debt and securities	308,561,738	+ 413,015	– 34,505,104
Discounts and advances	5,368,210	+ 1,050,564	– 5,253,137
Other securities	21,457,834	+ 1,136,401	+ 126,706
Silver coin in issue department	10,090	– 156	– 386,592
Coin and bullion (bank's reserves)	327,960,180	+ 98,744	+ 81,462,547
Reserves of notes and coin in banking department	37,650,648	– 1,943,790	– 23,063,070
Proportion of reserve to outside liabilities—			
(*a*) Banking Department only ("proportion")	24·3%	– 1·4%	– 14·1%
(*b*) Gold stocks to deposits and notes ("reserve ratio")	50·8%	– 0·2%	+ 10·0%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
Aug. 11	526,407	497,867	19,036	93,574	36,363	Nil	2
,, 18	526,407	490,971	28,540	88,500	36,531	Nil	2
,, 25	526,407	488,267	25,377	92,819	35,998	Nil	2
Sept. 1	526,407	490,310	14,111	104,172	36,531	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
Aug. 11	198,139	1,852	327,628	50 19/32	111,130	5,907	20,340	29,761	19 11/32
,, 18	198,482	1,505	327,776	50 21/32	107,137	6,187	21,629	36,801	23 11/32
,, 25	199,311	679	327,861	50 3/32	108,837	4,318	19,643	39,594	25 13/32
Sept. 1	199,287	703	327,960	50 5/32	109,275	5,368	20,755	37,651	24 3/32

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to August 18	24,040,027	1,397,307	2,424,284	27,861,618
Week ended August 25	550,102	34,203	61,611	645,916
Week ended September 1	649,419	34,953	61,194	745,566
Total to date, 1937	25,239,548	1,466,463	2,547,089	29,253,100
Total to date, 1936	22,127,164	1,345,214	2,312,189	25,784,567
Increase or decrease in 1937	+ 3,112,384	+ 121,249	+ 234,900	+ 3,468,533
	= 14·1%	= 9·0%	= 10·2%	= 13·5%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,964	37,559,751
Increase or decrease in 1936	+ 2,595,781	+ 152,508	+ 308,534	+ 3,056,823
	= 8·0%	= 8·1%	= 9·6%	= 8·2%

PROVINCIAL (000's omitted)

	Week ended August 28		Month of August (Dublin excluded)			Aggregate Totals, January 1 to August 28	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			25	25			
	£	£	£	£	%	£	£
BIRMINGHAM	1,987	1,914	9,584	9,116	– 4·8	88,889	90,711
BRADFORD	997	1,242	3,662	4,121	+12·5	33,120	36,412
BRISTOL	1,158	1,141	4,952	5,017	+ 1·3	43,394	43,856
DUBLIN	5,383	4,316	...	...	...	194,587	198,702
HULL	714	813	3,293	3,638	+10·4	27,936	31,500
LEEDS	743	680	3,471	3,341	– 3·7	31,907	34,989
LEICESTER	553	579	2,638	2,732	+ 3·5	24,876	25,875
LIVERPOOL	5,783	6,006	24,411	26,153	+ 7·1	207,965	242,508
MANCHESTER	8,397	8,784	41,284	43,974	+ 6·5	342,969	378,983
NEWCASTLE	1,205	1,574	5,524	6,483	+17·3	44,669	50,407
NOTTINGHAM	432	372	1,967	1,916	– 2·5	17,418	17,904
SHEFFIELD	772	751	4,356	4,442	+ 1·9	34,071	37,689
	28,064	28,172	105,142	110,933	+ 5·5	1,091,821	1,189,536

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Denmark, International Settlements, in August 14. Estonia, Greece, Portugal, Reichsbank, Sweden, Switzerland and Federal Reserve Reporting Members, in August 28.

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

U.S.F.R. Banks Resources	Sept. 3, 1936	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937
Gold Certificates on hand and due from the Treasury	8,334,030	8,832,400	8,831,950	8,831,950	8,831,390
Total reserves	8,615,540	9,150,080	9,145,120	9,150,240	9,134,570
Total cash reserves	268,880	306,900	303,050	308,860	294,240
Total bills discounted	8,690	16,700	18,290	18,700	23,720
Bills bought in open market	3,090	3,070	3,070	3,080	3,080
Total bills on hand	11,690	19,770	21,360	21,780	26,800
Industrial advances	28,520	21,040	21,010	20,930	20,780
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,470,630	2,567,000	2,568,560	2,568,900	2,573,780
Total resources	11,748,490	12,414,650	12,471,970	12,414,550	12,452,650
Liabilities					
Federal Reserve notes in actual circulation	4,020,920	4,228,040	4,238,390	4,234,680	4,260,600
Aggregate of excess member-bank reserves over requirements	1,960,000	740,000	780,000	760,000	750,000
Deposits—Member-bank—reserve account	6,440,620	6,681,120	6,743,870	6,729,550	6,731,210
Government deposits	107,240	252,690	155,690	160,880	156,260
Total deposits	6,827,410	7,260,930	7,239,680	7,246,690	7,224,020
Capital paid in and surplus	302,750	305,870	305,880	305,870	305,940
Total liabilities	11,748,490	12,414,650	12,471,970	12,414,550	12,452,650
Ratio of total reserves to deposit and F.R. note liabilities combined	79·4%	79·6%	79·7%	79·7%	79·5%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,717,000	12,497,000	12,527,000	12,541,000	12,567,000
Treasury and National Bank Currency	2,502,000	2,573,000	2,577,000	2,577,000	2,585,000
Liabilities					
Money in Circulation	6,225,000	6,482,000	6,500,000	6,495,000	6,532,000
Treasury Cash and Deposits with Federal Reserve Banks	2,482,000	3,893,000	3,828,000	3,844,000	3,875,000

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

	Sept. 3, 1936	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937
Total gold reserves	3,339,420	3,344,620	3,357,470	3,367,870	3,369,920
Total bills discounted	6,330	8,020	8,000	11,640	14,740
Bills bought in open market	1,100	1,090	1,090	1,090	1,090
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	675,070	739,630	739,600	743,190	746,250
Deposits—Member-bank—reserve account	2,893,720	2,836,370	2,878,990	2,890,900	2,900,920
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·6%	83·7%	83·7%	83·8%	83·6%

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

Assets	Aug. 31, 1936	Aug. 2, 1937	Aug. 9, 1937	Aug. 16 1937	Aug. 23, 1937	Aug. 30, 1937
Gold and English sterling	16,004	16,007	16,007	16,007	16,007	16,007
Other coin, bullion and cash	6,601	5,226	5,347	4,793	4,970	5,227
Money at short call—London	19,155	33,091	33,337	33,264	33,384	34,236
Short-term loans	6,360	3,095	3,213	3,241	3,563	3,273
Securities	75,154	76,587	76,587	76,587	76,587	76,996
Discounts and advances	8,727	10,830	10,674	10,505	10,282	10,401
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,038	47,534
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	70,433	85,514	86,204	85,637	86,020	86,790

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

Assets	Aug. 24, 1936	Aug 2, 1937	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	19,799	20,876	20,153	20,399	20,631
Advances to State	47	4,513	4,584	4,877	5,004
Investments	2,038	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	10,985	12,630	12,601	12,633	12,779
Demand liabilities :—					
Government	6,354	6,725	6,613	6,475	6,206
Other	6,210	10,361	9,823	10,459	10,943
Ratio of reserves to sight liabilities	96·0%	79·7%	79·1%	78·5%	78·3%

BANK OF CANADA.—In $'s (000's omitted)

Assets	Aug. 26, 1936	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937
Reserve, of which	208,383	204,182	205,956†	209,006
Gold coin and bullion	179,512	179,476	178,507†	179,489
Investments	110,627	145,041	146,764	149,737
Liabilities				
Note circulation	104,559	142,865	144,177	146,396
Deposits : Dominion Government	29,727	22,181	26,203	26,365
Chartered banks	183,534	174,261	172,245	176,421
Ratio of reserves to notes and deposit liabilities	65·5%	60·0%	60·0%	59·7%

† Amended

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

Assets	Aug. 28, 1936	July 30, 1937	Aug 6, 1937	Aug. 13, 1937	Aug. 20, 1937	Aug. 27, 1937
Gold coin and bullion	22,930	22,701	22,701	22,701	22,703	22,942
Bills discounted : Foreign	8,595	4,930	5,105	5,395	5,490	5,490
Investments	1,734	1,729	1,729	1,726	1,726	1,726
Other assets	11,477	11,446	10,928	10,879	10,370	10,775
Liabilities						
Notes in circulation	15,051	17,095	16,519	15,674	15,089	16,064
Deposits : Government	1,778	1,565	1,479	1,731	2,202	1,872
Bankers	23,541	16,174	18,156	19,083	17,525	18,971
Ratio of cash reserves to liabilities to public	53·8%	57·3%	55·7%	56·1%	57·7%	57·6%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	Aug. 28, 1936	Aug. 13, 1937	Aug. 20, 1937	Aug 27, 1937
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	67,32,85	59,99,15	60,65,77	61,20,35
Balances abroad	3,30,44	15,96,86	14,56,51	14,43,14
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,39,46	27,37,80	27,38,02	27,38,29
Investments	5,82,09	8,06,31	8,40,75	7,92,33
Liabilities				
Note circulation	1,62,15,79	1,80,90,17	1,79,10,13	1,77,80,04
Deposits : Government	6,28,00	10,19,12	8,61,04	10,44,42
Banks	33,58,26	35,43,82	38,50,59	36,84,81
Ratio of gold and sterling to liabilities	55·2%	58·8%	58·6%	58·5%

* Held against notes.

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

Assets	Aug. 28, 1936	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937
Gold*	54,511,102	55,716,636	55,716,766	55,717,154	55,717,532
Advances on Gold Coin	1,231,60	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	12,246,465†	9,877,662	9,485,878	9,178,188	9,505,145
Bills bought abroad	1,231,130	880,696	880,696	880,696	880,696
Advances on securities	4,262,996	5,229,295	4,665,007	4,472,333	4,239,235
Loans to State without interest : (*a*) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(*b*) provisional	9,161,332	23,878,127	23,878,127	23,878,127	25,218,126
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,641,368	5,637,303	5,637,303	5,637,303
Other assets (excluding forward exch.)	3,700,558	4,271,546	4,228,142	4,091,428	4,132,376
Liabilities					
Notes in circulation	84,323,914	89,603,755	88,994,533	88,216,282	88,254,890
Public deposits	1,523,243	2,338,713	2,242,785	2,204,098	2,251,318
Private deposits	6,929,626	14,492,429	14,323,010	14,340,863	15,790,735
Other liabilities	2,408,217	3,359,589	3,320,746	3,393,141	2,825,275
Ratio of gold reserve to sight liabilities	57·7%	52·3%	52·8%	53·1%	52·4%

* Based on franc at 49 milligrams Oct. 2, 1936, to July 22, 1937, and at 43 milligrams from July 29, 1937. † Includes fcs. 5,172,091,000 Treasury Bills.

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

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

Assets	Aug. 27, 1936	July 29, 1937	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937
Gold	3,726,929	3,642,431	3,622,970	3,601,374	3,589,035	3,581,930
Silver and other coin	53,434	44,163	40 872	40,529	42,862	43,727
Securities	1,377,248	1,376,376	1,367,917	1,361,404	1,354,909	1,345,905
Advances	76,529	35,625	34,972	35,027	32,788	33,604
Liabilities						
Notes in circulation	4,479,071	4,440,266	4,459,714	4,442,431	4,409,302	4,404,744
Deposits: Govt.	25,409	214,692	163,371	106 846	138,510	115,596
Other	916,635	627,719	627,726	673,119	655,837	668,875

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

Assets	Sept. 24, 1936	Aug. 2, 1937	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937	Aug. 30, 1937
Gold	682,150	1,265,883	1,265,883	1,265,883	1265883	1,284,650
Silver	21,625	17,843	18,518	19,693	19712	
Home bills discounted	24,898	12,987	12,924	13,086	12,908	12,944
Loans and advances in current account	129,502	186,670	179,604	180,112	177,458	179,759
Liabilities						
Notes in circulation	781,367	860,778	831,747	821,909	821,982	853,085
Deposits	98,434	646,739	669,192	681,076	678,086	649,393

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

Assets	Aug. 29, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14 1937	Aug. 21, 1937	Aug. 28, 1937
Gold and silver	107,540	133,670	133,670	132,500	132,510	132,510
Discounts, advances and other investments	72,060	78,060	77,790	78,420	78,790	80,380
Foreign bills	2,550	5,500	4,350	4,580	4,480	4,740
Other assets	11,560	63,030	71,020	68,600	68,310	67,670
Liabilities						
Notes in circulation	157,000	195,200	200,720	200,530	198,640	198,700
Deposits and bills payable	25,000	72,420	72,780	70,200	72,040	73,190

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

Assets	Aug. 22, 1936	July 31, 1937	Aug. 7, 1937	Aug. 16, 1937	Aug. 23, 1937
Coin and bullion (gold reserve)	118,866	118,842	118,842	118,842	118,842
Balance abroad and foreign bills	82,484	129,091	131,211	132,223	132,497
Funds provisionally placed in gold, not included in the gold reserve	76,248	70,331	70,331	70,331	70,331
Norwegian and foreign governments securities	46,824	83,689	83,482	82,115	84,312
Discounts and loans	219,351	164,165	162,063	151,839	151,677
Liabilities					
Notes in circulation	379,770	423,638	418,546	417,645	416,775
Deposits at sight	122,313	92,605	99,185	89,969	91,651

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

Assets	Aug. 23, 1936	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937
Cash reserve—					
Gold coin and bullion	242,695	243,028	243,040	243,048	243,062
Other foreign exchange	120,967	116,125	121,249	124,212	130,540
Bills discounted	214,994	193,192	193,099	194,718	192,232
Federal debt	624,444	620,152	620,152	620,152	620,152
Liabilities					
Notes in circulation	866,485	915,076	858,972	864,566	825,319
Deposits	334,463	251,358	314,540	307,693	355,052

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

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

Assets	Aug. 23, 1936	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	25,130	56,370	58,949	58,417	57,417
Token money	9,248	6,625	6,118	6,108	6,488
Inland bills, warrants and securities	465,928	398,351	378,997	375,622	379,387
Advances to Treasury	93,554	111,600	111,485	111,485	111,485
Liabilities					
Notes in circulation	350,569	459,622	425,778	411,508	393,110
Current accounts, deposits, etc.	152,161	155,598	174,166	195,915	219,076
Cash certificates	95,625	92,901	92,901	92,901	92,901
Other liabilities	163,624	160,207	162,448	152,876	152,940

CENTRAL BANK OF ARGENTINA
In paper pesos (000,000's omitted)

Assets	July 31, 1936	May 31, 1937	June 15, 1937	June 30, 1937	July 15 1937	July 31, 1937
Gold at home	1,224	1,224	1,224	1,224	1,224	1,224
Gold abroad and foreign exchange	105	262	330	344	328	320
Non-interest bearing Government Bonds	119	119	119	119	119	119
Treasury Bonds	399	399	398	398	398	398
Liabilities						
Notes	993	1,137	1,152	1,165	1,168	1,179
Government deposits	186	135	135	120	129	120
Bank deposits	315	363	427	437	406	406
Certificates against Treasury Bonds	349	367	367	358	358	358
Ratio of gold and foreign exchange to note and sight liabilities	88·1%	90·5%	91%	90·7%	90·7%	90·2%

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.* (000's omitted)

Assets	Aug. 23, 1936	July 31, 1937	Aug. 8, 1937	Aug. 15, 1937	Aug. 23, 1937
Gold	2,697,722	2,576,389	2,574,560	2,573,781	2,574,375
Balances abroad and foreign currency	23,517	347,645	354,706	351,756	356,835
Discounts and advances	1,518,524	2,267,870	2,221,000	2,072,427	2,076,889
State notes debt balance	2,034,323	2,014,573	2,014,220	2,014,215	2,014,046
Liabilities					
Bank notes in circulation	5,292,172	6,036,806	5,898,210	5,791,791	5,622,985
Deposits	754,180	296,249	447,073	407,161	631,747

* First return showing effects of devaluation, October 15, 1936.

NATIONAL BANK OF JUGOSLAVIA
In dinar (000's omitted)

Assets	Aug. 22, 1936	Aug. 8, 1937	Aug. 15, 1937	Aug. 22, 1937
Cash reserve:				
Gold at home and abroad	1,531,226	1,687,947	1,690,026	1,691,499
Other foreign exchange	479,550	689,442	702,347	689,307
Bills and advances against security	1,627,740	1,557,663	1,571,268	1,589,875
Government advances	1,661,638	1,651,286	1,651,674	1,651,689
Liabilities				
Notes in circulation	4,976,721	5,742,987	5,732,588	5,666,146
Sight deposits	1,562,024	2,106,123	2,176,939	2,295,595
Time deposits	50,000	50,000	50,000	50,000

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

Assets	Aug. 15, 1936	July 23, 1937	July 31, 1937	Aug. 7, 1937	Aug. 15, 1937
Gold holdings	1,606,955	1,799,107	1,800,716	1,802,984	1,804,984
Balances abroad and foreign currencies	492,848	389,670	389,982	412,820	333,847
Discounts and advances	1,387,910	1,095,370	1,141,788	1,154,678	1,197,328
Advances to the Treasury	2,671,279	3,522,998	3,522,998	3,522,998	3,522,998
Liabilities					
Reserves	1,243,702	1,212,526	1,212,153	1,212,147	1,210,600
Bank notes in circulation	2,361,794	2,392,379	2,543,389	2,607,365	2,606,909
Sight liabilities	1,997,677	3,144,459	3,023,461	3,021,923	2,981,790
Deposits	121,414	103,063	103,063	103,063	103,062

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

Assets	Aug. 14, 1936	July 24, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937
Gold and gold exchange	11,096,744	16,003,346	16,016,138	16,086,848	16,117,121
Commercial bills	5,867,577	6,131,406	6,175,246	6,331,883	6,396,721
Agricultural and urban advances	2,441,789	2,066,613	2,061,515	2,054,213	2,052,961
Treasury bills issued against losses on credit	5,704,164	6,439,516	6,449,975	6,465,680	6,466,598
State debt and advances to Treasury	5.633,095	4,618,628	4,618,628	4,868,628	4,868.628
Liabilities					
Notes in circulation	23,246,135	26,275,930	26,487,292	26,862,662	26,815,430
Other sight liabilities	8,368,507	12,942,853	12,782,868	12,809,980	12,787,385
Long-term liabilities	5,046,453	2,563,007	2,590,506	2,639,876	2,757,969

† First return after decree of November 7, 1936, was November 14th.

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

Assets	Aug. 20, 1936	July 20, 1937	July 31, 1937	Aug. 10, 1937	Aug. 20, 1937
Gold	366,208	425,384	426,842	427,667	428,525
Foreign exch. and balances	9,212	28,319	29,932	31,467	31,697
Bills discounted	619,842	501,150	529,998	517,035	513,355
Loans against securities	120,296	26,980	25,465	27,306	25,496
Treasury bonds discounted	59,805	46,162	48,602	51,607	50,474
Securities	124,352	134,218	135,516	135,445	135,354
Liabilities					
Notes in circulation	976,523	939,070	1,018,954	981,715	965,973
Sight liabilities	193,053	282,660	230,220	274,414	288,117

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

Assets	Aug. 22, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937
Gold reserve	575,768	602,887	602,869	602,854	602,841
Gold abroad not included in the gold reserve	...	37,003	37,003	37,003	37,003
Foreign correspondents	1,106,968	2,046,859	2,076,081	2,085,799	2,114 766
Foreign bills, bank notes, and coupons	91,882	86,556	86,372	86,746	90,942
Inland bills and other home loans	942,732	1,035,597	1,023,204	1,002,430	1,003,600
Finnish and foreign bonds	504,722	540,902	540,325	536,396	531,327
Liabilities					
Notes in circulation	1,424,267	1,840,860	1,846,707	1,831,451	1,811,478
Government deposits at sight	55,817	241,128	291,886	349,646	366,760
Other deposits at sight	682,988	991,448	1,004,671	1,002,538	1,008,851
Ratio of ordinary cover to liabilities at sight	73·74	78·44	78 34	77·98	78·54

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

Assets	Aug. 24, 1936	July 26, 1937	Aug. 2, 1937	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937
Gold coin and bullion	46,426	77,469	77,471	77,473	77,473	77,475
Silver coin	16,460	15.320	15,293	15,293	15,279	15,189
Foreign currency	9,763	39,577	39,900	40,537	40,607	40,177
Treas. notes and small change	13,199	8,880	8,852	9,205	8,859	7,889
Short-term bills	50,457	50,559	50,784	49,966	49,355	49,732
Loans against securities	70,292	68,252	67,487	67,564	67,852	69,594
Liabilities						
Notes in circulation	33,549	46,975	47,261	46,336	46,573	48,620
Deposits	19,498	21,363	21,384	21,391	21,353	21,396
Current accounts	101,610	122,001	119,195	122,757	121,633	121,101
Government accounts	45,490	60,172	60,849	60,529	61,816	60,629

‡ Gold francs up to and including September 28, 1936, only.

BANK OF LITHUANIA.—In lt. (000's omitted)

Assets	Aug. 15, 1936	June 15, 1937	June 30, 1937	July 15, 1937	July 31, 1937	Aug. 15, 1937
Gold	61,631	76,650	76,649	76,655	76,656	76,664
Silver and other coins	5,068	10,248	10,513	11,104	11,262	11,025
Foreign currency	8,442	2,240	2,495	2,190	2,520	2,496
Discounts	64,745	79,855	82,213	79,793	80,522	82,331
Advances	18,829	14,791	15,309	15,444	16,016	15,937
Liabilities						
Bank notes in circulation	103,445	105,929	108,431	107,241	109,512	109,007
Current accounts	40,833	62,264	53,942	54,276	60,399	62,738
Deposits	11,908	18,129	27,053	24,978	23,097	21,969

BANK OF DANZIG.—In Danzig gulder (000's omitted)

Assets	Aug. 15, 1936	May 31, 1937	June 15, 1937	June 30, 1937	July 15, 1937	July 31, 1937	Aug. 14, 1937
Gold coin and bullion	20,806	29,579	28,115	28,118	28,117	28,110	28,110
Danzig subsid. coin	4,566	4,412	4,819	4,134	4,580	3,761	4,369
Balances abroad and foreign bills	10,094	2,229	3,672	3,097	2,405	1,958	1,974
Discounts	14,063	12,910	12,951	13,025	13,794	13,517	13,324
Liabilities							
Notes in circulation	29,235	31,515	29,357	32,961	30,483	34,621	31,375
Deposits on demand	9,254	13,164	15,844	12,120	15,615	11,135	14,447

NATIONAL BANK OF EGYPT.—In £E (000's omitted)

	July 31, 1936	May 31, 1937	June 30, 1937	July 31, 1937
Banking Department:—				
Liabilities				
Capital	2,925	2,925	2,925	2,925
Reserves	2,925	2,925	2,925	2,925
Government deposits	6,071	9,604	10,011	8,530
Other deposits	19,456	19,432	18,455	18,139
Other accounts	3,502	3,486	3,919	4,163
Assets				
Cash: Notes	1,156	1,289	1,344	1,302
Gold, silver, etc.	697	694	686	690
Money at call and short notice	1,063	1,058	1,458	931
Investments	25,296	25,491	25,283	24,528
Advances	2,863	3,119	3,049	2,924
Bills	994	1,350	1,141	947
Other accounts	2,810	5,370	5,274	5,358
Note Issue Department:—				
Liabilities				
Notes issued	19,800	21,400	21,200	20,500
Assets				
Gold	6,241	6,241	6,241	6,241
British Treasury Bills and bonds	4,344	5,944	5,744	5,044
British War Loan at par	7,715	7,715	7,715	7,715
Egyptian Government securities at market price	1,500	1,500	1,500	1,500

BANK OF JAPAN.—In yen (000's omitted)

Assets	Aug. 8, 1936	July 17, 1937	July 24, 1937	July 31, 1937	Aug. 7, 1937
Gold coin and bullion	530,624	498.225	495,013	488,437	467,534
Other coin and bullion	67,970	57.315	56,750	55,603	53,770
Discounts	539,603	474,408	483,446	562,386	584,248
Advances	191,719	271.757	270,224	271.940	275,480
Advances on foreign bills	37,705	43,918	44,755	81,814	99,084
Government bonds	453,138	730,404	698,971	780,314	770,515
Liabilities					
Notes	1,248,535	1,415,240	1,447,406	1,579,961	1,448,002
Government deposits	357,179	294,633	255,076	270,696	364,772
Other deposits	55,262	65,465	59,582	74,271	62,475

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Aug. 26, 1937	Aug. 27, 1937	Aug. 28, 1937	Aug. 30, 1937	Aug. 31, 1937	Sept. 1, 1937	Sept. 2, 1937
	%	%	%	%	%	%	%
Bank rate (changed from 2½% June 30, 1932)	2	2	2	2	2	2	2
Market rates of discount—							
60 days' bankers' drafts	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
3 months' do.	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16	17/32–9/16
4 months' do.	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8	9/16–5/8
6 months' do.	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16	5/8–11/16
Discount Treasury Bills—							
2 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
3 months'	17/32	17/32	17/32	17/32	17/32	17/32	17/32
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances: Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	¾	¾	¾	¾	¾	¾	¾

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
Aug. 5	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 12	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 19	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
„ 26	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3
Sept. 2	½–1	17/32–9/16	9/16–5/8	5/8–11/16	2–2½	2¼–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Aug. 27, 1937	Aug. 28, 1937	Aug. 30, 1937	Aug. 31, 1937	Sept. 1, 1937	Sept. 2, 1937
New York, $	‡4·86⅔	4·97¼–98¼	4·96⅝–97⅜	4·96–97	4·96½–97⅜	4·96⅝–96⅞	4·96⅛–96⅝
Montreal, $	4·86⅔	4·97⅛–98¼	4·96½–97⅜	4·96–97	4·96⅝–97⅜	4·96⅛–96⅞	4·96–96⅝
Paris, Fr.	124·21	132 13/16–133	132 13/16–133	132¾–13/16	132¾–13/16	132 11/16–⅞	132¾–13/16
Brussels, Bel.	35·00(a)	29·52–58	29·48–53	29·41–49	29·46–51	29·46–50	29·45–50
Milan, L.	92·46	94 7/16–11/16 94·65i	94 5/16–9/16 94·50i	94 5/16–½ 94·37i	94 5/16–9/16 94·37i	94¼–½ 94·37i	94 3/16–5/16 94·37i
Zurich, Fr.	25 22½	21·66–70	21·63–67	21·61–65	21·62–67	21·61–64	21·59–63
Athens, Dr.	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M.	193·23	225¾–226½	225¾–226½	225¾–226½	225¾–226½	225¾–226½	225¾–226½
Madrid, Pt.	25·22½	70–100(l) 70–00j	70–100(l) 70–00j	70–100(l) 70·00j	70–100(l) 70·00j	70–100(l) 70·00j	70–100(l) 70·00j
Lisbon, Esc.	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm, Fl.	12·107	9·01½–03	9·00½–02	8·99¾–9·01½	9·00–02	9·00–01	8·99–9·00½
Berlin, Mk.	20·43	12·36–39	12·34–37	12·33–38	12·35–38	12·34–37	12·34–37
Registered Marks	(c)	41–46	41–46	41–46	41½–46½	41½–46½	41½–46½
Vienna, Sch.	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen.	27·82	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜	24⅞–25⅜
Prague, Kc.	§164¼	142¼–¾	142⅛–⅞	142–142¾	142⅛–⅝	142⅛–½	142–142⅜
Danzig, Gul.	25·00	26⅛–⅝	26⅛–⅝	26–26½	26–26½	26–26½	26–26½
Warsaw, Zl.	43·38	26⅛–⅝	26⅛–⅝	26–26½	26–26½	26–26½	26–26½
Riga, Lat.	25·22½	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾	24¾–25¾
Buchar'st, Lei	813·6	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	621* 628k	621* 628k	621* 628k	621* 628k	621* 628k	622* 628k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit.	48·66	29–30	29–30	29–30	29–30	29–30	29–30
Sofia, Lev.	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾	17¾–18¾
Oslo, Kr.	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr.	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97½	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝	97⅜–⅝
Br. India Rup.	† 18d.	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32	18 3/32–5/32
Hong Kong, $	† ...	14 11/16–15⅛	14 11/16–15⅛	14¾–15¼	14⅞–15⅛	14¾–15⅛	14⅞–15⅛
Kobe, Yen	†24·58d.	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32	13 31/32–14 1/32
Shanghai, $	† ...	14–14¾(l)	14–14¾(l)	14–14¾(l)	14–14¾(l)	14–14¾(l)	14–14¾(l)
Singapore, $	† 28d.	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼	28 1/16–¼
Batavia, F.	12·11	8·98–9·02	8·97–9·01	8·97–9·01	8·96½–9·00½	8·96½–9·00½	8·95½–99½
Rio, Mil.	†5 899d.	3 3/32–5/32f	3 1/16–⅛f	3 1/16–⅛f	3 1/16–⅛f	3 1/16–⅛f	3 1/16–3/16f
B. Aires, $	11·45	16·50–56g 16·12h	16·40–50g 16·12h	16·39–45g 16·12h	16·40–48g 16·12h	16·43–53g 16·12h	16·43–49g 16·12h
Valparaiso, $	40	130e(l)	130e(l)	125e(l)	125e(l)	125e (l)	125e (l)
M'video, $	† 51d.	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b	27¾–28¼ 39 13/16*b
Lima, Sol.	17·38	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾	18¾–19¾
Mexico, Pes.	9·76	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½	17½–18½
Manila, Pes.	†24·66d.	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24⅜	24–24½
Moscow, Rbls.	...	26·40–40⅛	26·34⅞–35⅜	26–30⅜–30⅞	26·35 3/16–11/16	26·31½–¾	26·30⅝–31⅛
B'ngkok, Baht	†21·82d.	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23 15/16 since dollar devaluation on February 1, 1934. § Par, 197·10 1/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates
(Closing quotations)

London on		Aug. 27, 1937 Per £	Aug. 28, 1937 Per £	Aug. 30, 1937 Per £	Aug. 31, 1937 Per £	Sept. 1, 1937 Per £	Sept. 2, 1937 Per £
New York, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	15/32–13/32	15/32–13/32	15/32–13/32	15/32–13/32	15/32–13/32	7/16–3/8
	2 „	15/16–13/16	15/16–13/16	15/16–7/8	15/16–7/8	15/16–7/8	7/8–13/16
	3 „	1 7/16–1 5/16	1 7/16–1 5/16	1 7/16–1 5/16	1 7/16–1 5/16	1 7/16–1 5/16	1⅜–1¼
Paris, frs.		(d)	(d)	(d)	(d)	(d)	(d)
	1 Month	⅝–¾	⅝–¾	½–⅝	9/16–11/16	½–⅝	9/16–11/16
	2 „	2–2¼	2–2¼	1⅞–2⅛	1⅞–2⅛	1¾–2	1¾–2
	3 „	3⅜–3⅝	3 3/16–3 7/16	3–3¼	3–3¼	2¾–3	2⅞–3⅛
Amsterdam, c'nt		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	1–½	1–½	1–½	1–½	1–½	1–½
	2 „	1⅝–1⅛	1¾–1¼	1⅝–1⅛	1⅞–3⅛	1¾–1¼	1⅝–1⅛
	3 „	2½–2	2½–2	2⅝–2⅛	2½–2	2½–2	2½–2
Brussels, cent		(p)	(d)	(p)	(p)	(p)	(p)
	1 Month	½(p)–½(d)	Par–1	½(p)–½(d)	½(p)–½(d)	½(p)–½(d)	½(p)–½(d)
	2 „	½(p)–½(d)	Par–1	1(p)–1(d)	1–Par	1–Par	1(p)–1(d)
	3 „	½(p)–½(d)	Par–1	1(p)–1(d)	1–Par	1–Par	1(p)–1(d)
Geneva, cent.		(p)	(p)	(p)	(p)	(p)	(p)
	1 Month	1½–1	1½–1	1½–1	1½–1	1½–1	1½–1
	2 „	2¾–1¾	2¾–1¾	2½–1½	2¾–1¾	2¾–1¾	2¾–1¾
	3 „	3½–2½	3½–2½	3½–2½	4–3	3–2	3¾–2¾

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

OVERSEAS BANK RATES

	Changed	From %	To %
Albania	Apr. 1, 1937	6½	6
Amsterdam	Dec. 2, 1936	2½	2
Athens	Jan. 4, 1937	7	6
Batavia	Jan. 14, 1937	4	3
Belgrade	Feb. 1, 1935	6½	5
Berlin	Sept. 22, 1932	5	4
Brussels	May 14, 1935	2½	2
Bucharest	Dec. 15, 1934	6	4½
Budapest	Aug. 28, 1935	4½	4
Calcutta	Nov. 28, 1935	3½	3
Copenhagen	Nov. 19, 1936	3½	4
Danzig	Jan. 2, 1937	5	4
Helsingfors	Dec. 3, 1934	4½	4
Kovno	July 1, 1936	6	5½
Lisbon	Aug. 11, 1937	4½	4
New York Fed. Reserve	Aug. 26, 1937	1½	1
Madrid	July 15, 1935	5½	5
Montreal	Mar. 11, 1935	...	2½
Oslo	Dec. 7, 1936	3½	4
Paris	Sept. 2, 1937	4	3½
Prague	Jan. 1, 1936	3½	3
Pretoria	May 15, 1933	4	3½
Tallinn	Oct. 1, 1935	4	4½
Riga	Nov. 1, 1936	5½ 6	5(a) 5½(b)
Rio de Janeiro	May 31, 1935	...	3½
Rome	May 18, 1936	5	4½
Sofia	Aug. 15, 1935	7	6
Stockholm	Dec. 1, 1933	3	2½
Swiss Bank places	Nov. 25, 1936	2	1½
Tokio	Apr. 7, 1936	3·65	3·285
Vienna	July 10, 1935	4	3½
Warsaw	Oct. 26, 1933	6	5
Wellington	Mar. 2, 1936	3½	2½
Irish	June 30, 1932	3½	3

Central Bank of Chile.—Discount rate for member banks, 4½%; discount rate for the public, 6%. (a) 5% applied to banks and credit institutions. (b) 5½% applied to private persons and firms.

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NEW YORK MONEY AND EXCHANGE RATES

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

	Sept. 2, 1936	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937
	%	%	%	%	%	%
Call money	1	1	1½	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1¼	1½	1½
Bank acceptances :—			Selling Rates			
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Commercial accept., 90 days	⅝	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Sept. 2, 1936	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937
London—						
60 days	Dollars for £1	Old par 4·8666	5·0187	4·9837	4·9737	4·95⅛
Cable	Dollars for £1	New par 5·03⅛	5·03⅛	4 99⅛	4·98⅛	4·9662
Cheques	Dollars for £1	8·2397	5·0343	4 9912	4·9812	4·96⅛
Paris .....cheques	Cents for 1 franc	6·63	6·58⅛	3 7537	3·7512	3·7387
Brussels „	Cents for 1 belga	23·54	16·885	16 865	16·84	16·845
Switzerland „	Cents for 1 franc	32·67	32·60	22 975	22·965	22·96
Italy „	Cents for 1 lira	8·91	7·87	5 26	5·28	5·26
Berlin „	Cents for 1 mark	40·33	40·23	40·235	40·21	40·175
Vienna „	Cts.forAustrn.shig.	23·82	18·87	18·89	18·88	18·88
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·92	55·19	55·19	55·16
Copenhagen „	Cents for 1 kroner	45·37	22·475	22 28	22·24	22·18
Oslo „	Cents for 1 kroner	45·37	25·30	25 08	25·04	24 965
Stockholm „	Cents for 1 kroner	45·37	25·96	25 735	25·69	25·615
Athens „	Cents for 1 drachma	1·29⅛	0·94⅜	0 91⅛	0·91⅛	0·91⅛
Montreal „	Cents for Can. $1	169·31	99⅜	99⅛	100	100
Yokobama „	Cents for 1 yen	84·40	29·46	29·11	29·07	28 98
Shanghai „	Cents for 1 dollar	...	30·25	30·40	30·25	30 00
Calcutta „	Cents for 1 rupee	61·80	38 06	37 69	37·64	37·51
Buenos Aires „	Cents for 1 peso	...	33·56	30·96	30·90	30·80
Rio de Janeiro „	Cents for 1 milreis	11·98	8·47	8·42	8·40	8·37

SOUTH AFRICAN EXCHANGE RATES

(Buying Rates per £100 Sterling)

	T.T.	Sight	30 days' sight	60 days' sight	90 days' sight
London on :—					
Rhodesia	£100 5 0	£100 11 3	£101 1 3	£101 11 3	£102 1 3
South Africa	£100 17 6	£101 3 9	£101 13 9	£102 3 9	£102 13 9

(Selling Rates per £100 Sterling)

	Sight	Telegraphic
London on :—		
Rhodesia	£ s. d. 99 15 0	£ s. d. 99 15 0
South Africa	100 2 6	100 2 6

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

The Bank of London and South America, Ltd., issues the following details relative to quotations for certain of the South and Central American exchanges. All these exchanges, with the exception of that of Bolivia, are related to the United States dollar, and the approximate sterling rates may be obtained by applying the dollar-sterling exchange rate :—

*Bolivia.** Commercial Banks' "free" selling rate was 120 bolivianos per £ on June 18th.

*Colombia.** Sight selling rate 175·80 pesos per 100 United States dollars on July 1st. This rate applies to holders of permits buying in the "open" market.

*Ecuador.** Official sight selling rate on New York was maintained up to July 2nd at 10·50 sucres per United States dollar.

Guatemala. Sight rate on New York is maintained at 1 quetzal per United States dollar, but a commission of 1 per cent. is charged by the Banco Central for the sale of drafts.

*Nicaragua.** Sight selling rate on New York was officially fixed at 2 cordobas per United States dollar on March 19th, 1937.

Salvador. Sight selling rate on July 3rd was 2·51 colones per United States dollar.

Venezuela. Sight selling rate on New York was officially fixed at 3·19 bolivares per United States dollar on April 27th, 1937.

* Exchange controls are operative in these countries.

OVERSEAS DOMINION RATES

Commonwealth of Australia and Dominion of New Zealand

	London on Australia and New Zealand*				Australia and New Zealand on London*			
	Buying		Selling		Buying		Selling	
	Australia	New Zealand	Australia (any Mail)	New Zealand (any Mail)	Australia	New Zealand	Australia (any Mail)	New Zealand
T.T.	...	...	125	124	125	124	125½	124½
	Air Mail / Ord. Mail	Air Mail / Ord. Mail			Air Mail / Ord. Mail			
Sight	126¼ / 126⅛	125⅛ / 125⅛	125 1/16	124 1/16	124 11/16 / 124 11/16	123½	125 7/16	124 7/16
30 days	126⅛ / 126½	125⅛ / 126	...	...	124¼ / 124⅛	123½	125 5/16	124 5/16
60 days	127⅛ / 127⅜	126⅛ / 126¼	...	...	124¼ / 124⅜	123	125 5/16	124 5/16
90 days	127⅛ / 127⅛	126½ / 127	...	...	124 / 123⅞	122⅞	125 5/16	124 5/16

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

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended September 2, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British South Africa	2,544,283	...	Anglo-Egyptian Sudan	700	...
Tanganyika Territory	6,512	...	British India	...	*8,500*
Kenya	2,565	...	Finland	44,330	...
Aden and Dependencies	2,620	...	Germany	210	...
British India	249,747	...	Netherlands	...	*250* / 15,000
Australia	84,347	...	Belgium	1,035	...
British Guiana	590	...	France	1,120	1,683
Soviet Union	1,125,172	...	Switzerland	5,741	655
Germany	830,020	...	Yugoslavia	101,616	...
Netherlands	...	28,614	China	210,000	...
Belgium	76,604	...	United States of America	546,347	...
France	82	...			
Switzerland	3,075	*40,039*			
Siam	5,142	25			
Other countries	4,407	*1,982* / 2,186			
Total	4,935,166	*42,021* / 30,825	Total	911,099	*8,750* / 17,338

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British India	15,135	*12,000*	Anglo-Egyptian Sudan	1,360	...
British Guiana	...	... 60	Aden	100	3,450
Germany	2,755	...	British India	12,400	...
Netherlands	...	...	Ceylon	1,600	...
Belgium	10,159	...	Sweden	2,025	...
France	16,803	*30* / 237	Denmark	1,370	32
Switzerland	...	115	Germany	17,380	...
Japan	19,210	...	Egypt	3,700	7,909
Other Countries	300	*228*	Arabia - Saudi Arabia	...	1,389
			U.S.A.	132,825	...
			Other Countries	1,736	...
Total	64,362	*12,258* / 412	Total	174,496	12,780

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

GOLD MOVEMENTS : BANK OF ENGLAND

1937 Arrivals	£	1937 Withdrawals	£
Aug. 27	Nil	Aug. 27	Nil
„ 28	Nil	„ 28	Nil
„ 30	Nil	„ 30	Nil
„ 31	Nil	„ 31	Nil
Sept. 1	Nil	Sept. 1	Nil
„ 2	Nil	„ 2	Nil
Total	Nil	Total	Nil

Movement, Aug. 27 to Sept. 2, 1937 (inclusive) ..... £113,609,527 in
Movement during year 1936 ..... £12,745,963 in
Movement during 1937 (January 1 to Sept. 2, inclusive) ..... £167,312,687 in
Movement, April 29, 1925, to Sept. 2, 1937 (inclusive) ..... £190,458,915 in
Movement, September 21, 1931 (gold standard suspended) to Sept. 2, 1937 (inclusive) .....

GOLD MARKET

Messrs Samuel Montagu and Company write on September 1, 1937 :—

The Bank of England gold reserve against notes amounted to £326,406,625 on August 25th, showing no change as compared with August 18th. In the open market a general demand absorbed about £1,100,000 of bar gold offered at the daily fixing during the week. In sympathy with the firmer tendency of the dollar, prices recovered from the low level recorded last week, but continued to rule at about dollar parity. The s.s. "Cathay," which sailed from Bombay on August 28th, carries gold to the value of about £270,000. The Southern Rhodesian gold output for July, 1937, amounted to 67,093 fine ounces as compared with 66,330 fine ounces for June, 1937, and 66,652 fine ounces for July, 1936.

SILVER MARKET

There was more activity during the past week and prices moved sharply downwards under pressure of selling by the Indian bazaars where, following reports of large shipments of silver from Shanghai to Hongkong, there appeared to be some apprehension that this silver might be placed upon the market. Quotations had fallen to 19 ⅜d. for both deliveries by August 28th, but subsequently the nervousness subsided and bear covering purchases brought about a recovery, prices to-day being 19½d. for cash and 19 11/16d. for two months' delivery. The low rates attracted support from America and shipments were made to New York; the demand thus occasioned for spot delivery resulted in the cash quotation being quoted at a premium for the first time since March last—the premium was ⅛d. on August 31st, but decreased to 1/16d. on September 1st. At the moment the tone of the market is steadier, but the immediate outlook is rather uncertain, depending largely upon the attitude of the Indian bazaars.

Quotations for gold and silver are shown below :—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard Cash	Price of Bar Silver in London per ounce standard Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
Aug. 26	139 7	12 2·07	19⅜	19⅜	
„ 27	139 8	12 1·98	19½	19½	
„ 28	139 11	12 1·72	19 3/16	19 3/16	Aug. 25 to Aug. 31 inclusive 45
„ 30	140 1	12 1·55	19⅜	19⅜	
„ 31	139 11	12 1·72	19⅜	19⅜	
Sep. 1	140 0½	12 1·59	19⅜	19⅜	
Average	139 10·42	12 1·77	19·490	19·458	
Sep. 2	140 0½	12 1·59	19⅜	19⅜	

The highest rate of exchange on New York recorded during the period from August 26th to September 1st was $4·98⅛ and the lowest $4·96.

Statistics for the month of August, 1937 :—

	Bar Silver per oz. standard Cash delivery	Bar Silver per oz. standard Two months' delivery	Bar Gold per oz. fine
Highest price	20d.	20 1/16d.	140s. 1d.
Lowest price	19 7/16d.	19 5/16d.	139s. 3½d.
Average	19·8475d.	19·8575d.	139s. 6·38d.

OTHER STATISTICS

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
BANKS				%	%
Bank of Australasia	3½%*	Oct. 1	Same	...	...
Bank of Nova Scotia	3%*		Same	...	...
National Bank of India	18*	Sept. 23	Same	...	...
TEA AND RUBBER					
Batu Tiga (Selangor) Rubber	7½%*	Sept. 10	2½%*	...	...
Riverview Rubber	4%*	Sept. 15	2½*	...	...
Travancore Tea	6%*	Oct. 1	Nil*	...	...
MINING					
Amalgamated Zinc	2½%*	...	Same	...	...
Anaconda Copper	50 c. p.s.	...	Same	...	...
Lahat Mines	10%*	Sept. 14	7½%*	...	...
Malayan Tin Dredging	20%*	Sept. 16	10%*	...	...
Nundydroog Mines (10/-)	2/9 p.s.*	Oct. 6	Same	...	...
Southern Malayan Tin	15%*	Sept. 15	5%*	...	...
OTHER COMPANIES					
Anglo-Alpha Cement	4½%*	...	First	5	...
Antwerp Waterworks	4%*	...	Same	...	...
Argus Press	2½*	Sept. 30	Same	...	...
Boots Pure Drug	20%*	Sept. 30	Same	...	...
British Tobacco (Australia)	2½%*	Oct. 1	Same	...	...
Brown Brothers	4%*	Sept. 30	Same	...	...
Control Systems	...	Oct. 1	...	7½(t)	10
Country Gentlemen's Association	...	...	...	20⅝	16⅝
Debenhams	5%*	Sept. 17	Same	...	...
Dumpton Greyhounds	...	...	First	10	...
Freedman (Henry)	5%*	Sept. 15	Same	...	...
Fullers, Ltd.	20%†	...	Same	35	35
Genatosan	25 c. ps*	...	Same	...	...
Gillette Safety Razor	5%*† ‡	Oct. 15	1st since 1921	...	...
Graig Shipping (Cardiff)	5%*	...	3%*	...	...
Grant (James) and Company	5%*	...	...	10	10
Harvey, Nichols and Company	...	...	...	7(n)	5
Hulett (Sir J. L.) and Sons	10 c. p.s.	Sept. 30	Same	...	...
Imperial Tobacco of Canada	10d. ps†	...	10d. p.s.†	25	25b
Initial Services (5s.)	3½%*	...	Same	...	...
Jones and Higgins	4%*	Sept. 15	...	...	...
Kayan (F.M.S.) Coconut	10%*	Sept. 30	Same	7½‡	10‡
Lawrence (Frederick)	...	...	...	12½	7½
Leigh Mills	10%†	...	5%†	12½	10
Leyland and Birmingham Rubber	8½%†	...	6¼%†	8	8
Martinez Gassiot and Company	...	...	...	...	...
Maynards	3%*‡	...	Same	...	...
Melbourne Hart and Co.	7½%*	...	...	...	...
Modern Machine Tools	8½*	...	Same	20‡	20‡
Neill (Wm.) and Son (St. Helens)	12½%†‡	...	Same	...	...
News of the World	2½%*	...	Nil*	...	...
North Eastern Electric	15%*	...	15%†	30	20
Pool Shipping	22½%†	...	Same	...	...
Qualcast	2½%*	Sept. 30	Same	20	15
Quirk Barton and Co.	12½%†	...	...	8	7½
Ransomes and Marles Bearing	...	...	...	4½	3½
S. G. B. Dudley	...	...	9%†	20	18
Scottish Agricultural	11%†	...	...	20	10
Second Alliance Trust	...	...	...	5½	...
Sheffield Forge and Rolling Mills	...	Oct. 6	First	22½	...
South African Clothing Industries	12½%†	...	...	...	...
South African Woollen Mills	5%*	Sept. 30	Same	...	...
Southdown Motor Services	6*(s)	...	Same	...	...
South-Eastern Gas	11½%†(s)	...	...	17½(s)	12½
Stone (J. & F.) Lighting, etc.	10%†	Oct. 5	8½%†	12½	11
Tennant Brothers	...	...	...	50	25
Thorncliffe Coal Distillation	3½%†	...	3%†	5½	5
Tor Investment Trust	2½%*	...	...	...	...
Triplex Foundry	3½%*(s)	...	2½%*	...	...
United Glass Bottle	3½%*(a)	Sept. 30	Same	...	...
United Tobacco (South) Ord.	3½%*(a)	Sept. 30	Same	...	...
Ditto deferred	20%*	Sept. 30	...	...	...
Walsall Conduits	4%*	Sept. 1	3%*	...	...
Wallsend Slipway and Engineering	3%*	Sept. 7	...	...	...
Wright (John) and Sons (Veneers)					

(s) Paid on a larger capital. ‡ Free of Income Tax. (a) Free of South African Normal Tax Dividend to be paid in South African currency.
(b) 900,000 bonus 5s. shares did not rank for the interim payment of 5d. per share.
(n) Free of South African Income Tax. (t) Paid on reorganised capital.

BANK OF AUSTRALASIA.—Interim dividend maintained at 3½ per cent.

BRITISH EMPIRE FIXED TRUST (Comprehensive Series).—Coupon No. 7 will be paid at rate of 3·2d. per sub-unit.

FIRST PROVINCIAL FIXED TRUST, LTD. ("Reserves" Series).—Third distribution on Series "Reserves" Certificates, payable on September 15th, will be at the rate of 5·537625d. net per sub-unit, including 1·041375d. net per sub-unit, amount realised on sale of bonuses, etc.

GENATOSAN.—Final ordinary dividend 20 per cent., making 35 per cent. for year as before.

SIR J. L. HULETT AND SONS.—Net profit year to April 30, 1937, £97,500, after £107,500 to depreciation and reserves. Net profit a year ago was £66,858 after providing £45,446. Ordinary dividend raised from 5 to 7 per cent.

LEYLAND AND BIRMINGHAM RUBBER.—Final dividend 7½ per cent., also bonus of 2½ per cent., making for year 12½ against 7½ per cent.

QUALCAST, LTD.—Final dividend of 12½ per cent. actual, less tax, with cash bonus of 10 per cent., making 30 per cent. actual, less tax, for the year. This compares with a total of 20 per cent. last year; also the capital has been increased by £25,000.

RANSOME AND MARLES BEARING.—Record dividend of 20 per cent. for year to June 30, 1937, compared with 15 per cent. Net profits have risen by £49,542 to £166,351.

SECOND ALLIANCE TRUST.—Final ordinary dividend 11, compared with 9 per cent., making for year to July 31, 1937, 20 against 18 per cent.

TIN COMPANIES INTERIM DIVIDENDS.—Three tin mining companies have announced increased interim dividends. Southern Malayan Tin is paying 15 compared with 5 per cent. The payment by Malayan Tin is 20 per cent., compared with 10 per cent. and Lahat Mines are distributing 10 against 7½ per cent.

UNITED GLASS BOTTLE.—Interim dividend increased from 2½ to 3½ per cent. paid on a capital increased from £500,000 to £1,117,022.

WALSALL CONDUITS.—Interim dividend of 20 per cent. is to be paid on ordinary shares.

WALLSEND SLIPWAY AND ENGINEERING.—Interim ordinary dividend increased from 3 to 4 per cent.

KETTON PORTLAND CEMENT COMPANY.—The final dividend on the ordinary shares is 7½ per cent., making a total of 12½ per cent. for the year. The total for the preceding year was 10 per cent.

UNITED TURKEY RED.—Although trading results for the half year to June 30th show a loss, the directors have decided to pay a dividend on the 4 per cent. first preference shares, and to pass the dividend on the 5½ per cent. second cumulative preference shares.

MODERN MACHINE TOOLS.—An interim dividend of 7½ per cent. (the same as a year ago) is payable on September 18th.

JONES AND HIGGINS.—An interim of 3½ per cent. (the same as last year) will be paid on the ordinary shares in respect of the year ending February 20, 1938.

THE ECONOMIST

THE LEADING AUTHORITY ON FINANCIAL AND ECONOMIC AFFAIRS

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COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE erratic movement of the prices of primary products this week reflects the prevailing uncertainty brought about largely by unfavourable political developments abroad which have arrested the upward movement of quotations a few weeks ago.

Copper, lead, spelter and tin all registered a slight decline on the week. In contrast, quotations for wolfram and antimony, which are normally obtained in substantial quantities from China, jumped ahead on fears that the Sino-Japanese conflict might lead to a reduction in the supplies of these two materials. The markets in vegetable oils and oilseeds were dull, while rubber remained depressed at the lower level of prices.

The movement of quotations for wool and cotton showed striking contrasts. The new wool selling season in Australia opened with a brisk demand at firm prices, while quotations for raw cotton dipped to still lower levels on the announcement of the United States Government's loan policy, discussed overleaf by our Manchester correspondent. Current quotations for raw cotton are substantially lower than a year ago.

The wheat markets have been spared from any further shocks. Liverpool prices showed little change on the week, but raw sugar quotations continued to drift downwards. Demand for tea at the auctions in London was again active at firm prices, the international export restriction scheme having been prolonged for a further period of five years.

In the United States, prices of staple commodities took a further downward plunge. Thus, Moody's index (December 31, 1931 = 100) declined from 197·0 to 192·9 during the week ended last Wednesday, compared with 205·5 a month ago and 183·4 on the corresponding day last year.

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

Manufacturers Trust Company, New York, announces the appointment of H. W. Auburn as European Representative. Offices were opened on September 1, 1937, at 1 Cornhill, London.

Mr Stuart C. Sheppard has been elected chairman of Agar, Cross and Company, in succession to Mr William A. Agar, who will remain on the board; Mr Charles Hendry and Mr Walter Woodbine Parish have joined the board to fill vacancies; and Mr James Asher has been elected a director.

Dr J. Donald Pollock has been elected president of British Oxygen Company and Mr S. J. L. Hardie has been elected chairman. Sir Alexander Stewart, K.B.E., has been appointed a director.

The head office of Equity and Law Life Assurance Society from September 6, 1937, will be at No. 20 Lincoln's Inn Fields, W.C.2. Telephone Holborn 7612.

Mr Ralph Gore has been appointed a director of White Drummond and Company and of Municipal and General Securities.

Mr N. H. Dixon has been appointed secretary and chief accountant of the Standard Motor Co., Ltd.

First, Second and Third Conversion Investment Trusts announce that Mr Richard Coit has been elected a member of the boards of these companies.

Mr R. Hugh Roberts has resigned from the boards of Leadenhall Securities Corporation, Ltd., and Gambrell's Radio Communications, Ltd.

MISCELLANEOUS

PRICE BROTHERS AND COMPANY.—Operating earnings for year to March 31, 1937, were $1,789,316 against $675,324; net loss $293,913 compared with $1,595,625 loss.

DEBENHAMS, LTD.—Profit for year to July 31, 1937, amounted to £727,896, an increase of £21,450. Net profit after interest £22,491 higher at £580,754. To reserve £50,000 as before. Carry forward raised by £47,587 to £229,758. Ordinary dividend raised from 16⅔ to 20⅚ per cent.

HARVEY NICHOLS AND COMPANY.—Net profit for year to July 31, 1937, £129,565, an increase of £18,735. To reserve £10,000 as before. Issue expenses written off £26,874. Ordinary dividend maintained at 10 per cent. Carry forward increased from £27,086 to £29,777.

WIGGINS TEAPE AND COMPANY (1919).—Net profits for two quarters ended June 30, 1937, are estimated at £212,123, an increase of £20,520 over corresponding period of 1936. Balance after preference dividend, £130,249 against £109,367.

BRITISH OXYGEN COMPANY.—The company has acquired a controlling interest in the Odda Smeltewerke A/S of Norway, manufacturers of carbide.

DANZIG 7 PER CENT. TRAMWAYS LOAN 1928.—The Council of Foreign Bondholders announce that, in order to conform to the treatment accorded to other loans, the reduced rate of interest on the Tramways Loan shall not operate until after the payment of the next coupon due October 1st at the full rate.

PLATT BROS. AND COMPANY (HOLDINGS).—The Shareholders' Protection Association, in a circular letter dated August 30th to second preference holders, say they consider that the proposals for the scheme of arrangement (discussed on page 439 of *The Economist* of August 28th) are inequitable, and holders are advised to vote against the scheme, which is to be considered at meetings on September 15th.

ANGLO-ALPHA CEMENT.—Net profit £91,177 for year to June 30th, the first since amalgamation with Atlas Cement of South Africa. A first ordinary dividend of 5 per cent. absorbs £41,929. To reserve £40,000. Carry forward £30,784. Balance sheet shows stocks at £51,265. Debtors £86,918. Cash £80,509. Creditors £78,348.

NEWS OF THE WORLD.—Total profits for year to June 30th, 1937, £430,851, compared with £409,995. To income tax £68,420 against £60,190; depreciation £40,000, as before; employees' fund, £7,179 against £7,072. Net balance £315,252, an increase of £12,519. Ordinary dividend 20 per cent. for year as before. To reserve £100,000 as before. Carry forward £30,765, an increase of £9,252.

OIL OUTPUTS

TRINIDAD PETROLEUM DEVELOPMENT COMPANY, LTD.—Production for May, 171,727 barrels; deliveries for May (including purchased oil), 136,883 barrels; Production for June, 106,901 barrels; deliveries for June, including purchased oil, 144,118 barrels. Production for week ended July 3rd, 8,419 barrels. General strike in Trinidad continued throughout the week; work gradually being resumed. Production for the week ended July 10th, 28,614 barrels. Production for the week ended July 17th, 32,550 barrels. Production for the week ended July 24th, 30,848 barrels. Production for the week ended July 31st, 30,213 barrels. Production for July, 129,469 barrels; deliveries for July, including purchased oil, 148,286 barrels. Production for week ended August 7th, 30,738 barrels. Production for the week ended August 14th, 32,876 barrels. Production for the week ended August 21st, 31,423 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Prefce. Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Financial, Land, etc.											
Industrial Finance and Investment	June 30	15,887	95,307	111,194	32,500	20,000	2	48,218	10,476	73,611	2
Percy Bilton Investment	June 30	1,731	6,423	8,154	3,025	1,950	6½	916	2,263	5,518	5½
Strand Electric Holdings	July 11	1,292	10,254	11,546	...	8,682	10	...	2,864	8,307	8
Textile											
Leigh Mills Company	July 31	8,107	17,521	25,628	1,240	16,863	7½†	...	7,525	28,138	10†
Other Companies											
Armstrong Shock Absorbers	June 30	761	12,007	12,768	...	11,297	20	...	1,471	27,245	20
Initial Services	June 30	13,330	277,694	291,024	32,000	143,750	25	100,539	14,735	245,476	25
"News of the World"	June 30	21,514	362,441	383,955	126,000	80,000	20	147,179	30,766	349,805	20
Stone (J. & F.) Lighting, etc.	June 30	3,431	86,643	90,074	9,628	53,812	17½	20,850	5,784	43,683	12½
United Indigo and Chemical	June 30	16,291	10,763	27,054	6,750	3,938	7½	...	16,366	8,417	6½

† Free of income tax.

COAL

SHEFFIELD.—Holidays and a continuance of trouble at some pits tends to hamper supplies to some extent. On the inland market, industrial demand is very strong with supplies fairly steady. There is a shortage of good quality smalls for coking. Some revival of demand for house coal is noticeable, the better demand being attributed to the imminence of the operation of winter prices. On the export market washed singles and doubles are in better request and there is every likelihood that higher prices will rule in the near future.

Cokes are very firm and stocks are on the light side. Furnace qualities are prominent and the inquiry for graded coke for central heating shows improvement. There is a general expectation that shortly higher prices will rule and in consequence there is not much forward selling.

NEWCASTLE-ON-TYNE.—Whilst there is a little weakness in the Northumberland prompt position for large steam coals due to the difficulty in securing tonnage, all other sections of the North-East coal market are firm. The Durham section is particularly strong. Gas collieries are now working regularly and there is the continued firm demand from the home and export markets for all classes of coking coals. Bunker classes for ships' own use continue in good demand. Patent oven coke is becoming more scarce under the strong demand of the home trade.

GLASGOW.—Prices are well maintained, but in one or two directions a slowing-down in the movement of fuel is noticeable. Contract business provides the shipping collieries with a good outlet, but the quiet conditions of foreign buying of late now appear to be having some effect, the result being that supplies for new prompt orders are more plentiful than for some time. A shortage of tonnage is also an influence. The reaction of these conditions on the home market is seen in the stocks at colliery sidings, which result in a stringency in the waggon position. Industrial requirements remain heavy, but still leave fuel available for further business, while the expansion in demand for domestic coal has not yet made much headway. The concessions of 1s. 6d. to 2s. per ton granted by Lanarkshire producers for summer trade in house coal have now been withdrawn.

CARDIFF.—There has been little change in the state of business or in the level of prices on the Cardiff coal market during the past week. The improvement in the volume of trade is being maintained. Although spot transactions are comparatively few, collieries are being regularly employed on the strength of their contracts. The provisional returns of shipments abroad during August give a total of 1,089,222 tons for 24¼ working days, compared with 1,472,033 tons in 27 working days in July, and 964,231 tons in 24¼ working days in August, 1936. Quotations for future supplies are very firm, and a number of colliery companies producing certain sizes of anthracite and dry coals suitable for central heating furnaces have entered into an agreement fixing delivered prices in the London and other zones. Under these voluntary arrangements, which are for an experimental period of nine months, the allowance to factors is fixed at 15s. per ton. The joint audit for the three months ended July shows, compared with the previous three months, an increase of 9·17d. per ton in the average pithead proceeds, but owing to an increase of 10d. per ton in the wages cost and of 0·69d. in costs other than wages, the certified profit was only £78,298, or 2d. per ton, which compares with a profit of £135,886, or 3·52d. per ton, in the previous three months, and a loss of £182,056, or 5·56d. per ton, in the corresponding quarterly period last year. The heavy increase in wages cost, absorbing the whole of the increase in proceeds, is due to the recent advance in wages. Compared with a year ago the average earnings per man shift worked show an increase of about 10d. per shift, and now average nearly 10s. 6d.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that there are signs of increased activity in the iron and steel trades as the close of the holiday season approaches and that greater pressure is being exercised by the consuming industries to obtain supplies. The situation remains difficult as the producing firms have sold their output for the remainder of this year.

In the pig iron department the position has slightly improved and, with the renewed shipments of ore, more furnaces are being put on the production of hematite. Supplies of basic iron, also, appear sufficient to meet the present needs of the steelmakers. There has been an easing in the demand for foundry iron from some branches of the consuming trades; but this has been more than offset by the expansion in the requirements of other departments.

The scarcity of semi-finished steel is still acute, and although increased quantities of Continental semis are reaching some districts, they are not sufficient entirely to relieve the shortage. More regular deliveries of British steel are arriving at the consuming works and the position seems to be improving.

Demand for finished steel is still in excess of supply, in spite of the record production, and consumers are endeavouring to place orders for delivery next year. The tendency, however, is for the manufacturers to adopt a conservative policy with regard to such far forward business, owing to the congested state of their books.

MIDDLESBROUGH.—Shipments of pig iron from the Tees during August amounted to 10,120 tons, or double the quantity shipped during July. It is noteworthy that parcels have been sent to overseas destinations, such as Finland, Netherlands, Belgium, France, etc. These shipments were made chiefly during the local holiday period, when the demand from the home foundries was very much reduced. Shipments of manufactured iron and steel from the Tees during August amounted to 41,345 tons, compared with 50,195 tons during July.

Autumn demand for all classes of material is strong, and although output is being maintained at a high level, deliveries are in certain cases still in arrear.

Pig iron prices are unchanged. Deliveries under current contracts are now being resumed to home users, and it is hoped to release further quantities for export. Foundry and hematite pig iron producers are almost fully booked to the end of the year. Producers of semi-manufactured steel are faced with increasing demands from re-rollers. Finished steel output is practically all sold, and prompt business is therefore impossible. Deliveries can only be undertaken for forward dates, and at prices then ruling.

Foreign ore imports are well maintained, the quantity imported into the Tees during August being 185,600 tons, against 199,600 tons during July. Chartering has now been resumed from Bilbao, and a cargo of ore has arrived at an East Coast port during the last few days. Coke is very firm at 40s. per ton, delivered at furnaces. Scrap is in good demand at fixed prices.

SHEFFIELD.—The holiday period, while giving iron producers an opportunity of making up delivery arrears to some extent, did little or nothing to help in the accumulation of users' stocks. Makers of forge and foundry pig iron are still unable to accept new business on any scale, most of them being fully booked to the end of the year; in fact, contract renewals are about the only form of business at present. The demand for basic pig iron is unabated, but it is almost impossible to place fresh orders. The position with regard to hematite shows little change, though supplies of East Coast mixed numbers appear to be rather less restricted. Not much West Coast hematite is on offer. Makers of finished iron are being hindered by the lack of material and cannot accept all the business on offer.

In the steel market it is becoming increasingly difficult to place fresh orders and no fixed date of delivery is promised. Supplies of billets from the Continent have done little to alleviate the demand, which is insistent. The distribution difficulties in the case of structural steel will possibly be straightened out now that the scheme for regulation is in operation.

The iron and steel scrap market is very active, but supplies are on the short side, particularly of cast iron. All prices are firm and unchanged.

All sections of the engineering trade here are fully occupied, and there is a steady flow of important orders from both home and overseas sources.

CARDIFF.—Conditions are once again normal in the South Wales iron and steel industry and the latest returns give a tinplate output of 77·5 per cent. of capacity. Prices remain unaltered for pig iron, steel bars and sheets as well as tinplates. Exports of tinplates at Swansea last week totalled 5,719 tons compared with 4,964 tons the previous week, and only 2,324 tons in the corresponding week last year. Stocks have increased and now amount to 5,577 tons.

OTHER METALS

COPPER.—This has been a comparatively quiet week for copper, although turnover has tended to increase in the last few days. As a result of the uncertain political outlook and the disappointing advices from the United States the direction of prices was downward. Standard cash declined by 12s. 6d. per ton to £55 6s. 3d. The contango has remained unchanged at 5s. The immediate outlook will be more dependent on "outside" than on "inside" factors, so that forecasts are impossible at the moment. The Chilean and Rhodesian copper production figures for July, which have become available this week, reveal an interesting change. In both countries there has been a substantial decline in output during that month (in Rhodesia from 17,863 long tons to 15,700 long tons and in Chile from about 37,000 tons to about 25,200 tons), although there were no technical difficulties which could explain the drop. It appears still too early to draw definite conclusions from the declines, but it is not impossible that certain producers are restricting their output again intentionally.

Sales on the London Metal Exchange: 1,500 tons on Monday, against 900 tons last week; 1,350 tons on Tuesday, against 1,950 tons last week; 1,700 tons on Wednesday, against 1,050 tons last week. Domestic spot was quoted at 13·57½ cents per lb. in New York on Wednesday, against 13·77½ cents a week ago and 14·20 cents a month ago. Wednesday's official closing price for standard cash in London was £55 6s. 3d. to £55 7s. 6d. per ton, compared with £55 18s. 9d. to £56 a week ago. Stocks of refined copper in British official warehouses at the end of last week at 11,608 tons, showed an increase of 353 tons, while stocks of rough copper, at 11,941 tons, were 548 tons larger.

LEAD AND SPELTER.—Both markets were comparatively lifeless although prices fluctuated in sympathy with the other metals. Lead closed 5s. down on the week at £21 15s. per ton, while spelter lost 18s. 9d., closing at £22 16s. 3d. per ton. The particular weakness of spelter was due to the liquidation of the small speculative position, accumulated during the short-lived August boom. As the statistical position of the lead market on this side of the Atlantic is stronger than that of the spelter market, a further contraction of the difference between lead and spelter quotations is likely, unless speculative spelter purchases in anticipation of large United States imports revive. As in copper and tin the immediate future of the lead and spelter markets will be more dependent on outside than on inside influences.

Sales of lead on the London Metal Exchange: 900 tons on Monday, against 950 tons last week; 900 tons on Tuesday, against 1,350 tons last week; 2,500 tons on Wednesday, against 600 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6·25 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £21 15s. to £21 16s. 3d. per ton, compared with £22 to £22 1s. 3d. last week.

Sales of spelter on the London Metal Exchange: 700 tons on Monday, against 775 tons last week; 1,250 tons on Tuesday, against 1,500 tons last week; 1,300 tons on Wednesday, against 725 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7·00 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £22 16s. 3d. to £22 17s. 6d. per ton, against £23 15s. to £23 16s. 3d. last week.

TIN.—Tin was very weak at the beginning of the period under review and on Friday last the price fell for the first time since the beginning of July below £260 per ton. Subsequently, however, a recovery took place and the closing price at £261 15s. was only 15s. lower on the week. The August tin statistics published on Wednesday proved to be bearish. After the extraordinary rise in stocks during July there was—according to Messrs A. Strauss and Company, Ltd.—only a moderate decline of 156 tons to 23,551 tons in August. The market had expected a decline of about 1,000 tons. As anticipated, world deliveries increased sharply by 3,171 tons to 12,348 tons last month as a result of the deliveries to consumers of the huge New York port stocks at the end of July. On the other hand new supplies showed a surprising increase of 500 tons to 12,470 tons, although Straits shipments declined by 754 tons to 8,525 tons after having reached an extraordinarily high level in July. The August statistics as a whole give reason for hopes that the position of tin supplies will improve slowly but steadily in the near future. Such an improvement is more than necessary to maintain the stability of the market, for the new Statistical Bulletin of the International Tin Research and Development Council, published this week, shows that production in the first half of this year, at 92,303 tons, was 2,560 tons below current consumption.

Sales of tin on the London Metal Exchange: 175 tons on Monday, against 240 tons last week; 150 tons on Tuesday, against 425 tons last week; 165 tons on Wednesday, against 150 tons last week. The New York quotation on Wednesday was 58·50 cents per lb., against 59·12½ cents a week ago and 59·12½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £261 15s. to £262 per ton, compared with £262 10s. to £262 15s. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,572 tons, an increase of 185 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 12s. to £13 12s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £80 to £82 per ton, ex warehouse, as against £77 last week. Chinese wolfram for "September–October" shipment was quoted at 105s. to 110s. per unit, c.i.f., compared with 97s. 6d. for "August–September" last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—The further downward movement in raw material prices has made buyers of yarn and piece-goods cautious, and although fair transactions have been arranged in one or two directions, there have been no signs of any real revival in demand. Merchants have been nervous as a result of developments in the Far East. The event of importance in the raw cotton markets has been the announcement of the loan plan to farmers in the United States. The terms, however, seem to have given very little satisfaction to growers, and the scheme has been considered bearish. The loan will be graded according to staple, and an important factor is that the subsidy of 3 cents per lb. to farmers agreeing to co-operate in next year's programme of crop control will apply to only 65 per cent. of the basic production. In the meantime the weather in the Belt continues generally favourable.

In the yarn market a feature of interest has been the decision of spinners of American cotton to increase their margins for certain counts and qualities, and at the end of last week more business was done than for some time back. The Oldham holidays have accentuated the pressure for deliveries. Spinners of Egyptian yarn have decided to continue the price maintenance scheme for another twelve months, the requisite 80 per cent. in the recent ballot having been obtained. Some sellers of piece-goods have reported an increased inquiry and the opinion is gaining ground that a substantial business is waiting to be done when buyers have made up their minds that prices are safe. News from India has not been encouraging, and most of the bids have been quite impracticable. Fair miscellaneous sales have been put through in fancies for Singapore and Java, dyed cloths for South America and prints for West Africa. Home trade buyers have acted with caution. There is still a tendency for manufacturers' order lists to run down.

COTTON PRICES

	1937				Corresponding Date	
	Aug. 11	Aug. 18	Aug. 25	Sept. 1	1935	1936
Raw Cotton—Mid. American ..... per lb.	d. 5·93	d. 5·96	d. 5·68	d. 5·44	d. 6·04	d. 6·73
„ Sakellaridis Fully Good Fair Egyptian..... per lb.	9·29	9·29	9·00	8·90	8·04	10·39
Yarns—32's twist ..... per lb.	13	12½	12⅝	12⅝	9½	10⅝
„ 40's weft ..... per lb.	12	11⅝	11½	11½	10	10⅝
„ 60's twist (Egyptian) ..... per lb	18⅛	18⅛	18	18	15⅛	16½
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	s. d. 19 6	s. d. 19 6	s. d 19 5	s. d. 19 4	s. d. 17 0	s. d. 17 10½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	26 3	26 3	26 1	26 0	24 0	25 0
38-in. ditto. 38 yds., 18 by 16, 10 lb.	11 1⅛	11 1⅛	11 1	11 0⅛	10 2	10 2
39-in. ditto. 37¼ yds., 16 by 15, 8¼ lb.....	10 1⅛	10 1⅛	10 1	10 0⅛	9 1	9 2

Loans for Cotton Producers.—After some delay the United States Government has announced the scheme for assisting cotton farmers in view of the prospective abundant supplies this season. Loans are to be granted on the basis of 9 cents per lb. for ⅞ths Middling or better, 8 cents per lb. on ⅞ths Middling or better, and 7⅛ cents on other cotton. The Reconstruction Finance Corporation will lend the Commodity Credit Corporation the sum of 150 million dollars. A subsidy of 3 cents per lb. is to be paid to producers agreeing to co-operate in next year's programme of crop control, but the payment will apply to only 65 per cent. of the basic production. On the details being announced, bearish sentiment in the Liverpool and New York markets was more pronounced and prices touched a new low level and are now lower than at any time since January, 1934. The proposals have not given satisfaction to the growers. It is evident that the Government is determined to discourage the use of loan facilities by producers of low-grade material.

It is probable that this assistance from the Government will put a bottom to the market at around 9 cents in New York. No details have yet been announced with regard to crop control for next season, but this will probably be by restricting the acreage. Previous attempts by the United States Government to prevent low prices for raw cotton have not met with much success. It is significant that exports from the United States have fallen during the last few years from 8 million bales to 6 million bales, and during the same period the production of outside growths has increased from 11 million bales to 19¼ million bales. There seems to be every probability of plentiful supplies of raw material during the next twelve months. With an output from the United States of 15¼ million bales and outside growths totalling 19¼ million bales, the available supplies with a carry-over from last season of 12,800,000 bales, are nearly 48 million bales. This compares with a consumption last season of about 31 million bales. As an item of interest it may be mentioned that this week 6,000 bales of Russian-grown cotton have been imported and sold in the United States.

WOOL.—Bradford.—The event of the week was the opening of a new selling season in Sydney last Monday, followed by Adelaide on Thursday, the result affecting every wool-consuming centre throughout the world. The auctions have hardly come up to expectations. Sydney has shown clearly that manufacturers' stocks everywhere are very low and in need of replenishment. Prices have barely moved in sympathy with those current for tops and yarns in manufacturing centres throughout this country, and the home trade has been by no means slow to seize the opportunity of purchasing. The offerings in Sydney have not been of the best, but good, useful, topmaking clips have been catalogued. The offerings at Adelaide on Thursday were of a most useful quality. Good wool has sold on a basis of 39d. for 64's warp tops, some cables giving the price a fraction higher. Even 39d. is more than can be freely obtained in Bradford to-day. The trade is faced with a big clip, but a new selling season opens with stocks lower than for a good number of years, and while there is not much likelihood of higher prices unless war needs in the Far East become very pronounced, current quotations satisfy growers, who are prepared to meet the market readily. What will suit the entire industry best will be steady, firm prices, with a ready absorption of all the wools catalogued.

GRAIN MARKETS

WHEAT.—Spot prices for the most part are somewhat higher, but futures have again fallen. The Australian crop is in an excellent condition and rain has at last fallen in the Argentine. This and the good Russian yield is having a depressing effect upon the price outlook.

On Wednesday last, "September" futures were quoted in Chicago at 104 cents per bushel, against 105½ cents the week before and 113⅛ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic), ex ship, 51s. to 51s. 9d. per 496 lbs., against 50s. 3d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 49s. to 49s. 9d., against 48s. 3d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 979,000 quarters, against 959,000 quarters in the previous week and 1,222,000 quarters in the corresponding week a year ago.

FLOUR.—Conditions in this market remain extremely quiet. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 39s. per 280 lbs., as against 39s. a week ago; delivered inner London, 38s. 6d., as against 38s. 6d. a week ago. Manitoba patents, ex store, 37s. 6d. to 39s., as against 37s. 6d. to 39s. 3d. a week ago. Australian, ex store, 32s. to 32s. 6d., as against 32s. to 32s. 6d. a week ago.

BARLEY.—The shortage is diminishing. "October" futures were quoted at 56⅜ cents per bushel in Winnipeg on Wednesday, as against 56⅜ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed," at farm, not quoted; "English malting" (new), at farm, 60s. to 70s., as against 60s. to 65s. a week ago; Californian, ex ship, 44s. to 58s., as against 47s. 6d. to 60s. a week ago. Chilean, brewing, ex ship, 44s. to 48s., as against 46s. 6d. to 50s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 28⅞ cents a bushel in Chicago, against 28½ cents a week ago and 28¼ cents last month. Quotations in London, Wednesday: "English Black," (new), at farm, 25s. to 26s. per 336 lbs., not quoted last week; "English White" (new), at farm, 25s. 6d., as against 26s. to 27s. a week ago; mixed Canadian feed (Vancouver), landed, 25s. per 320 lbs., as against 25s. 3d. a week ago.

MAIZE.—A good Continental demand has raised prices again. "September" futures were quoted on Wednesday at 95⅛ cents per bushel in Chicago, against 98½ cents a week ago, and 97 cents last month. Quotations in London, Wednesday; "Plate," landed, 28s. 3d. per 480 lbs., as against 28s. a week ago; "Plate," ex ship, 27s. 3d., as against 27s. a week ago; "Plate," "August," 27s., as against 26s. 9d. a week ago; yellow maize meal, ex wharf, was quoted at £7 5s. per ton, as against £7 2s. 6d. to £7 5s. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Sept. 2, 1936	Dec. 30, 1936	Aug. 25, 1937	Sept. 1, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lbs.	82⅞	84⅛	94⅛	129	122⅛	122⅛
Chicago (No. 2, Winter)— Cents per 60 lbs.....	98⅛	101⅛	108⅛	135⅛	105⅛	104

HOTEL WESTMINSTER
Le Touquet

The visible supply of wheat in Canada amounts to 38,379,000 bushels, against 30,769,000 bushels last week and 63,861,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1933–1934	1934–1935	1935–1936	1936–1937
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to August 28	176,562	429,655	100,404	156,368
52 weeks to August 28	10,648,825	14,211,769	13,293,795	11,317,210
Average price of English wheat per cwt.	s. d. 5 3	s. d. 4 6	s. d. 7 9	s. d. 8 10

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
August 26, 1933	340,650	63,649	46,420	5 0	11 0	5 5
August 25, 1934	176,562	29,743	30,706	5 3	10 5	6 4
August 31, 1935	429,655	87,699	55,085	4 6	9 6	6 1
August 29, 1936	100,404	17,406	21,070	7 9	10 1	7 1
August 21, 1937	102,339	6,008	23,052	9 2	12 2	8 8
August 28, 1937	156,368	13,378	31,186	8 10	12 7	8 8

OTHER FOODS

BACON.—Arrivals have been slightly larger this week, but demand and prices remain steady. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week, were: English, 101s.; Canadian, 94s.; Danish, 100s.; unchanged from the previous week. Arrivals in London last week included: Danish, 15,516 bales; Canadian, 5,611; Dutch, 1,904; Lithuanian, 1,305; and Polish, 3,352; as against 15,840, 5,073, 1,736, 1,341, and 3,151 bales, respectively, in the previous week.

BUTTER.—The improvement in the market remains and prices are firm. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 116s.; Australian, choicest salted, 116s.; Danish, 132s.; compared with 116s., 116s., and 130s., respectively, a week ago.

CHEESE.—The market has been very active and several prices have risen. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 88s. to 90s.; Canadian, finest coloured, 71s.; and New Zealand, finest coloured, 70s. 6d. to 71s.; against 88s. to 90s., not quoted, and 66s. 6d. to 67s., respectively, a week ago.

COCOA.—Much enlarged arrivals have caused last week's price falls to continue, despite a good demand. The spot quotation in New York on Wednesday was 8⅜ cents per lb., as against 8⅝ cents per lb. last week. In London on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 37s. 3d. sellers per 50 kilos., c.i.f. Continent, against 37s. 9d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 940 bags; delivered, for home consumption, 3,638 bags; exported, 867 bags; stocks, 242,515 bags, against 172,776 bags a year ago.

COFFEE.—The spot markets are quiet and quotations remain unchanged. On Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb. in New York, as compared with 9 cents per lb. last week and 9½ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 141 cwt.; delivered, for home consumption, 34 cwt.; exports, nil; stocks, 2,112 cwt., against 10,154 a year ago. Central and other South American: Landed, nil; delivered, for home consumption, 1,412 cwt.; exported, 312 cwt.; stocks, 96,294 cwt., against 90,649 cwt. last year. Other kinds: Landed, 376 cwt.; delivered, for home consumption, 2,683 cwt.; exported, 424 cwt.; stocks, 94,670 cwt., against 131,646 last year.

EGGS.—Prices have risen yet again for all grades of eggs. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 18s. to 18s. 6d. per 120, against 16s. 6d. to 17s. last week; while Danish (15½ lb.) made 12s. 6d. to 13s., as against 12s. to 12s. 3d. last week.

FRUIT.—Supplies are growing for the moment and with the end of the holidays approaching prices in some cases are easier. The demand for apples is satisfactory, and a large supply of good quality is selling well. National Mark Worcesters fetch 10s. to 11s. for extra fancy; 6s. to 8s. is the quotation for Bramleys, and Californian Gravenstein at 9s. 6d. to 10s. are steady. Plums are still arriving in great quantities, but there are signs that the crop is approaching its finish. Victorias and Pond's Seedlings have advanced to from 3s. to 6s. and 3s. to 5s. per half-sieve, respectively. Pears and grapes are doing quite well; oranges and grapefruit poorly. Blackberries are very cheap.

MEAT.—At Smithfield Market on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 2d. to 4s. 6d. per 8 lbs., as compared with 4s. 4d. to 4s. 8d. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,371 tons, an increase of 207 tons on the corresponding week last year. Beef and veal accounted for 4,614 tons, mutton and lamb 2,550, and pork and bacon 687, as compared with 4,356, 2,672, and 678 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, August–October, was quoted at 4½d. per lb., sellers, c.i.f. Rotterdam–Hamburg, against 4½d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3½d. per lb., sellers, compared with 3½d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 3 tons; stocks, 1,984, against 1,757 last year. White, landed, 27 tons; delivered, 32 tons; stocks, 11,399 tons, compared with 12,129 a year ago.

RICE.—The rise in price continues. The spot price of Burma No. 2 cleaned, was 10s. 9d. per cwt., ex warehouse, on Wednesday, as compared with 10s. 6d. per cwt. a week ago. "September–October," in singles to Continent and U.K., was quoted at 9s. 9d. to 9s. 10½d. per cwt., against 9s. 9d. to 9s. 10½d. for "August–September" last week. Movements in London last week were as follows: Landed, 108 tons; delivered, 121 tons; stocks, 2,088 tons, against 9,424 a year ago.

SUGAR.—The gradual recession of prices in New York and in London continues. The New York spot quotation was 3·50 cents on Wednesday, as compared with 3·60 cents per lb. last week and 3·53 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 1¾d. to 6s. 3d., against 6s. 2¾d. to 6s. 3¼d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 7,428 tons, against 9,818 in the previous week and 11,330 in the same week of 1936; deliveries, 23,796 tons, against 20,949 and 19,473 tons, respectively; stocks, 129,559 tons, against 19,372 and 114,968 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
July 22, 1937	15·15	14·55	15·33	13·44	12·38	13·52	14·92
„ 29, „	15·34	14·58	15·39	13·39	12·65	14·07	15·05
Aug. 12, „	16·04	14·73	15·49	14·46	12·68	14·27	15·25
„ 19, „	17·55	14·88	15·55	14·53	12·79	14·36	16·22
„ 26, „	17·94	14·96	15·86	13·75	12·84	14·56	16·61

At this week's public auctions in Mincing Lane, 52,970 packages of Indian and 24,052 packages of Ceylon tea came up for disposal. Demand has again been active at firm prices.

VEGETABLES.—There are some evidences of the seasonal decline in this market. Marrows, cabbages, and cucumbers are coming in for sale in large quantities, and prices are a little easier. Peas and beans of good quality are harder to come by and consequently dearer. The demand for tomatoes is unusually good, Jersey outdoor fetching 2s. 9d. to 3s. per doz. lbs. on Tuesday. The supply of good potatoes is increasing and at the Borough on Tuesday, King Edward ranged from 6s. to 7s., against 7s. to 8s. last week, while British Queen, Sharp's Express, Eclipse and Majestic made from 4s. 6d. to 5s. per cwt., against 4s. 6d. to 5s. last week.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Markets for oilseeds and their products are on the whole slightly easier and in want of support. Demand for linseed continues on a hand-to-mouth basis, although prices have moved to some extent in buyers' favour. The outlook, however, is uncertain, especially for the new Argentine crop, which has already suffered from persistent drought and the future of which depends in a very considerable measure upon adequate rains during September. Scattered rains are reported, but they are not sufficient to meet the serious situation. However, there is hope that the crop will be saved, although there is some doubt whether it will be possible to seed the full area intended. Meanwhile, shipments of the old Plate crop continue at about recent levels, reducing the balance of the exportable surplus to below 300,000 tons. With only 150,000 tons expected in the ensuing four months from India, supplies are on the short side unless hidden reserves are revealed. Argentina has already exported 1,367,000 tons this season, against 972,000 tons at the same date last year. Fair quantities continue to be sent to the United States to meet the almost record consumption of linseed oil in that country. Indian shipments are again small. The quantity now afloat for Europe is 103,500 tons, including 19,800 tons from India. Prices of linseed oil have eased about 10s. per ton on the week, in sympathy with seed, and are 15s. lower than a month ago. Trade in Egyptian cottonseed is desultory and prices about steady. Cotton oil is weak. Crude Egyptian, ex Hull, October-December and January-March delivery changed hands at £21 and £20, respectively. Since then there has been some recovery. For prompt delivery £24 is quoted. Oilcakes are in improving demand, and there is some disposition on the part of buyers to arrange future supplies.

RUBBER.—Conditions are still quiet and price changes are small. The spot price in New York on Wednesday was 18⅝ cents per lb., compared with 18¼ cents per lb. a week ago and 18¾ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8⅞d. per lb., as against 8½d. on the corresponding day last week. In forward positions business has been done at 8 11/16d. for "October" shipment, as against 9d. a week ago. Stocks in London and Liverpool at the end of last week totalled 45,250 tons, against 44,023 tons a week earlier. A year ago stocks amounted to 108,066 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, September 1st

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	49	0	49	0
Eng. Gaz. av., per cwt.	8	10		
Barley, Eng. Gaz. av. ...	12	7		
Oats, " " ...	8	8		
Maize, La Plata, landed 480 lb.	28	3		
Flour, Lon. stan. ex mill, 280 lb.	37	3		
RiceNo.2 Burma,per cwt.	9	9	9	10½
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	6	5	4
Argentine chilled hinds	4	2	4	6
Mutton, per 8 lbs.—				
English wethers	5	8	6	8
N.Z. frozen "	3	6	4	0
Lamb, per 8 lbs.—				
N.Z. frozen	4	8	5	6
Pork, English, per 8 lbs.	6	0	6	4

OTHER FOODS

BACON—				
English ..... per cwt.	101	0		
Irish	98	0	103	0
Danish	100	0		
Dutch	98	0		
HAMS—				
Canadian	106	0	108	0
United States	104	0	106	0
BUTTER—				
Australian	116	0		
New Zealand	116	0		
Danish	132	0		
CHEESE—				
Canadian ..... per cwt.	71	0		
New Zealand	70	6	71	0
English Cheddars	88	0	90	0
Dutch	58	0	66	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f. ..... per cwt.	38	3	38	6
Trinidad	65	0	70	0
Grenada	55	0	58	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	51	0		
Colombian, good	56	0	65	0
Costa Rica, med. to good	62	0	90	0
East Indian " " "	72	0	90	0
Kenya, medium	60	0	72	0
EGGS—				
English ..... per 120	18	0	18	6
Danish	12	6	13	0
FRUIT—Oranges—				
S. African ..... boxes	10	0	16	0
Brazilian ..... boxes	8	0	10	0
Lemons, Malaga ... cases		..		
" Sicilian ... boxes	16	0	20	0
Apples: Amer. (var.) brls.	18	0	30	0
" (var.) boxes	8	0	10	0
" Australian		...		
Onions—				
Valencia, case		...		
Egyptian, bags		...		
Grapes, Almeria, barrels		...		
Grapefruit, Brazilian		...		
" S. African ...	10	0	20	6
LARD—				
Irish, finest bladders	64	0	72	0
U.S. ..... per cwt.	64	0	65	0

POTATOES—	s.	d.	s.	d.
King Edward (per cwt.)	6	0	7	0
Other English	4	6	5	0
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3½		
White Muntock	0	5½		
Cinnamon—1st sort, per lb.	0	9½		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	57	0		
Jamaica, ord. to good	63	0	90	0
Mace ..... per lb.	2	3	2	9
Nutmegs, 65's	1	0		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	1½		
B.W.I., crystallised	17	6	19	6
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	19	6		
Cubes	23	9	24	3
Crushed	22	0		
Granulated	19	10½	20	9
Home Grown	19	9	20	0
TEA—				
Indian—per lb.—				
Pekoe	1	2½	1	6
Broken Pekoe	1	2	2	1½
Orange Pekoe	1	2½	3	5
Broken Orange Pekoe	1	2½	4	3
Ceylon—per lb.—				
Pekoe	1	2½	1	8½
Broken Pekoe	1	2½	1	4½
Orange Pekoe	1	2½	1	8½
Broken Orange	1	2½	1	9
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
" strips	0	9	1	6
East Indian leaf	0	7	1	10
" strips	0	6	1	9

TEXTILES

COTTON—		d.		
Mid-American ..... per lb.		5·44		
Sakellaridis, f.g.f.		8·90		
Yarns, 32's twist		12⅜		
" 60's twist		18		
FLAX—	£	s.	£	s.
Livonian ZK ..... per ton	82	0	86	0
Pernau HD	84	0	85	0
Slanetz Medium...1st sort	90	0		
HEMP—				
Italian P.C. ..... per ton	66	0		
Manilla, Aug.-Oct. "J2"	33	0		
Sisal, African	24	10	27	5
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Aug.-Sept.	£20/12/6			
Daisee 2/3 c.i.f. Dundee				
Oct. Nov.	£19/15/0			
SILK—	s.	d.	s.	d.
Canton .....per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	7	9	8	9
Italian—raw, fr. Milan	8	6	10	0

WOOL—	d.
English Southdown, greasy, per lb.	19
" Lincoln hog, washed	18½
Queensland, scd. super cmbg.	32
N.S.W. greasy, super cmbg.	19
N.Z., grsy., half-bred 50–56	18½
Crossbred 40–44	16
Tops—	
Merinos 70's average	40
" 64's "	38
Crossbred 48's	28
" 46's	25

MINERALS

	s.	d.	s.	d.
COAL—				
Welsh, best Ad'ty...ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6		
Sheffield, best house, at pits	21	0	22	0

IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101	0
Bars, M'brough	265	0
Steel rails, heavy	202	6
Tin plates ..... per box	25	6

METALS—	£	s.	d.	£	s.	d.
Copper, Electrolytic, ton	61	5	0		62	5	0
Sheets (Strong)	91	0	0			
Standard	55	8	3		55	7	6
Lead, Eng. pig... per ton	23	5	0			
Soft foreign	21	15	0	21	18	9
Spelter G.O.B.	22	16	3		23	0	0
Tin—English ingots	263	0	0			
Standard cash	261	15	0	262	0	0

MISCELLANEOUS

CHEMICALS—	s.	d.	s.	d.
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2	0	3
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump ..... per ton	8	10	9	15
Ammonia, carb. ..... ton	20	0	21	0
Sulphate	7/5/0		7/5/0	
Arsenic, lump ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	8	0		
Potash—Chlorate, net	0	4	0	4½
Sulphate ..... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ..... per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0	22	5

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/- per ton
1 and up to 4-ton loads 41/- per ton

COPRA—	£	s.	d.
S.D.Straits c.i.f., per ton	14	13	9

DRUGS—	s.	d.	s.	d.
Camphor—				
Japan, refined... per lb.	2	3		
Ipecacuanha ..... per lb.	8	3		

HIDES—				
Wet salted—Australian per lb.	0	7½	0	7½
West Indian	0	5	0	5½
Cape	0	6½	0	7
Dry and Drysalted Cape	0	9½	0	10½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7½	0	8½
Best cow	0	7½	0	7½
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine ..... per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	4	2	5
Bark Tanned Sole	2	6	3	8
Shoulders fm DS Hides	0	8	0	10
Do. Eng. or WS do.	0	10	1	10
Bellies from DS do.	0	5½	0	6½
Do. Eng. or WS. do.	0	6½	0	9
Dressing Hides	1	6	2	0
Ro. Eng. Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/11 lb.	1	3	1	7

VEGETABLE OILS—	£	s.	d.
Linseed, naked, p. ton net	29	0	0
Rape, refined	38	0	0
Cotton-seed, crude	25	10	0
Coconut, crude	21	5	0
Palm	19	0	0
Oil Cakes, Linseed, Eng., per ton	9/7/6		
Oil Seeds—Linseed—			
La Plata, p. ton, Aug.	13	2	6
Calcutta—per ton	15	2	6
	s.	d.	
Turpentine, per cwt.	35	9	

PETROLEUM PRODUCTS—		
Motor Spirit, No. 1, London	1	6
Petroleum, Amer. rfd. brl. London..per gall.	0	10½
Fuel oil, in bulk, for contracts, ex Instal. Thames—		
Furnace...per gall.	0	3⅛†
Diesel.....per gall.	0	4⅛†

ROSIN—				
American ..... per ton	19,	10,	0	21, 5, 0
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	8⅞		
Fine hard Para per lb.	0	9½		
SHELLAC—				
TN Orange ... per cwt.	46	0	49	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. "	3	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	24	0		

TIMBER—			£	s.	d.
Swedish u/s 3 x 8	... per std.		24	0	0
" 2½ x 7	... "		23	10	0
" 2 x 4	... "		21	0	0
Can'dn Spruce, Dis.	... "		24	10	0
Pitchpine	... per load		11	0	0
Rio Deals	... per std.		35	0	0
Teak	... per load		27	0	0
Honduras Mahg. logs	... c. ft.		0	12	0
African "	... "		0	6	0
Amer. Oak Boards	... "		0	6	0
" Ash "	... "		0	6	0
English Oak Planks	... "		0	6	0
" Ash "	... "		0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Sept. 2, 1936	Aug. 4, 1937	Aug. 25, 1937	Sept. 1, 1937
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	108⅜	113½	105¼	104
Maize, nearest future, Chicago, per bushel	104⅞	97	98½	95⅜
Oats, nearest future, Chicago, per bushel	39⅞	28⅛	28½	28⅞
Rye, nearest future, Chicago, per bushel	80½	77⅞	79½	80½
Barley, nearest future, Chicago, per bushel	75	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8	9½	9	9
" Santos No. 4, cash per lb.	9½	11½	11¼	11¼
Cocoa, Accra, nearest future, per lb.	6·73	8·08	8·10	8·15
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·70	3·53	3·60	3·50
Cotton, middling, spot, per lb.	12·05	11·24	9·78	9·29
Rubber, smoked sheet, spot, per lb.	16⅜	18⅜	18¼	18⅛
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·47½	14·20	13·77½	13·57½
Copper "Electrolytic," Export prompt, per lb.	9·70	14·42½	14·00	13·80
Spelter, East St. Louis, spot, per lb.	4·85	7·00	7·25	7·25
Lead, spot, per lb.	4·60	6·25	6·50	6·50
Tin, "Straits," spot, per lb.	42·87½	59·12½	59·12½	58·50

(a) Nominal

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The Rôle of Labour

IT is singularly appropriate that at this week's meetings of the Trades Union Congress at Norwich the Presidential chair should be filled by MR ERNEST BEVIN. At a time when the Labour movement as a whole is more than usually dominated by the Trade Unions, the Trade Unions themselves can produce no personality with influence or forcefulness to equal those of MR BEVIN. This situation is in part the result of MR BEVIN'S own qualities; but in the main it is due to the removal, by death, retirement or political dissension, of most of the older generation of well-known leaders. In the old days, before the split of 1931, the inner councils of the Parliamentary Labour Party always included the leaders of many of the large Unions. The position is changed to-day; but the result has been to make Parliamentary Labour not less, but more, subject to Trade Union influence. MR BEVIN himself has never played a large part in the Parliamentary Party; he typifies the extra-Parliamentary elements in the Labour movement.

It would, however, be a mistake to assume that MR BEVIN'S chief concerns are not merely extra-Parliamentary but also non-political. His Presidential address was taken up, to a remarkable degree, with political aspirations and problems, ranging over a very wide field. The views he expressed on a number of matters of public concern—such as the need for a policy to mitigate the next slump in trade, or the dangers of a policy of drift in foreign affairs—were eminently moderate and sensible, and will evoke a response far beyond the limits of the Labour movement itself. But the address will inevitably raise the question whether this concentration of Trade Union attention on political matters is in the best interests of British politics or, indeed, of the Trade Unions themselves.

The active participation of the Unions in party politics is a generation old. Its achievements are clear for all to see. From nothing, the Labour Party has been built up to the position of the undisputed Opposition. But its deeper effects are less obvious. The Trade Union tie undoubtedly limits the freedom of judgment of the political Labour party. This is apparent enough even in Opposition; it would become a major issue if the Party were to be placed in power with an independent majority in Parliament. The Trade Unions as a whole are a minority of the nation; they are even a minority of the workers; and on a specific issue, the Union most directly concerned may be a tiny minority. A Labour Party completely dominated by the Unions would tend to be a party of vested interests fully as much as any Conservative Party dominated by Big Business.

A particular example of this danger can be seen at the moment in the attitude which the Labour Party is taking to the question of uniting the various smaller Opposition groups. In the political field, any such union has significance only if it takes the form of an understanding between the Labour Party and the millions of largely unattached voters to its right. The various groups to the left of Labour are of little political importance and could safely be ignored. But in the Trade Union world the position is reversed; for unity means an alliance with the Communists, whereas there are no dissidents to the right. Consequently, the Trade Unions, with their eyes turned apprehensively leftward to the Communists, forbid the Labour Party to glance invitingly to the right and to make, or even to accept, any overtures from the Liberals.

The resulting position may, or may not, be bad for the country. But it is unquestionably damaging to

political Labour's chances of winning a majority at a General Election. The democratic system, as it is worked in this country, depends on the existence of two parties whose chances of attaining office are not wholly unequal. Periods have been known in the past when one of the two parties gained a decisive temporary advantage. But if the second largest party were to condemn itself to permanent inferiority, because of its exclusive tie to a body which by its nature must remain a minority, the normal processes of democratic government could hardly fail to be adversely affected. The remedy does not, of course, lie in any dissolution of the connection with the Trade Unions—any such suggestion would be utterly unrealistic—but in the reacquisition by the Parliamentary Party of the distinct personality and independent judgment it used to possess.

This is one side of the case that could be made out against the domination of political Labour by the Trade Unions. But the other arm of the argument is equally strong. Has the Unions' concern with politics caused them to neglect their real industrial job? We are accustomed in this country to talk as if the Trade Union battle for recognition as one of the partners of industry had been largely won. But the figures of membership hardly bear this out. The total membership of the Unions is slightly in excess of 4,000,000, which is little more than one-fifth of the number of persons included in the National Health Insurance scheme, and less than a third even of the smaller total of persons insured against unemployment. Membership is not in every respect a sure guide to influence, but there are many occupations and industries which are still largely unorganised, and in some of these the conditions of labour are not up to the standards which have been set elsewhere. Moreover, even in the organised trades there has been little advance in the last three or four years in the real standard of living of the workers. The salient figures were printed in *The Economist* last week. They show that average real earnings in 1935 were only slightly higher than in 1931, and that hours of work were longer. These facts can, of course, be explained and even excused; but it is surprising, to say the least, that the Trade Union movement appears to be so acquiescent towards them. Perhaps the attraction of increased money earnings by overtime work in a period of rising costs of living may explain, without justifying, it.

The history of the Trade Union movement in this country has hitherto shown a steady oscillation between predominantly political and predominantly industrial phases. For more than a decade the pressure of events has forced the political aspect to the fore. This period started with the rebuff administered to the theory of direct action in 1926, and it was prolonged by the coincidence of heavy unemployment with rising real wages for those who remained in work. But by all the omens it ought now to be nearing its end. Even now, however, there is no very convincing sign that the Trade Union movement is turning back to industrial affairs.

The proceedings at Norwich are testimony alike that not all of our democratic forces are getting their best expression, and that the Trade Unions have not been making real headway in the evolution of industrial relations and of the status of the workers as a whole. If the Unions now concentrate on repairing the latter deficiency it may mean more industrial strife, but it will also enable the purely political parties to put more life into domestic politics. Some may regret this. But anything which could bring the real issues in British social and political life to the fore would now be an advantage.

Britain and the Powers

WE go to press this week in a veritable hailstorm of urgent, critical and menacing international events. In the neighbourhood of Geneva a conference—to which the French and British Governments invited all the Powers with seaboards on the Mediterranean and Black Seas, except Spain, but including Germany—has assembled to take immediate steps for the repression of piracy on the high seas. Germany and Italy have declined to attend. One of the Governments invited has last week accused another of being the very pirate who sank two of the complainant's merchant ships; and Italy has angrily denied this Russian charge. In language that is only technically more conciliatory, the Japanese Government has intimated that it intends to employ the same tactics of sheer denial in meeting a British charge which—unlike the Russian charge against Italy—has already been substantiated. This charge convicts Japan of a breach of the laws of peace and war which is as gross, in its own way, as the crime of piracy.

There are several other aspects in which the two alarming trains of lawless violence at opposite ends of the Old World are now running ominously parallel. The warfare which started, hardly more than a year ago, as a civil war in Spain, has rambled into an international conflict which is now not only being waged on the territory of the devastated Peninsula but is being carried by submarine and aeroplane into the remotest corners of the Mediterranean. Neutral and legitimate trading ships are being sunk on sight. As for the extensive war in the Far East, it is still only a few weeks old; but the dimensions of the fighting on land have been vastly greater, from the outset, than those of the Spanish conflict. The Japanese have lost no time in extending their operations from the land to the air and the sea, and in committing those outrages against the life, property and interests of third parties which these extensions of the fighting almost automatically entail. And now the mischief is spreading, in this region too, from the territory and territorial waters of China into the high seas. The Japanese have declared a blockade of the entire coastline of China; and their protestation that they do not intend to interfere with the maritime trade of third parties has been qualified by reservations which have already been given practical effect in the stopping and searching of more than one non-Chinese merchant vessel and the diversion of British ships. The Japanese have also been bombarding, from sea and air, Chinese territories that are on the verge of the British colony and leased territory at Hongkong and of the French dominions in Indo-China. They have even forcibly occupied and fortified islands on the route from Hongkong southwards to Singapore.

Thus, to-day, two patches of local lawlessness have spread until one of them now stretches from Tientsin to well below Canton, and the other from Gibraltar to Batum. To call these disorders local or even regional disputes is to stretch the use of these terms to breaking point. They are extensive wars. And to-day we cannot even hug the illusion that the two zones of mischief are at any rate insulated from one another.

Anyone with the most rudimentary knowledge of political electro-physics will have been aware all along that the two death poles are connected by a pair of first-class conductors. One is the Soviet Union. The other is the British Empire. The Soviet Union is a land bridge between Japan's *de facto* Empire in Manchuria at one end and HERR ROSENBERG'S coveted empire in Eastern Europe at the other. As for the British Empire, it depends on its main sea route through the Mediterranean to Singapore and Hongkong. Now, while the Empire could suffer amputation at its extremities and still limp along, it cannot endure a concerted severance of its extremities and its vital artery. It might lose Hongkong at Formosa and exist, under an added strain on its circulation. But it could not exist if it lost the Mediterranean as well at the Balearic Isles or Ceuta. The supposition is unpleasant for our British peace of mind, but we certainly cannot afford to leave it out of account on the eve of SIGNOR MUSSOLINI'S visit to HERR HITLER.

The international hailstorm seems to be bringing down a whole world of trouble upon the British Empire. Britain's diplomacy and counsels have not sunk as low as they now stand—openly flouted and contemned by Great Powers and small—since the days of CHARLES II, when the Dutch burned our warships in the Medway. How has this happened? What is at stake? And what are we to do about it?

What has happened is that a combination of new factors has for the last six years been undermining the bases of a foreign policy which this country has pursued, with almost unswerving consistency and almost unbroken success, ever since the Revolution of 1688. What is at stake is not only the British Empire but something still greater. It is that system of international law and order which is both a result of, and a necessity for, the British Empire's existence. What has to be done, if we are to save ourselves and the world at this eleventh hour, is that we should once more take our place—as we are perhaps beginning to take it in the conference at Nyon this week—as the natural and traditional leaders of all those liberal forces in the world that stand for the maintenance of order, and the process of evolution not by war but by peaceful means.

What have been the bases of this country's foreign policy during the eighteenth and nineteenth centuries? In our golden age, we took advantage of our insularity to keep out of other people's minor local adventures in Europe while we indulged in minor local adventures overseas. But this first rule of British policy was subordinate to two others. Our second rule was to take a Great Power's part in all major international transactions (including wars) which involved any danger of an overthrow of the Balance of Power. It was by practising Rule Two as well as Rule One that we built up our Empire. But there is also a third rule which is the secret of our success in retaining, up to date, the possessions and prosperity we have accumulated. That third rule has been to use our power for one purpose which has always been appreciated by a majority of mankind.

This public purpose has been the maintenance of an international law and order. It may have been imperfect; but it has nevertheless been indispensable to the modern world. Since Britannia has ruled the waves, British sea power has been used for stamping out, or keeping down, piracy. Since London succeeded to the heritage of Amsterdam, the London money market has been at the disposal of the world for its development as one single economic society. And, till the other day, every territory governed from Downing Street under the British flag was open to the trade of all nations. This world-order was brought into being by us out of motives of prudence and self-interest. On the one hand, this order was as vital to our own life as the water in which a fish swims or the air a man breathes. On the other hand, it deflected the shafts of envy from an Empire that had come to embrace a quarter of the earth's surface, because it gave the rest of the world an appreciable share in our British imperial dividend. Such was the skilful architecture of the *Pax Britannica*.

Why is this great British edifice in jeopardy to-day? One reason is that, under the new technical conditions established by recent inventions, local disorders, as this week's news demonstrates, can no longer be localised. Another reason is that the Great Powers other than the British Empire are no longer conveniently parked on the Continent of Europe for British sea-power to corral them there. Japan in the Pacific, and Italy in the Mediterranean, are to-day in a position to cut our maritime lifeline, while German air-power can leap the North Sea to strike at our heart.

But are we going just to sit and cry, with our hands over our eyes, while the British Empire crumbles away, and the nineteenth-century world order with it? The feebleness and irresponsibility of British foreign policy since 1931 are alarming symptoms. Their outcome, our present jeopardy, should be clear to all. But any adventurer who may be counting on its continuance had better be careful. LOUIS XIV counted on CHARLES II; in the end he got WILLIAM and MARLBOROUGH. NAPOLEON counted on GEORGE III, the Opposition Whigs, and FOX; he got PITT, CASTLEREAGH, WELLINGTON. The KAISER and his War Lords counted on CARSON, Labour's pacifism, Britain's degeneracy; they got a world in arms against them. So to-day, the present rulers of Italy, Germany, Japan may be counting on Baldwinism, the Simonite heritage, blind Conservative sympathies with Right-wing exponents of aggression. For our own part we believe that England will again do what she has done before when the world has been menaced by aggressors. She will, at the bitter end, put herself at the head of a defensive but resolute coalition of all the friends of peace.

The Changing Capital Market

IT is no longer quite true to say, as it was before the War, that all financial roads lead to London. Financial emissaries still resort there from east and west and south and north, but they come to discuss plans for the partial payment of old loans rather than the contraction of new ones. During the last two decades, indeed, London's capital market has undergone a process of re-orientation, whose pace has been expedited by our departure from the gold standard in 1931, and by the maintenance of a large measure of official control in the market since the conversion of Five Per Cent. War Loan in 1932. The change, however, is much more than a mere reaction to external measures; in some respects it is fundamental. Its progress has been more or less continuous, but its extent and implications have hitherto received less than their due meed of comment in the market itself. How far the process has gone may, perhaps, be best appreciated by a comparison of the new issues made in the years 1934 to 1936 with those of 1911 to 1913. Both these periods were epochs of relative economic prosperity, spiced with a fair measure of re-armament. The figures are given overleaf.

These figures bring out in a striking way the post-war revolution in the geography of new investment. In several important respects, however, they understate the changes that have been going on. In the first place, they are *The Economist's* Old Basis figures; that is to say, they are rather rigidly confined to public issues proper, and exclude issues made by the method of private placing followed by introduction, which has become important

in the recent years. If comprehensive figures were available both for the pre-War and the post-War period, they would emphasise still further both the predominance of non-Government domestic issues in the latter period, and the increased part now being played by flotations of equity shares. Out of the totals given above, issues of ordinary shares accounted for £130.8 millions (22 per cent.) in the pre-War period, while in the recent period they accounted for £152.8 millions (33 per cent.). If new money raised by the method of placing and introduction were taken into account, the present-day proportion of equities would be much larger. In the year 1936, indeed, it was as much as 61.8 per cent. of our New Basis figures, excluding British Government borrowing.

NEW ISSUES IN LONDON: 1911–13 AND 1934–36
(Three year totals; *Economist* figures; Home Government borrowings excluded; Amounts in million £'s.)

Class of Borrower	1911–13		1934–36	
	Amount	*Percentage of Grand Total*	Amount	*Percentage of Grand Total*
UNITED KINGDOM:—				
Municipalities	3·7		166·7	
Other	103·7		229·7	
Total, United Kingdom	*107·4*	*18*	*396·4*	*84·5*
BRITISH EMPIRE:—				
Govts., Municipalities, etc.	77·3		13·7	
Railways	65·4		·2	
Other	71·0		56·0	
Total, Empire	*213·7*	*35*	*69·9*	*15*
FOREIGN:—				
Govts., Municipalities, etc.	83·0		...	
Railways	100·3		...	
Other	94·6		2·4	
Total, Foreign	*277·9*	*47*	*2·4*	*0·5*
Grand Total	**599·0**	*100*	**468·7**	*100*

Other important changes in the rôle of the capital market are outside the scope of our figures. The enormous increase in the assets of the building societies, and the recent popularity of the unit trust movement reflect the growing importance of the small investor and the special machinery developed to meet his requirements. At the same time, the larger investor has been increasingly attracted by the improved facilities for speculation in New York. The growth of this class of foreign "investment" may to some extent offset the present preoccupation of the British market with domestic issues, which, according to our table, represented 84½ per cent. of the whole in 1934-36, compared with only 18 per cent. in 1911-13. Nevertheless, the change in this respect is vital. New loans to foreign governments and municipalities have completely disappeared, and loans to Empire governments and municipalities, to-day, are only a fraction of what they were. We have virtually ceased to finance railway development outside the British Isles, though this was our largest single type of new investment in 1911-13. To compensate for this, we have rapidly developed two other investment outlets: the finance of official and semi-official home borrowing, on the one hand, and the provision of capital for domestic industrial companies on the other.

Both these developments are symptomatic of far-reaching tendencies in our economic life. The enlarged scope of social policy since the War has increased the need for capital expenditure by home municipalities and public bodies. The greater part of this demand has been called for by housing programmes; the remainder is attributable to other types of public works, to utilities and to improvements. This species of borrowing has provided a type of investment which to some extent replaces the demand of foreign and Empire governments and municipalities before the War, and caters for investors who in pre-War years would have bought fixed interest securities issued for overseas account.

The second line of development has been the increased use by home industry of the machinery of the new issue market and the Stock Exchange. Before the war, the small industrial undertaking obtained a very large proportion of its finance without making a general appeal to the public. From choice or necessity, industrialists now deem it worth their while, in the periods when the market is active, to turn family businesses into public companies with widely diffused shareholdings. The public, for its own part, is prepared to buy and hold equities in undertakings about which shareholders know comparatively little and in whose management they cannot hope to have any decisive influence. The result has been to increase the range of enterprise for which the new issue market caters; it remains to be seen what will be the ultimate effect of the widening divorce between ownership and management in the case of medium-sized businesses.

What is the bearing of these changes on the market as a whole? It has been repeatedly stated that the market is coming more and more under the influence of the authorities, and losing—perhaps permanently—the freedom it formerly valued so highly. In a formal sense this is true, but it is worth while asking where "control" is really exercised. The demand of public bodies and municipalities on the capital market is not controlled at its source by the Bank of England, or even the Treasury; it originates in the social policies which make capital expenditure necessary. If we are committed to heavy expenditure on housing, or re-armament, or new schools, no amount of "regulation" or "timing" of the queue of public borrowers by the Bank of England can substantially influence the total demand on the market over any considerable period. In home industry, the question of control is hardly relevant. The dimensions of the volume of new issues depend almost entirely on the state of the contemporary market for industrial securities. When the market is rising such issues appear in profusion; when markets are sagging they disappear almost completely. The unstable character of this type of demand for new capital is admittedly dangerous; it would be even more so but for the fact that many small or medium-size businesses which really need money are generally able to postpone new issues, if necessary, because they can readily obtain temporary finance from banks, and in other ways.

The capital market, altogether, has for many years past been evolving rapidly in organic fashion. It has become more sensitive and even more temperamental. Authoritarian methods have not been wholly successful in discovering how to regulate it. These methods have effectively controlled the shadow. It is easy enough to close the new issue market to foreign borrowers, so long as prospective investors can buy to their heart's content abroad. It is easy to regulate official and semi-official borrowing, so long as regulation is not allowed to hamper official policy; or to control the market in gilt-edged stocks, so long as the Government is not itself a borrower. To control the *substance* of new borrowing, however, would be a herculean task. The enormously increased volume of new equity issues is volatile and hard to discipline; and there is every reason to believe that its importance will increase still further. The real problem for the market may be less to shake off the Old Man of Whitehall and his marital partner in Threadneedle Street than to find means of obviating dangers that must ensue if the supply of finance available for home enterprise is suddenly shut off every time share prices fall, and turned on in profusion in every minor Stock Exchange boom. Here is a task worthy of the market's—and the State's—keenest ratiocination.

Japan's Capacity for War

THE opinion is frequently expressed that Japan is inviting catastrophe by her war against China, and that even if she achieves military success she will have overburdened herself economically to the point of social collapse. Economically, financially and socially, it is suggested, Japan is unfitted for the strain of a prolonged war under modern conditions. She has, nevertheless, elected to go to war, and it may be well to inquire how far these assumptions are supported by the evidence of current facts and figures.

Japan's foreign trade is of vital importance to her. She is frequently compared with England, but there is one fundamental difference between the two countries. Japan is almost completely self-supporting in foodstuffs. The value of total Japanese imports in 1936 was 2,764 million yen, of which only 231 millions represented foodstuffs, while 2,214 millions was attributable to raw materials and articles for further manufacture, and 294 millions to wholly manufactured products. In the same year, total exports were 2,693 million yen, of which 204 millions represented foodstuffs, 843 millions raw materials and semi-manufactured articles, and 1,563 millions wholly manufactured goods. Of the total export, as much as 1,284 millions was accounted for by textile products of all kinds.

Japan's principal import is raw cotton, which she imported to a total value of 850 million yen in 1936. Approximately 45 per cent. of her cotton comes from the United States, and 42 per cent. from British India. Wool came second in importance, with a total import valued at 200 million yen, derived almost entirely from Australia. Among other imports, supplies of scrap iron, steel products, crude oil, wood pulp, machinery and cars came chiefly from America.

Japan's principal export in 1936 was cotton tissues, to the value of 484 million yen, of which roughly 33 per cent. went to British India, 30 per cent. to China, and 10 per cent. to the Dutch East Indies. Second in importance was raw silk, exported to the value of 393 million yen, of which the United States took over 80 per cent. Approximately 30 per cent. of Japanese export and import trade was with the British Empire, while the United States supplied one-third of her imports and took one-quarter of her exports. The combined empires of Britain, the United States, France and Holland account for two-thirds of all Japanese imports and exports.

In recent times Japan has developed sufficient steel-making capacity to supply her normal needs, and in 1936 she achieved a production of 5¼ million metric tons. Nearly two-thirds of her iron ore, however, is imported, mainly from the Straits Settlements, China and Australia. Approximately one-third of her pig iron comes from Manchuria and British India. For her increased consumption of war material she will require larger imports of pig iron, iron ore and steel.

Japan normally has an import balance of merchandise trade. On the other hand, she has an export balance of "invisible" trade, and makes large transfers on capital account. Her international payments were balanced by the export of gold and silver to a total of 388 million yen in 1931, when she had a heavy outflow on capital account, and of about 225 millions (mainly of silver) in 1935. A preliminary estimate for 1936 shows an adverse trade balance of 130 millions, a favourable balance of "invisible" items of all kinds of 120 millions and a small outflow of gold. During 1936 foreign exchange control was in force, and has become much more rigorous this year. In the first half of 1937 the adverse balance of merchandise trade jumped to as much as 641 million yen (compared with 314 millions for the same period last year), and exports of gold rose to 213 millions.

Japan is already faced with a rapid change in the terms of her trade, for between 1931 and 1936 the volume of Japanese exports required to pay for a given volume of foreign imports rose by nearly 50 per cent. The Government of necessity is increasing its control over all aspects of foreign trade, and its success in maintaining imports of war materials without depreciating the yen will depend upon its skill in cutting down other imports and in rationing the supply of foreign exchange. The national gold reserves have recently been revalued from the old parity of 750 milligrams of gold per yen to a basis of 290 milligrams. The central bank's gold reserve has accordingly been increased to 1,262 millions. This figure measures the extent of Japan's war chest.

The Japanese budget is chronically unbalanced. Public bonds, issued to balance the budget deficit, amounted to well over 800 million yen in every year from 1932 to 1935, and reached 685 millions in 1936. The initial budget for 1937 showed expenditure of 2,815 millions—of which the army and navy required 1,409 millions—and a normal revenue of 1,900 millions. But additional estimates have been passed for war expenditure totalling 2,549 millions, so that the year's deficit, apart from any further supplementary estimates, will be increased to 3,500 millions. The total of Government bonds outstanding at the end of 1936 was 9,264 millions, and by the end of this year the debt may have increased to nearly 13,000 million yen. This is almost exactly equal to Japan's estimated national income in 1936.

In past years the Government has been very successful in floating bonds to cover its deficit. But there are now signs of indigestion and the Government will probably need stringently to regulate the capital markets to obtain the resources it needs. During the first half of 1937, however, the amount of Government bonds issued was only one-sixth of that during the first half of 1936. In that year, as a whole, the Bank of Japan reported total new bond and note issues, including refunding operations, for the central and local Governments, banks and corporations, totalling 6,772 millions, and redemptions, in the same categories, of 5,713 millions. The estimated total of proposed new capital issues for business (stocks and corporation bonds), excluding refunding, was 2,000 million yen during 1936. It is obvious that the needs of the Government, disclosed in the supplementary estimates, will put a heavy strain on the capital market, which it will almost certainly be unable to bear without regimentation. This will be easier to enforce because financial affairs are highly concentrated in a few large family concerns.

It is clear that Japan has a very difficult task on her hands, the more so because she will be unable to raise loans abroad as she did in the Russo-Japanese war. There is bound to be a drastic reduction in the standard of living of the people, but so strong is the disciplinary power of the Japanese Government that social collapse need not be anticipated in the near future. Nationalist fervour will doubtless maintain the zeal of the populace, particularly if substantial victories are rapidly obtained. If the war or its aftermath are prolonged, the strain will become severe, but it cannot be confidently argued that her economic system will collapse and prevent her achieving her war aims, provided that the outside world does not apply any embargo against Japanese trade. A boycott by China would not be decisive; but a joint embargo by the United States and the British Empire would be a very different matter. The Japanese would in theory be able to use their own silk for clothing and would be able to feed themselves. But many of the vital needs of warfare would be withheld, and the effect upon employment and the standard of living would be drastic. Many observers, indeed, believe that the mere demonstration of a joint front by America and Britain would be sufficient to hold Japan in check. In its absence, economic factors alone are unlikely to prevent Japan from pressing forward with her present policy.

British Shops

ARE there too many shops in Great Britain? Are retail costs too high? The British Association has been debating these questions at Nottingham this week.

Professor Sargant Florence started the ball rolling in his presidential address to the Economics Section, on Friday of last week. He pointed out that the average number of employees per shop was only 2.4; and that the number of persons per retail outlet was only about 41.4. He asked for two things: a census of distribution to ascertain the facts; and knowledge among economists and business men of what facts they wished to discover. Last Monday a special Sectional discussion went some way to meet the latter demand. Three excellent examples of the technique of inquiry into retail trade were described; and it was made quite clear what problems needed a solution.

The only regular investigation of retail trade in this country is conducted, jointly, by the Retail Distributors' Association, the Statistical Department of the Bank of England and Mr Arnold Plant, who acted as its *compère* before the British Association. Some 100 to 110 firms with aggregate annual sales of about £50 millions are included in this scheme. They are largely homogeneous in character, with an average annual turnover of about £50,000 (compared with an average turnover for all shops of only £2,000), and therefore have roughly comparable costs. Their cost items are returned according to a carefully defined schedule, based on the experience of similar researches in the United States and South Africa. From this sample, it is possible not merely to trace the course of retail trade and prices, but also to examine the movement of costs in times of rising or falling trade, the effects of large-scale organisation and different rates of turnover. It deserves the credit due to a pioneer investigation of our largest industry, whose annual turnover is well over £2,000 millions; whose wages bill is about £200 millions; and whose staff, employers and employed, totals over 2,000,000 persons.

A second attack on the problem has recently been made, by way of a trial census of distribution, which was described to the Association by Mr H. T. Weeks. This inquiry investigated the number and kind of shops and the classes of goods sold in six English towns of similar population. The sample results showed that a large-scale inquiry, under statutory authority, would encounter no insuperable technical obstacle.

Finally, the Association heard a description by Professor Shields of the official Census of Distribution conducted by the Irish Free State in 1933. The census was instituted to ascertain the age, ownership, number and kind of shops; the number of employees and the amount paid in wages; the amount of rent; and the respective values of wholesale and retail trade and services rendered; it owed a great deal to American and Canadian precedents.

These accounts of work done served a dual purpose. They proved the existence of all the apparatus for a full inquiry into the subject of shops and shopkeepers (whose necessity we urged in *The Economist* as recently as August 7th) and they went a long way towards stating the problems of retailing. Mr Plant, for example, was impressed by the economies of large store organisation; the spreading of the costs of buying and accountancy; and the economies of finance and merchandising, in spite of the offsetting costs of advertisement and delivery. Large stores, he declares, have the best rate of stock turnover, for their stock, large and varied though it is, bears a lower ratio to their sales than that of smaller establishments. The undertakers of the six towns' census, however, were more concerned with the density of shops, whose total number varied in their count from 919 in Chorley to 491 in Jarrow. They found that, on the average, there were only forty potential consumers to each shop, and that much overlapping existed. In the six towns, there were only sixty-five chemists' shops, but 694 shops sold drugs or patent medicines. While 279 establishments were confectioners' shops, as many as 1,206 sold confectionery goods of some kind. There were 241 grocers', but 1,248 shops selling groceries. There seemed to be too many shops.

The special virtue of the Free State census was its detailed official corroboration of many of these very tentative conclusions. In 1933, there were 46,000 shops in the Free State—i.e. one shop to every 65 persons, compared with over three-quarters of a million in the United Kingdom serving some 40 odd persons each. Two-thirds of them had an annual turnover of less than £1,000, and accounted for only 13 per cent. of total sales. The annual retail wages bill totalled £5,860,000, or £83 per employee, and was equivalent to 12.1 per cent. of the aggregate sales. Moreover, the percentage of sales represented by wages to employees rose from 5.7 in the case of businesses with total annual sales between £100 and £500, to 12.8 in businesses of £50,000 or more; and the average annual wage rose, between these two extremes, from £40 to £130.

These researches take us near the heart of the problem, and, in so doing, raise some disquieting questions. Are conditions of work and remuneration of retail workers satisfactory? Is the large shop the most efficient? And is it as efficient as it might be? Or, still more bluntly, are retail costs too high for two reasons: the inefficiency of the small shop; and the tyranny of the large store? Mr Gordon Selfridge, jun., admitted before the British Association that the cost of retailing, averaged over all trade, was nearly 30 per cent. of the selling price; and in this country it amounted to well over £500 millions annually. This charge covered assembly, display, publicity, delivery, credit and "reasonable" profit. It represented the price consumers were willing to pay for freedom and variety of choice and convenient amenities. Since the demand of customers could not be generalised, it was necessary to hold a stock large enough to cover the idiosyncrasies of every *individual* shopper. Mr Selfridge's firm carried 10,763 kinds of stockings; and sold 135 varieties of tooth-pastes, though 80 per cent. of customers bought only six kinds. Customers put so high a value on "freedom to shop as they pleased," that they were ready to pay £150 to £175 millions a year for extra services above those necessary for bare efficiency. Delivery costs alone were over £30 millions annually. In short, the retailer had an "incontrovertible alibi": the consumer paid the piper because he called the tune.

To this plausible but not quite convincing *apologia*, Sir Josiah Stamp retorted that the consumer called the only tune the retailer allowed him. Why did not the retailer charge separately for delivery and credit? Was it because the consumer would not then pay the cost; and the retailer's profit would correspondingly suffer?

There, perforce, the Association's discussion ended, with its main problem still unsolved. What the Association's deliberations really showed was that the way was clear for a thorough national investigation, which would establish the facts about retail trading beyond all question. A census of distribution would cost about £500,000 —say, 20 per cent. of the cost of the beet sugar subsidy in 1936. In retail trade itself there is still some opposition to a census. This opposition comes, at the one extreme, from those who know much and possibly fear, as Sir Josiah Stamp has suggested, that the reward of their superior anticipation and market knowledge may be reduced when the facts and figures are made generally available. It comes, at the other extreme, from those (and they are estimated to represent nearly one-third of the whole) who know so little that they cannot say exactly what their own turnover and costs are. But *salus populi suprema lex*, and both the State and business men would have much to learn from a periodic census of distribution.

Notes of the Week

Trades Union Congress.—The highlights of the Trades Union Congress at Norwich this week have been Mr Bevin's presidential address and Friday's debate on re-armament. For the rest, the Congress gave the impression—on which we comment in a leading article on page 505—that trade union matters had been relegated rather to the background this time. On Tuesday, although the Nurses' Charter was introduced and conditions of work for women and shop employees were discussed, most of the day's discussion was devoted to unemployed demonstrations, the need for a Labour Government, and Spain. On Wednesday, the Congress instructed the General Council to make every effort to secure the forty-hour week without loss of wages, but the subject of paid holidays was postponed till the next day. And on Thursday the major topic, after a generous but somewhat Utopian discussion of pension schemes, was the perennial question of a United Front. The only really new ground covered by this year's Congress was indicated by Mr Bevin's announcement of the decision to set up a Scientific Advisory Council. This is highly welcome from every point of view; for, at present, systematic research by official Labour organisations into the economic and industrial problems of their constituents is almost non-existent.

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Things to Come.—Mr H. G. Wells's vigorous address to the British Association on Education did little more than echo, twenty-five years too late, the voice of Ann Veronica protesting against the old-fashioned prejudices of her father. Yet the shadow of the New Machiavelli has hung heavy over many of this week's proceedings at Nottingham. Despite the empirical and individualist traditions of British science, the scientists have been much taken up with the principles and problems of planning our lives. Geographers, chemists, physicians, and engineers have vied with economists, physiologists and psychologists to produce blue prints for a new revolution—to control our eating and shopping, our work, our amusements, and our dwelling—with an avoidance, however, of the problems of scientific warfare. Maps and statistics have been flourished by the very prototypes of Mr Wells's Samurai. All this is in the vogue. Out of war and depression were begotten rationalisation and planning. Agriculture, iron and steel, electricity, distribution, road transport, coal-mining and Special Areas have felt the spur of regimentation. Nor is this trend to be deprecated. Even Mr Gladstone once advocated railway nationalisation. But most contemporary fashions have their dangers. Planning is surely wise if it endeavours to avoid the waste and friction of individual trial and error, to hasten the salvage of derelict people and places, or to mitigate the worst consequences of the trade cycle. But planning for *autarky*, which consecrates our life and resources to a single arbitrary end, is a misuse of power. It is well that, at Nottingham, our scientists have entered a *caveat* against the distortion of natural forces and resources and the constraint of freedom.

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Criticism from the Scientists.—Even in the high summer of our economic prosperity the sayings of our scientists are not always comfortable words. In the agriculture section of the British Association, for instance, it has been argued this week that, since wages in farming average only 8d. an hour, the industry is properly described as depressed. Even the political status of agriculture is doubtful. To some observers it seems to be a State pensionary, to the tune of over £20 millions per annum, without a corresponding obligation to bring its methods or the quantity and quality of its production into line with modern ideas of what is fitting. To others, it appears as a mere hanger-on of the State, dependent on the Government's bounty and subject to its commands. In the inter-sectional discussion on September 7th, a geologist and a horticulturist both went further. Dr Boswell said that the absence of order in agricultural development had led to great wastage of money and resources, and Sir Daniel Hall, pointing out that the recent Marketing Acts and subsidies had raised internal prices without being co-ordinated in a national plan, suggested that such a plan could only be attained by the national ownership of land.

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A similar refusal to adopt a complacent attitude was evident in the economics section. Here, the present policy of labour transference was criticised for not being related to a broad plan of national development. Various speakers argued that the tendency of isolated and subsidised transference was to denude areas of skilled labour; to depress existing industries still further; artificially to distort the industrial structure by disguising real costs of production; to lay waste social capital in the places of migration; and to increase the social expenditure and disamenities of expanding areas. It was further claimed that the present boom had not solved the problems of the depressed areas; and that the cleavage between them and the prosperous areas was more marked than before the depression. It was left to Professor Jones, appropriately as member of the recently appointed Royal Commission on industrial distribution, to point the moral of these Jeremiads. Planning the land and life of Britain, he said, meant planning a balance and location of her industries. And so the discussion returned to the point where Professor Florence opened it a week earlier—namely, the indispensability of detailed statistical investigation, to determine the ideal location for industries under modern conditions, without the costly preliminaries of the method of trial and error.

* * *

Cabinet and Conference.—The German and Italian refusals to attend the Nyon conference were expected in London; for a full British Cabinet on Wednesday decided to go ahead, without Europe's two *enfants terribles*, in an endeavour to restore the rule of law and order to the waves of the Mediterranean, as well as to what lurks beneath them. Whether the conference need now be held at inconvenient Nyon is doubtful; Geneva would be more practical for all the Powers who have accepted the Franco-British invitation—Greece, Turkey, Egypt, Roumania, Russia, Bulgaria, Yugoslavia. The Germans explained their refusal by Russia's presence and General

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Franco's absence. They urged the London Non-Intervention Committee—the scene on which the diplomatic farce with the longest run is still being played—as a suitable venue. But the French and British Governments never invited the Spanish Government (a Mediterranean Power), or Holland, or Norway; and yet they did invite Germany (a non-Mediterranean Power). Why, then, should they invite General Franco? Why not Russia? Why Germany, indeed? This concerted Italo-German counter to the Franco-British initiative against piracy is as flimsy and clumsy as the Russians' dramatically direct accusation of Italy as the piratical State was diabolically clever. For the hotly-concerted reaction of Italy and Germany, almost to the point of rupturing relations with Moscow, has led them into a perilous quandary—into one, indeed, from which Germany will assuredly back out if the Duce awakes to face an array of Mediterranean navies with a common organisation, from which his alone is absent. The French on Thursday greatly increased their Mediterranean fleet. Nor need it be navies alone which protect the merchantmen of all nations on their peaceable and lawful avocations in the Mediterranean. Air forces can also be used. Indeed, if the British and French really mean, and want, to press on against piracy they may be more effective in the Mediterranean, and on the destinies of the Spanish conflict, than perhaps they realise. By their achievements this week-end the world will judge what they mean to do, and whom they intend to protect.

★ ★ ★

Spain and the Pirates.—The European war inside Spain has calmed down this week, save only for sporadic advances into Asturias by the insurgents from Santander and for further Government successes on the long-neglected Saragossa-Huesca front. Meanwhile, however, an inconclusive naval engagement—one of the few between the two Spanish contestants alone—is reported to have taken place off Algiers on Tuesday, in which the insurgent's cruiser "Baleares" and the Government's light cruisers "Libertad" and "Mendez Nuñez," accompanied by destroyers, were involved. This week the pirate submarines have not been so busy all over the Mediterranean. (It is undecided whether they are technically privateers or agents of an organised piratical State. The latter would be a case unknown since the days when ancient Rome empowered Pompey to sweep the Barbary pirates off the seas.) A British oil-tanker has been halted, visited and then allowed to proceed on her voyage from the Black Sea to Egypt. The submarine flew the insurgents' flag. It is now definitely established that the Spanish Government's submarine C.4, which limped into Le Verdon on the French Atlantic coast last week, could not possibly have got round there from where H.M.S. "Havock" was attacked; so at least one obvious lie has been laid to rest this week. A few other steamers of various nationalities have escaped torpedoes, and one has been sunk. Meanwhile the insurgents have captured and added one more British merchantman to the three which they have not yet released, in spite of the British Government's reiterated demands by our Ambassador to Spain at Hendaye. That makes the tally four up to date.

★ ★ ★

War in the East. — The Chinese forces between Shanghai, Wusung and Lotien have greatly delayed the advance around the city of the reinforced Japanese contingents from Wusung. The Chinese have held on like grim death; and on Wednesday it was learned that one of the well-equipped Chinese "Red" armies, under a General formerly antagonistic to Marshal Chiang Kai-shek, had gone into action against the Japanese south of Peiping. This is a portent of a united Chinese will to spin out the war. Meanwhile, Japanese forces have been rushed far into the Inner Mongolian plateau, to prevent Russian help through Outer Mongolia to the Chinese Government. At the same time the Japanese Navy, in great force, have occupied several groups of islands as far south of Hongkong as 200 miles. These are presumably to be used as bases for aircraft and light warships. The Japanese plans are now quite clear: to drive down in the north in an enveloping movement stretching from Tientsin-Peiping across through Kalgan to Inner Mongolia; to paralyse Nanking's revenues, communications and supplies at Shanghai and by the complete naval blockade; and, simultaneously, to cut the only remaining Chinese channel of supply at Canton-Kowloon and on the Canton-Changsha-Hankow railway. By coincident successes in these three zones China would be cut off from all conceivable assistance and so "beaten to her knees." The Western Powers cannot equably contemplate that Oriental canvas which they allowed Japan to begin painting in 1931 and 1932.

★ ★ ★

Roosevelt and Lewis. — The realignment of American politics, which all the prophets are so confidently predicting, is not going according to plan. The first stage is obviously to dissolve the old alliance constituting the Democratic Party—an alliance which, though geographical in its origin (between the defeated Confederate States of the South and a few large city "machines" in the North-East), has gradually become a marriage of incompatibility between agrarian conservatism and urban radicalism. This divorce is in a fair way to accomplishment, though the rebel Democratic Senators who defeated the Supreme Court plan are a little scared at their own temerity and may try to patch up the quarrel. The second stage, however, should have been an open alliance between the Roosevelt Democrats on the one hand and the farmers and trade unions on the other. This is the way in which the future has been mapped out in scores of predictions. But it is too simple for anything quite as complex as the politics of a Federalised sub-continent. Two hitches have immediately arisen. One is that Labour itself has split, and Mr Roosevelt, after backing for a time the faction which appeared to be the more vigorous, is now shying away when it seems that this faction, under Mr Lewis' leadership, is altogether too vigorous for public opinion. And, as a result, Mr Lewis is now accusing him of infidelity.

★ ★ ★

This particular quarrel should not be taken too seriously. Either Mr Lewis' star is waning, or else, if he becomes the undisputed master of the Unions, the harsh words will be conveniently forgotten. But the second difficulty is more obstinate. In theory, the farmers and the unions are united in enmity to the banks and to Big Business. But in practice, the farmers show not the slightest willingness to embrace the Committee for Industrial Organisation. This, of course, is the familiar phenomenon of all peasant communities, and it remains to be seen whether the American farmer is sufficiently far removed from peasantry to follow his supposed economic interests rather than his actual political instincts. That some such realignment of the political parties as has been prophesied is on the way can hardly be gainsaid. But it will be a slow process and its course will have all the uncharted deviousness peculiar to the American politician.

★ ★ ★

Nuremberg.—On Tuesday at Nuremberg the now annual congress of the German National-Socialist Party opened. The note for the new year was given, as usual, in the Führer's opening proclamation. In this year's manifesto, three features stand out. In the first place, Herr Hitler emphasises the solidarity between Germany, Italy and Japan. In the second place, he reiterates Germany's demand for Colonies—this time principally as an indispensable source of food supplies, instead of raw materials. In the third place, he gives warning to German capitalists that he does not mean to be hampered by any doctrinaire respect for Individualism in the execution of the economic policy which he believes to be in Germany's national interest. (This latter warning came pat with a report that Dr Schacht had offered his resignation as Minister of Economics.) The Western reader of the proclamation will probably find its main arguments as familiar as he will feel them unconvincing. Once again, the German-Italian-Japanese

"community of wills" is lauded as a protection of Europe against "chaotic madness" and as a defence of the civilised world against attacks which are being made upon civilisation to-day in Spain—with others, perhaps, to follow to-morrow in the East. On this ground, all right-minded nations were told by Dr Goebbels on Thursday that the new Germany's mission was to awaken, and direct, all Europe.

★ ★ ★

To a Western mind, this form of propaganda will seem to be nothing but a loud assertion of the inverse of the truth. At a moment when Italian troops are on the war-path in Spain, and Japanese troops in China, it is simply adding insult to injury for Herr Hitler to declare that these brigands are his fellow-upholders of order and decency. And the German leader's implied attribution to Russia of the very misdemeanours that are being committed in fact by Germany's two associates is particularly incongruous in a speech in which the Führer plainly intimates his own intention of taking Germany a long stage further down a Russian road. Herr Hitler moves on towards Socialism as Stalin moves back towards Individualism. Unless the two totalitarian commonwealths smash each other up first by coming into collision it seems likely that both of them will eventually come to rest half way in some working compromise between two contrary ideological principles. As long as their parallel experiments continue to be conducted peacefully, the rest of the world will watch them with interest, and not without gratitude. For we stand to learn valuable lessons from this Russo-German process of social trial and error on the grand scale. But there is one thing that Herr Hitler and his Japanese and Italian friends must not expect of us. That is, that we should sit still and look pleasant while the three Fascist Powers creep up, knife in hand, within throat-cutting distance, behind a pasteboard stalking horse labelled "Bolshevism."

★ ★ ★

Raw Materials and the League.—From the rather meagre summaries so far available it seems that the full report of the League Committee on access to raw materials is an extremely valuable document. The Committee's task cannot have been easy. It was obvious from the beginning that the economic claims of the Powers without empires were largely, though not wholly, unsubstantial; but it was obviously impossible for the Committee to say so bluntly. Instead, they seem to have concentrated upon giving a full and practical account of the question. They point out many cases in which preferential tariffs, control of production and their half accidental results of administrative methods, hinder foreign purchasers of raw materials to *some* extent; but they also mention that only 3 per cent. of commercially imported raw materials are produced in colonial territories. They deplore occasional prohibitions of the export of some materials for defensive purposes; but they insist that some consuming countries' exchange difficulties are very largely of their own choosing. They suggest that colonial Powers should declare their willingness to assist foreign concessionaires to exploit the resources of their colonies, while at the same time they recognise that the general reduction of obstacles to international trade as a whole would be a far more important contribution. The chief conclusion of the whole discussion is that difficulties of payment are infinitely greater than difficulties of supply.

★ ★ ★

M. Van Zeeland Hits Out.—The extraordinary session of the Belgian Parliament on Tuesday and Wednesday, provoked by Rexist and Flemish Nationalist allegations that the Prime Minister had improperly accepted emoluments from the National Bank after his entry into the de Brocqueville Cabinet, and his acceptance of the Premiership, was remarkable for M. van Zeeland's spirited onslaught upon his critics. The Prime Minister had already disproved allegations that he had received his salary as Vice-Governor of the Bank after becoming head of the Government. He showed that the Bank had traditionally set aside a certain common fund from its resources for the directors, until his Government had decided to abolish the practice. But when he was Minister without Portfolio in the de Brocqueville Cabinet, the Bank had refused to accept his resignation of the Vice-Governorship; but, upon the dissolution of that Cabinet and his own consequent resignation from the Bank and formation of the succeeding Cabinet, the Bank had paid him his due share of the directorial fund, i.e. Belg. Frs. 180,000, or £1,140. (His annual salary as Vice-Governor had been £4,000.) M. van Zeeland scorned the unprincipled, damaging, malicious provocation to which he and his Cabinet had been subjected as a result of these personal allegations from the extreme Right. He charged this minority with intent to abuse their liberties in order to destroy liberty, and warned them that a democratic majority would defend both itself and the popular institutions. His *apologia* was loudly cheered by the Government majority, and M. de Man, the Finance Minister, expressed the general feeling when he deplored the unpatriotic tactics of the Right-wing minority which had only harmed Belgium. On Wednesday the Prime Minister received a vote of confidence in the Chamber, confirmed next day by that of the Senate.

★ ★ ★

Marking Time in Palestine.—The Palestinian problem is now in an uncomfortable stage. We are only too familiar with it, because we have already had to pass through it in India. Self-government is now on its way, but it cannot arrive without a complicated constitutional procedure which inevitably consumes an inordinate amount of time. Meanwhile, every day's delay carries with it the danger of some recrudescence of violence which may wreck the prospective settlement. These difficulties are illustrated by the events of the past week, which has seen the publication at Geneva of the minutes and the report of the Mandates Commission's recent session on Palestine; while during these same days Palestine itself has once more been the scene of criminal outrages. This time, the majority of the victims have been Arabs; and though the murderers of Ibrahim Khalil Efendi at Haifa may have been Arab zealots who took his life because of his alleged sales of land to Jews, the rest of the Arab victims seem to have died by Jewish hands. Any attempt to assess the guilt as between the two nationalities would, of course, be futile; for the tragic history of Palestine since the War has left the country full of people, both Arabs and Jews, with a passionate sense of wrongs, both public and private, to be avenged.

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The practical moral of these latest untoward events is that there is a call upon all parties concerned to expedite, with all possible speed, the consummation of the pending political settlement. In this context, Mr Ormsby Gore's sketch to the Mandates Commission of the procedure which still has to be gone through is rather appalling. First, the Council of the League will have to pass upon the British proposals at its session next week. Then, if the Council so wills, the British Government will have to enter into provisional negotiations with the Arabs and Jews, and at the same time to work out—again only provisionally—the boundaries of the three areas into which it is now proposed to divide Palestine politically. And finally, these provisional arrangements will have to be referred back to Geneva for approval, this time, not only by the Council but also by the Assembly. If this prospect is depressing, it is, however, reassuring to find that Mr Ormsby Gore went on to look ahead into the next chapter. He warned the League that in the near future there would be no less than six separate political units jostling one another in the narrow space between the southern frontier of Turkey and the eastern frontier of Egypt. There will be the three Arab States of Syria, Lebanon and Palestine; the Turco-Arab Sanjak of Alexandretta; the Jewish State of Erez Israel; and the residual British mandated territory round Jerusalem, Bethlehem and Nazareth. Unless these statelets enter into some rather close association with each other, they will none of them be viable.

* * *

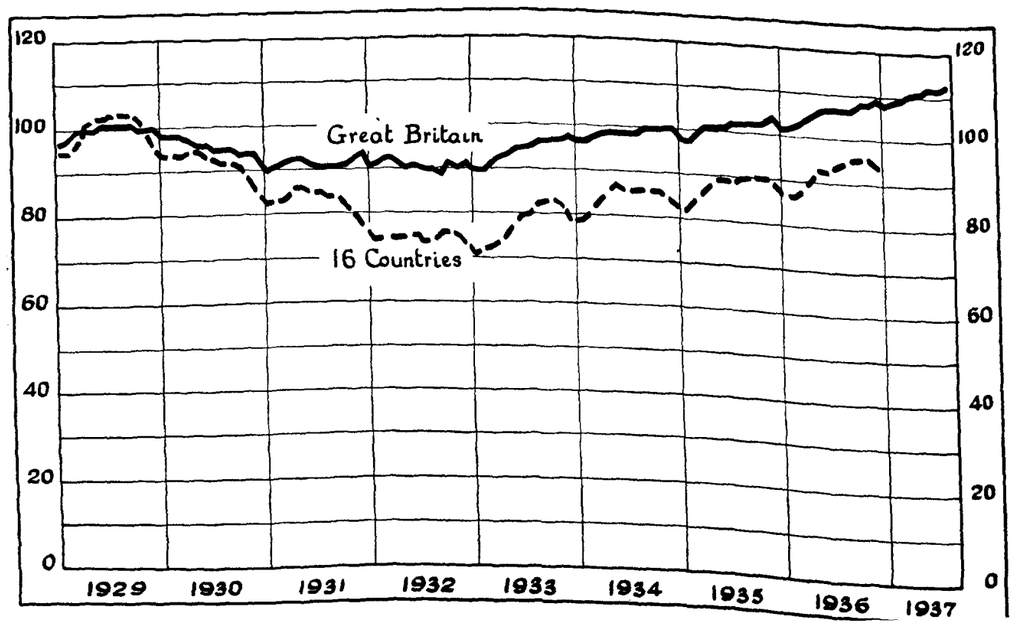
Naval Promotion.—Among recent attempts to make the British services more attractive none is more praiseworthy in intention than the decision of the Admiralty to change the method of promoting young seamen to commissioned rank in the Navy. Hitherto direct promotion from the ranks in the Senior Service has suffered from three disadvantages. The ranker has differed widely in educational background, though not in ability, from the Dartmouth or public school cadet. He has also lacked the social graces conventionally expected from the naval officer. And the "axing" of 139 ex-mates, or promoted rankers, in 1922 has been a deterrent precedent. The new scheme goes some way to remove these obstacles. Encouragement to seek a commission will be given to all boys in training and in their early years at sea. At the age of twenty those picked out by their officers will be submitted to a selection board; and, if chosen, will undergo eight or nine months' special training akin to that given to the college-trained cadets. At the end of this course, the examination will be similar to that for midshipmen. Those successful may become acting sub-lieutenants. Before entering on their duties they will be instructed in etiquette and social customs, and advised of the niceties of uniform and dress. The desire to recruit officers from the widest possible field is commendable; but any superficial attempt to transform the new recruits into officers of the old type will seriously detract from the practical value of the new scheme. The chief barrier to this naval reform lies not so much in the service itself as in the structure of our society and the character of our educational system.

* * *

Employment at Home and Abroad.—The international employment index, published by the International Labour Office for the first time in a recent issue of its monthly review (Vol. XXXV, No. 5), is a useful addition to the statistical data indicating world economic trends. The index is based on the statistics of persons in employment in sixteen countries, with an aggregate population of nearly 500 millions and an industrial population of 65 millions. The latter includes persons gainfully occupied in mining, manufacture and handicrafts. The sixteen countries include Austria, Bulgaria, Canada, Czechoslovakia, Estonia, France, Germany, Hungary, Italy, Japan, Latvia, Luxemburg, Poland, United Kingdom, United States and Yugoslavia. While the employment returns of the various countries are not compiled on a common basis and, therefore, are not strictly comparable, the new index nevertheless provides an indication of the trend of industrial employment. The index is shown graphically in the chart below, an index of employment in Great Britain, based on insured persons aged 16 to 64, having been added for purposes of comparison. The chart shows that the decline in industrial employment during the depression in the sixteen countries as a whole was much more marked than in Great Britain. Moreover, while employment in Great Britain recovered to the pre-depression level as long ago as 1934 and has since considerably surpasssd that level, the index of international employment, though rising, remained well below the 1929 average in 1936.

INDICES OF EMPLOYMENT

(1930=100



End of the Tramp Subsidy.—Another of the Government's salvage schemes for industries especially affected by the depression is approaching its end. In 1934 Mr Runciman (as he then was) produced two plans for the relief of tramp shipping: the "scrap and build" scheme, with a maximum limit to advances of £10 millions, and the subsidy in relief of freights. The latter was to reach £2,000,000 when the Chamber of Shipping freight index was at 92 or below (1929 = 100), and to fall gradually to zero as the index rose to 100. The first scheme came to an end in February after only £3,548,124 had been advanced, chiefly because of the lack of scrap tonnage for the owners to buy up. The second was extended with minor changes to run through 1937. And now it too is to be wound up. The index for 1936 was 90.79, but for the first six months of this year it leapt to 135.7. As a result no payments are conceivably likely to occur and the continued existence of the Tramp Shipping Administrative Committee has become pointless. Its interim report published last week therefore has a somewhat deathbed character and concentrates mainly upon the continuance of its labours for the collaboration of tramp-owners in the fixing of minimum rates in the new world that is to dawn in 1938.

* * *

The results of the Committee's consultations with its heirs appeared in the draft voluntary scheme produced by the Chamber of Shipping on Monday. The details provide a good example of the way in which the temporary organisation of an industry for a specific purpose may lead to the formation of a permanent ring. If the promised support of the liner owners is maintained, and if 90 per cent. of the tramp owners approve at a meeting to be held in October, a new Administrative Committee is to be set up at the end of the year with wide powers of control over the industry for two years. Each owner is to bind himself to preserve the various minimum rates negotiated by the present Committee, and any modifications made by its successor. He is to submit to regulation of the amount of shipping going to particular ports, and he is to stipulate that these conditions are maintained in charters. Lastly, he is to pay the wages and ensure the conditions laid down by the National Maritime Board. A system of fines, which appear to be on an adequate scale, is to be established for any breach of these undertakings and arbitrators are to be appointed in cases of dispute. As far as it goes there is little ground for serious criticism of this scheme. There are, however, definite possibilities of abuse, as in any scheme of monopoly control. The statutory Committee insists in its reports that the rates it provides are minima, but if its voluntary successor were to exercise less restraint, and if an abatement of the steel shortage made commercial shipbuilding more profitable, the industry might become seriously disorganised. If an industry controls the price and volume of its output the public must be vigilant; but if the quantitative control is inefficient the industry too must watch carefully.

* * *

Industrial Activity Expanding. — Despite the deterioration of international politics, seasonal expansion in home industry is steadily gaining momentum. Employment showed an increase between the end of July and August, and may be expected to improve further this month. In heavy industry, output is expanding as additional capacity comes into operation. The demand for steel is still rising, and remains in excess of supplies. Many consumers are anxious to place orders well into next year, but steel producers are reluctant to add to their congested order lists. Coal production remains well above the level of last year. Output during the week ending August 28th amounted to 4,667,100 tons, against 4,432,800 during the corresponding week a year ago. The lull in the upward movement of the prices of the majority of imported industrial raw materials, such as non-ferrous metals, has temporarily covered the rise in costs in so far as it was due to the advance of these products. After a long period of small turnover, there are signs of an increase in inquiry, and new orders for Lancashire cotton goods. The industrial outlook over the next few weeks remains encouraging.

* * * *

Renewed Advance in Freight Rates. — After a reaction in July, *The Economist's* index of freight rates rose sharply in August to a post-depression record. According to this week's issue of *Fairplay*, the value of cargo boats changing hands during the week ended August 28th, at about £1,000,000, was probably higher than in any week since the post-war boom. Moreover, it is significant that the prices realised for these vessels were practically as high as those quoted by shipbuilders for new tonnage with deliveries as far off as the end of next year:—

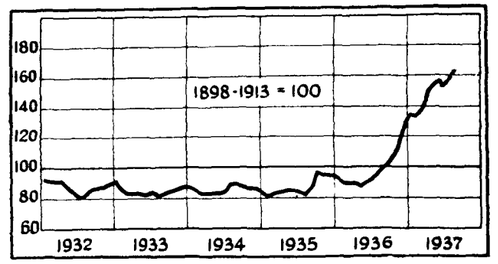
(1898–1913 = 100

	Average, 1913	Aug., 1936	May, 1937	June, 1937	July, 1937	Aug., 1937
European waters ...	110·0	100·9	174·8	186·8	186·0	178·7
North America	113·1	95·3	123·1	120·7	119·2	125·9
South America	123·4	89·5	149·9	151·4	149·6	154·2
India	106·3	102·6	152·7	158·4	164·8	180·2
Far East and Pacific	117·4	99·5	159·1	159·3	158·5	170·6
Australia	127·9	97·0	169·7	165·5	149·2	161·1
Total	116·3	97·5	154·9	157·0	154·5	161·8
1913 = 100...	100·0	83·8	133·1	134·9	132·8	139·0

Last month's freight movements, however, were by no means uniform, as the next table shows:—

	Index No.	Inc. or dec. Points		Index No.	Inc. or dec. Points
Home trade	121·5	− 7·0	South America :—		
Bay—outwards	225·7	−40·5	Outwards	103·3	+ 0·2
Bay—homewards ...	251·6	− 9·9	Homewards	205·2	+ 9·1
Mediterranean :—			India—outwards ...	153·7	+ 2·9
Outwards	162·9	− 4·2	India—homewards ...	206·7	+27·9
Homewards	189·3	+25·2	Far East, etc.	170·6	+12·1
North America	125·9	+ 6·7	Australia	161·1	+11·9

We append a chart showing the course of the freight index number during recent years:—



As the volume of international trade normally shows a marked seasonal expansion in the autumn, the trend of freight rates is likely to be firm over the next few months.

* * *

A Census of the Land.—Dr Dudley Stamp, addressing the British Association this week, recorded the current results of the Land Utilisation Survey, which exists to enumerate with statistical accuracy the various uses to

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which British land is put. Dr Stamp pointed out that, with the present use of land, Britain produced rather less than 40 per cent. of essential food requirements—only 15 per cent. of wheat and 44 per cent. of meat. It was possible, he argued, by examining the details of present land use, to suggest a reconditioning of the land within the limits imposed by natural factors alone, ignoring limitations imposed by economic or political considerations. He adduced the following figures:—

Present Land Use	Percentage of Total Land	Land Use After Reconditioning	Percentage of Total Land
Arable (intensive)	2·0	Arable (intensive)	5·0
Arable (farm crops)	20·0	Arable (farm crops)	26·0
Permanent grassland (good)	10·0	Permanent grassland :—	
Permanent grassland (other)	21·0	First-class	16·0
Rough grazing in fields	9·0	Other	22·0
Heath, moor and other rough grazing	26·0	Heath, moor, etc. (including recreational, sporting and national parks)	9·0
Forest and woodland :—		Forest and woodland :—	
For timber	2·5	For timber	11·5
Other economic	1·0	Other economic	2·5
Scrubland, etc.	3·0	Scrubland, etc.	0·5
Orchards	0·5	Orchards	1·5
Residual (housing, industrial, etc.)	5·0	Residual (allowing for improved housing, etc.)	6·0

Thus, by the reduction of heathland, moorland, rough grazing land and scrubland, the use of land for arable purposes, permanent grassland, timber, economic woodland and orchards would be so increased, according to Dr Stamp, as approximately to double the capacity of the land to produce foodstuffs. But these are only the *natural limits* to the current drive towards self-sufficiency. It by no means follows that these changes are either socially desirable or economically feasible.

* * *

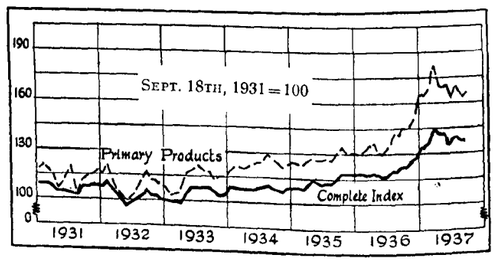
Wholesale Prices Steadier.—The trend of wholesale prices during the past fortnight has been somewhat steadier. The complete indices for this country, the United States, Germany and, significantly, France have moved slightly downwards, but many materials have shown more resistance at the lower levels. Nevertheless, it is still doubtful whether the upward trend will be resumed in the near future:—

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	*The Economist* Indices: Primary Products: British (sterling)	*The Economist* Indices: Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933								
July 26th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	136·7	162·4	113·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	86·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	88·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·9
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	113·0	...	95·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	144·3	181·9	199·7	167·4	137·3	121·8	126·2	97·5
Apr. 28th	142·0	169·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	168·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133·2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·1	128·8	135·8	97·8
July 28th	140·2	167·1	171·8	164·5	133·8	130·8	137·1	97·9
Aug. 11th	139·3	166·8	171·1	164·2	133·3	131·3	137·0	98·2
Aug. 25th	137·9	164·4	165·3	164·2	133·0	133·3	...	98·1
Sept. 8th	137·4	165·1	166·9	165·3	132·0*	133·1*	...	97·8

* These figures relate to September 1st.
† Monthly averages.

The chart in the next column shows the course of *The Economist's* two index numbers of British wholesale prices from 1931 onwards. The index of primary products has slightly recovered in the past fortnight, but the complete index has fallen slightly. Changes in our group indices over the past fortnight are given in the table following the chart.



The Economist INDEX

	(1927 = 100) Sept. 18, 1931	Aug. 11, 1937	Aug. 25, 1937	Sept. 8, 1937
Cereals and meat	64·5	90·8	89·0	88·1
Other foods	62·2	67·0	66·7	66·8
Textiles	43·7	69·9	68·7	68·0
Minerals	67·4	109·8	108·1	108·9
Miscellaneous	65·8	85·4	85·6	85·3
Complete index	60·4	84·2	83·3	83·0
1913 = 100	83·1	115·8	114·7	114·2
1924 = 100	52·2	72·7	72·0	71·7

With the exception of the other goods and minerals groups, the indices showed a decline since August 25th. Declines in meat prices were mainly responsible for the fall in the index for cereals and meat, while the textiles index turned downwards on a reaction in wool prices. The rise in butter and coal prices accounted mainly for the advance in other foods and minerals groups respectively.

* * *

Unemployment Falls Again.—The figures for employment and unemployment in August are more satisfactory than developments in July suggested. During that month the Ministry of Labour's estimate of insured persons in employment showed no change, and unemployment rose, almost entirely through the inclusion of juveniles who had just left school. Last month the upward trend was resumed. The number at work on August 24th showed a rise of 45,000 to a total of 11,562,000 persons, a figure close upon half-a-million

UNEMPLOYMENT BY INDUSTRIES IN GREAT BRITAIN

Industrial Group	Number in thousands: Aug. 24, 1936	July 26, 1937	Aug. 23, 1937	Percentage: Aug. 23, 1937	Change since Aug. 24, 1936
Coal mining	190·1	146·2	122·2	13·6	— 7·6
Iron and steel	28·4	21·5	19·8	10·5	...
Engineering	55·7	40·1	39·5	5·3	— 2·3
Motor vehicles, cycles and aircraft	19·6	16·7	19·8	6·3	...
Shipbuilding and repairing	45·1	36·4	36·1	22·1	— 7·8
Public works contracting	114·7	102·9	102·9	35·6	— 5·3
Agriculture, horticulture, etc.	3·0	17·2	20·4	3·5	...
Cotton	67·2	42·3	44·4	10·5	— 5·5
Woollen and worsted	24·1	23·2	22·0	9·9	— 0·9
Jute	8·2	21·2	6·5	26·5	— 0·3
Tailoring	28·8	24·6	28·0	13·3	— 0·7
Pottery, earthenware, etc.	13·5	13·4	11·8	16·0	— 2·4
Road transport	28·3	20·6	20·4	9·3	— 3·9
Distributive trades	175·2	148·9	152·5	7·4	— 1·3
All persons registered (including other trades)	1,613·9	1,379·5	1,358·6	...	...

* Figures for 1936 are not comparable.

more than in August, a year ago. The unemployment figures have fallen slightly by 20,838 to 1,358,621 between July 26th and August 24th, but such detailed figures as are available suggest that a great deal of this fall must be ascribed to the end of the holiday season. This influence was certainly responsible for the fall of 14,750 in the jute industry, and it may have contributed to the decline of 24,000 registered last month in coal mining. There is reason to believe that a number of industries are approaching the limit of their employable capacity. Among industries with over-average unemployment, mining and shipbuilding have a great number of registered workers who are, for one reason or another, unemployable, and public works contracting and tailoring inevitably have a high level of unemployment occurring "between jobs."

Overseas Correspondence

From Our Special Correspondents

United States

Opposition's Tactical Error

WASHINGTON, August 26.—Statements about the defeat of Roosevelt have been overdone, and a reaction is expected before Congress meets again. Its adjournment was frantic and unedifying. The strangling of the Wages and Hours Bill in the Rules Committee of the House was an episode that dramatised the opposition which the President has had to confront. It was unheard-of presumption by a handful of Southern members. The Rules Committee is the axle of the party machine in the House. It apportions the time for debate. That the Committee should refuse time for a major Administration measure is mutiny of the first rank. The mutiny is not disputed by those who conducted it, but their excuse is that they believed the Wages and Hours Bill needed longer consideration than it could get in a session which was about to adjourn. The excuse is convincing and would justify anything less than mutiny. But now the mutiny has occurred and the country does not heed the excuse. It only sees that to the obstructionism of the Supreme Court has been added the rebellion of the Southern members of the Rules Committee. The New Deal does not appear to be endangered by a hostile Congress majority, but by two small groups of stubborn men. It was in permitting this to be the picture that the Opposition went too far.

Powerful weapons have been put in the President's hands. He can speak of the defeat of democratic rule, as he did in his speech at Roanoke Island. He can speak of a do-nothing Congress, and he can rely on the discovery at home of most members by Congress that "saving" the Supreme Court has made them heroes only to articulate minorities in their constituencies. The Court issue is alive for middle and upper-middle class folk. The majority of the country is either not interested or else willing to see the Court weakened.

Where Stands Roosevelt Now?

Two theories are current in Washington. One is that reaction has already begun, and that the Republicans are sure to win in 1940. The other is that the President is not a beaten man, and will demonstrate it before the end of next year. At the time of his Supreme Court rout the first theory seemed plausible. It became still more convincing when the Housing Bill was emasculated in the Senate, and both Houses side-stepped action on other major New Deal measures. But the President and his leaders in Congress held on. They took the strategically sound line of forcing Congress to accept responsibility for its own inaction. The Wages and Hours Bill passed the Senate; the Housing Bill was repaired and passed by the House. Then the Rules Committee intervened with its mutiny on the Wages and Hours Bill, and Congress broke and ran for the railway station.

In 1938 come the mid-term elections. The entire House and a third of the Senate must ask for a vote of confidence at the polls. This means that members must have something to show their constituencies. To be sure, they can continue to obstruct New Deal measures, on the ground that Mr Roosevelt is destroying the American system, or, as Mr Hoover writes, is introducing the alien element of coercion into it. But it is doubtful whether a great many seats can be saved merely by crying that Mr Roosevelt is dictatorial, and laying the foundations for Fascism.

Thus it appears probable that most of the President's programme will pass next session. Already there is a pledge of crop control at the start of the session. The Wages and Hours Bill cannot be permanently held up by the Rules Committee, for the House can force it on to the floor by petition (a procedure that takes three weeks, and so could not be used in August). The Bill to reorganise the executive will also pass in some form, possibly amended to leave bodies like the Inter-State Commerce Commission and the Federal Trade Commission independent of the President's authority, and also to reduce the power he has asked for over the Civil Service. The "Seven Sisters" Bill, Senator Norris's proposal to create seven regional boards like the Tennessee Valley Administration, is also expected to pass.

The President, Democrats and Labour

The test of the Administration, obviously, is the result of the 1938 election. If its programme has passed Congress—even though somewhat mangled—and is ratified at the polls in November, Mr Roosevelt will remain in charge of the Democratic Party, and will be able to nominate his successor in 1940, or, if he chooses, be nominated for a third term himself.

There is a great deal of speculation about the formation of a new Party, including real New Dealers, Labour and North-Western Progressives. But, before it comes into being, Mr Roosevelt must have lost control of his present Party. Fundamentally, what has been waged in Washington this year has not been a fight about American institutions, but a struggle for the Democratic Party. The Supreme Court issue produced much fine oratory, but what was at stake was Mr Roosevelt's control of the machine. The determination to weaken the Housing Bill, to withhold action on the Wages and Hours Bill, and to scotch the remainder of the New Deal measures, was inspired first of all by the desire to wrest the leadership from the President. The Old Guard Democrats, like Mr Garner, want to run things themselves in the good old way. They want to choose a safe candidate in 1940.

The break in Party lines may yet come. Mr Roosevelt certainly lost his first tussle with Conservatives in his own ranks. He may lose the next one. But it now looks as though they had played their game badly. After beating him in the Supreme Court fight, which could be made to look like high patriotism, they blocked him in Congress, which looked like sheer conspiracy.

The President's greatest danger does not appear at this moment to be from Southern obstructionists, but from his inability to satisfy the Committee for Industrial Organisation and John Lewis. Mr Lewis is already hinting at a third party, and it is known that the personal breach between him and the President is almost beyond healing. That can only mean that Mr Lewis will insist on having a voice in naming the Democratic candidate in 1940 if the C.I.O. is to support the Democrat.

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United States

Business Contrasts

New York, August 30.—The contrast between the gloom of Wall Street and the sustained high level of production is striking. Summer production has been maintained at a level fully equal to the most optimistic hopes of the second quarter. At least, this statement holds for July, for which the Federal Reserve Board indices are available; for August, the incomplete data suggest some slight recession from July.

FEDERAL RESERVE BUSINESS INDICES
(1923–5=100. Adjusted for Seasonal)

	July, 1936	Dec., 1936	June, 1937	July, 1937
Industrial production—Total ...	108	121	114	114
Manufactures	109	121	114	115
Minerals.....	101	117	114	111
Construction contracts—Total...	69	66	61	68
Residential	44	45	42	45
All others	71	83	77	86
Factory employment	92·8	98·6	101·4	103·3
Factory payrolls	80·2	95·1	102·9	101·2
Freight car loadings	76	86	78	80
Department store sales	91	92	93	94

It appears that there has been no advance since December; and there is even some evidence of a slow recession; but this may be discounted by the fact that in December we were in a sellers' market, and enjoying a boomlet. Compared with July, 1936, residential building, after a spectacular revival in 1935 and the first half of 1936, has gained no ground in the past twelve months. In this instance, the reason commonly ascribed is the increase in building costs, especially in labour costs.

Corporate earnings have reflected the level of production. In the first half of 1937, the index of manufactures was about 20 per cent. above that of the first half of 1936; and estimates of corporate earnings for the first half of 1937 indicate that they were about 30 per cent. above the same period of 1936.

Declining Equities

Yet the indices of equity prices do not seem to harmonise with these data. Both rail and utility shares are lower than a year ago; and industrial shares barely higher. In a great many instances, industrial shares are substantially lower. In relation to the earnings of the first half year, and judged with reference to the criteria of the past, the level of money rates, etc., these prices are by no means exaggerated. It would appear that they reflect, and have reflected over the past half year, a profound distrust of the continuity of corporate earnings. This distrust may or may not prove to be justified; but it is not to be dismissed as without economic significance.

The past eight months have chronicled a continuous series of major disputes between industry and labour. The great motor and steel strikes had the attention of the Press, but they were probably of less consequence than the continuous and ubiquitous smaller strikes which were not "news." After the steel strike, there was some hope of a breathing spell; but the railroads, after reaching an agreement with their non-operating personnel, were served with a strike notice by the operating Brotherhoods. This dispute has been referred to a mediation board, and prospects of a strike have diminished, if not disappeared. Nevertheless, it is now generally conceded that increased labour and material costs will absorb any gain that the railways could have expected from their increased traffic, and their net income will be no higher this year than last. As their 1936 income was discouragingly low, such a conclusion not only affects the appraisal of railroad securities, but also the appraisal of the prospects of those industries whose activity hangs on the railroad demand.

After the rise in labour costs, the second major influence on profit margins is the continuous increase in taxation. While Federal taxation of corporations is levied against income, local taxation, which is a far larger sum, is levied on all sorts of other bases.

Wall Street Gloom

But the gloom of Wall Street is not entirely derived from its ponderings on these disturbing trends. The work of Wall Street is the launching of new issues, and the transaction of business on the Stock Exchange. The new issue business is all but non-existent this summer; and the brokerage business has become unprofitable. Formerly, in addition to commissions and underwritings, brokerage firms derived a considerable income from the margin of interest on their loans to customers. But with brokers' loans at only $1,400 millions, and call money at 1 per cent., the loan account hardly covers its own clerical cost.

While a Wall Street depression is only local, and affects only a few thousand persons, it can be, and is, serious. It is not impossible that the whole work of the capital markets now actually employs fewer persons, and at lower wages, than in the worst months of 1932. Under these conditions, the Wall Street *milieu* is not conducive to objective economic thinking.

The reduction to 1 per cent. of the discount rate of the Reserve Bank of New York was accompanied only by a rather vague official statement, but the explanation is clear enough. There are still large excess reserves in the system, but they are irregularly distributed. In the absence of a functioning short money market, distribution of reserves in proportion to demand seems sluggish and uncertain. The result has been that banks, pressed for reserves, or apprehensive of pressure, have fortified their position by a continuous liquidation of their large holdings of Government securities—a process which has been going on fitfully for some time; and has not only reduced the prices but impaired the market for Government securities.

It must always be borne in mind that the present problem of American banking is not the aggregate of reserves, but the distribution of those reserves; and that the reshuffling of reserves would at best be a question of time. The background explanation of the latest move is that for some months the Government security market has been under the pressure of bank liquidation, and that the lower discount rate is probably intended to strengthen this market. Still further in the background is the increased uneasiness about the absence of any definitive prospect of a balanced Budget. It is doubtful whether the discount reduction should be interpreted as evidence of a major change of credit policy.

France

Liberals and Socialists

Paris, September 9.—Two among the numerous speeches which have opened the campaign for the communal elections are noteworthy. M. Sarraut, one-time leader of the Radical-Socialist Party, warned the Socialists that, should they attack the Radical-Socialists, the latter would refuse to join a new Popular Front. And M. Blum, leader of the Socialist Party, attending a recent campaign of the party's press organ, declared that democracies and dictatorships should be able to collaborate.

Meanwhile, public opinion is very calm, although there is some anxiety about the rise in cost of living, which has been just raised by the higher prices of wheat, increased by 30 per cent. compared with 1936, of coal, some 12 francs more per ton, and of milk and butter, etc. These increases are the logical sequence of the previous increase in the cost of living and in the cost of production —a vicious spiral, indeed! Wholesale prices were, however, steady this week. The index of the price of domestic products was unchanged, and the index of imported goods was actually lower, so that the general index fell from 590 to 589.

The Government sees the necessity for increasing economic activity. Hence the Inquiry into the state of production, and the efforts to secure lower interest rates. The latter is the aim of the financial reconstruction, and of the further lowering last week of the rediscount rate of the Bank of France by ½ per cent., to 3½ per cent. The rationalisation of industrial plant is urgently needed, as well as an increase in working hours in certain industries.

But rationalisation requires money, and although there is an obvious revival of confidence in the country, the return of capital continues to be slow and money rates high. M. Bonnet, for instance, wishes to consolidate the rest of the 4½ per cent. 1932 bonds, which were deposited for reimbursement and were not subsequently consolidated in subscriptions to his recent loan. To do this he must issue new bonds of a 5 per cent. type (instead of 4 per cent.) but the yield of which is still 6½ per cent.

If, then, the high rate of interest is added to the persisting high import surplus and the rising cost of living, the balancing of the Budget "on paper" and the constitution of a National Railway Company are scanty consolations. In such circumstances, the stability of the franc and of public funds are a remarkable proof of the serenity of French public opinion and the skill of the experts—or as a promise of better days to come if the political truce continues, or if, as it is sometimes suggested, foreign markets should lose something of their attraction.

Some branches of the French economy continue to show great activity, such as the tourist industry and metallurgy. Furnaces in use now number 107, compared with 80 in September, 1936.

Important Changes in French Economy

In the annual *Revue d'Economie Politique*, M. Charles Rist notices that, after England, the Scandinavian states and Belgium, France made its socialist experiment in 1936. The technical errors of the Government, added to the frightened state of public opinion in face of socialist methods, have seriously disturbed the economic situation of the country. The greatest error was the refusal to decide upon devaluation sooner, a step which was delayed by the Communists, curiously allied in this respect with the Bank of France. When the devaluation finally became inevitable, the profits which it might have yielded to industry were already absorbed by the effects of the new social laws.

But M. Rist also observes that behind day to day economic events, a new factor has emerged, which will profoundly affect the future of the country. That is the more and more developed industrialisation of the French economy since the War.

M. Dugé de Bernonville classifies in the same issue of the *Revue* the various sorts of income before the War; at the peak of prosperity in 1929; and at the end of 1935:—

(PERCENTAGE OF TOTAL INCOMES)

	1913	1929	1935
Salaries and wages	43·3	47·1	50·4
Capital incomes	19·6	16·4	19·6
Mixed incomes	35·7	31·8	22·1
Pensions	1·4	4·7	7·9
	100·0	100·0	100·0

Figures show that the mixed incomes, those from investments and employment, and the incomes of individual industrialists represent, since 1913, a smaller and smaller portion of the total. Wages and pensions, on the other hand, increased correspondingly, so that the author concludes that the number of dependent workers is increasing. It is noticeable that the percentage of incomes from investments after declining from 19.6 in 1913 to 16.4 in 1929 has again returned to the pre-war figure. These changes undoubtedly explain a number of current misunderstandings and involve the greatest social and psychological consequences.

Germany

Official Price Cutting

Berlin, September 7.—The international unrest, uncertainty about the Nuremberg Congress and the cuts which have been decreed in the price of artificial textiles and electric lamps, caused a decline in share values last week. This has continued, although fixed-interest securities were rather firmer than in August. Reports from Hamburg about shipping and exports for China are most discouraging; and a statement by the Deutsche-Asiatische Bank indicates that no clear judgment about the Far Eastern future can be framed. Of all groups of shares shipping fell most.

It is a tradition, not always confirmed in practice, that the Nuremberg Congress must produce a sensation; and business in August was nervous about possible anti-capitalistic measures or the announcement of increased State intervention in industry. On these points Herr Hitler's proclamation contained practically nothing; and, in addition, his references to foreign politics were neither sensational nor new. In fact, the announcement of Signor Mussolini's timely visit to Germany has made a Nuremberg sensation superfluous.

The reduction in the price of "zellwolle" (cellulose textile material replacing both wool and cotton, etc.) is approximately 10 per cent., from Rm. 1.60 to Rm. 1.45 a kilogram. This is the fourth cut since 1933, when the price was Rm. 3.80. Since then it seems probable that the cost of production has fallen heavily, even if not to the same extent as the fall in price. The official tendency to decree, or virtually enforce, price cuts for special goods seems to be increasing, apparently in order to counteract the general slow decline in purchasing power. There have been such cuts this year in the price of "zellwolle," electric lamps, aluminium, nitrates, potash, cement, radio receivers, motor-car parts and batteries.

Inadequate Crop Prospects

The official provisional estimate of cereal crops is lower than last year's, but not so low as was feared; only rye shows a substantial decrease. With the exception of winter barley, there was no appreciable change in the yield per unit of the area sown; but the areas under wheat and rye decreased considerably. Only a comparison with 1933, the last good year for crops, and the best since the war, shows fully how unsatisfactory this year is for bread cereals and oats:—

	1933	1936	1937
	In metric tons (000's omitted)		
Rye	8,727	7,380	6,770
Wheat	5,604	4,420	4,300
Barley	3,468	3,400	3,420
Oats	6,952	5,620	5,680

Since the 1933 census the population has risen from

TRADING ABROAD

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66,029,000, including the Saar district, to an officially estimated 67,000,000 at the beginning of this year. The total cereals crop is estimated at 21,350,000 tons, which is 500,000 tons less than in 1936. This year the crop of flax has again risen considerably, and that of hemp slightly.

Internal traffic of all sorts and the consumption of public utilities continue to increase. The use of electricity in July was 17 per cent. greater than in July, 1936; and of gas nearly 12 per cent. greater. Railway goods traffic in July was 14.40 per cent. more than in July, 1936. The Railway Corporation's report for 1936 shows the following improvement:—

	Operating Receipts	Operating Expenditure	Operating Surplus
	Millions of marks		
1933	2,921	3,057	— 136 (deficit)
1936	3,586	3,434	+ 152
1937	3,985	3,513	+ 472

Including non-operating receipts, the latest surplus was Rm. 512 millions, of which Rm. 391 millions went to meet fixed charges and allocations to various reserves, and the Reich received Rm. 70 millions. There was a net profit of Rm. 121 millions. The company's balance-sheet total is Rm. 28,626 millions, the assets almost entirely consisting of operation rights, increased by Rm. 2,336 millions since 1924 by the expansion of roads and equipment. Among the liabilities are ordinary and preference shares amounting to Rm. 14,100 millions, a reserve for writing off the operation right of Rm. 11,390 millions, and other reserves and loans and debts totalling Rm. 1,800 millions.

Distribution of Foreign Trade

In the first half of this year, compared with the same half of 1936, the active balance of trade with Europe, and also, though to a smaller extent, the passive balance with overseas both increased. Balances with the various continents were:—

	January–June 1936	1937
	Millions of Marks	
Europe	+ 386	+ 470
Overseas	— 251	— 273
Africa	— 80	— 116
Asia	— 33	+ 5
America	— 130	— 147
Australia	— 8	— 15

Only Asia, among the overseas continents, shows a German export surplus. The balance deteriorated in trade with Great Britain, Turkey, France, Austria, Jugoslavia and Roumania; and improved in trade with Scandinavia, Holland, Belgium, Switzerland, Italy, Finland, Czechoslovakia and Russia. Imports and exports respectively were: in trade with Great Britain, Rm. 154 and Rm. 194 millions; with Holland, Rm. 93 and Rm. 222 millions; with France, Rm. 77 and Rm. 153 millions; with Switzerland, Rm. 42 and Rm. 112 millions; with Italy, Rm. 110 and Rm. 142 millions; with Russia, Rm. 27 and Rm. 78 millions; and with the United States, Rm. 116 and Rm. 90 millions.

The labour shortage seems to be increasing. The Labour Offices are inducing employers to take on older workers, especially technical and clerical. The Nazi Press discusses measures which would virtually abolish the freedom to choose a career. Indeed, this has already been restricted. The subject is debated under such headings as "Suitability Instead of Wish," "Wish" having, it is affirmed, disorganised the economy in the days of Liberalism.

The monthly official steel report mentions that it has been necessary to reduce deliveries to the non-rationed class of private consumers. Exports of heavy iron and steel are at present quiet, in part owing to the Far Eastern conflict; but in July they reached the very high figure of 392,100 tons and only 83,700 tons were imported. In July, for the first time, the value of these exports exceeded Rm. 100 millions.

The textile industry reports a new home demand for better quality goods. Retail sales of textiles in the first half of the year were 13.2 per cent. higher than in the same months of 1936. All the engineering trades are active. Motor-car production is about 7 per cent. higher than a year ago. Home sales have risen, but exports have declined, probably temporarily. Exports of pedal bicycles have increased very much, being 93,000 in January-July, against 37,000 and 5,600 in the same months of 1936 and 1934 respectively. The Solingen industries are in general fully occupied, and their export orders are satisfactory.

Holland

Declining Yield of Capital

AMSTERDAM, September 2. — The expected State conversion loan is being eagerly awaited in financial circles, and interest rates are still falling. For first-class bonds the yield is 3 to 3½ per cent. Even the numerous conversion loans issued by various municipalities and provincial authorities have failed to counteract a further drop in capital rates. The Netherlands Bank has lifted the embargo on foreign capital issues; and with the Bank's approval it is again possible for foreign issues to be brought on the market. So far, the opportunity has been little used.

Actually the interest of the Netherlands public has been lately concentrated upon local securities, American shares have been relegated more to the background; and there have so far been no introductions of new American securities on the Amsterdam market. On the other hand, it is difficult for issuing houses to bring good foreign bonds on to the Amsterdam market, because the yield in America and in England for good investment material is no higher than in this country, and is therefore not very attractive. Nevertheless, several timid efforts in this direction have been made recently. The latest foreign issue was of 7 million guilders 4 per cent. Norsk Hydro at 96; this issue proved a pronounced success. Issues of this kind have generally a good chance of finding favour, because the investing public is still averse to loans of the 3 per cent. kind.

In view of this aversion of the investing public to 3 per cent. loans, it is expected that the new State conversion loan will not be of the 3 per cent. kind; but that it will yield graduated interest—that is to say, after ten years the interest will be raised from 3 to 3½ per cent., and after that to 4 per cent.

The magnitude of the funds lying idle can be judged by the fact that the prolongation rate has dropped to ½ per cent., and the big banks have reduced their deposit rate to ¼ per cent. per annum for funds withdrawable at call.

Reducing Emergency Burdens

In the sphere of politics, tension is also growing. Expectations are optimistic. State revenue from taxation continues to increase month by month at a rate far in excess of the estimates. At the same time, the expenditure instituted at the height of the trade depression for various forms of relief is now falling. For instance, the assistance rendered to shipping has been abolished, the subsidies for the shipbuilding yards have been dropped, the improvement in the labour market involves far less expenditure for unemployment pay, and the better prices of agricultural produce, coupled with the enlarged selling outlets, have reduced the burden of relief to the agricultural community. There is therefore justification for hoping that these signs of improvement will induce our Government to remit some of the excessively burdensome indirect taxation. This looks all the more likely now that the new Minister of Economic Affairs recently decreed a reduction in the Government levies on meat, butter, margarine, oils and fats.

Rising Cost of Living

These reductions in levies on foodstuffs were all the more welcome because the cost of living in the Netherlands has been showing a disconcertingly persistent tendency to rise during the last few months. In view of the enhanced cost of living, the Netherlands Federation of Employers recently submitted a petition to the Minister of Economic Affairs, in which it was stated that:—

> The advance in the cost of living is a source of increasing concern among the members of the Federation. Since September, 1936, the month of the devaluation of the guilder, the following increases in the cost of living were recorded by the statistical bureau of the Municipality of Amsterdam.

	Total Increase since September, 1936 Per cent.	Increase in food only since September, 1936 Per cent.
September, 1936	...	...
October, 1936	1·1	2·1
November, 1936	1·4	2·2
December, 1936	1·0	1·0
January, 1937	1·6	2·1
February, 1937	1·5	1·1
March, 1937	1·7	1·7
April, 1937	3·0	3·7
May, 1937	3·2	4·1
June, 1937	4·5	6·9

> The Federation is of opinion that the Government ought not to permit the cost of living to continue rising. The Government have in their own hands the means of counteracting the advance in the price of food. We urge the Government to proceed to further reductions in the levies.

The Minister has shown some signs of yielding to pressure of this kind.

Satisfactory Balance of Trade

The development of foreign trade in the month of July provides every reason for satisfaction. In both weight and value, imports and exports were on a decidedly higher level than last year; and there is also a pronounced rise in comparison with the previous month. July, in fact, showed the highest value, both of exports and imports, for any month this year. One has to go back to 1931 to find higher values for imports and exports in the month of July.

	Imports				Exports			
	1934	1935	1936	1937	1934	1935	1936	1937
January	100	76	79	106	56	55	50	73
February	81	70	74	105	51	51	50	79
March	94	80	79	125	61	54	55	94
April	85	78	81	142	54	50	57	101
May	87	78	76	128	57	58	53	90
June	89	73	77	140	59	51	53	95
July	86	76	80	146	58	54	60	102
August	87	75	82		69	61	63	
September	78	76	82		69	59	72	
October	87	95	92		62	70	76	
November	88	86	101		60	60	77	
December	75	73	114		56	52	80	
January–July	*623*	*531*	*546*	*893*	*397*	*373*	*378*	*634*

Our imports having advanced to a greater extent than our exports, the import surplus was again decidedly higher than last year, amounting to 44,407,000 guilders, compared with 19,901,000 in July last year.

Switzerland

Advance in Foreign Trade

GENEVA, August 10.—Foreign trade returns for the first half of 1937 show that industry and commerce have steadily recovered from the crisis. During the first six months of the year, imports reached a value of 929,717,565 francs, an increase of about 71 per cent., compared with last year, while exports totalled 578,922,453 frs., a rise of nearly 47 per cent. The value of the exports of the four chief industries—watch-making, silk, cotton and machinery, were:—

	1936	1937
(Millions of francs)	(First six months)	
Watches	55·7	95·2
Silk goods	36·3	47·2
Cotton goods	45·1	62·9
Machines	49·4	82·6
	186·5	287·9

Trade with Great Britain improved, as is shown by the following figures:—

	Imports from Gt. Britain (First six months)		Exports to	
	1936	1937	1936	1937
	(Millions of francs)			
First quarter	17·4	28·6	19·7	40·5
Second quarter	16·1	30·5	22·1	34·5
First half-year	33·5	59·1	41·9	75·0

The principal exporters to Switzerland were:—

	1936 (First six months)	1937
(Millions of francs)		
Germany	144·8	194·7
France	82·4	122·3
U.S.A.	29·8	60·1
Great Britain	33·5	59·1
Italy	28·4	56·9

On the other hand, the five best customers of Switzerland were:—

	1936 (First six months)	1937
(Millions of francs)		
Germany	85·1	89·0
France	52·2	70·2
Great Britain	41·9	75·0
U.S.A.	23·8	50·8
Italy	29·0	40·4

The striking features of the first half of 1937 were: The recovery in American-Swiss trade, as the result of the new trade agreement concluded at the end of last year; and the resumption of Italo-Swiss trade which was still reduced last year by the application of economic sanctions.

Increased Transport Earnings

The general improvement in Swiss economic conditions is further reflected by the earnings of the transport undertakings which all recorded important increases compared with the previous year. The Swiss Federal Railways, for instance, transported during the first half year 55,192,000 persons, an increase of 1,170,000 compared with 1936, and 7,706,000 tons of goods, an increase of 2,068,000 tons compared with last year. Receipts in the same period totalled 159,294,000 frs., compared with 134,730,000 frs. last year, while expenses totalled 106,159,000 frs., compared with 106,222,000 frs. The surplus over expenses is thus 53,134,000 frs., while it was only 28,633,000 frs. in 1936.

The Swiss port of Basle registered a record traffic during the first six months of the year when 1,524,806 tons of goods were handled, compared with 1 million in 1936 and 1935. Up-river traffic totalled 1,431,000 tons, and down-river traffic 93,790 tons. A total of 990,498 tons was transported on the Rhine, and 534,308 tons on the side canal. Space has recently been lacking at Basle for the storage of goods, mainly of cereals and coal. Traffic in the port of Basle averaged 2,200,000 tons in former years for 1⅓ mile of wharf, that is about 1,701 tons of goods per yard; while the German port of Duisburg has 27½ miles of wharves for an annual traffic of 14,628,000 tons, or only 308 tons per yard. The Basle authorities have decided to spend 3½ million francs to enlarge the Klein Huningen port.

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Jugoslavia

The Concordat Controversy

Belgrade, August 24.—Whatever the reason for Dr Stojadinovic's determination to push the Concordat through Parliament, he could hardly have anticipated such violent opposition as he encountered. Although it was certain that the Orthodox Church and the Moslems would be hostile to a measure giving large concessions to the Catholics, and that they would command a fairly strong following among the masses, it was the death of the Patriarch which came at a critical moment, and the attempt of political agitation to make as much capital as possible out of the situation, that fanned the opposition into flame. The character of this political agitation, however, needs to be clearly understood. Hitherto the chief attacks on the Government have come from the Liberals and the Left, who have demanded greater civic liberties, e.g. a new electoral law with secret ballot, freedom of the Press, of meetings, and of speech. But the attack on the Concordat came from the extreme Right (the so-called Jugoslav Nationalists) and the pro-Fascist groups, in spite of the fact that it was one of the Nationalist leaders, Mr Jevtic, who had originally sponsored the Concordat. It is significant in this respect that, in the wish to embarrass the Government, the pro-Nazi group, for instance, did not refrain from playing on the anti-Italian feeling of the masses. The situation seems, however, to have been correctly appreciated by Dr Macek, who avoided attacking the Government in order not to play into the hands of the extreme Right, and who declared that the Concordat was an irrelevant matter for the Croats; and that, anyhow, the politicians who are leading the anti-Concordat campaign are the foremost advocates of a "strong hand in Croatia."

Continued Trade Expansion

Trade continues to improve by leaps and bounds, the increase for the half-year in exports being no less than 90.19 per cent. in quantity and 72.90 per cent. in value, and in imports 3.39 per cent. in tonnage and 20.98 per cent. in value, the total increase in the volume of trade being 46 per cent. for the six months. Exports for the half-year amounted to 2,115,205 tons worth 2,820.8 million dinars, compared with 1,112,178 tons worth 1,631.4 million dinars in the first half of 1936. Imports were 498,282 tons worth 2,420.5 million dinars, compared with 479,442 tons worth 2,000.7 million dinars. The trade balance is thus active by 400 million dinars, this being the second-best active balance since 1931.

The approaching season is more difficult to appraise. Of wheat there will not be more than 25-30,000 tons for export, and the quality is poorer than last year. Fruit is disappointing, prunes having yielded not more than 1,000 trucks for export. Maize, however, appears to be better, although figures are not yet forthcoming. Some of the harvest deficiencies may be made up by increased mineral production, which has reached an index of 116.4, as against 89.3 in May, 1936. Trade with Germany is also not running so smoothly as formerly, although Germany still heads the export list. This is partly due to the fact that exporters are paid in marks at the official quotation of 14.50 dinars, while they cannot obtain at home more than 12.50 dinars per mark.

Economic activity as a whole is very satisfactory. The number of insured workers has reached 692,973, which is 67,100 more than May, 1936, and the highest number ever registered in Jugoslav industry. The chief increase in employment is in rail, road and bridge building, and then in the textile, wood, metal and tobacco industries. Wages have improved by 1.16 dinars to a daily average of 22.24 dinars. The total insured wages in May this year were 388.8 million dinars, or 55 millions more than a year ago. State receipts have been the best for years—10,326 millions—which is 3,000,000 more than the amount budgeted. Expenditure being 9,538 million dinars, inclusive of 92.7 millions of unpaid accounts, this leaves a surplus of 788 millions, which is being used for the settlement of former unpaid accounts, and to cover extra-budgetary expenditure.

Banking Developments

Interesting figures have been supplied by the Governor of the National Bank on the improvement in the banking situation. Although, of a total of 610 banks, 298 still enjoy the protection of deferred payment, deposits increased between the end of 1935 and September, 1936, from 10,225 millions to 10,602, while during the same period, their frozen credits diminished from 4,308 to 3,981 millions. Since then, by the end of June, 1937, deposits have risen by another 717 millions to 11,319, and frozen credits have correspondingly decreased, though the actual figures are not available.

In July, the Ministry of Trade gave permission for the opening of a branch at Belgrade of the Allied Banking Corporation of Great Britain, the first British banking capital to enter the country since the winding up of the British Trade Corporation. The company, whose initial capital is £50,000, of which £10,000 have been voted for the opening of the Belgrade branch, is reported to be backed by several important British banks and industrial concerns. It is to finance trade between the two countries and industrial concerns such as mining and forestry in which British capital in Jugoslavia is interested.

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New Zealand

Labour's Monetary Policy

Christchurch, August 5.—A year has passed since the Labour Government began to put its monetary policy into operation. The results of that policy are so far reassuring. It is true that the Reserve Bank has been brought under State ownership and control, and there have been changes in the distribution of business between the Reserve Bank and the trading banks, but the money and banking operations of the past year disclose no sign of the departure from orthodox monetary methods that was widely expected. The Reserve Bank was made a State bank, ruled by directors holding office at the pleasure of the Government; and its general function was stated to be: "To give effect, as far as may be, to the monetary policy of the Government as communicated to it from time to time." The scope of Government borrowing from the bank was extended; and the bank was empowered to underwrite long-term Government loans, to make advances against Treasury bills up to a full year's revenue, and to finance the purchase and marketing of New Zealand produce.

These powers were very wide and it was expected that they would be used. Between May and December, 1936, exchange funds held overseas declined from £NZ45 millions to £NZ28 millions. It was plain that money was leaving the country, and it was said that capital was being driven out by the Government's policy. But part of this decline was a normal seasonal movement; part represented repayment of debt held overseas; part was due to repatriation of funds left in New Zealand in the hope of profit should parity of exchange be restored; and part was probably export of capital for investment in Australia.

Since December last the tide has turned, and overseas funds actually increased to £NZ37.4 millions on May 31st. This amount is greatly in excess of the sums normally held in the decade before the depression, which probably ranged between £NZ10 millions and £NZ20 millions. It is reflected internally in exceptionally high bank deposits and relatively low advances, so that, while bank funds are large, they are also exceptionally liquid.

Government's Financial Operations

The Government's operations are revealed in the Reserve Bank's returns. When the Government took over the marketing of exported dairy produce, the business of making advances against shipments was taken from the trading banks and transferred to the Reserve Bank. This business represents a transfer between the banks, who had originally assisted in building up this business, not an addition to existing credit facilities. The amount advanced on dairy produce account increased as the season progressed, reached a maximum of £NZ6.7 millions on March 1st last, and has since declined as the season nears its close. On June 28th the dairy produce advances had fallen to £NZ4.7 millions, and they have continued to decline.

The Government has also borrowed from the bank for various undefined purposes. These other advances began with £NZ700,000 in September, 1936, reached a maximum of £NZ1.8 million in December, and fell to £NZ200,000 in May, 1937. Total advances to the Government at the end of June were slightly under £NZ5 millions, all of which represented ordinary banking business done by the trading banks in the past.

Increased Note Circulation

The note circulation has, however, increased, and some critics have quoted this as evidence of inflation. In 1928 and 1929 notes in the hands of the public averaged about £NZ6½ millions. In the first half of 1937 they averaged nearly £NZ9 millions. The Reserve Bank note issue is about £NZ13 millions, and this figure is sometimes quoted as the circulation, but of this amount about £NZ4 millions is held by the trading banks. The increase in the notes held by the public corresponds roughly with the increase in total bank deposits, since the lower levels of the pre-depression years, and appears to be merely one aspect of the present abundance of money. This abundance reflects the large holdings of bank funds overseas. This is due in part at least to the dilution of money following the depreciation of exchange in the period 1930-33, and in part to the active balance of payments during recent years.

Last year's Budget outlined a public works programme to cost £NZ10 millions. Much talk about using public credit suggested that this might be financed by advances from the State-owned Reserve Bank. It now appears that part is paid for from revenue including sources, such as the unemployment tax and the highways fund, and part, probably most of the remainder, from internal borrowings from State departments. Over the past year deposits at the Post Office Savings Bank have increased by £NZ5 millions. These are normally invested in Government securities, and other departments probably have had funds for investment as well. The Reserve Bank and the trading banks show slightly increased holdings of Government securities, but these are likely to be ordinary investments made by the banks. The year's results, therefore, indicate that in practice the Government's monetary policy has been thoroughly orthodox, and unless a change in direction occurs those who expected interesting—or even dangerous—monetary experiments seem doomed to disappointment.

Letter to the Editor

India and her Gold

TO THE EDITOR OF THE ECONOMIST

Sir,—I have read with interest Professor P. J. Thomas's article on "India and her Gold," which appears in *The Economist* of June 19, 1937. Enlightened opinion in India was never opposed to conversion of barren hoards of gold into profitable investments, post office cash certificates, life insurance policies or into idle bank deposits, and it was never argued that virtue lay in permanently bottling the country's gold stocks.

What was objected to was the Government's currency policy—the policy of continuing the link of the rupee to sterling on the latter's departure from gold. It was pointed out that this involved under-valuation of the rupee, which, combined with the progressive depreciation of sterling, stimulated gold exports. Exports of gold were not attributable to the "high" ratio of sterling. The rupee was prevented from rising above the upper sterling point and the exports of gold could not, therefore, have the normal effect of raising the exchanges. It has never been said that "gold was exported with a view to maintaining the exchange," although gold exports did give a certain measure of support to sterling.

The Federation of the Indian Chambers of Commerce and Industry expressed the general view when on March 26, 1932, they urged the Government to place an embargo on gold exports and to purchase gold in the open market. By allowing free and unrestricted exports of gold, India lost the fruits of appreciation in the price of the metal.

It is difficult to appreciate the relevance of the differences indicated by Professor Thomas between gold exports from the monetary reserves of a country and of those from the Indian hoards. The first refers to exports of the metal under a gold standard, and the second to exports under a paper exchange standard.

Yours faithfully,

B. R. Shenoy.

Colombo.



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Books and Publications

Prices and Houses

PROFESSORS WARREN and Pearson of Cornell University are widely known as the authors of the most rigid and simple version of the neo-Quantity Theory of Money. For a few months in 1933 Professor Warren was virtually in control of the monetary policy of the United States, and the failure of his theories to achieve lasting political esteem at that time has not in the least shaken his faith. The authors' latest book* is in reality two almost entirely separate books. The first is devoted to a re-statement of their price theory and to the presentation of a new series of uniform price indices for the same forty commodities in fourteen different countries. These are combined (with weights which seriously exaggerate the importance in the world's markets of the United States) into an index of the world price level. These statistics will be of considerable value, and particular interest will be found in the comparisons made in some detail between the combined index and, firstly, the different national indices, and, secondly, the indices for the different commodities.

As for the re-statement of the theory lying behind the statistics, it is only necessary to say that nothing has been added to it, or subtracted from it, in recent years. Professors Warren and Pearson are still sublimely confident that the relation between the supply of and the demand for gold, on the one hand, and the monetary price of gold, on the other, are the only factors which influence the price level. The present volume will not convince those who believe that the Warren-Pearson theory is not so much false as too simplified and mechanistic.

The second part of the book is the more interesting. In this, the authors devote all of their statistical indefatigability to the elucidation of fluctuations in the building industry, which they believe, with good reason, to be second in importance only to prices as underlying causes of the trade cycle. The economics of the building industry has been shamefully neglected in all countries, and records of building are in a shocking state. Nevertheless, Professors Warren and Pearson have collected a surprising amount of data on the subject, and have made out a very strong case for their belief that building, in all countries, runs in a cycle of about eighteen years.

Since this is almost a pioneer work on the subject, it will be worth while to set out, very briefly, some of the conclusions which are reached. Brevity compels a certain dogmatism, but it could hardly be greater than that of the original work.

The amplitude of the "swing" between top and bottom of the building cycle appears to be such that the volume of building at the top is three times that at the bottom. The cycle seems to be fairly independent of other cycles (i.e. those of prices and general business activity), though it naturally has some effect on the activity of industry. For example, peaks of the trade cycle seem to occur, with surprising regularity, two or three years after the building cycle has turned downwards.

As for the causation of the cycle, the following passage may be quoted:—

> The major force causing building seems to be an increase in demand for building relative to the supply rather than low or high costs of building and financing. Usually costs are low when there is little building, and high when there is much building. Properties are constructed primarily on the basis of expected income rather than because of low costs.

The authors believe that "high and low building cause high and low interest rates rather than low interest rates cause high building." They point out that periods of relatively high *per capita* purchasing power coincide significantly with periods of active building. This general view of the causation of the building cycle, emphasising the importance of fluctuations in the demand for houses rather than in the supply price, is in close agreement with that which has frequently been expressed in *The Economist*.

So little is known of the subject that it would be premature to hazard an opinion about the correctness of these views. The most that can be said is that Professors Warren and Pearson have cleared an approach to the theory of building cycles, and have supported their generalisations with statistical illustrations which, though scanty, are surprisingly uniform. The next step should be that improvement of building statistics which is so badly needed on both sides of the Atlantic.

* "World Prices and the Building Industry." By George F Warren and Frank A. Pearson. (New York) John Wiley and Sons, Inc.; (London) Chapman and Hall, Ltd. 240 pages.

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Books Received

The Relation of Nutrition to Health, Agriculture and Economic Policy. Final Report of the Mixed Committee of the League of Nations. (London) Allen & Unwin. 327 pages. 7s. 6d. net.

The Spirit and Structure of German Fascism. By Robert A. Brady. (London) Gollancz. 383 pages. 12s. 6d. net.

New British Industries in the Twentieth Century. By A. Plummer. (London) Pitman. 396 pages. 15s. net.

Official Publications

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

Board of Trade: Return relating to all Authorised Gas Undertakings in Great Britain for the year 1935. Part II: Finance and Prices. 10s. 6d. net.

Report of the Chief Registrar of Friendly Societies for the Year 1936. Part 1. General. 9d. net. *Part 5. Building Societies.* 2s. 6d. net.

MONEY AND BANKING

The Incidence of Treasury Bills

EVERY student of the Bank return must have noticed constant fluctuations in public deposits between one week and the next, which often total several million pounds. Frequently, these fluctuations are due to discrepancies between Treasury bill payments and maturities during the week in question, or in shorter and more technical language, to the "incidence" of Treasury bills. Incidence arises largely from the vagaries of the calendar. A Treasury bill runs for three calendar months from the day of payment, and it may be added that there are no days of grace. Bills are allotted at the tender held every Friday, and may be paid for on any day of the following week at the allottee's option. For practical purposes the Treasury bill week runs from Monday to Saturday, inclusive. On the other hand, the Bank return gives the position of the Bank of England at the close of business on Wednesday of each week.

Omitting leap-year, bills have the following lives:—

Bills maturing in	Life in days	Bills maturing in	Life in days
January	92	July	91
February	92	August	92
March*	90	September ...	92
April*	90	October	92
May*	89	November.....	92
June	92	December ...	91

* In leap-years, add one day.

Now, as 91 days are exactly 13 weeks, 91-day bills issued on a Monday are repaid on a Monday. For most months, however, Treasury bills run for 92 days, and could only be repaid on a Monday if they were issued on a Sunday. Therefore, in those months there are no Monday maturities. Complications are also caused by Bank Holidays, when there are neither payments nor maturities—and therefore no maturities exactly three calendar months ahead. We may proceed to state a few more general rules:—

(1) Bills due on Sunday are repaid on Saturday.

(2) Bills due on Bank Holidays are repaid the day after.

(3) Bills paid for on January 31st are repaid on April 30th. The same condition applies to bills paid for on March 31st and August 31st. There is thus a double repayment on the 30th of April, June, and November. Similarly, on February 28th, the bills paid for on November 28th, 29th and 30th, are all repaid.

(4) No maturities on July 31st, December 31st (except when the first day of the following month is Sunday), or May 29th (except in leap-years), 30th and 31st.

These rules show that incidence can cause appreciable variations in public deposits, and so in bankers' deposits, especially as £30 millions and upwards of Treasury bills are turned over every week. The next step is to illustrate this by several hypothetical examples. Let us assume that £36 millions of Treasury bills are paid for and redeemed each week, and that payments and maturities are spread evenly over the week, £6,000,000 each day.

Take first a month in which 92-day Treasury bills are maturing. Consider the amount passing into public deposits in respect of payments for new bills (whose length is immaterial) and the amount paid out on maturities of old bills. In a typical week, assuming that at the close of business the preceding Saturday, public deposits stood at £10 millions, the position would be as follows:—

	Paid in	Paid out (£ millions)	Balance
Monday	6·0	Nil	16·0
Tuesday	6·0	6·0	16·0
Wednesday	6·0	6·0	16·0
Thursday	6·0	6·0	16·0
Friday	6·0	6·0	16·0
Saturday	6·0	12·0	10·0

The table shows that during the first five days of the week, including Wednesday, the day of the Bank return, public deposits are £6.0 millions higher than their datum of £10 millions. When, however, 91-day bills come along, the balance between payments and maturities is restored, and so public deposits fall back to their datum. February, which gives rise to 89- and 90-day bills, works the other way. The 90-day bill creates no difficulty. Bills paid for on Mondays in January should mature on Sundays in April, and therefore are repaid on Saturdays. On the other hand, there are no normal Saturday maturities, for Saturday in April corresponds to Sunday in January. These two inequalities cancel out, and so a 90-day bill has the same regularity as a 91-day bill. Bills maturing in May are 89-day bills. In their case there is a double maturity on Saturday, but no maturities on Friday. Thus public deposits tend to be increased on Friday, but are restored to normal the next day. As the Bank return relates to Wednesday, it is unaffected by an 89-day bill.

Bank holidays introduce a further complication, which is best illustrated by reference to actual experience last month. The period covered by the following table is the first three weeks of August, the assumption again being that £36 millions of bills are issued and redeemed each week:—

	PUBLIC DEPOSITS		
	Paid in	Paid out (£ millions)	Balance
August 2*	0	0	10·0
„ 3	7·2†	6·0	11·2
„ 4	7·2†	6·0	*12·4*
„ 5	7·2†	6·0	13·6
„ 6	7·2†	6·0	14·8
„ 7	7·2†	12·0‡	10·0
„ 9	6·0	0§	16·0
„ 10	6·0	7·2†	14·8
„ 11	6·0	7·2†	*13·6*
„ 12	6·0	0¶	19·6
„ 13	6·0	7·2†	18·4
„ 14	6·0	14·4†‡	10·0
„ 16	6·0	0§	16·0
„ 17	6·0	0‖	22·0
„ 18	6·0	7·2†	*20·8*
„ 19	6·0	7·2†	19·6
„ 20	6·0	7·2†	18·4
„ 21	6·0	14·4†‡	10·0

* Bank holiday. † £36 millions divided between only five days. ‡ 92-day bill; cf. previous table. § Corresponds to Sunday in May. ¶ Corresponds to Coronation day in May. ‖ Corresponds to Whit-Monday in May.

The figures in italics in the third column relate to Wednesday, which is the day of the Bank return. This table shows how at times of bank holidays wide variations in public deposits can be caused by the incidence of Treasury bills. Actually between August 11th and 18th public deposits rose by £9.5 millions. The table shows a theoretical increase of £7.2 millions.

The final complication increases at the end of each quarter, and this is due to the banks' habit of accumulating cash for balance-sheet purposes on June 30th and December 31st. As the market knows that its loans from the joint-stock banks will be called on those dates, it has developed the habit of arranging for all its Treasury bill maturities in those weeks to occur on or before June 30th and December 31st, and its payments for new bills to fall due on or after July 1st and January 1st.

Therefore, for the portion of those weeks up to June 30th and December 31st, the whole £36 millions of the week's maturities will have been paid out, and none of the new payments will have been collected. On those particular dates, the Treasury will be £36 millions

out of pocket, and so may have had to borrow heavily on Ways and Means from the Bank. On June 30th last, when the week's maturities were £42 millions, Ways and Means borrowings from the Bank were £49.3 millions.

On September 30th and March 31st, the boot is on the other leg. The market not only has no maturities for those weeks on or before these key dates, but is also paying for all its bills on or before those key dates, so as to be well supplied with maturities on December 31st and June 30th. Therefore, public deposits tend to run £36 millions higher than usual, while in the absence of special assistance the banks and the market find themselves short of funds. To illustrate this during the week to March 31st, public deposits rose from £27.9 to £52.2 millions, while bankers' deposits dropped from £82.0 to £62.3 millions.

Sufficient has now been said to illustrate the effect on the Bank return of the incidence of Treasury bills. It is not the purpose of this analysis to suggest a remedy, but simply to show how these seasonal variations come about. Meanwhile all concerned could be pardoned for becoming ardent converts to the reform of the calendar.

Financial Notes

M. Pierre Quesnay.—The tragic death of M. Pierre Quesnay at the early age of forty-one removes one who had already done much valuable work in the sphere of international financial and economic affairs, and whom many hoped would have opportunities to do still more. Immediately after the war he joined the Reparations Commission, and later played a great part in the financial labours of the League. He was Secretary-General of the French delegation at the Young Conference, and then after a period at the Bank of France he became a director of the Bank of International Settlements, a post he held at the time of his death. The world is the poorer for the loss of one whose especial abilities were of great importance to all concerned with the sanity of economic politics.

* * *

August Clearing Bank Returns.—The August returns for ten clearing banks reveal a small decline in all the main items:—

(In £ millions)

	Aug., 1936	April, 1937	May, 1937	June, 1937	July, 1937	Aug., 1937
Capital and reserves	131·8	132·5	132·5	132·5	132·5	132·5
Acceptances, etc.	103·5	126·2	125·5	124·1	122·1	116·1
Deposits (including undivided profits, etc.)	2,208·8	2,213·6	2,217·7	2,255·1	2,255·6	2,245·9
Total liabilities	2,444·1	2,472·3	2,475·7	2,511·7	2,510·2	2,494·5
Cash	230·0	226·2	229·6	237·7	231·8	231·0
Cheques, balances and items in transit	56·4	64·6	68·7	73·0	63·7	64·6
Money at call	157·7	171·6	163·4	166·2	157·9	156·7
Discounts	343·7	239·5	242·8	257·5	280·7	275·8
Investments	625·7	646·0	641·4	638·2	631·7	630·4
Loans and advances	857·2	930·6	936·6	947·4	954·7	952·6
Investments in affiliated banks	25·2	23·5	23·5	23·5	23·5	23·5
Cover for acceptances, premises, etc.	148·2	170·3	169·7	168·2	166·2	159·9
Total assets	2,444·1	2,472·3	2,475·7	2,511·7	2,510·2	2,494·5

Deposits are down by £9.7 millions, and cash by £0.8, so that the cash ratio has risen a trifle from last month's figure of 10.3 per cent. Of the particular falls, money at call takes £1.2 million, discounts as much as £4.9 millions, investments £1.4 million, and advances £2.1 millions. The fall in advances is less than the fall between July and August last year, when total deposits rose, and probably foreshadows no change of trend.

* * *

Commonwealth Bank Report.—The half yearly report of the Commonwealth Bank of Australia is a full and informative document. The latest is of particular interest, coming as it does immediately after the Budget Speech (discussed in *The Economist* last week, page 466) and presenting a more cautious view of the future. The directors are obviously concerned with the eventual end of boom conditions abroad. Not being hopeful of a liberation of world trade, Australia's only second line of defence, they advocate a reduction of the Government's short term debt, an accumulation of sterling funds, and the preparation of schemes for public works for use when a recession occurs. For the present, they have increased profits and a 7½ per cent. increase in trading bank deposits to record; and useful statistical tables disclose the progress of the active balance, and the movements of interest rates. These last figures show a stability of rates within the control of the Commonwealth Bank and a gradual fall in the yields on Government securities. By contrast, the building boom, about which the Board appears somewhat anxious, has produced a definite tendency for mortgage rates to rise. The whole tone of the report suggests that its authors are taking their responsibilities as a central bank wisely and seriously.

* * *

The Money Market.—Little of note can be said to have occurred in the money market this week. Money has been exceptionally easy even by comparison with recent experience. The syndicate only succeeded in obtaining an allotment of 45 per cent. at the same low rate as last week.

	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½–⅝	½–⅝	½–⅝	½–⅝
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	11/16–⅝	11/16–⅝	11/16–⅝	11/16–⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The clearing banks have been very active buyers of bills.

* * *

The Foreign Exchanges.—The most important event of the week has been the decision of the French authorities on Thursday morning to cease supporting the franc. Such a move had been expected if the political situation in Paris remained uneasy, and no alarm was caused when the rate fell from Frs. 132.95, round about which it had been held, to Frs. 134½. To this fall, which is probably not yet entirely over, some capital movements to New York contributed. These accounted for the sudden rise in the dollar that afternoon to $4.94¾. The American control had previously had to sell a considerable volume of dollars on Monday to prevent a sharp appreciation, due partly to movement of funds provoked by the Italo-Russian *fracas* and partly to a good deal of commercial buying. The belga recovered after the vote of confidence in M. van Zeeland, though to a less extent than had been anticipated. There is next to no business in Far Eastern currencies.

* * *

The Bank Return.—Only small changes are shown in this week's return. The note circulation has declined by the small total of £1.2 millions as the end of the holiday season approaches.

BANK OF ENGLAND

	Sept.9, 1936	Aug.18, 1937	Aug.25, 1937	Sept.1, 1937	Sept. 8, 1937
Issue Department :—	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Gold	246·5	326·4	326·4	326·4	326·4
Note circulation	445·6	491·0	488·3	490·3	489·1
Banking Department :—					
Reserve	62·0	36·8	39·6	37·6	38·9
Public deposits	20·4	28·5	25·4	14·1	12·0
Bankers' deposits	99·8	88·5	92·8	104·2	105·7
Other deposits	37·8	36·5	36·0	36·5	36·3
Government securities	83·5	107·1	108·8	109·3	107·1
Discounts and advances	10·5	6·2	4·3	5·4	5·1
Other securities	20·1	21·6	19·6	20·8	21·0
Proportion	*39·2%*	*23·9%*	*25·6%*	*24·3%*	*25·2%*

Public deposits remain very low after the dividend payments shown last week, and there has been a further small rise in bankers' deposits, which goes some way to explain the glut in the money market. The proportion is still extremely low.

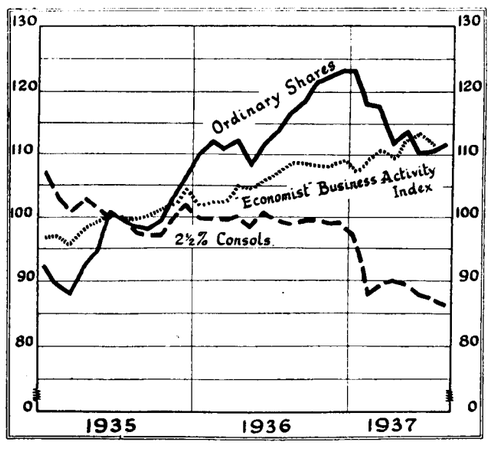
THE STOCK EXCHANGE

Autumnal Investment Prospects

DIVERSE interests like scholarship, publishing and politics have one factor in common—their year begins, not in January, but in the autumn months, when gardeners are planting their bulbs and the lower animals are hibernating. Investment tends, similarly, to have its own annual rhythm, marked by a quickening of interest after the summer vacation, and a perceptible slackening, more often than not, about Budget time. This year, returning investors find little to cheer them in the immediate market prospect. Since the beginning of this year, industrial activity has climbed to new high levels, but industrial share values have declined, on the average, by about 10 per cent. At the beginning of August, the stage seemed to be set for at least a secondary revival in Stock Exchange interest. But the choice by Japan of Shanghai as a point of chastisement of China for her temerity in resisting hostile invasion has effectively checked any incipient recovery in prices. In times like these, when most market commentators must necessarily be Mark Tapleys, and "talk by their book," one hears much of the Stock Exchange's firm undertone, but little of any substantial increase of business, which is what the market most desires.

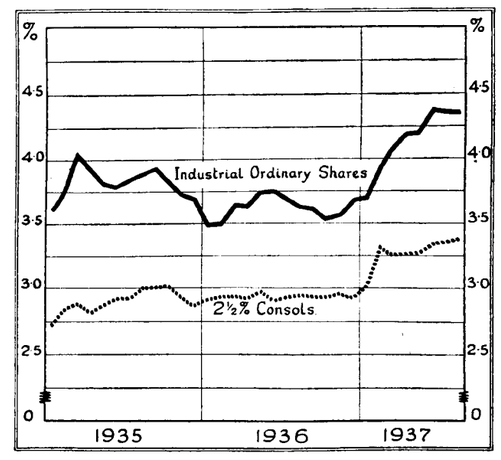
I.—Prices of 2½% Consols (Actuaries' Index) and of Ordinary Shares (*Financial News* Index) contrasted with *The Economist* Business Activity Index.

(Beginning of July, 1935 = 100)



II.—Yield on 2½% Consols and on Industrial Ordinary Shares.

(According to the Actuaries' Index.)



The moment, clearly, is opportune for an endeavour to see past, present and future in due perspective and to distinguish the main factors in the immediate investment outlook. The fact that the market is highly sensitive, to-day, to international political factors which do not differ in kind from those to which it was largely impervious between 1933 and 1935 (e.g. at the time of the German remilitarisation of the Rhineland) suggests one, or both, of two conclusions. Either political clashes are deemed more dangerous now than a few months ago, or the market's internal powers of resistance are not as strong as they were. Of the former possibility, every investor must judge for himself; but a careful study of recent market trends throws valuable light on the second alternative.

The first of the two accompanying charts compares the recent trends (1) of British business activity as a whole; (2) of the price of 2½ per cent. Consols; and (3) of quotations for industrial ordinary shares. The second chart closely compares the percentage yields obtainable on gilt-edged securities and industrial equities, respectively, during the last few months. The charts relate to a period of advancing prosperity in industry, when the background for the Stock Exchange—so far as earnings and dividends are concerned—was as favourable as it could well be.

A survey of the first chart brings out two significant facts. Since the end of 1936, undated gilt-edged securities have fallen by 12½ per cent., and representative ordinary shares by nearly as much. But the general level of business activity has recorded a further advance of 2 per cent. to a level never attained, hitherto, in Britain's economic annals. Our records of industrial profits have shown gains of 20 per cent. as compared with figures published a year earlier, in many recent months. Yet industrial shares are well below the level they reached last January. The second chart shows that the gap between gilt-edged yields and ordinary share yields has widened. Investors, in other words, are progressively less inclined to discount further increases in earnings and dividends on industrial shares. If there were widespread confidence that profits would continue to rise by anything like 20 per cent. per annum for the next two years we may presume that shareholders would be content with a lower immediate income return than 4.4 per cent.

The industrial prospect, however, no longer offers a virtual guarantee of constantly rising earnings. We may be able to maintain the present level of prosperity for some time, but only those who claim that the era of cyclical economic fluctuations has passed away can logically expect further capital appreciation from industrial shares as a whole. Less optimistic investors, on the other hand, may wonder whether we are not approaching the condition of "full employment" at which, economists tell us, the seeds of a setback may germinate.

For the trustee investor, official policy is still the guiding consideration. By stringent control of the market, the authorities have been able to persist with their policy of issuing new loans at something above prevailing prices, without any serious loss of prestige. The Treasury, with the backing of the Public Departments, can nurse its issues until the accumulation of investment money brings the public in as a buyer at a discount on the issue price.

The position of the Government's National Defence Bonds is a case in point. Some £100 millions of these 2½ per cent. bonds, redeemable 1944-48, were issued last April at 99½. The immediate public response was very small, and for many weeks the price had to be pegged, with scarcely any business passing. In due course, the fixed redemption date of the bonds began to appear a desirable feature to an increasing number of conservative investors, who put safety of capital above income considerations. Sizeable sales of the bonds have lately been effected—but only at a price three points below the original issue price.

The clearing banks' holdings of gilt-edged stocks have been falling—though in gradual and unspectacular fashion—during the last few months. The decline has certainly been much less than proportionate to the increase in the banks' advances, but it is not in conditions like these that investors look for a strongly rising gilt-edged market. What, then, are the omens for equity shares? Here the most striking contemporary feature is the wide spread of income yields. There is no longer an homogeneous " ordinary share market." In the early stages of recovery, sound industrial share yields were closely grouped between 3 and 4 per cent. To-day, many building material shares now yield from 8 to 10 per cent., and even a seasoned share like London Brick yields over 8 per cent. In the motor and steel groups, returns of well over 5 per cent. are common. The best brewery shares can now be bought on a 4½ per cent. basis, and electricity supply shares yield only a little less. Interspersed among these group averages are shares which are now specifically valued—rightly or wrongly—on their independent qualities and risks. Any random selection of shares—Richard Thomas (yielding 7.3 per cent.), Turner and Newall (3.9 per cent.), Associated Newspapers (7¼ per cent.), and British Oxygen (2.9 per cent.)—is sufficient to suggest that discrimination has become the order of the day among investors.

A second factor, which closely concerns holders of ordinary shares, is the effect of rising costs upon profits. Industries which operate within a context of fixed prices —such as public utilities and the railways—and industries whose products have a relatively elastic demand, may have difficulty in passing on their rising costs to the consumer. The rising tendency of wages and material prices is particularly important for the railway stockholder, for whom the last quarter of the year brings an increase in freights and fares which will be largely absorbed by the wage increases, granted last month, and the higher level of fuel and maintenance charges.

On the other hand, commodity shares should offer some scope for the investor. And industries with a stake in the further recovery of international trade may have better prospects than purely domestic industries which have already advanced far along the road to recovery. Yet even in these directions caution may be advisable. In the rubber industry Malaya seems likely to produce her full quota, and a rapid rise in rubber prices is unlikely. The position of copper stocks is becoming less stringent under the influence of unrestricted production. The consumption of oil has been at record levels, but supplies are fully adequate. These considerations do not preclude the earning of handsome profits, but they provide little combustible material for a share boom.

Finally, in the Kaffir market, " gold scares " have vanished—at least for the time being—but the market has not regained its former confident stride. In fact, for the last six months the market has been paying the price of its earlier speculative excesses. While the debris has been in process of collection and incineration, both in London and Johannesburg, the speculative operator has been deaf to the argument that established income-yielding South African mines have fallen to attractive yield levels. The statement would be broadly true, if conditions were more stable; and moderate instability in prices or costs could itself be comfortably offset by adjustments in mining policy. But so long as major uncertainties remain, the market is hardly likely to stage another big speculative advance.

There is, altogether, an autumnal tinge in the general investment prospect, in the fall of the year 1937. In these circumstances, sentiment is obviously likely to be more vulnerable to external political alarms and excursions. He would be a bold man who would undertake heavy speculative commitments on the assumption of political tranquillity, or would choose to follow a semi-professional bull market very far. It may be arguable that this is not the time for indiscriminate selling of a shrewdly selected and balanced portfolio. But it is difficult to make out a case for the retention of equities whose status is less than first class, and whose present price still leaves a profit to be consolidated. In such instances, reinvestment in short-dated fixed interest stocks, at prices near or under par, would be the best possible form of reinsurance.

HOTEL WESTMINSTER
Le Touquet

Investment Notes

Nerves in Wall Street. — More than a suspicion of panic seized Wall Street on Tuesday, when many shares lost up to 8 points in a turnover of $1,870,000. Although the fall was stayed next day, when the turnover was even larger, the uneasiness remains, and erratic movements are expected in the future. The cause of the trouble was Wall Street's expectation that the piracy in the Mediterranean, followed by Russia's note to Italy, and the reluctance of the Italians and Germans to attend a naval conference, could end only in war. Once again Wall Street has taken a much more pessimistic view of the outlook than the City of London, as we show in a Note below. It is widely held on this side that American recovery has several years of progress ahead of it; that political and technical market difficulties in America are overrated by Wall Street; and that even war would not bring down America in ruin, because she is conveniently separated from its consequences by a wide expanse of water and by her own determination to remain neutral. It is evident that many capitalists in Europe are prepared to back this opinion by transferring funds to America, as has been suggested by the strength of the dollar exchange in recent days. London is optimistic about America, and Wall Street is pessimistic about Europe. Both may be right. The upward trend of security prices in America may eventually be resumed, but even extra-American optimists see nothing in the immediate future but fluctuations, irregularities, and squally weather.

* * *

London's Unstable Equilibrium.—Although dealings have been transacted in a tenebrous and electric atmosphere, London has been steadier than New York this week. Foreign bonds have again, naturally, been heavily marked down. Chinese Customs issues have particularly suffered from Japan's blockading zeal against Chinese imports, which provide the sinews of war to bondholders as well as to their direct recipients. Industrial shares have been further marked down, more as a symptom of discouragement in speculative enterprise generally than on any reasoned calculation of the probable course of international events. *The Financial News* index, by falling to 109.3, has now relinquished all its gains since the beginning of July. A broad interpretation of market conditions—as true and as false as most generalisations—would be that while both New York and London have been pre-occupied with news headlines, Wall Street has registered something like fear while London has registered resentment.

An explanation of the relative steadiness of London may be that British investors, who are closer to the European storm area, have better learned to discount the peculiar technique of totalitarian States in their international communications, whose wording has abandoned the courtesy as well as the circumlocutions of the Old Diplomacy. An alternative explanation may be that America is over-hasty in considering, and London over-complacent in refusing to consider, the far-reaching investment consequences of any European imbroglio. So far, as we suggest in a leading article on page 527, the behaviour of the London Stock Exchange argues a state of mind which recognises that domestic trade activity and profits cannot increase indefinitely, but holds doggedly to the conviction that Europe will produce thunder but no lightning. Stockholders have a vested interest in peace. But the resumption of last year's confident rise in security prices, interrupted at the beginning of 1937, looks increasingly unlikely.

* * *

League Loans Report.—The reports of the League Loans Committee have always been interesting documents for anyone interested in the chequered history of post-war international lending. The Report published this week sets out the history of the loans in recovery. General details about the nine issues with which the Committee is concerned are given below:—

(Amount in £ millions)

Borrower	Nature of Loan	Original Issue Equiv. (at par)	Of which issued in London	Amount out-standing	Issue Price (London)	Price Sept. 8	Last coupon paid (per cent. of Full Service)
Austria ...	Guaranteed 1923.	32·8	14·0	Nil	...	...	Repaid or converted
Danzig Municipality.	7% Mortgage	1·5	1·5	0·7	90	67½	Full
Danzig Free City.	6½% Tobacco Monop. 1927	1·9	1·5	1·3	91	57½	Full
Estonia ...	7% Banking Currency, 1927.	1·5	0·5	1·3	94½	99	Full
Bulgaria ...	7% Settlement, 1926.	3·3	1·7	2·9	92	29½	32·5
	7½% Stabilisation 1928.	5·4	1·5	5·4	96	30½	32·5
Greece ...	7% Refugee, 1924.	12·2	7·5	11·6	88	41	Zero
	6% Stabilisation, 1928.	7·5	3·4	7·3	91	34½	Zero
Hungary ...	7½% Reconstruction, 1924.	14·2	7·9	10·4	88	47½	50

Apart from Austria, who converted her loan in 1935, only Danzig and Estonia have consistently maintained the full service of their loans, and they are rightly praised for their virtue and good fortune. The *Danzig* Government has now, however, produced a scheme for reducing the interest on both its loans by 2 per cent. and extending both the sinking funds for five years. Legally the loans could be converted, but since difficulties connected with the Free City's present position prevent that course the Committee recommend that the scheme, as a sincere effort to meet a difficult situation, be accepted.

* * *

The Committee also recommend the acceptance of a *Hungarian* plan to stabilise the service at 60 per cent. of the contractual interest, with a cumulative sinking fund to start in 1940. They point out that Hungary's foreign debt must inevitably be scaled down, and characterise the proposal as " a serious offer from an honest debtor." But they do not propose a permanent settlement with *Bulgaria*, being mildly critical of her budgetary policy, and about the *Greeks* they are very firm indeed. And certainly a Greek Government that proposes a permanent settlement at 50 per cent. of the interest, and then announces over the heads of a protesting Committee a payment of 40 per cent., deserves strong language from its creditors. The Committee have always endeavoured to be, and have been, fair to all parties. When they say that their goodwill has been seriously abused, their words are obviously being carefully weighed.

New Issue Mortality.—In a leading article on page 507 we refer to the dangers inherent in the tendency of company promoters and financiers to resort heavily to the new issue market when industrial shares are active on the Stock Exchange and to desert it when the going is less good. In a painstaking and scholarly article in the current issue of *The Economic Journal*, Mr P. W. S. Andrews aptly points the moral of this argument. Mr Andrews has analysed an extensive sample of the new public companies formed in the period between 1919 and 1932. His sample includes 481 companies, with a total original paid-up capital of £161,977,000. His figures show, first, that most of the companies were relatively small—nearly two-thirds of them had a capital of less than £250,000. Secondly, most of them were floated in the two post-war boom periods, 1919-20 and 1928-29. In the former period some 29.5 per cent. of the total capital was issued, and in the latter 31.5 per cent. Thus, the remaining ten years of the period saw the issue of only 39 per cent. of the total capital involved. Thirdly, there is a high mortality rate among new companies. The following table shows the proportion of companies in Mr Andrews's sample which passed out of effective existence within periods of one to eleven years:—

Period of years after formation	Average risk of death within period (%)	Period of years after formation	Average risk of death within period (%)
1	3	7	25
2	9	8	27
3	14	9	31
4	19	10	30
5	22	11	32
6	25	...	...

On the average, as much as one-quarter of the new public companies formed during the period passed out of existence within seven years of their registration. Possibly the survival rate has been improved by recent statutory measures, such as the Companies Act of 1929 and the stiffening of the conditions which must be satisfied before permission to deal in new issues is given by the Stock Exchange Committee. The figures, however, demonstrate clearly the need for the careful scrutiny of the auspices and management of companies new to the market and for the offer of their shares to the public on a substantially higher yield basis than is appropriate to established enterprises.

* * *

Mr Andrews proceeds to calculate mortality risks for new companies according to their industrial classification. The figures here are less valuable, for some of the groups are not large enough to be really representative. And it is difficult to say how far the experience of a particular group may be due to conditions in the industry itself, and how far to the fact that promotional exuberance has overcrowded the market with new

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issues of that type. Taking the figures as they stand, however, it appears that 60 per cent. of the electric and radio companies in Mr Andrews's sample died within five years of their registration; the corresponding figures were 47 per cent. for motor companies, 38 per cent. for transport companies and 33 per cent. for building materials companies. At the other end of the scale, only 5 per cent. of the investment companies failed in their first five years, similar figures being 9 per cent. for tea companies, 14 per cent. for coal, iron and steel companies and 17 per cent. for engineering companies. These ratios support one conclusion at least—that new issues in highly competitive or currently "fashionable" industries should be capitalised more conservatively than even the average "mortality risk" would suggest. In view of the failure of certain of the 1935-36 popular light engineering issues to achieve their prospectus profit estimates, it might conceivably have been for the good of the investor and the market if Mr Andrews had published his analysis a couple of years ago.

* * *

Preference Shareholders' Rights.—During the last few weeks there has been the usual holiday spate of capital reconstruction schemes, and the now customary series of endeavours to cast preference shareholders for a sacrificial rôle. We have recently had occasion to criticise schemes put forward by the boards of Simms Motor Units, Limited, and Platt Brothers (Holding), Limited. In both schemes the rate of preference dividend was to be reduced, and the preference shareholders' dividend arrears were to be satisfied by the cession of part of the equity. In both cases strong opposition developed from preference shareholders, who were supported by the Shareholders' Protection Association. The board of Simms Motor Units has wisely bowed to the storm, withdrawn the obnoxious clause, and secured the shareholders' consent to its revised scheme. But the directors of Platt Brothers are adamant. At the end of last week a new statement was issued which was more moderate and informative than the original circular, but made no attempt to meet the fundamental arguments against the proposal. On the contrary, the board's endeavour to relate the company's future to two alternative sets of possibilities—according as Lancashire bought or did not buy textile machinery—was calculated to increase the strength of the opposition. For in the former event the arrears could be paid off without much difficulty, so long as the ordinary shareholders were willing to wait for a couple of years. There would then be no need for a capital scheme of any kind. In the latter event, the ordinary shareholders would gain from the reduction of the total preference requirements, but the second preference shareholders would lose income, and the first preference shareholders would relinquish their prior ranking. The scheme thus stands out as a measure for antedating ordinary dividends, and preference shareholders would be well advised to insist on at least as equitable treatment as their colleagues in Simms Motor Units.

* * *

Plain Words from the Chair. — Investors who have never held shares in the "Triplex" Safety Glass Company or (more unlikely) have never travelled behind the company's product in a British car, may nevertheless derive profit from a study of the speech of Mr G. Cunningham on Wednesday. There are as many kinds of chairmen's speeches as there are flies in amber; but the technique of the art shows the same confusion of objectives as exists in the world of the drama between "good theatre" and mere "box office." At one end of the scale are the bank chairmen who can appropriately treat a wider audience to a review of the financial world entire—since their own shareholders own almost a gilt-edged security. At the other extreme are chairmen like Mr Samuel Courtauld who, because their companies are leading units in their industry, can lay down law and policy for their trades with the determined clarity of a benefi-cent dictator. Between the two come many speeches which are neither informative nor well-defined, but leave behind them the self-satisfied glow which only really good platitudes can give. Mr Cunningham, however, has consistently followed a line of his own. On the assumption that his shareholders are rational, though interested, parties, he tells them plainly what are the favourable and the less favourable features in the outlook. This year, he declared that while the company's volume of work would probably be greater than ever, they would continue their policy of price reduction. And as costs were rising, this might conceivably affect total profits. This is plain speaking. In return, Mr Cunningham suggested that stockholders might show their appreciation not in the usual way, by cashing their dividend warrants and departing, but by taking an increased interest in their company's affairs. Early this year, when the chairman sent an analytical study of road accidents to every stockholder personally, only one used a three-halfpenny stamp to acknowledge its receipt. Perhaps *The Economist*, which has been neither oblivious of the need for wider publicity in company matters, nor unappreciative of the success of the Triplex board, may hope that the chairman will not be weary in well-doing and that stockholders will take him at his word and swell the postal revenue.

Company Notes

Second Alliance Trust.—The favourable impression created by the earlier announcement of a 2 per cent. increase in this Scottish trust's annual dividend are fully endorsed by the complete accounts. Income has risen by 11 per cent., and the dividend policy, despite the increased distribution, is conservative. The extra 2 per cent. absorbs only £4,500 of a total rise in income of £22,500. Taxes have required an additional £6,400 and £10,000 has been set aside to start a special taxation reserve, "in view of the possibility of increased liability to taxation in this country and in the United States." Comparative results for the last three years are set out in the following table:—

	Years ended July 31 1935	1936	1937
	£	£	£
Revenue	180,866	191,318	213,859
Taxes	30,050	31,303	47,768†
Interest	56,074	53,948	52,903
Fees and expenses	8,894	8,975	8,552
Preference dividend	24,675	24,478	24,084
Ordinary stock :—			
Earned	*61,173*	*72,614*	*80,552*
Paid	49,350	48,956	53,476
Earned (%)	*22·3*	*26·7*	*30·1*
Paid (%)	18	18	20
Contingent reserve	10,000	25,000	25,000
Expenses written off	741	163	772
Carry forward	12,531	11,026	12,330

† Including £10,000 to special taxation reserve.

Before the special tax reserve allocation of £10,000, earnings for the equity were 33.8 per cent.—which is little below the best rate of the past decade. The valuation of securities again shows a surplus, of undisclosed amount, over book values. Although so far this trust has not adopted the practice of including in its report a broad analysis of its portfolio, information has hitherto been given at the annual meeting. A year ago it was disclosed that three-fourths of the company's securities were in Great Britain or the United States, and that fixed-interest investments comprised rather less than two-thirds of the total portfolio. At 485 the ordinary stock yields £4 2s. 6d. on dividends and £6 4s. 6d. on earnings.

* * *

D. Gestetner's Progress.—In view of this company's progressive past record and of its increased interim dividend, the market was prepared for a satisfactory report. The results for the year just ended—presented as usual with exemplary promptitude—fully confirm and even surpass, the general expectation. How much of the 22 per cent. rise in profits has been contributed by the export trade is not disclosed, but in this branch the expansion of business has been both large and general. We show below the trend of earnings in recent years:—

	Years ended August 31 1935	1936	1937
	£	£	£
Profit	176,794	194,082	237,623
Depreciation	12,715	14,245	15,072
Taxation	15,000	16,500	30,000
Other expenses	9,024	8,655	8,942
Preference dividend	18,375	18,375	18,375
Ordinary shares :—			
Earned	*121,680*	*136,307*	*165,234*
Paid	89,250	100,406	129,094
Earned (%)	*51·4*	*51·4*	*54·9*
Paid (%)	35	35	40
Capital bonus (%)	12½	12½	25
General reserve	31,875	35,859	45,683
Carry forward	19,689	19,731	21,615†

† After £14,186 extraneous profit, and writing off securities by £2,759.

The 5 per cent. increase in dividend is not unexpected, but the doubling of the rate of capital bonus is an agreeable surprise. At the current price of the 5s. units the bonus is worth about 9s. 9d. per share. In the two preceding years, however, the surplus of earnings over cash dividend, was in fact, fully capitalised, since the reserve allocation corresponded exactly to the appropriation for capital bonus from general reserve, which remained at £100,000. This time the amount set aside from profits falls short of bonus requirements by £35,000, so that the general reserve will be reduced to £65,000. The company's earnings prospects are closely bound up with general business activity, and the yield of £5 3s. 3d. per cent. obtainable at the current price of 49s. 7½d. per 5s. unit implies a reasonable anticipation of benefits to come.

* * *

Eastwoods Position.—The further decline in the profits of this building materials undertaking finds no explanation in the report. The report presented a year ago itself showed a reduction, but at the subsequent general meeting it was stated that business in the first five months of the 1936-37 financial year was 10 per cent. greater than in the corresponding period of the preceding year. Last February an interim statement declared that "production and trading continued satisfactory." Unless some reversal of this condition occurred in the latter part of the year 1936-37, therefore, it would seem that the decline in profits for the whole year was due to an increase in costs or, possibly, in development expenditure. The course of profits in recent years is shown in the following table:—

	Years ended March 31 1935	1936	1937
	£	£	£
Profits	110,720	101,664	91,903
General expenses	16,183	13,100	13,577
Bad debts, fees and tax	11,499§	11,478§	11,422
Preference dividend	10,500	10,500	10,500
Ordinary shares :—			
Earned	*73,538*	*66,586*	*56,405*
Paid	45,000	45,000	45,000
Earned (%)	*27·3*	*24·4*	*20·1*
Paid (%)	15	15	15
General reserve	22,500	22,500	10,000
Carry forward	15,811	14,897	16,301
Profits from sales*	11,194	3,635	13,012†

* Profits on realisation of investments placed direct to investment reserve. † Of which £10,000 to general reserve. § Including £1,000 directors' bonus voted in September.

Shareholders have suffered no decrease in cash dividend, since earnings still cover the 15 per cent. distribution with an ample margin. But the general reserve allocation from profits has been more than halved, though an addition of £10,000 has been credited to it from profits on realised investments. If the continued decline in the value of building plans approved by local authorities means that the fall in building activity so long expected and equally long postponed is at last within sight, then its effects on undertakings like Eastwoods might be mitigated by an extension of public works programmes or by the development of new uses for the company's products. The problem of rising costs, however, remains, and the cautious attitude of the market towards the shares of even sound and efficient building companies is reflected in the price of Eastwoods £1 shares, which at 42s. 6d. offer a dividend yield of £7 1s. per cent.

* * *

Calico Printers Report.—The full accounts emphasise the measure of recovery achieved by the Calico Printers in their latest year. Two years ago the 5 per cent. preference dividend was paid in full by a large transfer from reserve. Earnings for 1935-36 covered only two-thirds of debenture interest. In the latest period gross profits have increased by as much as 33 per cent., and after a slightly reduced provision for depreciation and maintenance, fees and interest, there remains a surplus of £116,174, equal to 3.9 per cent. on the preference stock. The course of earnings in the past three years is shown in the following table:—

	Years ended June 30 1935	1936	1937
	£	£	£
Working profit*	556,894	470,887	627,402
Depreciation, etc.	375,125	379,335	372,428
Fees	10,800	10,800	10,800
Debenture interest	128,000	128,000	128,000
Preference dividend	150,805	Nil	75,403†
Reserve	*Dr. 100,000*	*Dr. 50,000*	...
Carry forward	39,827	42,579	83,351

* After adding back depreciation, maintenance, etc.
† For half-year to end of 1935.

In paying a half-year's preference arrears up to the end of 1935, therefore, the directors have wisely chosen not to trench further on reserves. The balance sheet, as always, discloses a satisfactory position. Capital and general reserves of £1,650,000 are nearly represented in full by securities standing at £1,619,440, while cash is £853,717. The outlook is more hopeful than for some time past. The quantity of piece-goods exported from the United Kingdom between January and July this year increased by 5 per cent., which, if not a large percentage, represents a satisfactory reversal of the previous trend. But the return to the dividend list of the £1 ordinary stock units, which now stand at 10s., is evidently not yet.

* * *

Oil Share Prospects.—The oil share market has been peculiarly sensitive to adverse international news. It is not surprising that Shell Transport, with its heavy interests in Japan and China, has fallen in the past two weeks from over 5½ to 5$\frac{3}{32}$. But shares which are politically less vulnerable, such as Burmah Oil and Trinidad Leaseholds, have also fallen this week—Burmah Oil from 6$\frac{7}{16}$ to 6$\frac{5}{32}$ and Trinidad Leaseholds

Assets exceed £18,000,000
Over 150 Branch Offices
By Appointment
GENERAL
ACCIDENT FIRE & LIFE
ASSURANCE CORPORATION, LTD.
of Perth (Scotland) & London
FOR ALL TYPES OF INSURANCE AND AS EXECUTOR OR TRUSTEE

from 6⅛ to 5 13/16. The apparently less reassuring news from the American oilfields is perhaps one reason why the decline has been allowed to go so far without meeting resistance. The production of crude oil in the United States has attained a new peak level of 3,731,450 barrels a day, which is actually 268,550 barrels a day above the "allowable" recommended by the U.S. Bureau of Mines for August. This may have disturbed some holders of oil shares, and the news that Pennsylvanian crude oil prices have been cut by 22 to 27 cents per barrel as from September 1st may have added to the confusion. The situation, however, is not as bad as it would appear. Texas and California have been largely responsible for the recent excess production, but from now on a decline may be expected in the output of Texas, since the State "restriction" authority has decided to reduce the "allowable" output for September by 110,000 barrels a day. It is, of course, essential that crude oil production should be reduced in September, otherwise there may be such an increase in stocks as would exert pressure on the oil price structure. If the expected reduction in supply is realised and if the consumption of gasoline maintains its anticipated increase of 10 per cent. in September, the oil industry will enter upon the period of seasonal accumulation of stocks without feelings of anxiety. As for the reduction in the price of Pennsylvanian crude oil, this is of slight importance in relation to the crude oil market as a whole and it was caused merely by the recent reduction in the prices of Pennsylvanian lubricating oils.

* * *

As for oil company earnings, it is expected that American companies in the current quarter will show the best results for many years. In the first half of this year, the earnings of 28 leading American oil companies were actually 52 per cent. greater than in the first half of 1936. These results are encouraging the oil share market to look for satisfactory dividend announcements in the near future from Burmah Oil and Trinidad Leaseholds. News was received this week that a settlement of the strike on the Mexican Eagle Oilfields was expected as a result of a meeting between leading industrial representatives and the Mexican President. This delegation declared that if the necessary supply of oil could not be obtained by this Saturday it would mean the stoppage of practically all the small industries in Mexico. The President thereupon urged the owners and the men to come together and 14 points, out of innumerable others, were agreed upon for immediate discussion with some hope of reaching an agreement. The settlement of the Mexican Eagle strike and one or two good dividend announcements would quickly lead to some recovery in the oil share market.

* * *

New Modderfontein.—The effect of the treatment last year of the record tonnage of 2,342,000 was so considerably more than offset by a decline in average value and an increase in costs that the working profit was much below the previous year's total. The revenue averaged 28s. 9d. as against 31s. 8d., and costs 14s. 10d. in place of 14s. Taxation absorbed £668,490 as compared with £649,970; provision for miners' phthisis was higher than before at £33,320. Comparative results during the last three years are given below:—

	Working Profit	Dividends		Carried forward	Ore Reserves Available	Value
	£	£	%	£	Tons	dwts.
1934–35 ...	2,280,210	1,505,000	107½	198,960	7,872,200	5·1
1935–36 ...	2,049,106	1,365,000	97½	206,940	7,736,500	4·5
1936–37 ...	1,626,220	910,000	65	206,190	7,436,800	4·1

Although the quantity of ore taken out of the mine during the year amounted to 2,606,160 tons, as against 1,104,800 tons developed, the available ore reserves show a reduction of only 299,700 tons, although the average is nearly ½ dwt. down. From the report of the consulting engineer, in conjunction with a study of the map, it is evident that little ore remains to be opened up on the main reef leader, hitherto the mainstay of the mine. Certain of the upper leaders continued to give satisfactory results, and it is considered that the prospects of developing further large tonnages of payable ore are favourable. Work in other directions was less encouraging. The total ore reserves—that is, including the quantity in shaft pillars, etc.—represent fully three years' supply. The tonnage will doubtless be eked out in the same manner as before. In view of the shrinkage in profits and dividends, and of the uncertainty regarding the remaining "life," the shares have lately fallen to about 25s. It would look as though a holder would probably do better to "see the thing through" than to accept this price.

* * *

Roan Antelope.—Although the profit for the June quarter showed an increase of no more than £78,500 upon that of the preceding three months, it brought the total for the financial year up to £1,790,000, compared with £514,500 in 1935–36. Hence the Stock Exchange was fully prepared for an increase in the final dividend. The payment of 50 per cent. brings the total for the year up to 80 per cent., compared with one distribution of 30 per cent. for the whole of 1935–36. But the announcement of a 200 per cent. share bonus came as a complete surprise; indeed, it is seldom that such a secret is so well kept. The scrip bonus will require £3,327,400. At the date of the last balance sheet the general reserve stood at £2,299,000; but premiums amounting to £1,449,000 have subsequently been received from the issue of shares made last February to redeem the balance of the debenture stock. This sum, possibly with an appropriation out of the profits for 1936–37, will still leave the general reserve at a substantial figure. Owing to various circumstances, the course of copper has lately been downwards. Nevertheless, consumption continues on a record scale, and a temporary recovery in the price is expected in some quarters of the market. Meanwhile, on last year's dividend, Roan Antelope 5s. shares at about 75s. show a yield of 5½ per cent.

* * *

Company Results and Meeting.—The accounts of some sixteen further companies (including *Barrow Barnsley Main Collieries* and *Whitworth and Mitchell*) are analysed on page 544. Although the report of *Tecka (Argentina) Land Company* points out that climatic conditions were often unfavourable, profits have risen satisfactorily by £7,500 to £39,488. Substantial recovery in the coal industry is once more revealed in the results of *Barrow Barnsley Main Collieries*, whose earnings of £101,188 are almost doubled. *Whitworth and Mitchell* have partly recovered the ground lost in 1935-36, their latest profits being £67,321 against £58,190; although conditions remain difficult in certain foreign markets, overseas trade has improved. Despite a small decline in profits from £58,045 to £53,008, *Ketton Portland Cement* have increased their dividend to 12½ per cent., appropriations from revenue no longer being necessary for writing off preliminary expenditure. The first accounts of *Anglo-Alpha Cement* issued since amalgamation with Atlas Cement of South Africa show a net profit of £91,177. An excellent first report is that of *Vaughan Brothers (Drop Forgings)*, whose total profits of £43,413 for a full year compare with a prospectus estimate of £35,780 based on results of the first quarter, and with £26,767 for the previous year. Results of another newcomer, *United Footwear Services*, are disappointing: a loss has been incurred. *United Caterers* return to ordinary dividends, but the auditors' report still points out that no depreciation of plant has been provided since 1933; the directors, however, consider the higher value of the freehold property more than counter-balances. *United Rubber and Coffee Plantations'* profits of £16,641 have increased fourfold. At the *Eaglehurst Rubber* meeting, Mr P. J. Burgess ascribed the company's progress to an increase in the price for rubber by some 2.68d.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: SEPTEMBER 21 ACCOUNT: SEPTEMBER 23

ONCE more, without surprising any observers whatever, the stock markets have had a thoroughly depressing week. The extremely critical state of international affairs would in itself have been a sufficient reason for gloom, but a sharp break on Wall Street, possibly due to the same cause, has added its own quota to the general depression. Dealers are finding what consolation they can from the belief that things might very easily have been worse. But unless the conference at Nyon is more successful than anybody expects, it seems likely that the bottom has not yet been reached.

The gilt edged market, though far from prosperous, has been relatively cheerful. Nearly every stock has been falling, but the day-by-day falls, in all but a very few cases, have been of trifling size. The main exceptions were, on the credit side, the Funding Loans which rose fractionally in the first days of the week, and on the other side, National Defence Bonds which were sold fairly heavily a little later. Colonials were inactive, though certain Australian issues were firm earlier on. Among the Europeans, holders of German and Greek loans responded quickly to the pronouncements of the two dictators—big and little—the Dawes and Young loans being especially depressed. French railway issues were also weak. Japanese and Chinese loans moved widely and erratically. Towards the end of the previous week both classes gained a great deal, especially the latter; but later the rot set in again, and Chinese were again the more sensitive. Brazilians also slumped continuously.

In the rail market, too, declines were the order of the day. Home ordinary stocks fell throughout, though by small amounts each day, with the sole and occasional exception of L.N.E.R. Prior charges also fell. Among the foreigners Argentines sagged after a period of strength, though in other South American issues changes were small. U.S. rails collapsed badly on Tuesday and Wednesday—without earlier firmness.

The new account in the industrial section opened firmly, but the slump in Wall Street on Tuesday had a depressing effect on this side of the water. Though London had resisted the dangers of war, it was bound to respond when New York became nervous. In the iron and steel section the decline was general, although Indian Iron stood out at first on dividend hopes. When Wall Street steadied up in mid-week, the iron and steel group here gained ground and coal shares followed the same trend. Thomas W. Ward improved on news of the disposal of the Langloan Iron property at Coatbridge. Richard Thomas responded well to the good tinplate export figures. Electrical equipment issues were lower, while the motor section was dull, and failed to move up in mid-week with the exception of Standard. Rayon issues went ahead on rumours of a rise in rayon prices, British Celanese sharing in the improvement. Among breweries Courage gained on hopes of an issue on bonus terms. There were practically no outstanding features in other groups which all followed the general trend of downward in the early part of the week and slightly firmer later.

The oil market started the week well, earning the distinction of being one of the few comparatively cheerful sections of the Stock Exchange. Although gains were for the most part of modest size (except for a rise of as much as 2s. 3d. in Attock), they were fairly widespread. This general improvement did not survive Monday's session, and prices sagged owing to lack of interest and to international preoccupations rather than to selling pressure. In mid-week the heaviness of the market was such that the report of a possible strike settlement did not prevent a setback in Mexican Eagles, although on second thoughts a firmer tone was imparted to the market on Thursday. Attock recovered part of their early gain, after a sharp reaction on Tuesday. The outlook for oil shares is surveyed in a Note on page 531.

Activity in rubber shares continued at a low ebb. Lack of support was at first attributed to the failure of the commodity price to improve. But a subsequent brightening of the commodity outlook left the share market quite unmoved, wider considerations of international politics prevailing. The Far Eastern situation provoked a little public selling, declines—though general—being however quite small. In the tea shares market too there was a tendency to selling by the public. Shares thus offered were quickly absorbed by professionals, though the trend of the market was downward, Ceylon as well as Indian issues suffering.

The Kaffir market enjoyed a relatively good day on Monday.

(*Continued on page* 536)

NEW MODDERFONTEIN GOLD MINING COMPANY, LIMITED

(Incorporated in the Union of South Africa)

Extracted from the Annual Report for the Year ended 30th June, 1937

Issued Capital, £1,400,000, in 2,800,000 Shares at 10s. each

DIRECTORATE

R. S. G. STOKES (Chairman).
SIR ABE BAILEY, Bart., K.C.M.G.
W. A. MACKENZIE.
J. MARTIN.
R. W. FFENNELL.
W. H. A. LAWRENCE.
S. C. BLACK.
MAJOR C. S. GOLDMAN.

Tonnage milled, 2,342,000

		Per ton milled
Total Working Revenue	£3,363,958 17 0	£1 8 9
Total Working Expenditure	1,737,737 7 4	0 14 10
Working Profit	£1,626,221 9 8	£0 13 11
Net Profit for the year	£1,623,197 12 9	
Balance unappropriated at 30th June, 1936	206,940 14 6	
Forfeited Dividends Account	1,079 2 3	
	£1,831,217 9 6	
This amount has been dealt with as follows:—		
Expenditure on Capital Account for the year	£13,216 3 5	
Miners' Phthisis—Provision on account of Outstanding Liability as at 31st July, 1936	33,319 0 0	
Provision for Taxation	668,494 7 3	
	715,029 10 8	
	£1,116,187 18 10	
Dividends declared during the year—No. 61 of 35 per cent. and No. 62 of 30 per cent.	910,000 0 0	
Leaving a balance unappropriated of	£206,187 18 10	

The **Ore Reserve** has been re-estimated as at 30th June, 1937, and is as follows:—

	Available.			Unavailable.			Total.		
	Tons.	Value Dwt.	Width. Inches.	Tons.	Value Dwt.	Width. Inches.	Tons.	Value Dwt.	Width. Inches.
South Reef	1,404,400	2·8	45·4	142,600	4·1	42·7	1,547,000	2·9	45·2
N.A. 6 and 7	668,200	3·0	42·1	131,000	5·5	42·4	799,200	3·4	42·1
N.A. 3, 4 and 5	460,200	2·6	43·7	71,000	2·8	43·9	531,200	2·7	43·7
N.A. 1 and 2	2,870,700	3·3	47·6	249,400	5·1	47·2	3,120,100	3·4	47·6
Main Reef Leader	2,033,300	6·7	53·3	699,200	5·6	52·9	2,732,500	6·4	53·2
Total	7,436,800	4·1	47·7	1,293,200	5·2	48·7	8,730,000	4·2	47·9

The available reserve shows a decrease of 299,700 tons, compared with the previous year, the value being 0.4 dwt. lower, and the width 1·5 inches greater.

The full Report and Accounts (with Plan of Workings) may be obtained from the London Secretaries, A. MOIR & CO., 4 London-wall Buildings, E.C.2.

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Lowest	Prices, Year 1937 Jan. 1 to Sept. 8, inclusive Highest	Lowest	Name of Security	Price, Sept. 1, 1937	Price, Sept. 8, 1937	Rise or Fall	Yield Sept. 8, 1937 £ s. d.
				British Funds				
87¼	82⅝	84 13/16	73⅛	Consols 2½%	74¼	73½x	−⅛	3 8 0
116½	112¾	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	107½	...	3 9 6
102 7/16	100	101 5/16	94⅜	Conversn. 2½% 1944–49	94¾x	94⅝	...	3 0 6
105⅞	103 3/16	103 9/16	97⅛	Do. 3%, 1948–53	98½	98¼	−¼	3 2 6
108 3/16	104⅝	106 11/16	99	Do. 3½% after 1961	99½x	99¼	−¼	3 10 6
111 11/16	107	108	105	Do. 4½% 1940–44	106⅛	106⅛	...	2 11 3
121⅛	116½	117½	111 15/16	Do. 5% 1944–64	113⅛	113⅛	...	3 1 0
95 13/16	92⅛	92½	84⅞	Funding 2½% 1956–61	87¼	87½	+¼	3 5 6
...	...	93¾	89⅞	Funding 2¾% 1952–57	92½	93	+½	3 5 6
104⅛	101	101⅝	92⅞	Funding 3% 1959–69	95	95	...	3 5 9
119⅛	115¾	116⅜	109	Funding 4% 1960–90	110½	110⅛	...	3 7 6
...	...	96 11/16	96	Nat Defce 2½% 1944–48	96⅝	96⅛x	+5/32	2 18 3
117 5/16	113⅞	114¾	107 3/16	Victory Bonds 4%	107½x	107¼	−¼	3 14 10
108 3/16	104¼	105 13/16	99⅝	War Ln 3½% after 1952	100½	100⅛	−⅜	3 10 6
98⅛	94⅝	96 13/16	84½	Local Loans 3%	85½	84½x	−¼	3 11 0
103¼	101¼	101¾	99½	Austria 3% 1933–53	100	100	...	3 0 9
76⅝	70¾	72	62	India 2½%	67	66x	−⅜	3 15 9
89⅛	83¼	85¼	74⅝	Do. 3%	78	77½x	+¼	3 17 6
100	96	98¾	87	Do. 3½%	92	91½x	+⅜	3 16 6
120⅝	116	119½	112¼	Do. 4½% 1958–68	115	115	...	3 10 6
107	104	105¾	103½	U.K. & Arg. 4% A (1947)	103½	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅝	109¼	109⅞	105	Australia 5% 1945–75	108	108	...	3 18 0
106⅛	102¼	104⅝	101	Canada 4% 1940–60	104	103x	+1	2 18 11
118⅝	114	116½	112⅜	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117½	114	Nigeria 5% 1950–60	115	115	...	3 11 0
114¼	108	109¾	104	N. Zealand 5% 1946	108	108	...	3 18 6
109⅞	106¾	107⅜	103⅜	Queensland 5% 1940–60	105	104x	+1½	3 11 5
117⅛	113¾	114	110½	S. Africa 5% 1945–75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	103	102	−1	4 9 1
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
93	82	91½	84½	Do. 4½% 1934–59	91	89	−2	5 8 9
72¼	71½	73¼	68¾	B. Aires (Prov.) 3½%	73	73	...	4 16 3
97¾	95¼	102	96	Belgian 4% red. by 1970	101	101	...	4 0 0
27¼	14	30½	24⅛	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
83¾	65½	89	70	Brazil 5% Fund. 1914	75½	71½	−4	6 19 10(f)
23¼	16	28	22¾	Chili 6% (1929)	24½	23½	−1	2 11 0(v)
84¼	66	94½	62	China 5% (1912)	64½	63½	−1	7 17 3(f)
95¼	80	101¾	70½	Do. 5% (1913)	75½	73½	−2	6 16 1(f)
112	95½	107¼	103½	Czechoslovakia 8%	105½	107	+1½	7 13 10
110	98	100	92½	Danish 3%	97½	97½	...	3 1 6
70	57	72¾	51¼	Danzig 6½% (g) (1952)	57½	57½	...	10 3 0
106½	102	105½	101	Egypt Unified 4%	103	102½	−½	3 19 0
25¾	17½	18	13½	French 4% (British)	14½	14½	...	5 6 0e
69¾	53	65	53	German 7% Dawes Ln.	61	59	−2	11 17 3
46	34	49½	35	Do. 5½% (Young Ln.)	41½	39½	−2	13 18 6
40	29	40¾	30	Greek 6% Stab. Ln.	34½	34½	...	6 18 0(w)
45½	35½	48½	38	Do. 7% Refugee	42½	41	−1½	7 0 4(w)
52	39½	62	47½	Hungary 7½%	58½	57½	−1	6 10 6(p)
90½	79½	88⅝	58⅞	Japanese 5½% 1936–65	66½	63½	−3	9 6 0
97⅛	83	94⅝	57⅛	Do. 6% (1924) red 1959	70½	68½	−2	9 11 0
144⅛	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53⅛	41	61	54	Peru 7½% 1922	60	60	...	...
93⅛	60	83	56	Poland 7%	67½	64	−3½	10 18 9
15⅛	8¾	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0(y)
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	114	114	...	4 6 0
92½	79	96½	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27¾	22	25	22	Berlin 6% 1932–57	25	25	...	...
119½	116	118	111	B'mgham 5% 1946–56	112x	112x	...	3 8 6
120	117	119	113	Bristol 5% 1948–58	113	113	...	3 11 0
84	64	82	64	Danzig % (i) (1950)	67½x	67½	...	7 8 2
121½	117½	119½	115	E. London 5% 1960–70	116½	116½	...	3 18 6
97½	93½	95½	82¾	L.C.C. 3%	83	83	...	3 12 3
106½	85¼	103½	97½	Seine (Dpt of) 4½% 1952	100½	100½	...	4 10 0

Prices, Year 1937 Jan. 1 to Sept. 8, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Sept. 1, 1937	Price, Sept. 8, 1937	Rise or Fall	Yield Sept. 8, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950–70	113	113	...	3 14 3
				London Passenger Transport Board—				
123¾	110½	2¼	2¼	4½% "A" 1985–2023	114½	113½	−1	3 19 6
135	121½	2½	2½	5% "A" 1985–2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942–72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1965–2023	117½	117½	...	3 19 9
99¾	77	2½(b)	1½(a)	"C" 1956 or after	82	81	−1	4 18 9
99¾	86	1½	1½	Met. Wat. Bd. "B" 3%	87	86½	−½	3 9 6
121	113½	2½	2½	Pt. of Lndn. 5% 1950–70	117	117	...	3 8 6
				British Railways				
67¾	55¾	2¾(b)	½(a)	G. Western Ord. Stk.	63½	61½	−2	5 6 1
6¾	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	5	4⅝	−⅜	Nil
12⅞	9	Nil	Nil	Do. 5% Pref. Ord.	10	9⅝	−⅜	Nil
100⅞	89⅝	5(c)	1½(a)	Do. 5% Pref. 1955	98	98	...	5 2 3
31½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	29	28½	−½	1 15 1
79½	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	72	71½	−½	5 12 0
36⅞	27½	Nil (c)	1¼(c)	L.M.S. Ord. Stk.	32	30	−2	4 3 4
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	76	75½	−½	5 6 0
92¾	80	2(a)	2(b)	4% Pref. Stk.	82	82	...	4 17 7
27¾	21½	Nil(c)	½(c)	Southern Def. Stk.	22¾	21½	−1¼	2 18 2
98½	87½	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	92½	90	−2½	5 11 1
125¾	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	113½	113½	...	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	20	19½	−½	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	10½	10	−½	Nil
35¾	21¾	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	24	22	−2	Nil
31¾	18¾	Nil	Nil	B.A. Western Ord. Stk.	21½	19½	−2	Nil
34¾	19¾	Nil	Nil	C. Argentine Ord. Stk.	23	20½	−2½	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	5	5	...	Nil
18	10½	Nil	Nil	Can. Pacific Com. ($25)	11½	10½	−1	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33	2(c)	2(c)	Costa Rica Ord. Stk.	34	34	...	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	11	10½	−½	Nil
46	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	82	†2(a)	†3(b)	San Paulo Ord. Stk.	84½	84½	...	5 18 4†
28/9	19/4½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5 3/16	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	3	...	Nil

Prices, Year 1937 Jan. 1 to Sept. 8, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Sept. 1, 1937	Price, Sept. 8, 1937	Rise or Fall	Yield Sept. 8, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 6(e)
376	334½	6(a)	6(b)	Bank of England Stk.	339½	337½	−2	3 11 0
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	75/6	74/-	−1/6	3 15 9
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/-	44/-	...	2 12 3
10⅝	8⅝	4½(b)	3½(a)	Bk. of Australasia (£5)	9¼	8⅞x	−⅜	4 10 2
£49½	£43½	8(c)	8(c)	Bk. of Montreal ($100)	£44⅛	£44	−£⅛	3 13 0(e)
29¾	26¼	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	26½	27	+½	3 1 9(e)
101/-	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	13¼	7(a)	7(b)	Chtd. of India (£5)	13¼	13⅜	+⅛	5 1 0
15/9	13/4½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9	13/9	...	3 16 6(e)
94/-	82/1½	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9	83/9	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	92/6	†2½(b)	3½(a)	Eng.Scot.&Aust. £5 £3pd	95/-	95/-	...	4 3 6
11⅞	10⅛	18(c)	18(c)	Hambros £10, £2½ paid	10⅜	10¼	−⅛	4 4 6
£121¾	£95	£3(b)	£2½(a)	Hong. and S. ($125)	£97½	£98½	+£1	5 11 8
69/-	59/6	6(b)	6(a)	Lloyds £5, with £1 pd.	61/-	60/-	−1/-	4 0 0
10 1/32	8 11/16	7(b)	7(a)	Martins £20, £2½ pd.	8¾	8¾	...	4 0 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	87/-	85/6	−1/6	3 14 0
44½	38½	11(b)	4(a)	Nat. of Egypt £10	39½x	39	−½	3 17 0
47¾	39	9(b)	9(a)	Nat. of India £25, £12½ pd	41	40½x	+⅜	5 11 0
16¼	14 3/16	7½(b)	7½(a)	Nat. Prov. £20, £4 pd.	14⅛	14	−⅛	4 3 0
496	459	8½(a)	8½(b)	Royal Bk. of Scotland	465	463	−2	3 13 6
16⅛	14 3/16	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15⅛	15	−⅛	4 13 3
101/4½	89/9	9(b)	9(a)	Westminster £4, £1 pd.	90/6	89/6	−1/-	4 0 6
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/-	65/-	...	5 7 9
6⅝	5⅛	5(b)	5(a)	National A £2½ fully pd.	6	6	...	4 3 3
16 5/16	12 11/16	17(b)	9(a)	,, B £7½, £2½ pd.	13	13	...	5 0 0
54/9	44/3	6½(b)	3¾(a)	Union £1 of stock	46/3	47/6	+1/3	4 4 3
				Insurance				
32	26¼	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15 11/16	13 11/16	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	13¾	13¾	...	2 18 0†
10 11/16	9¼	20(a)	20(b)	Com. Un. £1, fully pd.	10	10	...	4 0 0
6 1/16	4⅞	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5⅛	5⅛	...	3 5 0
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30½	30	−½	3 6 9
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd	11⅛	11⅛	...	2 13 6
21¼	18⅛	35(a)	40(b)	Northern £10, £1 pd.	20⅛	20⅛	...	3 13 2
22¼	19	†26¼(b)	†25(a)	Pearl (£1), fully paid	19⅛	19⅛	...	2 12 6†
16 11/16	15	6/-(a)	6/-(b)	Phœnix £1, fully pd.	15¾	15¾	...	3 16 0
37⅝	32¼	†95½(c)	†25(a)	Prudential £1 A	33x	33¾	+¾	2 16 0†
114/-	103/9	†43½(c)	†50(c)	Do. £1, with 4s. paid	106/3	106/3	...	1 17 0†
11 7/16	9⅞	11(a)	19(b)	Royal Exchange (£1)	10½	10½	...	2 19 3
9⅝	8⅜	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅜	8⅜	...	3 15 0
19⅝	16¼	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	16¼	16¼	...	3 19 0
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	86/3	86/3	...	3 2 6
8⅞	7¼	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7¾	7¾	...	2 6 6†
21	18¼	†17½(a)	†30(b)	Yorkshire £1, fully pd.	18¼	18¼	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	6/3	6/-	−3d	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	13/9	13/9	...	2 14 6
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145½	145½	...	4 9 6
305	261	3½(a)	7½(b)	Indus. and Gen. Ord.	269	265	−4	4 3 0
336	260	5(a)	8(b)	Invest. Trust Def.	292	290	−2	4 9 8
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	275	275	...	4 3 6
181½	164	4½(b)	3(a)	Merchants Trust Ord.	167½	167½	...	4 9 7
302	275	7(b)	5(a)	Metropolitan Trust	275	275	...	4 7 3
7/9	6/-	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/6	...	1 18 6
252½	230	2½(a)	7(b)	Scottish Mortgage, etc.	235	235	...	4 0 10
255½	229	3(a)	7(b)	Trustees Corp. Ord.	233½	233½	...	4 5 6
253	222	7(b)	4(a)	United States Debenture	225½	225½	...	4 17 7
				Financial Trusts, &c.				
18/-	14/6	2½(c)	2½(c)	Argentine Land, etc. 10/-	15/6	15/-	−6d	1 13 3
37	27¾	Nil	Nil	Australian Estates, etc.	30½	30½	...	Nil
45/-	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/- fy. pd	35/-	34/-	−1/-	4 8 0
37/6	25/-	10(c)	10(c)	Charterhouse Inv. £1	36/3	36/3	...	5 10 3
19/6	17/7½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	38/3	†2½(a)	†8¾(b)	Daily Mail & General £1	40/-	40/-	...	5 12 6†
9¾	8	†3¾(b)	3¾(a)	Dalgety £20 £5 pd.	8½	8⅝	+⅛	5 12 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	28/3	28/-	−3d	6 1 3
42/7½	30/9	Nil	Nil	Hudson's Bay Co. £1	33/6	31/-	−2/6	Nil
35/7½	26/10½	2(a)	4(b)	Java Invest., etc., £1	27/6	27/6	...	4 7 0
14½	9¼	Nil	Nil	Peruvian Corp. Pref. Stk.	10	10	...	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	13/6	14/-	+6d	4 5 9
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/-	22/-	...	6 16 6
57/6	43/-	8(c)	10(c)	Sudan Plantations £1	44/-	43/6	−6d	4 12 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	91/-	89/-	−2/-	2 16 0(k)
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	33/6	32/3	−1/3	4 19 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	138/-	137/-	−1/-	3 10 6†
95/6	83/6	14(b)	6(a)	Benskins Watford £1	95/6	94/-	−1/6	4 4 6
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	74/-	72/6	−1/6	3 17 9
22/4½	13/6	6(c)	20(t)	City of London Def. 5/-	14/9	14/-	−9d	(t)
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/-	90/6	−6d	4 7 3
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	109/9	107/9	−2/-	4 3 9
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	129/6	125/6	−4/-	4 12 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	121/-	120/6	−6d	4 11 6
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	48/-	47/6	−6d	4 12 6
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/6	100/6	−1/-	4 12 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	74/-	73/6	−6d	4 15 3
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	81/3	79/-	−2/3	4 11 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	110/9	109/-	−1/9	4 2 6†
72/9	55/6	10(c)	20(c)	S. African Dist. Ord. £1	60/-	56/-	−4/-	7 3 0
48/-	40/-	6(b)	4(a)	Taylor Walker Ord. £1	42/6	40/6x	−1/3	4 19 0
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	25/-	25/6	+6d	4 11 6
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	81/3	80/-	−1/3	4 15 0
				Iron, Coal and Steel				
35/-	28/3	4(a)	7½(b)	Allied Ironfounders £1	28/1½	26/10½	−1/3	8 7 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	3/6	3/3	−3d	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	48/1½	47/6	−7½d	4 4 3
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	10/6	10/6	...	3 15 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
52/6	45/9	8(b)	4(a)	Bolsover Col'ry Ord. £1	50/-	49/4½	−7½d	4 9 3
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	37/6	35/6	−2/-	4 4 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	42/6	40/-	−2/6	4 0 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	14/6	13/3	−1/3	1 19 3
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	28/6	27/9	−9d	5 1 0
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	14/-	13/3	−9d	3 15 6
91/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	90/-	88/9	−1/3	4 10 0
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	53/9	52/6	−1/3	2 5 9
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	76/3	75/-	−1/3	3 14 8
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	35/9	34/9	−1/-	3 9 3†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3¾% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. † Free of Income Tax. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to Sept. 8, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Sept. 1, 1937	Price, Sept. 8, 1937	Rise or Fall	Yield Sept. 8, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	34/9	34/4½	−4½d	5 1 0
15/3	14/0½	Nil	Nil	Har. & Wlf. B. Ord. £1	15/-	14/4½	−7½d	Nil
37/6	29/3	5(b)	2½(a)	Horden Collieries £1	37/-	36/3	−9d	4 2 9
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	32/6	32/6	...	3 1 6
18/4½	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/9	17/6	−3d	2 6 3
16/3	11/3	Nil(c)	5(c)	Pease and Partners 10/-	16/-	15/-	−1/-	3 6 9
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	26/6	25/6	−1/-	5 9 3
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	24/4½	24/-	−4½d	5 1 0
52/6	44/3	†2½(a)	†7½(b)	Sheepbridge Cl & In. £1	51/3	50/-x	+3d	4 0 0†
44/-	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	43/3	41/3	−2/-	5 16 6
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	54/4½	53/9	−7½d	4 9 3
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	30/-	28/9	1/3	4 3 6
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	48/9	47/6	−1/3	4 4 3
64/-	52/3	†3(a)	†9½(b)	Staveley Coal, etc. £1	63/9	60/7½x	−1/3	4 0 0†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	42/6	41/10½	−7½d	3 11 0
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	32/6	31/3	−1/3	4 16 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	14/0	13/6	−6d	7 8 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	6/9	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	7/9	7/6	−3d	3 4 0
$129½	$76½	Nil	Nil	U. States Steel $100	$109½	$97½	−$12	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	31/6	30/-	−1/6	5 0 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	31/6	29/6	−2/-	3 7 0
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	35/-	33/9	−1/3	4 9 0
49/4½	40/10½	6(c)	10½(c)	Weardale Steel etc. Df £1	47/6	47/6	...	4 9 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	130/-	132/6	+2/6	5 5 9
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/-	70/-	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/6	...	Nil
12/6	7/3	Nil	Nil	Bradford Dyers (£1)	8/-	7/9	−3d	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	8/-	7/4½	−7½d	Nil
15/6	9/9	Nil	Nil	Calico Printers £1	10/-	10/-	...	Nil
55/-	44/3	10(c)	10(c)	Coats, J. and P. (£1)	46/3x	45/7½	−7½d	4 8 0
55/3	50/7½	7(b)	3½(a)	Courtaulds £1	54/9	52/6	−2/3	4 0 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	42/6	42/6	...	4 14 0
14/6	8/10½	Nil	Nil	Fine Cotton Spinners £1	9/9	9/3	−6d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/3	36/3	...	4 13 9
69/3	55/6	†12½(c)	†12½(c)	Patons & Baldwins £1	57/-	57/-	...	4 7 6†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/-x	20/-	...	6 0 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	49/6	48/-	−1/6	4 1 9
100/-	91/10½	5(a)	15(b)	British Insulated (£1)	98/9	97/6	−1/3	4 2 1
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	52/6	6½(b)	6(a)	Crompton Parkinson 5/-	60/-	52/6	−7/6	1 3 6
37/6	30/-	Nil	Nil	English Electric £1	35/-	34/6	−6d	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	86/-	85/-	−1/-	4 2 3
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	20/6	20/3x	...	3 18 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	46/3	46/3	...	4 6 6
35/-	31/1½	6(c)	7½(c)	Siemens £1	34/4½	33/1½	−1/3	4 10 6
				Electric Light, &c.				
$32	$18	40c.(b)	50c.(a)	Brazil Trac., no par	$25	$21	−$4	4 5 0
78/-	67/-	9(b)	6(a)	Bournemouth & Poole	67/6	67/6x	+1/2	4 9 0
31/6	25/6	4(b)	2(a)	British Power & Light £1	28/6	28/6	...	4 4 9
38/9	32/-	4(b)	3½(a)	City of London £1	34/6x	34/6	...	4 7 0
46/6	38/-	5(b)	3(a)	Clyde Valley Elec. £1	40/6	40/6x	+7½d	4 0 0
54/7½	45/9	7½(b)	3(a)	County of London £1	50/-	50/-x	+7½d	4 4 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	38/-	38/-	...	4 5 6
34/9	30/9	4½(b)	2½(a)	North-Eastern Elec. £1	32/6	32/6x	+6d	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	49/4½	49/4½	...	4 1 0
42/6	35/6	5½(b)	2½(a)	Scottish Power £1	37/6	37/6	...	4 5 3
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/6	39/6	...	4 1 0
				Gas				
27/-	23/3	5⅗(c)	5⅗(c)	Gas Light & Coke £1	24/9	24/9	...	4 10 2
163½	144	4(a)	6(b)	Imp. Continental Stk.	145½	145½	...	6 17 6
26/9	23/-	2¼(a)	2¾(b)	Newc.-on-Tyne £1	24/6	24/6	...	4 7 10
120	104¾	3(b)	2½(a)	S. Metropolitan Stk.	106½	105½	−1	5 4 3
				Motors and Cycle				
52/3	40/7½	†5 5/12(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	45/-	43/9	−1/3	3 8 7†
50/4½	38/9	50(c)	50(c)	Austin 5/-	45/7½	45/-	−7½d	5 11 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/3	24/3	...	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	35/7½	35/7½	...	4 13 6
33/9	25/6	5(c)	6(c)	Ford Motors £1	27/6	25/6	−2/-	4 14 0
4/3	2/6	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/9	...	2 14 6
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	67/6	...	4 8 11
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	97/6	97/6	...	4 1 11
43/9	34/3	†15(c)	45(c)	Morris Motors 5/- Ord.	37/-	35/3	−1/9	6 7 0
15/3	9/4½	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	78/1½	76/3	+1/10½	5 18 0
135/-	98/9	7½(a)	15(b)	Rolls-Royce £1	106/3	103/9	−2/6	4 6 6
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	158/9	157/6	−1/3	3 1 9
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/9	8/3	−6d	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	8¾	−¼	2 6 0
8/7½	5/7½	Nil	Nil	Cunard £1	6/-	5/9	−3d	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	27/9	27/-	−9d	2 19 0
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	30/6	30/-	−6d	2 13 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	23/-	22/3	−9d	4 10 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	39/6	38/3	−1/3	3 13 0
53/9	36/10½	5(c)	9(c)	Bah Lias £1	38/9	38/9	...	4 12 10
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	31/3	30/-	−1/3	4 0 0
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	42/6	41/3	−1/3	3 17 6
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	41/3	40/-	−1/3	4 0 0
36/6	24/4½	Nil(c)	5(c)	Linggi Plantations £1	26/3	25/-	−1/3	4 0 0
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	5/-	4/10½	−1½d	4 2 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	38/3	37/9	−6d	4 0 0
5/11	4/4	10(c)	5(a)	United Serdang 2/-	4/7½	4/6	−1½d	4 14 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	40/3	38/9	−1/6	5 3 3
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	39/4½	37/6	−1/10½	6 13 3
132/-	82/6	5(a)	20(b)	Anglo-Iranian £1	88/1½	83/9	−4/4½	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	35/-	34/-	−1/-	5 10 0
35/3	17/9	Nil	Nil	Attock £1	33/3	33/3	...	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	4/-	3/4½	−7½d	Nil
180/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	129/4½	123/-	−6/4½	4 9 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	46/10½	43/9	−3/1½	5 14 0
32/4½	12/6	10d psc	11d psc	Mexican Eagle (Mex. $4)	13/6	12/9	−9d	6 8 0
11/6	5/7½	Nil(c)	3½(c)	Phœnix Oil £1	6/-	5/9	−3d	13 0 0
£52½	£42¾	5(a)	11½(b)	Royal Dutch (fl. 100)	£45½	£44½	−£1	4 2 6e
147/-	101/3	†7½(a)	†12½(b)	Shell Transport £1	107/-	102/-	−5/-	4 0 0†
172/-	115/-	17½(b)	10(a)	Trinidad Leaseholds £1	120/-	116/3	−3/9	4 14 0
68/9	46/3	7½(a)	15(b)	V.O.C. Ord. 13/4	48/1½	47/-	−1/1½	6 6 6
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/-	25/9	8(c)	9(c)	Allied Newspapers £1	27/3	26/6	−9d	6 16 0
20/3	16/9	5(c)	5(c)	Amal. Dental Def. £1	18/-x	17/6	−6d	5 12 6
36/3	27/-	6(c)	7(c)	Amal. Metal £1	31/3	30/7½	−7½d	4 11 0
22/4½	19/-	6(b)	5(a)	Amal. Press (10/-)	19/4½	19/-	−4½d	5 16 0
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	15/-	14/9	−3d	6 2 0
24/3	18/4½	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	18/9	18/6	−3d	7 5 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	92/6	91/3	−1/3	4 19 0
85/3	72/9	10(b)	5(a)	Barker (John) £1	76/3x	76/3	...	3 19 9
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	66/3	65/-	−1/3	4 19 0

Prices, Year 1937 Jan. 1 to Sept. 8, inclusive Highest	Lowest	Last two Dividends (a) %	(b) (c) %	Name of Security	Price, Sept. 1, 1937	Price, Sept. 8, 1937	Rise or Fall	Yield Sept. 8, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	53/6	53/-x	−3d	2 14 3
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	32/6	32/-	−6d	4 12 6
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	23/9	23/1½	−7½d	4 6 3
38/3	17/6	4(a)	5(b)	Bowaters Paper Mills £1	18/9	18/-	−9d	10 0 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	53/9	51/3	−2/6	4 8 0
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	55/6	54/9	−9d	3 14 0
39/4½	35/4½	2⅔(a)	5(b)	British Match £1	37/-	36/6	−6d	4 4 6
6 27/32	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	5⅞	5¾x	...	3 8 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	102/-	103/9	+1/9	2 18 0
83½	77	...	...	Cable & Wir. { A. Ord.	82½	80	−2½	Nil
107	103⅞	5½(c)	2¾(a)	Holding { 5½% Pf.	106x	104	−2	5 5 9
8 13/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8⅝	8 7/16	−3/16	4 2 0‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	16/3	15/6	−9d	9 13 0
25/-	17/-	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	18/-	17/3	−9d	5 16 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	47/6	...	4 4 3
38/6	32/-	8(c)	9(c)	Dunlop £1	35/3	34/-	−1/3	5 5 6
50/7½	41/3	5(a)	10(b)	Eastwoods Ord. £1	43/9	42/6x	+9d	7 1 2
27/6	19/4½	12½(c)	10(c)	Elec. & Musical Ind. 10/-	22/-	20/3	−1/9	4 19 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	32/-	31/-	−1/-	7 4 3
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	19/6	18/6	−1/-	5 8 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	62/6	62/6	...	3 4 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	120/-	120/-	...	4 3 3
9/1½	5/4½	7(c)	Nil(c)	Gaumont-Brit. (10/-)	6/-	5/9	−3d	Nil
32/3	25/6	6(a)	10(b)	Gen. Refractories (10/-)	27/6x	27/6	...	5 16 4
50/-	43/	17½(a)	22½(b)	Gestetner (D.) (5/-)	50/-	50/-	...	4 1 9
166/3	136/3	15(b)	5(a)	Harrisons & Cros. Def. (£1)	138/9	138/9	...	2 17 9
91/10½	81/6	13½(b)	5(a)	Harrods £1	87/6x	83/9	−3/9	4 8 6
5/5¼	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/9	4/6	−3d	Nil
62/6	33/1½	7(c)	8(c)	Imperial Airways £1	34/4½	33/9	−7½d	4 14 10
41/10½	36/3	2½(a)	5½(b)	Imperial Chem. Ord. £1	37/6	36/6	−1/-	4 7 0
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	18/-	17/3	−9d	Nil
9 5/16	7⅝	†17½(b)	†7½(a)	Imperial Tobacco £1	7 5/16	7¼	−1/16	3 6 9†
$75 5/16	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$61⅞	$55¾	−$6⅛	3 11 9(n)
22/3	12/7½	8(a)	8(b)	International Tea 5/-	16/3	16/-	−3d	5 0 0
76/3	53/9	22½(c)	22½(c)	London Brick £1	55/-x	53/9	−1/3	8 6 0
6 1/16	5¾	8⅓(a)	14⅙(b)	Lyons (J.) Ord. £1	6	6	...	3 16 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	67/6	63/9	−3/9	3 2 9
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	5/9	5/9	...	5 4 0
5 11/16	4½	15(b)	7½(a)	Murex £1 Ord.	5⅜	5 5/16	−1/16	4 5 0
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/-	40/6	12½(b)	7½(b)	Pinchin Johnson 10/-	43/-	42/-x	−4½d	4 15 0
67/-	44/4½	13⅓(a)	31⅓(b)	Prices Trust Ord. (5/-)	55/-	52/6	−2/6	4 6 0
67/-	56/9	11¼(b)	3¾(a)	Radiation Ord. £1	58/9	57/6	−1/3	5 4 0
115/7½	100/-	22½(c)	22½(c)	Reckitt & Sons Ord. £1	106/3x	105/-	−1/3	4 6 0
18/9	13/6	†8⅓(b)	†5(a)	Sears (J.) Ord. 5/-	14/-x	14/-	...	4 12 6†
21/9	10/6	6¼(c)	2½(c)	Smthfld. & Arg. Meat £1	18/3	17/9	−6d	2 16 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/-	...	5 0 0
54/3	44/9	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	26/3	26/3	...	Nil
91/6	83/3	14(b)	4½(a)	Tate and Lyle £1	85/-	84/4½	−7½d	4 8 0
77/6	56/6	5(b)	5(a)	Tilling, Thos. £1	62/6	62/6	...	3 5 0
77/6	63/9	10(b)	5(a)	Tobacco Secrts. Ord. £1	66/3	63/9	−2/6	4 14 0
74/3	56/3	60(c)	w35(c)	Triplex Safety G. (10/-)	63/9x	62/-	−1/9	5 13 0
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	87/6	85/-	−2/6	4 14 0
112/6	86/3	13¾(b)	3¾(a)	Turner & Newall £1	92/6	88/1½	−4/4½	4 0 0
46/10½	37/9	3⅓(a)	4(b)	Unilever £1	42/6	40/7½	−1/10½	3 12 6
60/4½	52/-	7½(b)	5(a)	United Dairies £1	57/-	57/-	...	4 8 3
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	31/10½	30/-	−1/10½	3 12 0
10⅛	8 11/16	30(c)	40(c)	Utd. Tob. (South) Ord. £1	9⅜	9⅛x	−1/32	4 5 0
45/-	37/9	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	38/9	38/9	...	6 8 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	39/3	38/3	−1/-	4 13 0
96/3	69/6	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	70/7½	70/-	−7½d	4 5 6
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	60/7½	59/4½	−1/3	6 8 0
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	17/3	17/-	−3d	10 4 0r
7/3	4/1½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	5/-	4/6	−6d	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	75/-	73/-	−2/-	5 9 0
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	36/3	36/3	...	8 5 0
16 13/16	11¼	95(b)	95(a)	Crown Mines 10/-	12⅞	12⅝	−¼	7 10 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	67/6	65/-	−2/6	6 1 6
76/6	43/1½	12½(a)	11¼(b)	Randfontein Ests. £1	48/9	47/-	−1/9	9 17 6
19	11¼	5(b)	25(a)	Rhokana Corp. £1	13⅜	12⅞	−½	2 2 0
32½	17 5/16	Nil	Nil	Rio Tinto £5	21	20	−1	Nil
89/3	57/6	30(a)	50(b)	Roan Antelope Cpr. 5/-	70/-	71/3	+1/3	5 12 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	10½	9⅞	−⅝	9 0 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	160/-	157/6	−2/6	5 8 0
19 13/16	6 1/16	Nil	Nil	W. Witwatersrand 10/-	8	7⅝	−⅜	Nil
35/6	17/3	10(c)	Nil(c)	Wiluna Gold (£1)	18/9	17/9	−1/-	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Sept. 8, 1937	Compared Sept. 1
Municipal and Gen		
1st British	47/6-48/6	−10½d
2nd British	28/3-29/1½x	−7½d
3rd British	23/9-24/6	−7½d
4th British	20/3-21/·	−4½
For. Govt. Bond	19/6-21/-x	...
Limited Invest.	23/3-23/9	−6d
Mid. & Sthn. Inv.	21/6-22/3	...
Scot. & N.C. Inv.	20/6-21/-	−6d
Bank - Insurance		
Bank-Insur. Uts.	19/3-20/3	...
Insurance Units	20/9-21/9	...
Bank Units	18/--19/-x	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	16/9-17/9	...
British Empire		
British Empire "A"	22/1½ bid	−4½d
Do. "B"	10/1½ bid	−1½d
Do. Cum.	17/7½ bid	−3d
Do. Comp.	18/6-19/6x	−3d
Do. First Unit	20/9-21/9x	...
National		
National "A"	32/9 bid	−6d
Do. "B"	21/9 bid	−6d
Do. "C"	19/3-20/3x	...
Do. "D"	20/--21/-	...
Do. Inv. Group	15/6-16/6	−3d
Amalgamated Certs	22/3-23/3	−3d
Century	19/1½-20/1½	−4½d
Commercial	21/- bid	−4½d
Gilt-edged	18/3-18/9	−3d
Scottish	18/6-19/6	−3d
Universal	19/10½-20/10½x	...
First Provincial		
First Prov. "A"	20/9-21/9	...
Do. "B"	17/3-18/3	...
Do. Reserves	16/9-17/9	−3d
British General		
Capital Securities	9/--9/6x	−1½d
British General "A"	21/10½-22/10½	−1½d
British General "B"	19/4½x bid	...
British General "C"	18/4½-19/4½x	...
First Recovery	7/--7/7½	−3d

Name and Group	Sept. 8, 1937	Compared Sept. 1
Rubber & Tin	1/8½-1/10	−1d
Keystone.		
Keystone	18/3-19/3	−4½d
Do. 2nd	16/--17/-	−3d
Do. Flexible	17/9-18/9	−3d
GoldProd.Dep.Rec.	22/- bid	−7½d
Do. 2nd Series	16/--17/-	−6d
Do. 3rd Series	12/4½-13/4½	−1½d
Rand Certificates	18/7½ bid	−7½d
Oil Certificates	25/10½ bid	−11½d
"15 Moorgate"		
Hundred	20/7½-21/7½	−1½d
Investors Flexible	16/6-17/6x	−3d
Do. Gas & Elec.	13/9-14/9	...
Do. General	19/--20/-	−1½d
Do. 2nd General	16/1½-17/1½	−1½d
Do. Gold	14/3-15/3x	...
Prov. Investors	16/6-17/6	...
Security First	17/7½-18/7½	−1½d
F.T.M.		
Aviation & Univer.	9/9-10/3	...
Domestic	8/6-9/-	...
Protected		
Protected 1st	22/3-23/3x	...
Do. 2nd	20/--21/-	−6d
Do. 3rd	15/6-16/6	...
Allied		
British Indus. 1st	19/9-20/9x	−3d
Do. 2nd Series	17/9-18/9	−3d
Do. 3rd Series	19/3-20/3	...
Do. 4th Series	19/6-20/6	−3d
Elec. Industries	18/3-19/3	...
Metals and Minerals	16/3-17/3	−6d
Selective		
Selective "A"	17/9-18/9	−3d
Do. "B"	17/6-18/6	−1½d
British Transport	16/3-17/3x	−3d
Bank Insce. & Fin.	17/--18/-	...
Brewery Trust Un.	16/6-17/6	−3d

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18½ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16⅔% basis. (t) Special Jubilee bonus. (z) Highest price, 132/- and 25 per cent. dividend on old shares, before 50 per cent capital bonus. Yield at 25 per cent. = £6 0s. 0d.; at 16 per cent. = £3 16s. 0d. (u) Paid on £300,000 more capital than in preceding year.

(*Continued from page* 533)

The Venterspost development news stimulated interest in West Rand issues appreciably, though in other sections business was quiet, owing largely to the closing of the Johannesburg Stock Exchange for the Jewish New Year. The formation of the new West Vlakfontein was widely discussed, but did not stimulate activity in East Rand Consolidated. Despite the satisfactory nature of recent news and rumours, Tuesday's business was disappointingly quiet, and West Rand issues slipped back on profit-taking. Far from reviving in mid-week, business continued to slacken. The uncertain temper of the market is illustrated by the behaviour of De Beers on the interim dividend announcement. The price was naturally marked up somewhat, failed to attract buyers, reacted sharply and ended up unchanged. Response to the Roan Antelope dividend and bonus (discussed in a Note on page 532) was hardly more reasonable. A sharp advance was followed by an equally marked reaction, but in later sessions, when the news was better digested, Rhodesian copper shares generally were helped. Australians were neglected, though the Mount Morgan results gave a good impression.

"FINANCIAL NEWS" MARKET INDICATORS

	Sept. 2	Sept. 3	Sept. 6	Sept. 7	Sept. 8	Sept. 9
Approximate total of bargains recorded in S.E. List	7,475	6,645	6,925	6,770	8,045	6,500
Corresponding day 1936	*9,505*	*9,366*	*10,299*	*9,604*	*8,964*	*8,453*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	111·2	111·1	111·0	110·3	108 8	109·3
Index of 20 Fixed Interest Securities (1928=100)	126·4	126·3	126·3	126·2	126·0	126·0

Highest 1936 : Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936 : Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937 : Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937 : Ordinary Shares 108·6 (July 5); Fixed Interest 126·0 (Sept. 8).

ACTUARIES' INVESTMENT INDEX

The Actuaries' price index of 177 industrial equities has continued to fall, standing on Tuesday last at 82·5, against 83·4 a week ago and 84·5 a month ago. The corresponding yields were 4·41, 4·36 and 4·30 per cent. A selection of the separate indices follows :—

Group (and No. of Securities)	Price (Dec. 31, 1928 = 100)			Yield (%)		
	Month ago (Aug. 10, 1937)	Week ago (Aug. 31, 1937)	This week (Sept. 7, 1937)	Month ago (Aug. 10, 1937)	Week ago (Aug. 31, 1937)	This week (Sept. 7, 1937)
Coal (7)	125·2	128·0	125·1	3·60	3·66	3·93
Cotton (6)	46·6	46·1	45·4	2·32	2·32	2·34
Iron and steel (12)	79·7	77·8	76·3	4·83	4·96	5·05
Oil (5)	99·3	95·7	91·9	6·47	6·79	7·09
Electric supplies (10)	149·0	149·0	147·8	4·28	4·31	4·27
Home rails (4)	81·4	78·6	76·3	2·76	2·85	2·93
Breweries and distilleries (21)	147·4	145·3	144·5	4·27	4·32	4·35

NEW YORK STOCK EXCHANGE

Last week ended with signs of an improving tone due to professional covering and to better expectations for fourth quarter business. Monday of this week was Labour Day, with markets closed. Post-holiday headaches became general on Tuesday when the level of stock prices fell severely to below the low level of last June. The market feared the outbreak of war in Europe following the exchange of accusations between Russia and Italy. It also found cause for domestic pessimism in the estimated reduction of 12·5 per cent. in steel mill activity for the current week—a greater drop than could be accounted for by the holiday. The decline affected the whole market; U.S. steel fell below the 100 mark, and the biggest drop was recorded by Chase with a fall of 14 points. In mid-week the market steadied itself, fears of war began to die down, and prices became firmer although a strong rally was not yet expected. There were slight gains or losses among the leading steels and industrials, but Harvesters lost 3 points and Allied Chemical 11 points. Oils and rails fell slightly. The bond market was weak for speculative issues, and government bonds were irregular.

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Apply: Letting Office, CLIFFORDS INN (Holborn 8434)

	Sept. 1, 1937 (Close)	Sept. 8 1937 (Close)	Sept. 9, 1937 (Latest)
1. *Rails & Transport*			
Atchison	71⅛	62	64⅜
Balt. and Ohio	22⅞	20⅛	20⅝
B.M.T.	18⅛	15⅝	15⅞
Can. Pacific	11	9⅞	10⅛
Ches. and Ohio	46⅛	42⅛	43⅜
Gt. Nthn. Rly. Pf.	46⅝	42⅜	43⅛
Illinois Central	21⅛	18⅛	18⅞
N.Y. Central	33⅝	29⅛	30⅛
Nor. Pac.	26⅛	21⅜	22⅛
Pennsylvania R.R.	32⅜	30⅝	33⅛
Southern Pac.	37⅝	32⅝	34⅜
Southern Rly.	25	20⅛	20⅜
Union Pac.	115⅝	112	111
Greyhound Cp. New	14	12⅝	13
2. *Utilities and Communications*			
Am. Waterworks	16⅞	15⅛	16⅛
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅛	2⅛	2⅛
Col. Gas & Electric	33⅛	31⅜	32⅛
Elec. Bond & Share	11⅛	10⅛	11⅛
Nat. Pwr. and Lt.	16⅝	14⅛	14⅞
North American	10	8⅞	9⅛
Pac. Gas & Electric	23⅜	22⅛	22⅞
Pac. Lighting	29⅞	29⅛	29⅞
Pub. Service N.J.	42	40⅛	40
Stan. Gas & Elec.	39⅜	38⅛	38⅜
United Corp.	7⅜	6	6⅞
United Gas Imp.	4⅜		4⅛
Western Union	12⅛	11⅛	12
Radio	44⅛	41⅞	43
Radio B. Pref. New	11	10	10⅛
	73	68⅜	69⅛
3. *Extractive and Metal Industries*			
Am. Rolling Mills	35⅛	37⅛	34⅛
Beth. Steel xd	89⅜	83⅜	86⅛
Beth. Steel Pref. xd	(116)xd	100	...
Republic Steel	32⅛	29⅞	31⅞
U.S. Steel	104⅞	97	100
U.S. Steel Pref.	128⅛	124⅜	126
Alaska Juneau	11⅛	10⅜	10⅜
American Metal xd	49	46⅛	48⅛
American Smelting	85⅛	81⅛	83⅛
Anaconda	53⅛	51	52
Bohn Aluminium	44⅛	40⅛	41
Cerro de Pasco	67⅛	64⅛	66
Int. Nickel	59⅛	56⅝	58⅛
Kennecott	57⅛	56	57⅛
Patiño Mines	15⅛	14⅛	14⅛
Texas Gulf Sulph.	37⅛	34	34
U S. Smelt.	84	78	79
Vanadium Corp.	29	24⅜	26⅛
Atlantic Refining	26⅞	25	25
Phillips Petroleum	54⅜	52⅜	53⅛
Shell Union	23⅜	23⅛	24
Shell Union Pref.	104⅛	104	...xd
Socony Vacuum	19⅛	18⅛	18⅞
Stand. Oil Calif.	40⅜	38⅝	39⅛
Stand. Oil N.J.	64⅞	59	61⅛
Texas Corp.	57	51⅞	54
4. *Manufacturing*			
Briggs	42	38⅛	40
Chrysler	106	97⅛	100⅛
Electric Autolite	37⅛	33⅛	34
General Motors	52⅛	49⅞	52
Hudson Motor Car	14	12⅛	13
Murray Corp.	11⅛	9⅞	10
Nash Kelvinator	17⅛	15⅛	15⅞
Packard Motor Car	8⅛	7⅛	7⅛
Bendix Aviation	18	16⅜	16⅞
Boeing Airplane	30⅛	26⅞	28
Douglas Aircraft	50	43⅛	45
United Aircraft	26⅞	23⅜	24⅛
Air Reduction	66⅞	63⅛	66
Allied Chemi.	225	212	215
Col. Carbon	116⅛	109	...
Comm. Solvents	13	12	12
Dupont	152⅛	147	149⅛
Union Carbide	96⅞	91⅜	92⅜
U.S. Ind. Alcohol	32	29⅞	...
Allis Chalmers	62	56⅝	59⅛
General Electric	51	48	49⅞
Westinghouse	14	136	140
American Can.	100	97⅛	98
Addressograph	32	28⅞	28⅞
Caterpillar	91	84⅛	85
Cont. Can.	55⅛	52⅝	52
Ingersoll Rand	129⅛	123	...
Intntl. Harvester	106⅝	96⅛	99
Johns Manville	125	113	111xd
Am. Radiator	19⅜	17⅛	17⅛
Corn Products	65	59⅛	60
J. I. Case and Co.	162	146	150
Glidden	41	38	38⅛
Gen. Am. Transpt.	61⅛	56	56
Allied Mills	22	19⅞	20
Celanese of Amer.	34⅛	31	33⅛
Ind. Rayon New	36⅛	29⅞	31
Colgate Palmolive	16⅛	15⅛	15⅞
Eastman Kodak	179⅛xd	178	182
Gillette	14	13¼	13⅛
Lambert Co.	18⅛	18	18⅛
Loews	79⅛	74	77
20th Century Fox	34⅜	31⅜	32⅛
5. *Retail Trade and Food*			
Montgomery Ward	57⅞	53	55⅛xd
J. C. Penney Co.	95⅛	88⅝	88
Sears Roebuck	88⅛	80⅞	82⅜
United Drug	10⅛	9⅛	9⅛
Walgreen	26⅜	25⅛	26
Woolworth	45	42⅛	43
Borden	23	22⅛	22⅛
Gen. Foods	35	34⅛	34⅛
Kroger Grocery	20⅜	19⅛	20
Nat. Biscuit	25⅞	24⅛	24⅞
Nat. Dairy	19	18⅛	18⅛
Standard Brands	11⅛	11	11⅛
Am. Tobacco B.	79	78⅛	78⅛
Liggett Myers B	98	97⅛	97
Lorillard	20⅞	20⅛	20⅜
Reynolds Tob. B.x	51⅛	50	50
National Distillers	29⅜	28	28⅛
Schenley Distillers	40	37⅜	38
6. *Finance*			
Consumercial Credit	61⅞	57⅛	56⅛xd
Atlas Corp.	14⅜	13⅛	13⅛
Com. Invest. Trust	60	56⅛	57

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

	1936		1937					
	Lowest Apr. 29	Highest Nov. 10	Lowest Sept. 8,	Highest Mar. 10	Beginning of Year 1937	Aug. 25, 1937	Sept. 1, 1937	Sept. 8, 1937
347 Industrials	112·7	145·9	125·2	155·7	143·2	140·6	134·1	125·2
32 Rails	42·8	60·2(*b*)	41·8	64·5(*f*)	54·6	49·6	46·0	41·8
40 Utilities	91·2	111·0(*e*)	88·3	116·4(*b*)	111·7	95·1	92·1	88·3
Total, 419 Stocks	97·7	125·4	105·5	132·4	123·5	118·1	112·7	105·5
Average yield*	4·50% High (*c*)	2·65% Low (*a*)	4·93% High	3·20% Low (*s*)	3·53%	4·29%	4·60%	4·93%

* 50 Industrial Common Stocks. (*a*) April 8th. (*b*) Oct. 14th. (*c*) December 23rd. (*e*) December 2nd. (*f*) March 17th. (*s*) February 10th. (*t*) January 13th.

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

Highest*	Lowest†	Sept. 1	Sept. 2	Sept. 3	Sept. 4	Sept. 6	Sept. 7	Sept. 8
180·3	143·2	152·9	150·3	151·4	152·7	(*s*)Closed	144·2	143·2

* March 6th. † September 8th. (*s*) Labour Day.

TOTAL DEALINGS IN NEW YORK

	Sept. 2	Sept. 3	Sept. 4*	Sept. 6	Sept. 7	Sept. 8
Stock Exchange—						
Shares (No. Thous.)	1,200	690	230	(*s*) Closed	1,870	2,260
Bonds (Thous. $)	6,690	5,210	2,040		9,540	9,900
Curb—						
Shares (Thous.)	227	156	55		462	514

* Two-hour session. (*s*) Labour Day.

CAPITAL ISSUES

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended September 4, 1937 : *Dr. £50,000.*

	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	Nil	...	Nil
To Shareholders only	80,000	...	85,000
By Stock Exchange Introduction	75,000	...	114,375
By Permission to Deal	137,115	...	282,655

Total Capital Raised—

	Including Conversions	Excluding Conversions
	£	£
1937 (New Basis)	451,799,934	403,126,039
1937 (Old Basis)	257,289,184	211,687,768
1936 (New Basis)	327,478,923	233,285,945
1936 (Old Basis)	217,336,533	124,952,446
January 1 to date (Old Basis)—		
1935	251,887,913	126,904,840
1934	293,393,297	118,177,069
1928	457,732,317	285,631,694

Total offered for Subscription—

	Including Conversions	Excluding Conversions
	£	£
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom	British Empire (excluding United Kingdom)	Foreign Countries	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	346,337 883	53,529,797	3,258,359	403,126,039
1937 (Old Basis)	193,922,270	16,272,998	1,492,500	211,687,768

Nature of Borrowing (Excluding Conversions)

	Debentures	Preference	Ordinary	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	204,671,510	26,210,279	172,244,250	403,126,039
1937 (Old Basis)	147,786,092	16,439,954	47,461,722	211,687,768
1936 (New Basis)	80,013,528	28,927,778	124,344,639	233,285,945
1936 (Old Basis)	62,761,359	14,492,182	47,698,905	124,952,446
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,400
1936	184,255,833	41,580,731	268,303,201	494,139,765

PRIVATE PLACINGS

Mitchell Main Colliery.—The directors have placed privately £50,000 4½ per cent. guaranteed first mortgage debenture stock.

City and International Trust.—The directors have placed privately £31,035 3½ per cent. redeemable debenture stock, 1965-75.

A. J. Caley and Son.—The directors have placed privately 50,000 5 per cent. cumulative £1 preference shares, which raises the number in issue to the authorised total of 200,000.

BONUS SHARES

D. Gestetner, Ltd.—Ordinary shareholders are to receive a bonus of one 5s. share for each £1 of stock, in capitalisation of £80,683 of reserve.

Roan Antelope Copper Mines.—A scrip bonus of 200 per cent. is to be paid by capitalising £3,327,390 of the reserve.

ISSUES TO SHAREHOLDERS ONLY

John Waddington.—There will be offered to shareholders 40,000 £1 first 7½ per cent. cumulative preference shares at 22s. 6d. and 80,000 5s. ordinary shares at par. Applicants must subscribe for two ordinary for each preference for which they apply.

Provincial Insurance Company.—Issue of 100,000 25 per cent. 4s. cumulative preference shares at par, in proportion of two for five ordinary shares held.

CONVERSIONS AND REPAYMENTS

The R.M. Realisation Company, Ltd.—Certain further capital assets of the company having been realised, it has been decided that the whole amount of the five per cent. income debenture stock outstanding will be redeemed at 10 per cent. premium on October 4, 1937.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Sept. 1, 1937	Sept. 8, 1937
Arnott and Harrison 4/-	5/-	5/-	4/9–5/0	4/11¼–4/4½
Cape Town 3½%	98	28	¼–⅜ pm	¼–⅜ pm
Essex 3½%, 1957–62	101	26	⅛–⅜ dis	⅛–¼ dis
Finchley 3½%	101	21	⅛–⅜ pm	⅛ dis–¼ pm
Imperial Airways £1	30/-	10/-	1/10¼–2/4½ pm	3d.–9d pm
Iraq 4½% Bonds	94	25	1½–1¾ pm	½–1 pm
Lindsay Parkinson Pref. 20/-	20/-	20/-	24,4½–24/10½	23/11½–23/7½
Middlesex 3½% 1957–62	101	21	¼–½ dis	½–¾ dis
Odeon Theatres Ord. 5/-	5/-	5/-	8/9–9/3	8/6–9/0
Do., 5% 1st Deb	99	25	5¼–4¾ dis	5¼–4¾ dis
Premier (Trinidad) Oilfields	101	3/-	4¼d–1¼d dis	7¼d–4¼d dis
Tithe Redemption 3%	5/-	...	86¼–87½x	86¼–87½
Rippingilles Ord. 5/-	9/-	9/-	7/9–8/3	7/6–8/0
Salt (Saltaire) 5% Loan	100	50	1 dis–½ pm	½ dis–½ pm

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

Mr P. Hawes has been appointed secretary of Abdulla and Company, Ltd.

Mr Eric Macfadyen has been elected a director of Dennistown Rubber Estates, Ltd.

MISCELLANEOUS

CERTIFIED ACCOUNTANTS.—The next examinations of the London Association of Certified Accountants will be held on December 7th, 8th and 9th in Belfast, Birmingham, Bristol, Cardiff, Cork, Dublin, Edinburgh, Glasgow, Hull, Leeds, Liverpool, London, Manchester, Newcastle-on-Tyne, Nottingham, Plymouth and Sheffield. Women are eligible upon the same terms as men. Particulars are obtainable at the offices : 50 Bedford Square, London, W.C.1.

FOREIGN GOVERNMENT BOND TRUST.—Progress report, March to September, 1937, shows that present half-yearly payment of 5.60d. tax free per bond-unit is at annual rate of £6 4s. gross per cent., and compares with an average of £5 19s. 6d. in the first three years. The past half-year has seen disturbances in the foreign bond market of a more serious nature than in any previous half-year of the Trust's existence.

TRUST OF BANK SHARES.—Progress report No. 3 shows a total net distribution since inception of the Trust of 11.6444d. for 20 months, equivalent to £4 1s. 9d. gross per annum. It is estimated that the gross yield for the current year will again exceed four per cent.

VENTERSPOST GOLD MINING COMPANY.—The crosscut East on 4th level No. 1 Shaft has exposed two payable reefs 6 feet apart, namely, the Ventersdorp contact reef, which sampled over 16 sections, averaged 71.7 dwts. over 6.4 inches reef width, equivalent to 15.3 dwts. over estimated 30 inches stoping width ; and an upper reef of the main reef group which, owing to faulting, is not fully exposed, and could only be sampled over 3 complete sections which averaged 5.2 dwts. over 48 inches. In a statement dated September 8th, the company announce the intersection in No. 2 Shaft of a reef with large pebbles at a depth of 2,770 feet. It is considered that the section so far exposed, consisting of 9 inches of compact reef, represents the top band of the Main Reef.

UNIT TRUST CHANGES.—Variations have been made to the trust deeds of the Trust of Bank Shares and the Trust of Bank and Insurance Shares. The half-yearly remuneration charge payable to managers has been reduced from 1-16th to 1-20th of 1 per cent. of market value of the trust fund and has been made chargeable against the trust fund capital instead of against income of the fund as hitherto. Rights may now be exercised by cash investment ; hitherto rights have been sold.

VAUGHAN BROTHERS (DROP FORGINGS), LTD.—First report for year to June 30, 1937, shows profit of £43,475 after depreciation. To reserve, £19,640. For taxation, £6,000. Ordinary dividend 10 per cent., absorbing £12,133. Carry forward £5,640. Stocks and work in progress stand at £34,324. Debtors, £34,097. Cash and War Loan £44,022.

ANGOLA DIAMOND COMPANY.—The accounts for 1936 show a net profit of £139,268—a fall of £483. After £13,077 to legal reserve, there remains £126,191, which, with £14,409 brought in, makes a total of £140,600. Ordinary dividend is maintained at 6¼ per cent., carry forward £1,191 higher at £15,600.

WHITWORTH AND MITCHELL.—Trading profits increased by £8,188 to £65,471 during the year ended June 30, 1937. Income from investments making the total £71,010, against £62,825. Ordinary dividend for year, 6, against 4¼ per cent. Carry forward, £3,821 higher at £9,183. Stocks are reduced by £8,449 to £192,761. Debtors are lower by £9,851 at £208,884. Cash is £55,462 higher at £142,101.

MOUNT MORGAN.—Report for year to June 30, 1937, shows a surplus of £143,043, an increase of £38,082. Dividend paid in July, 1936, of 4½d. per 2s. 6d. share, absorbed £40,333. To removal of overburden reserve £14,386, against nil. To employees' fund, £3,025. Carry forward £126,793, an increase of £85,299.

WILLIAM McEWAN AND COMPANY.—Profits (after contingencies) for year to June 30, 1937, amounted to £107,443, an increase of £18,340 over previous year. Ordinary dividend raised from 11¼ to 13½ per cent. To reduction of goodwill £15,000, against £7,357. Carry forward reduced by £2,057 to £70,688.

WEST VLAKFONTEIN GOLD MINING COMPANY, LTD.—This company has been registered in Johannesburg. Capital, £2,350,000 sterling, in 2s. 6d. shares. The directors include Mr H. G. Latilla and Sir Abe Bailey. Cash consideration payable to East Rand Consolidated is £335,000, and to Anglo-Transvaal Consolidated Investment Company, £15,000. Upon receipt of cash payment the companies will take at par in cash 2,680,000 and 120,000 shares respectively."

BRISTOL UNITED BREWERIES.—This company is acquiring the Charlton Brewery Company, of Shepton Mallett, on a share for share basis. This involves an issue of 75,080 United shares.

EDMUNDSONS ELECTRICITY CORPORATION.—The results of the group's operations during August, 1937, as compared with August, 1936, show an increase of 16 per cent. of units sold.

MATCHLESS MOTOR CYCLES (COLLIERS) LTD.—This company has acquired as from August 31, 1937, the "Sunbeam" Motor Cycle and Pedal Bicycle business carried on at Wolverhampton by John Marston, Ltd. It is proposed to change the name of the company to Associated Motor Cycles, Ltd.

ROYAL INSURANCE COMPANY LIMITED

SECURITY FIRST

TOTAL FUNDS EXCEED
£48,000,000
CLAIMS PAID, OVER
£225,000,000

Head Offices :
LIVERPOOL North John St. LONDON Lombard St.

COMPANY MEETING

EAGLEHURST RUBBER ESTATES, LIMITED

IMPROVEMENT IN RESULTS

The eleventh annual general meeting of the Eaglehurst Rubber Estates, Limited, was held, on the 8th instant, at Winchester House, London.

Mr P. J. Burgess, who presided, said that the results of the past financial year ending March 31, 1937, were reasonably satisfactory, the rate of profit carned on the mature area being well over £4 per acre. The improvement in results over the previous year was due to the better price realised for rubber, which was 2.68d. higher. The crops harvested and sold were nearly the same as in the previous year, and in spite of the consistent and general increase in costs of labour and material, the estate expenditure was within £100 of that of a year ago.

The profit carried to the balance sheet was £4,382, which, with the amount brought in of £1,452, gave a total of £5,834 to deal with. A dividend of 4 per cent., less tax, was recommended for distribution, the balance of £1,834 to be carried forward. The cash position was reasonably secure with rather more than £10 per planted acre. The board wished to see that further strengthened to meet the eventual obsolescence of their older areas by replanting. Some replanting was carried out in 1932 and 1934. The experience gained had shown that the soil of their older areas, with the use of indicated manures, was suitable for replanting rubber and a more comprehensive programme had now been agreed covering selected areas in all the three divisions comprising the property.

It was proposed to deal with 101 acres in 1937 and 88 acres in 1938, and operations for the current year's programme had now commenced. The effect of cutting out that considerable proportion of the older rubber would be felt during the next few years in the crop they were able to harvest, but the board were quite definitely of the opinion that it was in the real interests of the company not to put off any longer that rejuvenation of the property and the replacement of rather poor rubber by modern high-yielding and economically much more profitable material.

General conditions on the estate had been satisfactory and the properties were reported as being generally in good order.

The report was unanimously adopted.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 4, 1937, amounted to £13,306,000, against ordinary expenditure of £22,009,500. After decreasing Exchequer Balances by £640,652 the operations for the week, as shown below, increased the gross National Debt by £10,043,000, to about £8,002 millions.†

(000's omitted)

	£		£
Treasury Bills	+ 6,105	National Savings Certificates	— 50
Public Department Advances	+ 3,875		
2½ per cent. Nat. Defence Bonds	+ 6		
Tithe Act, 1936	+ 90		
Land Settlement (Fac.) Act	+ 17		
	+10,093		— 50

† Including £575 millions on account of Exchange Equalisation Fund.

An analysis of the approximate position of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3, 1937.

KANSALLIS - OSAKE - PANKKI

(NATIONAL JOINT STOCK BANK)

ESTABLISHED 1889

PAID-UP CAPITAL AND RESERVES - - - FMK 432,300,000

DEPOSITS AND CREDIT BALANCES December, 1936 3,425,500,000

Head Office: HELSINKI (Helsingfors) FINLAND

Our large network of branches, comprising 195 BRANCHES ensures prompt and efficient execution of your collections and payment orders

Telegraphic Address: KANSALLISPANKKI

REVENUE	Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Sept. 5, 1936	April 1, 1937, to Sept. 4, 1937	Week ended Sept. 5, 1936	Week ended Sept. 4, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	43,121,000	48,610,000	2,445,000	3,329,000
Sur-tax	58,000,000	5,490,000	6,380,000	120,000	140,000
Estate, etc., Duties	89,000,000	36,760,000	40,760,000	1,770,000	3,540,000
Stamps	29,000,000	7,800,000	7,780,000	240,000	150,000
Other Inland Revenue Duties	1,500,000	120,000	140,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	93,291,000	103,670,000	4,575,000	7,159,000
Customs and Excise—					
Customs	219,850,000	89,507,000	94,547,000	4,259,000	4,378,000
Excise	113,150,000	44,000,000	46,265,000	821,000	792,000
Total Customs and Excise	333,000,000	133,507,000	140,812,000	5,080,000	5,170,000
Motor Vehicle Duties	34,000,000	‡8,187,000	8,362,000	‡...	...
Post Office (Net Receipt)	11,800,000	7,200,000	7,450,000	200,000	280,000
Crown Lands	1,350,000	620,000	590,000	...	...
Receipts from Sundry Loans	4,300,000	2,917,968	3,404,854	247,463	68,339
Miscellaneous Receipts	11,000,000	9,780,011	3,731,533	524,275	628,513
Total Ordinary Revenue	863,100,000	255,502,979	268,020,387	10,626,738	13,305,852
SELF-BALANCING REVENUE	£				
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	26,900,000	28,900,000	800,000	1,020,000
Total	...	282,402,979	296,920,387	11,426,738	14,325,852

EXPENDITURE	Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Sept. 5, 1936	April 1, 1937, to Sept. 4, 1937	Week ended Sept. 5, 1936	Week ended Sept. 4, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	103,024,600	105,173,558	8,467,543	8,432,516
Payments to Northern Ireland Exchequer	8,000,000	2,735,306	3,089,521	248,464	256,785
Other Consolidated Fund Services	3,200,000	1,010,638	1,521,654	10,827	11,000
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	106,770,544	109,764,733	8,726,834	8,700,301
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	‡225755949	245,035,997	‡13396000	13,309,247
Total Ordinary Expenditure	862,848,000	332,526,493	354,800,730	22,122,834	22,009,548
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	26,900,000	28,900,000	800,000	1,020,000
Total	...	359,426,493	383,700,730	22,922,834	23,029,548

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to September 4, 1937, are shown below :—

(000's omitted)

	£		£
Ordinary Expenditure	354,801	Ordinary Revenue	268,021
		Decrease in balances	384
		Gross borrowing £90,991	
		Less :—	
		New Sinking Fund 4,586	
		Old S. Fund, 1907–08 9	
		Net borrowing	86,396
	354,801		354,801

POSITION OF THE FLOATING DEBT

	Sept. 5, '36	Mar. 31, '37	Sept. 4, '37	Movement Week ended Sept. 4, '37
Ways & Means Advances Outstanding :	£	£	£	£
Advances by Bank of England	*	...	...	...
Advances by Public Departments	37,000,000	23,535,000	34,995,000	+3,875,000
Treasury Bills outstanding	801,175,000	674,595,000	861,985,000*	+6,105,000
Total Floating Dept	838,175,000	698,130,000	896,980,000	+9,980,000

* Includes £3,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £45,000,000 Treasury Bills were opened on Sept. 3, 1937. The amount applied for was £88,170,000. Tenders were accepted for Treasury bills at three months dated Monday to Saturday at £99 17s. 5d. about 45 per cent. and above in full. The average rate per cent. was 10s. 2·53d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·66
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10·86
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
August 27, 1937	45,000,000	79,970,000	45,000,000	0 10 3·03
September 3, 1937	45,000,000	88,170,000	45,000,000	0 10 2·53

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Five days ended August 7, 1937	445,022	333,766
Week ended August 14, 1937	519,781	389,836
Week ended August 21, 1937	509,386	382,040

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, was £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, SEPTEMBER 8, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—			
In Circulation	489,148,069	Government Debt	11,015,100
In Banking Department	37,258,556	Other Government Securities	188,293,635
		Other Securities	678,518
		Silver Coin	12,747
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	107,142,301
Rest	3,692,310	Other Securities :—	
Public Deposits*	11,969,223	Discounts and Advances £5,121,241	
Other Deposits :—		Securities £21,030,274	
Bankers £105,701,989			26,151,515
Other Accounts £36,255,622		Notes	37,258,556
	141,957,611	Gold and Silver Coin	1,619,772
	172,172,144		172,172,144

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

Both Departments	Amount, Sept. 8, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	489,148,069	— 1,161,463	+ 43,556,910
Public deposits	11,969,223	— 2,142,115	— 8,391,167
Bankers' deposits	105,701,989	— 1,529,500	+ 5,873,999
Other deposits	36,255,622	— 275,621	— 1,512,688
Total outside liabilities	643,074,903	— 2,049,699	— 39,527,054
Capital and rest	18,245,310	— 12,060	— 3,885
Government debt and securities	308,451,036	— 2,110,702	— 35,698,469
Discounts and advances	5,121,241	— 246,969	— 5,427,965
Other securities	21,708,792	— 251,158	+ 625,982
Silver coin in issue department	12,747	— 2,657	— 383,823
Coin and bullion (bank's reserves)	328,026,397	— 66,217	+ 80,407,444
Reserves of notes and coin in banking department	38,878,328	+ 1,227,680	— 23,149,466
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	25·2%	— 0·9%	— 14·1%
(b) Gold stocks to deposits and notes ("reserve ratio")	51·6%	+ 0·2%	+ 10·0%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
Aug. 18	526,407	490,971	28,540	88,500	36,531	Nil	2
,, 25	526,407	488,267	25,377	92,819	35,998	Nil	2
Sept. 1	526,407	490,310	14,111	104,172	36,531	Nil	2
,, 8	526,407	489,148	11,969	105,702	36,256	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
Aug.18	198,482	1,505	327,776	50⅜	107,137	6,187	21,629	36,801	23⅜
,, 25	199,311	679	327,861	50⅜	108,837	4,318	19,643	33,594	25⅜
Sept. 1	199,287	703	327,960	50⅜	109,275	5,368	20,755	37,651	24⅞
,, 8	199,309	679	328,026	51	107,142	5,121	21,030	38,878	25½

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to August 25	24,590,129	1,431,510	2,485,895	28,507,534
Week ended September 1	649,419	34,953	61,194	745,566
Week ended September 8	577,267	40,915	84,240	702,422
Total to date, 1937	25,816,815	1,507,378	2,631,329	29,955,522
Total to date, 1936	22,820,407	1,383,587	2,389,068	26,593,062
Increase or decrease in 1937	+2,996,408	+123,791	+ 242,261	+3,362,460
	— 13·1%	— 9·0%	— 10·1%	— 12·6%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,595,781	+ 152,508	+ 308,534	+3,056,823
	— 8·0%	— 8·1%	— 9·6%	— 8·2%

PROVINCIAL (000's omitted)

	Week ended September 4		Month of August (Dublin excluded)			Aggregate Totals, January 1 to September 4	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			25	25			
	£	£	£	£	%	£	£
BIRMINGHAM	3,180	3,249	9,584	9,116	— 4·8	92,069	93,960
BRADFORD	1,023	933	3,662	4,121	+12·5	34,143	37,346
BRISTOL	1,370	1,304	4,952	5,017	+ 1·3	44,764	45,160
DUBLIN	5,102	6,053	...	...	...	199,688	204,755
HULL	859	935	3,293	3,638	+10·4	28,830	32,435
LEEDS	828	1,159	3,471	3,341	— 3·7	32,735	36,148
LEICESTER	745	930	2,638	2,732	+ 3·5	25,621	26,806
LIVERPOOL	6,471	5,825	24,411	26,153	+ 7·1	214,436	248,333
MANCHESTER	11,937	12,675	41,284	43,974	+ 6·5	354,905	391,658
NEWCASTLE	1,597	1,837	5,524	6,483	+17·3	46,267	52,244
NOTTINGHAM	563	592	1,967	1,916	— 2·5	17,981	18,496
SHEFFIELD	1,461	1,613	4,356	4,442	+ 1·9	35,532	39,303
	35,136	37,105	105,142	110,933	+ 5·5	1,126 971	1,226,644

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Estonia, Greece and Sweden, in August 28. Argentina, Bulgaria, Danzig, Egypt, Java, Latvia, Lithuania, Norway and Roumania in September 4.

BANK FOR INTERNATIONAL SETTLEMENTS

(In Millions of Swiss gold francs of 0·29 grammes)

Assets	Aug. 31, 1936	May 31, 1937	June 30, 1937	July 31, 1937	Aug.31, 1937
Gold in bars	35·9	51·0	51·0	9·8	10·9
Cash	16·4	42·6	21·1	28·6	23·7
Sight funds	13·1	43·6	36·4	34·6	21·1
Bills and acceptances: Commercial bills	112·3	117·8	136·1	133·2	122·6
Treasury bills	217·6	131·4	140·6	138·1	170·8
Time funds: Not exceeding 3 months	43·6	36·2	39·1	46·0	45·7
Sundry bills and investments	225·6	273·9	302·6	303·2	310·2
Other assets	7·9	1·7	2·7	1·6	1·3
Liabilities					
Capital paid up	125·0	125·0	125·0	125·0	125·0
Reserves	22·1	23·2	23·2	23·2	23·2
Special deposits :—					
Annuity trust account	154·8	152·9	152·8	153·2	153·0
German Government deposit fund	77·4	76·5	76·4	76·6	76·5
French Government guarantee fund	61·9	41·5	41·5	34·9	34·8
French Government deposit	2·0	1·4	1·4	1·1	1·1
Time deposits of Central Banks :—					
Not exceeding 3 months :—					
For their own account	126·5	155·2	168·0	169·6	197·8
Between 3 and 6 months : for their own account	...	12·9	12·8	12·9	...
Sight deposits of Central Banks :—					
For their own account	28·6	47·7	48·5	47·0	36·8
For account of others	6·1	3·5	2·9	4·2	4·4
Other deposits	0·9	0·4	0·5	1·5	7·4
Sight deposits—gold	28·4	16·6	8·3	8·8	8·8
Miscellaneous items	38·8	33·5	34·7	37·0	37·3
Profits for distribution July 1	...	7·9	7·9	...	...

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

U.S.F.R. Banks Resources	Sept. 10, 1936	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937
Gold Certificates on hand and due from the Treasury	8,372,030	8,831,950	8,831,950	8,831,390	8,830,890
Total reserves	8,632,240	9,145,120	9,150,240	9,134,570	9,111,100
Total cash reserves	248,070	303,050	308,860	294,240	271,250
Total bills discounted	8,030	18,290	18,700	23,720	23,560
Bills bought in open market	3,100	3,070	3,080	3,080	3,080
Total bills on hand	11,130	21,360	21,780	26,800	26,640
Industrial advances	28,630	21,010	20,930	20,780	20,710
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,469,980	2,568,560	2,568,900	2,573,780	2,573,530
Total resources	11,777,170	12,471,970	12,414,550	12,452,650	12,369,530
Liabilities					
Federal Reserve notes in actual circulation	4,055,970	4,238,390	4,234,680	4,260,600	4,295,480
Aggregate of excess member-bank reserves over requirements	2,000,000	780,000	760,000	750,000	760,000
Deposits—Member-bank—reserve account	6,471,330	6,743,870	6,729,550	6,731,210	6,709,990
Government deposits	54,680	155,690	160,880	156,260	130,390
Total deposits	6,796,820	7,239,680	7,246,690	7,224,020	7,154,430
Capital paid in and surplus	302,760	305,880	305,870	305,940	305,930
Total liabilities	11,777,170	12,471,970	12,414,550	12,452,650	12,369,530
Ratio of total reserves to deposit and F.R. note liabilities combined	79·5%	79·7%	79·7%	79·5%	79·6%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,736,000	12,527,000	12,541,000	12,567,000	12,604,000
Treasury and National Bank Currency	2,508.000	2,577,000	2,577,000	2,585,000	2,587,000
Liabilities					
Money in Circulation	6,276,000	6,500,000	6,495,000	6,532,000	6,597,000
Treasury Cash and Deposits with Federal Reserve Banks	2,420,000	3,828.000	3,844,000	3,875,000	3,886,000

HOTEL WESTMINSTER

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MONTHLY STATEMENT OF LONDON CLEARING BANKS

(000's omitted)

Average Weekly Balance August, 1937	Barclays Bank, Limited	Coutts and Co.	District Bank, Limited	Glyn, Mills and Co.	Lloyds Bank, Limited	Martins Bank, Limited	Midland Bank, Limited	National Bank, Limited	National Provincial Bank, Limited	Westminster Bank, Limited	Williams Deacon's Bank, Limited	Aggregate
Assets	£	£	£	£	£	£	£	£	£	£	£	£
Coin, bank notes and balances with the Bank of England	44,028	2,021	7,951	4,068	41,534	9,104	50,606	3,245	31,819	36,251	3,604	234,231
Balances with and cheques in course of collection on other Banks in Great Britain and Ireland	10,948	698	2,180	1,436	10,796	3,059	12,835	264	7,218	8,937	1,577	59,948
Items in transit	...	...	...	...	4,236	670	...	...	...	...	...	4,906
Money at call and short notice	23,824	1,899	8,325	10,579	30,546	6,357	25,845	4,930	19,942	23,703	5,693	161,643
Bills discounted	53,732	952	3,903	523	46,761	3,252	74,425	1,475	37,272	54,619	300	277,214
Investments	107,812	8,894	29,905	13,340	113,822	29,017	114,394	14,878	88,172	112,716	12,336	645,686
Advances to customers and other accounts	195,884	12,051	30,360	10,486	164,178	43,428	212,888	15,886	134,208	135,369	13,758	968,496
Liabilities of customers for acceptances, endorsements, etc.	8,534	546	9,578	2,747	33,635	7,796	21,024	307	8,495	22,106	1,301	116,069
Bank premises account	7,535	412	1,554	740	7,623	2,678	9,855	676	7,372	5,287	1,085	44,817
Investments in affiliated banks and subsidiary companies	6,969	...	...	...	3,326	...	7,746	...	2,514	2,993	...	23,548
	459,266	27,473	93,756	43,919	456,457	105,361	529,618	41,661	337,012	401,981	39,654	2,536,158
Ratio of cash to current deposit and other accounts	10·37	8·11	10·16	10·35	10·44	10·11	10·48	8·68	10·23	10·04	10·10	10·26
Liabilities												
Capital paid up	15,858	1,000	2,976	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	77,286
Reserve fund	10,250	1,000	2,976	530	9,000	3,300	11,500	1,130	8,000	9,320	800	57,806
Current and deposit other accounts	424,624	24,927	78,226	39,297	398,006	90,087	482,846	37,370	311,038	361,224	35,678	2,283,323
Acceptances, endorsements, etc.	8,534	546	9,578	2,747	33,635	7,796	21,024	307	8,495	22,106	1,301	116,069
Notes in circulation	...	...	...	...	6	18	...	1,354	...	11	...	1,389
Reduction of bank premises account	...	...	...	285	...	...	...	...	...	...	...	285
	459,266	27,473	93,756	43,919	456,457	105,361	529,618	41,661	337,012	401,981	39,654	2,536,158

NEW YORK FEDERAL RESERVE BANK.—In $'s

(000's omitted)

	Sept. 10, 1936	Aug. 19 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937
Total gold reserves	3,256,840	3,357,470	3,367,870	3,369,920	3,321,230
Total bills discounted	5,850	8,000	11,640	14,740	15,760
Bills bought in open market	1,100	1,090	1,090	1,090	1,090
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	674,590	739,600	743,190	746,250	747,280
Deposits—Member-bank—reserve account	2,822,810	2,878,990	2,890,900	2,900,920	2,846,050
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·5%	83·7%	83 8%	83·6%	83·6%

FEDERAL RESERVE REPORTING MEMBER BANKS

In $'s (000,000's omitted)

	Aug. 26, 1936	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937
Loans, total†	9,425	9,784	9,908	9,917	9,933	9,958
Investments	13,839	12,499	12,470	12,414	12,370	12,357
Reserve with Federal Reserve Bank	4,976	5,231	5,089	5,122	5,194	5,191
Due from banks	2,276	1,753	1,691	1,680	1,709	1,654
Demand deposits	14,911	15,033	14,877	14,914	14,930	14,950
Time deposits	5,028	5,268	5,244	5,229	5,227	5,282
Government deposits	820	430	463	498	532	569
Due to banks	6,138	5,621	5,624	5,568	5,593	5,474

† In this item, comparison between May 20, 1937, onwards and preceding weeks is affected by a revision of the statement.

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

	Sep. 7, 1936	Aug. 9, 1937	Aug. 16 1937	Aug. 23, 1937	Aug. 30, 1937	Sep. 6, 1937
Assets						
Gold and English sterling	16,004	16,007	16,007	16,007	16,007	16,007
Other coin, bullion and cash	6,753	5,347	4,793	4,970	5,227	5,403
Money at short call—London	18,713	33,337	33,264	33,384	34,236	33,847
Short-term loans	6,167	3,213	3,241	3,563	3,273	3,181
Securities	75,154	76,587	76,587	76,587	76,996	76,991
Discounts and advances	8,496	10,674	10,505	10,282	10,401	10,391
Liabilities						
Notes issued	47,038	47,038	47,038	47,038	47,534	47,534
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	69,684	86,204	85,637	86,020	86,790	92,650

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted

	Aug. 31, 1936	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937	Aug 30, 1937
Assets					
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	19,799	20,153	20,399	20,631	20,555
Advances to State	65	4,584	4,877	5,004	4,787
Investments	2,038	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	11,148	12,601	12,633	12,779	12,793
Demand liabilities :—					
Government	6,436	6,613	6,475	6,206	6,273
Other	5,985	9,823	10,459	10,943	10,559
Ratio of reserves to sight liabilities	95·9%	79·1%	78 5%	78 3%	78·8%

BANK OF CANADA.—In $'s (000's omitted)

	Sept. 2, 1936	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937
Assets				
Reserve, of which	183,629	205,956	209,006	207,875
Gold coin and bullion	179,540	179,507	179,489	179,489
Investments	114,884	146,764	149,737	160,089
Liabilities				
Note circulation	109,390	144,177	146,396	148,058
Deposits : Dominion Government	8,152	26,203	26,365	26,624
Chartered banks	177,939	172,245	176,421	182,259
Ratio of reserves to notes and deposit liabilities	62·0%	60·0%	59·7%	57·7%

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

	Sep. 4, 1936	Aug 6, 1937	Aug. 13, 1937	Aug. 20, 1937	Aug. 27, 1937	Sep. 3, 1937
Assets						
Gold coin and bullion	22,931	22,701	22,701	22,703	22 942	22,939
Bills discounted : Foreign	4,188	5,105	5,395	5,490	5,490	5,530
Investments	1,734	1,729	1,726	1,726	1,726	1,726
Other assets	11,681	10,928	10,879	10,370	10,775	10,841
Liabilities						
Notes in circulation	15,171	16,519	15,674	15,089	16,064	16,844
Deposits : Government	2,639	1,479	1,731	2,202	1,872	1,551
Bankers	17,482	18,156	19,083	17,525	18,971	17,357
Ratio of cash reserves to liabilities to public	61·0%	55·7%	56·1%	57·7%	57 6%	59·8%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

	Sep. 4, 1936	Aug. 20, 1937	Aug. 27, 1937	Sep. 3, 1937
Assets				
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	67,39,58	60,65,77	61,20,35	61,22,82
Balances abroad	3,66,99	14,56,51	14,43,14	13,62,80
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,39,46	27,38,02	27,38,29	27,38,29
Investments	5,49,52	8,40,75	7,92,33	8,05,25
Liabilities				
Note circulation	1,65,40,67	1,79,10,13	1,77,80,04	1,81,01,07
Deposits : Government	7,52,30	8,61,04	10,44,42	13,02,10
Banks	30,58,76	38,50,59	36,84,81	30,23,52
Ratio of gold and sterling to liabilities	55·2%	58·6%	58·5%	58·5%

* Held against notes.

REICHSBANK.—In Reichsmarks (000's omitted)

	Aug. 31, 1936	Aug. 14, 1937	Aug. 23, 1937	Aug. 30, 1937
Assets				
Gold	69,420	69,312	69,259	69,836
Of which held abroad	21,500	19,497	19,672	19,985
Reserve in foreign currencies	5,606	5,981	6,208	5,989
Bills of exchange and cheques	4,767,163	4,871,665	4,696,045	5,316,054
Silver and other coin	119,247	185,282	221,993	138,426
Advances	64,500	30,184	33,739	54,704
Investments	528,808	403,400	403,422	403,444
Other assets	566,445	709,347	733,562	766,834
Liabilities				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,539,528	4,756,228	4,590,226	5,115,541
Other daily maturing obligations	728,509	625,059	682,895	736,016
Other liabilities	229,591	250,907	248,400	257,563
Cover of note circulation	1·65%	1·58 %	1·65%	1·48%

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

	Sep. 4, 1936	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sep. 2, 1937
Assets					
Gold*	54,184,985	55,716,766	55,717,154	55,717,533	55,717,533
Advances on Gold Coin	1,281,930	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	9,594,601†	9,485,878	9,178,188	9,505,145	8,540,434
Bills bought abroad	1,228,221	880,696	880,696	880,696	880,696
Advances on securities	4,453,131	4,665,007	4,472,333	4,239,236	5,087,817
Loans to State without interest : (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	11,828,423	23,878,127	23,878,127	25,218,127	26,018,127
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,637,303	5,637,303	5,637,303	5,637,303
Other assets (excluding forward exch.)	3,920,749	4,228,142	4,091,428	4,132,377	4,225,690
Liabilities					
Notes in circulation	84,610,829	88,904,533	88,216,282	88,254,891	90,001,893
Public deposits	1,515,327	2,242,785	2,204,098	2,251,318	2,284,398
Private deposits	6,593,717	14,323,010	14,340,863	15,790,736	14,720,676
Other liabilities	2,611,986	3,320,746	3,393,141	3,332,627	3,399,790
Ratio of gold reserve to sight liabilities	58·4%	52 8%	53·1%	52·4%	52·0%

* Based on franc at 49 milligrams Oct. 2, 1936, to July 22, 1937, and at 43 milligrams from July 29, 1937. † Includes frs. 2,905,000,000 Treasury Bills.

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

	Sept. 3, 1936	Aug. 5, 1937	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937
Assets						
Gold	3,699,767	3,622,970	3,601,374	3,589,035	3,581,930	3,582,001
Silver and other coin	51,538	40 872	40,529	42,862	43,727	42,679
Securities	1,347,522	1,367,917	1,361,404	1,354,909	1,345,905	1,333,626
Advances	77,895	34,972	35,027	32,788	33,604	39,897
Liabilities						
Notes in circulation	4,514,581	4,459,714	4,442,431	4,409,302	4,404,744	4,438,341
Deposits : Govt.	45,507	163,371	106 846	138,510	115,596	107,188
Other	805,625	627,726	673,119	655,837	668 875	636,561

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

	Sep. 7, 1936	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937	Aug. 30, 1937	Sep. 6, 1937
Assets						
Gold	696,212	1,265,883	1,265,883	1,265,883	1265883	1,284,149
Silver	21,445	18,518	19,693	19,712	18767	10,969
Home bills discounted	22,788	12,924	13,086	12,908	12,944	
Loans and advances in current account	119,524	179,604	180,112	177,458	179,759	179,561
Liabilities						
Notes in circulation	766,322	831,747	821,909	821,982	853,085	845,511
Deposits	115,819	669,192	681,076	678,086	649,393	653,714

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

	Aug. 31, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937	Aug. 31, 1937
Assets						
Gold	1,496,701	2,594,418	2,567,780	2,553,427	2,547,817	2,543,995
Of which held abroad	249,208	507,438	482,100	467,115	462,737	462,737
Discounts	155,982	6,904	6,982	6,955	7,048	7,013
Confederation Bills	42,800	15,600	14,550	14,300	14,300	14,300
Advances	62,664	28,465	28,193	27,955	27,607	27,588
Securities	42,000	15,911	15,881	15,881	15,881	15,881
Liabilities						
Notes in circulation	1,303,387	1,411,851	1,381,917	1,361,173	1,353,316	1,411,057
Deposits	456,962	1,298,865	1,343,506	1,381,439	1,426,849	1,358,299

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 frs.

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

	Aug. 31, 1936	Apr. 30, 1937	May 31, 1937	June 30, 1937	July 31, 1937	Aug. 31, 1937
Assets						
Gold coin and bullion	117,948	117,889	117,878	117,883	117,892	117,885
Loans and discounts	124,356	100,936	103,757	102,595	104,293	93,010
Securities	63,567	54,253	53,078	52,392	52 009	51.634
Emergency Fund	132,307	116,257	116,250	116,171	114,309	114,316
Advances to Treasury	65,446	50,472	58,193	116,909	105,379	96,779
Liabilities						
Notes in Circulation	375,897	391,512	384,467	387,435	385,663	376,478
Deposits	47,436	36,386	44,953	64,725	49,426	52,954

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

	Aug. 12, 1936	July 14, 1937	July 21, 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937
Assets						
Gold	910,438	915,481	915,637	915,976	916,825	916,119
Balances abroad	517,733	589,226	593,195	612,839	626,833	625,054
Discounts	337,900	310,746	304,707	308,698	315,990	315,973
Securities	111,210	124,453	124,451	124,452	124,451	124,451
Government loans	1,044,860	1,042,900	1,042,900	1,042,900	1,042,249	1,042,249
Liabilities						
Notes in circulation	2,091,265	2,061,654	2,033,380	2,038,468	2,070,434	2,063,069
Government deposits	478,809	373,703	387,488	408,531	426,296	395,399
Bankers' deposits	439,482	674,318	709,561	690,744	686,916	684,896
Other deposits	46,176	77,337	73,309	71,930	58,895	90,734
Foreign commitments	37,560	44,394	44,721	52,494	52,488	52,512

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

	Aug. 31, 1936	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Assets					
Cash reserve—					
Gold coin and bullion	242,703	243,040	243,048	243,062	243,069
Other foreign exchange	129,793	121,249	124,212	130,540	136,747
Bills discounted	216,066	193,099	194,718	192,232	191,081
Federal debt	624,444	620,152	620,152	620,152	620,152
Liabilities					
Notes in circulation	943,125	858,972	864,566	825,319	914,703
Deposits	267,968	314,540	307,693	355,052	268,161

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

NATIONAL BANK OF HUNGARY.—In Hungarian Pengo

(000's omitted)

	Aug. 31, 1936	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Assets					
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	26,246	58,949	58,417	57,417	57,808
Token money	7,360	6,118	6,108	6,488	5,145
Inland bills, warrants and securities	505,097	378,997	375,622	379,387	416,415
Advances to Treasury	93,554	111,485	111,485	111,485	111,485
Liabilities					
Notes in circulation	410,223	425,778	411,508	393,110	453,265
Current accounts, deposits, etc.	130,985	174,166	195,915	219,076	191,372
Cash certificates	95,625	92,901	92,901	92,901	92,901
Other liabilities	166,078	162,448	152,876	152,940	158,742

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.*

(000's omitted)

	Aug. 31, 1936	Aug. 8, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Assets					
Gold	2,597,259	2,574,560	2,573,781	2,574,375	2,573,947
Balances abroad and foreign currency	123,659	354,706	351,756	356,835	371,444
Discounts and advances	1,491,881	2,221,000	2,072,427	2,076,889	2,235,745
State notes debt balance	2,034,284	2,014,220	2,014,215	2,014,046	2,014,039
Liabilities					
Bank notes in circulation	5,501,799	5,898,210	5,791,791	5,622,985	6,250,489
Deposits	480,966	447,073	407,161	631,747	128,330

* First return showing effects of devaluation, October 15, 1936.

NATIONAL BANK OF JUGOSLAVIA

In dinar (000's omitted)

	Aug. 31, 1936	Aug. 15, 1937	Aug. 22, 1937	Aug. 31, 1937
Assets				
Cash reserve :				
Gold at home and abroad	1,531,237	1,690,026	1,691,499	1,692,011
Other foreign exchange	494,704	702,347	689,307	699,236
Bills and advances against security	1,632,671	1,571,268	1,589,875	1,601,536
Government advances	1,661,684	1,651,674	1,651,689	1,651,694
Liabilities				
Notes in circulation	5,125,585	5,732,588	5,666,146	5,863,685
Sight deposits	1,451,190	2,176,939	2,295,595	2,123,152
Time deposits	50,000	50,000	50,000	50,000

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

	Aug. 31, 1936	July 31, 1937	Aug. 10, 1937	Aug. 20, 1937	Aug. 31, 1937
Assets					
Gold	366,562	426,842	427,667	428,525	429,418
Foreign exch. and balances	14,633	29,932	31,467	31,697	32,013
Bills discounted	642,978	529,998	517,035	513,355	536,503
Loans against securities	123,882	25,465	27,306	25,496	26,197
Treasury bonds discounted	51,077	48,602	51,607	50,474	49,445
Securities	124,371	135,516	135,445	135,354	135,312
Liabilities					
Notes in circulation	1,030,759	1,018,954	981,715	965,973	1,021,801
Sight liabilities	170,888	230,220	274,414	288,117	248.669

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

	Aug. 31, 1936	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937	Aug. 31, 1937
Assets					
Gold reserve	581,993	602,869	602,854	602,841	602,826
Gold abroad not included in the gold reserve	...	37,003	37,003	37,003	37,003
Foreign correspondents	1,147,372	2,076,081	2,085,799	2,114.766	2,159,137
Foreign bills, bank notes, and coupons	91,165	86,372	86,746	90,942	87,322
Inland bills and other home loans	933,234	1,023,204	1,002,430	1,003,600	985,640
Finnish and foreign bonds	489,661	540,325	536,396	531,327	530,229
Liabilities					
Notes in circulation	1,562,776	1,846,707	1,831,451	1,811,478	1,898,241
Government deposits at sight	99,264	291,886	349,646	366,760	325,068
Other deposits at sight	559,739	1,004,671	1,002,538	1,008,851	929,070
Ratio of ordinary cover to liabilities at sight	74·09	78 34	77·98	78·54	78·56

BANK OF JAPAN.—In yen (000's omitted)

	Aug. 15, 1936	July 24, 1937	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937
Assets					
Gold coin and bullion	531,325	495,013	488,437	467,534	459,580
Other coin and bullion	66,789	56,750	55,603	53,770	51,326
Discounts	536,579	483,446	562,386	584,248	562,266
Advances	192,897	270,224	271,940	275,480	277,928
Advances on foreign bills	39,383	44,755	81,814	99,084	114,242
Government bonds	464,323	698,971	780,314	770,515	802,053
Liabilities					
Notes issued	1,240,130	1,447,406	1,579,961	1,448,002	1,469,796
Government deposits	381,825	255,076	270,696	364,772	357,586
Other deposits	60,126	59,582	74,271	62,475	63,292

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Sept. 2, 1937	Sept. 3, 1937	Sept. 4, 1937	Sept. 6, 1937	Sept. 7, 1937	Sept. 8, 1937	Sept. 9, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
3 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
4 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
6 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
Discount Treasury Bills—							
2 months'	½	½	½	½	½	½	½
3 months'	½	½	½	½	½	½	½
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances : Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	½	½	½	½	½	½	½

Comparison with previous weeks

	Short Loans	Bank Bills			Trade Bills		
		3 Months	4 Months	6 Months	3 Months	4 Months	6 Months
1937	%	%	%	%	%	%	%
Aug. 12	½–1	½–⅝	½–⅝	½–⅝	2–2¼	2¼–2½	2½–3
,, 19	½–1	½–⅝	½–⅝	½–⅝	2–2¼	2¼–2½	2½–3
,, 26	½–1	½–⅝	½–⅝	½–⅝	2–2¼	2¼–2½	2½–3
Sept. 2	½–1	½–⅝	½–⅝	½–⅝	2–2¼	2¼–2½	2½–3
,, 9	½–1	½–⅝	½–⅝	½–⅝	2–2¼	2¼–2½	2½–3



LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Sept. 3, 1937	Sept. 4, 1937	Sept. 6, 1937	Sept. 7, 1937	Sept. 8, 1937	Sept. 9, 1937
New York, $..	†4·86⅜	4·95⅛–96⅛	4·95⅛–96	4·95⅛–96⅛	4·95⅛–96	4·94⅞–95⅛	4·94⅛–95⅛
Montreal, $...	4·86⅜	4·95⅛–96⅛	4·95⅛–96	4·95⅛–96⅛	4·95⅛–96⅛	4·94⅞–95⅛	4·94⅛–95⅛
Paris, Fr.....	124·21	132⅛–133	132⅛– 133⅛	132⅛–133	132⅛– 133⅛	132⅛– 133⅛	132⅛–133⅛
Brussels, Bel.	35·00(a)	49·41–46	29·40–43	29·40–43½	29·33–42	29·29–38	29·34–38
Milan, L.....	92·46	94⅛–⅜ 94·28½	94⅜–½ 94·23½	94⅛–⅜ 94·25½	94⅛–⅜ 94·17½	94–94⅛ 94·07½	93¾–94⅛
Zurich, Fr....	25·22½	21·57–61	21·58–60	21·58–61	21·56–60	21·54–57	21·53–57
Athens, Dr....	375	540–555	540–555	540–555	540–555	540–555	540–555
He's'fors, M...	193·23	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½	225⅞–226½
Madrid, Pt....	25·22½	70–100(l) 70·00ƒ	70–100(l) 70·00ƒ	70–100(l) 72·00ƒ	70–100(l) 72·00ƒ	70–100(l) 72·00ƒ	70–100(l) 72·00ƒ
Lisbon, Esc...	110	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜	110–110⅜
Amst'd'm, Fl.	12·107	8·98·99½	8·98½–99½	8·98·9·00	8·98–99¼	8·97½–99	8·98–99½
Berlin, Mk....	20·43	12·33–38	12·34–37	12·34–37	12·33–36	12·32–35	12·32–35½
Registered Marks	(c)	41–46	40½–45½	40–45	40–45	40½–45½	41–46
Vienna, Sch...	34·58½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½	25½–27½
Bu'pest, Pen..	27·82	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜	24½–25⅜
Prague, Kc....	§164½	141⅞–142½	141⅞–142½	141⅞–142⅜	141⅞–142½	141⅞–142	141⅞–142
Danzig, Gul...	25·00	26–26½	26–26½	26–26½	26–26½	26–26½	26–26½
Warsaw, Zl....	43·38	26–26½	26–26½	26–26½	26–26½	26–26½	26–26½
Riga, Lat. ...	25·22½	24⅝–25⅝	24⅝–25⅝	24⅝–25⅝	24⅝–25⅝	24⅝–25⅝	24⅝–25⅝
Bucharst, Lei	813·8	660–680	660–680	660–680	660–680	660–680	660–680
Const'ple, Pst	110	621* 628k	621* 627k	621* 627k	621* 627k	621* 627k	622* 627k
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit....	48·66	29–30	29–30	29–30	29–30	29–30	29–30
Sofia, Lev. ...	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛	17⅞–18⅛
Oslo, Kr.....	18·159	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr...	18·159	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜
Br. India Rup.	† 18d.	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜	18⅛–⅜
Hong Kong, $	† ...	14⅞–15⅛	14⅞–15⅛	14⅞–15⅛	14⅞–15⅛	14⅞–15⅛	14⅞–15⅛
Kobe, Yen ...	†24·58d.	13⅜–14⅜	13⅜–14⅜	13⅜–14⅜	13⅜–14⅜	13⅜–14⅜	13⅜–14⅜
Shanghai, $...	† ...	14–14⅛(l)	14–14⅛(l)	14–14⅛(l)	14–14⅛(l)	14–14⅛(l)	14–14⅛(l)
Singapore, $..	† 28d.	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛
Batavia, F....	12·11	8·94⅛–98⅛	8·94⅛–98⅛	8·94⅛–99⅛	8·94⅛–98⅛	8·95–99	8·94⅛–98⅛
Rio, Mil.....	†5 899d.	3⅜–⅝ƒ	3⅜–⅝ƒ	3⅜–⅝ƒ	3⅜–⅝ƒ	3⅜–⅝ƒ	3⅜–⅝ƒ
B. Aires, $ ...	11·45	16·41–48g	16·42–47g	16·42–49g	16·43–53g	16·46–52g	16·47–55g
Valparaiso, $..	40	16·12h 125e(l)	16·12h 125e(l)	16·12h 125e(l)	16·12h 125e(l)	16·12h 125e(l)	16·12h 125e(l)
M'video, $ ...	† 51d.	27⅞–28¼ 39⅛*b	27⅞–28¼ 39⅛*b	27⅞–28¼ 39⅛*b	27⅞–28¼ 39⅛*b	27⅞–28¼ 39⅛*b	27⅞–28¼ 39⅛*b
Lima, Sol. ...	17·38	18⅜–19⅜	18⅜–19⅜	18⅜–19⅜	18⅜–19⅜	18⅜–19⅜	18⅜–19⅜
Mexico, Pes...	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Manila, Pes....	†24·66d.	24–24⅛	24–24⅛	24–24⅛	24–24⅛	24–24⅛	24–24⅛
Moscow, Rbls.	...	26·28⅜–29⅛	26·28½–29½	26·28½–28⅝	26·28–28½	26·24½–½	26·25–25½
B'ngkok, Baht	†21·82d.	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼	22–22¼

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅜ since dollar devaluation on February 1, 1934. § Par, 197·10½ since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Sept. 3, 1937 Per £	Sept. 4, 1937 Per £	Sept. 6, 1937 Per £	Sept. 7, 1937 Per £	Sept. 8, 1937 Per £	Sept. 9, 1937 Per £
New York, cent.	1 Month	(p) 1/16–⅛	(p) 1/16–⅛	(p) 1/16–⅛	(p) 1/16–⅛	(p) 1/16–⅛	(p) 1/16–⅛
	2 „	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼	⅛–¼
	3 „	1⅛–1¼	1⅛–1⅜	1⅛–1¼	1⅛–1¼	1⅛–1¼	1⅜–1⅝
Paris, frs.....	1 Month	(d) ⅛–¼	(d) ⅛–⅜	(d) ⅜–½	(d) ⅜–½	(d) ⅛–¼	(d) 2–2⅛
	2 „	2⅛–2⅜	2⅜–2⅝	1⅞–2⅛	2⅛–2⅜	2⅛–2⅜	3⅛–3⅜
	3 „	3⅛–3⅜	4–4⅛	3⅜–3⅝	3⅛–4⅛	4⅛–4⅜	5⅛–6⅛
Amsterdam, c'nt	1 Month	(p) 1–½	(p) 1–½	(p) 1–½	(p) 1–½	(p) ⅛–¼	(p) ⅛–¼
	2 „	1⅛–1⅛	1⅛–1⅛	1⅛–1⅛	1⅛–1⅛	1⅛–1⅛	1¼–1
	3 „	2¼–2	2¼–2	2¼–2	2¼–2	2¼–2	2¼–2
Brussels, cent ..	1 Month	⅛(p)–¼(d)	⅛(p)–¼(d)	⅛(p)–¼(d)	⅛(p)–¼(d)	1–par	1–Par
	2 „	⅛(p)–¼(d)	1(p)–1(d)	1–par	1–par	1–par	1–Par
	3 „	1–par	1(p)–1(d)	1–par	1–par	1⅛–⅛	2–1
Geneva, cent..	1 Month	(p) 1⅛–⅛	(p) 1⅛–⅛	(p) 1⅛–⅛	(p) 1⅛–1	(p) 2–1	(p) 2–1
	2 „	2⅜–1⅜	2⅜–1⅜	2⅜–1⅜	2⅜–2	3–2	3–2
	3 „	3⅝–2⅝	3⅝–2⅝	4–3	4–3	4–3	4–3

(p) Premium, i.e. "under spot." (d) Discount, i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Sept. 9, 1936	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937	Sept. 8, 1937
	%	%	%	%	%	%
Call money	1	1½	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—	Selling Rates					
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Commercial accept., 90 days	½	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Sept. 9, 1936	Aug. 25, 1937	Sept. 1, 1937	Sept. 8 1937
London— 60 days / Cable / Cheques	Dollars for £1	Old par 4·8666 / New par 8·2397	5·0418	4·9737	4·95⅛	4·9431
		New par	5·0581	4·98½	4·9662	4·9518
			5·05⅛	4·9812	4·96½	4·9506
Paris .....cheques	Cents for 1 franc	6·63	6·58½	3·7512	3·7387	3·7237
Brussels „	Cents for 1 belga	23·54	16·905	16·84	16·845	16·872
Switzerland „	Cents for 1 franc	32·67	32·545	22·965	22·96	22·972
Italy „	Cents for 1 lira	8·91	7·87	5·26	5·28	5·26
Berlin „	Cents for 1 mark	40·33	40·23	40·21	40·175	40·135
Vienna „	Cts.forAustrn.shig.	23·82	18·87	18·88	18·88	18·88
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·76	55·19	55·16	55·12
Copenhagen „ / Oslo „ / Stockholm „	Cents for 1 kroner	45·37	22·58	22·24	22·18	22·11
			25·415	25·04	24·965	24·885
Athens „			26·08	25·89	25 615	25·535
Montreal „	Cents for 1 drachma	1·29⅛	0·94⅛	0·91½	0·91⅛	0·91
Yokohama „	Cents for Can. $1	169·31	100	100	100	99⅞
Shanghai „	Cents for 1 yen	84·40	29·60	29·07	28 98	28·88
Calcutta „	Cents for 1 dollar	...	30·25	30·25	30·00	29·80
Buenos Aires „	Cents for 1 rupee	61·80	38·21	37·64	37·51	37·40
Rio de Janeiro „	Cents for 1 peso	...	33·71	30·90	30·80	30·71
	Cents for 1 milreis	11·96	8·52	8·40	8·37	8·34

THE BANK OF LONDON AND SOUTH AMERICA, LTD., has received telegraphic advice from the Valencia Branch that the gold surcharge for payment of Spanish customs duties has been fixed for the period September 1st to 10th at 180·69 per cent. The previous rate was fixed as from August 21st at 171·36 per cent.

Overseas bank rates and exchange rates for South Africa, Central and South America and Australasia appeared in last week's issue of *The Economist*.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended September 9, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD
(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British West Africa	162,570	...	British India	...	4,500
British South Africa	1,845,808	...	Channel Islands	...	1,000
Kenya ...	5,955	...	Straits Settlements	...	710
British India ...	213,331	...	Canada ...	...	1,990
New Zealand ...	25,038	...	Finland ...	23,448	...
Germany ...	829,945	...	Denmark...	226	...
Belgium ...	19,716	...	Netherlands ...	...	2,875
France ...	6,079	1,693			15,265
Switzerland ...	75,538	...	France ...	56,500	17
Venezuela ...	22,588	...	Jugoslavia ...	203,568	1,712
Other Countries ...	1,634	108 1,844	United States of America ...	3,753,018	...
			Central and South America ...	1,999,997	...
Total... ...	3,208,200	108 3,537	Total... ...	6,035,857	11,092 18,977

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
Irish Free State ...	...	2,590	Irish Free State...	...	1,189
Canada ...	5,040	...	Aden ...	...	3,597
Germany ...	21,735	...	British India ...	18,678	...
Belgium ...	2,900	...	Straits Settlements	4,990	...
France ...	3,616	138	Sweden ...	17,880	...
Switzerland ...	...	84	Norway ...	1,122	...
Japan ...	34,013	...	Denmark ...	1,650	...
Other countries ...	31	20 81	Egypt ...	1,740	5,941
			United States of America ...	418,980	...
			Other countries ...	2,105	834
Total	67,335	2,610 303	Total	467,145	11,561

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value

No gold movements were reported at the Bank of England between September 3rd and 9th. Details of previous movements appeared in last week's issue of *The Economist*.

GOLD MARKET

Messrs Samuel Montagu and Company write on September 8, 1937:—The Bank of England gold reserve against notes amounted to £326,406,625 on September 1st showing no change as compared with August 25th.

In the open market about £1,500,000 of bar gold was available at the daily fixing during the week and was mostly taken for shipment to America. Owing to the firmer tendency of the dollar the price showed an advance, but continued to rule at about dollar parity.

The s.s. "Rajputana," which sailed from Bombay on September 4th, carried gold to the value of about £265,000.

SILVER MARKET

As the result of continued American support and of greater reluctance on the part of sellers, prices continued almost daily upon the upward trend, quotations on September 7th reaching 19 11/16d. for both deliveries, as compared with 19½d. for cash and 19 11/16d. for forward on September 1st. Indian operators have shown signs of regained confidence and, whilst they have worked both ways during the past week, sales have probably represented the liquidation of purchases made recently at lower prices.

At September 8th level of 19 11/16d. for cash and 19⅞d. for forward, quotations are very close to the American price parity and there would seem little to justify the expectation of any wide movement in either direction.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	Cents
Sept. 2	140 0½	12 1·59	19⅞	19⅞	
„ 3	140 3	12 1·38	19 11/16	19 11/16	
„ 4	140 2½	12 1·42	19⅞	19 11/16	
„ 6	140 3	12 1·38	19 11/16	19 11/16	
„ 7	140 3	12 1·38	19 11/16	19 11/16	
„ 8	140 5½	12 1·16	19 11/16	19⅝	
Average ...	140 2·92	12 1·39	19·854	19·833	
Sept. 9	140 4	12 1·29	19 11/16	19⅝	

1937 Sept. 1 to Sept. 7 inclusive: 45 Cents

The highest rate of exchange on New York recorded during the period from September 2nd to September 8th was $4·96⅜ and the lowest $4·94⅞.

OTHER STATISTICS

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total: Latest Year	Total: Previous Year
BANKS				%	%
Guaranty Trust Co. of New York	3%*	Oct. 1	Same	...	...
Mercantile Bank of India	6%*	Sept. 23	Same	...	...
TEA AND RUBBER					
Bandjarsarie (Java) Rubber	5%*	Sept. 28	Nil*	...	...
Consolidated Malay Rubber	5%*	Sept. 30	3%*	...	...
Klanang Produce	6%*	Oct. 15	4%*	...	...
Layang Rubber	...	Oct. 5	...	6	3
Lowmont Estates	6%*	...	Nil*	...	...
New Dimbula Company	11½%†	Oct. 19	9½%†	15	12½
Seaport (Selangor) Rubber	...	...	...	6	4
Selangor River Rubber	3%*	Sept. 21	First interim	...	...
United Rubber and Coffee	9½%†	Sept. 16	...	12½	4
MINING					
Ayer Hitam Tin	30%*	Sept. 27	5%*	...	...
Central Provinces Manganese Ore	±7½%*	Oct. 1	Same	...	...
Consolidated Diamond Mines of South West Africa	5%*	...	...	...	...
De Beers (Deferred)	30%*	...	Nil*	...	...
General Mining and Finance	10%*	Nov. 2	Same	...	...
Idris Hydraulic Tin	5%*	Sept. 24	Same	...	...
Kepong Dredging	2½%*	Sept. 27	Same	...	...
Kinta Tin	12½%*	Sept. 28	5%*	...	...
Kramat Pulai	25%*	Sept. 14	15%*	...	...
Pari Tin	5%*	Sept. 25	Same	...	...
Phœnix Mining and Finance	(v)50%†	Oct. 21	...	‡10 (s)	10‡
Roan Antelope Copper	10%*	Sept. 28	2½%*	(v) 80	30
Southern Tronoh Tin	21½%*	Sept. 28	12½%*	...	...
Sungei Besi Mines	10%*	Sept. 29	...	...	...
Tanjong Tin	15%*	Sept. 29	10%*	...	...
Tronoh Mines	5%*	Sept. 22	Same	...	...
Ulu Klang Tin	7½%†	...	5%†	10	7½
OTHER COMPANIES					
Anglo-Siam Corporation	6¾%*	Oct. 16	Same	...	...
Associated Newspapers (Defd.)	6%†	...	...	10	6
Barrow Barnsley Main Collieries	‡1½%*	Sept. 29	Same*	...	...
Betts and Company	4%*	Oct. 15	3%*	...	...
Bolsover Colliery	50 cts.ps	Oct. 15	45 cents p.s.	...	...
British Columbia Power "A"	(f) 2%*	Oct. 1	Same	...	...
British Power and Light	6⅞%*	...	5%*	...	...
British Thermostat	10%†	...	Same	15	15
Bursledon Brick	40 c. ps	Sept. 30	Same	...	...
Canadian Celanese	$1p.s.*	Oct. 1	Same	...	...
Canadian Coltons (Com.)	75 c. ps	Oct. 1	...	...	...
Celanese Corporation of America	5%*	...	Same	...	...
Coltness Iron	3½%*	Oct. 15	Same	...	...
Daily Mirror Newspapers	10%†	Sept. 20	Same	15	15
Eastwoods, Ltd.	3 cts. ps	Oct. 1	Same	...	...
Ecuadorian Corporation	s)22½%†	...	20%†	(s)40	35
Gestetner (D.)	‡2/6 p.s.	...	‡2/- p.s.	...	...
Globe Telegraph and Trust	...	...	...	8	7
Goldsbrough, Mort and Company	...	...	...	5	5
Grosvenor House (Park Lane)	...	...	...	9	6
Hawthorn (R. & W.) Leslie	‡2½%*	...	Same	...	...
Hendon Electric Supply	...	...	...	3½	2½
Hickson, Lloyd and King	(s)8¼%†	...	10%†	(s)13½	15
Hilton Main Collieries, etc.	5%*	Oct. 1	First	...	...
Hoover, Ltd.	7½%*	Oct. 8	6½%*	...	...
Indestructible Paint	7½%†	...	6½%	12½	10
Ketton Portland Cement	7½%*	...	...	...	...
Lamont (James H.) and Co.	...	...	...	3	1½
Linay Trust	±5%*	Sept. 30	Same	...	...
London and Thames Haven Oil Wharves	4%*	...	Same	...	...
Margate Estates	6¼%†	...	6¼%†	13½	11½
McEwan (William) and Company	5%*	Sept. 30	Same	...	...
Mellersh and Neale	3%*	Oct. 1	Same	...	...
Natal Land and Colonization	2½%*	Oct. 1	Nil*	...	...
North's Navigation Collieries	(s)3%*	...	Nil	...	...
Nunnery Colliery	10*	Oct. 1	...	...	...
Oddenino's Hotel, etc.	31%*	Oct. 16	Same	...	...
Radiation, Ltd.	(s) 25%*	...	Same	...	...
Rose (L.) and Co.	2½%*	Oct. 1	Same	...	...
Scottish Power	6%*	Oct. 1	Same	...	...
Second Scottish American Trust	2½%*	Oct. 1	2½%*	...	...
Severn Valley Gas	...	...	...	(s) 12½	7½
Stothert and Pitt	3½%*	Oct. 15	Same	...	...
Sunday Pictorial Newspapers	2½%*	...	...	10	10
Tecka (Argentina) Land	4%*	Sept. 20	Same	...	...
Vavasseur (J. H.) and Company	4%*	Sept. 30	Same	...	...
West Riding Automobile	4%†	...	2½%†	6	4½
Whitworth and Mitchell	2½%*	Sept. 30	Same	...	...
Wright, Layman and Umney	4%†	Sept. 18	3%†	7	...
Yorkshire Amalgamated Products					

(s) Paid on a larger capital. ‡ Free of income tax.
(v) Also 200 per cent. scrip bonus.
(t) Paid on £2,030,000 ordinary stock, against £1,690,616 ordinary stock a year ago.

BOLSOVER COLLIERY.—Interim dividend increased from 3 to 4 per cent.

CANADIAN CELANESE.—Dividend 40 cents per share on common stock, as before.

CELANESE CORPORATION OF AMERICA.—Common stock dividend, 75 cents per share for quarter to September 30, 1937, making $2·25 for 9 months to date, compared with $1·50 for whole of 1936.

DE BEERS CONSOLIDATED MINES.—Interim dividend 30 per cent. on deferred shares to holders on September 30th in respect of year 1937. First dividend since the 10 per cent. final dividend for year to June 30, 1929.

FOREIGN GOVERNMENT BOND TRUST.—Half-yearly payment of 5.60d. per bond-unit, free of tax.

GENERAL MINING AND FINANCE.—Interim dividend maintained at 10 per cent.

HOOVER, LTD.—A first interim dividend of 5 per cent. is payable.

IMPORTANT TIN DIVIDENDS.—Southern Tronoh Tin are increasing their interim dividend by 7½ per cent. to 10 per cent. and Kinta by 7½ per cent. to 12½ per cent. Tronoh's rate is 15 per cent., against 10 per cent. Sungei Besi Mines have increased their interim dividend from 12½ per cent. to 21½ per cent., and Kramat Pulai from 15 per cent. to 25 per cent. Ayer Hitam Tin interim increased from 5 to 30 per cent.

JAYS, LTD.—Interim dividends resumed on 5½ per cent. cumulative preference shares with a payment of 2¾ per cent. for half year to July 31, 1937. The last interim preference dividend was paid in September, 1930.

NORTH'S NAVIGATION COLLIERIES.—Interim ordinary dividend, 2½ per cent. This is the first dividend declared since 2½ per cent. was paid for 1924.

NUNNERY COLLIERY.—Interim ordinary dividend of 3 per cent. on an increased capital, against no interim dividend a year ago.

R. & W. HAWTHORN LESLIE AND COMPANY.—Ordinary dividend increased from 6 to 9 per cent. for year to June 30, 1937.

ROAN ANTELOPE COPPER MINES.—Final ordinary dividend 50 per cent., making 80 per cent. for year against 30 per cent. £3,327,390 from reserve is to be capitalised to pay a scrip bonus of 200 per cent.

SELANGOR RIVER RUBBER.—First interim dividend 3 per cent.

STOTHERT AND PITT.—For year to June 30, 1937, dividend of 10 per cent. and cash bonus of 2½ per cent., against 7½ per cent. for 1935-36. The latest dividend is paid on £250,000 capital against £191,585. Profits rose from £34,726 to £65,218.

TRUST OF BANK SHARES.—Third distribution will be at rate of 3.3326d. free of income tax.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

		Miles Open	Gross Receipts, week ended Sept. 5, 1937 (£'000): Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (35 weeks) (£'000): Passenger, etc.	Merchandise, etc.	Coal and Coke	Total Goods	Total Receipts
(b) Week ended Sept. 4, 1937. (c) Week ended Sept. 3, 1937.												
Great Western	1937	3,738	270	215	117	332	602	7,908	6,903	3,875	10,778	18,686
	1936	3,739	263	199	98	297	560	7,670	6,626	3,472	10,098	17,768
(c) L. & N. Eastern	1937	6,315	410	344	236	580	990	12,246	11684	8,553	20,237	32,483
	1936	6,332	402	325	223	548	950	11,671	11261	8,053	19,314	30,985
L. M. & Scottish	1937	6,870	631	497	241	738	1,369	18,707	16975	8,833	25,808	44,515
	1936	6,898	595	491	229	720	1,315	17,960	16487	8,345	24,832	42,792
Southern ...	1937	2,157	409	69	29	98	507	11,780	2,134	1,036	3,170	14,950
	1936	2,153	382	69	30	99	481	11,170	2,193	1,068	3,261	14,431
Total	1937	19080	1720	1125	623	1748	3,468	50,641	37696	22297	59,993	110634
	1936	19122	1642	1084	580	1664	3,306	48,471	36567	20938	57,505	105976
(c) Belfast & Co. Down	1937	80	3·6	...	...	0·5	4·1	97·0	...	...	16·8	113·8
	1936	80	4·1	...	...	0·5	4·6	97·5	...	...	19·4	116·9
(c) Great Northern	1937	543	16·2	...	...	9·4	25·6	398·4	...	...	327·3	725·7
	1936	543	17·1	...	...	9·4	26·5	389·6	...	...	340·1	729·7
(c) Great Southern	1937	2,076	55·0	...	...	42·0	97·0	1307·5	...	...	1421·6	2729·1
	1936	2,124	54·1	...	...	43·8	97·9	1296·5	...	...	1449·2	2745·7

COMPARISON WITH CORRESPONDING PERIODS, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935:— Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936:— Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936:— 9 weeks to Sept. 4, 1937 ...	+ 248	+ 394	+ 311	+ 160
Weekly average second half 1937...	+ 27⅞	+ 43⅞	+ 34⅝	+ 17½
Latest week 1937 compared with 1936	+ *42*	+ *54*	+ *40*	+ *26*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Sept. 4, 1937	£557,400	+ 100
Aggregate 10 weeks to Sept. 4, 1937.....	£5,551,300	+ 17,900

ELECTRICAL ENERGY AT ECONOMIC RATES IN NORTH-EAST COAST AREA
NORTH-EASTERN ELECTRIC SUPPLY Co. Ltd.
Carliol House, NEWCASTLE-UPON-TYNE
SITES FOR WORKS *Apply to the above Address for details*

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN							
		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	18	July 31	1,330	‡5,42,900	+ 82,580	58,23,771	+ 3,75,582
Bar ł Lt. Ry.	18	Aug. 10	202	" ‡30,100	− 6,700	6,95,400	+ 60,600
Bengal &N.Western	20	20	2,111	‡8,02,650	− 39,369	1,58,25,830	+14,83,112
Bengal-Nagpur	20	20	3,268	‡21,21,000	+1,91,032	3,61,28,788	+41,31,610
Bombay, Bar. & C.I.	21	31	3,072	‡29,31,000	+3,96,000	4,96,98,000	−37,61,000
Madras & S. Mahr....	20	20	3,229	‡17,40,000	+ 52,628	2,96,72,786	+ 2,03,181
Rohilk'd & Kumaon	20	20	546	‡1,48,061	+ 2,926	29,81,615	+ 88,667
South Indian	20	20	2,532	+15,33,463	+ 194,206	2,17,06,443	+ 7,79,341
CANADIAN							
		1937		$	$	$	$
Canadian National	34	Aug. 31	23766	5,724,394	+ 69,031	128,144,860	+1653512
Canadian Pacific	34	31	17228	4,192,000	− 419,000	90,747,000	+5,116,000
SOUTH AMERICAN							
		1937					
Antofagasta (Chili and Bolivia).....	36	Sept. 5	834	£19,360	+ 2,800	587,210	+ 101,570
Argentine N.E.....	10	4	753	‡178,700	− 2,300	1,623,100	+ 85,900
				*£11,086	+ 445	100,690	+ 10,622
B.A. and Pacific ...	10	4	2,806	‡1,271,000	+ 7,000	12,351,000	+ 161,700
				*£78,846	+ 4,537	766,191	+ 52,028
B.A. Central	8	Aug. 21	...	$156,100	+ 21,500	1,189,700	+ 235,700
B.A. Gt. Southern...	10	Sept. 4	5,084	‡1,765,000	− 154,000	18,278,000	+ 191,000
				*£109,491	− 3,325	1,133,871	+ 74,145
B.A. Western.....	10	4	1,930	‡682,000	+ 12,000	7,077,000	+ 535,000
				*£42,308	+ 2,919	439,021	+ 55,731
Central Argentine...	10	4	3,700	‡1,923,600	− 549,600	21,193,950	− 755,500
				*£119,330	− 26,067	1,314,759	+ 28,685
Central Uruguayan..	9	Aug. 28	980	£130,144	+ 4,518	1,131,474	− 104,973
				c£14,828	+ 711	127,890	+ 39
Cordoba Central ...	10	Sept. 4	1,218	‡516,000	− 119,000	6,048,000	− 162,000
				‡32,010	− 5,320	375,200	+ 11,350
Entre Rios	10	4	810	‡234,800	− 4600	2,214,000	+ 188,900
				*£14,565	+ 491	137,343	+ 18,687
G. Westn. of Brazil	36	4	1,092	£6,800	+ 200	255,500	− 10,300
Leopoldina.....	36	4	1,918	Ms.2071000	− 50,000	63,716,000	+6,149,000
				£27,527	+ 2,870	822,330	+ 162,065
Leopoldina Termnl..	36	4	...	Ms.393,000	+ 12,000	12,615,000	+ 703,000
Nitrate	34	Aug. 31	384	a‡4,993	+ 2,085	105,593	+ 18,960
Paraguay Central ...	9	28	274	$3,155,000	+314,000	30,047,000	+7,459,000
Salvador.....	10	Sept. 4	100	Col. 10,410	− 4,390	115,459	+ 7,485
San Paulo	35	Aug. 29	153¼	Ms2700000	+ 7,000	91,825,000	+4,792,000
				£35,775	+ 3,683	1,150,108	+ 114,053
United of Havana...	10	Sept. 4	1,353	£18,589	+ 221	179,345	+ 21,886

* Converted at average official rate during week ended Sept. 4, 16·12 pesos to £.
‡ Receipts in Argentine pesos. † Fortnight. a Converted at official rate.
ż Receipts in Uruguayan currency. c Converted at "controlled free rate."

OTHER OVERSEAS								
		1937						
Egyptian Delta Light Railways	20	Aug. 20	621	‡£6,534	+ 667	89,809	+ 7,703	
Egyptian Markets...	35	Sept. 3	...	£1,224	− 169	56,249	− 1,838	
Mexican Railway ...	8	Aug. 31	483	‡$483,600	+ 91,900	2,605,400	+ 380,100	

‡ 10 days.

SUEZ CANAL RECEIPTS

		1937					
Suez Canal.....	34	Aug. 31	...	‡£295,500	+ £22,200	£7,403,900	− £77,100

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine ...	35	Sept. 2	325	$606,473	− 20,137	22,208,067	+ 233,862
B. Aires Lacroze ...	8	Aug. 22	...	$56,049	− 3,837	427,437	− 28,974
Burnley, Colne and Nelson Jt. Trspt.	35	Sept. 4	87·68	£5,785	+ 227	...	...
Calcutta Tramways.	35		4 ...	Rs. 1,23,512	+ 5,234	37,84,481	+ 1,76,458
Liverpool Corp.....	22		1 ...	£31,494	+ 1,594	691,698	+ 46,573
Madras Electric.....	34	Aug. 31	...	‡Rs. 52,661	+ 1,420	8,27,606	+ 34,647

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to date 1937	+ or −
Algoma Cent. & Hudson Bay Rly.	7	July 31	Gross	$186,442	+ 31,943	1,168,508	+ 296,936
Bolivar Railway Co.....	8	Aug. 31	Gross	£4,800	− 100	45,800	− 6,900
Intnl. Rlys. of Central America	7	July 31	Gross	420,213	+ 109,517	3,625,846	+ 318,841
			Net	156,471	+ 99,106	1,595,652	+ 91,786
La Guaira & Caracas Rly.	8	Aug. 31	Gross	£5,080	+ 135	43,200	+ 6,005
La Plata Elect. Tramways	1	Aug. 31	Gross	£9,105	− 1	...	...
Mexican Light and Power	7	July 31	Gross	$745,740	+ 262,234	5,125,575	+ 836,206
			Net	$194,235	+ 165,523	1,389,387	+ 136,663
Midland Rly. Co. of Wn. Australia	1	July 31	Gross	£10,245	+ 31	...	...
Peruvian Corporation ...	2	Aug. 31	Gross	£92,587	+ 5,347	173,721	+ 2,160
Rangoon Elect. Tramway	7	July 31	Gross	Rs.4,48,336	+ 11,841	32,65,183	+1,19,463
			Net	Rs.2,07,597	+ 11,428	15,90,746	+1,08,138
Singapore Traction	11	Aug. 31	Gross	$197,000	+ 12,000	2,139,000	+ 87,000

AMERICAN RAILROADS

Company		Month of July, 1937	Compared with July, 1936	7 Months 1937	Compared with 7 Months 1936
		$	$	$	$
Baltimore and Ohio ...	Gross	14,420,000	− 116,000	102,432,000	+ 8,429,000
	Net†	1,933,000	− 581,000	15,998,000	+ 1,070,000
Erie	Gross	7,197,000	− 90,000	50,813,000	+ 3,397,000
	Net†	1,316,000	− 143,000	9,840,000	+ 946,000
New York Central.....	Gross	30,721,000	+ 1,304,000	217,553,000	+16,520,000
	Net†	3,204,000	− 1,052,000	25,780,000	+ 1,836,000
Pennsylvania Railroad	Gross	39,968,000	+ 2,220,000	274,468,000	+31,752,000
	Net†	6,838,000	− 833,000	42,547,000	− 318,000
Southern Pacific	Gross	19,548,000	+ 2,398,000	132,025,000	+24,839,000
	Net†	2,061,000	− 314,000	14,043,000	+ 1,883,000
Union Pacific	Gross	14,019,000	+ 188,000	89,176,000	+ 9,865,000
	Net†	1,755,000	− 441,000	7,087,000	− 74,000

† Net operating income.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Prefce. Amount	Dividend Ordinary Amount	Dividend Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
Breweries, etc.		£	£	£	£	£	%	£	£	£	%
Dailuaine-Talisker Distilleries	June 30	12,365	18,533	30,898	3,914	16,045	20	...	10,939	25,254	20
Lichfield Brewery	June 30	20,273	25,635	45,908	6,875	18,300	10	...	20,733	25,523	10
Financial, Land, etc.											
British Central Africa Co....	Sept. 30	...	11,725	11,725	...	...	...	11,725	...	*Dr. 4,576*	Nil
Tecka (Argentina) Land Co.	June 30	20,383	39,488	59,871	...	20,000	10	20,000	19,871	31,946	10
Hotels, Restaurants, etc.											
United Caterers	July 3	2,464	7,597	10,061	6,750	895	6	...	2,416	4,664	Nil
Iron, Coal and Steel											
Barrow Barnsley Main Collieries	June 30	16,471	101,188	117,659	12,979	33,300	10	52,276	19,104	53,515	6
Rubber											
United Rubber	Mar. 31	1,843	16,641	18,484	...	9,613	12½	4,700	4,171	4,334	4
Tea											
Maturata	June 30	473	3,319	3,792	360	2,250	7½	750	432	1,888	5
Textile											
Calico Printers' Association	June 30	42,579	116,174	158,753	75,403	...	...	...	83,350	*Dr47,247*	Nil
Whitworth and Mitchell ...	Sept. 30	5,362	67,321	72,683	30,000	25,000	6	8,500	9,183	58,190	4½
Trusts											
Second Alliance Trust	July 31	11,026	113,864	124,890	24,084	53,477	20	35,000	12,329	96,930	18
Other Companies											
Anglo-Alpha Cement.....	June 30	15,243	91,177	106,420	...	41,929	5	33,707	30,784	(a)	(a)
Eastwoods, Ltd.....	Mar. 31	14,897	84,916	99,813	10,500	45,000	15	28,012	16,301	86,721	15
Freedman (Henry)	June 30	...	12,329	12,329	...	7,000	10	3,603	1,726	(a)	(a)
Gestetner (D.), Ltd.	Aug. 31	19,731	225,036	244,767	18,375	129,093	40	75,684	21,615	171,182	35
Ketton Portland Cement ...	June 30	16,456	53,008	69,464	13,228	18,875	12½	20,000	17,361	58,045	10
May (Joseph) and Sons (Leeds).....	June 30	16,472	34,072	50,544	15,000	15,000	7½	4,000	16,544	30,872	6
Morris (M.) Cabinet Makers	June 30	...	(s)7,521	7,521	2,377	3,250	5	1,500	394	(a)	(a)
United Footwear Services	April 3	...	*Dr. 2,600*	*Dr. 2,600*	...	...	...	3,019	*Dr. 5,619*	(a)	(a)
Vaughan Brothers (Drop Forgings).....	June 30†	...	17,774	17,774	...	12,133	10	...	5,641	(a)	(a)

(a) No comparable figure. † Six months only. (s) Eight months.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

WHILE price movements on the markets in primary products were again irregular, the tendency of quotations was generally firmer.

Among non-ferrous metals, for example, copper, lead and spelter showed a rise in price on the week, but tin was slightly cheaper. At its meeting on Thursday, the International Tin Committee decided to leave the quota of the restricting countries unchanged during the fourth quarter of this year. Chinese antimony and wolfram remained firm, the latter registering a further advance on a strong demand, due to fears of the possibility of a reduction in China's exports as a result of the Sino-Japanese conflict. Quotations for iron and steel materials remained unchanged, but house coal lists were revised upwards last week.

The increase in the United States Government's cotton crop forecast was anticipated, and quotations actually show a slight rise on the week. Wool prices at Australian selling centres showed a sagging tendency, as a result of which Bradford quotations were lowered. During the fifth series of London wool auctions, which begin next Tuesday, 80,200 bales will be offered, against 100,500 during the corresponding auctions last year. Raw jute was slightly dearer, though the official forecast of India's crop is considerably below private estimates. A revival of the demand for rubber has caused an increase in prices. Vegetable oils and oilseeds are scarcely changed in price this week.

Among foodstuffs, wheat staged a recovery, Liverpool "December" futures advancing from 8s. 4½d. per cental to 8s. 10⅝d. per cental. Raw sugar and tea were also firmer, but beef was marked down in price at Smithfield market.

In the United States, too, quotations for many primary products showed a rising tendency. Moody's index (December 31, 1931 =100) of staple commodity prices rose from 192·9 to 194·9 during the week ended last Wednesday, compared with 208·1 a month ago and 185·7 on the corresponding day last year.

COAL

CARDIFF.—The Cardiff coal market remains firm. Shipments last week in the foreign and coastwise trades totalled 458,800 tons, compared with 388,600 tons the previous week, and 334,555 tons in the corresponding period last year. This week the tonnage position has been exceptionally favourable. At some of the docks, particularly at Swansea, vessels are waiting their turn at the loading berths. Current sales are not very substantial, but the collieries are under heavy contract commitments, and it is anticipated that the Central Council will readily acquiesce in the application for an additional quota of 750,000 tons. There has been a slight increase in the stocks of large coal, but in smalls, particularly washed and sized classes, the supply is still very restricted. There is also a scarcity of coke. Prices for all classes of fuel are very firm, but nominally unchanged.

NEWCASTLE-ON-TYNE.—Shipments from the Tyne last week totalled 285,574 tons, an increase of 18,660 tons compared with the same week last year, bringing the total increase so far this year over the corresponding period of 1936 to 350,000 tons. This is not considered a particularly great improvement in view of the more active conditions in the coal trade on the North East in comparison with last year, and goes to prove that the strength of the market is dependent on inland trade. Northumberland steam collieries are working regularly, but tonnage is difficult, thus making prompt cargoes of screened coal available. The Durham section is firm, coking coals being as scarce as ever.

SHEFFIELD.—The decision of the Co-ordinating Committee, which has jurisdiction over the coalfields of South and West Yorkshire, Derbyshire, Notts, South Staffs and Leicestershire, to advance pithead prices for household coal by about 2s. a ton above summer prices from September 1st has caused a good deal of surprise, as it compares with an advance of 1s. 8d. per ton a year ago. Some collieries, however, have advised advances of 2s. 6d. per ton. It is reported that some Yorkshire dealers have made a protest, urging that it is impossible to pass on the whole of the advance. There is a big demand for best hard steam coal and for all grades of industrial fuel. Most qualities are fully taken up, stocks being rather light as a sequel to recent disputes at pits. Smalls are scarce and insufficient to meet the growing demand from coke and brick works and electricity generating stations.

On the export market there is some difficulty in meeting the full demand, and prices are very firm.

GLASGOW.—Stringency in regard to the shipping position has had a hampering effect on trade in some directions, chiefly from the East coast ports where the collieries have shaven their prices in one or two cases to keep stocks moving. The Lanarkshire and Ayrshire collieries are, however, experiencing no trouble in effecting a full clearance of output. Industrial demand generally remains brisk. In the export section there is a lull in new buying for the moment, as many consumers are already fully booked for a month or two ahead. Steam sorts and most sizes of nuts are now available for prompt or early delivery from the East coast districts. Apart from a slight shaving in these cases prices remain firm all round.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that since the beginning of the month there has been a marked revival in the activity of the iron and steel trades. In practically all departments consumers are pressing for supplies and in many cases would be prepared to place orders for execution well into next year. It is by no means easy, however, to find manufacturers in a position to accept new business owing to the heavy tonnages already upon their books and to a natural disinclination to undertake far forward commitments.

In the pig iron market the demand for foundry iron is well maintained and although the usual autumn increase in demand has not made itself felt in some departments this has been more than counter-balanced by the increased requirements of other sections of the consuming industries. Supplies of basic and hematite iron for the time being seem sufficient to meet the needs of the steel makers.

In the semi-finished steel section of the market demand remains in excess of supply, but the conditions are better than those ruling a few months ago. More regular supplies are being received from British producers and some improvement is noticeable in imports of Continental steel.

Great activity prevails in the finished steel section of the market and steelmakers are concentrating upon supplying urgently required material. There is still great difficulty in placing new business for delivery this year. The export demand appears to be broadening but only a proportion can be accepted owing to the necessity of meeting the heavy home trade requirements.

MIDDLESBROUGH.—The demand for all grades of pig iron is well maintained, and makers are doing their utmost to keep pace with orders booked some time ago. Supplies of Cleveland foundry iron to home users are heavier than for some time, and a shipment of about 840 tons of this iron has also been made to Grangemouth this month. The output of East Coast hematite is larger, and after supplying their own requirements, makers are able to keep home users well supplied, in addition to releasing parcels for shipment abroad. During the last few days, shipments have been made to Finland, Germany and Lithuania. Total shipments of pig iron from the Tees from September 1st to 7th amounted to 4,514 tons, against 2,122 tons during the first week of August. The whole of the make of basic iron is required for steelworks' purposes, and there is none on offer. It is reported that a cargo of about 7,000 tons of pig iron is on the way to the Tees from a Canadian port. Prices remain at the official minimum figures, namely, 101s. per ton for No 3 Cleveland foundry pig iron delivered locally, whilst No. 1 East Coast hematite is 123s. per ton delivered locally, less the rebate of 5s.

Steel production continues at a very high level, with demand for all classes of material considerably exceeding the supply. Priority is given to orders for special requirements. Re-rollers are obtaining a regular supply of semi-manufactured steel from local producers but are demanding supplies of imported material. Sheet makers are particularly busy. In all departments there are buyers who are prepared to contract into next year, but under existing conditions makers are not prepared to book too far ahead.

Heavy melting steel scrap continues in short supply and makers readily take any quantities available from local merchants at the official prices. The price of good Durham blast furnace coke is well maintained at 40s. per ton, delivered at the furnaces. Foreign ore arrivals continue to be satisfactory and the first cargo from Bilbao since shipments were resumed is due in the Tees immediately.

SHEFFIELD.—Business in the iron and steel market is at a high level. Consumers are anxious to place orders, but producers are so fully booked that it is impossible to meet in full all the demands made upon them. Both forge and foundry iron are in heavy request, but beyond renewal contracts there is not much doing, makers having little or nothing for current disposal. Deliveries are on a somewhat better scale, but everything goes into immediate consumption, and any accumulation of stocks at works is out of the question. In hematite the position is rather easier so far as East Coast material is concerned, but West Coast business is difficult to negotiate. Finished iron makers are hampered by inadequate supplies of materials, and in consequence are not inclined to add heavily to their order books. Demand for basic steel billets is as insistent as ever, and producers, being booked well forward, are disinclined to add further to their orders for the present. Business in wire rods shows no sign of slackening, and there is a record demand for stainless steel sheets. High-speed steel quotations are moving up in consequence of the mounting price of tungsten. Wolfram now costs £6 per unit and antimony £70 per ton.

In the scrap market there is less anxiety concerning supplies of steel material. Most classes sell freely at controlled prices. Iron scrap not price-controlled is keenly sought. Heavy foundry cast iron costs 92s. 6d. per ton and heavy steelworks cast iron is 67s. 6d.

CARDIFF.—Production in the tinplate industry is being maintained at approximately 77 per cent. of capacity, and the orders at present in hand are estimated to cover about 6 million boxes. Prices are firm but unchanged. Shipments of tinplates at Swansea last week totalled 5,402 tons, compared with 5,719 tons the previous week, and 10,012 tons at the corresponding week last year; and as there was an increase of about 1,400 tons in the deliveries into warehouse, stocks have increased to 9,074 tons, against 5,577 tons the previous week. Galvanised sheets are steady, but comparatively quiet for export, but there is an expanding demand for black sheets. There may be increased shipments of these to Australia in view of the reduction in the Dominion import duties. The steel and blast furnaces continue to be fully employed.

GLASGOW.—All branches of the iron and steel industry in the West of Scotland are now exceedingly busy. Steel makers are still able to keep plant working to capacity although supplies of raw materials continue to give cause for anxiety. They have an enormous amount of work on hand and are unable to give promise of delivery this year for a number of sections. Supplies of material for re-rollers and sheet makers show some improvement and production has been increased in several directions, but not sufficiently to provide regular employment for all the available plant. All branches of the engineering trades and other steel consumers are making heavy demands on the various producers and there is no decline in the amount of new business on offer.

OTHER METALS

COPPER.—After turning easier in the first part of the week ended Wednesday, the copper market staged a sharp recovery and closed the week at £56 11s. 3d., a net gain of £1 5s. The contango, which amounted to 5s. a week ago, has disappeared, and on Wednesday both cash and forward copper were traded at the same price. The recovery was mainly due to some demand for armament purchases. The Japanese Government is believed to have purchased a substantial tonnage of the red metal. Nevertheless, the daily turnover at the London Metal Exchange was by no means large, and unless consumers come in for support the recent gains may not be held for a longer period. Home warehouse stocks declined last week by 1,353 tons to 22,196 tons as a result of the removal of a large quantity of refined metal into consumers' stores. Canada has published its official production figure for the first half of this year. It is 121,960 short tons, against 102,984 short tons a year ago, an increase which is particularly satisfactory, as Canada did not take part in the restriction scheme and thus produced at a record rate already last year. The United States' market continued uninteresting. Domestic business in America was not affected by the revival of the London market.

Sales on the London Metal Exchange: 850 tons on Monday, against 1,500 tons last week; 1,550 tons on Tuesday, against 1,350 tons last week; 1,700 tons on Wednesday, against 1,700 tons last week. Domestic spot was quoted at 13·62½ cents per lb. in New York on Wednesday, against 13·57½ cents a week ago and 14·40 cents a month ago. Wednesday's

official closing price for standard cash in London was £56 11s. 3d. to £56 12s. 6d. per ton, compared with £55 6s. 3d. to £55 7s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week at 9,855 tons, showed a decrease of 1,753 tons, while stocks of rough copper, at 12,341 tons, were 400 tons larger.

LEAD AND SPELTER.—Both metals moved more or less in sympathy with copper. Lead gained 11s. 3d. per ton, closing at £22 6s. 3d., while spelter improved by 7s. 6d. to £23 3s. 9d. There was some consumption demand, but it was not on a scale which would justify hopes of major improvements in prices during the next few days. Both markets are comparatively vulnerable in view of the rising output and the reserve by consumers. However, as the speculative accounts have been liquidated during the past few weeks, the technical position has improved considerably, and sudden deteriorations in quotations are no longer believed likely.

Sales of lead on the London Metal Exchange: 1,350 tons on Monday, against 900 tons last week; 1,250 tons on Tuesday, against 900 tons last week; 1,150 tons on Wednesday, against 2,500 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6·50 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £22 6s. 3d. to £22 8s. 9d. per ton, compared with £21 15s. to £21 16s. 3d. last week.

Sales of spelter on the London Metal Exchange: 550 tons on Monday, against 700 tons last week; 750 tons on Tuesday, against 1,250 tons last week; 1,250 tons on Wednesday, against 1,300 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7·25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £23 3s 9d. to £23 5s. per ton, against £22 16s. 3d. to £22 17s. 6d. last week.

TIN.—The tin market was very quiet with daily turnovers on the London Metal Exchange below normal. The cash price closed at £260 10s. per ton., a loss of £1 5s. on the week. The outstanding event of the week was the meeting of the I.T.C., which was held on Thursday, and decided to leave the quota for the fourth quarter of 1937 unchanged at 110 per cent. of standard tonnages.

Sales of tin on the London Metal Exchange: 175 tons on Monday, against 175 tons last week; 150 tons on Tuesday, against 150 tons last week; 205 tons on Wednesday, against 165 tons last week. The New York quotation on Wednesday was 58·75 cents per lb., against 58·50 cents a week ago and 59·62½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £260 10s. to £261 per ton, compared with £261 15s. to £262 a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,781 tons, an increase of 209 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was quoted at £13 12s. to £13 12s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £80 to £82 per ton, ex warehouse, the same as last week. Chinese wolfram for "September–October" shipment was quoted at 120s. to 130s. per unit, c.i.f., compared with 105s. to 110s. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—Unsettlement has continued to prevail in trading circles. Foreign political news has had a rather depressing influence and many merchants have not been in the mood to commit themselves to important contracts. In the raw cotton markets, chief attention has been centred on the American Government Statistics relating to the crop. A little more trade support has been experienced in Liverpool and New York, but any tendency for prices to advance has been checked by hedge selling. Many farmers in the Southern States are very dissatisfied with the promised assistance from the Government, but it is not likely that the officials at Washington will alter the terms of the loan and subsidy. The weather in the belt since the beginning of September has been rather less favourable, especially in the Eastern section.

The yarn market has been very firm. Fair weights have been booked in American counts. There has again been much pressure for the delivery of medium wefts. Users have been prepared to pay a premium for quick delivery. Certain Egyptian spinners have secured a few more orders.

The increased inquiry on the cloth market has been maintained and rather more business has been done. Manufacturers, however, have not met with much encouragement from India, and only scattered sales have been arranged, most of the buying being in printed and dyed sorts for Bombay and up-country. Some useful orders have been obtained in finishing styles for the Straits Settlements. The news with regard to the quota system in Ceylon has been much discussed, and the new conditions may affect Lancashire very adversely. Poplins have moved off fairly well for South America. There have been signs of a little more activity in muslins for Switzerland. Some speculative buying has been reported in standard makes for the home trade.

COTTON PRICES

	1937				Corresponding Date	
	Aug. 18	Aug. 25	Sept. 1	Sept. 8	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid.American ..... per lb.	5·96	5·68	5·44	5·58	6·22	7·02
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	9·29	9·00	8·90	9·05	8·15	10·62
Yarns—32's twist ..... per lb.	12⅜	12⅜	12⅜	12⅜	10	11
„ 40's weft ..... per lb.	11½	11½	11½	11⅝	10½	11
„ 60's twist (Egyptian) ..... per lb.	18½	18	18	18	15⅝	16⅝
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	19 6	19 5	19 4	19 4	17 1½	18 1½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	26 3	26 1	26 0	26 2	24 1½	25 3
36-in. ditto. 38 yds., 18 by 16, 10 lb.	11 1½	11 1	11 0½	11 1	10 2½	10 3
39-in. ditto. 37½ yds., 16 by 15, 8¼ lb.....	10 1½	10 1	10 0½	10 1	9 1½	9 2

AMERICAN COTTON CROP.—On Wednesday last the Department of Agriculture of the United States Government published important statistics relating to the cotton crop for this season. The indicated total production was given as 16,098,000 bales, against 15,593,000 bales a month earlier. The increase of half a million bales was more than expected, with the result that prices declined to the extent of about 10 points in Liverpool and 20 points in New York. A feature of the report was the big production per acre of 228·5 lb., against 223·3 lb. at the beginning of August. On the other hand, the condition of the crop was given at 75·0 per cent., compared with 81·3 per cent. a month ago. It was announced that the area under cultivation abandoned was 1·3 per cent., bringing the total for harvest to 33,736,000 acres. The ginnings were given as 1,871,000 bales, against 515,000 bales a fortnight earlier, and 1,374,000 bales a year ago. There seems to be little probability of higher prices in the near future, especially in view of the fact that hedge selling is bound to be a factor during the next few weeks. The loan and subsidy to farmers will probably prevent any decided decline, but it is doubtful whether buyers of yarn and cloth in Lancashire will be in any hurry to place large lines with spinners and manufacturers. Fortunately, producers, especially in the American spinning section, have encouraging order lists and it is usual for a revival of demand to be experienced in the autumn of each year. Prices of American cotton are now lower than at any time since early in 1934.

JUTE.—Dundee.—According to the district returns, the final forecast of the jute crop is 8,617,700 bales, which compares with the final forecast of last year of 8,735,700 bales. The Director of Agriculture has revised these latter figures to 9,636,000 bales, but the crop actually yielded 10,700,000 bales, or two million bales more than the forecast. The trade is giving little or no consideration to the present figures, which are about three million bales less than the world will require this season, and it is expected that the Director has made an error this season, not of two million bales, as last season, but three million bales. Private estimates of the crop this season declare that the out-turn will be nearly twelve million bales. It is rather significant that raw jute prices declined by 5s. to 7s. 6d. per ton on Tuesday when the figures were issued. It is reported that the crop is growing well under favourable conditions. The estimated stocks of jute throughout the world are 6,250,000 bales, 4,400,000 of which are in India, the mills there alone having 3,600,000 bales.

The full group of Daisee 2/3 has reverted to £20 5s. after being up to £20 10s., with fours quoted at £19 and Tossa 2/3 at £21 3s. 9d. and fours at £20 5s., October/November. There are not many offers being made of white jute, and First Marks are nominal at £23, with Lightnings quoted at £21 15s., and Hearts at £20 15s., September/October. Spinners are still inclined to hold off in anticipation of lower rates.

Jute yarns are quiet, but firm, common 8 lb. cops being quoted at 2s. 1d. and 8 lb. spools at 2s. 2d. Buyers are not keen to pay these higher prices, after purchasing fairly freely at 2s. and 2s. 1d., respectively. Twist is firm at from 3¼d. to 4d. for 3 ply 8 lb., and sacking yarns are in some demand at from 2⅞d. for 24 lb. weft and 3¼d. for 8 lb. chains. Rove is quiet, but firm, at from £21 for 48 lb., and £17 5s. to £17 10s. for 200 lb., while the Rio 2s. 5½d. for third and 2s. 3½d. for fourth. Carpet yarns have been freely sold at from 3¾d. to 3⅞d. for 14 lb. warp.

Interest in jute cloth is still confined to moderate lots at from 2⅛d. for 10 oz. 40 in. and 2¼d. for 8 oz., though most manufacturers are now quoting ⅛d. more in each case. A fair inquiry prevails, but manufacturers find it difficult to establish any advance. Linoleum hessians are firm, but quiet, and heavy goods are in little demand.

Calcutta hessians have been fairly well maintained in price for some weeks past. They closed quiet at 17s. 9d. for 10 oz. 40 in. and 14s. 5d. for 8 oz., September, and 17s. 11d. and 14s. 7d. October/March. Liverpool twills are named at 48s. 7½d. and "B" twills at 42s. 10½d. September and 49s. 6d. and 43s. 7½d. October/December.

GRAIN MARKETS

WHEAT.—Chiefly because of the continuing deterioration of international relations wheat prices have been very firm this week. Increased Rumanian export bounties and the impending resumption of large Russian sales have had no depressing effects upon quotations.

On Wednesday last, "September" futures were quoted in Chicago at 108⅛ cents per bushel, against 104 cents the week before and 113⅛ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic), ex ship, 52s. 6d. to 53s. 6d. per 496 lbs., against 51s. to 51s. 9d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 51s. to 51s. 6d., against 49s. to 49s. 9d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 838,000 quarters, against 979,000 quarters in the previous week and 1,159,000 quarters in the corresponding week a year ago.

FLOUR.—Conditions in this market remain extremely quiet. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 40s. per 280 lbs., as against 39s. a week ago; delivered inner London, 39s. 6d., as against 38s. 6d. a week ago. Manitoba patents, ex store, 38s. 9d. to 40s. 3d., as against 37s. 6d. to 39s. a week ago. Australian, ex store, 32s. to 32s. 6d., as against 32s. to 32s. 6d. a week ago.

BARLEY.—Trade has been good and Russian sales have increased considerably. "October" futures were quoted at 57½ cents per bushel in Winnipeg on Wednesday, as against 56¾ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed," at farm, not quoted; "English malting" (new), at farm, 45s. to 65s., as against 60s. to 70s. a week ago; "Californian, ex ship, 50s. to 52s., as against 44s. to 58s. a week ago. Chilean, brewing, ex ship, 44s. to 48s., as against 44s. to 48s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 31⅛ cents a bushel in Chicago, against 28⅝ cents a week ago and 29¼ cents last month. Quotations in London, Wednesday: "English Black" (new), at farm, 25s. 6d. to 26s. 6d. per 336 lbs., as against 25s. to 26s. last week; "English White" (new), at farm, 25s. 6d. to 26s. 6d., as against 25s. 6d. a week ago; mixed Canadian feed (Vancouver), landed, 25s. 9d. per 320 lbs., as against 25s. a week ago.

MAIZE.—Good progress has been maintained in this market. "September" futures were quoted on Wednesday at 105¼ cents per bushel in Chicago, against 95⅜ cents a week ago, and 100¼ cents last month. Quotations in London, Wednesday: "Plate," landed, 29s. per 480 lbs., as against 28s. 3d. a week ago; "Plate," ex ship, 28s., as against 27s. 3d. a week ago; "Plate," "September," 28s., as against 27s. a week ago; yellow maize meal, ex wharf, was quoted at £7 7s. 6d. per ton, as against £7 5s. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Sept. 9, 1936	Dec. 30, 1936	Sept. 1, 1937	Sept. 8, 1937
Winnipeg (No. 1, Manitoba)—Cents per 60 lbs.	82⅞	84⅛	99	129	122⅛	129⅛
Chicago (No. 2, Winter)—Cents per 60 lbs.....	98⅜	101⅛	111⅛	135⅛	104	106⅛

The visible supply of wheat in Canada amounts to 49,764,000 bushels, against 38,379,000 bushels last week and 69,949,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1933–34 to 1936–37.

	1934–35	1935–36	1936–37	1937–38
Estimated sales of home-grown wheat—1 week to September 4	Cwts. 356,281	Cwts. 420,944	Cwts. 249,944	Cwts. 311,893
Average price of English wheat per cwt.	s. d. 5 2	s. d. 4 6	s. d. 7 3	s. d. 8 7

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts	s. d.	s. d.	s. d.
September 2, 1933 ...	346,869	295,398	42,986	4 10	11 0	5 3
September 1, 1934 ...	356,281	100,998	33,883	5 2	10 10	6 5
September 7, 1935 ...	420,944	212,810	53,889	4 6	10 0	6 0
September 5, 1936 ...	249,944	73,469	45,278	7 3	9 11	6 8
August 28, 1937	156,368	13,378	31,186	8 10	12 7	8 8
September 4, 1937 ...	311,893	33,498	43,620	8 7	12 10	8 6

OTHER FOODS

BACON.—Trade and prices have remained very steady throughout the week. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week, were: English, 101s.; Canadian, 94s.; Danish, 100s.; unchanged from the previous week. Arrivals in London last week included: Danish, 14,354 bales; Canadian, 8,480; Dutch, 2,534; Lithuanian, 1,467; and Polish, 3,336; as against 15,516, 5,611, 1,904, 1,305 and 3,352 bales, respectively, in the previous week.

BUTTER.—There have been no price changes in the week; trade is quiet. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 116s.; Australian, choicest salted, 116s.; Danish, 132s.; compared with 116s., 116s., and 132s., respectively, a week ago.

CHEESE.—British cheeses have been in request, the rest of the market remaining quiet. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 88s. to 90s.; Canadian, finest coloured, 70s. to 71s.; and New Zealand, finest coloured, 70s.; against 88s. to 90s., 71s., and 70s. 6d. to 71s., respectively, a week ago.

COCOA.—New arrivals continue to be large, and the price of good fermented Accra has again declined. The spot quotation in New York on Wednesday was 8½ cents per lb., as against 8¾ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 37s. sellers per 50 kilos., c.i.f. Continent, against 37s. 3d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 1,104 bags; delivered, for home consumption, 4,596 bags; exported, 408 bags; stocks, 238,615 bags, against 167,570 bags a year ago.

COFFEE.—Little of note has occurred. Prices have risen fractionally. On Wednesday, Rio No. 7 (cash) was quoted at 9¼ cents per lb., in New York, as compared with 9 cents per lb. last week and 9¼ cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 24 cwt.; delivered, for home consumption, 217 cwt.; exports, nil; stocks, 1,919 cwt., against 10,008 a year ago. Central and other South American: Landed, 361 cwt.; delivered, for home consumption, 1,875 cwt.; exported, 258 cwt.; stocks, 94,522 cwt., against 87,066 cwt. last year. Other kinds: Landed, 276 cwt.; delivered, for home consumption, 3,217 cwt.; exported, 536 cwt.; stocks, 91,193 cwt., against 127,701 last year.

EGGS.—Imported eggs are becoming more expensive. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 18s. to 18s. 6d. per 120, against 18s. to 18s. 6d. last week; while Danish (15½ lb.) made 13s. 3d. to 13s. 9d., as against 12s. 6d. to 13s. last week.

FRUIT.—The demand for apples is rising steadily. Bramley realise 6s. to 8s. a bushel, and cookers from 3s. 6d. to 5s. Among eating apples, Worcesters fetch 2s. 6d. to 4s., but the various grades of National Mark range from 10s. to 12s. per box. A short supply of Californian Gravenstein are selling well. Pears are also in request. Nuts and blackberries are going out in good quantities. South African oranges cost from 9s. to 15s. per box, a small supply raising prices. Among plums, best Victorias are being sold at 3s. to 3s. 6d. per 12 lbs. and Belle du Louvain 3s. 6d. to 4s. 6d. per half sieve. Greengages and damsons have risen in price.

MEAT.—At Smithfield market, on Wednesday last, Argentine chilled hindquarters were quoted at 4s. to 4s. 5d. per 8 lbs., as compared with 4s. 2d. to 4s. 6d. a week ago. New Zealand frozen mutton was 3s. 6d. to 4s. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 8,721 tons, an increase of 506 tons on the corresponding week last year. Beef and veal accounted for 4,784 tons, mutton and lamb 2,484, and pork and bacon 891, as compared with 4,302, 2,494 and 932 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, "October–December," was quoted at 4¼d. per lb. sellers, c.i.f. Rotterdam–Hamburg, against 4¼d. per lb. for "August–October" a week earlier. Black Lampong, spot, in bond, was quoted at 3¼d. per lb., sellers, compared with 3¼d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 8 tons; stocks, 1,976, against 1,782 last year. White, landed, 14 tons; delivered, 21 tons; stocks, 11,392 tons, compared with 12,082 a year ago.

RICE.—The market is steady. The spot price of Burma No. 2 cleaned was 10s. 9d. per cwt., ex warehouse, on Wednesday, as compared with 10s. 9d. per cwt. a week ago. "September–October," in singles to Continent and U.K., was quoted at 9s. 9d. to 9s. 10½d. per cwt., against 9s. 9d. to 9s. 10½d. last week. Movements in London last week were as follows: Landed, 190 tons; delivered, 130 tons; stocks, 2,148 tons, against 1,532 a year ago.

SUGAR.—The downward trend of the last weeks has now been reversed. The New York spot quotation was 3·50 cents on Wednesday, as compared with 3·50 cents per lb. last week and 3·60 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 4d. to 6s. 5¾d., against 6s. 1¾d. to 6s. 3d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 3,576 tons, against 7,428 in the previous week and 8,551 in the same week of 1936; deliveries, 16,847 tons, against 23,796 and 13,480 tons, respectively; stocks, 116,288 tons, against 129,559 and 110,039 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
Sept. 3, 1936	15·13	12·19	13 39	10 88	10·19	11·76	13 86
Aug. 12, 1937	16·04	14·73	15·49	14·46	12·68	14·27	15·25
„ 19, „	17·55	14·88	15·55	14·53	12·79	14·36	16·22
„ 26, „	17·94	14·96	15·86	13·75	12·84	14·56	16·61
Sept. 2 „	16·97	14·88	16·03	15·12	13·09	14·32	16·27

At this week's public auctions in Mincing Lane, 46,255 packages of Indian and 22,324 packages of Ceylon tea came up for disposal. Demand has again been active at firm prices.

VEGETABLES.—A spate of tomatoes has caused a general fall in their prices, despite a good demand. Jersey fetch from 2s. to 2s. 6d. per doz. lb., and English and Guernsey from 2s. 6d. to 3s. Lettuce and green onions are in demand. Peas and runner beans have risen, by contrast with marrows and cabbages. Big arrivals and a weak demand have depressed potato prices and at the Borough on Saturday, King Edward ranged from 6s. to 7s. against 6s. to 7s. last week, while Eclipse and Majestic made from 4s. 6d. to 5s. as against 4s. 6d. to 5s. last week.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Quiet and rather unsettled conditions prevail. On more favourable reports concerning the crop in Argentina prices of linseed having eased somewhat, but a steadying influence is the later firmness of wheat. There have been slight to moderate rains in some districts and hopes are entertained of more during the present month to enable sowing to be completed and seed already sown to shoot. Demand for linseed both here and on the Continent continues on very modest lines. Shipments from the River Plate last week were below average and smaller quantities are being sent to the United States, where the linseed harvest is in progress. Indian shipments show a tendency to expand, but the position is complicated by the scarcity of shipping room and high freight-rates which rendered forward business difficult to negotiate. The quantity of linseed afloat for Europe has increased to 117,000 tons, including 33,400 tons from India. The balance of the exportable surplus from Argentina continues to diminish and is now only around 250,000 tons Cotton seed has moved in sympathy with Alexandria, but little or no business appears to be passing at the lower figures now quoted; forward shipment is firmer. Vegetable oils are quiet and the downward trend for some varieties has not been entirely checked. Linseed oil has withstood the general weakness fairly well and has since recovered slightly and is out of line with soap making oils which are relatively cheaper. Cotton oil ex Hull was further marked down, Egyptian crude offering freely at £23 without attracting buyers. Refined oil is, as usual, quoted £3 per ton above crude. Trade in oilcakes is not so good, though prices are about maintained.

RUBBER.—Commercial buying has caused a jump in prices, but speculators are sitting very quiet. The spot price in New York on Wednesday was 19¼ cents per lb., compared with 18$\frac{15}{16}$ cents per lb. a week ago and 18⅜ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 9$\frac{15}{16}$d. per lb., as against 8⅞d. on the corresponding day last week. In forward positions business has been done at 9$\frac{15}{16}$d. for "October" shipment, as against 8$\frac{15}{16}$d. a week ago. Stocks in London and Liverpool at the end of last week totalled 46,256 tons, against 45,250 tons a week earlier. A year ago stocks amounted to 108,093 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, September 8th

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

CEREALS AND MEAT

	s. d.	s. d.
GRAIN, Etc.—		
Wheat—		
No. 2, N. Man. 4/6 lb.	51 0	51 6
Eng. Gaz. av., per cwt.	8 7	
Barley, Eng. Gaz. av.	12 10	
Oats, "	8 6	
Maize, La Plata, landed 480 lb.	29 0	
Flour, Lon. stan. ex mill, 280 lb.	38 3	
RiceNo.2 Burma,per cwt.	9 9	9 10½
MEAT—		
Beef, per 8 lbs.—		
English long sides	4 4	5 2
Argentine chilled hinds	4 0	4 5
Mutton, per 8 lbs.—		
English wethers	5 4	6 4
N.Z. frozen "	3 6	4 0
Lamb, per 8 lbs.—		
N.Z. frozen	4 11	5 6
Pork, English, per 8 lbs.	6 0	6 6

OTHER FOODS

BACON—		
English per cwt.	101 0	
Irish	98 0	103 0
Danish	100 0	
Dutch	98 0	
HAMS—		
Canadian	107 0	108 0
United States	104 0	107 0
BUTTER—		
Australian	116 0	
New Zealand	116 0	
Danish	132 0	
CHEESE—		
Canadian per cwt.	70 0	71 0
New Zealand	70 0	
English Cheddars	88 0	90 0
Dutch	58 0	66 0
COCOA—		
(Duty, British grown, 11/8; foreign, 14/- cwt.)		
Accra, f.f. per cwt.	37 6	37 9
Trinidad	65 0	70 0
Grenada	55 0	58 0
COFFEE—		
(Duty, British grown, 4/8; foreign, 14/- cwt.)		
Santos supr. c. & f. cwt.	52 0	
Colombian, good	56 0	65 0
Costa Rica, med. to good	62 0	90 0
East Indian " " "	72 0	90 0
Kenya, medium	60 0	72 0
EGGS—		
English per 120	18 0	18 6
Danish	13 3	13 9
FRUIT—Oranges—		
S. African boxes	10 0	16 0
Brazilian boxes	9 0	11 6
Lemons, Malaga cases		
" Sicilian boxes	16 0	20 0
Apples: Amer. (var.) brls.	18 0	30 0
" (var.) boxes	8 0	10 0
" Australian		
Onions—		
Valencia, case		
Egyptian, bags		
Grapes, Almeria, barrels		
Grapefruit, Brazilian		
" S. African	10 0	18 0
LARD—		
Irish, finest bladders	64 0	72 0
U.S. per cwt.	65 3	66 0

	s. d.	s. d.
POTATOES—		
King Edward (per cwt.)	6 0	7 0
Other English	4 6	5 0
SPICES—		
Pepper, per lb.—		
Black Lampong	0 3½	
White Muntock	0 5½	
Cinnamon—1st sort, per lb.	0 9½	
Cloves—Zanzibar, per lb.	0 9	
Ginger—per cwt.—		
African	57 0	
Jamaica, ord. to good	63 0	90 0
Mace per lb.	2 3	2 9
Nutmegs, 65's	1 0	
SUGAR—		
(Duty, 11/8 per cwt.)		
Centrifugals, 96°, prpt. shipm., c.i.f. U.K./Cont.	6 4½	
B.W.I., crystallised	17 6	19 6
Java, white, c. & f. India Oct.-Dec.	Nominal.	
REFINED—London—		
Yellow Crystals	19 9	
Cubes	24 0	24 6
Crushed	22 3	
Granulated	20 1½	21 0
Home Grown	20 0	20 3
TEA—		
Indian—per lb.—		
Pekoe	1 2½	1 6
Broken Pekoe	1 2½	1 11½
Orange Pekoe	1 2½	3 0
Broken Orange Pekoe	1 2⅝	4 3½
Ceylon—per lb.—		
Pekoe	1 2½	1 9
Broken Pekoe	1 2½	1 5½
Orange Pekoe	1 2½	1 10⅝
Broken Orange	1 2½	1 9½
TOBACCO—		
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)		
Virginia leaf—		
Common to fine	0 8	2 6
Rhodesian leaf	0 9	1 10
Nyasaland leaf	0 7	1 4
" strips	0 9	1 6
East Indian leaf	0 7	1 10
" strips	0 6	1 9

TEXTILES

COTTON—	d.	
Mid-American per lb.	5 58	
Sakellaridis, f.g.f.	9 05	
Yarns, 32's twist	12½	
" 60's twist	18	
FLAX—	£ s.	£ s.
Livonian ZK per ton	82 0	86 0
Pernau HD	83 0	84 0
Slanetz Medium...1st sort	88 0	90 0
HEMP—		
Italian P.C. ... per ton	66 0	
Manilla, Oct.-Dec. "J2"	34 0	
Sisal, African	24 10	27 5
JUTE—		
Native 1st mks ... per ton c.i.f. H.A.R.B.		
Sept.-Oct.	£20/18/9	
Daisee 2/3 c.i.f. Dundee Oct.-Nov.	£20/5/0	
SILK—	s. d.	s. d.
Canton per lb.	6 0	8 0
Tussah	3 6	4 6
Japan	7 9	8 9
Italian—raw, fr. Milan	8 6	10 0

	d.	
WOOL—		
English Southdown, greasy, per lb.	18½	
" Lincoln hog, washed	18	
Queensland, scd. super cmbg.	31	
N.S.W. greasy, super cmbg.	18	
N.Z., grsy., half-bred 50–56	18	
Crossbred 40–44	16	
Tops—		
Merinos 70's average	38	
" 64's "	35½	
Crossbred 48's	25½	
" 46's	25	

MINERALS

	s. d.	s. d.
COAL—		
Welsh, best Ad'ty ton	19 6	22 6
Durham, best gas, f.o.b. Tyne	22 6	23 0
Sheffield, best house, at pits	22 0	24 0
IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101 0	
Bars, M'brough	265 0	
Steel rails, heavy	202 6	
Tin plates per box	25 6	26 0
METALS—	£ s. d.	£ s. d.
Copper, Electrolytic, ton	62 5/0	£3/5/0
Sheets (Strong)	91/0/0	
Standard	56 11/3	56 12 6
Lead, Eng. pig... per ton	24 0 0	
Soft foreign	22 6 3	22 8 9
Spelter G.O.B.	23 3 9	23,5/0
Tin—English ingots	281 15/0	
Standard cash	260, 10 0	261,0/0

MISCELLANEOUS

	s. d.	s. d.
CHEMICALS—		
Acid, citric, per lb., less 5%	1 0	1 0½
Nitric	0 2	0 3
Oxalic, net	0 5	0 6
TartaricEnglish, less 5%	1 1	1 1½
Alcohol, Plain Ethyl	12 0	
	£ s.	£ s.
Alum, lump per ton	8 10	8 15
Ammonia, carb. ton	20 0	21 0
Sulphate	7/5/0	
Arsenic, lump per ton	35 0	
Bleaching powder, per ton	8 15	9 0
	s. d.	s. d.
Borax, gran. ... per cwt.	13 6	
Do., powder	15 0	
Nitrate of soda ... per cwt.	8 0	
Potash—Chlorate, net	0 4	0 4½
Sulphate per cwt.	9 9	10 0
Soda Bicarb. ... per cwt.	10 0	11 0
Crystals per cwt.	5 0	5 3
Sulphate of Copper, per ton	£22 0	
CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—		
4-ton loads and upwards	39/– per ton	
1 and up to 4-ton loads	41/– per ton	
COPRA—	£ s. d.	
S.D.Straits c.i.f., per ton	14/17/6	
DRUGS—		
Camphor—	s. d.	s. d.
Japan, refined... per lb.	2 3	
Ipecacuanha per lb.	8 3	
HIDES—		
Wet salted—Australian per lb.	0 7	0 7½
West Indian	0 5	0 5½

	s. d.	s. d.
Cape	0 6½	0 7
Dry and Drysalted Cape	0 9½	0 10½
Market Hides, Manch'tr—		
Best heavy ox and heifer	0 7½	0 8½
Best cow	0 7½	0 7½
Best calf	0 7	0 11½
INDIGO—		
Bengal, gd. red.-vio. to fine per lb.	5 6	6 0
LEATHER—		
Sole Bends 8/14 lb.— per lb.	1 4	2 6
Bark Tanned Sole	2 6	3 8
Shoulders fm DS Hides	0 8	0 10
Do. Eng. or WS do.	0 10	1 10
Bellies from DS do.	0 5½	0 6½
Do. Eng. or WS. do.	0 6½	0 9
Dressing Hides	1 6	2 0
Ro. Eng. Calf, 20/30 lb.	5 0	6 0
Aust. Bends Avg. 7/11 lb.	1 3	1 7

VEGETABLE OILS

	£ s. d.
Linseed, naked, p. ton net	29 2 6
Rape, refined	38 0/0
Cotton-seed, crude	24 10/0
Coconut, crude	22 10 0
Palm	19 10 0
Oil Cakes, Linseed, Eng., per ton	9/7/6
Oil Seeds—Linseed—	
La Plata, p. ton, Sept.	13/7/13
Calcutta—per ton	15, 2 6
	s. d.
Turpentine, per cwt.	35 3

PETROLEUM PRODUCTS

Motor Spirit, No. 1, London	1 6	
Petroleum, Amer. rfd. brl. London..per gall.	0 10½	
Fuel oil, in bulk, for contracts, ex instal. Thames—		
Furnace...per gall.	0 3¾†	
Diesel.....per gall.	0 4¼†	
ROSIN—		
American per ton	20 0/0	21/15/0
RUBBER—	s. d.	s. d.
St. ribbed smoked sheet per lb.	0 9⅛	
Fine hard Para per lb.	0 9¼	
SHELLAC—		
TN Orange ... per cwt.	47 0	50 0
SHELLS—		
W. Aust. M.-o.-P. "	£ s. 3 10	£ s. 12 10
TALLOW—	s. d.	
London town...per cwt.	24 0	

TIMBER

	£ s. d.
Swedish u/s 3 x 8 ... per std.	24 0 0
" 2½ x 7 ... "	23 10 0
" 2 x 4 ... "	21 0 0
Can'dn Spruce, Dia.... "	24 10 0
Pitchpine per load	11 0 0
Rio Deals per std.	35 0 0
Teak per load	27 0 0
Honduras Mahg. logs ... c. ft.	0 12 0
African " ... "	0 6 0
Amer. Oak Boards ..... "	0 6 0
" Ash ..... "	0 6 0
English Oak Planks ..... "	0 6 0
" Ash " ..... "	0 7 0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Sept. 9, 1936	Aug. 11, 1937	Sept. 1, 1937	Sept. 8, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 111½	Cents 113⅛	Cents 104	Cents 108½
Maize, nearest future, Chicago, per bushel	110½	100¾	95¾	105¾
Oats, nearest future, Chicago, per bushel	41½	29½	28⅜	31½
Rye, nearest future, Chicago, per bushel	82	82⅜	80½	82⅜
Barley, nearest future, Chicago, per bushel	81	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8	9½	9	9½
" Santos No. 4, cash per lb.	9½	11½	11¼	11⅜
Cocoa, Accra, nearest future, per lb.	6·75	8·20	8·15	8·17

	Sept. 9, 1936	Aug. 11, 1937	Sept. 1, 1937	Sept. 8, 1937
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	Cents 3·65	Cents 3·60	Cents 3·50	Cents 3·50
Cotton, middling, spot, per lb.	12·50	10·75	9·29	9·33
Rubber, smoked sheet, spot, per lb.	16 1/16	18⅜	18 1/16	19⅛
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·55	14·40	13·57½	13·62½
Copper "Electrolytic," Export prompt, per lb.	9·77½	14·62½	13·80	13·85
Spelter, East St. Louis, spot, per lb.	4·85	7·25	7·25	7·25
Lead, spot, per lb.	4·60	6·50	6·50	6·50
Tin, "Straits," spot, per lb.	52½	59·62½	58·50	58·75

(a) Nominal

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Prologue to Policy

WHILE the Spanish tragedy and storm over Asia continue to command the attention of five continents, the domestic stage is being quietly set for the new political season. The full spate of advance publicity will not appear until the parties' conferences have been held and national campaigns have been inaugurated. Yet many of the chief actors have been busy. The Trades Union Congress has distributed their parts to the members of His Majesty's Opposition; and several of the Government cast have been touring the provinces.

With a new Parliamentary session barely five weeks away, the speeches of itinerant Ministers have already given some indication of the rôles they intend to play. This peep behind the scenes has only afforded a glimpse of events of secondary importance, but it gives perhaps some idea of the setting of the play.

The touring Ministers include THE SECRETARY OF STATE FOR HOME AFFAIRS, the MINISTER OF HEALTH and the MINISTER OF LABOUR; and their subject has been mainly the reform of details in administration. SIR SAMUEL HOARE has aptly expressed his zeal for prison reform by visiting Holloway, Pentonville, Wormwood Scrubs, and Dartmoor. MR ERNEST BROWN has toured South Wales, Lancashire, and the Midlands. SIR KINGSLEY WOOD has visited Cardiff and announced the details of an extended pensions' scheme for blind persons and contributory health insurance for workers under sixteen years of age.

The keynote of these pronouncements of policy was probably struck most aptly by the MINISTER OF LABOUR at Liverpool. Visiting the seamen's exchange, he wrote in the visitors' book: "Be of good cheer." Both in Lancashire and South Wales MR BROWN expressed the belief that we were now destined to enjoy "a year or two of betterment." In a time of recovery, he justly observes, it is possible to effect administrative reforms impossible in a period of depression. Moreover, these reforms are, in his view, now more concerned with the problems of employment and opportunities for work than with those of worklessness. Consequently, he has passed through the depressed areas of the West to examine, by consultation with administrators and employers, the *quality* of the remaining unemployed; to find help for the older people out of work and for the young people whom circumstances have given no chance to learn a trade; and to work out a satisfactory solution for the acute shortage of domestic servants. Similarly, SIR KINGSLEY WOOD'S forecast of an extended social policy was explicitly based upon the probable maintenance of current levels of economic activity for many months to come. In every case the reforms proposed have been administrative and qualitative. In almost every case a marked feature has been the recognition of the personal factor in social distress and maladjustment. And always the major premise has been prosperity.

No fair commentator could fail to welcome the instructive character of these pronouncements of policy. If SIR SAMUEL HOARE can purge the prisons of the last relics of an obsolete frightfulness; if SIR KINGSLEY WOOD can protect the health of young persons in the two dangerous years after leaving school; and if MR ERNEST BROWN can persuade employers to engage older workers on special conditions, young persons to undergo vocational

training willingly, and mistresses to raise the status of domestic service; if so, then definite progress will have been made in social and economic conditions.

Yet good though such measures are, they do not touch the main issue of our economic situation. It is not enough to set our house in order to-day. Thought must be taken for the days beyond the period covered by the comfortable words of MR BROWN. No one can assume the unlimited duration of prosperity. The cyclical nature of economic activity has long been established. The present world-wide regimentation of commerce, production and exchange has perhaps enhanced rather than diminished this tendency. Again, the boom is in too great measure based on the demand for armaments. Production has reached record levels. World trade has recovered astonishingly in a relatively short time. Although unemployment in this country still stands at 1,358,000, cyclical unemployment has practically disappeared. And, as yet, neither prices nor interest rates have given any signs that a slump is impending. But we need to know the answers to two questions before we can rest content with the latest pronouncements of official social policy. What steps does the Government propose to take when the slackening of the present boom begins? And what then will be the financial status of the social services, especially in view of the unfortunate but inevitable priority of armament expenditure?

The Government's replies to these questions may be satisfactory. They have been advised by MR KEYNES and the Oxford economists, by MR BEVIN and the Trades Union Congress, that the right course is to make preparation in advance for capital works to be set on foot on the approach of recession. The chorus has been so emphatic and unanimous that the Government may see the expediency of large-scale expenditure for social purposes when the tide does ultimately turn. But what will such a policy involve? It will mean embarking upon heavy expenditure of money, derived from higher taxation or increased borrowing, at a time when profits, production and employment are declining. This may demonstrably be the wisest and boldest course. But have we—have the National Government and their millions of supporters in the country—travelled so far from the fears and preoccupations of 1931? Such measures must be put into effect at a moment when the burden of taxation will be heavily felt and profits falling. Is it not to be feared that at such a time demands for retrenchment will be raised and the fear of adding to the burden of the debt in the ascendant?

Such fears are natural on a short view. But the certainty that they will arise is one of the strongest reasons for planning now a long-range programme and for inviting Parliament to think in more secular terms than has hitherto been our custom. It is inevitable that in the coming months the Government will be greatly preoccupied with foreign affairs. But the duty also lies upon it to deal with the state of affairs at home. If it will use this present breathing space to make a permanent contribution to the economic stability and well-being of the people, the session that is about to open may prove to be one of the most fruitful in the history of Parliament.

Nyon and After

THE action that was taken at Nyon last week-end and ratified on Wednesday by nine Mediterranean countries is welcome and commendable. The stand there taken against a tide of criminality that has been sweeping over the field of international affairs for half a dozen years past may turn out to be an historic event. The suppression of piracy was the first object of public welfare for which the sovereign States of the modern world consented to pool their resources and to act on the principle of international solidarity. It is one of the oldest rules of modern international law that it is the duty of any warship of any Power to protect any merchant ship of any Power against any piratical attack in any waters. (Our isolationists would do well to remember that.) If, at Nyon last week, this ancient international police regulation had been given up, on the plea that nowadays the piracy-business had been taken over by the Powers themselves, the last bulwark of international law and order would have been stove in by the welling wave of international anarchy.

A Tyrrhenian pirate had been captured by the naval patrols of ALEXANDER THE GREAT and was brought into the Macedonian war-lord's presence on the way to execution. He put the great man momentarily out of countenance by hissing out: "When I take a single cargo with my three galleys you call it piracy and put me to death if you catch me; but when you send 300 ships to steal an empire, they call you a hero and worship you as a god." To-day we are faced with piracy as an action of State.

If it is true that all piracy is a crime, it is no less true that all aggression is piracy. Now that we have acknowledged our duty to suppress piracy by force of arms, whoever the pirate may be, there is at least a glimmer of hope that we may learn in time to take the same line about every kind of aggression.

Here we have the criterion on which the Nyon Agreement is to be judged. How far has it translated into practice the principle that national armaments are to be used for the purpose of international police-work?

In the first place, all the non-territorial waters of the Mediterranean except for the Tyrrhenian Sea (which lies off the main international shipping-routes) are to be patrolled by the navies and air-forces of two Great Powers: France and the United Kingdom. In the second place, the Franco-British police patrol is not to limit its protective work to merchant-ships of French and British nationality. It is to protect merchant-ships of all non-Spanish flags against attacks by any submarines, "if such attack is contrary to the rules of international law as laid down by the London Naval Treaty of 1930." These rules prescribe that a submarine must not attack a merchant ship without warning, and that if, after due warning, it decides to send the merchant ship to the bottom, it must not do this without having made effective provision for the salvaging of the crew. Any submarine caught attacking merchantmen of any non-Spanish flag without complying with these rules is to be sunk by the Anglo-French naval patrol at sight; and the patrol ships are to deal in the same summary fashion with any submarine seen near an attacked ship in circumstances which "give valid ground for the belief that the submarine was guilty of the attack in question." Shipping is to keep to the main routes; aircraft are to assist the sixty French and British warships; and as the German and Italian warships have withdrawn from the former international naval supervision of Spanish coasts, all Spanish coasts will presumably be patrolled by the French and British warships.

So far so good. But exactly how far under the Nyon Agreement are the Anglo-French international police duties to extend? What, for example, is to happen if, under the guns of a French or British man-o'-war on patrol duty, a submarine hoists the flag of some Government (which may or may not be recognised by some or all of the now recognised Governments in the world), and if it then proceeds to send a non-French or non-British merchantman to the bottom in accordance with the accepted rules of submarine warfare? In these circumstances, is the international policeman to run up CAIN'S signal, "Am I my brother's keeper?" as the up-to-date substitute for NELSON'S "England expects every man to do his duty"? In trying to elucidate a point which the text of the Agreement leaves rather obscure, we must perhaps distinguish between Spanish naval flags and others. The nine parties to the Agreement expressly re-affirm that they do not intend any concession to either of the Spanish contestants of the right to exercise belligerent rights. Accordingly, if the attacking submarine hoists the flag of GENERAL FRANCO or (as is less probable) that of the legitimate Government of Spain, these colours are presumably to count as though they were just DAVY JONES'S private skull-and-cross-bones. In these circumstances, what action is the French or British warship to take? Is it still to sink the submarine as a private pirate? Or is it to stand by and let the submarine sink the, let us say, Greek merchant ship which it is attacking, on the ground that this is an act of war done in accordance with the rules of war, and that therefore it is the Greek Government's business to see to it? If the Agreement is obscure in this case, it is still more obscure on what the police ships should do if the submarine's flag were not Spanish but Italian.

It will be seen that, for non-French and non-British merchant ships in the Franco-British patrol zone, the certainty of protection is by no means complete; and the seven other signatories might even have cause to complain that they were hardly getting a *quid pro quo* for their own contribution to the security scheme. These seven States have undertaken to place their harbours and naval bases at the disposal of the Anglo-French patrol and to see to the policing of their own territorial waters—while the four Black Sea States have further undertaken the whole responsibility for dealing with any mischief in the Black Sea, if it should spread so far.

This element of uncertainty is a blemish. Yet, however faltering and reluctant the present steps of our British and French statesmen along the path of collective security, they are at any rate once more on the march, and their Russian colleagues have after all done nothing to hinder or embarrass them. While Russia has not demanded any share in the Mediterreanean patrol for herself, she has also not stood in the way of the British and French desire to invite Italy to participate. The invitation was duly sent, and the Tyrrhenian Sea reserved as a zone for Italy.

Italy's reply makes it clear that, as we pointed out last week, the precipitate Italo-German reaction to Russia's charges against Italy has left the two Fascist dictatorships isolated and in a quandary. The Italian reply, after Italy's hot refusal to touch the Nyon Conference, demands *ex post facto* complete equality of Powers with every signatory to the Nyon Agreement; it refuses to confine Italian activities to the Tyrrhenian Sea; and it grudgingly leaves open a loophole for collaboration at a later stage. The reply also harks back to discussion of the Nyon arrangement by the London Non-Intervention Committee, that theatre so well loved of Italy, Germany and Portugal. Italian and German newspapers have even been demanding that Portugal should now be included among the Mediterranean Powers. There is little doubt but that the solid Italo-German refusal to collaborate with Britain, France and the other Mediterranean and Black Sea Powers has, for the first time in years, resulted in the two Western democratic Great Powers calling the Italo-German bluff. They may have done it in absence of mind; or because Russia cunningly incited Italy and Germany to overreach themselves; or because the British and French were honestly persuaded that they must try to re-establish the rule of international law and order at the thirteenth hour. The result is that they have surprised none more than themselves in snatching back both the European initiative and the leadership of the smaller nations. We hope that they will now treat Germany and Italy with firmness and assurance and not deviate from the Nyon line. For the onus of responsibility for European affairs has now been placed on Italian and German shoulders.

Education and a Career—I

English Schools

THERE are as many definitions of the aims of education as there are explanations of the trade cycle; and where educationists are not in agreement it behoves economists to tread warily. But even the broadest descriptions of education's objectives have an indubitable economic element. "To live a complete life" presupposes, for most of us, the ability to earn a living. "Good citizenship" is a conception with which few existing Governments will quarrel; but it is the duty of a good citizen to pay his taxes.

Admittedly, to turn out able fitters, furriers, factory managers and foreign secretaries is far from being the whole aim of any liberal system of education; but in this context the greater purpose includes the less. Finally—as most parents know whose children are now on the threshold of another year in their school career—education costs money. Indeed it is one of the biggest, and certainly the most productive, of all our social services, on which parents, guardians, local authorities and the State expend many millions every year.

A few figures may serve to suggest the present scale of *official* payments for educational services. In 1934-35 some £87.5 millions were spent from rates and taxes on all kinds of education in England and Wales—an amount equivalent to over two guineas per head of the entire population, or approximately £6 10s. per member under 21 years of age. About 5½ million children received free education in elementary schools at a cost per child of £14. The cost of secondary education was £25 per child; and, out of 456,783 pupils, 215,759 were educated free. In 276 of 1,380 grant-aided secondary schools, approved free places were one hundred per cent. of the whole.

Expenditure on school education, however, by no means ends here. Parents and guardians are responsible for the clothing and maintenance of children at school. And even in the grant-aided secondary schools, there were 219,431 pupils in 1935 who paid full fees and over 21,000 who paid fees in part. These fees ranged between 4 guineas and 30 guineas and averaged a little over £12. It may be estimated, further, that apart from the grant-aided schools, there were in 1935 something like 140,000 pupils in private, grammar and public schools, of whom 91,000 were in institutions classed as "efficient" by the Board of Education. Many of these were boarding schools, and some came within the category which PROFESSOR J. HILTON recently described as the preserve of a privileged few, having the right to issue "special tickets" admitting their bearers to high positions in the service of the State, the professions and industry. The fees in these institutions vary widely. At the modest day-school they may run from £20 or £30 a year. At the other end of the scale, they may be as much

as £250 at a famous boarding school. This last figure includes a catering charge for bed and board during a given number of nights and days in the year. Nevertheless, the difference between the charges of the more and the less expensive schools is too great to be explained either in this way or by differences in the quality of the teaching provided. In fact, sentiment, tradition, custom and prestige confer on the pupils of certain schools a *cachet* of recognised value in the labour market. The fees charged therefore include an appreciable "goodwill" element which is tacitly accepted by parents as being in the nature of a capital investment, like the entrance fee to a particularly good club.

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Outlook for Wheat Prices

WHILE day-to-day fluctuations of wheat prices are of little general interest, the implications of a marked change in the value of the world's wheat crop are far-reaching and of vital social significance. For example, last year's world wheat harvest, exclusive of the U.S.S.R. and a few countries for which reliable statistics are not available, yielded some 3,500 million bushels of 60 lbs., equivalent to 1,875 million cwts. Taken at 9.53s. per cwt.—the average British import price during the season ended last July—the value of last year's crop was nearly £900 millions, against £530 millions in 1933-34 and £1,100 millions in 1928-29. Actually, of course, the price received by the farmers is considerably below the average British import figure. Changes of this order of magnitude, nevertheless, vitally affect agricultural purchasing power and, incidentally, the course of international trade, as well as the livelihood of a large number of individual farmers for whom wheat is the principal cash crop. Their effect on consumers, though by no means negligible, is relatively less important, since the cereal itself represents only part of the cost of the average loaf, and expenditure on bread normally forms a smaller proportion of the consumer's total budget than the contribution of the wheat crop to many farmers' total income.

After declining catastrophically during the depression, wheat prices have now recovered to their pre-depression level. As we forecast in our last survey of the wheat outlook (see *The Economist* of October 10, 1936, page 53), prices rose rapidly during the winter and early spring, and reached their highest level for nine years. A year ago, however, we suggested the wheel of prices had almost gone full circle, and the present time is opportune for further examination of the probable long-term outlook—the more so in view of the unfavourable effect on the world's markets of the rich harvest garnered in the United States this summer.

In considering the factors influencing the supply of wheat, it may be useful to distinguish between short-term and long-term variations in prices and production. Supplies of wheat, as of all crops, are incapable of being augmented at short notice. A sudden spurt in demand, for storage purposes, for example, is likely to give rise to a sharp advance in market prices. In the long run, however, a rising trend of prices is usually accompanied by an extension of the area under the golden grain. But an increase in the area sown to wheat is not necessarily followed by a bigger harvest, for the influence of unfavourable weather conditions on the yield per acre may more than offset any increase in planting. Over a period of years, however, the growth in production is roughly proportionate to the extension in area. Conversely, a reduction in the area sown, whether caused by falling prices or restriction schemes, will ultimately—though not always immediately—lead to a decline in output. But while rising prices are almost invariably reflected in an extension of the area sown to wheat (unless the prices of other grains advance more rapidly), falling prices are not necessarily accompanied by an immediate curtailment of sowing; for individual farmers frequently attempt to offset a fall in income through lower unit prices by an increase in output. Since changes in prices are not at once reflected in variations of acreage, wheat prices tend, therefore, to be subject to wide fluctuations in cycles over a period of years which may be distorted, lengthened or shortened by variations in yield.

These tendencies are illustrated graphically from the experience of recent years in the first of the two charts accompanying this article. The chart, which is based on statistics issued by the Food Research Institute of Stanford University, California, shows variations in world acreage and production, exclusive of the U.S.S.R. and certain other countries for which reliable statistics are not available. The acreage figure for 1937-38 is based on provisional returns of the increase in the area sown to wheat in the leading countries during the preceding year. Acreage and production figures are expressed in the form of index numbers, whose base is the average of the three wheat seasons from 1925-26 to 1927-28.

Despite the gradual downward movement of prices between 1925 and 1929, the world's acreage under wheat was steadily extended, partly because falling costs due to technical improvements in production and harvesting methods tended to offset the reduction in prices. Not even the headlong fall in prices between 1929 and 1931 checked the steady extension of the area under wheat. This tendency has a twofold explanation. First, farmers in many countries attempted to maintain their income by increasing their production. Secondly, the threat to the livelihood of farmers in importing countries, caused by the collapse of market prices, induced Governments in these countries to endeavour to intensify protection by raising import duties or by imposing quantitative restrictions on imports. Thus, world exports of wheat fell from 925 million bushels in 1928-29 to 631 millions in 1932-33 and 505 millions in 1935-36. It was not until 1933-34 that the area under wheat was significantly curtailed, partly as a result of the prolonged period of low prices and partly through official restriction schemes.

The chart shows that world production of wheat has approximately followed variations in acreage, though not from year to year. Thus, a bumper yield of 15.9 bushels per acre in 1928-29 was succeeded by a subnormal yield of 14.4 bushels per acre in the following season. The upward trend of prices, which began towards the close of the 1933-34 season, heralded the end of the decline in acreage, which has since shown a steady increase. Production, however, did not respond to the increase in acreage owing to a succession of subnormal yields per acre, principally in the United States, Canada and Australia. In consequence, the world's wheat surplus, accumulated in preceding years, was exhausted at the close of the season last July, while prices continued their upward course and recovered to pre-depression levels. Our second chart shows the fairly close inverse correlation between the movement of stocks and prices since 1925-26. The data for stocks are taken from the August issue of the *Monthly Crop Report* of the International Institute of Agriculture, and include the United States, Canada, Argentina and Australia as well as wheat on the high seas. The trend of prices is illustrated on the basis of average British import values. As the scale of the chart is logarithmic, *proportionate* changes in stocks and prices are revealed. The chart shows that both stocks and prices have completed a full semi-circular movement during the period.

Reference to the first chart shows conclusively that the low level of production since 1934-35 was due entirely to the fortuitous succession of subnormal yields. The area under wheat has been steadily extended in recent years under the influence of rising prices without calling forth a corresponding increase in output. But the probabilities are against the indefinite continuance of subnormal yields. Sooner or later, the extension of the wheat area must have its natural consequence in terms of increased production and lower prices. Meanwhile, the area sown to wheat is still increasing. According to the International Institute of Agriculture, the figures for the principal countries in the 1937-38 season show an aggregate increase of as much as 10 per cent. over those for 1936-37—an increase shown on our chart by a dotted line. Prices have so far been maintained by the failure of the Canadian crop and the need to replenish stocks. But a normal yield next year might well reverse the wheat cycle, especially as demand for wheat is fairly inelastic. Even the outlook for prices over the winter is by no means certain and will depend to a large extent on the crops of the Southern Hemisphere, Russian export policy and reports of the area sown and progress of next year's crops in the Northern Hemisphere.

CHART I. WORLD ACREAGE AND PRODUCTION OF WHEAT

(Average 1925-6—1927-8=100)

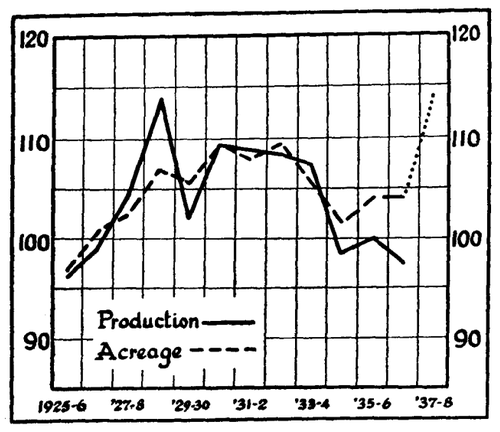
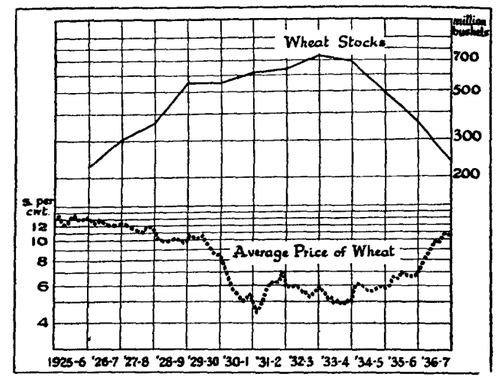


CHART II. WHEAT STOCKS AND PRICES



Life at Sea

THE social conscience of the community has been profoundly stirred by the question of slums in our midst, and the Ministry of Health and the local authorities are energetically working for their eradication. So far, however, little public attention has been given to the kindred subject of living conditions at sea. The quarters provided for the crews of many British merchant ships engaged in foreign trade are, by general admission, unsatisfactory; and the Board of Trade instructions are now out of date in many important respects when judged by modern standards. It is a disturbing fact that, while Britain, with her 17-18 millions of gross steamer and motor-ship tonnage, still leads the world in the size of her fleet, in the past she has fallen behind other nations in enacting and enforcing legislation for the welfare of her maritime population.

A change for the better is, however, indicated by the new Board of Trade Instructions which were published on September 6th. In brief, they are intended to bring the legal minima of crew accommodation into line with the standards provided by the most progressive shipowners and shipbuilders at home and abroad. Hospitals are to be provided in all merchant ships above 2,500 tons. Loftier quarters, single tier bunks, improved facilities for eating, sleeping, washing and bathing, and better ventilation are other requirements now laid down.

Many modern ships already conform with the majority of these requirements and a number even exceed them. It was from the Shipping Federation at the request of the Board of Trade that the original proposals for these changes came in 1930. Nevertheless, so long as the law on the subject was obsolete, serious deficiencies in accommodation were possible. A number of ships to-day are sadly below the new requirements—partly because of the low standards of war-time building, and partly because of the difficulties of making improvements during the recent depression—and so long as they put to sea there will be " sea-going slums " despite the new orders. Bad habit in ship design cannot be eradicated by official *fiat*, though some improvements can be made.

It is true that seamen's conditions have been steadily improved since Samuel Plimsoll began his memorable crusade against " coffin ships," in the latter half of the nineteenth century. In the newer and larger vessels, indeed, the raising of standards of accommodation has been appreciable. And the new regulations come at the end of more than a decade's activity by shipowners, seamen and sanitary authorities. Even so, there are still important problems to be solved.

Under Section 10 of the Public Health Act a ship has the status of a house, and, accordingly, must be maintained in a sanitary condition. The sailor, however, lacks the sanctuary of park and playing field in his hours of leisure. He is tied to his home at sea more closely than the dweller in the worst slum; and he lives at his job; for the mariner's house is his forecastle. For the landsman, the Ministry of Health prescribes minimum housing standards, and the Home Office has powers for the regulation of industrial conditions. Both authorities have medical departments to assist them in carrying out their duties, but for the sailor there is no analogous competent corps of medical men, apart from the port sanitary authorities, whose work is important in maintaining the best possible level of health, since they cannot make regular inspections under working conditions at sea.

For many years past, there has been a striking consensus of expert opinion on the shortcomings of living accommodation on many sea-going vessels—though it must be remembered that the port sanitary authorities, who make these comparisons, visit British ships in the worst conditions, when the crew has left at the voyage's end and quarters are dirty and deserted. As long ago as 1902, Dr Collingridge, Medical Officer of Health of the Port and later of the City of London, wrote that the sanitary state of British ships was fifty years behind that of the rest of the country. Eight years later, Dr H. Jones, late Medical Officer of Health of Newport, declared that Norway was far ahead of Britain in improving the hygiene and space for the crew. In the following year the Congress of the Royal Sanitary Institute passed the following resolution:—

> That having regard to the unsatisfactory accommodation provided for the crew of many new vessels built in this country, the Council of the Royal Sanitary Institute be asked to approach the President of the Board of Trade with the view of securing a thorough revision of the requirements of the Board of Trade under the Merchant Shipping Acts, in respect to the living quarters for officers and men of all new vessels built under their supervision.

Almost identical resolutions were passed by the Association of Port Sanitary Authorities in 1922 and 1935. And five years after the Shipping Federation recommendations of 1930, it was still asserted that the quarters in a British vessel then under construction closely resembled those provided for the crews of British ships 20 to 30 years earlier.

The uneven progress of improvement in these respects, hampered by the severe effects of depression on shipping and shipbuilding, is seen by comparing conditions in many present-day British ships with those of Norway and Sweden, whose seamen's quarters have usually been planned and furnished with a constructive imagination. In these vessels the dominant motives are comfort and cleanliness. They possess desirable facilities like washbasins, shower baths, mess-rooms, hospitals and a system of separate berths; and have clearly inspired the new Instructions of the Board. In Britain's case these amenities have often been confined to ships of large tonnage, or to smaller vessels belonging to progressive owners.

An intimate relationship between unhealthy environment at sea and the high rate of tuberculosis among seamen has been suggested by such pioneers in marine hygiene as Dr Dearden, Dr Howard Jones and Fleet-Surgeon Home. It is alleged that figures of the occupational incidence of tuberculosis in Cardiff for the eleven years 1924 to 1934 show that while the mean annual case rate per 1,000 of all males investigated during the period was 2.60, among sailors the rate was as high as 12.55. The death-rate per 1,000 from the same scourge in England and Wales, in 1934, was only 0.76; at Cardiff, however, between 1923 and 1934, it was 1.15, at Kingston-upon-Hull, 1.01; at Liverpool, 1.15; at Manchester, 1.13; at Middlesbrough, 1.24, and at South Shields, 1.75. These towns and cities are, of course, large centres of population, and not merely ports for foreign-going shipping; but the experience of Cardiff suggests that the unfavourable incidence of mortality among seamen has perhaps helped to swell the total figures. During the period mentioned, the rate for the whole of Cardiff was 1.15; but in the Municipal Ward of Adamstown, where the majority of the sea-faring population live, it was no less than 3.49.

These figures are not sufficiently detailed or comprehensive to support a general or convincing indictment of sea-going accommodation on health grounds. Their use in this way is controversial, but they do at least suggest that seafaring is a dangerous trade in more ways than are generally realised. It is hard to avoid the conclusion, in fact, that the conditions under which some crews live may be a predisposing influence to higher disease and mortality rates. The general improvement of these conditions has been delayed in spite of efforts on the part of both owners and men. But the new instructions will generalise the best current practice. As in certain of the more progressive foreign countries an endeavour will be made, under the new regulations, to check possible abuses at their source by laying down high standards to surveyors which must be satisfied before ships are passed for service. Moreover, not only will it be necessary, as in the past, to comply with the regulations before the deduction of crew space from tonnage for the purpose of dues can be certified, but also plans of new ships must be submitted direct to the Board of Trade. Although the latest reforms are still merely instructions for the guidance of surveyors there is now a double check on their enforcement. Yet improvement might possibly be expedited by the passage of a simple amending Act, empowering the Board, with the advice and approval of the Ministry of Health, to lay down binding regulations, from time to time, for the construction and maintenance of seamen's quarters.

Meanwhile, a first step has been taken towards this highly desirable objective. It is a greatly improved code which has now been ratified by the Board of Trade. Its application will require the provision of more ample living accommodation on all newly-built ships, and the progressive adaptation whenever circumstances permit, of facilities on existing ships to the new standard. The moment is particularly opportune for this overdue reform, since the industry has at long last shaken off its depression—which blocked the reforms advocated seven years ago—and is busily carrying out an extensive rebuilding programme. To seize the chance thus presented will be both good morals and good business. And at a time when many measures of far more questionable economic merit are being urged on the community in the name of preparedness for war, it is worth while reemphasising the traditional rôle of our mercantile marine as a carrier of supplies and a nursery of our naval forces. In the long run, the sea-going services, no less than the army, must offer attractive conditions of employment if they are to obtain ample numbers of the right type of recruit.

Notes of the Week

Masaryk.—Thomas Garrigue Masaryk, founder of modern Czechoslovakia and its President until 1935, died on Tuesday at the age of eighty-seven. One of the greatest personalities of the post-war world thus leaves the field of activity. This wise and venerable man retired from political life in December, 1935, leaving the leadership of the State he had founded to his collaborator, Dr Eduard Benes. Masaryk was born on March 7, 1850, in a little town of Moravia, a coachman's son. He was destined to learn the blacksmith's craft, but became one of the most unusual and happy of all statesmen; unusual because at the age of sixty-five he, a University professor, gathered the troops of his people outside the frontiers of Austria-Hungary during the Great War to lead them, as President of the State founded by him, into Prague after the Allies' victory; happy, because he attained all he desired—to liberate his people and give them their own State. He was even able to bring into double harness with himself his faithful pupil and co-worker to lead the State on a basis of conciliation between its peoples, democracy, and humanitarianism. He and Dr Benes worked in Hampstead during the war; and English was as natural to them as Czech.

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To-day a nation is rarely led by professors; and the number of really great democrats standing at the head of Continental countries grows always smaller and smaller. Masaryk adhered to his ideals in spite of all changes in the face of Europe. He always emphasised that a State can be maintained only by those principles on which it was founded. When in December, 1935, with quiet dignity he laid down the Presidency, he did so in the way and the words of few statesmen to-day—as one to whom the individual means nothing, but the principle and the task everything. In his resignation speech of December 14, 1935, he said:—

> What we need is a good foreign policy, and at home justice for all citizens, whatever their nationality. I would like still to say that as my successor I recommend to you Dr Benes. I worked with him beyond the frontier and at home; and I know him. I am fully confident that all will go well, and if God wills it, I shall look on a little longer and see how you get on.

The key determining the music of Europe to-day differs from that of T. G. Masaryk. The people in Prague, standing by the bier of him who won for them their national freedom, may be proud to feel that the name of Masaryk belongs not only to them but to history.

* * *

Spain and the Mediterranean.—There has been a week's complete lull on Spanish territory, a few desultory actions taking place in Asturias and Aragon. General Franco has announced that he will only stop at a crushing and complete military victory over both Valencia and Barcelona, but the approach of winter in the high central plateau makes his victory seem a remote aim. Attention has been mainly riveted on the Mediterranean, where the effect of the Nyon Agreement has been suddenly to obliterate almost all evidences of the " unknown Power's submarines." General Franco's authorities have released two of the three British merchantmen held captive for two months; and another ship, captured last Saturday off Algiers, was allowed to proceed home. The Spanish Government, in a message from Valencia, have welcomed the Nyon Agreement, while General Franco's and Portugal's spokesmen have professed inability to understand why they were not invited to Nyon. General Franco was not invited because the Spanish Government were not invited; and, as the agreement records, no belligerents' rights are accorded to either side by the signatories, so General Franco has no standing for his protest. The Portuguese have some; for, after all, Germany, a non-Mediterranean State, was invited; on the other hand, Holland and Norway, whose big commercial fleets use the Mediterranean, were not invited, so Portugal's—and her friends, Germany's and Italy's—protestations savour of special pleading. Whether, as newspapers in their countries now threaten, the Italian, German and Portuguese representatives on the London Non-intervention Committee will try at its next meeting to hold it up, on the charge that the Nyon signatories have technically " intervened," remains to be seen. None knows what Russia will do to protect her cargo ships in the Mediterranean. And none knows whether the British and French Governments will agree, after Italy's refusal to attend Nyon, to allow her to mark out her own zones of activity as terms for her collaboration.

* * *

Light and Shade at Geneva.—At Geneva this week the annual session of the League Assembly, with the concurrent session of the Council, began. This time, the Assembly has started work in a gleam of light. The Nyon Agreement, which we discuss elsewhere in this issue, was concluded on the eve, and signed on the morrow, of the Assembly's opening meeting. The League, and all that the League stands for, will be strengthened by this success. The Assembly may also be congratulated on having avoided a pitfall which has once again confronted it. Nothing has been done to impugn Abyssinia's title to membership. The question did not come before the Credentials Committee because the Emperor wisely refrained from sending a delegation; but he did address a letter to the Secretary-General in which he once more stated Abyssinia's case and reminded her fellow States-members of their unfulfilled obligations. No member has had the face to move that, because these obligations have not been carried out, the Assembly should proceed to expel not the defaulters, but the victim of their default. So it has again been tacitly

as £250 at a famous boarding school. This last figure includes a catering charge for bed and board during a given number of nights and days in the year. Nevertheless, the difference between the charges of the more and the less expensive schools is too great to be explained either in this way or by differences in the quality of the teaching provided. In fact, sentiment, tradition, custom and prestige confer on the pupils of certain schools a *cachet* of recognised value in the labour market. The fees charged therefore include an appreciable "goodwill" element which is tacitly accepted by parents as being in the nature of a capital investment, like the entrance fee to a particularly good club.

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After declining catastrophically during the depression, wheat prices have now recovered to their pre-depression level. As we forecast in our last survey of the wheat outlook (see *The Economist* of October 10, 1936, page 53), prices rose rapidly during the winter and early spring, and reached their highest level for nine years. A year ago, however, we suggested the wheel of prices had almost gone full circle, and the present time is opportune for further examination of the probable long-term outlook—the more so in view of the unfavourable effect on the world's markets of the rich harvest garnered in the United States this summer.

In considering the factors influencing the supply of wheat, it may be useful to distinguish between short-term and long-term variations in prices and production. Supplies of wheat, as of all crops, are incapable of being augmented at short notice. A sudden spurt in demand, for storage purposes, for example, is likely to give rise to a sharp advance in market prices. In the long run,

however, a rising trend of prices is usually accompanied by an extension of the area under the golden grain. But an increase in the area sown to wheat is not necessarily followed by a bigger harvest, for the influence of unfavourable weather conditions on the yield per acre may more than offset any increase in planting. Over a period of years, however, the growth in production is roughly proportionate to the extension in area. Conversely, a reduction in the area sown, whether caused by falling prices or restriction schemes, will ultimately—though not always immediately—lead to a decline in output. But while rising prices are almost invariably reflected in an extension of the area sown to wheat (unless the prices of other grains advance more rapidly), falling prices are not necessarily accompanied by an immediate curtailment of sowing; for individual farmers frequently attempt to offset a fall in income through lower unit prices by an increase in output. Since changes in prices are not at once reflected in variations of acreage, wheat prices tend, therefore, to be subject to wide fluctuations in cycles over a period of years which may be distorted, lengthened or shortened by variations in yield.

These tendencies are illustrated graphically from the experience of recent years in the first of the two charts accompanying this article. The chart, which is based on statistics issued by the Food Research Institute of Stanford University, California, shows variations in world

CHART I. WORLD ACREAGE AND PRODUCTION OF WHEAT

(Average 1925-6—1927-8=100)

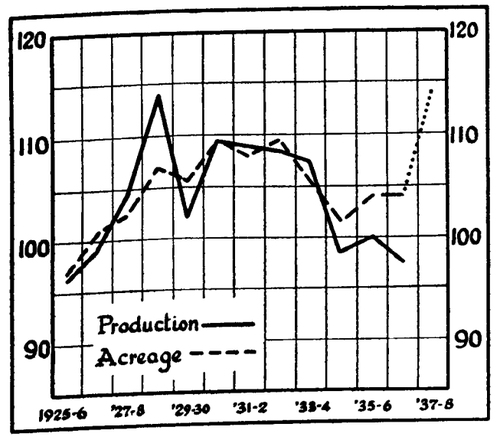
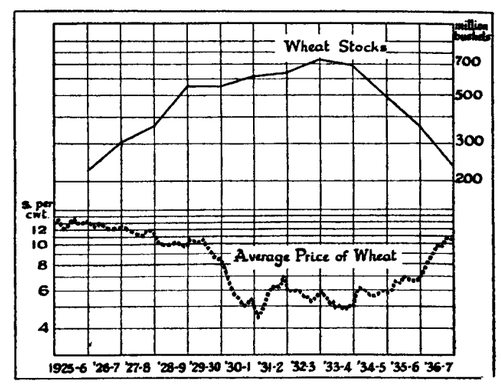


CHART II. WHEAT STOCKS AND PRICES



acreage and production, exclusive of the U.S.S.R. and certain other countries for which reliable statistics are not available. The acreage figure for 1937-38 is based on provisional returns of the increase in the area sown to wheat in the leading countries during the preceding year. Acreage and production figures are expressed in the form of index numbers, whose base is the average of the three wheat seasons from 1925-26 to 1927-28.

Despite the gradual downward movement of prices between 1925 and 1929, the world's acreage under wheat was steadily extended, partly because falling costs due to technical improvements in production and harvesting methods tended to offset the reduction in prices. Not even the headlong fall in prices between 1929 and 1931 checked the steady extension of the area under wheat. This tendency has a twofold explanation. First, farmers in many countries attempted to maintain their income by increasing their production. Secondly, the threat to the livelihood of farmers in importing countries, caused by the collapse of market prices, induced Governments in these countries to endeavour to intensify protection by raising import duties or by imposing quantitative restrictions on imports. Thus, world exports of wheat fell from 925 million bushels in 1928-29 to 631 millions in 1932-33 and 505 millions in 1935-36. It was not until 1933-34 that the area under wheat was significantly curtailed, partly as a result of the prolonged period of low prices and partly through official restriction schemes.

The chart shows that world production of wheat has approximately followed variations in acreage, though not from year to year. Thus, a bumper yield of 15.9 bushels per acre in 1928-29 was succeeded by a subnormal yield of 14.4 bushels per acre in the following season. The upward trend of prices, which began towards the close of the 1933-34 season, heralded the end of the decline in acreage, which has since shown a steady increase. Production, however, did not respond to the increase in acreage owing to a succession of subnormal yields per acre, principally in the United States, Canada and Australia. In consequence, the world's wheat surplus, accumulated in preceding years, was exhausted at the close of the season last July, while prices continued their upward course and recovered to pre-depression levels. Our second chart shows the fairly close inverse correlation between the movement of stocks and prices since 1925-26. The data for stocks are taken from the August issue of the *Monthly Crop Report* of the International Institute of Agriculture, and include the United States, Canada, Argentina and Australia as well as wheat on the high seas. The trend of prices is illustrated on the basis of average British import values. As the scale of the chart is logarithmic, *proportionate* changes in stocks and prices are revealed. The chart shows that both stocks and prices have completed a full semi-circular movement during the period.

Reference to the first chart shows conclusively that the low level of production since 1934-35 was due entirely to the fortuitous succession of subnormal yields. The area under wheat has been steadily extended in recent years under the influence of rising prices without calling forth a corresponding increase in output. But the probabilities are against the indefinite continuance of subnormal yields. Sooner or later, the extension of the wheat area must have its natural consequence in terms of increased production and lower prices. Meanwhile, the area sown to wheat is still increasing. According to the International Institute of Agriculture, the figures for the principal countries in the 1937-38 season show an aggregate increase of as much as 10 per cent. over those for 1936-37—an increase shown on our chart by a dotted line. Prices have so far been maintained by the failure of the Canadian crop and the need to replenish stocks. But a normal yield next year might well reverse the wheat cycle, especially as demand for wheat is fairly inelastic. Even the outlook for prices over the winter is by no means certain and will depend to a large extent on the crops of the Southern Hemisphere, Russian export policy and reports of the area sown and progress of next year's crops in the Northern Hemisphere.

Life at Sea

THE social conscience of the community has been profoundly stirred by the question of slums in our midst, and the Ministry of Health and the local authorities are energetically working for their eradication. So far, however, little public attention has been given to the kindred subject of living conditions at sea. The quarters provided for the crews of many British merchant ships engaged in foreign trade are, by general admission, unsatisfactory; and the Board of Trade instructions are now out of date in many important respects when judged by modern standards. It is a disturbing fact that, while Britain, with her 17-18 millions of gross steamer and motor-ship tonnage, still leads the world in the size of her fleet, in the past she has fallen behind other nations in enacting and enforcing legislation for the welfare of her maritime population.

A change for the better is, however, indicated by the new Board of Trade Instructions which were published on September 6th. In brief, they are intended to bring the legal minima of crew accommodation into line with the standards provided by the most progressive shipowners and shipbuilders at home and abroad. Hospitals are to be provided in all merchant ships above 2,500 tons. Loftier quarters, single tier bunks, improved facilities for eating, sleeping, washing and bathing, and better ventilation are other requirements now laid down.

Many modern ships already conform with the majority of these requirements and a number even exceed them. It was from the Shipping Federation at the request of the Board of Trade that the original proposals for these changes came in 1930. Nevertheless, so long as the law on the subject was obsolete, serious deficiencies in accommodation were possible. A number of ships to-day are sadly below the new requirements—partly because of the low standards of war-time building, and partly because of the difficulties of making improvements during the recent depression—and so long as they put to sea there will be " sea-going slums " despite the new orders. Bad habit in ship design cannot be eradicated by official *fiat*, though some improvements can be made.

It is true that seamen's conditions have been steadily improved since Samuel Plimsoll began his memorable crusade against " coffin ships," in the latter half of the nineteenth century. In the newer and larger vessels, indeed, the raising of standards of accommodation has been appreciable. And the new regulations come at the end of more than a decade's activity by shipowners, seamen and sanitary authorities. Even so, there are still important problems to be solved.

Under Section 10 of the Public Health Act a ship has the status of a house, and, accordingly, must be maintained in a sanitary condition. The sailor, however, lacks the sanctuary of park and playing field in his hours of leisure. He is tied to his home at sea more closely than the dweller in the worst slum; and he lives at his job; for the mariner's house is his forecastle. For the landsman, the Ministry of Health prescribes minimum housing standards, and the Home Office has powers for the regulation of industrial conditions. Both authorities have medical departments to assist them in carrying out their duties, but for the sailor there is no analogous competent corps of medical men, apart from the port sanitary authorities, whose work is important in maintaining the best possible level of health, since they cannot make regular inspections under working conditions at sea.

For many years past, there has been a striking consensus of expert opinion on the shortcomings of living accommodation on many sea-going vessels—though it must be remembered that the port sanitary authorities, who make these comparisons, visit British ships in the worst conditions, when the crew has left at the voyage's end and quarters are dirty and deserted. As long ago as 1902, Dr Collingridge, Medical Officer of Health of the Port and later of the City of London, wrote that the sanitary state of British ships was fifty years behind that of the rest of the country. Eight years later, Dr H. Jones, late Medical Officer of Health of Newport, declared that Norway was far ahead of Britain in improving the hygiene and space for the crew. In the following year the Congress of the Royal Sanitary Institute passed the following resolution:—

> That having regard to the unsatisfactory accommodation provided for the crew of many new vessels built in this country, the Council of the Royal Sanitary Institute be asked to approach the President of the Board of Trade with the view of securing a thorough revision of the requirements of the Board of Trade under the Merchant Shipping Acts, in respect to the living quarters for officers and men of all new vessels built under their supervision.

Almost identical resolutions were passed by the Association of Port Sanitary Authorities in 1922 and 1935. And five years after the Shipping Federation recommendations of 1930, it was still asserted that the quarters in a British vessel then under construction closely resembled those provided for the crews of British ships 20 to 30 years earlier.

The uneven progress of improvement in these respects, hampered by the severe effects of depression on shipping and shipbuilding, is seen by comparing conditions in many present-day British ships with those of Norway and Sweden, whose seamen's quarters have usually been planned and furnished with a constructive imagination. In these vessels the dominant motives are comfort and cleanliness. They possess desirable facilities like washbasins, shower baths, mess-rooms, hospitals and a system of separate berths; and have clearly inspired the new Instructions of the Board. In Britain's case these amenities have often been confined to ships of large tonnage, or to smaller vessels belonging to progressive owners.

An intimate relationship between unhealthy environment at sea and the high rate of tuberculosis among seamen has been suggested by such pioneers in marine hygiene as Dr Dearden, Dr Howard Jones and Fleet-Surgeon Home. It is alleged that figures of the occupational incidence of tuberculosis in Cardiff for the eleven years 1924 to 1934 show that while the mean annual case rate per 1,000 of all males investigated during the period was 2.60, among sailors the rate was as high as 12.55. The death-rate per 1,000 from the same scourge in England and Wales, in 1934, was only 0.76; at Cardiff, however, between 1923 and 1934, it was 1.15, at Kingston-upon-Hull, 1.01; at Liverpool, 1.15; at Manchester, 1.13; at Middlesbrough, 1.24, and at South Shields, 1.75. These towns and cities are, of course, large centres of population, and not merely ports for foreign-going shipping; but the experience of Cardiff suggests that the unfavourable incidence of mortality among seamen has perhaps helped to swell the total figures. During the period mentioned, the rate for the whole of Cardiff was 1.15; but in the Municipal Ward of Adamstown, where the majority of the sea-faring population live, it was no less than 3.49.

These figures are not sufficiently detailed or comprehensive to support a general or convincing indictment of sea-going accommodation on health grounds. Their use in this way is controversial, but they do at least suggest that seafaring is a dangerous trade in more ways than are generally realised. It is hard to avoid the conclusion, in fact, that the conditions under which some crews live may be a predisposing influence to higher disease and mortality rates. The general improvement of these conditions has been delayed in spite of efforts on the part of both owners and men. But the new instructions will generalise the best current practice. As in certain of the more progressive foreign countries an endeavour will be made, under the new regulations, to check possible abuses at their source by laying down high standards to surveyors which must be satisfied before ships are passed for service. Moreover, not only will it be necessary, as in the past, to comply with the regulations before the deduction of crew space from tonnage for the purpose of dues can be certified, but also plans of new ships must be submitted direct to the Board of Trade. Although the latest reforms are still merely instructions for the guidance of surveyors there is now a double check on their enforcement. Yet improvement might possibly be expedited by the passage of a simple amending Act, empowering the Board, with the advice and approval of the Ministry of Health, to lay down binding regulations, from time to time, for the construction and maintenance of seamen's quarters.

Meanwhile, a first step has been taken towards this highly desirable objective. It is a greatly improved code which has now been ratified by the Board of Trade. Its application will require the provision of more ample living accommodation on all newly-built ships, and the progressive adaptation whenever circumstances permit, of facilities on existing ships to the new standard. The moment is particularly opportune for this overdue reform, since the industry has at long last shaken off its depression—which blocked the reforms advocated seven years ago—and is busily carrying out an extensive rebuilding programme. To seize the chance thus presented will be both good morals and good business. And at a time when many measures of far more questionable economic merit are being urged on the community in the name of preparedness for war, it is worth while re-emphasising the traditional rôle of our mercantile marine as a carrier of supplies and a nursery of our naval forces. In the long run, the sea-going services, no less than the army, must offer attractive conditions of employment if they are to obtain ample numbers of the right type of recruit.

Notes of the Week

Masaryk.—Thomas Garrigue Masaryk, founder of modern Czechoslovakia and its President until 1935, died on Tuesday at the age of eighty-seven. One of the greatest personalities of the post-war world thus leaves the field of activity. This wise and venerable man retired from political life in December, 1935, leaving the leadership of the State he had founded to his collaborator, Dr Eduard Benes. Masaryk was born on March 7, 1850, in a little town of Moravia, a coachman's son. He was destined to learn the blacksmith's craft, but became one of the most unusual and happy of all statesmen; unusual because at the age of sixty-five he, a University professor, gathered the troops of his people outside the frontiers of Austria-Hungary during the Great War to lead them, as President of the State founded by him, into Prague after the Allies' victory; happy, because he attained all he desired—to liberate his people and give them their own State. He was even able to bring into double harness with himself his faithful pupil and co-worker to lead the State on a basis of conciliation between its peoples, democracy, and humanitarianism. He and Dr Benes worked in Hampstead during the war; and English was as natural to them as Czech.

* * *

To-day a nation is rarely led by professors; and the number of really great democrats standing at the head of Continental countries grows always smaller and smaller. Masaryk adhered to his ideals in spite of all changes in the face of Europe. He always emphasised that a State can be maintained only by those principles on which it was founded. When in December, 1935, with quiet dignity he laid down the Presidency, he did so in the way and the words of few statesmen to-day—as one to whom the individual means nothing, but the principle and the task everything. In his resignation speech of December 14, 1935, he said:—

> What we need is a good foreign policy, and at home justice for all citizens, whatever their nationality. I would like still to say that as my successor I recommend to you Dr Benes. I worked with him beyond the frontier and at home; and I know him. I am fully confident that all will go well, and if God wills it, I shall look on a little longer and see how you get on.

The key determining the music of Europe to-day differs from that of T. G. Masaryk. The people in Prague, standing by the bier of him who won for them their national freedom, may be proud to feel that the name of Masaryk belongs not only to them but to history.

* * *

Spain and the Mediterranean.—There has been a week's complete lull on Spanish territory, a few desultory actions taking place in Asturias and Aragon. General Franco has announced that he will only stop at a crushing and complete military victory over both Valencia and Barcelona, but the approach of winter in the high central plateau makes his victory seem a remote aim. Attention has been mainly riveted on the Mediterranean, where the effect of the Nyon Agreement has been suddenly to obliterate almost all evidences of the " unknown Power's submarines." General Franco's authorities have released two of the three British merchantmen held captive for two months; and another ship, captured last Saturday off Algiers, was allowed to proceed home. The Spanish Government, in a message from Valencia, have welcomed the Nyon Agreement, while General Franco's and Portugal's spokesmen have professed inability to understand why they were not invited to Nyon. General Franco was not invited because the Spanish Government were not invited; and, as the agreement records, no belligerents' rights are accorded to either side by the signatories, so General Franco has no standing for his protest. The Portuguese have some; for, after all, Germany, a non-Mediterranean State, was invited; on the other hand, Holland and Norway, whose big commercial fleets use the Mediterranean, were not invited, so Portugal's—and her friends, Germany's and Italy's—protestations savour of special pleading. Whether, as newspapers in their countries now threaten, the Italian, German and Portuguese representatives on the London Non-intervention Committee will try at its next meeting to hold it up, on the charge that the Nyon signatories have technically " intervened," remains to be seen. None knows what Russia will do to protect her cargo ships in the Mediterranean. And none knows whether the British and French Governments will agree, after Italy's refusal to attend Nyon, to allow her to mark out her own zones of activity as terms for her collaboration.

* * *

Light and Shade at Geneva.—At Geneva this week the annual session of the League Assembly, with the concurrent session of the Council, began. This time, the Assembly has started work in a gleam of light. The Nyon Agreement, which we discuss elsewhere in this issue, was concluded on the eve, and signed on the morrow, of the Assembly's opening meeting. The League, and all that the League stands for, will be strengthened by this success. The Assembly may also be congratulated on having avoided a pitfall which has once again confronted it. Nothing has been done to impugn Abyssinia's title to membership. The question did not come before the Credentials Committee because the Emperor wisely refrained from sending a delegation; but he did address a letter to the Secretary-General in which he once more stated Abyssinia's case and reminded her fellow States-members of their unfulfilled obligations. No member has had the face to move that, because these obligations have not been carried out, the Assembly should proceed to expel not the defaulters, but the victim of their default. So it has again been tacitly

reaffirmed that a breach of the Covenant does not legalise itself by being materially successful. This principle may still play an important part in a chapter of international history which opened in the Far East in 1931, but which is far from being closed to-day. On a long view, the prospects of the aggressors are not altogether rosy. But on a shorter view the gleam of light at Geneva is framed in gloom. One dark spot in the international landscape was touched upon in the opening speech of the outgoing President of the Assembly, Dr Negrin (Spain). The Assembly has paid no attention to General Franco's impudent demand that the credentials of the Spanish delegation should be declared invalid. On the other hand, it is unlikely to find itself able to take any practical action on the Spanish Government's arraignment of the Italian and German Governments for acts of aggression which they have been committing against it for more than a year past, and of which Signor Mussolini, for his part, has recently boasted with a studied ostentation. Nor is China's appeal under Art. XVII likely at present to have any more practical effect, despite Mr Koo's moving *exposé* on Wednesday of Japan's aims and methods in the Far East, and his reminder that if China is beaten, the other Powers—willy-nilly, within the League or without—will be left to face crude music if they want to save their interests. The tide of aggression is still flowing; and at the moment the League will probably be able to achieve little save in matters which do not directly touch the main issue. At its inception the sovereign States refused to make it supra-national. Now their own security is fast vanishing because their separatism and sovereignty have hamstrung the League.

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Palestine Again.—Among the many side issues at Geneva is the problem of Palestine's future. The Council on Tuesday had before them the report of the Permanent Mandates Commission on the past administration of the Mandate, to which Mr Eden addressed himself. He remarked that none expected the twin goals of the mandatory's policy—Arab and Jewish nationhood and a Jewish National Home—to become two opposing poles, and pointed out how aggravated the situation had become because of the uprush of Anti-semitism in the West, and of Arab nationalism in the Middle East. Mr Eden, in asking for the Council's necessary approval to proceed with plans for partition, emphasised his Government's declared readiness to agree on any suitable scheme of partition. They were not bound to any details of the Royal Commission's recommendations. He proposed a further special body to visit Palestine and negotiate with Arabs and Jews for a scheme to be put before the Council. This body would have the task of delimiting agreed boundaries and making the financial arrangements for which the Royal Commission recommended the appointment of a financial commission. It seems that the Council will grant the British request; and then the real haggling will begin. That it will raise Arab and Jewish tempers again is to be feared, since murder and violence have recently once more reared their ugly heads in the Holy Land.

* * *

Rising Road Deaths.—In the wake of brilliant August weather and a record number of holidaymakers, come the official figures of road casualties. On the highways of Great Britain, according to the latest statement of the Ministry of Transport, some 612 persons were killed and 23,113 were injured in August. The number of deaths was 5 more than in July and 7 more than in August last year. It is true that the number of pedestrians fatally injured was 11 fewer than last year; that the number of injured declined in the same period from 24,116 to 23,113; and that the total number of killed and injured in the first eight months of this year was 153,700 against 154,092 in the same months of 1936. But the death roll for eight months was 4,237 against 4,043 last year. Clearly, the regulations and propaganda of the Ministry have barely sufficed to stabilise the total of accidents in face of an increased number of vehicles. The ultimate solution must be the adaptation of the roads to the needs of modern traffic and the requirements of public safety. Until this end is achieved, however, there is still considerable room for all road-users to exercise greater care, intelligence and restraint in the present inadequate and unsatisfactory conditions. The justified demand for better roads in no way excuses negligence or recklessness on existing highways, or disregard of inconvenient traffic rules which, in a better state of things, would not be necessary.

* * *

Physical Education.—The recent official recognition of the advisability of better facilities for physical training began with a Board of Education circular early in 1936, urging the need for more gymnasia, playgrounds, playing-fields, teachers and organisers, and for a new and extended curriculum in schools. The scope of this new policy of physical education was then increased to include those who had left school by the passing last March of the Physical Training and Recreation Act. The scheme has now been carried a stage farther by the issue of two handbooks by the Board of Education. These are intended to guide the physical training activities of all responsible for organising clubs, classes and centres; and for those who have left school they should serve the same purpose as the Board's Syllabus of Physical Training for schools. Indeed, these handbooks are remarkable in more ways than one. Blue-books are seldom "profusely illustrated." Still less often do they contain *dicta* about dress design. The drive towards a fitter nation has begun in earnest and, while the campaign must wait upon the appearance of an improved nutrition policy for general effectiveness, there is an encouraging breadth of vision in these books of guidance.

* * *

Political Processions.—The ban on political marches in the East End of London, due to expire on September 13th, has been extended for three months by the Commissioner of Police. The occasion of this decision was the Fascist proposal to march through the East End on October 3rd. The situation in the East End is still strained, largely on account of anti-Jewish provocation; and, although the route of the proposed march avoided specifically Jewish districts, the procession might well have been the cause of serious disorder. The task of the Commissioner is to preserve the peace. It is regrettable that freedom of political expression should be denied to any party, but the Fascists, by their deliberately provocative tactics, appear to have courted this latest rebuff.

* * *

American Monetary Policy.—One of the major aims of the New Deal, ever since its inception, has been to dethrone the New York Stock Exchange from its position of dominance in the American national economy. How imperfectly this aim has been realised has been demonstrated by the events of the last few weeks, when Wall Street has had a startling series of fainting fits. There has clearly been a divergence of opinion among the different agencies at Washington. The Securities and Exchange Commission, whose margin regulations are widely blamed in Wall Street itself for the trouble, has been unyielding. Mr Landis, chairman of the Commission, resigned some months ago, and his resignation happened to take effect this week. He made his own views clear, immediately after he ceased to carry official responsibility, by issuing a statement which put all the blame on the people who "fail to remember that Wall Street is bounded on the west by the United States of America." The Treasury, however, cannot afford to take this attitude of Olympian aloofness. It is still the largest actual or potential borrower in the country and has been suffering from the deterioration of the bond market.

Between the S.E.C. and the Treasury stands the Federal Reserve Board. Until recent months the Board's policy has been one of shortening monetary sail in order to remove all monetary incentives to inflation; the policy was exemplified by the successive recent increases in the percentages of reserves required to be carried by member banks of the Reserve system. This week, however, the Board has reserved its policy; reserve requirements are not to be lowered, but $300 millions of "sterilised" gold has been released, and the Reserve Banks are to engage in the open-market purchase of Government securities. These actions will, in the first stage, replenish the reservoir of credit precisely at the spot where it was tending to run dry, namely in New York City, where the banks have for some time past almost exhausted their excess reserves. But the effects will gradually be felt in a wider circle. The change of policy has had no perceptible immediate effect. It is an entirely different matter, however, to maintain, as is being done in some quarters, that it will have no effect at all, for it amounts to a formal notice that the authorities are not prepared to initiate or continue a restrictionist policy if the consequences are inconvenient to the Treasury. Next time the markets are in an expansive and optimistic mood, the logical conclusions will doubtless be drawn from this week's events. Sooner than was expected, it is being proved that consistent monetary policy is difficult, if not impossible, when the national Budget is unbalanced.

* * *

Japan's War.—Operations in China this week have been almost wholly confined to the north. The Japanese forces at Shanghai have formed a continuous line after the landing of all their reinforcements; and after assiduous bombardment of the advanced Chinese lines by Japanese warships on the Yangtse and by aircraft, the Chinese on Wednesday made an ordered retreat from the Woosung Creek-Hongkew line they have so stubbornly held. The new line now comes down from Lotien, 15 miles north-west of Shanghai, to Liuhang, 11 miles north-west; it then bulges out to Kiangwan, the racecourse, and thus to Chapei, across the river to the South Station, and then on well in front of the arsenal and powder factory. The Chinese have had three weeks to strengthen this reserve line; and they may hold it a long time. Meanwhile, the appointment of two of Japan's extreme militarists—Generals Terauchi and Matsui—to be Commanders-in-Chief on the northern and Shanghai fronts respectively, coincides with a big Japanese push in the north. The Chinese right flank was rolled back at Machang, 40 miles south-west of Tientsin on the Tientsin-Pukow railway; new attacks were then launched against the Chinese left flank at Kwan and the Liuli river, 30-60 miles south-by-west of Peking. The Japanese are also continuing their enveloping movement along the whole front from Kalgan through Liangsiang (Peking) to Tientsin, in an endeavour to destroy all solidarity in the Chinese forces. The naval blockade to below Hong Kong is being enforced by the Japanese with warships and war aircraft.

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Nuremberg, 1937.—In one of his speeches at the Party's Rally of Work in Nuremberg last week, Herr Hitler—not for the first time, though perhaps in more emphatic terms than ever before—made the point that he has a programme of peaceful work for the German people within the four borders of the Reich, which will keep them busy for many years to come. If this was intended as a reassuring signal to the rest of the world, we welcome it. We also take it as a sign of grace that last year's drum-fire of vituperation at Russia was not repeated—though the usual things were not left unsaid. One small touch that was, perhaps, significant was Herr Baldur von Schirach's remark in his speech presenting the Hitler Youth to the Führer. He did not know, he declared, whether this or that boy was a little Catholic or a little Protestant, but he did know that every one of them was a believer in God. This ingeniously simple formula reconciles several desiderata of Hitlerian policy. It gives the impression that Deutschtum is something that unites people whom the churches divide. It stamps the Nazis as respectable deists in contrast to those godless Communists. And it also, perhaps, opens the door for a reconciliation between the Third Reich and the Vatican.

* * *

This reconciliation is reported to be one of the main objectives of Signor Mussolini in his forthcoming visit to Germany. "If I could do it, you can too," will be his argument with his fellow dictator. "You can see that it has cost me nothing, so why should you hesitate to follow my example? And if we can rope the Vatican into the Rome-Berlin axis, how much we both stand to gain!" Will the Vatican be disposed to lend itself to these tactics? Presumably it will first make some inquiries about the identity of the God whom the Hitler Youths are being taught to worship. We may reasonably assume that this is not the God of Abraham, Isaac and Jacob; and we have a shrewd idea of the Nazi divinity's name. The name is surely Deutschtum and the temple of this idol is the gigantic stadium of which the foundation-stone was laid at Nuremberg the other day by Herr Hitler himself. In this colosseum the German Leviathan is to sit and worship itself. The worship of the tribe is the religion which both Herr Hitler and Signor Mussolini are inculcating with all the resources of totalitarian tyranny. When Herr Hitler and his Party lieutenants swear that they will never allow what they call "Bolshevism" to settle in any other European State, we need not wonder at the tenuousness of the boundary between a stay-at-home, hard working Nazidom and an aggressive, expansionis

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Deutschtum. What we still cannot quite understand is where Italy comes into all this Pangermanism. If Mussolini is to himself a Cæsar or a Sulla, how can he be an Alaric or Theoderic to Herr Hitler.

* * *

Native Policy in South Africa.—The process of reducing the already meagre status of the South African native is carried forward another stage by the newly passed Native Laws Amendment Act, 1937, which professes to implement the policy announced by General Hertzog last year. The new measure extends the Acts of 1923 and 1930, chiefly by handing over powers previously exercised by the Central Government to the local authorities. The former always had power, with the consent of the Governor-General, in "proclaimed areas" (i.e. areas in which the Governor-General had required natives by proclamation to live in defined locations or villages) to prohibit natives from entry into urban areas except under conditions it defined. Now any urban authority has this power and needs no consent from above. In addition, the Governor-General can now of his own motion prohibit entry. Foreign natives—by which is meant natives from outside the Union, the Protectorates and South-West Africa — are controlled even more rigidly; for they cannot enter these areas without the written consent of the Secretary for Native Affairs in consultation with the urban authority. This prohibition, however, does not apply to mining. Nor may any native reside upon land within five (or sometimes ten) miles of an urban area, though here again there are minor exceptions. Other provisions forbid the native (or institutions in which natives have an interest of more than 20 per cent.) to buy or lease land from non-native owners in urban areas.

* * *

The conditions which can be imposed upon native entry into the towns make interesting reading. For example, the prospective employer must give security that the native will be returned home when his contract is completed, and he may be compelled to pay the native's rent and other charges up to a quarter of the wage. The local authorities may also prohibit the entrance of female natives and forbid casual labour and independent contracting except service by the day under licence. They are given wide powers, further, to expel "redundant" labour in co-operation with the Governor-General. Unemployed natives, though not those permanently residing in the area, can be compelled to return home if they cannot obtain work within a fortnight. Lists of "redundant" natives may be drawn up and notices may be served on them, calling upon them to go to the area where accommodation has been provided. Non-compliance is to be followed by a warrant giving the police power to move them forcibly. They can also be ejected (and imprisoned) if, having been arrested, possibly without warrant, they cannot give magistrates "a good and satisfactory account" of themselves. Doubtless native legislation is technically the private affair of the Union: but few will envy the Colonial administrator his task of explaining to natives in other parts of Africa that this measure portends no ill to them. It is quite contrary to the whole spirit of trusteeship.

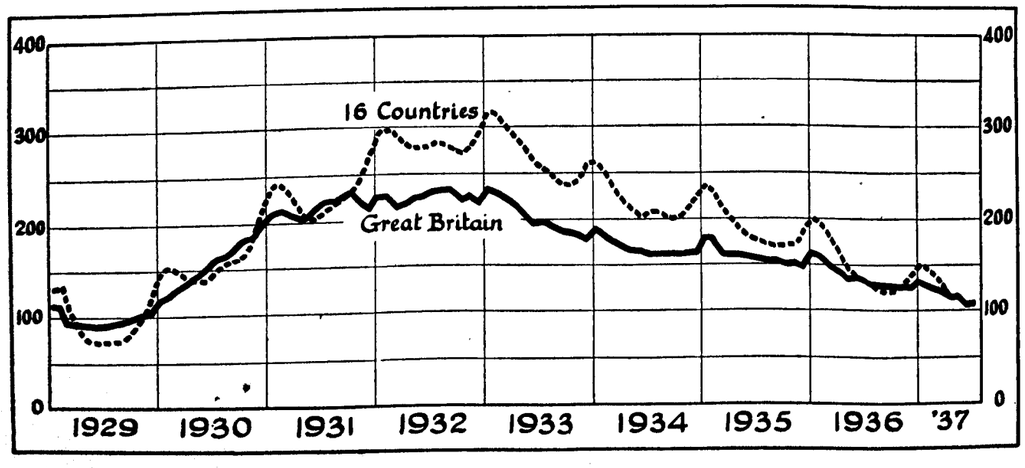
* * *

Unemployment at Home and Abroad. — As a companion to the chart showing the course of employment in sixteen countries and in Great Britain since 1929, which was given on page 514 of last week's issue of *The Economist*, we have prepared a chart to show changes in *unemployment* during this period. The index for 16 countries, like its counterpart in last week's chart, is calculated by the International Labour Office. Owing to changes in population, there is no close inverse correlation between the employment and unemployment indices. A comparison of the British and international unemployment indices shows a roughly proportionate movement until the autumn of 1931. After the gold standard was suspended in Great Britain, however, the international index rose well above the British index. The period between the autumn of 1931 and the turn of the following year saw a high but fairly stable level of unemployment in this country, and a further marked deterioration in conditions elsewhere. Since the beginning of 1933, both indices have followed a downward course, but the movement has been more rapid in foreign countries than in our own. Thus, by the middle of this year, when unemployment had been reduced almost to the pre-depression level, the two indices again closely coincided.

* * *

Railway Fare Policy.—An interesting article in the September issue of the *Economic Journal* by Mr E. J. Broster examines the effect of the last decade's general reduction in average passenger fares on the gross passenger receipts of the railways. The effect has been most marked since the introduction in 1933 of the Monthly Return Ticket at 1d. a mile, designed to prevent further losses of revenue to the road services and to regain earlier losses. Mr Broster argues that competitive road passenger development affecting railway traffics ended in 1931 or 1932; and that the factors influencing the trend of railway passenger revenues in the last five years have been changes in the purchasing power of money, movements in general prosperity and the declining level of fares. Accordingly, he first sets out the

INDICES OF UNEMPLOYMENT
(1929=100)



trend of *actual* annual passenger receipts since 1932 and variations in the average *actual* fare per mile in the same period. He then proceeds to adjust these figures to allow for changes in the cost of living and in the national income. He finally arrives at an estimate of the quantitative extent to which each factor—change in purchasing power, change in national income, and deliberate fare reduction—has contributed to the variations in passenger receipts since 1932.

* * *

His conclusion is that, from the point of view of the maximisation of gross passenger revenues, the reduction in the average level of fares was sound policy up to 1936. But he also argues that the railway companies' recent decision to raise rates and fares by 5 per cent. "or thereabouts" can reasonably be justified on financial grounds. The actual average fare in 1937 is probably lower than in 1936, and, since the value of the pound in terms of consumption goods has been steadily falling, the *real* fare is unquestionably lower than in 1936, when unit elasticity of demand for passenger travel had been all but reached. Accordingly, any appreciable further decline would, other things being equal, be accompanied by a fall in net revenue. Moreover, as Mr Broster points out, the chief concern of the railways is the maximisation not of gross but of *net* revenue. With a few exceptions, the fare which attracts the maximum net revenue is necessarily higher than that which attracts the maximum gross revenue. This is particularly the case when costs are rapidly rising.

* * *

A Scheme for Cocoa.—New arrangements for the purchase of cocoa on the Gold Coast market will come into force on October 1st, if negotiations now proceeding are successful. Competition among buyers on the Gold Coast has hitherto allowed the shrewd native sellers to play off one purchaser against another. "Gentlemen's agreements" among buying interests, it is alleged, have been nullified by the granting of secret commissions and excessive advances to the native growers. The new scheme drawn up by the West African shippers and the principal British and Continental cocoa manufacturers, is designed to eliminate these practices. Full details are not yet available, but there is apparently no intention of forming anything in the nature of a cocoa "pool." The signatories to the agreement will, it is stated, be allotted percentages of an agreed basic buying quota; though how this will work out in practice is difficult to foresee. In view of the recent upward movement of cocoa prices, the manufacturers can scarcely be blamed for attempting to obtain their raw material in the cheapest market. But whether the latest agreement will, in fact, succeed in stabilising the Gold Coast price remains to be seen.

* * *

What Sweden's Unemployed Have Done.—Unemployment in Sweden is down to a purely nominal figure. It appears to be as low as 10,000, of whom less than 1,000 are young men. It is interesting, however, to note what has been achieved by the Unemployment Committee in charge of the Government's public works schemes. Under the management of this committee the unemployed seem to have done a remarkable amount of work. They have built 6,250 kilometres of roads; 2,500 kilometres of ditches; and 24 flying-fields. Further, they have developed large areas for cultivation; improved the sewage system and the waterways, and built some new railway lines and canals. In addition to this, much work has also been carried out by the unemployed for the municipalities who managed their own schemes, but obtained support from the State through the Unemployment Committee. The opening up of waste land in the north of Sweden has provided many people with the means of maintaining themselves by cultivation and by seasonal work in the lumber industry. An interesting aspect is that of cost. During the 20-years period, 1914–1934, unemployment relief absorbed 679 million kronor. This does not include the costs of extensive special relief work organised during the years 1931–1934, nor the sums spent since. The total must amount to at least 1,000 million kronor; but the results are truly imposing. It is not without interest that 22 million kronor went in payment of unemployed labour engaged in "improving the churchyards."

* * *

Italy's Exchange Problem.—The latest statistical supplement to the Italian Official Gazette reports a surplus of imports over exports for the first seven months of 1937 of 3,678,806,000 lire (approximately £40 millions). This is more than double the deficit for the corresponding period of last year, and is surprising in view of previous forecasts by Italian economists of a trade deficit for the whole of 1937 of not more than 3,000 million lire; for even that is a figure much higher than has resulted from any recent year of normal trading. Estimates of the final deficit for 1937 have now had to be increased to 4,500 million lire. Nearly the whole of this difference can be attributed to larger imports of wheat, at 1,315,731,000 lire for the first seven months of 1937 compared with 127,672,000 lire for the same period in 1936. This is due to the very poor harvest in the cereal year 1935-36. On the credit side of the ledger, 1,000 million lire are expected from shipping, insurance and miscellaneous receipts and 2,000 millions from tourist traffic, which has been excellent this season. The latter figure can be deduced from an item in the Foreign Exchange Institute's budget which provides for a loss, to be met out of the taxpayer's pocket, of 200 million lire from the sale of "tourist" lire at about 10 per cent. below the official exchange rate. Even so, only two-thirds of the deficit in Italy's balance of international payments will be covered at most; and some 1,500 million lire will have to be offset, either by the export of gold or by letting the lira slide.

* * *

Good Business News. — This week's postbag from industrial centres contains few expressions of dissatisfaction with prevailing conditions. Lancashire cotton manufacturers have been less inundated with orders owing to the continuous downward trend of raw material prices. Any signs of a definite halt, however, are expected to bring out a substantial volume of new business. Yorkshire wool textile manufacturers, too, have received fewer orders as a result of the uncertain price of raw wool, but current activity remains high. The coal trade, on the other hand, remains brisk and profitable, the seasonal increase in household requirements having provided a further stimulus. Shipments of coal from Cardiff to September 12th this year were

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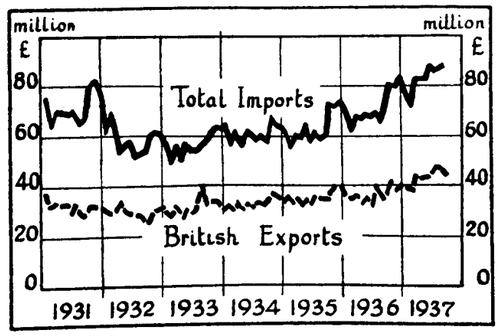
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14.7 million tons, against 11.8 millions during the corresponding period last year. Total output of coal is well ahead of last year, but production in the week ended September 4th, however, amounted to 4.8 million tons, compared with 4.45 millions a year ago. The number of persons employed rose from 748,600 to 780,300 during this period. In iron and steel the situation is unchanged. Supplies remain stringent and below consumers' requirements. Among the general indicators of business activity published this week, the overseas trade returns, analysed in the following Notes, show expansion in both directions. In fact, nothing has occurred which is likely to affect upward trend of business during the next few weeks.

* * *

Overseas Trade in August. — The only certain conclusion to be drawn from the latest returns of foreign trade is that the upward trend of exports and imports continues. In the chart below the trend of total imports and British exports is clearly shown :—



The detailed figures for August raise some important questions. Total imports continue to expand at a rapid rate, but the percentage increase over last year's figure has taken a sudden jump and now exceeds the percentage increase in exports. The increase in August was sufficiently great to make the aggregate increase in imports, for the year to date, proportionately larger than the increase in exports. Figures are shown below :—

MONTH OF AUGUST
(000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	59,146	66,056	86,659	+ 20,603	+ 31·2
British exports	34,883	35,258	42,546	+ 7,288	+ 20·6
Re-exports	4,186	4,426	6,687	+ 2,261	+ 51·1
Total exports	39,069	39,684	49,233	+ 9,549	+ 24·3
Excess of imports over exports	20,077	26,372	37,426	+ 10,854	+ 42·7
Transhipments under bond...	2,024	2,524	2,969	+ 444	+ 16·9

FIRST EIGHT MONTHS
(000's omitted)

	1935	1936	1937	Change between 1936 and 1937	
	£	£	£	£	%
Total imports	479,045	536,565	654,375	+117,810	+ 22·0
British exports	277,737	283,170	341,439	+ 58,269	+ 20·6
Re-exports	36,744	41,810	54,201	+ 12,392	+ 29·6
Total Exports	314,481	324,980	395,640	+ 70,660	+ 21·7
Excess of imports over exports	164,564	211,585	258,735	+ 47,150	+ 22·3
Transhipments under bond...	15,818	17,784	24,504	+ 6,720	+ 37·8

Between July and August, imports rose by £1,154,044 and total exports fell by £5,450,785. These movements are in the usual direction, but the latter figure is uncommonly large. It is mainly to be accounted for by smaller deliveries of ships, locomotives, aircraft, iron and steel manufactures and machinery. Since many accidental factors influence the monthly totals for these categories, undue weight cannot be attached to these changes: it will not be possible to draw clearer conclusions until the figures for the next two or three months are available.

Trade by Commodities.—The two tables given below record the quantitative changes in the main items of import and export in August of the last three years:—

TABLE I.—RETAINED IMPORTS—MONTH OF AUGUST

Item and Measure	1935	1936	1937
Wheat ..... '000 cwts.	7,041	7,483	8,588
Beef and veal ..... '000 cwts.	1,411	1,178	1,181
Mutton and lamb ..... '000 cwts.	507	442	693
Sugar, unrefined ..... '000 cwts.	3,587	4,136	3,551
Iron ore and scrap ..... '000 tons	403	630	891
Raw cotton ..... '000 centals	618	1,145	645
Sheep's and lambs' wool ..... '000 centals	391	334	374
Flax, hemp and jute ..... tons	17,509	21,757	18,019
Crude petroleum ..... '000 galls.	45,617	50,565	42,966
Hides, wet and dry ..... '000 cwts.	128	168	217
Wood pulp ..... '000 tons	194	197	172
Rubber ..... '000 centals	363	89	414
Unwrought copper ..... tons	22,979	27,588	37,904
Pig lead ..... tons	28,998	29,424	27,379
Tin, ore and concentrates ..... tons	3,421	4,033	5,091
Tin, blocks, ingots, slabs and bars ..... tons	2,430	432	2,932
Iron and steel manufactures ... '000 tons	74	142	213
Machinery ..... tons	5,421	8,227	12,667

In themselves, the figures for imports in a single month do not tell very much, but the cumulative figures for the first eight months of the year actually tell much the same story. Most imports have increased gradually in quantity, and substantially in value. The value of food, drink and tobacco imported so far this year has increased 12 per cent. over 1936; of raw materials, etc., 29 per cent.; and manufactured articles 30 per cent.

TABLE II.—BRITISH EXPORTS—MONTH OF AUGUST

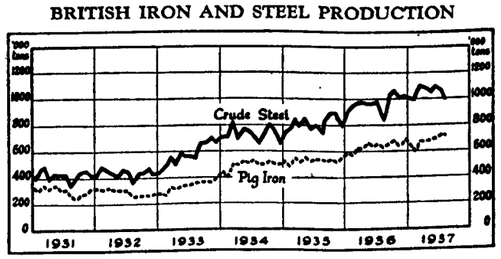
Item and Measure	1935	1936	1937
Coal ..... '000 tons	3,451	2,754	3,529
Iron and steel scrap ..... tons	9,491	8,350	12,818
Pig iron and ferro-alloys ..... tons	12,077	10,056	14,231
Railway materials ..... tons	20,135	21,137	23,838
Total iron and steel manufactures ..... tons	193,634	163,959	201,352
Textile machinery ..... tons	5,135	4,248	5,858
Total machinery ..... tons	28,653	28,243	34,723
Cotton yarns ..... '000 lbs.	11,943	11,685	13,577
Cotton piece-goods ..... '000 sq. yds.	160,557	158,995	161,992
Wool tops ..... '000 lbs.	3,634	3,928	3,303
Worsted yarns ..... '000 lbs.	2,503	2,166	2,025
Woollen tissues ..... '000 sq. yds.	8,025	7,907	8,377
Worsted tissues ..... '000 sq. yds.	3,946	3,889	4,145
Linen piece-goods ..... '000 sq. yds.	4,492	6,563	6,494
Leather boots and shoes ..... doz. pairs	30,494	27,110	35,494
Leather ..... cwts.	18,735	19,661	18,201
Paper and cardboard ..... cwts.	322,923	290,185	393,353
Locomotives, complete and parts ..... tons	1,191	1,064	1,653
Motor vehicles and chassis ..... tons	4,406	5,458	8,433

By contrast with the import figures, practically all the chief exports have risen in quantity, in nearly every case by a larger percentage than is the rule among imports. The aggregate value of manufactured exports this year, which account for over two-thirds of our exports, has increased by a trifle over 20 per cent. But it remains to be seen whether the increasing demand of the raw material producing countries will help to restore the terms of trade in our favour.

* * *

Steel Imports Exceed Exports.—Last month a seasonal decline occurred in the output of both pig iron and crude steel, though the reduction was less marked than a year ago. The course of output since January, 1931, is shown graphically in the following chart:—

BRITISH IRON AND STEEL PRODUCTION



Exports also showed a seasonal reduction but imports rose further, and, in volume, actually exceeded British exports, indicating the change in the situation that has taken place since 1932 when a tariff was imposed to keep out foreign materials.

(In thousands of tons)

Period	Production		Foreign Trade	
	Pig Iron	Steel Ingots and Castings	Total Imports	British Exports
1913—Monthly Average	855·0	638·6	185·9	414·1
1929 " "	632·4	803·0	235·2	364·9
1932 " "	297·8	438·5	132·7	157·4
1936 " "	640·5	974·8	123·6	183·8
1936—July	665·6	974·1	170·3	216·1
" August	635·8	872·7	141·8	164·0
" September	650·8	1,027·0	165·0	183·0
" October	670·3	1,060·5	101·0	194·4
" November	643·1	1,001·3	90·7	193·3
" December	671·4	1,019·2	94·8	204·8
" January	650·7	998·9	83·1	215·0
1937—February	603·7	995·9	82·9	200·5
" March	680·3	1,109·5	94·3	231·6
" April	680·7	1,080·4	88·5	239·5
" May	696·3	1,047·3	98·1	228·3
" June	699·3	1,106·4	174·8	235·4
" July	729·3	1,059·2	202·3	232·2
" August	712·6	987·7	213·4	201·4

The increase in imports has tended to alleviate the stringency of supplies, but only to a slight extent; for requirements continue to exceed supplies. Demand is as strong as ever, and there are no indications that the industry will be able to meet in full the requirements of consumers at current prices during the next few months.

* * *

Unemployment Among Older Workers.—In a Note of the Week on page 425 of *The Economist* of August 28th we published a table which showed how the decline in the total number of unemployed since May, 1936, had been accompanied by a significant change of age distribution in favour of the younger. The following table relates the numbers of unemployed men on the registers of Employment Exchanges in England and Wales to the total male population in different age groups in May, 1935, 1936 and 1937:—

NOS. REGISTERED AS UNEMPLOYED, AS PERCENTAGES OF TOTAL MALE POPULATION IN CERTAIN AGE GROUPS
(ENGLAND AND WALES)

Men	May			
	1935	1936	1937	
	Actual Percentages	Actual Percentages	Actual Percentages	*Datum Percentages* (*)
18–20	7·8	5·3	3·6	*5·2*
21–24	13·6	10·2	7·4	*9·0*
25–34	10·7	8·4	6·4	*7·1*
35–44	10·3	8·6	6·9	*6·8*
45–54	11·2	9·6	8·1	*7·4*
55–59	13·3	11·9	10·4	*8·8*
60–64	12·8	11·9	11·3	*8·5*
All 18–64	11·2	9·2	7·4	*7·4*

(*) Percentages presuming the changes in all age groups to have been strictly proportionate to the change in the *total* percentage between 1935 and 1937.

As a glance at the actual percentages for May, 1937, will show, the incidence of unemployment now increases steadily with advancing age, from 3.6 per cent. in the case of men aged 18-20 to 11.3 per cent. among men aged 60-64. In addition, while unemployment declined considerably in all age groups between May, 1935, and May, 1937, the decline was far greater among younger than among older men. The last column in the table shows what the percentages would have been in 1937 if the decline since 1935 had been the same at all ages. It will be seen that among men under 35 the proportion unemployed fell to a greater extent than could be accounted for by the general recovery, whilst the opposite was the case with those over 45 and, more particularly, over 55. As the number of older persons in the community is destined considerably to increase in the next few decades, the marked tendency of employers to prefer younger to older men gives rise to disturbing implications. The figures point the moral of the appeal made to employers by Mr Ernest Brown, Minister of Labour, in his tour through the Special Areas this month, to take on additional workers, as far as possible, from older men.

* * *

Indian Railway Inquiry.—A Committee set up last October under the chairmanship of Sir Ralph Wedgwood recently issued its report on the Indian State Railways. The Committee was appointed when it became apparent that Sir Otto Niemeyer's proposal that the State Railways should make a substantial contribution to the Federal Budget under the new constitution needed further examination. The terms of reference were wide and closely resembled those of the multitude of Commissions which have in the last few years examined nearly every railway in the world. The report points out that the Indian State Railways have withstood the depression better than most and have recently much increased their efficiency. It recommends the collaboration of road and rail transports, proposes two minor amalgamations and advocates the cultivation of "good public relations." But its financial proposals conflict somewhat with those of Sir Otto Niemeyer in that the State is advised not to look to the railways for funds in relief of taxation. This conclusion is reached, not so much on a broad point of general principle (though that alone would have been an excellent ground), as on a careful estimate of practical possibilities. The Committee urges the need for a carefully administered depreciation fund and for a general reserve fund to cover the fluctuations of revenue in the course of the trade cycle. Only after examining the desirable dimensions for these funds does the Committee decide that no surplus is likely to be available for general revenues and that the State should accordingly confine its interest in the railways to that of a debenture holder. The implication is, in short, that the State Railways should be raised to a status closely resembling that of the majority of English public utilities.

* * *

India's Food Problem.—In *The Economist* of December 26, 1936 (page 627), a correspondent discussed the nutritional adequacy of India's food supplies. The writer of that article is now able to add a number of new facts. After making certain consequential adjustments, the following figures are obtained of the amount of foodstuffs available per adult unit per day in British India:—

	Corrected Daily Average (Grms.)	British Medical Association Scale (Grms.)	Deficiency or Surplus (Grms.)
Proteins, 1st class	17	50	*— 33*
Proteins, 2nd class.....	55	50	5
Fats	37	100	*— 63*
Carbohydrates	548	500	48
Calories	*2,887*	*3,390*	*— 500*

If the B.M.A. scale is adopted, we find that there is not a surplus, but a deficiency of calories in the total food supply of British India. But the B.M.A. scale of 3,390 calories per adult unit is too high for India. Dr Akroyd, at the Indian Science Congress, declared that he estimated the minimum daily requirements per consumption unit of a South Indian peasant family at about 2,500. The conclusion of the December article, therefore, still stands; that the main problem is not so much a deficiency of calories as of fats, animal proteins and generally of the protective foods; and to give a balanced diet, the output of milk needs to be increased to at least twice its present figure.

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Overseas Correspondence

From Our Special Correspondents

United States

Mixed Business Prospects

New York, September 7.—Labour Day, which this year fell on September 6th, is the traditional boundary between summer dullness and autumn revival. This year it seems unlikely that the conventional pattern will be noticeable. Except in the security markets, the summer has not been dull. On the contrary, June and July, which are seasonally months of receding production, were remarkably active this year; while August, which usually brings signs of upturn, showed some tendency to sag.

But the evidences of recession in August were indecisive and few. Steel operations, for example, have been steadily maintained at about 85 per cent. of rated capacity throughout the summer, and at the current level are still about 15 per cent. above that of a year ago.

Residential building, whose recovery was checked in July, 1936, by rising costs, ran for twelve months at about the level of that month; but it is now reported that residential building permits have slumped sharply this summer. Retail trade is remarkably slack, even for the summer, and gives no sign of the "increased consumer purchasing power" ostensibly created by the wage increases of recent months. Indeed, the sum of the evidence to date suggests that the increase in labour costs has been more effective in raising retail prices than in enlarging consumer demand. The high cost of living has once again become a stock subject of discussion.

It must not be supposed that the hope of an autumn revival has been abandoned. The gloom which still encircles Wall Street is not at all the mood of the industrial community. Industry is going ahead with sales campaigns, plant improvement and expansion, etc. These are sound reasons for questioning the objectivity of Wall Street's view about the current state of our economy; but there are equally sound reasons for not belittling the difficulties of our capital market. Industrialists may be quite right about the immediate course of business; but in the long run the problems which are agitating the security market are not without bearing on industry, however slow they may be in making themselves felt.

Stock Exchange Depression

It is well known that the volume of activity in our security markets is too small to support a financial centre geared to the extreme speculative activity of the past. It is estimated that Wall Street requires an average daily volume of approximately 1,500,000 shares to cover its costs with some comfort; and that volume has been rare in recent months. The result is that Stock Exchange seats sell practically at their 1932 low prices; several thousand employees have been discharged this year; and wages and salaries are extremely low. Persons are employed in fairly responsible positions in brokerage offices at wages which compare unfavourably with those of the lift operators in their office buildings. That is, Wall Street, as an industry and as a locality, is still in a process of deflation.

But another angle of the same picture is more significant. In the past six months the behaviour of quotations on the New York Stock Exchange could by no definition be described as orderly. From 195 in February the Dow Jones Averages fell abruptly to 165 in June, bounced back to 190 in early August and fell approximately to the low levels of June by the end of that month. During this period, business activity was on a singularly even keel, running from month to month with scarcely a tremor. There were, however, a number of factors influencing purely speculative sentiment—the gold scare, the steel strike and its ending, a sequence of international alarums. The significant fact is that market values could be so violently impelled, first in one direction and then in another, by considerations which moved few persons to action. The market is over-sensitive to ephemeral and even superficial influences.

No doubt a variety of factors have contributed to create this condition. Commonly, the Securities and Exchange Commission is blamed. By its relatively stringent margin requirements the S.E.C. has certainly reduced the activity of the casual speculator and so thinned the markets. But it would be difficult to prove that margin trading was essential or even conducive to orderly or stable markets.

Corporations Tax Effects

On the whole, it seems likely that the changes in our tax laws have a bearing on the question. It was until recently a common practice among American capitalists in the higher tax grades to incorporate their security holdings in the form of personal corporations or private investment trusts. In this form, distributed earnings, whether capital gains or income, were subject to the personal income tax; but so far as the corporation and its undistributed earnings were concerned they were subject only to the corporation tax. In 1934 such personal corporations were made the subject of special legislation, which imposed on their undistributed earnings a rate of about 30 per cent., or about double that on public corporations. In 1936 this tax was raised to a maximum of 48 per cent.; and this year the tax on such corporations was made higher than the highest rate of tax on personal incomes.

Thus on current income a corporate security must yield over 6 per cent. to compete with tax-exempt municipals available on a 3½ per cent. basis, for any individual subject to a 50 per cent. income tax. Whenever corporate securities yield less than 6 per cent. it may be advantageous for such persons to switch from taxable to tax-exempt securities.

Capital gains are counted as income, and subject to the full income tax, on all realisations within one year, with a descending scale on securities held for more than one year. While an investor might be willing to risk a certain amount of market trading against a 30 per cent. tax on his capital gains, no investor is so accurate in his market prognostications as to carry a handicap materially higher than that. As a consequence, large investors have tended more and more to withdraw from active participation in the markets of corporate securities. The absence of such participation has been a conspicuous fact during the past year, and even more so since the introduction of the latest tax bill in early August.

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France

Foreign Policy and the Franc

Paris, September 15.—The firmness of the English and French Governments at the Nyon Conference had the entire support of public opinion in France, which considers that freedom of communications in the Mediterranean must be safeguarded, and that the prestige politics of the dictatorships do not matter so long as this policy does not overshadow the prestige and interests of the democracies. But the latest fall of the franc, the reappearance of strikes—notably a four-days' stay-in strike in a motor factory—and the destruction of the offices of the Employers' Federation by a bomb, are not factors likely to enhance prestige. The press is urging that a policy of authority in foreign affairs must be backed up by the spectacle of order and power at home.

As to the franc, which has plunged below 145, it is urged that a "floating" franc should not become a "drifting" franc. The reserves of the Equalisation Fund are perhaps adequate. The Rentes are showing a stout resistance in face of events abroad and of the dullness of foreign markets, and Wall Street in particular. But recent events have served yet again to underline the internal causes of the weakness of the currency—particularly the deficiency of production and the huge import surplus.

The bombing of the headquarters of the Employers' Federation was actually condemned by the Trade Unions. Thus, if this crime were aimed at provoking new conflicts in the community, it has failed. But although French solidarity in face of foreign disturbances and extremist plots has been reaffirmed, the Government is still experiencing considerable difficulty in securing the collaboration of both employers and employed. The latest example is that of the miners, who are now attaching to their offer to work four extra days in the next four months conditions to which the coal owners can scarcely agree. But to eliminate the import surplus due to the deficiency of production would necessitate much more than four extra days' work in four months.

This being the case, the issue of the pending Inquiry into the state of production, which apparently aims to force the Trade Unions to accept new working conditions, is doubtful. These circumstances explain why M. Chautemps has declared that, if a new Charter of Labour could not be obtained by the good will of the employers' and workers' organisations, the Government would take the responsibility of laying before Parliament a Bill to fix the juridical relations between Capital and Labour. The conclusions of the Inquiry must be made known at the end of the month. But the cantonal elections in a month's time will offer public opinion an occasion—the first since the Popular Front elections of 1936—to express its temper.

Political Auguries

No doubt the rise in prices, the foreign menace and—last but not least—the bomb outrages, will cause a large section of opinion to declare itself for a policy of authority. Another section, on the other hand, is now accustomed to the new social policy, but is at the same time more and more shocked by events in Soviet Russia. Nevertheless, one must reckon with the electoral alliances: even if the three parties of the Popular Front go separately to the poll, what combinations will be arrived at for the second ballot? The Socialists have recently declared in favour of resistance to the Senate, credit-control, and the nationalisation of key industries. Will they ally themselves electorally with the Radicals or the Communists? And will the Chautemps Cabinet or its successor be able to follow a policy modelled on the compromise over the railways? Though there are actually signs of a break in the Popular Front, the time does not yet seem ripe for the Ministry of the Centre, for which—inspired by the example of Belgium—so many people now wish.

Huge Import Surplus

Last week saw a new and sharp rise in prices. The general index moved from 589 to 605, the index of domestic products rising from 602 to 616 and of imported products from 566 to 585. The index of food prices rose markedly from 608 to 630, an advance which will rapidly make itself felt in the cost of living.

Foreign trade in August showed a general diminution in both quantity and value, and in both imports and exports. The import surplus was a little lower than in July :—

('000 francs)

	August, 1936	July, 1937	August, 1937
Imports			
Foodstuffs	513,467	776,334	780,327
Raw materials	957,887	1,878,567	1,861,102
Manufactured goods	293,495	544,814	516,820
Totals	1,764,849	3,199,715	3,158,249
Exports			
Foodstuffs	179,352	246,334	229,272
Raw materials	336,632	658,139	668,483
Manufactured goods	653,611	967,649	963,603
Totals	1,169,595	1,872,121	1,861,358
Import surplus	595,254	1,327,594	1,296,891

In August, the tonnage of exported manufactured goods declined, though the value remained comparable to that of July as a consequence of the rise in prices. Imports and exports of raw materials continue to be considerable, the imports of coal being 2·5 million tons valued at 450 million francs, compared with 1·9 million tons and 179 million francs in August, 1936.

In the first eight months of the year, imports were valued at 26,600 million francs and exports at 14,700 millions—an import surplus of 11,800 million francs. In this total imports from the Colonies were valued at 6,260 million francs, against 4,393 millions in 1936; and exports at 4,310 millions against 3,124 millions. The import surplus in colonial trade was thus 1,947 million francs, which added to a deficit of 9,924 million francs in trade with foreign countries gives the total of 11,800 millions.

Germany

Mussolini, Hitler and Britain

Berlin, September 14.—With the Nuremberg Congress over, interest is concentrated on the impending visit of Signor Mussolini. The visit will be a giant demonstration of solidarity, if not exactly, as is affirmed, "the most portentous meeting of rulers in history." It is conceivable, but not likely that some kind of formal diplomatic or military association will be announced. The event is hailed as a triumph for Germany in particular, as if the Third Reich needed overt recognition and patronage which the better-established Fascist system can do without.

The visit will increase German self-esteem. It is an important event in view of the not very satisfactory relations of both Germany and Italy with Great Britain. To Germany, as to Italy, England is undoubtedly the great antagonist. It has become the rule here to treat France as being out of the international race—sometimes as a British, sometimes as a Russian, satellite. The other animosity—against Russia—is unreal; indeed, it is a mere offshoot of that very real hatred

of the Jews, which is the one consistent passion of National-Socialists.

Yet to say that Anglo-German opposition is more real than Russo-German opposition is not to say that it is well founded. The opposition derives in great measure from its constant advertisement by persons, mostly English, who imagine that it would be easily ended if only statesmen were reasonable; and, with still greater optimism, that were it ended permanent European pacification would result. Between the two nations stand the realities of suspicion, resentment, and censoriousness, the very things which the best diplomatists could not overcome.

But the concrete problems which are sometimes supposed to separate England from Germany are either no problems at all, or remote contingencies. That applies first of all to armaments. Disarmament is not a mere Anglo-German issue; and since London acquiesced in the Reich's repudiation of the Versailles restrictions, it cannot make the dimensions of German armaments a cause of complaint. The question of a Western Pact is in the same category. If Locarno is dead through German act, a new Locarno may, indeed, be hoped for, but no grievance can be made out of Germany's unwillingness. It would probably improve Anglo-German relations were this issue entirely dropped, even if the alternative was the much-abused pre-war alliance system.

What other grievance England could have against the Reich it is hard to say. Germany's aggressive designs are by no means so obvious as alarmists think. There have been, indeed, authoritative German utterances in favour of war, but, almost simultaneously, utterances in favour of peace. As there is no continuity or consistency in German foreign policy it might be well to ignore both. And Germany's economic isolationism is her own affair. According to that very school of economists who condemn it most, it will do the most harm to Germany herself.

Baseless Antagonisms

Neither can it be said that Germany has any well-founded complaints against Great Britain. Indeed, the incessant German outcry about the lack of reasonable opportunities for development and expansion is usually directed against the world as a whole, being associated with the alleged Judeo-International conspiracy. Further, the outcry is accompanied by the announcements that Germany can triumphantly solve her economic problems; that she is making better materials than she could import; and that she has a better currency system than her richest competitors. Even if all these claims were baseless, it would hardly be London's business to help the Reich.

The recognition by prominent Englishmen, some in office, of a vague kind of international collectivism from which Germany might ultimately benefit has done only harm. The notion that, because Kent ought to help Sussex if Sussex has not enough to eat, one country is obliged to help another is inconsistent with the essentially national basis of international relations; and an England competing with Germany in armaments, yet helping Germany economically, despite the apprehension of war, would be acting unreasonably. The same applies to colonies. An England setting up anti-aircraft guns in one colony and presenting Germany with colonies which she would certainly, and quite properly, use as aviation bases would be absurd.

If the conflict of ideologies is a cause of Anglo-German antagonism, it is not England's fault but Germany's. It is quite true that private Englishmen, on platforms and in the Press, often express themselves unfavourably about the Nazi political philosophy and internal methods; and private Germans might be expected to retort. But private Englishmen may also publicly approve of National-Socialism, and Germans know that many do so; indeed their Press gives more than due advertisement to a few Englishmen who proclaim that Germany is always in the right and England always in the wrong. But anti-English agitation in Germany is not private but governmental. The attacks on England are sometimes very intemperate. The notion that Englishmen are particularly censorious and intolerant about foreign ways is the very contrary of the truth. In a world in which Russia will not tolerate Nazis, Fascists, or Democrats; in which Fascists and Nazis will not tolerate Communists nor Democrats; and in which all three are making war in order to enforce their respective political crazes, England deserves praise for her relative calm. Contemplating the Nabob's treasure of fanaticism and fury on the Continent, the most censorious Englishman might be surprised at his own moderation.

In fact, in so far as political systems are concerned, the German grievance is not that England is intolerant but that she is tolerant—in the wrong direction. The complaint at Nuremberg was that the Democratic countries would not join in the ideological war against Communism, which Herr Hitler and Signor Mussolini, the former with apostolic fervour, the latter probably with diplomatic guile, are now actively engaged. But Germany is resolved to extirpate Bolshevism. Yet she denies any intention of interfering in other countries or attacking Russia.

In all this confusion of thinking, one seeks in vain any indication of Germany's meaning when she summons the world to an anti-Communist campaign. Had Berlin any practical proposals for combating political tendencies which it does not like, and if it had any hope of their acceptance, it would long ago have made concrete proposals. There have been no proposals to convert the agitation into policy because there is no substance in the policy itself.

Hungary

Foreign Debt Settlements

Budapest, September 10.—That an all round resumption of direct transfer—though on a moderate scale—on all foreign debts, public and private, short and long term, is attempted without recourse to new foreign borrowing, clearly demonstrates that Hungary's financial administrators are attempting to adapt the economy of the country to its own resources.

In the first post-war reconstruction period, from 1924 to 1931, foreign borrowing enabled Hungary to spend considerably more than she produced. Later, a painful process of readjustment, beginning with a transfer moratorium on the foreign debt service and a budgetary deflation, was necessary to reach a new level of equilibrium. This seems to have been attained now, for the first time since the collapse of 1931. The Budget is balanced in spite of the heavy deficit of the State Undertakings, and foreign trade returns show a sufficient surplus for the new contractual obligations to be met.

The transfer moratorium is being gradually liquidated, but the exchange control cannot be discontinued for some time. The pengö has settled down to a new level, approximately 65 per cent. of its former gold value if the standard rate of surcharge is taken as a base. Though the authorities are buying gold at 5,800 pengö per oz., that is 53 per cent. over and above the old par rate, the revaluation of the pengö has not yet taken place. It is felt in competent financial circles that Hungary must await the stabilisation of the principal currencies, including the German mark and various other Central European exchanges, before another new par can be fixed in terms of gold or sterling.

The new debt settlement calls for an annual transfer of approximately £3 million, of which nearly £2 million is to be devoted to interest and the rest to amortization of the principal. As the export surplus for the first six months of the year is almost 75 million pengö, or just about £3 million, calculated at the standard surcharge rate, it would seem that the foreign exchange necessary

to satisfy all the foreign creditors is already at hand. This, however, is not so. Germany, Austria and Italy are the chief outlets for Hungarian exports, but they are not the chief creditors. Out of the 75 million pengö trade surplus achieved in January-June, 1937, more than two-thirds, 55 million pengö, have been obtained from the above named three countries. And, as is well known, neither German marks, nor Austrian schillings or Italian lire are freely convertible, so that from these balances no transfers into sterling, dollars, francs, guilders, etc., can be automatically effected.

In order to overcome the shortage in convertible foreign exchanges, the Hungarian authorities established in co-operation with the interested foreign creditors a system of additional exports to procure funds over and above those obtained from normal exports. The additional exchange gained from these exports went to the foreign creditors as a *quid pro quo* for the considerable sacrifices they accepted in liquidating their blocked pengö balances. These additional exports play a most important part in the temporary three years agreements with the various groups of foreign creditors. The settlements effected have been based on the experience of the past two years, when indirect transfers have been made from the proceeds of the additional exports to those who participated in the scheme at their own initiative.

Opinion on the Agreements

Not the least significant aspect of the new settlement is the satisfaction with which the move of the authorities was received by public opinion in Hungary. It is true that some politicians complained that the agreements involve additional burdens on Hungary, but Government and financial circles, including the debtors themselves, feel that the new obligations—unless some unforeseen major disasters occur—are about equal to the real transfer capacity of the readjusted economy of the country. The League Loans Committee has expressed the opinion that it was inevitable that the total foreign debts of Hungary should be scaled down; and that the offer to pay 50 per cent. in perpetuity is the "serious offer of an honest debtor."

In spite of the somewhat poorer crop prospects as compared with the bumper wheat harvest last year and because of the higher prices obtainable in the world markets for agricultural commodities, recovery proceeds hand in hand with sound public finances. Credit conditions are better than at any time since 1930. Banks are eager to resume lending. Liquidation of the partial agricultural moratorium, cautious financing of the new rural settlement policy, expanding public works and a series of social improvements afford legitimate grounds for the moderate optimism which prevails both in political and financial circles, that the second financial reconstruction, though less spectacular than the first, rests on solid foundations.

Japan

The Cost of War

Tokyo, August 11.—The special session of the Diet, which sat for a fortnight and adjourned on August 8th, approved supplementary estimates for the North China expenditure, the Gold Revaluation bill, tariff revision, and a few other urgent measures, mostly relating to national defence and international payments. Supplementary estimates for the North China operations, etc., amount to 537 million yen; and these bring national expenditure for the current fiscal year up to an unprecedented total of 3,409 million yen. The North China expenditure is to be supplemented by an additional levy upon personal and corporation income, excess profits, dividends and interest, and a new sales tax on jewellery, musical instruments, photographic apparatus, and the like.

The Gold Revaluation Act provides for the revaluation of the gold stock of the Bank of Japan together with that of the Bank of Chosen and the Bank of Taiwan, and the transfer of the writing-up profits to the Government's special gold account. The basis of the revaluation is fixed at 290 milligrammes to the yen against the old basis of 750 milligrammes or, roughly, 10 per cent. below the world gold price. The gold holdings at the new valuation will amount to 1,213 million yen, of which 800 million yen will be retained by the central bank, and the balance of 413 million yen will be transferred to the exchange readjustment fund.

In the tariff revision, the duties on petrol, motor vehicles and parts, card clothing, and cassava root are revised upwards; the additional special duty of 35 per cent. on refined sugar, caustic soda, textile yarns, printing paper, copper, and other non-ferrous metals is repealed; and iron and steel, wood pulp, newsprint, and synthetic oil are put on the free list.

Rising Import Surplus

The upward trend in imports was continued markedly in July, and the import surplus mounted, although July is the month when heavy exports should normally begin. The trade returns for July show that, compared with the corresponding month of 1936, imports rose by 155,943,000 yen (76.7 per cent.) and exports by 59,292,000 yen (26.6 per cent.). Thus the import surplus amounted to 77,072,000 yen, bringing the total in the first seven months of this year up to 695,372,000 yen. Iron and steel, non-ferrous metals and mineral oils accounted for nearly half the increase in imports; iron and steel imports alone rose in value by 59,163,000 yen. On the export side the expansion covered the whole list with the single exception of vegetable oils. Cotton exports increased by 8,448,000 yen, and raw silk exports by 4,127,000 yen.

The earnings statements so far published of important industrial companies for the first half of this year show that profits are still rising, and that the momentum of their advance has increased rather than decreased during the last six months. A large number of concerns in the iron, coal and steel, engineering, rubber, and shipping groups showed marked improvement, and the mid-summer dividends have generally been maintained, and even increased in some cases. The textile results, which recovered in the latter half of 1936, show a further definite improvement, and so have the earnings of trading companies.

Other economic indices for July do not disclose any striking change of trend compared with recent months. The Bank of Japan's index of wholesale prices for July showed a slight rise of 0.3 per cent. on the month. The output of cotton yarn in July totalled 134,948,000 lbs., a decrease of 1,236,000 lbs. compared with June; while rayon production amounted to 29,467,000 lbs., an

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increase of 1,588,000 lbs. The aggregate value of all shares listed on the Tokyo Stock Exchange on August 1st, however, was down heavily by 519.9 million yen, or 6.2 per cent., compared with the previous month.

South Africa

Building Boom Checked

Johannesburg, August 23.—A big drop in building activity in Johannesburg occurred last month. The official figures show that 1,010 plans were passed by the municipality in the month, a fall in value of more than £250,000 below the record average of £1,000,000 a month in the previous six months. This indicates that while there is no abatement in the demand for residences, there is a lull in the big programmes for public and municipal buildings. No application for a building of more than £30,000 was received.

August started auspiciously with the passing of plans for a new hospital for the Transvaal Chamber of Mines at Cottesloe for £155,000. Informed opinion regards the drop as partly a lull after the temporary setback to the stock market nine weeks ago, but chiefly as the end of the period of abnormal activity to provide accommodation for the huge influx of people to the Rand since 1934. A new period of expansion will follow, it is thought, with building activity firm at slightly lower levels, but still well above normal.

Industries in Rural Areas

A Government Commission has been appointed to investigate the possibility of establishing industries in the rural areas of South Africa. The Commission has been instructed to make a survey of the industrial possibilities of the rural areas in the Union, and to secure information in regard to the facilities essential to the establishment of industries. The Commission has been asked to consider the feasibility of processing the maize produced in the Orange Free State and in certain districts of the Transvaal; and will examine the prospects of fruit canning in those portions of the country which have orchard resources. An inquiry will also be made into the fishing industry.

Principal interest in its work, however, centres in the possibilities of the base metals industry. The Government is keenly interested in this, and the work of the Minerals Research Laboratory, at the University of the Witwatersrand has proved extremely valuable. It is considered that there are many areas in the Union which could sustain industries much better than agriculture; and base metals appear to offer a suitable form of development. The appointment of the Commission is an event of considerable social importance, for it may possibly be able to suggest a policy to check the present disturbing drift to the towns, and more especially to the Witwatersrand. Private enterprise, however, has not been slow to point out that something more important than mere information is required. If fair treatment is offered, it is said, industries would appear at economic places; but reluctance is shown by industrialists to place themselves in the hands of possibly rapacious local authorities.

Assisting Small Mines

A new scheme to assist small gold-mining propositions outside the Witwatersrand has been approved in principle by the Minister of Mines. This will enable syndicates or private individuals to reach the production stage by facilitating the purchase of reduction plant and other machinery. No details of the scheme have yet been published, but it is likely that the Mines Department will take samples from ground that is being worked, and if it appears that development will prove profitable, the department will itself draw up plans and advise the owner how to carry on development with the best chance of success. Loans will continue to be granted at a low rate of interest, and the recipients will not be called upon to pay until the profit-earning stage is reached.

The amount of ore treated on small mines rose from 732,506 tons in 1935 to 942,080 tons last year; and the amount of gold won rose from 127,117 fine ounces to 143,031 ounces. Over £1,000,000 was recovered in small ventures outside the Witwatersrand by 144 producing concerns. The Europeans employed numbered 1,200, and non-Europeans over 12,000.

Letter to the Editor

What is Capital?

TO THE EDITOR OF THE ECONOMIST

Sir,—I think the basic definition of the article in your issue of August 28th should be amplified, since there are many capital goods in economic circulation whose owners—whether they are individuals or the general public—need their products and not their profit in money. As examples, one may cite sewing machines, typewriters, motor cars, ploughs, country residences, a power plant designed wholly to supply the own needs of a private workshop, a waterworks, sewerage, lighting, telephones, bridges and railroads. All these are capital investments whose value is given, not by their money earning capacity, but by the direct services they render, for the supply of which they were installed.

They are valued according as their use and maintenance cause less fatigue than their replacement by more up-to-date machinery. If a new machine would increase an output by 20 per cent., an industrialist would decide on its purchase if he could not at present finish his work within the due time and believed that this condition was likely to continue. If the machine cost £1,000 and £1 could be saved hourly by its instalment, it would pay for itself within 1,000 working hours. But he would retain the old machine if his orders were insufficient to justify a new one, or, if he were working for himself and had plenty of time to spare, or if he lacked the money or the credit to purchase a new one. Much work is done by hand, even in this century of mechanisation, although time-saving machines are readily available. *Mutatis mutandis*, the same applies to public ownership too.

Again, the question of earning-power plays no important part in the consumption of the well-to-do. The sales of a motor car do not necessarily depend on its speed and fuel consumption, and an overcoat may be discarded as a result of changes in fashions. Similarly, in the public utilities, gas lighting is discarded when electricity becomes the mode, and locomotives running at 50 miles per hour, though they may be quite serviceable, do not interest passengers who desire speeds of 100 miles or more.

The value of capital goods is determined by their earning power in terms of money only in cases where there are cash buyers for their products. Capital goods that have lost their profit-earning capacity do not lose their producing force, so long as the question of a money profit does not arise. Even where it does arise, many out-of-date machines are still in use. Primitively threshed wheat, sown by hand behind a wooden ploughshare, is entering steadily into competition with the wheat of the mechanical harvester sown in steam-ploughed soil. The motor car is still unable to force out the oriental rickshaw.

A capital investment may be valueless in terms of a money economy, but useful when existing needs remain unsatisfied. But if money profits alone are considered, the non-profitable machines, factories and stocks may stand in danger of destruction, although their ability to mitigate the dire need of the masses, to assuage hunger and cold, and to satisfy men's thirst for culture, may be unquestioned. Common sense suggests that the annihilation of all these capital goods is irrational. Could not the "Leviathan," now on the scrap heap, have usefully carried out pleasure cruising? Could not a 30-year old typewriter still ease human labour? Has not even a ten-year old radio still some entertainment value? Last but not least, would not foodstuffs, raw materials, cattle and pigs, though consigned to destruction, have been capable of assuaging the hunger of the masses?

Yours faithfully,

Budapest. Egon Virany.

[Our article, published in our Stock Exchange section, was concerned only with the valuation of "capital" items in the accounts of commercial companies.—Ed., *Econ.*]

Books and Publications

Employment Explained

In her new book* Mrs Robinson brings together a number of papers with the common inspiration of Mr Keynes's "General Theory of Employment, Interest and Money." The reader must therefore expect to find the still somewhat unfamiliar concepts and terminology of Mr Keynes's latest work employed without previous explanation; and will probably consider these essays more or less difficult according to the extent of his acquaintance with the "General Theory."

Once the new ideas have been grasped, however, there is a great deal to be gained from Mrs Robinson's discussion, which—as readers of her earlier work will expect—is always forceful, lucid and original. Most of the book is devoted to discussing various aspects of the employment problem, and it is in this connection that the author diverges most widely in her conclusions from the accepted opinions of the "neo-classical" economists or the instinctive mental attitude of bankers, politicians and civil servants.

The essay in which her arguments are perhaps most interestingly elaborated is that on "Disguised Unemployment." By disguised employment is meant the situation in which workers dismissed on account of a decline in effective demand find employment in worse paid occupations, such as match-selling. Broadly, it is Mrs Robinson's view that a more liberal provision of the "dole"—by an increase of the amount or by the relaxation of the conditions of benefit—would improve employment and output—or at any rate could not in any circumstances reduce them. And "a dole for which idleness is not a qualification is an unmixed benefit" (page 94), when it is worked on lines such as those of the well-known self-supporting comunity of unemployed at Upholland.

No doubt it can be objected that the validity of this theory as a guide to practical policy depends on the correctness of the formal scheme on which it is based. But the same can be said of any theory; and it is a merit of Mrs Robinson's writings that she never fails to make it clear what her premises are. The "Cambridge postulates," as they may be called, certainly constitute on their face a close approximation to the realities of the present situation of employment in England. There is no need to claim a universal and eternal validity for them.

It is impossible in the space of a short review to deal adequately with the whole of these studies. Although the main theme is the problem of the conditions affecting the volume of employment, including, of course, saving and investment, the last two parts of the book treat of other topics. In Part III an essay on the Foreign Exchanges removes this subject entirely from the restricted field of technical discussion, as the companion essay on "Beggar-my-neighbour Remedies for Unemployment" does the issues of tariff, subsidy or quota. Both of these are models of pure abstract analysis.

Least specialised of all are the three essays of Part IV, from which, although the "General Theory" remains the foundation, Keynesian terminology is absent. The general reader, indeed, might be well advised to start the book at "An Economist's Sermon." It will assure him that, however formidably abstract are Mrs Robinson's diagrammatic illustrations and—in places—her theoretical analysis, she is well aware that this is not the best of all possible worlds, and that economic science is for her a means of discovering and remedying the causes of imperfections, not of justifying them. Even the rarified atmosphere of the stratosphere is now being put to the humble uses of earthly dwellers.

* "Essays in the Theory of Employment." By Joan Robinson. Macmillan. Pp. viii. + 255. 8s. 6d.

Shorter Notices

"Colonial Population." By Robert R. Kuczynski. Humphrey Milford. O.U.P. 101 pages. 5s.

Colonies and population statistics have an equally topical importance. To have supplied us with a concise summary of the available facts about colonial populations, their numbers, race and mortality rates, is therefore a contribution worthy of Dr. Kuczynski's reputation. But he has done more. He has shown us in this book the many ways in which these figures cannot be trusted; and in so doing has frankly criticised the methods and parsimony of colonial administrators in this matter. The statistics in themselves are remarkable, covering as they do some 270 millions of people, or 13 per cent. of the estimated world population. It will also surprise many readers to find that these millions in colonial and mandated territories are equally shared among the empires of Britain, Holland, France and other Powers—with as many as 65 millions, almost the population of Germany, in the Netherlands Indies alone. Dr. Kuczynski has produced a study which will supplement admirably Professor Carr Saunders's larger work on World Population.

"Bank and Insurance Shares Year Book." Compiled and published by the Trust of Insurance Shares, Ltd. 723 + xxxix pages. 10s. 6d.

The 1937–38 issue of this reference book, which made its *début* last year, brings up to date the comparative tables concerning some 94 banking, discount and insurance companies. The work also contains the results of an actuary's examination of the net yield on 28 insurance shares over the period 1921–36. Mr. A. C. Thorne, after showing the yield that would have been obtained on an outlay of £2,800, and the degree of capital appreciation, discusses the outlook for insurance companies. Investors should welcome this excellently produced work of reference.

Books Received

A False Utopia. Collectivism in Theory and Practice. By W. H. Chamberlin. (London) Duckworth. 264 pages. 7s. 6d. net.

Investment Trusts and Funds from the Investors' Point of View. By E. C. Harwood and R. L. Blair. (Cambridge, Mass.) American Institute for Economic Research. 102 pages. $1·00.

The Trade Agreements between Japan and Some Other Countries. (Tokyo) Association for Liberty of Trading. 87 pages. No price stated.

The Second John Bull Census. Report on the Food and Beverages Market. (London) Odhams Press, Ltd. 95 pages. No price stated.

An Introduction to Money, Banking and Corporations. By Paul M. O'Leary and John H. Patterson. (London) Macmillan and Co., Ltd. 175 pages. 5s. 6d. net.

The Economics of Consumption. By C. S. Wyand. (London) Macmillan & Co., Ltd. 565 pages. 15s. net.

International Control in the Non-ferrous Metals. By W. Y. Elliot and Others. (London) Macmillan & Co., Ltd. 801 pages. 28s. net.

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Colonial Reports: No. 128. Tanganyika Territory for the Year 1936. 3s. 6d. net. *No. 129. Palestine and Trans-Jordan for the year 1936.* 6s. 6d. net. *No. 130. Togoland under British Mandate for the year 1936.* 3s. net. *No. 131. Cameroons under British Mandate for the year 1936.* 3s. net. *No. 1799: The Gambia, 1936.* 2s. net. *No. 1800. Johore, 1936.* 3s. net.

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Racecourse Betting Control Board: Eighth Annual Report and Accounts 1936. 1s. net.

MONEY AND BANKING

The Falling Franc

It is no new thing for the French franc to be weak among the world's currencies. But not often even in its checkered post-War career can parallels be found to such recurrent sinking spells as have occurred in the last two weeks. A fortnight ago M. Bonnet's financial reforms seemed to be making creditable progress. The authorities, it was known, were supporting both the franc and the price of rentes, but in neither case did they appear to be meeting with great difficulty. Suddenly, last week, the pressure on the franc increased. After holding the rate for a day or two the French authorities allowed it to fall, since when it has lost a full dozen points. It is less than a year since M. Vincent-Auriol's devaluation, from which so much was hoped, but in that period the franc has lost almost half its value. Moreover, there can be no assurance that the bottom has yet been reached.

It is easier to diagnose the causes of the franc's weakness than to prescribe remedies. When such dramatic falls occur, there is always a cry of "speculators." On this occasion, though it is impossible in the nature of the case to be certain, there is some reason to believe that something in the nature of a "bear raid" was engineered. In any case, no other very obvious explanation can be offered of the sudden increase in pressure at that precise moment. It is true that it coincided with a period of rather more than usual diplomatic tension. But the financial pressure did not relax with the political nervousness, and those in the best position to watch the actual movement of funds are inclined to scout the notion that the sudden selling of francs had an international origin, though it may very well have been political in character.

"Bear raids," however, do not achieve such spectacular successes unless they have some substantial basis. The truth is that in spite of the amelioration under the stewardship of MM. Chautemps and Bonnet, the position of French finances is not satisfactory. The Budget is nearer a balance than for some time past, but it is still badly unbalanced. The adverse balance of trade was greatly increased in the first half of the year, though there was some improvement in July. The difficulties of the export trades are mainly due to the very large increases in costs imposed by M. Blum's social legislation. And finally, confidence has not yet been sufficiently restored to induce any considerable part of the French capital which has sought refuge abroad to return.

The difficulty is that these defects cannot easily be remedied. Taxation is already crushingly high, but expenditure on re-armament cannot be reduced. The burden of the National Debt is very heavy, and though it would be difficult to establish that it cannot be borne by the present size of the National Income, it is an undoubted obstacle in the way of sound fiscal policies. Any fall in the internal value of the franc would, of course, lighten this burden. At the same time, a fall in the external value would assist the French exporter to overcome the handicap of his high costs of production. Thus in the long run a fall in the franc would promote stability. But a long run which would not arrive until the franc had fallen very low and the cost of living had risen very high is too far off to be much comfort to present-day Frenchmen, and in the process, the world would run the risk of grave political and social disturbance at a time when the stability of France is a matter of first-class importance to Europe.

The picture must not, however, be painted too black. The immediate problem could be solved if a return flow of French capital could be stimulated, or even if the outflow could be stemmed. In the last analysis that is a political problem which French politicians alone can solve. Either the capitalist must be made to feel that he is welcome in France or the unpleasant consequences of his departure will have to be endured. That may seem to many to be a bitter alternative; but its bitterness does not diminish its ineluctability.

Confidence will not be re-established, apart from political considerations, until the franc is reasonably valued. It must not merely in fact be reasonably valued; it must be *believed* to be reasonably valued. Thus, if the political risks of a further fall could be disregarded (which, unfortunately, they cannot) there would be everything in favour of allowing the franc to fall further until it was palpably under-valued before holding it steady again. That it must be held steady before any decided improvement will be possible goes almost without saying. But it may be the policy of wisdom to allow the market to overdo its pessimism before it is invited to take an optimistic view. Looking backwards, it can be seen that the defect of the official tactics in the past twelve months has been that the franc has never been allowed to fall as far as it wanted to at the moment. The result has been that the strain has never been relaxed. It is possible that the opposite policy, that of Great Britain in 1931, is now to be tried. And if it is found advisable to place such temporary restrictions on the export of capital as were imposed in London in 1931, they would probably not be considered as coming under the general condemnation of exchange control.

It is impossible, however, to give such advice without reflecting on the probable effects on sterling. Since 1929, the dollar and the franc have both fallen further than the pound. Many of the so-called sterling currencies actually stand at a discount on London. There are very few free currencies in the world which now stand, in relation to sterling, above their 1929 parities. Sterling led the procession of depreciations, but it has been outrun by nearly all its pupils. In view of our bitter experiences between 1925 and 1931 it is only natural to inquire whether the pound is not once more in danger of over-valuation.

It is a difficult matter either to confirm or to dispel these suspicions. The state of the British gold reserve seems to point one way; the state of the balance of payments the other. Calculations of "equilibrium rates" of exchange based on index numbers of prices, such as have been presented in *The Economist* on several occasions, seem to point both ways at once. Thus if the movements of wholesale prices and of the cost of living in Great Britain and the United States be compared, it is not difficult to prove that the "equilibrium rate" between pound and dollar would be between $4.10 and $4.60. British prices, that is to say, are still higher, compared with their 1929 level, than American prices, and the fundamental value of the pound, as judged by this test, is therefore lower, in relation to the dollar, than in 1929. But if the comparison is directed towards changes in the two countries in hourly wage-rates (which are at least as fundamental elements in the conception of the value of money as wholesale prices) the "equilibrium rate" lies between $5.40 and $6.00, since there has been nothing in this country to match the steep rises in hourly wage rates in the United States. The reader may be left to decide which result appears the more unpractical. Similarly, in a comparison with France (where the statistical material for such calculations is even more imperfect) wholesale prices would put the equilibrium rate little above Frs. 100. But a comparison of wage data would set it as high as Frs. 170.

The only possible conclusion to be drawn is one of inconclusiveness. The best hope for restoring order to the franc seems to be to push it into under-valuation. But until this movement is completed, until it is known what is to happen to wages in France and America, until it is possible to see through the distortions produced by capital movements to the real underlying state of the different nations' balances of payments, it is impossible to tell where sterling stands. Stabilisation still seems a very long way off.

Financial Notes

War Risks Rates Again Raised.—The worsening of the Far Eastern situation has caused still further alterations in war risk rates. The committee of marine underwriters have now taken ships carrying armaments and oil and ships under the Soviet flag from the list to which minimum rates apply. Individual underwriters may now charge whatever rates they feel appropriate. The committee have also doubled the additional premiums on merchandise in ships calling at Chinese ports south of Shanghai. These measures appear necessary in face of the increasing Japanese blockade. Underwriters have, moreover, been unfavourably affected by casualties in the recent typhoon at Hongkong.

* * *

The Franc Again in Trouble.—Some of the main issues raised by the renewed collapse of the franc are discussed in the leading article on the previous page. But the bare history of the exchanges since control was more or less abandoned on Thursday morning last week is impressive enough. That day the spot franc fell against sterling from a little above Frs. 133, the figure at which it had been stabilised since July, to Frs. 136, and the three months' forward discount rose from Frs. 4 to Frs. 6. On Friday, spot slumped once more to Frs. 140⅝, but profit taking and a mild intervention by authority brought it back to Frs. 139½, and the forward rate also came back a little. On Saturday, spot was again stronger, with assistance, it is said, from the British control. It was even necessary for the French authorities on Monday to prevent a further rise in face of large profit-takings. The following afternoon the control had to spend considerable funds to offset a new attack. Before it intervened, the three-months forward discount at one point rose to Frs. 7, but it was brought back to Frs. 5¾. On Wednesday, the pressure became, however, too great, control was abandoned, spot collapsed to Frs. 146¾, and the forward discount to Frs. 7½, though there was less business than on Tuesday. On Thursday, the opening dealings were made at Frs. 147, a rate which weakened slightly a little later. The control then intervened once more and brought the rate up again to Frs. 145. This did not last long, and dealings continued at Frs. 146½ to Frs. 147 throughout the afternoon. It was rumoured that the Exchange Equalisation Fund was lending a helping hand. Forward rates followed the same course. At the worst period in the morning the one-month discount was Frs. 3½ and the three months Frs. 7½. The French control then operated in the way to which the market is now accustomed, and the two rates narrowed to Frs. 2½ and Frs. 6½ respectively. Obviously the present exchange is still very largely at a panic level. But the policy of the French control has only added to the mystification of the market. It cannot be said that its erratic intervention has done anything to moderate alarm. The willingness of the Rentes Stabilisation Fund to provide francs for anyone who wishes to sell—for that is what, in effect, the Fund does when it is maintained in conditions like the present—adds an especially puzzling factor to the situation.

* * *

The Foreign Exchanges.—Business in the foreign exchange market has naturally been dominated by the fresh series of falls in the franc. These are discussed in the leading article and recorded in the note above. Refugee Funds from Paris fled mainly to New York, and only to a much more moderate extent to London. Early in the week this counteracted sales of the dollar which followed the United States Treasury's decision to release $300 millions of gold from the inactive fund, and which caused spot dollars to depreciate on Monday from $4.94⅞ to $4.95⅝ down before the close. But later the American control was obliged to sell a considerable quantity of dollars to maintain stability, after French buying had started on a considerable scale, and the rate came back to the neighbourhood of $4.95. These movements further reduced the premium on forward dollars. On Thursday alarm spread from the francs to the belga. It was expected in some quarters, chiefly in New York, that the Belgian authorities would be obliged to devalue by the events in Paris. Though spot remained stable, forward belgas came on offer and the three-months' discount rose to Frs. 4, and there were some appreciable gold purchases. Other Continental currencies remained stable in terms of dollars.

* * *

The Money Market.—The renewed rise in banker's deposits has made money extremely easy once again. The banks have found little or no demand for night money. They have been eager buyers of bills at the minimum rates, and the market now has only a small number of September bills and no great number of Octobers and Novembers. There has been a certain amount of special buying. At last week's tender they only obtained 41 per cent. at an unaltered rate, the lowest figure for many weeks. The whole scheme of rates remains unaltered:—

	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937	Sept. 15, 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½–½	½–½	½–½	½–½
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	31/32–15/16	31/32–15/16	31/32–15/16	31/32–15/16

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The dividend payments on the Commonwealth 3½ per cents. on Wednesday caused a large turnover of funds, but an influx of French money came very opportunely from the market's point of view.

* * *

The Bank Return.—For the second week running the return is very uneventful. Notes are still coming in well after the holidays, and the circulation is back to its level in June. There are no overt signs of French hoarding, which does not appear on this occasion to have taken the form of notes of high denominations. Public deposits are up by £0.5 million, but remain at a low level.

BANK OF ENGLAND

	Sept.16, 1936	Aug.25, 1937	Sept.1, 1937	Sept. 8, 1937	Sept.15, 1937
	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Issue Department :—					
Gold	246·8	326·4	326·4	326·4	326·4
Note circulation	444·9	488·3	490·3	489·1	488·1
Banking Department :—					
Reserve	63·1	39·6	37·6	38·9	39·9
Public deposits	14·8	25·4	14·1	12·0	12·5
Bankers' deposits	102.2	92·8	104·2	105·7	108·4
Other deposits	38·7	36·0	36·5	36·3	36·1
Government securities	81·6	108·8	109·3	107·1	109·1
Discounts and advances	9·2	4·3	5·4	5·1	5·0
Other securities	20·1	19·6	20·8	21·0	21·2
Proportion	*40·5%*	*25·6%*	*24·3%*	*25·2%*	*25·4%*

Government spending, mainly in the form of grants to local authorities, has caused a jump in bankers' deposits of £2.7 millions, bringing the total to £108.4 millions, an exceptionally high figure. Simultaneously Government securities have risen £2.0 millions.

THE STOCK EXCHANGE

Wall Street Pathology

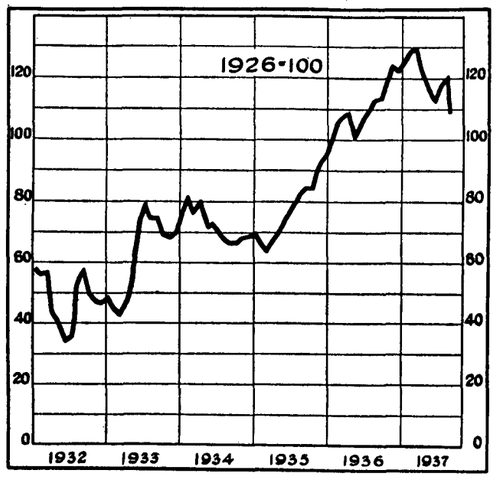
THE events of the last fortnight, in Wall Street, suggest that the adage *mens sana in corpore sano* applies both to markets and men. British opinion had begun to accustom itself—more readily, perhaps, than American opinion—to the idea that the bull market which started in Wall Street at the beginning of 1935 was freer from speculative excesses and better justified by long-term earnings prospects than many of its predecessors. There had been little of the " New Era " psychology which heralded the crash of 1929. Industrial hopes were held in leash by political fears; and the fact that prices maintained their upward trend despite the Administration's controlling activities suggested that the advance had a fairly solid foundation.

Alas for such counsel! An ostensibly healthy organism has suddenly demanded the attentions of a physician. The causes of the malaise are obscure. President Roosevelt has been so little of a friend to the stock market that his present predicament—in which all his arts of political strategy will be called for if he is to recover the ground lost during the Supreme Court quarrel—can scarcely be the impelling cause of movements like the eight-point fall in prices last Tuesday week, or the similar fall of a week ago. The Russian Note to Italy did not seem, on this side, to be a market factor of first importance in itself, even though it threatened to loosen the linch-pin of the somewhat ramshackle chariot of European peace. When the President applied the expressive term " jitters " to the state of contemporary psychology he spoke for American rather than European investors.

Operators who have followed Wall Street's rise on the argument that it combined profit with political isolation will find that market's present disorder inconvenient and disagreeable but not wholly illogical. If war were as near as America seemed last week to fear, neither the breadth of the Atlantic nor the provisions of the Neutrality Act would preserve Wall Street from profound dislocation and, possibly, suspension of its normal activities. No amount of analysis of the factors making for resilience in America's domestic economy can obscure the fact that a single scare which causes the market to " break through the lows " will provoke immediate sales from Dow theorists, chart-readers and speculative holders whose margins have run out. In existing conditions a ten-word cable may produce a ten-point fall in prices in a single day.

What policy should be followed by British investors who, since January, 1935, have put about $440 millions into American securities? Last year (when they added approximately $220 millions to their interests) the continuation of American recovery could be taken for granted. Does the same condition hold to-day? And if so, will Wall Street quickly throw off its present mental depression? Before attempting to answer these questions, let us first ascertain the extent of the present damage. The accompanying chart and table present the movements of

MOVEMENT OF 419 COMMON STOCKS
(Standard Statistics Index).



leading stocks—industrials, rails and utilities—during recent years. Our chart is based on the weekly index figure of the Standard Statistics Company (published regularly in *The Economist*) for 419 stocks. This is not a highly sensitive index confined to a few dozen leaders, but a steadier representation of market movements. Since March the index has fallen by nearly 16 per cent., and during September it has declined almost perpendicularly. Something like one-third of the rise recorded since March, 1935, has been wiped out in six months. It would

PRICE-EARNINGS DATA FOR REPRESENTATIVE STOCKS

GROUP AND STOCK	Stock Prices 1935 Jan. 5	1935 High	1935 Low	1936 High	1936 Low	1936 Dec.24	1937 High	1937 Low	1937 Sept. 16	Earnings for Common ($) 1935	1936	1937 (part)	"Price-Earnings Relatives" (Selling Prices ÷ Earnings per Share) 1935 High	1936 High	1937 High	1937 Present
INDUSTRIALS																
Allis Chalmers	17⅛	37⅛	12	81	35⅝	75⅝	83⅛	54	58⅛	1.48	2.27	2.34*	25⅛	36	18	12⅛
Bethlehem Steel	33	52	21⅛	77⅛	45⅛	74⅛	105⅛	73	81⅛	*Def.0.70*	2.09	4.57*	....	37	11⅛	9
Chrysler Corp.	42⅛	93⅞	31	138⅛	85⅛	119⅞	135⅛	94⅞	98	8.07	14.25	6.31*	11⅛	9⅛	11	7⅛
Du Pont	98	146⅜	86⅛	184⅛	133	174⅛	180⅛	142⅛	149⅞	5.02	7.53	3.31*	29	24⅛	27	22⅛
General Electric	22⅛	40⅞	20⅞	55	34⅛	52⅛	64⅛	46	48⅛	0.97	1.52	0.91*	42	36	35⅛	26⅜
General Motors	34	59⅜	28⅛	77	53⅛	66⅜	70⅛	48⅛	50⅛	3.70	5.36	2.48*	16	14⅛	14	10⅞
Johns-Manville	57	99⅛	38⅛	152	88	145	155	101	105	2.19	5.13	3.00*	45⅛	30	26	17⅜
U.S. Steel	39⅛	50⅜	27⅛	79⅞	46⅛	77⅛	126⅛	75	95⅛	*Def.2.77*	2.91	5.99*	....	27⅛	10⅛	8
Youngstown	20⅛	47⅛	13	87⅛	41⅛	78	101⅛	68⅛	68⅛	0.65	7.03	4.08*	72⅛	12⅛	11	7⅛
UTILITIES																
Amer. Tel. & Tel.	105⅛	160⅛	98⅞	190⅛	149⅛	185⅛	187	159	163	7.12	9.89	10.57†	22⅛	19	17⅛	15⅛
Cons. Edison	20⅛	34⅛	15⅞	48⅜	27⅛	43⅞	49⅛	30⅜	33	2.01	2.34	2.41‡	17⅞	21	21	13⅜
Public Service, N.J.	25⅛	36⅛	20⅜	50⅛	39	48⅛	52⅛	33⅜	39⅛	2.73	2.80	2.84§	13⅛	18	18⅛	14
RAILS																
Atchison	54	60	35⅛	88⅛	59	69⅛	93⅛	58	60	1.38	1.56	5.00‖	43⅛	56⅛	19	12
Chesapeake and Ohio	44⅞	53⅛	37⅛	77⅛	51	65⅛	68⅛	42	43⅛	4.05	5.72	4.75‖	13	13⅛	14⅛	9
N.Y. Central	21	29⅛	12⅛	49⅛	27⅛	41	55⅛	27⅛	28⅛	0.02	1.79	2.00‖	....	28	27⅛	14⅛
S. Pacific	18⅛	25⅛	12⅛	47⅛	25⅛	42⅛	63⅜	31⅛	33	0.83	3.84	3.80‖	40⅛	12⅛	17⅛	9

* Six months. † Twelve months to May. ‡ Twelve months to June. § Twelve months to July. ‖ Indicated earnings 1937 based on reports to mid-August.

be optimistic to assume that this fall will be restored by next spring merely as a matter of course.

The winter prospect for Wall Street is admittedly uncertain. Thanks to the present margin rules, " New Era " buying since 1935 has been ruled out; but the 55 per cent. cover requirement, coupled with the close surveillance of short selling, has robbed the market of its former resilience. Lacking the cushioning effect of speculative sales—the classical antidote to overtrading or political crisis—the market experiences instead waves of wholesale liquidation. And the substitution of operation by index-number theories for operation by " hunch " or market rumour will tend to accentuate the first impact of all bad news. This, the real lesson of the past fortnight, may need to be continuously borne in mind during the next few months. At a time when many competent American observers are awaiting a winter recession in business, it would be unwise to anticipate, at the best, more than the maintenance of present prices. It is much more probable that prices will have touched lower levels before next spring.

Our table gives the simple price and earnings records of selected industrial, utility and rail stocks since 1935. Except for certain steel shares, current prices are well below the 1936 " highs." Indeed, several stocks, such as Chrysler, Du Pont, General Electric and Johns-Manville are only a few points above the 1935 " highs." Holders of representative utility stocks would find it hard to say whether the existing market situation or the President were their worse enemy. The railway market, again, has lately suffered two blows—a compulsory reduction in freight charges and the restiveness of the " brotherhoods." These forces have, together, produced capital losses this year ranging from 30 to 50 per cent.

" Back to 1935," indeed, would be an ominous motto to-day for more than one section of the market. In order to show prevailing prices in their due context, we have related the record of earnings per share since 1935, in the third section of our table, to prevailing quotations (the highest yearly prices recorded since 1935) by means of so-called " price-earnings relatives." For the industrial group of companies we have made the arbitrary assumption that the six months' earnings reported to June will be doubled. The utilities relatives are based on the latest twelve months' earnings, and the rail calculations on estimates made by the *Financial World*.

If it were certain that market and industrial stability could be preserved, the figures would suggest that many leading stocks are not overvalued on the basis of present earnings. Only Du Pont (an investment industrial) and General Electric (whose earnings advance is still prospective rather than achieved) now show relatives around 25—corresponding to earnings yields of about 4 per cent. For the most part, 10 per cent. prospective earnings yields are common for industrial stocks (and somewhat higher for motors and steels) with 7 per cent. for utilities and rails. Whether these returns will satisfy a prospective purchaser, however, will depend, first, on his view of the outlook during the winter and, secondly, on his estimate of further economic recovery, say, from next spring onwards. One can adduce many arguments in support of this "re-recovery" time table. Farm incomes are rapidly increasing, and they have always played a crucial part in the industrial prosperity of the Eastern States. There is still a substantial amount of re-equipment work which must be carried out by the utilities and railroads for reasons of pure physical exigency. There is some hope, at long last, that housing activity may gather momentum from Federal assistance and fatter private purses. And, finally, the Administration, having called spirits from the deep to repress the market's buoyancy, now shows signs —witness this week's decision to free $300 millions of sterilised gold—of a desire to prevent any far-reaching slump.

These favourable indicators, however, are counterbalanced by other factors. Costs are rising, and it is difficult to manufacture a boom on the basis of rising costs, except in circumstances of positive inflation. The cost factor is clearly destined to produce difficulties for the automobile industry—on which, in turn, a substantial section of the American steel industry depends. Despite the Administration's efforts to keep money cheap, there is growing evidence of " stickiness " in the new issue market, and a consequent lack of finance for new construction. And there is, finally, an impression that the potency of enterprise has become so dulled by administrative intervention that an appreciably greater economic incentive is now required to promote expansion.

Available evidence, in short, would appear to suggest that the next six months may well be a confused period, and that the early months of 1938 will be the decisive testing-time for the market. If recovery re-asserts itself, well and good; for then Wall Street's present phase will fall into perspective as a major but temporary reaction, imposed on a rising trend which may still have some way to go. If not, then it will be clear that the bull market of the nineteen-thirties has already become history. In the meantime, nervous investors who may wish to be near, but not in, Wall Street, may find that although U.S. Treasury Bonds do not yield a handsome income, they do at least provide a secure haven for capital until the snows melt and the trees begin to bud. But whether the oak will precede the ash it is, at present, impossible to say.

Investment Notes

London's Troubles.—In the penitential antiphony of the stock markets, Wall Street's *cantori* has this week evoked the appropriate strain, in a minor key, from London's *decani*. On the whole, American investors have been inclined to take heart of grace, but London has been unsettled and uneasy. *The Financial News* ordinary share index (July 1, 1935 = 100), which reached a high point of 124.9 last November and was nearly as high early this year, has this week been as low as 106.9. The increasing number of persons who like to operate between " parallels " and " brackets " have been appropriately impressed by the fact that this week's movement has carried the index under the lowest level previously recorded this year, and even under the " low " of 1936. Gilt-edged have stood firm as a rock and there has even been the slight flicker of a recovery in some foreign bonds. But ordinary shares, from the soundest industrial market leaders downwards, have been sold to the accompaniment of news of a small Stock Exchange failure in London on Monday and reports of difficulties in the provinces in mid-week.

★ ★ ★

The prevailing weakness is not localised in any special group of ordinary stocks. The shares in the following table have been taken almost at random:—

Share (and Denom.)	Sept. 25, 1935 ('Sanctions Crisis')	Dec. 30, 1936 ('Near-High')	Apr. 29, 1937 ('N.D.C.')	June 30, 1937 ('Half-year')	Sept. 1, 1937 ('Semi-Recovery')	Sept. 16, 1937 ('Latest')	Fall this Year
Financial News Index	*99·0*	*123·8*	*110·9*	*109·9*	*111·9*	*107·5*	*16·3*
Associated Portland Cement (£1)	57/-	108/9	90/7½	90/-	92/6	88/10½	19/10½
British Oxygen (£1)	106/3	120/-	99/3	97/6	102/-	100/7½	19/4½
Courtaulds (£1)	54/4½	57/6	51/-	51/9	54/9	51/7½	5/10½
Distillers (£1)	91/-	124/-	110/-	114/-	109/9	106/6	17/6
Imperial Chem. (£1)	34/3	42/-	36/9	36/6	37/6	36/10½	5/1½
Imperial Tobacco (£1)	137/6	181/3	147/6	151/3	151/3	146/10½	34/4½
P. & O. Def. (£1)	17/6	30/-	31/3	32/-	30/6	29/4½	-/7½
"Shell" Transport (£1)	70/-	128/9	105/-	108/-	107/-	103/9	25/-
United Molasses (6s. 8d.)	18/9	25/-	30/-	30/-	31/10½	28/6	+ 3/6
Vickers (10s.)	17/6	34/6	28/6	28/-	31/6	29/1½	5/4½
Woolworths (5s.)	111/10½	88/9	78/9	74/4½	70/7½	68/6	20/3

The fall has clearly been based on no consideration of yield or earnings prospects. Shares with high dividend

OVER ONE HUNDRED AND TEN YEARS OF SERVICE
SCOTTISH UNION & NATIONAL
INSURANCE COMPANY
ASSETS EXCEED £16,000,000
FIRE LIFE ACCIDENT MARINE
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yields have tended to decline by much the same amount as those with low yields, and companies which are confidently expected to pay higher dividends this year than last have been affected equally with the more stable-dividend counters. The movement, in other words, is psychological. By the same token, a moderate upward reaction may occur in due course. But augurs who read into this year's events the evidence of a major change of trend will argue that the latest movement has differed from its predecessors only in its immediate cause and its intensity. Changes in interest rates, N.D.C., gold scares, political alarms—all these in turn have put the market down, while in the intervening periods prices have recovered only a fraction of their decline. In 1935, after the "sanctions crisis," the markets had a resilience which seems absent to-day. Altogether, this week's events emphasise to the cautious view of the autumnal investment outlook which we expressed in a leading article last week.

* * *

The Fate of Rentes.—When the profits on the revaluation of French gold stocks were applied, last July, to the formation of a fund for defending *rentes* from the speculative seller, it was strongly urged in these columns that such measures could do no more than palliate a symptom, without removing a cause. This week's collapse in the franc (discussed on page 568) has produced no important reaction in *rentes*. Indeed, 3 per cent. perpetual *rentes*, which stood at 71·25 on July 21st, are now quoted at 71.125 xd., which argues a superficial success for control. Yet control was instituted to provide cheap money, and since the Government's latest borrowing consists of 5 per cent. stock, redeemable in five years at par, issued at 94, it can hardly be claimed that activities of the defence fund have scored any real gain. Rather, they have proved inconsistent with the maintenance of the franc, during the last two months, at about 130 to the £. The holder of *rentes* received a virtual assurance that his stock would fetch a given price. He also knew that the franc proceeds could be exchanged into other currencies at a roughly fixed rate —for a time. Every day that the Government spent in defensive policy, both in the *rentes* and exchange markets, thus allowed the nervous seller ample time to effect his dispositions. The speculative flight, in the result, was fed by francs conveniently created from the gold revaluation. It is now suggested that a freer exchange policy may be pursued in future, but that protection for *rentes* may be maintained. With a free and vulnerable franc, this is surely fated to be an expensive, and ultimately unsuccessful, policy.

* * *

Australian Stocks.—In a Note on page 466 of *The Economist* of September 4th last we discussed the latest Australian budget in relation to the position of the Commonwealth as a whole. The table below is an epitome of the recent history of quotations for various Australian stocks:—

	Lowest 1931–37	Highest 1936	Highest 1937	Lowest 1937	Aug., 25, 1937	Sept., 15, 1937
Commonwealth 5% '45–'75	58	113⅛	109⅞	105	08	108
Commonwealth 3½% '54–'59	97¼	106⅛	104	96	97	98
Commonwealth 3½% '56–'61	95	101⅛	100¼	89⅛	90	90
Commonwealth 3% '55–'58	87⅛	...	96⅛	87⅛	89	88x
New South Wales 5% '45–'65	47	113⅛	109⅛	105¼	108	108
New South Wales 5½% '47–'57	50	117¼	113⅞	108⅛	111	111
Queensland 4% '40–'50	40	104⅛	103⅛	100	102	101
Sydney 4% '56	99⅛	104⅛	104	100⅛	100	100

Since the Financial Agreement of 1927, finally enforced by the federal Financial Agreement Validation Act of 1929, the Commonwealth has been responsible for the debts of the States and the new Loan Council has imposed a strict control over borrowings. But the table brings out very clearly the surprisingly small extent to which these powers availed to prevent a collapse of security prices in the last depression. Granted the redemption dates, the yields implied by the lowest prices were fantastic; and granted the subsequent fall in general interest rates, the rise to a high level last year was reasonable. Since then the stocks have generally moved downward, as in Great Britain and most other countries, despite the efforts, or at least the wishes, of the Government to maintain low rates. But the fall seems to have been due more to the desire of some holders for liquidity than to fears for the future. The pending election in Australia will, as always, make for market uncertainty. Mr Lyons probably means more to investors than any Premier of different political complexion who could possibly succeed him.

* * *

Investment Debutante.—The past ten weeks have provided ample opportunity for comparing the promise and performance of those companies, nearly all of small or medium size, whose shares were offered or introduced to the public since the latter half of 1936. Over twenty companies, in fact, have published their first reports, some of them being sufficiently good to attract considerable interest. Vaughan Brothers (Drop Forgings), for instance, earned in a full year £43,738—some 22 per cent. more than the annual rate based on profits for the first quarter, which in turn was much above that for preceding years. Prospectus estimates were exceeded in addition by National Trading, Thorn Electrical, Steel Barrel Scammells, and a number of smaller companies. Other concerns, often of minor market interest, have fallen short of expectations by large relative amounts. Taking the reports as a whole, it appears that estimates (where based on profits for the latest preceding period) have only barely been achieved. We have compared the prospectuses, offers for sale, or statements for information of 21 companies with their recently published accounts. The annual rate of profit, based on the latest period covered by their statements, totals approximately £576,000. The total earnings lately published for their first trading years (adjusted to as comparable a basis as possible) amount to £562,000. But British company law neither defines profits nor requires a company to adopt the same definition on different occasions, and comparison must not be taken as perfect, save for a few cases. In six instances, however, it was clear that estimates had not been reached, and in seven that they had been exceeded. For the remaining companies the difference (in one direction or the other) between pre- and post-prospectus earnings was apparently small, and this group accounted for roughly £300,000 out of the total profits. Good or poor results were not associated with particular types of industry, nor were disappointing earnings confined to those companies which had shown an unusually sharp advance in earnings for the latest year given in the prospectus. It is, however, significant that all companies whose profits were substantially below estimate were small, earning only £104,000 in their best recent year and only £50,000 according to their latest reports. On the whole, these newer companies have kept faith with the public without fulfilling the frequently implied suggestion in their prospectuses that profits advance in regular geometric progression.

* * *

Industrial Profits in August.—In August, when the number of company reports issued is below the average, the trend of our industrial profits figures is liable to be unduly affected by the vicissitudes of a few large companies. An apparent fall in the rate of increase of profits from 19.62 per cent. in July to 9.41 per cent. last month was due almost entirely to the figures for *Arthur Guinness* and *Watney, Combe, Reid* results. These two companies alone account between them for over half the total profits earned, but their improvement over last year's results was under 2 per cent. If they are excluded, the rise in earnings of the remaining companies is 19.2 per cent., practically equal to the July figure. Among separate groups iron, coal and steel concerns and trust companies show encouraging progress—the latter group reflecting, in particular, the progress of *Cables Investment*. There is no indication, so far, of any change in the upward trend of profits generally. The record of recent months is shown below:—

Reports published in 1936—	*No. of Companies*	Rise in Profits* %	Reports published in 1937—	*No. of Companies*	Rise in Profits* %
May.....	*269*	9·41	January...	*110*	15·92
June	*214*	13·50	February	*208*	8·95
July.....	*228*	15·69	March ...	*307*	12·52
August ...	*47*	14·21	April	*245*	23·36
September	*107*	12·32	May	*255*	14·09
October ...	*146*	18·09	June	*265*	21·19
November	*177*	13·49	July	*193*	19·62
December	*175*	15·49	August ...	*62*	9·41

* After payment of debenture interest.

The total net profits during August amounted to £6,042,402 compared with £5,522,196 in the month of August, 1936.

Company Notes

Imperial Chemical Industries Interim.—When directors increase their interim dividend payments, they commonly accompany their decision with the qualification that a more even balance is sought between the two payments. The cautious board of I.C.I. has this week increased the interim payment from 2½ per cent. to 3 per cent., declaring that the decision is not to be read as indicating any increase in the total dividend for the current year. For the past three years 8 per cent. has been received by ordinary stockholders, and the disappointed optimists of yester-year are again canvassing the possibility of an increased total payment for 1937. Yet the board has acquired a reputation for straightforward speech, and such conjecture is clearly no dependable investment pointer. It is evident—indeed, it has been evident since 1935—that the company could pay more at the expense of free reserves, but this possibility was obviously not practical politics while the capital reorganisation remained in dispute. Last year, however, an additional sum of £500,000 was provided from revenue, together with £1,000,000 from the Central Obsolescence Fund and £5,434,141 from capital reserve to write down the value of subsidiary interests. Presumably the special reasons for applying £500,000 from revenue for this purpose no longer operate, and this sum itself is equivalent to 1 per cent. for the ordinary stock. But the optimists' case also contemplates an increase in profits for 1937, despite the stress which was placed on rising costs in the chairman's speech, and a further increase in trade, both at home and abroad, does appear certain this year. The directors, however, have always taken something more than a single year's view, and investors and optimistic speculators alike can be sure that the final dividend decision next year will take full account of the trading prospects of 1938 and 1939. Imperial Chemical ordinary, in short, is not to be bought merely on the speculative possibilities associated with a single year's dividend.

* * *

Paterson, Laing and Bruce Scheme.—In this year of grace, 1937, it is difficult to perceive any extenuating reason for the production of a reorganisation scheme which traverses canons of equity now, presumably, familiar to all company boards and their professional advisers. The directors of Platt Brothers (Holdings) have decided, very properly, to withdraw their scheme which was severely criticised in these columns and elsewhere. It is idle, therefore, to ask why it was brought forward at all, or, still more, why it was so long persevered with. But it is pertinent to demand why Paterson, Laing and Bruce, the Australian merchants, should put their first preference shareholders to the trouble of rejecting a scheme which, on the most casual inspection, is inimical to their interests. The company has two classes of preference capital, both carrying dividend arrears since July, 1930. A sum of £464,924 is required for the reconstruction, of which £356,250 is to be found from cancellation of capital and £108,674 from reserve. Dividend arrears on each class of preference share are to be cancelled, and the capital re-formed in the following manner:—

Existing Capital	£	*Proposed Capitalisation*	£
6 per cent. c. pref.... (Gross arrears, £147,000)	350,000	6 per cent. c. pref....	175,000
		6 per cent. n.c. pref. (part. up to 9 per cent.)	175,000
" B " c. pref. ..... (Tax free arrears, £105,000)	250,000	Ord.	100,000
		Def.	12,500
Ord.	250,000	Ord.	25,000
		Def.	6,250
		Written off	*356,250*
	850,000		850,000



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The first preference capital obviously receives less than its merits under these proposals. Its arrears are cancelled out of hand, in return for a participating right which, in a good year (i.e. when net profits are *seven times the amount recorded in 1935–36*), will provide some £5,250 more in dividends, compared with existing cumulative rights. Loss of cumulative rights on half the preference capital and the sacrifice of nearly £150,000 of arrears (gross) deserve far greater compensation.

* * *

The "B" preference shares appear at first sight to receive the plums in the scheme; for under it they will hold 80 per cent. of the ordinary and two-thirds of the deferred capital—the balance going to the existing ordinary shareholders. But it is plain that the ordinary shareholders' interest has been as near extinguished as makes no matter. Their capital is represented by no present assets, their residual equity in any future recovery of earning power is infinitesimal, and any shareholding granted to them in the reconstruction is purely *ex gratia*. The "B" preference shareholders will receive 70 per cent. of the voting power in the company. In this sandwich, then, the meat is juicy, but the bread is dry. The bottom layer deserves to be so, but the top slice—representing the first preference interest—ought to be made more appetising. A substantial readjustment of the first preference shareholders' terms is plainly called for.

* * *

Selfridge Provincial Stores Position.—This important subsidiary of Selfridge and Company has recovered satisfactorily the setback of 1935-36 (when results were affected by rebuilding operations), but compared with earlier years, the progress made can only be called modest. The latest net profits of the controlled companies are £199,799, an increase of 23 per cent. over the preceding year's total of £162,611, but only 8 per cent. in excess of the earnings of the worst depression year. The following table shows the allocation of profits attributable to Selfridge Provincial:—

	Years ended August 31st 1935	1936	1937
	£	£	£
Balance available for Co.* ...	161,152	127,802	165,698
Dividends received	127,946	87,752	122,857
Total income	182,297	144,038	178,770
Loan interest	12,268	12,251	12,017
Management, etc.†	13,526	13,795	13,162
Income tax	22,639	15,441	28,729
Debenture service	45,770	45,705	45,681
Ordinary stock:—			
Earned	*88,094*	*56,846*	*79,181*
Paid	58,125	57,188	56,250
Earned (%)	*3·8*	*2·5*	*3·5*
Paid (%)	2½	2½	2½
Reserve	25,000	Nil‡	25,000
Carry forward	10,937	10,595	8,526

* Net profits earned by controlled companies, less payments to outside holders.
† Including £5,000 in each year for leasehold depreciation.
‡ £40,000 transferred from reserve direct to writing down interests in subsidiaries.

The allocation of the additional £22,300 earned for the ordinary stockholders (after the absorption of £13,300 more for income tax) is, however, conservative. For the seventh year, a dividend of 2½ per cent. is payable, the excess of earnings being placed to general reserve. This reserve is thus usefully reinforced, for in the previous balance sheet it had fallen to £25,000 (against total assets of £4,500,000) after appropriating £40,000 to write down interests in subsidiaries following the closing of certain stores. The balance sheet also bears witness to an expansion in trade. Stocks of Selfridge Provincial have risen from £8,513 to £30,585, and those of the subsidiary companies by some £50,000 to £482,249. In the latter case this increase of stocks, coupled with a rise of £40,000 in debtors, is supported by bank loans of £113,252. Current and loan accounts between parent and controlled companies show an appreciable gross increase, but the net change is slight. The substantial increase in stocks and in dividends receivable, however, greatly benefits the parent company's liquid position, which now shows net current assets of £41,000, compared with as little as £9,000 a year ago. Although greater trading activity in the current year should be possible, Selfridge Provincial profits have hitherto been somewhat insensitive to improving business conditions, while a further rise in costs must be regarded as certain. At the current price of 8s. 9d. (yielding £6 1s. 3d. per cent.) the £1 stock units appear fully valued for the time being.

* * *

Calico Printers Meeting. — Recovery for the Calico Printers Association has come *pede claude* and preference dividends are still in arrear from the end of 1935. This experience has been common to practically all large companies in the Lancashire cotton trade whose market is international. As the chairman, Mr Lennox Lee, pointed out at this week's general meeting, many of Great Britain's erstwhile largest overseas markets are continuing their policy of either manufacturing cotton textiles for themselves, or purchasing them in the East rather than in the West. Since 1913, India has increased her spindles from 6½ millions to nearly 10 millions, and her looms from 94,000 to almost 200,000. In the same period, Japanese spindles have grown from 3 millions to nearly 12 millions and her looms from 25,000 to 300,000. Even countries like Estonia, Norway, Denmark, Jugoslavia, Turkey and Persia all have nascent cotton industries. The converse of these facts has been a decrease of 17 millions in British spindles and of 380,000 in British looms. The industry, indeed, is up against a particularly stubborn set of facts, and the Calico Printers Association has had to adjust its policy accordingly. It has freed itself of foreign factories for which it could see no ultimate prospect of success. On the other hand, it has for some time been establishing pioneer establishments inside the tariff walls of more promising countries, leaving them to develop as opportunity offered. This policy has been followed in China, Egypt and, now, India, where two mills are being erected in association with Indian interests. The results of this policy may be undramatic and may need many years to come to full fruition. But the conditions which necessitate them seem likely, unhappily, to be permanent, and the Association is certainly well advised to act upon their implications.

* * *

Johannesburg Consolidated Investment.—A summary of the financial results for the year ended June 30th was issued with the dividend declaration early in July. Present interest centres, therefore, upon the details of the annual report. As usual, no particulars are given of receipts under different headings. It may be safely conjectured, however, that as conditions were not particularly favourable for market operations, and dividends from the company's gold share interests were reduced, the expansion in profits must be chiefly attributed to larger returns from the diamond and Rhodesian copper holdings. Rhokana, for example, announced a dividend of 5s. last March, after distributing 3s. 6d. in the second half of 1936. De Beers paid 60s. arrears of preference dividend early this year, but the subsequent payment of 15s. on the deferred shares and the balance of 40s. on the preference, do not come into the Johannesburg company's accounts this time. Incidentally, the latter's directors declare that a first dividend on the shares of the Diamond Corporation is in sight. The current balance sheet of Johannesburg Consolidated Investment shows an increase of no less than £564,100 in "loans at short call." Practically the whole of the surplus after payment of the dividend is placed to reserve, and raises the total to £2,950,000. The liberality of the appropriation is explained by the narrow margin of liquid assets over liabilities. A comparison of significant items in the accounts for the past three years is given below:—

	Year ended June 30 1935	1936	1937
	£	£	£
Stocks and shares*	6,626,260	6,075,080	6,204,110
Mining properties and advances	127,400	426,480	572,080
Real estate and buildings ...	214,020	173,640	112,050
Loans on mortgage	116,330	117,350	102,340
Loans at short call.....	220,420	234,310	798,290
Sundry debtors and dividends	509,960	523,450	556,320
Cash	241,490	694,830	601,210
Sundry creditors†	1,636,370	1,535,210	1,884,710
Reserve	2,300,000	2,600,000	2,950,000
Net profit	1,142,031	1,086,200	1,172,990
Dividends	790,000	790,000	790,000
Rate per cent.	20%	20%	20%
To reserve	350 000	300,000	350,000
Carried forward '.....	170,673	166,870	168,750

* Including dividend. † At or above market value.

* * *

The directors take a confident view of the future of copper, and observe that on the whole the platinum market has shown substantial improvement. The new and enlarged plant at the Rustenburg mine should be finished before the end of the current year. As a whole, the company's coal interests are giving satisfactory results, while the South African Breweries is doing better than ever before. Among the company's newer gold interests, reference is made to the exceptional progress of Rand Leases. Six bore holes are being put down on the extensive area in which the company is interested south of Roodeport, and the Main Reef series is expected soon to be struck by the first drill. On the dividends of the past four years, "Johnnies" shares at 64s. give the relatively high yield of 6¼ per cent.

Consolidated Main Reef. — Shareholders have doubtless been disappointed by the reduction in the Consolidated Main Reef dividend, despite the very considerable expansion in the scale of operations. The explanation lies in the fact that the raising of the tonnage treated to a record total of 1,916,500 tons was accompanied by a decline of 1s. 9d. in the average yield. Although working costs were slightly reduced, profits fell by the significant amount of £69,750. Capital expenditure required the reduced amount of £66,020, compared with £92,670, but the taxation charge was almost identical with the 1935-36 figure at £206,360. The following statistics illustrate the trend of the past three years:—

	Working Profit	Dividends		Carried forward	Ore Reserves Tons	Value dwts.
	£	£	%	£		
1934–35	624,290	296,310	23¾	200,920	7,130,300	4·7
1935–36	686,540	374,280	30	215,880	9,688,700	4·4
1936–37	616,790	343,090	27½	214,390	11,154,300	4·2

The expansion of available ore reserves—an outstanding feature of the 1936 report—is continued, although its extent this year is less marked, and is also accompanied by a further decline in average value. Payable ore developed, at 3,355,000 tons, was 172,500 tons higher, and the value of 4.4 dwts. was also somewhat better. As capital expenditure during the current year is likely to be on an increased scale, an expansion in dividends can scarcely be expected. On last year's total distribution, the shares yield 8 per cent. gross.

* * *

Modderfontein East.—The year to June 30th last set up a high record for the quantity of ore treated, and a low record for average costs. The effects of these two favourable factors, however, was so largely offset by a decline of 1s. 1d. in average yield that the working profit showed an expansion of less than £18,000. Capital expenditure was reduced by £31,600 to £34,690; but



taxation absorbed £216,490, compared with £178,430, while the mineral lease charge amounted to £88,420, against £60,900. The small reduction in the dividend is thus explained, although shareholders will note that the amount carried forward is slightly higher. Operating results since 1935 are given below :—

Year to	Working Profit	Dividends Amount		Carried Forward	Ore Reserves Quantity	Ore Reserves Value
	£	£	%	£	Tons	dwts.
June, 1935...	615,220	255,970	27½	132,820	5,142,300	4·7
June, 1936...	626,910	290,880	31¼	157,610	5,514,300	4·6
June, 1937 ...	644,580	279,240	30	185,190	5,899,100	4·5

The development footage last year amounted to 66,500 ft., showing a small decrease, while the quantity of payable ore opened up was reduced by 76,720 tons to 1,371,680 tons. However, the available reserves show an expansion of 385,000 tons, accompanied by a small decline in average value. For the provision of additional treatment and other plant, the consulting engineer estimates capital expenditure of approximately £135,000 during the current year. It would appear, consequently, that shareholders might well contemplate the possibility of a further small reduction in dividends. The yield on last year's distribution is approximately 8 per cent.

* * *

Nourse Mines.—This "old stager" of the Rand treated the record quantity of 911,000 tons last year, but its achievement was more than offset by the fall from 29s. 10d. to 28s. 9d. in average yield, and by the increase of 4d. per ton in costs. The operating profit consequently fell by £57,620 to £293,810. Net capital expenditure, however, amounted to only £6,730, against £14,500 for the previous year, while taxation absorbed £75,630, compared with £116,240. In consequence the company has been able to maintain the 22½ per cent. dividend and to carry forward a larger credit balance. The results of the past three years' working are summarised below:—

Year to	Working Profit	Dividends Amount		Carried Forward	Ore Reserves Quantity	Ore Reserves Value
	£	£	%	£	Tons	dwts.
1934–35	350,580	146,940	18¾	98,330	4,007,100	4·7
1935–36	351,430	176,320	22½	134,420	4,132,800	4·4
1936–37	293,810	176,320	22½	156,720	4,001,500	4·4

The achievement of a smaller development footage is reflected in a shrinkage of 71,700 tons to 486,900 tons in the payable ore opened up. The total available reserves, however, indicate a decline of somewhat greater extent. Little information regarding the programme for the current year is contained in the report of the consulting engineer. On the distributions of the past two years, the shares offer a yield of over 11 per cent. In all the circumstances, this may not be regarded as excessive.

* * *

Mexican Eagle Strike Ended. — According to a Reuter message from Mexico City, the strike involving 2,000 men on the Poza Rica field of the Mexican Eagle Oil Company was settled on Wednesday. For a strike which has lasted fifty-eight days it is perhaps fitting that the negotiation of the settlement should have occupied forty-eight hours. It is, however, still too early to regard the agreement as a final settlement. Indeed, it appears to have arisen directly from the intervention of President Cardenas, who declared on Monday that the strike (unjustified according to his view) must be settled. A contributory factor, however, may be found in the threatened petrol famine in Mexico City, where stocks had been almost completely drained, with serious effects upon industrial activity. This experience has turned Mexican opinion against the Petroleum Workers' Syndicate. What is less certain, however, is that this happening betokens any fundamental change in Mexico's attitude towards foreign capital. Mexican Eagle has experienced two strikes this year—one in May, which was lifted on the understanding that new legislation would be introduced to cover the whole industry, and the latest strike, which arose out of extravagant demands by the Syndicate. Shareholders will trust that the settlement concedes none of the preposterous awards made by the Board of Arbitration in August—which included, among others, full pay while on strike—but they will note that "eighty points of minor consideration have been left for future discussion." Whether the Mexican authorities will reach—and adhere to—a general settlement remains doubtful. The shares rose a few pence to 14s. 7½d., and thus show little disposition to discount the possibility.

* * *

Other Company Results.—Our usual analysis of profit and loss accounts on page 591 contains, among the 21 further companies dealt with, a number of interesting results by medium-sized companies, particularly in the heavy industries. Manufacturing profits of *Vulcan Foundry*, for instance, rose by nearly 240 per cent., while net earnings (before depreciation) of £55,050 were more than doubled; the conservative dividend declaration is due to a much larger depreciation provision. Striking improvement is recorded also by *Stothert and Pitt*, whose net profits amount to £65,218 against £41,226 and by *Sheffield Forge and Rolling Mill*, whose net earnings of £25,017 and dividend of 20 per cent. are both doubled. Although the reason for the decline is so far unexplained, a reduction in final dividend had prepared the market for a drop of £5,800 in *Hilton Main and Holly Bank Collieries'* profits to £36,352. The full accounts of *Ransome and Marles Bearing* confirm the good impression made by a preliminary statement. Trading profits after depreciation have advanced 37 per cent. to £220,318, and in addition to the increased dividend of 20 per cent., against 15 per cent., a one-in-four capital bonus is to be distributed. *Leyland and Birmingham Rubber* have earned £119,775 against £70,694, and are writing off £10,000 from goodwill, now standing at £90,000. Both sales and net profits (£74,733) of *Lines Brothers*, the toy manufacturers and dealers, are above those of any previous year. The first accounts issued by *Kinemas, Ltd.*, show a net profit of £49,323. *Ardath Tobacco* (controlled by Universal Tobacco Co., in which British American Tobacco have a large interest) maintain their dividend at 12 per cent., tax free, despite a small decline in profits from £460,475 to £448,937. The benefits of Coronation trade are shown in the *Grosvenor House (Park Lane)* results, which have risen by £15,000 to £88,252. Rubber companies continue to show good progress; *Beaufort Borneo* profits have trebled, while the *Seaport (Selangor)* dividend is raised from 4 to 6 per cent.

* * *

Company Meetings of the Week.—In this issue reports of company meetings begin on page 582. Discussing the latest profits of *Eastwoods, Ltd.*, Mr Horace Boot pointed out that in the case of cement, a temporary lull in speculative house-building had been more than offset by the construction of public works and industrial buildings. Mr W. J. Chinneck explained to his hearers at the *Initial Services* meeting that the recent share issue was made to replace liquid assets that had been depleted through the continued expansion of the business. Addressing shareholders of *E. W. Tarry and Company*, Sir J. Fortescue Flannery reported that the percentage of gross profit had been satisfactory, despite the steadily rising costs. Important developments in the organisation of the *British Central Africa Company* were discussed by Sir C. A. Montague Barlow at the annual meeting. An increase of the area in tobacco was contemplated for 1938, while it had also been decided to expand production of soya beans considerably. Capital recently subscribed had permitted the erection of a tea factory and the purchase of the Mindali Tea Estate, while a stores subsidiary had been amalgamated with African Lakes Corporation, in which the company now held shares.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: SEPTEMBER 21 **ACCOUNT:** SEPTEMBER 23

THE London Stock Exchange has experienced its worst week for many months. International politics have not provided the most depressing factor — it is a long time since the Stock Exchange had an international agreement to discount. But the preliminaries of the Nyon Conference have left a transatlantic tale of destruction. Wall Street's worries were renewed at first, and as soon as Wall Street found its own level, London began to sell internationals and domestic securities on a fair scale. Rumours of troubles on the provincial exchanges added to the alarm of the general investing public. The *Financial News* index of ordinary share prices, which appears below, has, in fact, fallen through the lowest point of last year to its level at the end of December, 1935. The market outlook remains extremely uncertain, with only moderate support for the funds to relieve the general situation.

This, indeed, has provided the one bright spot. No eccentricities in New York and no panic in industrials have been able to affect the continued strength of gilt-edged. Funding loans rose each day throughout the week. Next in order of popularity came Consols, and then conversion stocks. Local Loans have also been in demand, but there has been little business and very few price changes in Indian and Dominion issues.

In the foreign market, movements have been wide and somewhat erratic, but the general tendency after the break last week has been firmer. Japanese stocks have also been bought and prices have moved up sharply. Chinese, though to a smaller extent, have also risen. Brazilians were very weak at first, but subsequently more cheerful views regarding the expected debt negotiations caused renewed buying. French rentes have, naturally, been weak. German stocks rose, partly because the Nüremberg congress has been safely negotiated, and partly because the departure of Dr Schacht is realised to remove one who is only a ghost of his former self.

Home rails were strong at the end of last week. Great Western ordinaries rose two points in two days and L.M.S. by 1½. Some prior charges were also in request. But this week they became dull, and rather unsatisfactory. Traffics gave rise to a good deal of selling on Wednesday—a bad day for the entire market. L.M.S. ordinary then fell by as much as ⅞. Among foreign rails the entire Argentine group has been consistently weak; and U.S. rails have faithfully reflected the vagaries of Wall Street.

After initial dullness and light trading, the industrial group faced a severe test on Wednesday, when rumours of provincial difficulties were widespread, but remained unconfirmed. A slight alleviation of the gloom was discernible on Thursday, but it found little reflection in prices. The inference from the forced selling of such shares as Distillers, United Molasses, and British Oxygen suggested that trouble existed, and jobbers immediately showed reluctance to take more stock. Indeed, it became difficult to obtain bids for such shares as British Oxygen on Wednesday afternoon.

Depressed at first by another break on Wall Street, and unable to translate an improvement in tone into steadier prices on Tuesday the story of the industrial market is, indeed, cheerless. London, after attempting to bolster up internationals, abandoned even New York parities. Small losses were common among iron and steel shares, Vulcan Foundry showing disappointment at the profits. Electrical equipment shares were also affected, G.E.C. closing at 81s. in mid-week. Motors were depressed, and aircraft shares neglected. Most store shares lost fractional amounts, while rayon, tobacco and brewery issues were all sold—Distillers in particular being pressed for sale. Shipping shares made no response to the further rise in freights, though they provided one of the steadier groups.

Leading industrials suffered severely in mid-week, for reasons which most observers were inclined to associate with forced selling. Turner and Newall, British Oxygen and United Molasses were especially depressed, but Imperial Chemical Industries responded to the increased interim (discussed on page 571). Building material shares followed the general trend and shilling losses were common.

The oil share market was quiet and depressed. Some Continental support for Shell and Royal Dutch gave a firmer appearance to leading issues on Tuesday, but the improvement was not maintained when Paris turned seller in mid-week. The report of the Mexican Eagle strike settlement (see page

(*Continued on page* 580)

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LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to Sept. 15, inclusive Highest	Lowest	Name of Security	Price, Sept. 8, 1937	Price, Sept. 15, 1937	Rise or Fall	Yield Sept. 15, 1937 £ s. d.
				British Funds				
87⅛	82⅜	84⅞	73⅛	Consols 2½%	73¼x	73⅛	...	3 8 0
116½	112¾	113	105¾	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	107¼	...	3 9 6
102⅛	100	101⅛	94⅝	Conversn. 2½% 1944–49	94¾	94¾	...	3 0 6
105⅞	103⅛	103⅛	97⅛	Do. 3%, 1948–53	98¼	98¼	...	3 2 6
108⅛	104⅞	106⅞	99	Do. 3½% after 1961	99¾	99¾	...	3 10 6
111⅞	107	108	105	Do. 4½% 1940–44	106¼	106½	+ ¼	2 11 0
121⅝	116½	117½	111⅞	Do. 5% 1944–64	113⅜	113⅝	+ ¼	3 0 0
95⅞	92⅛	92⅜	84¾	Funding 2¾% 1956–61	87⅛	87x	+ ⅛	3 2 7
...	...	93⅞	89⅞	Funding 2¾% 1952–57	93	93¼	+ ¼	3 4 0
104½	101	101⅝	92⅝	Funding 3% 1959–69	95	94¼x	+ 1	3 5 6
119½	115⅞	116⅜	109	Funding 4% 1960–90	110⅝	110¾	...	3 7 6
...	...	96⅞	96	Nat Defce 2½% 1944–48	96⅛x	96⅛x	...	2 18 3
117⅛	113⅞	114¾	107⅛	Victory Bonds 4%	107⅞	107¼	+ ¼	3 14 6
108⅛	104⅛	105⅞	99⅞	War Ln 3½% after 1952	100¼	100⅜	+ ⅛	3 10 3
98⅝	94⅜	96⅞	84⅞	Local Loans 3%	84⅛x	84⅝	+ ½	3 10 10
103½	101⅛	101⅝	99⅞	Austria 3% 1933–53	100	100	...	3 0 9
76½	70⅞	72	62	India 2½%	66x	66	...	3 15 9
89⅛	83⅝	85⅞	74⅝	Do. 3%	77½x	77½	...	3 17 6
100	96	98⅞	87	Do. 3½%	91½x	91½	...	3 16 6
120⅝	116	119½	112½	Do. 4½% 1958–68	115	115	...	3 10 6
107	104	105⅞	103⅛	U.K. & Arg. 4% A (1947)	103½	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅝	109½	109⅞	105	Australia 5% 1945–75	108	108	...	3 18 0
106½	102⅞	104⅞	101	Canada 4% 1940–60	103x	103	...	2 18 11
118⅝	114	116½	112⅝	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117½	114	Nigeria 5% 1950–60	115	115	...	3 11 0
114½	108	109⅞	104	N. Zealand 5% 1946	108	108	...	3 18 6
109⅞	106⅞	107⅞	103⅞	Queensland 5% 1940–60	104x	104	...	3 11 5
117⅞	113¾	114	110½	S. Africa 5% 1945–75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	102	101	− 1	4 10 0
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
98	82	91½	84½	Do. 4½% 1934–59	89	89	...	5 8 9
72½	71½	73¾	68¾	B. Aires (Prov.) 3½%	73	70	− 3	5 0 0
97⅞	95½	102	96	Belgian 4% red. by 1970	101	101	...	4 0 0
27⅞	14	30½	24½	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
88⅞	65½	89	69	Brazil 5% Fund. 1914	71½	74½	+ 3	6 14 3f
23½	16	28	22½	Chili 6% (1929)	23½	23½	...	2 11 0v
84½	66	94½	58	China 5% (1912)	63½	59	−4½	8 9 6f
96½	80	101⅞	62½	Do. 5% (1913)	73½	64½	− 9	7 15 0f
112	95½	107½	103½	Czechoslovakia 8%	107	107	...	7 13 10
110	98	100	92½	Danish 3%	97½	97½	...	3 1 6
70	57	72⅞	51½	Danzig 6½% (g) (1952)	57½	57½	...	10 3 0
106½	102	105½	101	Egypt Unified 4%	102½	104	+1½	3 17 8
25½	17½	18	13	French 4% (British)	14½	13	−1½	5 3 10e
69⅞	53	65	53	German 7% Dawes Ln.	59	60	+ 1	11 13 3
46	34	49½	35	Do. 5½% (Young Ln.)	39½	40	+ ½	13 15 0
40	29	40½	30	Greek 6% Stab. Ln.	34½	33½	− 1	7 0 0w
45½	35½	48½	38	Do. 7% Refugee	41	41	...	7 0 4w
52	39½	62	47½	Hungary 7½%	57½	57½	...	6 10 6p
90½	79½	88¾	58½	Japanese 5½% 1936–65	63½	64½	+ 1	9 2 2
97½	83	94⅞	57½	Do. 6% (1924) red 1959	68½	68½	...	9 11 0
144½	105	120	110½	Norwegian 4% 1911	115	115	...	3 10 0
53½	41	61	54	Peru 7½% 1922	60	58	− 2	...
93½	60	83	56	Poland 7%	64	64	...	10 18 9
15½	8⅞	20½	13	Roumania 4% Con. 1922	18	18	...	10 0 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	114	114	...	4 6 0
92½	79	96½	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27⅞	22	25	22	Berlin 6% 1932–57	25	24	− 1	...
119½	116	118	111	B'mgham 5% 1946–56	112x	112	...	3 8 6
120	117	119	113	Bristol 5% 1948–58	113	113	...	3 11 0
84	64	82	64	Danzig % (i) (1950)	67½	65½	− 2	7 9 0
121½	117½	119½	115	E. London 5% 1960–70	116½	116½	...	3 18 6
97½	93½	95½	82½	L.C.C. 3%	83	83	...	3 12 3
106½	85½	103½	97½	Seine (Dpt of) 4½% 1952	100½	100½	...	4 10 0

Prices, Year 1937 Jan. 1 to Sept. 15, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 8, 1937	Price, Sept. 15, 1937	Rise or Fall	Yield Sept. 15, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950–70	113	112½	− ½	3 15 0
				London Passenger Transport Board—				
123¾	110½	2¼	2¼	4½% "A" 1985–2023	113½	113½	...	3 19 6
135	121½	2½	2½	5% "A" 1985–2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942–72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1965–2023	117½	117½	...	3 19 9
99⅞	77	2½(b)	1½(a)	"C" 1956 or after	81	80	− 1	5 0 0
99½	86	1½	1½	Met. Wat. Bd. "B" 3%	86½	86½	...	3 9 6
121	113½	2½	2½	Pt. of Lndn. 5% 1950–70	117	117	...	3 8 6
				British Railways				
67⅞	55⅞	2⅞(b)	½(a)	G. Western Ord. Stk.	61½	63	+1½	5 3 2
6½	4⅞	Nil	Nil	L. & N. E'st'n Def. Stk.	4⅞	4⅞	+ ⅛	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	9¾	10	+ ¼	Nil
100⅞	89⅞	5(c)	1½(a)	Do. 5% Pref. 1955	98	98	...	5 2 3
31½	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	28½	28½	...	1 15 1
79½	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	71½	72	+ ½	5 11 1
38⅞	27⅞	Nil (c)	1½(c)	L.M.S. Ord. Stk.	30	30½	+ ½	4 2 0
82⅞	71	4(c)	4(c)	4% Pref. Stk. 1923	75½	75½	...	5 6 0
92½	80	2(a)	2(b)	4% Pref. Stk.	82	82	...	4 17 7
27½	21½	Nil(c)	½(c)	Southern Def. Stk.	21½	21½	...	2 18 2
98⅞	87⅞	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	90	91	+ 1	5 9 11
125⅞	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	113½	113½	...	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	19½	19½	...	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	10	10	...	Nil
36¾	21½	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	22½	22	− ½	Nil
31⅛	18¾	Nil	Nil	B.A. Western Ord. Stk.	19½	19½	...	Nil
34½	19¾	Nil	Nil	C. Argentine Ord. Stk.	20½	20	− ½	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	5	5	...	Nil
18	9⅞	Nil	Nil	Can. Pacific Com. ($25)	10½	10	− ½	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33	2(c)	2(c)	Costa Rica Ord. Stk.	34	34	...	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	10½	10½	...	Nil
48	23	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	24½	...	Nil
9½	4½	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
82/6	50/-	Nil	Nil	Nitrate Rlys. (£10)	52/6	52/6	...	Nil
98	82	†2(a)	†3(b)	San Paulo Ord. Stk.	84½	83½	− 1	5 19 9†
29/9	19/4½	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	22/6	...	4 9 0
5½	1½	Nil	Nil	Utd. Havana Ord. Stk.	3	2½	− ½	Nil

Prices, Year 1937 Jan. 1 to Sept. 15, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 8, 1937	Price, Sept. 15, 1937	Rise or Fall	Yield Sept. 15, 1937 £ s. d.
				Banks				
40/-	32/-	5(a)	5(b)	Bank of N. Zealand £1	35/-	35/-	...	4 11 6e
376	334½	6(a)	6(b)	Bank of England Stk.	337½	338½	+ 1	3 10 10
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	74/-	73/6	−6d	3 16 0
48/3	40/-	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/-	44/6	+6d	2 12 0
10⅝	8¾	4½(b)	3½(a)	Bk. of Australasia (£5)	8⅞x	8⅞x	...	4 10 2
£49½	£43	8(c)	8(c)	Bk. of Montreal ($100)	£44	£43½	− ½	3 14 0e
29⅞	26½	5(c)(o)	5½(c)(o)	Bk. of N.S. Wales (£20)	27	27	...	3 1 9e
101/-	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	13½	7(b)	7(a)	Chtd. of India (£5)	13⅞	13⅞	...	5 1 0
15/9	13/4½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/-	13/9	13/9	...	3 16 6e
94/-	82/1½	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9	83/9	...	3 19 3
58/-	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	91/-	†2½(b)	3½(a)	Eng.Scot.&Aust.£5 £3pd	95/-	92/6	−2/6	4 5 0
11½	10¼	18(c)	18(c)	Hambros £10, £2½ paid	10⅝	10⅝	...	4 4 6
£121⅞	£92½	£3(b)	£2½(a)	Hong. and S. ($125)	£98½	£93½	−£5	5 17 8
69/-	59/3	6(b)	6(a)	Lloyds £5, with £1 pd.	60/-	59/6	−6d	4 1 0
10⅛	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	8⅞	8⅞	...	4 0 0
94/6	81/-	8(b)	8(a)	Midland £1, fully pd.	85/6	85/-	−6d	3 15 0
44½	38½	11(b)	4(a)	Nat. of Egypt £10	39	39	...	3 17 0
47⅞	39	9(b)	9(a)	Nat. of India £25, £12½ pd	40½x	40½x	...	5 11 0
16½	14⅛	7½(b)	7½(a)	Nat. Prov. £20, £4 pd.	14⅝	14⅝	...	4 3 0
496	459	8½(a)	8½(b)	Royal Bk. of Scotland	463	461	− 2	3 13 9
16½	14⅛	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 3
101/4½	88/6	9(b)	9(a)	Westminster £4, £1 pd.	89/6	89/-	−6d	4 1 0
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/-	65/-	...	5 7 9
6⅝	5⅛	5(b)	5(a)	National A £2½ fully pd.	6	6	...	4 3 3
16⅛	12⅞	17(b)	9(a)	" B £7½, £2½ pd.	13	13	...	5 0 0
54/9	44/3	6½(b)	3½(a)	Union £1 of stock	47/6	47/6	...	4 4 3
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15⅞	13⅞	†3/6(a)	†4/6(b)	Atlas £5, £1½ pd.	13⅞	13⅞	...	2 18 0†
10⅞	9⅞	20(a)	20(b)	Com. Un. £1, fully pd.	10	10	...	4 0 0
6⅛	4⅞	1/4·8a	2/-(b)	Gen. Accident £1, 5/- pd.	5½	5½	...	3 5 0
35⅞	29⅞	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30	30½	+ ½	3 6 1
14	11⅞	3/2(a)	3/1(b)	N.Brit.&Mer., £1½, fy. pd	11⅞	11⅞	...	2 13 6
21½	18⅞	35(a)	40(b)	Northern £10, £1 pd.	20½	20½	...	3 13 2
22½	19	†26½(b)	†25(a)	Pearl (£1), fully paid	19⅞	19⅞	...	2 12 6†
16⅞	15	6/-(a)	6/-(b)	Phoenix £1, fully pd.	15⅞	15⅞	...	3 16 0
37⅞	32½	†95½(c)	†25(a)	Prudential £1 A	33⅞	34	+ ½	2 15 6†
114/-	103/9	†43⅓(c)	†50(c)	Do. £1, with 4s. paid	106/3	106/3	...	1 17 0†
11⅛	9⅛	11(a)	19(b)	Royal Exchange (£1)	10½	10½	...	2 19 3
9⅞	8½	3/3(a)	3/3(b)	Royal £1, 10/- pd.	8⅝	8⅝	...	3 15 0
19⅛	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	16½	17	+ ½	3 17 6
93/-	80/-	1/3(a)	1/5(b)	Sun Insur., £1 with 5/- pd.	86/3	86/3	...	3 2 6
8⅞	7½	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7½	7½	...	2 6 6†
21	18⅞	†30(b)	†17½(a)	Yorkshire £1, fully pd.	18⅞	18⅞	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/-	1(c)	Nil (c)	Atlas Electric, etc. £1	6/-	6/-	...	Nil
18/1½	12/-	3(c)	7½(c)	Brit. Assets Trust 5/-	13/9	13/3	−6d	2 15 0
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145½	145½	...	4 9 6
305	260	3½(a)	7½(b)	Indus. and Gen. Ord.	265	265	...	4 3 0
336	260	5(a)	8(b)	Invest. Trust Def.	290	290	...	4 9 8
23/3	18/6	2½(a)	6(b)	Lake View Invest. 10/-	19/3	19/3	...	4 8 0
303	269	8(b)	3½(a)	Mercantile Investment	275	272	− 3	4 4 7
181½	164	4½(b)	3(a)	Merchants Trust Ord.	167½	167½	...	4 9 7
302	272½	7(b)	5(a)	Metropolitan Trust	275	272½	−2½	4 8 1
7/9	5/9	1½(c)	2½(c)	Scottish Investment (5/-)	6/6	6/3	−3d	2 0 0
252½	230	2½(a)	7(b)	Scottish Mortgage, etc.	235	235	...	4 0 10
255½	229	3(a)	7(b)	Trustees Corp. Ord.	233½	232½	− 1	4 6 0
253	221	7(b)	4(a)	United States Debenture	225½	223½	− 2	4 18 5
				Financial Trusts, &c.				
18/-	14/-	2½(c)	2½(c)	Argentine Land, etc. 10/-	15/-	15/-	...	1 13 3
37	27⅞	Nil	Nil	Australian Estates, etc.	30½	30½	...	Nil
45/-	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/- fy. pd	34/-	33/-	−1/-	4 11 0
37/6	25/-	10(c)	10(c)	Charterhouse Inv. £1	36/3	36/3	...	5 10 3
19/6	17/7½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	38/-	†2½(a)	†8⅓(b)	Daily Mail & General £1	40/-	39/-	−1/-	5 14 6†
9⅞	8	†3½(b)	3½(a)	Dalgety £20 £5 pd.	8⅞	8⅞	...	5 12 0
30/6	25/-	3½(a)	5(b)	Forestal Land £1	28/-	27/9	−3d	6 2 6
42/7½	29/6	Nil	Nil	Hudson's Bay Co. £1	31/-	30/-	−1/-	Nil
35/7½	26/6	2(a)	4(b)	Java Invest., etc., £1	27/6	26/6	−1/-	4 11 5
14½	8½	Nil	Nil	Peruvian Corp. Pref. Stk.	10	8½	−1½	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	14/-	14/-	...	4 5 9
25/-	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/-	22/-	...	6 16 6
57/6	42/7½	8(c)	10(c)	Sudan Plantations £1	43/6	43/-	−6d	4 14 6
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	89/-	90/-	+1/-	2 15 0h
37/9	31/-	2½(a)	5½(b)	Barclay Perkins £1	32/3	32/3	...	4 19 0
140/-	127/-	†19(b)	†5(a)	Bass Ratcliff Ord. £1	137/-	137/-	...	3 10 6†
95/6	83/6	14(b)	6(a)	Benskins Watford £1	94/-	93/-	−1/-	4 5 6
79/-	69/6	3(a)	11(b)	Charrington & Co. £1	72/6	72/6	...	3 17 9
22/4½	13/3	6(c)	20(t)	City of London Def. 5/-	14/-	13/6	−6d	(t)
94/6	86/6	14(b)	6(a)	Courage Ord. £1	90/6	91/-	+6d	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	107/9	105/6	−2/3	4 5 0
143/-	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	125/6	126/6	+1/-	4 11 0
127/-	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	120/6	120/6	...	4 11 6
52/-	41/-	3½(a)	7½(b)	Meux's Ord. £1	47/6	45/6	−2/-	4 15 0
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	100/6	101/-	+6d	4 11 0
79/3	68/-	5(a)	12½(b)	Ohlsson's Cape £1	73/6	73/6	...	4 15 3
84/-	76/-	14(b)	4(a)	Simonds (H. & G.) £1	79/-	79/-	...	4 11 0
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	109/-	109/6	+6d	4 1 0†
72/9	54/6	10(c)	20(c)	S. African Dist. Ord. £1	56/-	55/-	−1/-	7 5 0
48/-	40/-	6(b)	4(a)	Taylor Walker Ord. £1	40/6x	40/6x	...	4 19 0
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	25/6	25/6	...	4 11 6
88/-	72/-	6(a)	13(b)	Watney Combe Def. £1	80/-	80/6	+6d	4 14 0
				Iron, Coal and Steel				
35/-	25/6	4(a)	7½(b)	Allied Ironfounders £1	26/10½	26/6	−4½d	8 10 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	3/3	3/3	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	47/6	46/3	−1/3	4 6 6
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/-	10/6	11/-	+6d	3 13 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
52/6	45/9	8(b)	4(a)	Bolsover Col'ry Ord. £1	49/4½	49/4½	...	4 9 3
44/-	32/-	†5(a)	†10(b)	Brown (John) Ord. 10/-	35/6	35/6	...	4 4 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	40/-	41/3	+1/3	3 19 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/-	13/3	13/-	−3d	1 19 9
34/1½	25/-	Nil(c)	7(c)	Colvilles Ord. £1	27/9	27/9	...	5 1 0
17/-	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/3	13/-	−3d	3 18 0
91/-	76/6	5(a)	15(b)	Cory, William, Ord. £1	88/9	87/6	−1/3	4 11 6
62/-	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	52/6	51/3	−1/3	2 6 3
80/3	65/-	Nil(c)	14(c)	Do. Pref. Ord. £1	75/-	73/9	−1/3	3 15 6
37/3	30/10½	†2½(a)	†3½(b)	Guest Keen etc. Ord. £1	34/9	35/-	+3d	3 9 0†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3¾% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to Sept. 15, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 8, 1937	Price, Sept. 15, 1937	Rise or Fall	Yield Sept. 15, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/-	10(b)	7½(a)	Hadfields 10/-	34/4½	34/-	−4½d	5 2 6
15/3	13/9	Nil	Nil	Har. & Wlf. B. Ord. £1	14/4½	13/9	−7½d	Nil
37/6	29/3	5(b)	2½(a)	Horden Collieries £1	36/3	36/3	...	4 2 9
35/-	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	32/6	32/6	...	3 1 6
18/4½	14/-	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/6	17/3	−3d	2 7 0
16/3	11/3	Nil(c)	5(c)	Pease and Partners 10/-	15/-	14/9	−3d	3 7 6
27/4½	21/9	1½(a)	5½(b)	Powell Duffryn £1	25/6	26/-	+6d	5 7 9
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	24/-	23/6	−6d	5 2 0
52/6	44/3	†2½(a)	†7½(b)	Sheepbridge Cl & In. £1	50/-x	48/9x	−1/3	4 2 1†
44/-	37/-	3½(a)	8½(b)	Shipley Collieries Ord £1	41/3	41/3	...	5 16 6
57/6	47/6	11(c)	12(c)	S. Durham Steel & Iron Ord. £1	53/9	52/6	−1/3	4 11 6
33/6	25/7½	5(c)	6(c)	S. Durham Steel & Iron B Ord. £1	28/9	27/6	−1/3	4 7 3
55/3	45/-	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
64/-	52/3	†3(a)	†9½(b)	Staveley Coal, etc. £1	60/7½x	60/7½x	...	4 0 0†
43/4½	35/-	5(c)	7½(c)	Stewarts and Lloyds £1	41/10½	41/3	−7½d	3 12 9
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	31/3	31/3	...	4 16 0
17/-	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/6	13/9	+3d	7 5 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/-	20/-	...	Nil
10/-	6/9	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/-	7/6	7/6	...	3 4 0
$129½	$76½	Nil	Nil	U. States Steel $100	$97½	$96	−$1½	Nil
34/6	27/10½	5(b)	2½(a)	United Steel Cos. Ord. £1	30/-	30/-	...	5 0 0
39/1½	26/9	8(c)	10(c)	Vickers (10/-)	29/6	29/-	−6d	3 8 0
39/1½	29/0	5(b)	2½(a)	Ward (Thos. W.) £1	33/9	34/4½	+7½d	4 7 0
49/4½	40/10½	6(c)	10⅓(c)	Weardale Steel etc. Df £1	47/6	47/6	...	4 9 0
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	132/6	132/6	...	5 5 9
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/-	70/-	...	4 5 9
				Textiles				
12/1½	6/10½	Nil	Nil	Bleachers £1	7/6	7/-	−6d	Nil
12/6	6/10½	Nil	Nil	Bradford Dyers (£1)	7/9	7/6	−3d	Nil
11/4½	6/7½	Nil	Nil	Brit. Celanese Ord. (10/-)	7/4½	7/4½	...	Nil
15/6	9/9	Nil	Nil	Calico Printers £1	10/-	10/-	...	Nil
55/-	44/3	10(c)	10(c)	Coats, J. and P. (£1)	45/7½	45/7½	...	4 8 0
55/3	50/7½	7(b)	3½(a)	Courtaulds £1	52/6	52/6	...	4 0 0
49/-	41/7½	2½(a)	7½(b)	English Swg. Ctn. £1	42/6	42/6	...	4 14 0
14/6	8/7½	Nil	Nil	Fine Cotton Spinners £1	9/3	9/-	−3d	Nil
38/3	33/-	5½(b)	3(a)	Linen Thread Stk. (£1)	36/3	36/3	...	4 13 9
69/3	55/-	†12½(c)	†12½(c)	Patons & Baldwins £1	57/-	55/-	−2/-	4 10 9†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/-	20/-	...	6 0 0
				Electrical Manufactg.				
56/7½	44/3	8(c)	10(c)	Associated Elec. (£1)	48/-	45/-	−3/-	4 9 10
100/-	91/10½	15(b)	5(a)	British Insulated (£1)	97/6	95/-	−2/6	4 4 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	96/3	...	4 3 0
78/-	52/6	6½(b)	6(a)	Crompton Parkinson 5/-	52/6	55/-	+2/6	1 1 6
87/6	30/-	Nil	Nil	English Electric £1	34/6	34/6	...	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	85/-	80/-	−5/-	4 7 6
23/-	18/6	15(b)	5(a)	Henleys (W. T.) (5/-)	20/3x	19/4½x	−10½d	4 1 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	46/3	45/-	−1/3	4 9 0
35/-	31/1½	6(c)	7½(c)	Siemens £1	33/1½	33/1½	...	4 10 6
				Electric Light, &c.				
$32	$18	40c.(b)	50c.(a)	Brazil Trac., no par	$21	$22	+$1	4 1 9
78/-	66/9	9(b)	6(a)	Bournemouth & Poole	67/6x	67/6x	...	4 9 0
31/6	25/6	4(b)	2(a)	British Power & Light £1	28/6	28/6	...	4 4 9
38/9	32/-	4(b)	3½(a)	City of London £1	34/6	34/6	...	4 7 0
46/6	38/-	5(b)	3(a)	Clyde Valley Elec. £1	40/6x	40/6x	...	4 0 0
54/7½	45/9	7½(b)	3(a)	County of London £1	50/-x	49/-x	−1/-	4 5 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/-	39/-	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/-	34/-	...	4 6 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/-	46/-	...	4 6 6
41/3	35/6	2½(a)	5½(b)	Midland Counties £1	38/-	38/6	+6d	4 4 0
34/9	30/9	4½(b)	2½(a)	North-Eastern Elec. £1	32/6x	32/6x	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	49/4½	49/4½	...	4 1 0
42/6	35/6	5½(b)	2½(a)	Scottish Power £1	37/6	37/6	...	4 5 3
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/6	39/6	...	4 1 0
				Gas				
27/-	23/3	5⅓(c)	5⅓(c)	Gas Light & Coke £1	24/9	24/6	−3d	4 10 6
163½	141	4(a)	6(b)	Imp. Continental Stk.	145½	142½	− 3	7 0 4
28/9	23/-	2½(a)	2⅞(b)	Newc.-on-Tyne £1	24/6	24/6	...	4 7 10
120	103⅞	3(b)	2½(a)	S. Metropolitan Stk.	105½	104½	− 1	5 5 3
				Motors and Cycle				
52/3	40/7½	†5 5/16(b)	†2 1/12(a)	Assocd. Equipmt. Ord £1	43/9	43/9	...	3 8 7†
60/4½	38/9	50(c)	50(c)	Austin 5/-	45/-	43/1½	−1/10½	5 16 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/3	24/-	−3d	Nil
37/9	30/-	133⅓(b)	33⅓(a)	Dennis 1/-	35/7½	35/-	−7½d	4 14 6
33/9	25/6	5(c)	6(c)	Ford Motors £1	25/6	27/-	+1/6	4 9 0
4/3	2/1½	Nil(c)	7½(c)	Guy Motors (1/-)	2/9	2/3	−6d	3 6 9
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	67/6	...	4 8 11
126/3	85/-	17½(c)	20(c)	Leyland Motors £1	97/6	91/3	−6/3	4 7 6
43/9	34/3	†15(c)	45(c)	Morris Motors 5/- Ord.	35/3	35/3	...	6 7 0
15/3	9/4½	Nil	Nil	Napier 5/-	10/-	10/-	...	Nil
80/-	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	76/3	73/9	−2/6	6 2 0
135/-	98/9	7½(a)	15(b)	Rolls-Royce £1	103/9	100/-	−3/9	4 10 0
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/-	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	157/6	155/-	−2/6	3 4 0
				Shipping				
10/4½	7/-	Nil(c)	Nil(c)	Cairn Line (10/-)	8/3	8/-	−3d	Nil
10⅛	8¼	5(a)	15(b)	Clan Line Steamers (£1)	8¾	9	+ ¼	2 4 6
8/7½	5/6	Nil	Nil	Cunard £1	5/9	5/9	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	27/-	27/6	+6d	2 3 9
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	30/-	30/-	...	2 13 3
				Tea and Rubber				
30/3	21/4½	2½(c)	5(c)	Allied Sumatra £1	22/3	22/-	−3d	4 11 0
53/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/3	38/-	−3d	3 14 0
53/9	35/9	5(c)	9(c)	Bah Lias £1	38/9	36/3	−2/6	4 19 4
48/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	30/-	30/-	...	4 0 0
46/-	35/-	2(a)	6(b)	Jorehaut Tea £1	41/3	42/6	+1/3	3 15 3
43/9	36/-	2(a)	6(b)	Jokai (Assam) £1	40/-	40/-	...	4 0 0
36/6	24/4½	Nil(c)	5(c)	Linggi Plantations £1	25/-	25/-	...	4 0 0
6/-	4/6	7(c)	10(c)	London Asiatic 2/-	4/10½	4/9	−1½d	4 4 0
48/9	36/3	5(c)	7½(c)	Rubber Trust £1	37/9	37/-	−9d	4 0 0
5/11	4/3	10(c)	5(a)	United Serdang 2/-	4/6	4/4½	−1½d	4 11 6
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	38/9	39/3	+6d	5 1 7
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	37/6	37/6	...	6 13 3
132/-	81/10½	5(a)	20(b)	Anglo-Iranian £1	83/9	82/6	−1/3	(z)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/-	34/-	34/3	+3d	5 9 0
35/3	17/9	Nil	Nil	Attock £1	33/3	34/3	+1/-	Nil
5/7½	3/-	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/4½	3/6	+1½d	Nil
130/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	123/-	123/9	+9d	4 8 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	43/9	43/1½	−7½d	5 16 0
32/4½	12/6	10d psc	11d psc	Mexican Eagle (Mex. $4)	12/9	14/3	+1/6	6 6 0
11/6	5/7½	Nil(c)	3½(c)	Phoenix Oil £1	5/9	6/-	+3d	12 10 0
£52½	£42½	5(a)	11½(b)	Royal Dutch (fl. 100)	£44½	£44½	...	4 2 6e
147/-	101/3	†7½(a)	†12½(b)	Shell Transport £1	102/-	105/-	+3/-	3 16 6†
172/-	112/6	17½(b)	10(a)	Trinidad Leaseholds £1	116/3	115/-	−1/3	4 15 6
68/9	46/3	7½(a)	15(b)	V.O.C. Ord. 13/4	47/-	47/6	+6d	6 6 0
				Miscellaneous				
26/3	22/-	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/-	25/9	8(c)	9(c)	Allied Newspapers £1	26/6	26/-	−6d	6 18 6
20/3	16/7½	5(c)	5(c)	Amal. Dental Def. £1	17/6	17/3	−3d	5 13 0
36/3	27/-	6(c)	7(c)	Amal. Metal £1	30/7½	28/9	−1/10½	4 17 5
22/4½	17/9	6(b)	5(a)	Amal. Press (10/-)	19/-	17/9	−1/3	6 4 0
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/-	14/9	13/9	−1/-	6 11 0
24/3	17/10½	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/-	18/6	18/6	...	7 5 0
110/3	87/6	7½(a)	15(b)	Assoc. P. Cement £1	91/3	88/9	−2/6	5 1 6
85/3	72/9	10(b)	5(a)	Barker (John) £1	76/3	75/-	−1/3	4 12 6
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/-	65/-	...	4 19 0

Prices, Year 1937 Jan. 1 to Sept. 15, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 8, 1937	Price, Sept. 15, 1937	Rise or Fall	Yield Sept. 15, 1937 £ s. d.
64/6	50/3	m29(c)	m29(c)	Boots Pure Drug 5/-	53/-x	52/6x	−6d	2 15 0
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	32/-	31/3	−9d	4 16 0
27/-	20/-	5(c)	2½(a)	Bovril Deferred £1	23/1½	23/1½	...	4 6 3
38/3	17/6	4(a)	5(b)	Bowaters Paper Mills £1	18/-	18/-	...	10 0 0
64/6	45/-	7½(a)	15(b)	Bristol Aeroplane 10/-	51/3	52/6	+1/3	4 6 0
55/6	44/3¾	7½(c)	10(c)	British Aluminium £1	54/9	51/3	−3/6	3 18 1
39/4½	35/4½	2½(a)	5(b)	British Match £1	36/6	36/-	−6d	4 5 6
6⅞	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	5⅞x	5⅜x	− ⅛	3 11 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	103/9	100/-	−3/9	3 0 0
83½	75	...	...	Cable & Wir. Holding A. Ord.	80	77½	−2½	Nil
107	102½	5½(c)	2¾(a)	Cable & Wir. Holding 5½% Pf.	104	103½	− ½	5 6 0
8⅞	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8⅞	8⅞	...	4 2 0‡v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/-	15/6	15/-	−6d	10 0 0
25/-	16/3	Nil(c)	20(c)	Crittall Manufg. Ord. 5/-	17/3	16/9	−6d	6 0 0
63/9	45/-	10(c)	10(c)	De Havilland Aircraft £1	47/6	46/3	−1/3	4 6 6
38/6	32/-	8(c)	9(c)	Dunlop £1	34/-	33/6	−6d	5 7 9
50/7½	40/-	5(a)	10(b)	Eastwoods Ord. £1	42/6x	42/6x	...	7 1 2
27/6	19/-	12½(c)	10(c)	Elec. & Musical Ind. 10/-	20/3	19/-	−1/3	5 4 0
33/6	30/4½	15(a)	30(b)	Ever Ready Co. 5/-	31/-	30/6	−6d	7 6 0
24/9	17/-	5(c)	10(c)	Fairey Aviation 10/-	18/6	18/6	...	5 8 0
68/3	55/-	4(a)	6(b)	Finlay (James) & Co. £1	62/6	61/3	−1/3	3 5 0
145/7½	110/-	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	120/-	117/6	−2/6	4 5 0
9/1½	5/3	7(c)	Nil(c)	Gaumont-Brit. (10/-)	5/9	5/3	−6d	Nil
32/3	25/6	6(a)	10(b)	Gen. Refractories (10/-)	27/6	27/9	+3d	5 16 0
50/-	43/	17½(a)	22½(b)	Gestetner (D.) (5/-)	50/-	50/-	...	4 1 9
166/3	135/7½	15(b)	5(a)	Harrisons & Cros. Def. (£1)	138/9	137/6	−1/3	2 18 6
91/10½	81/6	13½(b)	5(a)	Harrods £1	83/9	83/9	...	4 8 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/-	4/6	4/6	...	Nil
62/6	33/1½	7(c)	8(c)	Imperial Airways £1	33/9	33/9	...	4 14 10
41/10½	36/-	5½(b)	3(a)	Imperial Chem. Ord. £1	36/6	36/9	+3d	4 11 9
24/1½	15/9	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	17/3	16/3	−1/-	Nil
9⅛	7⅝	†17½(b)	†7½(a)	Imperial Tobacco £1	7½	7⅜	− ⅛	3 7 6†
$75⅛	$54½	$0·75c	$1·30c	Inter. Nickel of Can.	$55⅞	$56½	+ ⅝	3 10 10n
22/3	12/7½	8(a)	8(b)	International Tea 5/-	16/-	15/9	−3d	5 1 0
76/3	52/9	22½(c)	22½(c)	London Brick £1	53/9	53/9	...	8 6 0
6⅞	5⅞	8½(a)	14½(b)	Lyons (J.) Ord. £1	6	6	...	3 16 0
90/7½	62/6	15(a)	25(b)	Marks & Spencer 'A' 5/-	63/9	65/-	+1/3	3 1 3
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/-)	5/9	5/9	...	5 4 0
5⅞	4½	15(b)	7½(a)	Murex £1 Ord.	5⅛	5	− ⅛	4 10 0
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/-	40/6	12½(b)	7½(b)	Pinchin Johnson 10/-	42/-x	42/-x	...	4 15 0
67/-	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/-)	52/6	50/7½	−1/10½	4 9 0
67/-	56/9	11½(b)	3½(a)	Radiation Ord. £1	57/6	56/10½	−7½d	5 6 0
115/7½	100/-	22½(b)	22½(c)	Reckitt & Sons Ord. £1	105/-	102/6	−2/6	4 7 0
18/9	13/6	†8½(b)	†5(a)	Sears (J.) Ord. 5/-	14/-	14/-	...	4 12 6†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	17/9	17/-	−9d	2 19 0
62/6	58/-	2½(a)	12½(b)	Spillers Ord. £1	60/-	60/7½	+7½d	4 19 0
54/3	44/9	15(c)	15(c)	Do. Deferred £1	45/-	45/-	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	26/3	24/4½	−1/10½	Nil
91/6	82/6	14(b)	4½(a)	Tate and Lyle £1	84/4½	83/9	−7½d	4 9 0
77/6	56/6	5(b)	5(a)	Tilling, Thos. £1	62/6	57/6x	−4/-	3 9 7
77/6	63/9	10(b)	5(a)	Tobacco Secrts. Ord. £1	63/9	63/9	...	4 14 0
74/3	56/3	60(c)	w35(c)	Triplex Safety G. (10/-)	62/-	58/9	−3/3	5 19 0
93/-	81/3	12½(b)	7½(a)	Tube Investments £1	85/-	83/9	−1/3	4 15 6
112/6	85/7½	13⅓(b)	3⅓(a)	Turner & Newall £1	88/1½	86/3	−1/10½	4 0 0
46/10½	37/9	3½(a)	4(b)	Unilever £1	40/7½	40/-	−7½d	3 11 0
60/4½	52/-	7½(b)	5(a)	United Dairies £1	57/-	57/6	+6d	4 7 6
34/9	24/-	10(b)	6¼(a)	United Molasses 6/8	30/-	28/9	−1/3	3 15 0
10½	8⅞	30(c)	40(c)	Utd. Tob. (South) Ord. £1	9⅛x	9⅛x	− ⅛	4 6 0
45/-	37/9	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	38/9	38/9	...	6 8 0
45/-	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	38/3	38/3	...	4 13 0
96/3	67/6	45(b)	15(a)	Woolworth (F.W.) Or. 5/-	70/-	68/9	−1/3	4 7 0
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/-)	59/4½	60/7½	+1/3	6 6 0
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	17/-	17/3	+3d	10 0 0r
7/3	4/1½	Nil(c)	Nil(c)	Commonwealth Mng. 5/-	4/6	4/6	...	Nil
123/9	64/9	20(c)	6½(a)	Cons. Glds. of S. Af. £1	73/-	75/-	+2/-	5 7 0
59/4½	30/-	27½(c)	30(c)	Cons. Mines Selection 10/-	36/3	36/3	...	8 5 0
16⅞	11½	95(b)	95(a)	Crown Mines 10/-	12⅜	12⅞	+ ½	7 6 0
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	65/-	63/9	−1/3	6 5 6
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	47/-	47/6	+6d	9 15 0
19	11½	5(b)	25(a)	Rhokana Corp. £1	12⅞	12¼	− ⅝	2 8 0
32½	17⅛	Nil	Nil	Rio Tinto £5	20	20	...	Nil
89/3	57/6	30(a)	50(b)	Roan Antelope Cpr. 5/-	71/3	71/3	...	5 12 0
14½	8½	90(b)	90(a)	Sub Nigel (10/-)	9⅞	10½	+ ⅝	8 18 0
225/-	135/-	2/6(a)	6/-(b)	Union Corp. (12/6 fy pd.)	157/6	160/-	+2/6	5 6 0
19⅞	6⅛	Nil	Nil	W. Witwatersrand 10/-	7⅝	8	+ ⅜	Nil
35/6	16/-	10(c)	Nil(c)	Wiluna Gold (£1)	17/9	17/-	−9d	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Sept. 15, 1937	Compared Sept. 8
Municipal and Gen		
1st British	47/3-48/3	− 3d
2nd British	28/--28/10½x	− 3d
3rd British	23/9-24/6	...
4th British	20/3-21/-	...
For. Govt. Bond	18/9-20/6x	− 7½d
Limited Invest.	23/--23/6	− 3d
Mid. & Sthn. Inv.	21/6-22/3	...
Scot. & N.C. Inv.	20/3-20/9	− 3d
Bank - Insurance		
Bank – Insur. Uts.	19/3-20/3	...
Insurance Units	20/9-21/9	...
Bank Units	18/--19/-	...
Invest. Trust Units	16/6-17/6	...
Scot. B.I.I.T. Unts	16/9-17/9	...
British Empire		
British Empire "A"	21/10½ bid	− 3d
Do. "B"	10/1½ bid	...
Do. Cum.	17/4½ bid	− 3d
Do. Comp.	18/4½ bid	− 7½d
Do. First Unit	20/6-21/6x	− 3d
National		
National "A"	32/9 bid	...
Do. "B"	21/7½ bid	− 1½d
Do. "C"	19/--20/-	− 3d
Do. "D"	20/--21/-	...
Do. Inv. Group	15/3-16/3	− 3d
Amalgamated Certs	22/3-23/3	...
Century	19/--20/-	− 1½d
Commercial	20/10½ bid	− 1½d
Gilt-edged	18/6-19/0	+ 3d
Scottish	18/3-19/3	− 3d
Universal	19/9-20/9x	− 1½d
First Provincial		
First Prov. "A"	20/6-21/6	− 3d
Do. "B"	17/--18/-	− 3d
Do. Reserves	16/9-17/9	...
British General		
Capital Securities	8/9-9/3x	− 3d
British General "A"	21/7½-22/7½	− 3d
British General "B"	19/3x bid	− 1½d
British General "C"	18/3-19/3x	− 1½d
First Recovery	6/9-7/4½	− 3d

Name and Group	Sept. 15, 1937	Compared Sept. 8
Rubber & Tin	1/8½-1/10	...
Keystone.		
Keystone	18/3-19/3	...
Do. 2nd	16/--17/-	...
Do. Flexible	17/7½-18/7½	− 1½d
GoldProd.Dep.Rec.	22/7½ bid	+ 7½d
Do. 2nd Series	16/6-17/6	+ 6d
Do. 3rd Series	12/7½-13/7½	+ 3d
Rand Certificates	19/- bid	+ 4½d
Oil Certificates	26/1½ bid	+ 3d
"15 *Moorgate*"		
Hundred	20/4½-21/4½	− 3d
Investors Flexible	16/6-17/6x	...
Do. Gas & Elec.	13/6-14/6	− 3d
Do. General	18/10½-19/10½	− 1½d
Do. 2nd General	16/1½-17/1½	...
Do. Gold	14/6-15/6x	+ 3d
Prov. Investors	16/1½-17/1½	− 4½d
Security First	17/6-18/6	− 1½d
F.T.M.		
Aviation & Univer.	9/6-10/-	− 3d
Domestic	8/6-9/-	...
Protected		
Protected 1st	22/--23/-x	− 3d
Do. 2nd	20/--21/-	...
Do. 3rd	15/3-16/3	− 3d
Allied		
British Indus. 1st	19/9-20/9x	...
Do. 2nd Series	17/6-18/6	− 3d
Do. 3rd Series	19/--20/-	− 3d
Do. 4th Series	19/3-20/3	− 3d
Elec. Industries	18/--19/-	− 3d
Metals and Minerals	16/3-17/3	...
Selective		
Selective "A"	17/9-18/9	...
Do. "B"	17/4½-18/4½	− 1½d
British Transport	16/3-17/3x	...
Bank Insce. & Fin.	17/--18/-	...
Brewery Trust Un.	16/6-17/6	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18½ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16⅔% basis. (t) Special Jubilee bonus. (z) Highest price 132/- and 25 per c nt. dividend on old shares, before 50 per cent capital bonus. Yield at 25 per cent. = £6 0s. 9d; at 16 per cent. = £3 17s. 0d. (w) Paid on £300,000 more capital than in preceding year.

(*Continued from page 577*)

576) was followed by a modest recovery in the shares. Rubber shares had an unsatisfactory week. Selling depressed prices out of proportion to its volume, but in mid-week a further fall in the commodity and more nervous selling found better resistance. Among tea shares, the tone was rather better, on signs of investment support.

The Kaffir market has been hesitant this week, with a tendency to decline, although activity was evident at one time in Venterspost on good development news. With Johannesburg closed on Wednesday, business was not active. Early in the week Paris gave support, but this did not last. Rhodesian coppers fell off in sympathy with the falling metal price, while tin shares, although firm early in the week, declined later.

"FINANCIAL NEWS" MARKET INDICATORS

	Sept. 9	Sept. 10	Sept. 13	Sept. 14	Sept. 15	Sept. 16
Approximate total of bargains recorded in S.E. List	6,500	6,180	6,915	6,405	7,150	8,441
Corresponding day 1936	*8,453*	*7,893*	*8,818*	*7,974*	*8,909*	*6,335*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	109·3	109·3	108·7	108·1	106·9	107·5
Index of 20 Fixed Interest Securities (1928=100)	126·0	126·1	126·1	126·2	126·2	126·2

Highest 1936 : Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936 : Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937 : Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937 : Ordinary Shares 106·9 (Sept. 15); Fixed Interest 126·0 (Sept. 8).

ACTUARIES' INVESTMENT INDEX

On Tuesday last the Actuaries' price index of 177 industrial equities had fallen further to 81·4, compared with 82·5 a week ago, and 83·8 a month ago. The corresponding yields are 4·47, 4·41 and 4·34 per cent. A selection of the component indices follows :—

Group (and No. of Securities)	Price (Dec. 31, 1928 = 100) Month ago (Aug. 17, 1937)	Price Week ago (Sept. 7, 1937)	Price This week (Sept. 14, 1937)	Yield (%) Month ago (Aug. 17, 1937)	Yield (%) Week ago (Sept. 7, 1937)	Yield (%) This week (Sept. 14, 1937)
Banks and discount cos. (12)	112·5	112·2	111·4	4·19	4·21	4·23
Building materials (5)	91·0	88·8	87·6	5·95	6·11	6·20
Iron and steel (12)	78·6	76·3	75·4	4·90	5·05	5·12
Motors (5)	53·2	51·0	49·2	4·59	4·78	4·96
Electric supplies (10)	149·4	147·8	143·5	4·29	4·27	4·40
Stores and catering (17)	74·9	75·0	74·0	3·89	3·90	3·94
Breweries and distilleries (21)	146·4	144·5	142·0	4·30	4·35	4·41

We are officially informed that Mr William Edward Pooley was declared a defaulter upon the London Stock Exchange on September 13th.

NEW YORK STOCK EXCHANGE

FRIDAY, September 10th, was the second panic day of the week on Wall Street, and prices slumped so badly that many issues fell to their lowest levels in two years. An active short session occurred on Saturday, when foreign buying and bear covering produced a recovery in leading industrials of up to $3. On Saturday evening the Federal Reserve Board announced that $300,000,000 of gold would be liberated from the inactive fund, and that the Board would make open market purchases of government securities in order to relieve the pressure upon the banking system. As a result of this action by the Board, the market opened on Monday of this week with a brief rise, but the downward trend was soon resumed under the pressure of professional sales. In the last hour of business on Monday the market became firmer. This erratic movement through the day was followed by all the leading industrials. Tuesday saw a continuation of the recovery, which up to the last hour successfully withstood a heavy volume of profit-taking. Substantial gains of up to $4 were shown over the day by leading steels, mining, chemical, rail and utility shares, despite a slight recession in the last hour of business. Wednesday's opening was affected by the weakness of London, but conditions soon became brighter, assisted by an optimistic forecast of business conditions during the coming months by the Secretary for Commerce, and many substantial gains were recorded. But once again the last hour saw average prices brought down almost to the overnight close. Thursday's opening was quiet. The measure of the day-to-day changes is shown in the Standard Statistics indices below. Business reports reflect none of the pessimism evident on the stock markets. Steel mill activity for the current week is estimated by *Iron Age* at 80 per cent. of capacity against 70 per cent. last week, which included the Monday Labour Day holiday.

	Sept. 8, 1937 (Close)	Sept.15 1937 (Close)	Sept. 16, 1937 (Latest)
1. Rails & Transport			
Atchison	62	59½	60
Balt. and Ohio	20⅛	18½	18⅝
B.M.T.	15⅝	16	15⅝
Can. Pacific	9¾	9⅝	10⅛
Ches. and Ohio	42⅝	43⅜	43⅜
Gt. Nthn. Rly. Pf.	42⅛	40	40⅛
Illinois Central	18⅛	16⅜	16⅜
N.Y. Central	29⅛	27½	28⅛
Nor. Pac.	21⅛	20⅛	20⅛
Pennsylvania R.R.	30⅛	31⅛	31½
Southern Pac.	32⅛	32½	33
Southern Rly.	20⅛	20½	20⅛
Union Pac.	112	105½	106⅛
Greyhound Cp. New	12⅛	12½	13
2. Utilities and Communications			
Am. Waterworks	15½	15⅞	15⅞
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅛	2⅛	2⅛
Col. Gas & Electric	31⅛	33⅛	33
Elec. Bond & Share	10⅛	11⅛	11⅛
Nat. Pwr. and Lt.	14⅛	14⅞	14⅞
North American	8⅛	9⅛	9⅛
Pac. Gas & Electric	22⅛	22⅞	23⅛
Pac. Lighting	29⅛	29⅛	29⅛
Pub. Service N.J.	40⅛	40⅛	40⅛
Stan. Gas & Elec.	38⅛	39⅛	39⅛
United Corp.	6	6⅜	6⅜
United Gas Imp.	11⅛	11⅛	11⅛
Am. Tel. & Tel.	162⅛	163	163
Int. Tel. and Tel.	8⅛	9	9
Western Union	41⅞	34⅛	33
Radio	10	9⅞	9⅞
Radio B. Pref. New	68⅛	68⅛	68
3. Extractive and Metal Industries			
Am. Rolling Mills	37⅛	33⅛	33⅛
Beth. Steel xd	83⅛	80⅛	81½
Beth. Steel Pref. xd	100	112	110
Republic Steel	29⅞	29⅞	30⅛
U.S. Steel	97	94	95⅛
U.S. Steel Pref.	124⅞	126	125
Alaska Juneau	10⅝	10⅜	11
American Metal xd	46⅛	45	46
American Smelting	81⅛	81	80⅛
Anaconda	51	49⅜	48⅞
Bohn Aluminium	40⅛	40⅛	...
Cerro de Pasco	64⅜	63⅞	62
Int. Nickel	56⅛	56⅛	56⅛
Kennecott	56	56½	55½
Patiño Mines	14⅛	13⅜	...
Texas Gulf Sulph.	34	34	34⅛
U.S. Smelt.	78	79	78⅛
Vanadium Corp.	24⅛	25⅜	25⅛
Atlantic Refining	25	24⅞	24⅝
Phillips Petroleum	52⅛	52⅛	53⅛
Shell Union	23⅛	22⅝	23
Shell Union Pref.	104	104⅛	105
Socony Vacuum	18⅛	19	19⅛
Stand. Oil Calif.	38⅛	39⅛	39⅜
Stand. Oil N.J.	59	59⅞	60⅛
Texas Corp.	51⅞	52⅛	53¼
4. Manufacturing			
Briggs	38½	40	40
Chrysler	97½	98½	98
Electric Autolite	33½	34½	33⅞
General Motors	49⅛	50⅛	50⅛
Hudson Motor Car	12⅛	12	12⅛
Murray Corp.	9⅛	9⅜	9⅛
Nash Kelvinator	15⅛	16	15⅛
Packard Motor Car	7⅛	7⅞	7⅞
Bendix Aviation	16⅜	17	17⅛
Boeing Airplane	26⅜	26½	26
Douglas Aircraft	43⅜	32⅛	32⅛
United Aircraft	23⅜	23⅜	23⅜
Air Reduction	63⅛	68	66⅞
Allied Chemi.	212	206	205
Col. Carbon	103	106½	105⅛
Comm. Solvents	12	11⅛	11⅛
Dupont	147	149	149⅞
Union Carbide	91⅛	93½	93⅜
U.S. Ind. Alcohol	29⅛	29⅛	9⅛
Allis Chalmers	56⅛	58	58⅛
General Electric	48	47⅛	48½
Westinghouse	136	132	131½
American Can.	97½	97	96⅜
Addressograph	28⅛	27⅞	28
Caterpillar	84⅛	83	83
Cont. Can.	52⅜	55	55⅛
Ingersoll Rand	123	118	...
Intntl. Harvester	96⅛	99⅛	99⅛
Johns Manville	113	106½	105
Am. Radiator	17⅛	17	16⅜
Corn Products	59⅜	60	59⅝
J. I. Case and Co.	148	145	...
Glidden	38	37	...xd
Gen. Am. Transpt.	56	56½	56⅛
Allied Mills	19⅜	20	19⅜
Celanese of Amer.	31	31⅞	31⅛
Ind. Rayon New	29⅜	31⅛	31⅜
Colgate Palmolive	15⅜	15⅜	15
Eastman Kodak	178	178⅛	...
Gillette	13⅛	12⅛	12⅜
Lambert Co.	18	18⅛	17⅞x
Loews	74	75⅛	76
20th Century Fox	31⅜	32⅛	31⅛
5. Retail Trade and Food			
Montgomery Ward	53	51⅞	51⅞
J. C. Penney Co.	88⅛	87⅛	87
Sears Roebuck	80⅜	82	81⅞
United Drug	9⅜	9⅛	9⅜
Walgreen	25⅛	26	...
Woolworth	42⅛	43	43
Borden	22⅛	22⅛	22⅛
Gen. Foods	34⅞	35⅜	35⅜
Kroger Grocery	19⅜	19	19
Nat. Biscuit	24⅛	24	24
Nat. Dairy	18⅛	17⅞	17⅞
Standard Brands	11	11	11
Am. Tobacco B.	78⅛	78⅛	78⅛
Liggett Myers B.	97⅛	95⅛	95⅛
Lorillard	20⅛	20	20⅛
Reynolds Tob. B.x	50	49⅛	49⅛
National Distillers	28	28⅛	28⅛
Schenley Distillers	37⅛	39¼xd	...
6. Finance			
Commercial Credit	57⅛	56⅜	57
Atlas Corp.	13⅜	13⅛	13⅜
Com. Invest. Trust	56⅛	57	56⅛

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

	1936 Lowest	1936 Highest	1937 Lowest	1937 Highest	Beginning of Year 1937	Sept. 1, 1937	Sept. 8, 1937	Sept.15, 1937
	Apr. 29	Nov. 10	Sept 15	Mar. 10				
347 Industrials	112·7	145·9	124·9	155·7	143·2	134·1	125·2	124·9
32 Rails	42·8	60·2(*b*)	40·9	64·5(*f*)	54·6	46·0	41 8	40·9
40 Utilities	91·2	111·0(*e*)	88·3(*d*)	116·4(*t*)	111·7	92·1	88·3	89·2
Total, 419 Stocks	97·7	125·4	105·3	132·4	123·5	112·7	105 5	105·3
Average yield*	4·50% High (*c*)	2·65% Low (*a*)	4·96% High	3·20% Low (*s*)	3·53%	4·60%	4·93%	4·98%

* 50 Industrial Common Stocks. (*a*) April 8th. (*b*) Oct. 14th. (*c*) December 23rd. (*d*) September 8th (*e*) December 2nd. (*f*) March 17th. (*s*) February 10th. (*t*) January 13th.

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

Highest*	Lowest†	Sept. 8	Sept. 9	Sept. 10	Sept. 11	Sept. 13	Sept. 14	Sept. 15
180·3	139·0	143·2	146·7	139·0	141·5	139·9	141·1	143·3

* March 6th. † September 9th.

TOTAL DEALINGS IN NEW YORK

	Sept. 9	Sept. 10	Sept. 11*	Sept. 13	Sept. 14	Sept. 15
Stock Exchange—						
Shares (No. Thous.)	1,410	2,320	1,400	2,560	1,510	1,140
Bonds (Thous. $)	7,790	9,670	5,480	10,110	9,270	6,010
Curb—						
Shares (Thous.)	318	514	366	575	348	248

* Two-hour session.

HOTEL WESTMINSTER
Le Touquet

CAPITAL ISSUES

WITH markets in a state of mental depression, the volume of new issue activity must inevitably remain sub-normal, even as the holiday period recedes into the distance. Two public offers, however, have braved this week's terrors. In London, *Amalgamated Gowns* has issued 760,000 5s. shares at par. This concern amalgamates four companies and certain private businesses engaged in the manufacture of ladies' clothing. The amalgamated concern has net assets valued at £84,011, and the purchase consideration of £180,000 will, therefore, immediately introduce a non-specific asset valued at more than all the net tangible assets. The spectacular earnings yield of 19 per cent. on the shares is based on a profit for 1935–36, and the vendors' guarantee in respect of 1936–37 is limited to the achievement of a comparable net figure. Some £10,000 of the purchase consideration will be retained, under the terms of the guarantee, by the company. It is doubtful, indeed, whether this type of guarantee, for a single year almost expired, offers any advantage to a subscriber. The speculative nature of the business, and its relatively generous capitalisation reduce the attractions of the shares to the minimum. The 5s. ordinary shares of *Richard Lloyd and Company*, issued at 9s. 6d., will seek a market in Birmingham. The company occupies a good position in the machine tool business, and has a rapidly expanding profits record. Its modest capitalisation, which might prejudice the shares in London, should prove less inconvenient in a provincial centre, where local companies and the state of their business are widely known.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended September 11, 1937 : *Dr. £150,000*

	Nominal Capital £	Conversions £	New Money £
To the Public	238,229	...	281,637
To Shareholders only	27,017	...	22,867
By Stock Exchange Introduction	280,563	...	876,759
By Permission to Deal	398,204	...	827,582

Total Capital Raised—

	Including Conversions £	Excluding Conversions £
1937 (New Basis)	453,658,779	404,984,884
1937 (Old Basis)	257,433,688	211,842,272
1936 (New Basis)	328,097,400	233,904,422
1936 (Old Basis)	217,574,298	125,190,211
January 1 to date (Old Basis)—		
1935	254,987,342	129,036,421
1934	307,615,607	120,831,906
1928	462,585,817	290,485,194

Total offered for Subscription—

	Including Conversions £	Excluding Conversions £
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	698,313,125	357,525,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom £	British Empire (excluding United Kingdom) £	Foreign Countries £	Total £
January 1 to date—				
1937 (New Basis)	346,770,325	54,956,200	2,258,359	404,984,884
1937 (Old Basis)	194,076,774	16,272,998	1,492,500	211,842,272

Nature of Borrowing (Excluding Conversions)

	Debentures £	Preference £	Ordinary £	Total £
January 1 to date—				
1937 (New Basis)	204,521,510	26,278,146	174,185,228	404,984,884
1937 (Old Basis)	147,636,092	16,457,821	47,748,359	211,842,272
1936 (New Basis)	80,121,540	29,188,403	124,594,479	233,904,422
1936 (Old Basis)	62,711,359	14,593,432	47,885,420	125,190,211
Whole Year (Old Basis)—				
1928	212,917,900	45,062,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,461,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,400
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Amalgamated Gowns.—Issue of 760,000 5s. shares at par (of which 370,000 applied for by vendors). Acquires capital of four companies (including private businesses) making and wholesaling women's wear. Combined profits, before directors' remuneration, depreciation and amortisation, etc. (estimated at £11,735 in all) years to September 19 : 1934, £23,896; 1935, £36,648; 1936, £50,604. Combined net assets, £84,011 (stock, £64,556); purchase price, £180,000 cash. Further 40,000 shares to N. A. Cooper for services. Tokenhouse Securities pay expenses for payment of £13,775, met out of proceeds of issue of £40,000 5 per cent. debenture stock, taken by Equity and Law Life Assurance at par.

BY OFFER FOR SALE

Lloyd (Richard) and Company, Ltd.—Offer for sale of 192,916 5s. ordinary shares at 9s. 6d. Machine tool makers and engineers since 1803. Profits, after depreciation, before interest: 1935, £10,714; 1936, £23,802; six months to June 30, 1937, £15,437. Excess of assets over liabilities, £93,569 (stock, £40,855), or £117,971 after share issue and interim dividend. Fyshe and Horton take issue at 9s. and expenses. (Permission to deal sought from Birmingham Stock Exchange.)

BONUS SHARES

Riding's Stores.—It is proposed to capitalise £6,500, from undivided profits, among ordinary shareholders registered September 16th in proportion of one 2s. share for ten held; to rank from July 1, 1937.

ISSUES TO SHAREHOLDERS ONLY

United Caterers.—Issue of 100,000 1s. ordinary shares at par to holders on September 7th, in proportion of one new share for four held. To rank for dividend from July 1, 1937.

Margate Estates.—Issue of 17,071 £1 7 per cent. cumulative preference shares at 21s. to rank from October 1, 1937.

CONVERSIONS AND REPAYMENTS

Fourth Conversion Investment Trust, Ltd.—Holders of British Empire Fixed Trust units, comprehensive series sub-units may exchange into 1,912,000 17s. 6d. ordinary shares of the new company (one sub-unit for one share). Trustees and managers forgo £41,500 fees set aside, out of which promotion expenses (other than capital duty) payable. Managers (Fixed Trust Investments, Ltd.), receive back balance in half-yearly instalments over 18 years and provide management services; they receive also on purchases and sales usual return commission. Borrowing limited to £100,000 and directors' fees to ¼ per cent. of capital up to £1,000,000, and ⅛ per cent. over. List of investments circulated with accounts.

PRIVATE PLACING

Reserves Securities Trust.—The directors have placed privately 58,165 £1 shares, bringing the total of shares in issue to the 250,000 authorised.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Sept. 8, 1937	Sept. 15, 1937
Arnott and Harrison 4/-	5/-	5/-	4/1¼–4/4½	4/1¼–4/4½
Cape Town 3½%	98	98	¼ pm	98–98½
Essex 3½%, 1957–62	101	26	⅛ dis	¼ dis–par
Finchley 3½%	101	51	¼ dis–⅛ pm	⅛ dis–¼ pm
Imperial Airways £1	30/-	...	3d.–9d. pm	par–6d. pm
Iraq 4½% Bonds	94	60	¾–1 pm	¾–1 pm
Lindsay Parkinson Pref. 20/-	20/-	20/-	23/1¼–23/7½	23/9–24/3
Middlesex 3½% 1957–62	101	21	¼ dis	½ dis–par
Odeon Theatres Ord. 5/-	5/-	5/-	8/6–9/0	8/6–9/0
Do. 5% 1st Deb.	99	25	5⅛–4⅞ dis	6¾d–6¼d dis
Premier (Trinidad) Oilfields	5/-	3/-	7¼d–4¼d dis	7¼d–4¼d dis
Tithe Redemption 3%	...	...	86⅞–87½	86⅞–87½
Rippingilles Ord. 5/-	9/-	9/-	7/6–8/0	7/3–7/9
Salt (Saltaire) 5% Loan	100	50	¼ dis–¼ pm	¼ dis–¼ pm

OIL OUTPUTS

ANGLO-ECUADORIAN OILFIELDS, LTD.—Production for August, 23,061 tons.

ATTOCK OIL COMPANY, LTD.—Production for August: 22,734 barrels.

THE BRITISH BURMAH PETROLEUM COMPANY, LTD.—Production of crude oil, 48,015 barrels for August, 1937.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended August 28th, 12,940 barrels. Production for August, 55,823 barrels; shipments for August, 59,479 barrels. Production for week ended September 4th, 12,480 barrels.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during August amounted to 156,593 barrels, or approximately 22,371 tons.

LOBITOS OILFIELDS, LTD.—Production of Peruvian company for August, 32,230 tons.

PHŒNIX OIL AND TRANSPORT COMPANY, LTD.—The gross production of crude oil of the Phœnix Group for August was 59,423 tons.

TAMPICO OIL, LTD.—The total production from the company's properties in Mexico during August was 13,112 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 983 barrels.

TRINIDAD CONSOLIDATED OILFIELDS, LTD.—The company announces that wells Nos. 136 and 137 were brought into production on August 20th and 6th respectively, and that the production for the month of August amounted to 47,723 barrels.

TRINIDAD LEASEHOLDS, LTD.—Oil produced during August, 62,956 tons; oil purchased during August from other companies, 75,965 tons.

TRINIDAD PETROLEUM DEVELOPMENT COMPANY, LTD.—Production for the week ended August 28th, 33,326 barrels. Production for August, 142,979 barrels; deliveries for August, including purchased oil, 105,298 barrels. Production for week ended September 4th, 32,800 barrels.

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended August 28, 1937, was: Bolivar district, 987,624 barrels; Maracaibo district, 23,047 barrels; total, 1,010,671 barrels. Production for the week ended September 4, 1937, was: Bolivar district, 960,099 barrels; Maracaibo district, 22,946 barrels; total, 983,045 barrels.

OTARD'S EST. 1795
V.S.O.P.
LIQUEUR BRANDY
MATURED AND BOTTLED AT CHATEAU DE COGNAC

COMPANY MEETINGS

BRITISH CENTRAL AFRICA COMPANY, LIMITED

IMPORTANT CHANGES

The thirteenth ordinary general meeting of this company was held, on the 16th instant, at Southern House, London, E.C.

The Right Hon. Sir C. A. Montague Barlow, Bt., P.C., K.B.E. (the chairman), said that the debenture stock of Nyasaland Railways has been realised since the date of the balance sheet and the bank overdraft thereby reduced, so that the company's investments now consisted of the £109,620 of ordinary shares of the railways, which stood in the balance sheet at only £2,740. The value of that asset depended on the future of Nyasaland. Granted prosperity in the country, those shares ought to acquire in the future a substantial value.

As to plantations and their future development, in the year under review the area in tobacco was 200 acres. During 1937 the area had been increased to 380 acres and the programme for 1938 was to work an area of 685 acres. They had confidence that in 1938 they would be able satisfactorily to sell the produce of the larger acreage. For two or three years they had been experimenting with soya beans, and the directors had decided to go in for a considerable expansion in their production.

FURTHER TEA AREA ACQUIRED

The company had a large estate of land suitable for the cultivation of tea amounting to some 8,000 acres, of which at the moment only some 173 acres were in full bearing. Under the terms of the Restriction Regulations, they were allowed a quota up to 400 acres and planting had been proceeding accordingly in the last two or three years. An estate of 400 acres was, however, of insufficient area to maintain a factory. The capital made available by the recent issue of shares had made it possible for the directors to enter into an agreement with the owner of the Mindali Tea Estate, situated at a convenient distance from their own estate, to purchase that estate with a factory in course of erection. The cost was £18,000 and they had to complete the factory. The estate consisted of 1,000 acres, of which 250 were in bearing and the balance would be planted at an early date.

For many years the company had had as a subsidiary the Kubula Stores, and the company's experience had not been too happy in relation to that subsidiary. They had had no monopoly of the trade in Nyasaland; on the contrary, there was severe competition and the important step which they had now been able to take was, in effect, to amalgamate their stores business with that of their chief competitors, the African Lakes Corporation, Limited. The amalgamation took the form of the acquisition by the African Lakes Corporation of the buildings, stocks and goodwill of the Kubula Stores and also some agencies. The ultimate result would be that the British Central Africa Company would hold 40,000 shares of £1 each in the African Lakes Corporation, and would have in cash in its hands such excess as their might be after discharging its liabilities.

ORGANISATION SIMPLIFIED

The organisation of the company would be simplified by the sale of the Kubula Stores, which was a business of a different class from the other activities of the company, and the company was now in a position to devote itself to the development of the growth of tobacco, sisal, tea, soya beans and other commodities, and to the development or sale of its land as opportunity offered.

He thought he had exhausted all he need say on the changes that had taken place since September 30, 1936, and he thought that that date might well be looked upon as the close of an old epoch and the opening of a new one. The old epoch had started with bank overdrafts of £183,000; the new epoch started with no bank overdraft and, when the transactions he had mentioned were completed, they would find themselves with substantial moneys still in hand for development, with an important shareholding of £40,000 "A" shares in the African Lakes Corporation, and with a considerable holding of about 109,000 ordinary shares in the Nyasaland Railways Company, which should eventually prove of value as the country developed. They would also have valuable plantations of soya beans to which they attached importance, of sisal, of tea and of tobacco; all under careful and vigorous development and finally their large holding of some 300,000 acres of land.

The report was unanimously adopted.

E. W. TARRY AND COMPANY, LIMITED

PAYMENT OF PREFERENCE ARREARS

The annual general meeting of E. W. Tarry and Company, Limited, was held, on the 16th instant, at Southern House, London.

Sir J. Fortescue Flannery, Bt., D.L. (the chairman), said that the improvement in South African trade had continued during the year under review and their general managers and branch managers and staff generally had lost no opportunity of benefiting by the generally increased prosperity. Generally speaking, all their trading branches had done a larger amount of business and showed an increased profit over the previous year. So far they had had five months' trading in the current financial year and sales showed a satisfactory increase over the corresponding period of last year.

The gross profit for the year was £125,097, an improvement of £7,356 on last year. That increase reflected a larger turnover and the percentage of gross profit had been very satisfactory, having regard to the steady rising cost of goods purchased. The net profit for the year amounted to £38,387 and, although that was an improvement of only £760 on the results of the previous year, he thought they had cause to be gratified that they continued to progress despite the severe competition for business. It was proposed to transfer £10,000 to reserve and £5,000 to income tax reserve, and to pay a dividend of 7½ per cent. for the 1¼ years to March 31, 1937, on the preference shares.

It was also proposed to pay a dividend of 1½ per cent. for the three months to June 30, 1937, on the preference shares. The board were desirous of paying off the arrears of dividends on the preference shares as at the close of the financial year and also to pay the dividend for the three months to June 30th last, thereby bringing the dividend position up to date. The board had not forgotten that the ordinary shareholders had not been rewarded for a considerable time and were aware that with the improved fortunes of the company the way might become open for the resumption of dividend payments to them. Mindful, however, of the succession of recent bad years, the board had endeavoured to strengthen the company's position by building up the reserve account.

The report was unanimously adopted.

EASTWOODS, LIMITED

INCREASED DEMAND FOR PRODUCTS

The seventeenth ordinary general meeting of Eastwoods, Limited, was held, on the 14th instant, in London.

Mr Horace Boot, M.Inst.C.E., M.I.Mech.E., M.I.E.E. (chairman and managing director), said that the net profit was £71,904, which compared with £83,085 for last year. The directors recommended a final dividend on the ordinary shares of 10 per cent., making a total of 15 per cent. for the year. Industrial fuels, greases and oils, of which they used large quantities for power and brick-burning purposes, had all increased in price. The same conditions applied to iron and steel and other materials required for repairs and maintenance purposes. It might be possible to offset those disadvantages in the current year by increased production and by substantial economies in manufacture. There had also been two general reductions during the past eighteen months in the price of Fletton bricks, of which the customer had had the direct benefit. The lower selling prices should be substantially offset by increased sales of their multi-facing bricks. Stock brick loadings had exceeded those of the previous period by several millions. Numerous important contracts were supplied with Kent and Essex stocks and facing bricks from their own works.

The temporary lull in speculative house-building had been more than offset in the case of cement by large-scale construction of roads, aerodromes, public works, harbours and industrial and factory buildings. Their "Durocrete" (Rapid Hardening) and "Eastwoods" (Ordinary) brands had been supplied to some of the most important of those schemes.

While the price of building materials as a whole had advanced after having been below the basic mean throughout 1936, no part of such increase was attributable to advances in the price either of bricks or cement. The manufacturers had rigidly adhered to their policy not to exploit the position arising from public expenditure on housing. In view, however, of the increased cost to themselves, not only of wages, but of fuel and other raw materials, it remained to be considered whether some proportion of those higher costs ought not to be passed on to the consumer, as was being done in the iron and steel trades and in the coal industry.

The report was unanimously adopted.

INITIAL SERVICES, LIMITED

EXPANSION OF PROFIT

The ninth ordinary general meeting of Initial Services, Limited, was held, on the 15th instant, at Winchester House, London, E.C., Mr W. J. Chinneck presiding in the absence of the chairman and managing director (Mr A. P. Bigelow).

The Chairman, in the course of his speech, said that the net profit showed an increase of £32,000, being £277,693, as compared with £245,476 in 1936. The balance brought forward last year was £13,300, to which must be added the net profit for the year, amounting to £277,693, making a total of £291,023. From that total they deducted the cumulative preference dividend for the year to June 30, 1937, of £32,000, and a sum of £57,500 in respect of an interim dividend of 5d. per share on the whole of the issued ordinary share capital.

The directors proposed to transfer £50,000 to general reserve, increasing that account to £150,000, and also to transfer £1,000 to the Staff Benevolent Fund. They recommended a final dividend of 10d. per share, less tax, to be paid on the 2,760,000 ordinary shares of 5s. each.

The total aggregate profit of the company and its subsidiary companies for the accounting periods ended within the year to June 30, 1937, amounted to £294,212, compared with £267,006 in the previous year. That showed a total increase in profits of £27,000. The expansion of their business had resulted in a reduction of liquid assets. In view of that expansion, the directors had thought it advisable to issue to the shareholders at par one share in respect of every five shares now held. In order to carry that scheme into effect it would be necessary to increase the ordinary share capital of the company.

They trusted the continued expansion of the company's business was satisfactory to the shareholders, and the directors were hopeful that they would again be able to show improved results next year. The trading results of the first two months of the present financial year had been very satisfactory. Given normal trading conditions, the directors anticipated no difficulty in maintaining the present rate of dividend on the increased capital.

The report was unanimously adopted, and at a subsequent extraordinary general meeting the increase of capital to £1,400,000 by the creation of 700,000 new ordinary shares of 5s. each was approved.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 11, 1937, amounted to £9,460,000, against ordinary expenditure of £9,804,000. After increasing Exchequer Balances by £260,171 the operations for the week, as shown below, increased the gross National Debt by £604,000, to about £8,003 millions.†

(000's omitted)

	£		£
Treasury Bills	+ 2,024	Public Department Advances	− 270
		National Savings Certificates	− 150
		P.O. and Teleg. (Money) Act	− 1,000
	+ 2,024		− 1,420

† Including £575 millions on account of Exchange Equalisation Fund.

An approximate analysis of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3.

REVENUE	Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Sept. 12, 1936	April 1, 1937, to Sept. 11, 1937	Week ended Sept. 12, 1936	Week ended Sept. 11, 1937
	£	£	£	£	£
ORDINARY REVENUE					
Inland Revenue—					
Income Tax	288,150,000	44,092,000	49,786,000	971,000	1,176,000
Sur-tax	58,000,000	5,570,000	6,460,000	80,000	80,000
Estate, etc., Duties	89,000,000	38,110,000	42,390,000	1,350,000	1,630,000
Stamps	29,000,000	9,360,000	8,010,000	1,560,000	230,000
Other Inland Revenue Duties	1,500,000	120,000	140,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	97,252,000	106,786,000	3,961,000	3,116,000
Customs and Excise—					
Customs	219,850,000	94,174,000	99,419,000	4,667,000	4,872,000
Excise	113,150,000	44,900,000	47,200,000	900,000	935,000
Total Customs and Excise	333,000,000	139,074,000	146,619,000	5,567,000	5,807,000
Motor Vehicle Duties	34,000,000	‡8,373,000	8,496,000	‡186,000	134,000
Post Office (Net Receipt)	11,800,000	7,900,000	7,800,000	700,000	350,000
Crown Lands	1,350,000	620,000	590,000	...	...
Receipts from Sundry Loans	4,300,000	2,917,968	3,404,854	...	...
Miscellaneous Receipts	11,000,000	9,807,801	3,784,469	27,790	52,936
Total Ordinary Revenue	863,100,000	265,944,769	277,480,323	10,441,790	9,459,936
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	27,700,000	29,800,000	800,000	900,000
Total	...	293,644,769	307,280,323	11 241,790	10,359,936

Issues out of the Exchequer to meet payments

EXPENDITURE	Estimate for the year 1937–38	April 1, 1936, to Sept. 12, 1936	April 1, 1937, to Sept. 11, 1937	Week ended Sept. 12, 1936	Week ended Sept. 11, 1937
	£		£	£	£
ORDINARY EXPENDITURE					
Interest and Management of National Debt	224,000,000	103,344,759	105,487,323	320,159	313,765
Payments to Northern Ireland Exchequer	8,000,000	2,735,306	3,069,521	...	...
Other Consolidated Fund Services	3,200,000	1,012,290	1,521,654	1,652	...
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	107,092,355	110,078,498	321,811	313,765
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	‡239546949	254,525,997	‡13791000	9,490,000
Total Ordinary Expenditure	862,848,000	346,639,304	364,604,495	14,112,811	9,803,765
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	27,700,000	29,800,000	800,000	900,000
Total	...	374,339,304	394,404,495	14,912,811	10,703,765

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to September 11, 1937, are shown below:—

(000's omitted)

	£		£
Ordinary Expenditure	364,604	Ordinary Revenue	277,480
		Decrease in balances	124
		Gross borrowing £91,595	
		Less:—	
		New Sinking Fund 4,586	
		Old S. Fund, 1907–08 9	
		Net borrowing	87,000
	364,604		364,604

POSITION OF THE FLOATING DEBT

	Sept. 12, '36	Mar. 31, '37	Sept. 11, '37	Movement Week ended Sept. 11, '37
Ways & Means Advances Outstanding:	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	34,850,000	23,535,000	34,725,000	− 270,000
Treasury Bills outstanding	808,965,000	674,595,000	864,010,000*	+2,025,000
Total Floating Debt	843,815,000	698,130,000	898,735,000	+1,755,000

* Includes £4,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £50,000,000 Treasury Bills were opened on Sept. 10, 1937. The amount applied for was £92,690,000. Tenders were accepted for Treasury bills at three months dated Monday to Saturday at £99 17s. 5d. about 41 per cent. and above in full. The average rate per cent. was 10s. 2·62d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	43,000,000	0 10 10 88
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0 45
September 3, 1937	45,000,000	88,170,000	45,000,000	0 10 2·53
September 10, 1937	50,000,000	92,690,000	50,000,000	0 10 2·62

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended August 14, 1937	519,781	389,836
Week ended August 21, 1937	509,386	382,040
Week ended August 28, 1937	496,454	372,340

At the end of June, 1937, the amount standing to the credit of investors in Savings Certificates, including interest, was £513,300,000.

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, SEPTEMBER 15, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued:—		Government Debt	11,015,100
In Circulation	488,152,606	Other Government Securities	188,645,652
In Banking Department	38,254,019	Other Securities	327,292
		Silver Coin	1,956
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,625
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	109,072,877
Rest	3,700,596	Other Securities :—	
Public Deposits*	12,463,022	Discounts and Advances ... £5,038,359	
Other Deposits :—		Securities ... £21,198,687	
Bankers £108,397,414			26,237,046
Other Accounts £36,091,246		Notes	38,254,019
	144,488,660	Gold and Silver Coin	1,641,336
	175,205,278		175,205,278

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

Both Departments	Amount, Sept. 15, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	488,152,606	− 995,463	+ 43,290,136
Public deposits	12,463,022	+ 493,799	− 2,378,924
Bankers' deposits	108,397,414	+ 2,695,425	+ 6,214,456
Other deposits	36,091,246	− 164,376	− 2,567,702
Total outside liabilities	645,104,288	+ 2,029,385	+ 44,557,966
Capital and rest	18,253,596	+ 8,286	+ 7,277
Government debt and securities	308,733,629	+ 2,282,593	− 32,073,992
Discounts and advances	5,038,359	− 82,882	+ 4,145,943
Other securities	21,525,979	− 182,813	+ 1,063,609
Silver coin in issue department	11,956	− 791	− 385,567
Coin and bullion (bank's reserves)	328,047,961	+ 21,564	+ 80,107,136
Reserves of notes and coin in banking department	39,895,355	+ 1,017,027	− 23,183,000
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	25·4%	+ 0·2%	− 15·1%
(b) Gold stocks to deposits and notes ("reserve ratio")	50·8%	− 0·2%	+ 9·5%

(000's omitted)

Date	Issue Department: Notes Issued	Issue Department: Circulation	Banking Department: Public Deposits	Banking Department: Bankers' Deposits	Banking Department: Other Deposits	Gold in or out of Bank	Bank Rate
	£	£	£	£	£	£	%
1937							
Aug. 25	526,407	488,267	25,377	92,819	35,998	Nil	2
Sept. 1	526,407	490,310	14,111	104,172	36,531	Nil	2
,, 8	526,407	489,148	11,969	105,702	36,256	Nil	2
,, 15	526,407	488,153	12,463	108,397	36,091	Nil	2

(000's omitted)

Date	Issue Department: Govt. Debt and Securities	Issue Department: Other Securities	Both Depts.: Gold Coin and Bullion and Reserve Ratio		Banking Department: Govt. Securities	Banking Department: Discounts & Advances	Banking Department: Other Securities	Banking Department: Reserve and the "Proportion"	
	£	£	£	%	£	£	£	£	%
1937									
Aug. 25	199,311	679	327,861	50 1/4	108,837	4,318	19,643	33,594	25 1/16
Sept. 1	199,287	703	327,960	50 1/16	109,275	5,368	20,755	37,651	24 1/8
,, 8	199,309	679	328,026	51	107,142	5,121	21,030	38,878	25 1/8
,, 15	199,661	327	328,048	50 1/16	109,073	5,038	21,199	39,895	25 1/16

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
	£	£	£	£
1937				
January 1 to September 1	23,239,548	1,466,463	2,547,089	29,253,100
Week ended September 8	577,287	40,915	84,240	702,422
Week ended September 15	613,795	33,997	64,289	711,781
Total to date, 1937	26,430,610	1,541,075	2,695,618	30,667,303
Total to date, 1936	23,447,949	1,415,110	2,447,265	27,310,324
Increase or decrease in 1937	+2,982,661	+125,965	+ 248,353	+3,356,979
	− 12·7%	− 8·9%	− 10·1%	− 12·3%
Total for year 1936	35,099,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,565,781	+ 152,508	+ 308,534	+3,056,823
	− 8·0%	− 8·1%	− 9·6%	− 8·2%

PROVINCIAL (000's omitted)

	Week ended September 11		Month of August (Dublin excluded)			Aggregate Totals, January 1 to September 11	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			25	25			
	£	£	£	£	%	£	£
BIRMINGHAM	1,921	1,833	9,584	9,116	− 4·8	93,990	95,798
BRADFORD	767	792	3,662	4,121	+12·5	34,910	38,138
BRISTOL	1,154	1,137	4,952	5,017	+ 1·3	45,918	46,297
DUBLIN	4,820	5,248	...	...	...	204,508	210,003
HULL	768	791	3,293	3,638	+10·4	29,591	33,228
LEEDS	535	618	3,471	3,341	− 3·7	33,270	36,766
LEICESTER	656	656	2,638	2,732	+ 3·5	26,277	27,461
LIVERPOOL	5,380	5,367	24,411	26,153	+ 7·1	219,816	253,699
MANCHESTER	8,720	9,096	41,284	43,974	+ 6·5	363,626	400,754
NEWCASTLE	1,065	1,352	5,524	6,483	+17·3	47,331	53,595
NOTTINGHAM	386	406	1,967	1,918	− 2·5	18,479	18,902
SHEFFIELD	741	827	4,356	4,442	+ 1·9	36,273	40,130
	27,025	28,128	105,142	110,933	+ 5·5	1,153,989	1,254,769

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Argentina, Danzig, Egypt, in September 4. Denmark, International Settlements, Poland, South Africa, Federal Reserve Reporting Members, Finland and Hungary, in September 11.

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

U.S.F.R. Banks	Sept. 17, 1936	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937
Resources					
Gold Certificates on hand and due from the Treasury	8,386,070	8,831,950	8,831,390	8,830,890	9,129,890
Total reserves	8,661,700	9,150,240	9,134,570	9,111,100	9,435,400
Total cash reserves	263,530	308,860	294,240	271,250	296,920
Total bills discounted	8,010	18,700	23,720	23,560	23,200
Bills bought in open market	3,100	3,080	3,080	3,080	3,070
Total bills on hand	11,110	21,780	26,800	26,640	26,270
Industrial advances	28,520	20,930	20,780	20,710	20,600
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,469,850	2,568,900	2,573,780	2,573,530	2,573,060
Total resources	12,025,010	12,414,550	12,452,650	12,369,530	12,979,510
Liabilities					
Federal Reserve notes in actual circulation	4,045,460	4,234,680	4,260,600	4,295,480	4,271,310
Aggregate of excess member-bank reserves over requirements	1,710,000	760,000	750,000	760,000	890,000
Deposits—Member-bank—reserve account	6,205,730	6,729,550	6,731,210	6,709,960	6,864,730
Government deposits	417,920	160,880	156,260	130,390	347,690
Total deposits	6,874,360	7,246,690	7,224,020	7,154,430	7,525,290
Capital paid in and surplus	302,770	305,870	305,940	305,930	305,930
Total liabilities	12,025,010	12,414,550	12,452,650	12,369,530	12,979,510
Ratio of total reserves to deposit and F.R. note liabilities combined	79·3%	79·7%	79·5%	79·6%	80·0%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,762,000	12,541,000	12,567,000	12,604,000	12,651,000
Treasury and National Bank Currency	2,507,000	2,577,000	2,585,000	2,587,000	2,590,000
Liabilities					
Money in Circulation	6,255,000	6,495,000	6,532,000	6,597,000	6,554,000
Treasury Cash and Deposits with Federal Reserve Banks	2,789,000	3,844,000	3,875,000	3,886,000	3,843,000

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

	Sept. 17, 1936	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937
Total gold reserves	3,230,420	3,367,870	3,369,920	3,321,230	3,621,240
Total bills discounted	5,130	11,640	14,740	15,760	15,610
Bills bought in open market	1,100	1,090	1,090	1,090	1,080
Total U.S. Govt. securities	680,560	725,030	725,030	725,030	725,090
Total bills and securities	673,860	743,190	746,250	747,280	747,110
Deposits—Member-bank—reserve account	2,692,860	2,890,900	2,900,920	2,846,050	2,970,600
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·3%	83·8%	83·6%	83·6%	84·5%

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

Assets	Sept.14, 1936	Aug. 16 1937	Aug. 23, 1937	Aug. 30, 1937	Sept. 6, 1937	Sept. 13, 1937
Gold and English sterling	16,002	16,007	16,007	16,007	16,007	16,007
Other coin, bullion and cash	6,559	4,793	4,970	5,227	5,403	4,821
Money at short call—London	19,528	33,264	33,384	34,236	33,847	34,686
Short-term loans	6,321	3,241	3,563	3,273	3,181	3,178
Securities	75,296	76,587	76,587	76,996	76,991	76,925
Discounts and advances	8,349	10,505	10,282	10,401	10,391	10,295
Liabilities						
Notes issued	47,038	47,038	47,038	47,534	47,534	47,534
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	70,484	85,637	86,020	86,790	92,650	92,929

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

Assets	Sept. 7, 1936	Aug. 16, 1937	Aug. 23, 1937	Aug 30, 1937	Sept. 6, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	18,947	20,399	20,631	20,555	18,794
Advances to State	711	4,877	5,004	4,787	4,479
Investments	2,038	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	11,061	12,633	12,779	12,793	12,913
Demand liabilities :—					
Government	5,870	6,475	6,206	6,273	5,472
Other	6,328	10,459	10,943	10,559	9,165
Ratio of reserves to sight liabilities	93·1%	78·5%	78·3%	78·8%	78·4%

BANK OF CANADA.—In $'s (000's omitted)

Assets	Sept. 9, 1936	Aug. 25, 1937	Aug. 31, 1937	Sept. 8, 1937
Reserve, of which	188,432	209,006	207,875	201,131
Gold coin and bullion	179,491	179,489	179,489	179,484
Investments	119,292	149,737	160,089	163,956
Liabilities				
Note circulation	115,662	146,396	148,058	152,476
Deposits : Dominion Government	17,867	26,365	26,624	32,550
Chartered banks	170,892	176,421	185,259	180,658
Ratio of reserves to notes and deposit liabilities	61·7%	59·7%	57·7%	57·3%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	Sept. 11, 1936	Aug. 27, 1937	Sept. 3, 1937	Sept. 10, 1937
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	67,46,39	61,20,35	61,22,82	61,05,32
Balances abroad	4,49,30	14,43,14	13,62,80	13,49,52
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,39,45	27,38,29	27,38,29	27,38,45
Investments	5,64,42	7,92,33	8,05,25	7,66,54
Liabilities				
Notes in circulation	1,66,31,83	1,77,80,04	1,81,01,07	1,82,24,48
Deposits : Government	6,61,61	10,44,42	13,02,10	11,28,47
Banks	29,97,13	36,84,81	30,23,52	30,26,48
Ratio of gold and sterling to liabilities	55·2%	58·5%	58·5%	58·5%

* Held against notes.

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

Assets	Sep. 11, 1936	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937
Gold*	53,532,188	55,717,154	55,717,533	55,717,533	55,761,282
Advances on Gold Coin	1,200,682	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	8,126,388†	9,178,188	9,505,145	8,540,435	8,906,889
Bills bought abroad	1,225,310	880,696	880,696	880,696	836,945
Advances on securities	4,415,239	4,472,333	4,239,236	5,087,819	4,661,278
Loans to State without interest : (a) general	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	13,328,423	23,878,127	25,218,127	26,018,127	26,008,455
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,637,303	5,637,303	5,637,303	5,637,303
Other assets (excluding forward exch.)	3,983,468	4,091,428	4,132,377	4,225,692	4,285,837
Liabilities					
Notes in circulation	84,154,412	88,216,282	88,254,891	90,001,893	89,369,782
Public deposits	1,498,898	2,204,098	2,251,316	2,284,399	2,312,173
Private deposits	6,540,181	14,340,863	15,790,736	14,720,677	15,313,522
Other liabilities	2,458,024	3,393,141	3,332,627	3,399,790	3,401,670
Ratio of gold reserve to sight liabilities	58·0%	53·1%	52·4%	52·0%	52·1%

* Based on franc at 49 milligrams Oct. 2, 1936, to July 22, 1937, and at 43 milligrams from July 29, 1937. † Includes fcs. 1,605,000,000 Treasury Bills.

REICHSBANK.—In Reichsmarks (000's omitted)

Assets	Sept. 7, 1936	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937
Gold	67,443	69,259	69,866	69,970
Of which deposited abroad	22,529	19,672	19,986	20,055
Reserve in foreign currencies	5,678	6,208	5,969	5,822
Bills of exchange and cheques	4,570,206	4,696,045	5,316,054	5,105,055
Silver and other coin	119,090	221,993	138,426	140,683
Advances	49,336	33,739	51,704	40,614
Investments	528,126	403,422	403,444	403,662
Other assets	563,242	733,562	766,634	737,947
Liabilities				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,386,636	4,590,226	5,115,541	4,936,489
Other daily maturing obligations	662,600	682,895	736,016	665,092
Other liabilities	230,324	248,400	257,563	259,195
Cover of note circulation	1·67%	1·65%	1·48%	1·53%

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

Assets	Sept. 10 1936	Aug. 12, 1937	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937
Gold	3,707,762	3,601,374	3,589,035	3,581,930	3,582,001	3,582,362
Silver and other coin	50,561	40,529	42,862	43,727	42,679	41,999
Securities	1,353,936	1,361,404	1,354,909	1,345,905	1,333,626	1,332,880
Advances	75,408	35,027	32,788	33,604	39,897	36,111
Liabilities						
Notes in circulation	4,518,425	4,442,431	4,409,302	4,404,744	4,438,341	4,431,501
Deposits : Govt.	24,200	106,846	138,510	115,596	107,188	71,365
Other	833,996	673,119	655,837	688,875	636,561	674,361

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

Assets	Sept. 14, 1936	Aug. 16, 1937	Aug. 23, 1937	Aug. 30, 1937	Sep. 6, 1937	Sept. 13, 1937
Gold	701,198	1,265,883	1,265,883	1,265,883	1,265,883	1,265,883
Silver	21,290	19,693	19,712	18,767	18,266	18,308
Home bills discounted	22,432	13,086	12,908	12,944	10,969	10,646
Loans and advances in current account	119,548	180,112	177,458	179,759	179,561	179,488
Liabilities						
Notes in circulation	760,691	821,909	821,982	853,085	845,511	834,793
Deposits	125,187	681,078	678,086	649,393	653,714	663,546

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

Assets	Sept. 12, 1936	Aug. 14 1937	Aug. 21, 1937	Aug. 28 1937	Sept. 4, 1937	Sept. 11, 1937
Gold and silver	106,760	132,500	132,510	132,510	132,350	131,610
Discounts, advances and other investments	73,370	78,420	78,790	80,380	78,600	79,470
Foreign bills	2,350	4,580	4,480	4,740	4,550	4,630
Other assets	13,280	68,600	68,310	67,670	71,550	74,480
Liabilities						
Notes in circulation	160,380	200,530	198,640	198,700	201,640	202,730
Deposits and bills payable	24,770	70,200	72,040	73,190	71,890	73,870

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

Assets	Sept. 7, 1936	Aug. 7, 1937	Aug. 14, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937
Gold	1,518,983	2,567,780	2,533,427	2,547,817	2,543,995	2,542,889
Of which held abroad	255,306	482,100	467,115	462,737	462,737	462,737
Discounts	136,090	6,862	6,955	7,048	7,013	9,252
Confederation Bills	42,700	14,550	14,300	14,300	14,300	14,200
Advances	62,875	28,193	27,955	27,607	27,588	27,229
Securities	42,512	15,881	15,881	15,881	15,881	15,881
Notes in circulation	1,283,127	1,381,917	1,361,173	1,353,316	1,411,057	1,387,085
Deposits	488,289	1,343,506	1,381,439	1,426,849	1,358,299	1,394,301

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 538,583,653 fcs.

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

Assets	Sept. 7, 1936	Aug. 14, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937
Gold reserve	434,305	466,026	466,865	467,058	467,445
Government securities : Swedish	28,500	2,000	2,000	2,000	2,000
Foreign	73,773	46,684	47,070	47,581	47,887
Gold abroad not included in the gold reserve	81,353	68,789	68,663	68,634	68,576
Balances with foreign banks	265,589	210,829	221,300	226,016	236,491
Bills payable in Sweden	10,447	11,902	11,877	12,035	12,019
Bills payable abroad	201,797	682,218	682,218	686,742	686,868
Advances	28,842	25,539	24,552	24,992	25,099
Liabilities					
Notes in circulation	775,250	829,814	810,662	884,738	854,512
Deposits : Government	129,052	130,478	134,016	115,210	128,880
Commercial banks	337,960	715,081	748,422	705,100	732,905
Other	17,228	10,207	9,942	10,111	10,210

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

Assets	Sept. 7, 1936	Aug. 16, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937
Coin and bullion (gold reserve)	118,866	118,842	118,842	118,842	118,841
Balance abroad and foreign bills	61,435	132,223	132,497	137,884	143,107
Funds provisionally placed in gold, not included in the gold reserve	98,212	70,331	70,331	70,331	70,331
Norwegian and foreign government securities	46,572	82,115	84,312	85,547	85,824
Discounts and loans	216,517	151,839	151,677	147,080	144,321
Liabilities					
Notes in circulation	382,321	417,645	416,775	422,100	416,323
Deposits at sight	116,355	89,969	91,651	89,083	97,931

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

Assets	Aug. 19, 1936	July 21, 1937	July 28, 1937	Aug. 4, 1937	Aug. 11, 1937	Aug. 18, 1937
Gold	910,439	915,637	915,976	916,825	916,119	916,277
Balances abroad	516,352	593,195	612,839	626,833	625,054	625,633
Discounts	333,902	304,707	308,098	315,990	315,973	317,753
Securities	111,218	124,451	124,452	124,451	124,451	124,406
Government loans	1,044,860	1,042,900	1,042,900	1,042,249	1,042,249	1,042,249
Liabilities						
Notes in circulation	2,072,088	2,033,380	2,038,468	2,070,434	2,063,069	2,036,501
Government deposits	475,956	387,488	408,531	426,296	395,399	406,391
Bankers' deposits	455,307	709,661	690,744	686,916	684,896	705,081
Other deposits	43,294	73,309	71,930	58,895	90,734	85,957
Foreign commitments	37,566	44,721	52,494	52,488	52,512	52,435

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

Assets	Sept. 7, 1936	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937
Cash reserve—					
Gold coin and bullion	242,717	243,048	243,062	243,069	243,081
Other foreign exchange	135,041	124,212	130,540	136,747	140,883
Bills discounted	216,341	194,718	192,232	191,081	189,729
Federal debt	624,444	620,152	620,152	620,152	620,152
Liabilities					
Notes in circulation	893,355	864,566	825,319	914,703	863,670
Deposits	326,289	307,693	355,052	268,161	323,743

† 5,976·26 schillings = 1 kg. fine gold, Dec. 31, 1936, and after.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.* (000's omitted)

Assets	Sept. 9, 1936	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 9, 1937
Gold	2,596,155	2,573,781	2,574,375	2,573,947	2,572,945
Balances abroad and foreign currency	73,977	351,756	356,835	371,444	357,579
Discounts and advances	1,658,175	2,072,427	2,076,889	2,235,745	2,300,009
State notes debt balance	2,033,313	2,014,215	2,014,046	2,014,039	2,014,037
Liabilities					
Bank notes in circulation	5,595,629	5,791,791	5,622,985	6,250,489	6,093,507
Deposits	486,317	407,161	631,747	128,330	361,467

* First return showing effects of devaluation, October 15, 1936.

NATIONAL BANK OF JUGOSLAVIA

In dinar (000's omitted)

Assets	Sept. 8, 1936	Aug. 22, 1937	Aug. 31, 1937	Sept. 8, 1937
Cash reserve :				
Gold at home and abroad	1,531,262	1,691,499	1,692,011	1,692,229
Other foreign exchange	539,200	689,307	699,236	733,130
Bills and advances against security	1,641,671	1,589,875	1,601,536	1,589,649
Government advances	1,661,684	1,651,689	1,651,694	1,651,718
Liabilities				
Notes in circulation	5,173,324	5,666,146	5,863,685	5,860,332
Sight deposits	1,525,571	2,295,595	2,123,152	2,209,482

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted)†

Assets	Aug. 29, 1936	Aug. 7, 1937	Aug. 14, 1937	Aug. 21, 1937	Aug. 28, 1937
Gold and gold exchange	11,351,136	16,086,848	16,117,121	16,128,356	16,128,389
Commercial bills	5,994,831	6,331,883	6,396,721	6,477,180	6,539,273
Agricultural and urban advances	2,445,475	2,054,213	2,052,961	2,051,458	2,049,774
Treasury bills issued against losses on credit	5,716,760	6,465,680	6,466,598	6,467,637	6,468,349
State debt and advances to Treasury	5,633,095	4,858,628	4,868,628	4,868,628	4,868,628
Liabilities					
Notes in circulation	23,816,510	26,862,662	26,815,430	26,726,597	26,790,553
Other sight liabilities	8,521,499	12,809,980	12,787,385	12,994,330	12,853,812
Long-term liabilities	5,106,937	2,639,876	2,757,969	2,778,765	2,600,554

† First return after decree of November 7, 1936, was November 14th.

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

Assets	Aug. 31, 1936	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Gold holdings	1,606,955	1,802,984	1,804,984	1,802,984	1,832,984
Balances abroad and foreign currencies	492,350	412,820	333,847	306,294	301,646
Discounts and advances	1,541,371	1,154,678	1,197,328	1,241,836	1,286,252
Advances to the Treasury	2,671,279	3,522,998	3,522,998	3,522,998	3,522,998
Liabilities					
Reserves	1,243,234	1,212,147	1,210,600	1,209,582	1,209,463
Bank notes in circulation	2,560,905	2,607,365	2,606,909	2,606,254	2,856,295
Sight liabilities	1,908,700	3,021,923	2,981,790	2,935,681	2,781,709
Deposits	121,414	103,063	103,063	103,063	103,063

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

Assets	Aug. 31, 1936	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Gold and gold exchange	2,759,284	3,305,743	3,291,659	3,304,278	3,266,724
State Gold Bonds	566,440	527,715	527,715	527,715	527,715
Bills discounted	330,060	559,094	556,152	559,968	561,722
Advances	5,562,429	3,767,777	3,677,868	3,819,576	3,907,615
State Debt	3,605,111	3,557,205	3,915,411	3,848,968	3,849,105
Liabilities					
Notes in circulation	5,618,110	6,325,679	6,295,080	6,341,872	6,427,643
Deposit and current accts.	6,378,244	5,380,530	5,230,458	5,186,884	5,086,351
Foreign exchange liabilities	227,704	159,754	173,778	166,746	133,777

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

Assets	Aug. 31, 1936	Aug. 7, 1937	Aug. 15, 1937	Aug. 23, 1937	Aug. 31, 1937
Gold coin and gold bullion	34,167	34,196	34,198	34,200	34,208
Net foreign exchange	5,177	16,712	17,138	17,109	17,092
Home bills discounted	9,411	11,987	12,097	12,324	12,625
Loans and advances	10,232	8,850	8,902	9,651	12,499
Liabilities					
Notes in circulation	41,182	42,573	42,768	45,766	45,462
Sight deposits and current accounts	26,489	36,312	36,704	34,622	89,056
Ratio of reserve to current liabilities	58·1%	64·5%	64·6%	63·8%	60·7%

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

Assets	Sept. 7, 1936	Aug. 9, 1937	Aug. 16, 1937	Aug. 23, 1937	Aug. 30, 1937	Sept. 6, 1937
Gold coin and bullion	46,427	77,473	77,473	77,475	77,475	77,476
Silver coin	16,264	15,293	15,279	15,189	14,985	14,766
Foreign currency	11,211	40,537	40,607	40,177	40,870	43,394
Treas. notes and small change	12,373	9,205	8,859	7,889	7,128	7,286
Short-term bills	50,387	49,966	49,355	49,732	49,622	49,656
Loans against securities	77,152	67,564	67,852	69,594	70,611	71,905
Liabilities						
Notes in circulation	34,784	46,336	46,573	48,620	50,506	50,769
Deposits	19,473	21,391	21,353	21,396	21,388	21,438
Current accounts	108,344	122,757	121,633	121,101	119,587	121,770
Government accounts	45,096	60,529	61,816	60,629	61,304	61,885

‡ Gold francs up to and including September 28, 1936, only.

BANK OF JAPAN.—In yen (000's omitted)

	Aug. 22, 1936	July 31, 1937	Aug. 7, 1937	Aug. 14, 1937	Aug. 21, 1937
ASSETS					
Gold coin and bullion	532,238	488,437	467,534	459,580	446,329
Other coin and bullion	64,084	55,603	53,770	51,326	50,565
Discounts	536,338	562,386	584,248	562 266	547,185
Advances	187,831	271,940	275,480	277,928	282,967
Advances on foreign bills	29,999	81,814	99,084	114,242	118,017
Government bonds	456,312	780,314	770,515	802,053	815,843
LIABILITIES					
Notes issued	1,259,282	1,579,961	1,448,002	1,469,796	1,479,077
Government deposits	361,958	270,696	364,772	357,586	317,469
Other deposits	53,518	74,271	62,475	63,292	75,896

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Sept. 9, 1937	Sept.10, 1937	Sept.11, 1937	Sept.13, 1937	Sept.14, 1937	Sept.15, 1937	Sept.16 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝
3 months' do.	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝
4 months' do.	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝
6 months' do.	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝	½-⅝
Discount Treasury Bills—							
2 months'	½	½	½	½	½	½	½
3 months'	½	½	½	½	½	½	½
Loans—Day-to-day	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Short	½-1	½-1	½-1	½-1	½-1	½-1	½-1
Deposit allowances: Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	½	½	½	½	½	½	½

Comparison with previous weeks

	Short Loans	Bank Bills 3 Months	Bank Bills 4 Months	Bank Bills 6 Months	Trade Bills 3 Months	Trade Bills 4 Months	Trade Bills 6 Months
1937	%	%	%	%	%	%	%
Aug. 19	½-1	½-⅝	½-⅝	½-⅝	2-2½	2½-2½	2½-3
,, 26	½-1	½-⅝	½-⅝	½-⅝	2-2½	2½-2½	2½-3
Sept. 2	½-1	½-⅝	½-⅝	½-⅝	2-2½	2½-2½	2½-3
,, 9	½-1	½-⅝	½-⅝	½-⅝	2-2½	2½-2½	2½-3
,, 16	½-1	½-⅝	½-⅝	½-⅝	2-2½	2½-2½	2½-3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Sept. 10, 1937	Sept. 11, 1937	Sept. 13, 1937	Sept. 14, 1937	Sept. 15, 1937	Sept. 16, 1937
New York, $..	‡4·86⅝	4·94⅛-94⅜	4·94⅛-94⅜	4·94⅛-95⅛	4·95-95⅛	4·94⅛-95	4·94⅛-95⅛
Montreal, $....	4·86⅝	4·94⅛-94⅜	4·94⅛-94⅜	4·94⅛-95⅛	4·95-95⅛	4·94⅛-95	4·94⅛-95⅛
Paris, Fr.....	124·21	136¼-140⅜	138⅜-139½	138⅛-139½	138⅛-139	138⅜-146⅜	145¼-147½
Brussels, Bel.	35·00(a)	29·34-40	29·35½-39	29·36-41	29·39½-44⅛	29·38-41	29·39-44
Milan, L.....	92·46	93⅞-94⅛ 94·07½	93⅞-94⅛ 94·00½	93⅞-94⅛ 94·00½	94-94¼ 94·12½	93⅞-94⅛ 94·10½	94-94⅛ 94·00½
Zurich, Fr....	25·22½	21·51-54½	21·52-54	21·52-57	21·54½-58⅛	21·53-56	21·54-58
Athens, Dr....	375	540-555	540-555	540-555	540-555	540-555	540-555
He's'fors, M...	183·23	225⅜-226½	225⅜-226½	225⅜-226½	225⅜-226½	225⅜-226½	225⅜-226½
Madrid, Pt....	25·22½	70-100(l) 72·00½	70-100(l) 72·00½	70-100(l) 72·00½	70-100(l) 72·00½	70-100(l) 72·00½	70-100(l) 72·00½
Lisbon, Esc...	110	110-110⅜	110-110⅜	110-110⅜	110-110⅜	110-110⅜	110-110⅜
Amst'd'm, Fl.	12·107	8·98-9·00	8·98⅛-9·00	8·98⅛-9·00	8·99-9·00½	8·98½-99⅛	8·99-9·00⅛
Berlin, Mk. ... *Registered Marks*	20·43	12·31-34	12·31½-33⅛	12·31⅛-34⅛	12·33-35¼	12·31-34	12·32-36
Vienna, Sch...	34·58½	25⅛-27⅛	25⅛-27⅛	25⅛-27⅛	25⅛-27⅛	25⅛-27⅛	25⅛-27⅛
Bu'pest, Pen..	27·82	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛
Prague, Kc....	‖164⅜	141-142	141⅜-⅝	141½-142	141⅜-142	141⅛-⅜	141⅛-142
Danzig, Gul....	25·00	26-26⅛	26-26⅛	26-26⅛	26-26⅛	26-26⅛	26-26⅛
Warsaw, Zl....	43·38	26-26⅛	26-26⅛	26-26⅛	26-26⅛	26-26⅛	26-26⅛
Riga, Lat.....	25·22½	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛	24⅛-25⅛
Buchar'st, Lei	813·8	660-680	660-680	66 -680	660-685	660-685	660-685
Const'ple, Pst	110	621* 627½	621* 625⅛	621* 625⅛	621* 625⅛	621* 625⅛	620* 625⅛
Belgrade, Din.	276·32	211-221	211-221	211-221	211-221	211-221	211-221
Kovno, Lit....	48·66	29-30	29-30	29-30	29-30	29-30	29-30
Sofia, Lev. ...	673·66	390-420	390-420	390-420	390-420	390-420	390-420
Tallinn, E. Kr.	18·159	17⅞-18⅛	17⅞-18⅛	17⅞-18⅛	17⅞-18⅛	17⅞-18⅛	17⅞-18⅛
Oslo, Kr.....	18·159	19·85-95	19·85-95	19·85-95	19·85-95	19·85-95	19·85-95
Sé'holm, Kr...	18·159	19·35-45	19·35-45	19·35-45	19·35-45	19·35-45	19·35-45
Cop'h'gen, Kr.	18·159	22·35-45	22·35-45	22·35-45	22·35-45	22·35-45	22·35-45
Alex'dria, Pst.	97⅛	97⅞-⅛	97⅞-⅛	97⅞-⅛	97⅞-⅛	97⅞-⅛	97⅞-⅛
Br. India Rup.	† 18d.	18 1/16-⅛	18 1/16-⅛	18 1/16-⅛	18 1/16-⅛	18 1/16-⅛	18 1/16-⅛
Hong Kong, $	† ...	14⅛-15⅛	14⅛-15⅛	14⅛-15⅛	14⅛-15⅛	14⅛-15⅛	14⅛-15⅛
Kobe, Yen ...	†24·58d.	13 1/16-14⅛	13 1/16-14⅛	13 1/16-14⅛	13 1/16-14⅛	13 1/16-14⅛	13 1/16-14⅛
Shanghai, $...	† ...	14-14⅛(l)	14-14⅛(l)	14-14⅛(l)	14-14⅛(l)	14-14⅛(l)	14-14⅛
Singapore, $..	† 28d.	28⅛-¼	28⅛-¼	28⅛-¼	28⅛-¼	28⅛-¼	28⅛-¼
Batavia, F....	12·11	8·95-99	8·95-99	8·95-99	8·95-99	8·95-99	8·96-9·00
Rio, Mil.....	†5·899d.	3⅛-⅜ f	3⅛-⅜ f	3⅛-⅜ f	3⅛-⅜ f	3⅛-⅜ f	3⅛-⅜ f
B. Aires, $ ...	11·45	16·46-53g	16·46-52g	16·47-51g	16·46-51g	16·46-52g	16·46-51g
Valparaiso, $..	40	16·12⅛ 125e(l)	16·12⅛ 125e(l)	16·12⅛ 125e(l)	16·12⅛ 125e(l)	16·12⅛ 125e(l)	16·12⅛ 125e(l)
M'video, $ ...	† 51d.	27½-28½ 39 1/16 *b	27½-28½ 39 1/16 *b	27½-28½ 39 1/16 *b	27½-28½ 39 1/16 *b	27½-28½ 39 1/16 *b	27½-28½ 39 1/16 *b
Lima, Sol. ...	17·38	18⅛-19⅛	18⅛-19⅛	18⅛-19⅛	18⅛-19⅛	18⅛-19⅛	18⅛-19⅛
Mexico, Pes...	9·76	17⅛-18⅛	17⅛-18⅛	17⅛-18⅛	17⅛-18⅛	17⅛-18⅛	17⅛-18⅛
Manila, Pes....	†24·66d.	24-24⅛	24-24⅛	24-24⅛	24-24⅛	24-24⅛	23½-24⅛
Moscow, Rbls.	...	26·20½- 21½	26·20½- 21½	26·21-21½	26·25½- 26½	26·22½- 22½	26·24½- 25
B'ngkok, Baht	†21·82d.	22-22½	22-22½	22-22½	22-22½	22-22½	22-22½

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅜ since dollar devaluation on February 1, 1934. §Par, 197·10½ since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (e) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $18 sellers. (k) Average remittance rate for importers. Rate for payments to the Bank of England:—(l) For account Controller of Anglo-Italian debts; (f) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Sept. 10, 1937 Per £	Sept. 11, 1937 Per £	Sept. 13, 1937 Per £	Sept. 14, 1937 Per £	Sept. 15, 1937 Per £	Sept. 16, 1937 Per £
New York, cent.	1 Month	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16 c	(p) ⅛-1/16	(p) ⅛-1/16
	2 ,,	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16	(p) ⅛-1/16
	3 ,,	1⅛-1⅛	1⅛-1⅛	1 1/16-1⅛	1⅛-1	1-1/16	1-⅛
Paris, frs.	1 Month	(d) 1⅛-1⅞	(d) 2-2⅛	(d) 1⅞-2⅛	(d) 2⅛-2⅜	(d) 2⅜-3⅛	(d) 2-2⅛
	2 ,,	3-3⅛	3⅛-3⅜	3⅛-3⅜	4-4⅛	4-4⅛	4-4⅛
	3 ,,	5-5⅛	5-5⅛	5⅛-5⅜	5⅛-6	7⅛-7⅜	5⅛-5⅜
Amsterdam, c'nt	1 Month	(p) ⅛-¼	(p) ⅛-¼	(p) ⅛-¼	(p) ⅛-¼	(p) ⅛-¼	(p) ⅛-¼
	2 ,,	1⅛-1⅜	1⅛-1⅜	1⅛-1⅜	1⅛-1⅜	1⅛-1⅜	1⅛-1⅜
	3 ,,	2⅛-1⅞	2⅛-1⅞	2⅛-1⅞	2⅛-1⅞	2⅛-1⅞	2⅛-1⅞
Brussels, cent.	1 Month	(p) Par	(p) Par	(p) Par	(d) ⅛-1⅛	(d) 1⅛-2⅛	(d) Abt. 3
	2 ,,	1-par	Par	Par	1⅛-1⅜	2-3	Abt. 6
	3 ,,	1⅛-⅛	Par	Par	1⅛-2⅛	2-4	Abt. 10
Geneva, cent.	1 Month	(p) 1⅜-1⅝	(p) 1⅛-1⅝	(p) 2-1	(p) 2⅛-1⅛	(p) 2-1	(p) (Nom) 1-par
	2 ,,	2⅛-1⅛	3-2	3-2	3⅛-2⅝	3-2	1⅛-⅛
	3 ,,	4⅛-3⅛	4⅛-3⅛	4⅛-3⅛	4⅛-3⅝	4·3	2-1

(p) Premium, i.e. "under spot." (d) Discount ,i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Sept. 16, 1936	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937	Sept. 8 1937	Sept. 15 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances :—	Selling Rates					
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Commercial accept., 90 days	⅜	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Sept. 16, 1936	Sept. 1, 1937	Sept. 8, 1937	Sept. 15, 1937
London—						
60 days	Dollars for £1	Old par 4·8666	5·0493	4·95⅛	4·9431	4·9418
Cable		New par 4·8666	5·0656	4·9662	4·9518	4·9506
Cheques		8·2397	5·06⅛	4·96⅛	4·9506	4·95
Paris .....cheques	Cents for 1 franc	6·63	6·58½	3·7387	3 7237	3·38
Brussels ,,	Cents for 1 belga	23·54	16·90	16·845	16·872	16·835
Switzerland ,,	Cents for 1 franc	32·67	32·585	22·96	22·972	22·98
Italy ,,	Cents for 1 lira	8·91	7·87	5·26	5·26	5·26
Berlin ,,	Cents for 1 mark	40·33	40·23	40·175	40·135	40·11
Vienna ,,	Cts.forAustrn.shig.	23·82	18·88	18·88	18·88	18·88
Madrid ,,	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam ,,	Cents for 1 guilder	68·06	67·89	55·16	55·12	55·02
Copenhagen ,,			22·62	22·18	22·11	22·105
Oslo ,,	Cents for 1 kroner	45·37	25 46	24 965	24 885	24·88
Stockholm ,,			26·125	25 615	25 535	25·525
Athens ,,	Cents for 1 drachma	1·29½	0·94⅜	0·91¼	0·91	0·80⅛
Montreal ,,	Cents for Can. $1	169·31	100⅜	100	99⅛	100
Yokohama ,,	Cents for 1 yen	84·40	29·65	28 98	28·88	28·875
Shanghai ,,	Cents for 1 dollar	...	30·22	30·00	29 80	29 81
Calcutta ,,	Cents for 1 rupee	61·80	38·28	37·51	37·40	37·40
Buenos Aires ,,	Cents for 1 peso	...	33·77	30·80	30·71	30·70
Rio de Janeiro ,,	Cents for 1 milreis	11·96	8·54	8·37	8·34	8·34

THE BANK OF LONDON AND SOUTH AMERICA, LTD., has received telegraphic advice from Valencia that the gold surcharge for payment of Spanish customs duties has been fixed for the period September 11th to 20th at 191·56 per cent. The previous rate was fixed as from September 1st at 180·69 per cent.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES

Quotations for the following centres were given on the dates indicated. Rates for other exchanges appeared in our issue of September 4th :—

Bolivia. Commercial Banks "free" selling rate was 100 bolivianos per £ on August 20, 1937.

Colombia. Sight selling rate on New York was 175·75 pesos per 100 United States dollars on August 26, 1937. This rate applies to holders of permits buying in the "open" market.

Ecuador. Sight selling rate on New York was 13·50 sucres nominal per United States dollar on August 27, 1937.

Nicaragua. Sight selling rate on New York, including tax and commission, was 2·16 cordobas per United States dollar on August 21, 1937.

Paraguay. Exchange is quoted on Buenos Aires; the sight rate was 70 Paraguayan pesos per Argentine "free" paper peso on August 14, 1937.

Overseas bank rates and exchange rates for South Africa and Australasia also appeared in the issue of September 4th.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended September 16, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British S. Africa	1,808,799	...	British India	3,125	*30,625*
Tanganyika	20,398	...	Straits Settlements	...	*1,500*
Kenya	19,048	...	Finland	23,675	...
Uganda	2,030	...	Netherlands	14,360	1,698
British India	235,184	...	Belgium	1,127	...
British Guiana	2,925	...	France	960	4,925
U.S.S.R.	2,845,629	...	Jugoslavia	152,817	...
Germany	1,244	...	Other countries	631	...
Netherlands	...	*30,000*			
Morocco	...	*518* 1,856			
Venezuela	4,755	...			
Other countries	2,127	*2,164* 901			
Totals	4,942,139	*32,682* 2,757	Totals	196,635	*32,125* 6,623

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
Germany	1,225	...	Malta	1,804	...
Netherlands	...	*159* 25	British India	8,059	...
Belgium	11,130	19	Straits Settlements	9,370	...
France	9,200	*1,957* 66	Norway	1,434	...
Morocco	103	...	Germany	14,040	...
Japan	14,315	...	France	1,515	...
Other Countries	413	*996* 11	Hungary	2,942	...
			Arabia-Muscat	...	1,113
			Other Countries	2,053	*15*
Totals	36,386	*3,112* 121	Totals	41,217	*15* 1,113

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between September 10th and 16th. Details of previous movements appeared in *The Economist* of September 4th on page 498.

GOLD MARKET

Messrs Samuel Montagu and Company write on September 15, 1937 :—

The Bank of England gold reserve against notes amounted to £326,406,625 on September 8th, showing no change as compared with September 1st. In the open market about £1,900,000 of bar gold was disposed of at the daily fixing during the week. The amounts available were mostly taken for shipment to New York, prices continuing to rule at about dollar parity. The s.s. "Viceroy of India," which sailed from Bombay on September 11th, carries gold to the value of about £216,000. The Transvaal gold output for August, 1937, amounted to 987,433 fine ounces, as compared with 996,545 fine ounces for July, 1937, and 964,517 fine ounces for August, 1936.

SILVER MARKET

With American buyers continuing to give support, the market has been very steady, and prices have shown very little movement during the past week; the demand has been mainly for spot and, except for one day, the cash quotation ruled at a premium over that for two months delivery. Sales on China account have not been much in evidence, offerings being mainly composed of sales by the Indian Bazaars but, on the whole, sellers have been inclined to hesitate. No wide movement from the present level is anticipated in the near future.

Quotations for gold and silver are shown below :—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard Cash	Price of Bar Silver in London per ounce standard Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
Sept. 9	140 4	12 1·29	19⅛	19⅞	
,, 10	140 7⅛	12 0·99	19⅛	19⅞	
,, 11	140 7	12 1·03	19⅛	19⅞	Sept. 8 to Sept. 14 inclusive 45
,, 13	140 6	12 1·12	19⅜	19⅝	
,, 14	140 3½	12 1·33	19⅛	19⅞	
,, 15	140 6	12 1·12	19⅜	19⅝	
Average	140 5·67	12 1·15	19·927	19·854	
Sept. 16	140 5	12 1·21	20	19⅞	

The highest rate of exchange on New York recorded during the period from September 9th to 15th was $4·95⅛, and the lowest $4·94⅛.

OTHER STATISTICS

SHORTER COMPANY COMMENTS

APPOINTMENTS AND PERSONAL

Alliance Trust and Second Alliance Trust have appointed Mr Alan L. Brown as secretary.

Following acquisition of control by the Distillers Company, Mr J. H. Stephens has resigned his chairmanship and directorship of Booth's Distilleries.

Mr R. K. Cuthbertson has joined the board of the Scottish Equitable Life Assurance Society.

Mr A. H. Colquhoun has been appointed secretary of the P. and O. Company in place of Mr D. N. Black, who becomes assistant manager.

Mr A. Levine, general manager of the Alliance Assurance Company, has been elected chairman of the Investment Protection Committee of the British Insurance Association, and Mr E. H. Lever and Mr H. E. Melville deputy chairmen.

Mr E. H. W. Cooke has been elected a director of Birmingham Small Arms Company, and is also being appointed managing director of the Daimler Company.

Mr C. H. Goode has been elected chairman of the Manchester Stock Exchange.

Mr F. P. Robjent, the chairman, Mr J. H. Vickery, the deputy-chairman, and Sir Richard Davies have resigned their seats on the board of the Milford Docks Company.

The Bank of New South Wales advises that Sir Bertram Hornsby, C.B.E., has been appointed to a seat on its London Advisory Board.

Mr. J. W. Harrison, who is at present secretary of Richard Hill and Company, Ltd., has been appointed a director. Mr B. A. Bromwich has been appointed general manager.

Mr Philip Runciman, vice-chairman of Anchor Line, has been appointed chairman in succession to the late Lord Runciman.

BANKS

YOKOHAMA SPECIE BANK.—Net profit for half-year to June 30, 1937, Yen 17,495,726, including Yen 10,708,919 brought forward. Of this: To reserve fund, Yen 1,750,000; dividend at 10 per cent. per annum, Yen 5,000,000; carried forward, Yen 10,745,726. Mr Sergo Yamanouchi has been appointed a vice-president of the Yokohama Specie Bank, Ltd., by decree.

MISCELLANEOUS

INDIAN IRON AND STEEL COMPANY.—The full report shows that profits for the latest year amount to Rs. 40,80,704. After payment of the 20 per cent. dividend, a balance of Rs. 38,068 is carried forward.

HILTON MAIN AND HOLLY BANK COLLIERIES, LTD.—Net profits have fallen from £42,172 to £36,352 for year to June 30, 1937, and ordinary dividend reduced from 15 to 13½ per cent. To reserve £10,000 as before. Carry forward increased from £12,897 to £13,783.

GROSVENOR HOUSE (PARK LANE), LTD.—Trading profits for year to June 30, 1937, were £14,169 higher at £134,109. To writing off special improvements, £23,402. Ordinary dividend maintained at 5 per cent. Carry forward decreased by £6,194 to £34,251.

LINES BROTHERS, LTD.—Net profit for year to June 30, 1937, £74,733, against £64,016. Preference dividend £26,800. Ordinary dividend, £37,500 against £30,000. To reserve £8,287, against £5,000. Carry forward increased from £17,823 to £19,969.

VULCAN FOUNDRY, LTD.—Profit for year to June 30, 1937, was £61,613, against £27,942. Ordinary dividend 2½ per cent. less tax against 2½ per cent. tax free. To depreciation £45,391, against £21,467. Carry forward reduced from £25,724 to £9,256.

ARDATH TOBACCO COMPANY, LTD.—Net profit declined from £460,475 to £448,937 in year to June 30, 1937. Ordinary dividend maintained at 12 per cent. tax free. To employees' fund £25,000 against nil; preference dividend £84,000. Carry forward reduced from £265,896 to £245,833.

KINEMAS, LTD.—First report for year to June 30, 1937, shows net profits £49,323. Ordinary dividend 11¼ per cent. Carry forward £3,323. Revenue secured on holding of shares in African Consolidated Theatres and African Consolidated Films advanced from £44,440 to £54,120.

RAND SELECTION CORPORATION.—A dividend of 50 per cent. for the year to September 30th is announced, compared with 40 per cent. for 1935–36.

HOTEL WESTMINSTER
Le Touquet

SOUTH AFRICAN CLOTHING INDUSTRIES, LTD.—Net profit for 7½ months to June 30, 1937, £24,462. Preference dividend, £4,458. Dividend of 5½ per cent. (actual), equivalent to 9 per cent. per annum, on ordinary shares, £15,400. To capital reserve, £260. To general reserve, £3,000. Carry forward, £1,344.

SOUTH AFRICAN DIAMOND SALES.—Sales for first six months of 1937 are valued at £2 159,639, against £3,209,271 for whole of 1936.

MAYNARDS, LTD.—Net profit for year to June 30, 1937, £45,735 against £43,672. To reserve for improvements £6,000 against £2,000. To staff pensions, £2,000 against £5,000. Ordinary dividend 8 per cent. as before. Carry forward increased from £28,470 to £29,360.

INCORPORATED ACCOUNTANTS AND AUDITORS.—The next examination for admission to this Society will be held on November 1st, 2nd, 3rd and 4th next in London, Manchester, Cardiff, Leeds, Glasgow, Dublin, Belfast, Cape Town, Johannesburg, and Durban. Women are eligible on the same terms as men. Particulars obtainable from Incorporated Accountants' Hall, Victoria Embankment, London, W.C.2.

AIRE WOOL COMPANY.—Net profits for year ended August 31, 1937, £15,538 against £14,770. Amount available for distribution, £16,993. After the 6 per cent. preference and 10 per cent. ordinary dividends £4,218 is carried forward.

SUN LIFE OF CANADA.—At the end of July, 1937, the total assured by all policies in force was over £585,000,000, an increase since the end of 1936 of over £15,000,000. Total income has increased for the first seven months, while total expenditures are down about 4 per cent.; net result, excess of income over expenditures of nearly £8,000,000. Total assets now exceed £166,000,000. Bond account £70,000,000, an increase of £7,000,000.

VENTERSPOST GOLD MINING.—The reef recently intersected in No. 2 shaft at 2,770 feet has been fully exposed. Sampling gives average value of 4·4 dwt. over entire width of 116 inches, of which bottom portion consists of two highly payable reef bands averaging 9·5 dwt. over 43 inches.

ANGLO-SIAM CORPORATION.—Net profit of £35,900 for the year to March 31, 1937; balance available £80,195, after adding £44,295 brought forward. To staff provident fund £3,000; to dividend equalisation fund £7,500. Final ordinary dividend, 7½ per cent., making 10 per cent., less tax. Carry forward £45,145.

PRESTON BREWERIES SHAREHOLDERS PROTECTION ASSOCIATION, LTD.—This has been registered as a company limited by guarantee without share capital, each member being liable for 5s. Objects are to unite shareholders of Preston Breweries Company, Ltd., for mutual and co-operative assistance and action for the protection and promotion of their interests. Management is vested in an executive committee of three to ten members.

CROWDEN AND KEEVES CAPITAL SCHEME.—Meetings are called for September 28th to sanction proposals providing for cancellation of 15s. of each £1 preference share, cancellation of 29 ordinary £1 shares and consolidation of remaining ordinary shares into £5 shares. Sum of £4 18s. to be cancelled from the £5 shares. Resulting 5s. preference to be subdivided into 4 "B" preference 1s. shares and 1 "B" ordinary 1s. share. The "B" preference are then to be consolidated in 4s. shares and the "B" ordinary into 2s. "B" ordinary shares. Capital is then to be increased to £300,000 by the creation of 400,000 "A" preference 1s. shares, 200,000 "A" ordinary 1s. shares, 240,000 management shares of 6d. and 225,000 "C" £1 shares. The company has made provisional arrangements for an amalgamation with Wolchovers, Ltd. Total value of assets of Crowden and Keeves estimated at £39,000, and Wolchovers at £53,000.

BARROW BARNSLEY MAIN COLLIERIES.—Net profit for year to June 30, 1937, amounted to £101,189, an advance of £47,673. The ordinary dividend is raised from 6 to 10 per cent. To reserves: Depreciation, £25,000; general, £15,000. Carry forward raised from £16,471 to £19,104.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Sept. 11, 1937. (c) Week ended Sept. 10, 1937.		Miles Open	Gross Receipts, week ended Sept. 12, 1937 (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (36 weeks) (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937	3,738	235	208	115	323	558	8,143	7,111	3,990	11,101	19,244
	1936	3,739	239	197	100	297	536	7,909	6,823	3,572	10,395	18,304
(c) L. & N. Eastern	1937	6,315	378	336	236	572	950	12,624	12020	8,789	20,809	33,433
	1936	6,332	372	323	211	534	906	12,043	11584	8,264	19,848	31,891
L. M. & Scottish	1937	6,870	558	499	223	722	1,280	19,265	17474	9,056	26,530	45,795
	1936	6,898	540	497	221	718	1,258	18,500	16984	8,586	25,550	44,050
Southern ...	1937	2,157	364	66	28	94	458	12,144	2,199	1,065	3,264	15,408
	1936	2,153	349	65	29	94	443	11,519	2,258	1,097	3,355	14,874
Total	1937	19080	1535	1109	602	1711	3,246	52,176	38804	22900	61,704	113880
	1936	19122	1500	1082	561	1643	3,143	49,971	37649	21499	59,148	109119
(c) Belfast & Co. Down	1937	80	2·9	...	...	0·4	3·3	99·9	...	...	17·3	117·2
	1936	80	3·3	...	...	0·3	3·6	100·7	...	...	19·8	120·5
(c) Great Northern	1937	543	14·5	...	...	9·2	23·7	412·9	...	...	336·5	749·4
	1936	543	13·6	...	...	9·8	23·4	403·2	...	...	350·0	753·2
(c) Great Southern	1937	2,076	50·6	...	...	41·7	92·3	1358·1	...	...	1463·4	2821·5
	1936	2,124	49·7	...	...	40·0	89·7	1346·2	...	...	1489·2	2835·4

COMPARISON WITH CORRESPONDING PERIODS, 1935 and 1936

(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935:—				
Gross increase or decrease...	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936:—				
Gross increase or decrease...	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936:—				
10 weeks to Sept. 11, 1937	+ 270	+ 416	+ 355	+ 175
Weekly average second half 1937...	+ 27	+ 41½	+ 35½	+ 17½
Latest week 1937 compared with 1936	+ 22	+ 22	+ 44	+ 15

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Sept. 11, 1937	£556,800	− 1,500
Aggregate 11 weeks to Sept. 11, 1937	£6,108,100	+ 16,400

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN							
		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	20	Aug. 20	1,336	‡5,09,100	+ 46,679	68,00,061	+ 5,03,830
Barsi Lt. Ry.	20	Aug. 20	202	‡30,100	− 4,200	7,25,500	+ 52,000
Bengal & N. Western	21	31	2,111	†8,35,713	− 76,924	1,66,81,543	+ 13,86,188
Bengal-Nagpur	21	31	3,268	†24,29,000	+ 2,96,384	3,85,57,788	+ 44,27,974
Bombay, Bar. & C.I.	23	Sept. 10	3,072	‡27,92,000	+ 2,03,000	5,24,90,000	+ 39,64,000
Madras & S. Mahr....	20	Aug. 20	3,229	‡17,40,000	+ 52,828	2,96,72,786	+ 2,03,181
Rohilk'd & Kumaon	21	31	546	1,45,743	− 9,978	31,27,358	+ 78,689
South Indian	20	20	2,532	†15,33,463	+ 194,206	2,17,06,443	+ 7,79,341
CANADIAN				$	$	$	$
		1937					
Canadian National	35	Sept. 7	23766	3,739,198	+ 79,806	131,884,058	+ 11733318
Canadian Pacific ...	35	7	17228	3,060,000	− 34,000	93,807,000	+ 5,082,000
SOUTH AMERICAN							
		1937					
Antofagasta (Chili and Bolivia).....	37	Sept. 12	834	£22,070	+ 8,820	609,280	+ 110,390
Argentine N.E.....	11	11	753	‡186,700	+ 17,200	1,809,800	+ 103,100
				*£11,582	+ 1,611	112,272	+ 12,233
B.A. and Pacific ...	11	11	2,806	‡1,283,000	− 11,000	13,634,000	+ 150,700
				*£79,591	+ 3,473	845,782	+ 55,501
B.A. Central	9	Aug. 28	...	$159,300	+ 23,000	1,320,000	+ 258,700
B.A. Gt. Southern...	11	Sept. 11	5,084	‡2,062,000	+ 155,000	20,340,000	+ 346,000
				*£127,916	+ 15,740	1,261,787	+ 89,885
B.A. Western.....	11	11	1,930	‡799,000	+ 163,000	7,876,000	+ 698,000
				*£49,566	+ 12,154	488,587	+ 67,885
Central Argentine...	11	11	3,700	‡2,106,800	− 492,350	23,300,750	− 1,248,050
				*£130,695	− 22,196	1,445,454	+ 6,489
Central Uruguayan..	10	4	980	d137,294	+ 14,164	1,275,611	− 100,409
				e£15,768	+ 2,718	144,384	+ 1,874
Cordoba Central ...	11	11	1,218	‡527,000	− 35,000	6,575,000	− 197,000
				*£32,700	− 360	407,900	+ 10,990
Entre Rios	11	11	810	‡238,300	+ 9,200	2,452,300	+ 198,100
				*£14,782	+ 1,306	152,125	+ 19,993
G. Westn. of Brazil	37	11	1,092	£6,900	+ 1,400	262,400	− 8,900
Leopoldina	37	11	1,918	Ms1869000	+ 145,000	65,585,000	+ 6,294,000
				£24,842	+ 4,729	847,172	+ 166,824
Leopoldina Termnl..	37	11	...	Ms.365,000	+ 48,000	12,980,000	+ 749,000
Nitrate	34	Aug. 31	384	a†£4,993	+ 2,085	105,981	+ 18,960
Paraguay Central ...	11	Sept. 11	274	$2,533,000	− 293,000	36,222,000	+ 7,934,000
Salvador.....	11	11	100	Col. 9,600	+ 1,448	125,059	+ 8,933
San Paulo	36	5	153½	Ms2830000	− 283,000	94,655,000	+ 4,529,000
				£37,498	+ 640	1,187,920	+ 115,045
United of Havana...	11	11	1,353	£18,253	+ 3,595	197,598	+ 25,481

* Converted at average official rate during week ended Sept. 11, 16·12 pesos to £. ‡ Receipts in Argentine pesos. † Fortnight. a Converted at official rate. d Receipts in Uruguayan currency. e Converted at "controlled free rate."

OTHER OVERSEAS

		1937						
Egyptian Delta Light Railways	21	Aug. 31	621	†£7,355	+ 992	97,164	+ 8,695	
Egyptian Markets...	35	Sept. 3	...	£1,224	− 169	56,249	− 1,838	
Mexican Railway ...	9	7	483	$335,600	+ 76,600	2,941,000	+ 456,700	

‡ 11 days.

SUEZ CANAL RECEIPTS

		1937		£	£	£	£	
Suez Canal.....	34	Aug. 31	...	‡295,500	+ 22,200	7,403,900	− 77,100	

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937						
Anglo-Argentine ...	36	Sept. 9	325	$621,572	− 30,218	22,829,639	+ 203,444	
B. Aires Lacroze ...	9	Aug. 29	...	$58,538	− 180	485,976	− 28,637	
Burnley, Colne and Nelson Jt. Trapt.	36	Sept. 11	87·68	£5,390	+ 317	...	...	
Calcutta Tramways.	36	11	...	Rs. 1,28,135	+ 10,006	39,10,616	+ 1,86,464	
Liverpool Corp.	23	8	...	£31,272	+ 1,521	722,989	+ 48,094	
Madras Electric.....	34	Aug. 31	...	‡Rs.52,661	+ 1,420	8,27,606	+ 34,647	

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to date 1937	+ or −
Costa Rica Railway. ...	1	July 31	Gross	£24,688	+ 3,250	...	...
Dorada	8	Aug. 31	Gross	£16,900	...	122,400	+ 10,200
Dorada (Ropeway)	8	Aug. 31	Gross	£4,300	+ 200	38,100	+ 7,200
Kalgoorlie Elec. Trams.	6	June 30	Gross	£2,580	...	14,825	...
Rangoon Elec. Tramway	8	Aug. 31	Gross	Rs.1,70,399	+ 8,699	...	+ 44,439
Rhodesian Railways ...	10	July 31	Gross	£412,400	+ 109,751	3,764,458	+ 876,939

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	*Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
				%	%
RAILWAYS					
Marianao and Havana Railways...	1%*	Sept. 15	Same	...	...
BANKS					
Bank of Scotland	18*	...	Same	...	...
Chartered Bank of India, etc.....	7%*	Sept. 29	Same	...	...
Eastern Bank	3%*	Sept. 30	Same	...	...
Yokohama Specie Bank	10	...	Same	...	...
INSURANCE					
Britannic Assurance	‡25%*	...	Same	...	...
Eagle Star Insurance	6½%*	Oct. 1	6½%*	...	...
Yorkshire Insurance.....	‡17½%*	Oct. 18	Same	...	...
TEA AND RUBBER					
Alor Pongsu Rubber.....	5%*	Oct. 19	Nil*	...	...
Ayer Kuning Rubber	5%*	Oct. 13	Nil*	...	...
Bajoe Kidoel Rubber	...	...	...	10	3
Banteng (Selangor) Rubber	...	...	...	6	4
Beaufort (Borneo) Rubber	...	...	...	5	2
Broome Rubber.....	10%†	...	8½%†	15	8½
Ceylon and Indian Planters	7½%†	Oct. 6	...	10	4
Dimbula Valley (Ceylon) Tea	2½%*	Sept. 30	Same	...	...
Highlands and Lowlands Rubber	5%*	Oct. 13	Nil*	...	...
Hoscote Rubber	...	...	...	10(e)	4
Jasin (Malacca) Rubber	5%*	Sept. 29	Nil*	...	...
Kamuning (Perak) Rubber, etc....	...	Oct. 16	...	12½	10
Kepong (Malay) Rubber	6%*	Oct. 16	3½%*	...	...
Kulim Rubber	6%†	Oct. 1	...	12	5
Mengkibol Rubber	5%*	Sept. 24	Nil*	...	...
Scottish Ceylon Tea	7½%*	Sept. 28	5%*	...	...
Sungei Tukong Rubber	...	Oct. 1	...	6	3½
MINING					
Bushtick Mines	...	...	...	5	Nil
Champion Reef Gold	17½%*	Oct. 9	Same	...	...
Gopeng Consolidated	6½%*	Sept. 30	3½%*	...	...
Mount Morgan (2s. 6d.)	4½d ps*	Oct. 11	...	...	...
Mysore Gold	7½%*	Oct. 16	Same	...	...
Ooregum Gold of India (Pref.) ...	1/- p.s.	Oct. 23	...	...	...
Rawang Tin Fields	5%*	Sept. 29	2½%*	...	...
South Crofty	5%*	Sept. 30	...	...	...
OTHER COMPANIES					
Aire and Calder Navigation	2½%*	...	2%*	...	...
Aire Wool	...	...	First	10	...
Alliance Trust	11%*	Oct 15	Same	...	...
Allied Industrial Services	(f)37½%†	...	7½%†	(f)60	22½
Ardath Tobacco	‡4%†	...	Same	‡12	‡12
Aspro	22½%†	...	15%†	32½	25
Associated Fire Alarms	...	Oct. 13	...	6	5
Associated Fisheries (Def. Ord.)....	5%*	Sept. 30	Same	...	...
Ault and Wiborg	3½%*	Oct. 31	Same	...	...
Automatic Telephone.....	3%*	Oct. 1	Same	...	...
Birmingham and District Investment	3%*	Oct. 1	Same	...	...
Blythe (William) and Company ...	3%*	...	Same	...	...
Bombay Gas	3½%*	Nov. 1	Same	...	...
Bradleys (Chepstow Place)	5%*	Oct. 23	Same	...	...
British Insulated Cables	(a) 5%*	...	...	5	4
British Tea Shares Trust	3%†	Sept. 25	...	...	...
Brynmor Steamship	8%*	Sept. 30	Nil*	...	...
Caithrops (10/-).....	...	...	...	4½d p.s.	...
Cannock Associated Collieries ...	6½%†	...	First period	10	...
Capital and National Trust	...	...	...	2	1
Carrick's Caterers	3%*	Oct. 1	Same	...	...
Carrier Engineering	...	...	...	50	50
City and Foreign Investment ...	...	...	...	2	5
City and International Trust	...	...	...	4	3
City Offices.....	5%*	Oct. 15	6½%*	...	...
Clyde Paper	...	...	...	10	10
C.L.R.P. Investment Trust.....	...	...	...	2½	2
Cochran and Co. (Annan)	5%†	...	First year	7½	...
Conway, Stewart and Company...	4%*	Oct. 1	3%*	...	...
Cooper, McDougall and Robertson	2½%*	Sept. 30	Same	...	...
Craven Brothers	5%*	Sept. 30	...	8	...
Diatomite	6%†	...	First period	3½	Nil
Dobson and Barlow (Securities)...	...	...	First since 1930	...	...
Dwyer and Co.	‡5%*	...	Same	...	...
Electric Supply Corporation	3½%*	Sept. 25	Same	...	...
English and Caledonian Investment	1½%*	Oct. 1	Same	...	...
Erith and Co.	5%*	Sept. 22	Same	...	...
Goldsmiths and Silversmiths	2½%*	...	Nil	Nil	8
Guildhall Trust	...	...	...	...	...
Halesowen Steel	10%*	Sept. 30	First interim	...	...
Imperial Chemical Industries	3%*	Nov. 1	2½%*	...	...
Indian Iron and Steel	(h)10%†	Oct.	Nil	20(h)	Nil
Kelly and Kelly	3½%*	...	...	...	...

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	*Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
				%	%
OTHER COMPANIES—*cont.*					
Kinemas, Ltd.	6½%†	...	First year	11½	...
Lafarge Aluminous Cement.....	...	...	First	10	Nil
Lancashire Dynamo	7½%*	Sept. 30	5%*	...	...
Lancashire United Transport	2½%*	...	Same	...	...
Lines Brothers	...	...	...	30(c)	1,200(b)
London County Freehold and Leasehold Properties.....	2%*	Nov. 1	Same	...	...
Mann and Overton	7½%*	...	Same	...	...
Minton Hollins	7½%†	...	...	12½	6
National United Laundries	4½%*	Sept. 30	Same	...	...
Paripan	5%*	Oct. 5	Same	...	...
Port of Manchester Warehouses...	...	...	...	8	8
Prior Burners (2/-)	‡1½d ps*	Oct. 20	First	...	...
Ransomes and Rapier	‡2½*	Oct. 1	Same	...	...
Redman (L. & D.).....	...	...	First period	4	...
Reyrolle (A.) and Company.....	5%*	Sept. 30	Same	...	...
Riding's Stores	20%†	...	...	30	10(d)
Rio Negro (Argentina) Land	...	...	...	4	3
Ruberoid	3%*	Sept. 30	2½%*	...	...
Selfridge Provincial Stores	...	...	...	2½	2½
South African Clothing	...	...	...	5½	...
Swears and Wells	2½%*	Oct. 15	Same	...	...
Taylor (C. F.) and Company	6%*	...	5%*	...	...
Telephone and General Trust	3%*	Oct. 15	Same	...	...
Thom (Alexander) and Co.	2½%*	Oct. 14	Same	...	...
Totalisators (Ptg. Prfd.)	10%*	Oct. 14	7½%*	...	...
Trafford Park Estates	4%†	...	Same	7	7
Trussed Concrete Steel.....	5%*	Sept.29	First interim	...	...
Vulcan Foundry	...	Sept. 23	...	2½	2½
Yorkshire Dyeing, etc.	...	...	...	8	8

‡ Free of income tax. (a) Paid on a capital of £2,000,000, compared with a capital of £1,666,666 a year ago. (b) Paid on 10,000 shares. (c) Paid on 500,000 shares. (d) Six months. (e) Paid on £10,000 more capital. (f) Paid on £100,000 of capital against £50,000 a year ago. (h) Free of Indian Income Tax.

AIRE WOOL.—Ordinary dividend, 10 per cent. for year to August 31, 1937, compared with 10 per cent. for period to August 31, 1936.

ALLIED INDUSTRIAL SERVICES.—Final ordinary dividend 37½ per cent., making 60 per cent. on £100,000, compared with 7½ per cent., making 22½ per cent. on £50,000. Profits £128,467 against £93,088.

A. REYROLLE AND COMPANY, LTD.—Interim dividend maintained at 5 per cent.

ASPRO, LTD.—Final ordinary dividend 15 per cent., also cash bonus of 7½ per cent., making 32½ per cent. for year to June 30, 1937. For the initial 13½ months, 25 per cent was paid.

BANK OF SCOTLAND.—Interim dividend maintained at 9 per cent.

BRITISH INSULATED CABLES.—Interim ordinary dividend of 5 per cent. on £2,000,000, compared with 5 per cent. on £1,666,666.

BUSHTICK MINES.—First dividend on ordinary shares 5 per cent. for year to June 30, 1937.

CALTHROPS, LTD.—Initial dividend of 4½d. per share for period ending June 30, 1937, equal to 10·136 per cent. per annum.

CORDOBA CENTRAL RAILWAY.—With the concurrence of the trustees and the debenture stockholders' committee, payment of the half-yearly interest on 4½ per cent. first debenture stock due October 1, 1937, with arrears, has been postponed until April 1, 1938, or until such later date as may be determined. The Bill for authorising the Argentine Government to purchase the company's railway has not yet been considered by Congress.

CRAVEN BROTHERS (MANCHESTER), LTD.—Interim dividend 5 per cent. as before.

EAGLE STAR INSURANCE.—Third ordinary interim dividend, 6¼ per cent. compared with 6¼ per cent. a year ago, making the three payments to date 20¾ compared with 18¾ per cent.

HALESOWEN STEEL.—First interim dividend of 10 per cent. Company made public in December, 1936.

IMPERIAL CHEMICAL INDUSTRIES.—Interim ordinary dividend of 3 per cent. payable less tax at 4s. 8d. on November 1, in respect of the year 1937. This compares with an interim of 2½ per cent. actual in respect of 1936. This increase is not to be regarded as indicating any increase in the full dividend, but is to bring the interim and final dividends into better relationship.

INDIAN IRON AND STEEL.—Final dividend and bonus 10 per cent., making 20 per cent. for year. No dividend for six preceding years.

INTERNATIONAL DIATOMITE. — Final ordinary dividend 6 per cent., making a total of 8 per cent. for the first period.

INVESTORS FLEXIBLE TRUST.—Second distribution 4⅔d. net per sub-unit, in respect of income received March 2 to September 1, 1937.

INVESTORS GOLD SHARE TRUST.—Half-yearly distribution of 6·483d. net per sub-unit, payable October 1st.

KAMUNING RUBBER AND TIN.—Ordinary dividend raised from 10 to 12½ per cent. for year to June 30, 1937.

LANCASHIRE DYNAMO AND CRYPTO, LTD.—Interim ordinary dividend of 7½ per cent. payable on £387,000, against £260,000 a year ago.

LINES BROTHERS.—Ordinary dividend for year to June 30, 1937, 30 per cent. on 500,000 shares, compared with 1,200 per cent. on 10,000 shares. Net profit, £79,717 before tax, an advance of £11,311.

PERUVIAN CORPORATION.—The corporation will pay, on October 1, 1937, to holders of the first mortgage debentures on account of interest, £3 per cent. (Coupon No. 89) representing the instalment of interest due October 1, 1934.

RIDING'S STORES.—Final ordinary dividend 20 per cent., making 30 per cent. for year.

SECOND BRITISH FIXED TRUST.—Coupon No. 10, payable September 15th, at 7½d. per sub-unit, tax free.

TRUSSED CONCRETE STEEL.—First interim ordinary dividend 5 per cent. For year 1936, 12½ per cent. was paid.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED (Incorporated in the Union of South Africa)

REPORT OF DIRECTORS.—To be submitted to the Shareholders at a Meeting to be held in the Board Room, Johannesburg Consolidated Investment Company, Limited, Consolidated Building, Fox Street, Johannesburg, on Tuesday, the 23rd November, 1937, at 11 o'clock in the forenoon.

ACCOUNTS.—1. The Company's Balance Sheet as at 30th June, 1937, and Profit and Loss Account for the year ended on that date, are submitted herewith.

PROFIT AND LOSS.—2. After making provision for taxation, for all ascertained and estimated charges and depreciation and for contingencies, the profit for the year amounts to £1,141,678 7 2
To which is added the balance brought forward from the preceding year 166,874 18 6
Giving an available balance of £1,308,753 5 8
The Directors have transferred to Reserve Fund the sum of £350,000 0 0
And on 7th July declared a Dividend of 3s. and a Bonus of 1s. per share, both less United Kingdom Income Tax, the gross amount absorbed being..... 790,000 0 0
1,140,000 0 0
Leaving a balance to be carried forward amounting to £168,753 5 8

RESERVE FUND.—3. With the addition of the amount of £350,000 transferred from Profit and Loss Account the Reserve Fund now stands at £2,950,000.

VALUE OF SHAREHOLDINGS, ETC.—4. The Company's shareholdings for which market quotations are available are included in the Balance Sheet at or below cost and in no case above the market value at 30th June, 1937. The Directors have considered it prudent to provide against contingencies by writing down certain shareholdings to below both cost and market value. Unquoted investments have been valued by the Directors on a conservative basis and in no case above cost. The Directors have also reviewed the other assets of the Company and made provision for contingencies where considered advisable. In the aggregate the market value of the shareholdings shows a large surplus over the book value. The strong financial position of the Company has been maintained.

GOLD MINING INTERESTS.—5. During the year ended 31st December, 1936, the Gold Mining Companies of the Group crushed some 12,000,000 tons of ore and produced 2,640,307 ounces of fine gold compared with approximately 11,500,000 tons, and 2,621,691 ounces, respectively, for the previous year. The total value of the production was £18,563,145 compared with £18,672,460 for the previous year. There were employed some 7,200 Europeans and 67,500 natives.

The table below summarises the details' from the reports and accounts of the Companies for the year ended 31st December last, and it also gives the figures of the previous year for comparison.

The relations of the European workmen with the Mining Companies continued to be friendly. There is some indication that the expansion of the gold mining industry and the return of the Union generally to more prosperous times will cause a shortage of native labour for the mines. In order to combat this the Union Government has passed a Bill allowing natives from north of latitude 22° S. to work on the Rand. It is hoped that this will go far to relieve the threatened shortage.

DIAMONDS.—6. The diamond trade continues to improve. For the year 1936 the total sales showed a substantial increase compared with the previous year, and for the first six months of the current year there was a considerable further improvement. De Beers Consolidated Mines, Limited, has paid all arrears of dividend on its preference shares, and an interim dividend of 30 per cent. has recently been declared on the deferred shares. The position of The Diamond Corporation, Limited, in which the Company has an interest, is also much better, and a first dividend is in sight. Whilst these evidences of prosperity are welcome, it is still more satisfactory to be able to report that the industry is in a better position to meet adverse circumstances than in recent years.

COPPER.—7. In the year 1936, the beginning of a return to prosperity in copper mining became apparent, and the early part of this year saw an accelerated improvement, which has been maintained, with the result that the companies in which we are interested are now making substantial profits. The position is promising, and although with such a widespread industry controlled by diverse interests it cannot be hoped to establish complete control, nevertheless producers have learned lessons in the hard school of adversity. It is unlikely, therefore, that we shall again experience such a small demar l and such low prices as prevailed in the recent depression, and there is strong ground for viewing the future with confidence.

PLATINUM.—8. The platinum market has experienced some rather wide fluctuations, but on the whole has shown substantial improvement. Consumption is higher and tends to improve, though a steady price would help consumers and be much more satisfactory to producers.

The new and enlarged plant at the Rustenburg mine, which was mentioned in the last Annual Report, is being installed and should be completed before the end of the current year. It is not anticipated that there will be any difficulty in disposing of the increased production, and the position looks brighter than it has done for some years.

COAL.—9. The cost of equipping the new section of the Consolidated Collieries, Limited, has been met by a loan from this Company and by the appropriation of the profit of the Colliery, and, in consequence, no dividend has been paid since October, 1936. The output of The Natal Cambrian Collieries, Limited, is increasing, and the new plant is working satisfactorily. A loan by Johannesburg Consolidated Investment Company, Limited, is being steadily liquidated. New Springs Colliery, Limited, has ceased production, the coal in its area being exhausted. Sufficient revenue to enable the Company to continue to pay a small dividend is being received from the proceeds of the sale of water to certain mines. Phœnix Colliery, Limited, commenced production in April, 1937, and is now making satisfactory profits.

ESTATES.—10. There was a steady sale of stands on the Company's estates. A new township was laid out near Boksburg on the farm Leeuwpoort during the year under review.

SOUTH AFRICAN BREWERIES, LTD.—11. For the third year in succession increased profits enabled South African Breweries, Limited, to make a larger distribution to the ordinary shareholders. Dividends amounting to 20 per cent., and a bonus of 2½ per cent., all free of tax, have been paid on the ordinary capital for the year ended 31st March, 1937, as against dividends amounting to 20 per cent., free of tax, for the year to 31st March, 1936.

COMPARATIVE STATEMENT OF RESULTS OF OPERATIONS, ETC., OF THE GOLD MINING COMPANIES OF THE GROUP
Referred to in paragraph 5 of the Directors' Report

		Government Gold Mining Areas (M) Consolidated, Ltd.	New State Areas, Ltd.	Langlaagte Estate and G.M. Co., Ltd.	Randfontein Estates G.M. Co., W., Ltd.	Van Ryn Deep, Ltd.	Witwatersrand G.M. Co., Ltd.	Totals and Averages
Tons milled	1936	2,568,000	1,471,000	1,128,000	4,612,000	1,250,000	1,038,000	12,067,000
	1935	2,518,000	1,353,000	1,109,000	4,327,000	1,126,000	1,003,000	11,436,000
Yield per Ton (dwts.)	1936	6·21	6·18	3·25	3·48	3·83	3·12	4·38
	1935	6·81	6·57	3·40	3·44	4·10	3·09	4·58
Working costs per ton	1936	17s. 8d.	18s. 5d.	17s. 3d.	16s. 9d.	17s. 11d.	19s. 4d.	17s. 6d.
	1935	17s. 10d.	18s. 9d.	17s. 2d.	17s. 2d.	18s. 10d.	19s. 0d.	17s. 11d.
Working profit	1936	£3,343,572	£1,842,446	£313,961	£1,789,383	£581,303	£137,417	£7,988,082
	1935	£3,873,246	£1,891,368	£353,953	£1,581,498	£584,215	£150,681	£8,434,961
Taxation and Government's share of profit	1936	£1,931,811	£1,328,038	£101,990	£567,995	£211,217	£19,741	£4,160,792
	1935	£2,205,858	£1,407,793	£107,137	£452,434	£215,756	£75,814	£4,464,792
Dividends	1936	110%	30%	15%	25%	25%	22½%	...
	1935	120%	25%	20%	20%	30%	20%	...
	Six months to 30th June, 1937	45%	15%	7½%	11¼%	12½%	12½%	...
Ore reserves, 31st December, 1936 (Gold at £7 per fine oz.)		11,024,000	4,190,000	1,205,000	14,057,000	3,430,000	1,614,000	35,520,000
Assay value (dwts.)		6·5	6·7	3·4	3·9	3·8	3·2	...
Stoping width (inches)		58	48	42	48	50	56	...
Ore reserves, 31st December, 1935 (Gold at £7 per fine oz.)		11,457,000	4,114,000	1,230,000	14,885,000	3,443,000	1,471,000	36,610,000
Assay value (dwts.)		6·8	6·8	3·6	4·2	4·0	3·3	...
Stoping width (inches)		57	48	44	47	49	58	...

OTHER GOLD MINING INTERESTS.—The Company is interested in an extensive area of ground on the Witwatersrand to the south of Roodepoort, and at the present time six boreholes are being drilled on this ground. The holes will be deep, but it is anticipated that the Main Reef Series will be struck in the first at an early date. This area is looked upon as possessing great potentialities.

The modernisation and enlargement of the plant of The East Champ d'Or Gold Mining Company, Limited, is nearing completion. Its capacity will be, approximately, 25,000 tons per month. Development results have been very satisfactory.

The output of Rand Leases (Vogelstruisfontein) Gold Mining Company, Limited, has steadily increased since the commencement of production in April, 1936. An issue of Debentures was made in December, 1936, to enable the Company to repay certain loans and to provide capital to increase the output to 100,000 tons per month. It is noteworthy that the Company paid its first dividend in January, 1937, only 3½ years after incorporation.

Consolidated Murchison (Transvaal) Goldfields and Development Company, Limited, commenced milling operations in January, 1937. The mine is in a somewhat remote area, and the ore is refractory; thus the starting up of the plant was not a simple matter. The difficulties are being steadily overcome, however, and a satisfactory extraction is gradually being attained.

Vogelstruisbult Gold Mining Areas, Limited, commenced production in November, 1936. The usual initial difficulty was met in providing the necessary tonnage from prepared stopes, but this has now been largely overcome.

SOUTH AFRICAN CARBIDE AND BY-PRODUCTS COMPANY, LIMITED.—12. The demand for carbide was maintained, and increased dividends were paid on the ordinary and preference shares of South African Carbide and By-Products Company, Limited.

MISCELLANEOUS INTERESTS.—13. The interests of the Company in Carlton Hotels (S.A.), Limited, and Delagoa Bay Lands Syndicate, Limited, were disposed of during the year.

DIRECTORS.—14. The Directors record with great regret that Sir Willem van Hulsteyn has found it necessary owing to health reasons to retire from the Board, after some fifteen years of valuable service to the Company.

In terms of the Company's Articles of Association the following four Directors retire by rotation and, being eligible, offer themselves for re-election; viz., Mr Walter S. Webber, Dr J. G. Lawn, C.B.E., Mr G. J. Joel, M.C., and Sir Robert N. Kotzé, M.P.

ELECTION OF AUDITORS.—15. Messrs. S. Thomson and F. Dix, the Auditors of the Company in Johannesburg, and Messrs. Kemp, Chatteris, Nichols, Sendell & Co., the Auditors in London, retire from office and offer themselves for re-election.

By Order of the Board,
A. W. CHRISTIE, Secretary.

10 & 11 Austin Friars, London, E.C.2.
16th September, 1937.

BALANCE SHEET, 30th JUNE, 1937

CAPITAL AND LIABILITIES	£ s. d.	£ s. d.
Capital—Authorised	4,345,000 0 0	
Issued		3,950,000 0 0
Reserve Fund	2,600,000 0 0	
Transfer from Profit and Loss Account	350,000 0 0	
		2,950,000 0 0
Sundry Creditors, including Reserves for Taxation and Contingencies...		1,094,706 13 5
Dividend (No. 45) of 3s. and Bonus of 1s. per Share, subject to United Kingdom Income Tax, declared 7th July, 1937		790,000 0 0
Profit and Loss Account—Balance		168,753 5 8
Contingent Liabilities— Uncalled Capital on Investments, etc.	£301,567 6 0	
		£8,953,459 19 1

ASSETS	£ s. d.
Stocks and Shares	6,204,108 12 7
Mining Properties, including Advances to Mining Companies	572,081 0 11
Real Estate and Buildings	112,045 7 10
Office Furniture, etc.	7,056 11 8
Loans on Mortgage and Real Estate	102,338 16 9
Loans at Short Call on Market and other Securities	798,294 7 6
Sundry Debtors and Advances including Dividends Accrued	556,320 14 11
Cash at Bankers and in Hand	601,213 6 11
	£8,953,459 19 1

J. B. JOEL, *Chairman*,
J. FRIEDLÄNDER, } *Directors.*

A. W. CHRISTIE, *Secretary.*

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE firmer tendency of prices for primary products noticeable a week ago was not maintained. In general, markets remained dull and unexciting. Pessimistic views concerning the future of business activity in the United States—the principal consuming country of many raw materials—gave rise to the view that there is no need to lay in heavy stocks in anticipation of an advance in prices. With a few exceptions, prices of the principal materials drifted downwards.

With the exception of tin, where the attempt to expand production has not yet been strikingly successful, the leading non-ferrous metals all fell in price during the week. The market in rubber enjoyed a brisk turnover towards the end of last week, but has since fallen back into lethargy with prices below last week's level. Vegetable oils were a dull market. Cotton quotations continued their downward drift, and wool prices were sharply lower at the auctions in London. Jute prices again gave way.

Wheat prices maintained last week's recovery, partly because of the reduction in the American Government's crop estimate. The market in tea remained firm, and provisions generally steady.

In general, primary commodity markets in the United States held last week's improvements. Moody's index of staple commodity prices (December 31, 1931 = 100) rose further from 194·9 to 195·1 during the week ended last Wednesday, compared with 204·8 a month ago and 185·5 on the corresponding day last year.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend Prefce. Amount	Dividend Ordinary Amount	Dividend Ordinary Rate	Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Financial, Land, etc.											
Grosvenor House (Park Lane)	June 30	40,446	88,252	128,698	30,000	25,000	5	39,447	34,251	73,649	5
Rio Negro (Argentina) Land	June 30	11,489	17,748	29,237	...	12,000	4	5,000	12,237	12,982	3
Gas											
Alliance and Dublin Gas ...	June 30*	50,291	72,236	122,527	...	70,698	8	...	51,829	72,139	8
Iron, Coal and Steel											
Hilton Main and Holly Bank Collieries	June 30	12,897	36,352	49,249	...	25,467	13½	10,000	13,782	42,172	15(t)
Ransomes & Marles Bearing	June 30	35,860	166,351	202,211	...	75,469	20	80,000	46,742	116,809	15
Sheffield Forge and Rolling Mills	June 30	3,508	25,017	28,525	...	12,263	20	11,500	4,762	12,200	10
Stothert and Pitt	June 30	1,178	65,218	66,396	2,017	23,438	12½	28,200	11,741	41,226	7½
Vulcan Foundry	June 30	25,724	55,050	80,774	5,000	21,127	2½	45,391	9,256	24,475	2½†
Rubber											
Beaufort Borneo	Apr. 30	3,315	9,877	13,192	...	9,000	5	...	4,192	3,841	2
Seaport (Selangor)	June 30	19,199	13,635	32,834	...	8,438	6	8,985	15,411	6,506	4
Shops and Stores											
Maynards, Ltd.	June 30	28,470	43,448	71,918	3,390	31,168	8	8,000	29,360	39,489	8
Selfridge Provincial Stores	Aug. 31	10,595	79,181	89,776	...	56,250	2½	25,000	8,526	76,800	2½
Trusts											
Capital and National Trust	July 31	24,307	17,945	42,252	11,438	3,025	2	25,000	2,789	16,150	1
Tor Investment	July 31	...	16,766	16,766	6,907	4,115	5½	5,744	...	14,111	5
Other Companies											
Anglo-Siam Corporation ...	Mar. 31	44,295	35,900	80,195	4,550	20,000	10	10,500	45,145	22,528	7½
Ardath Tobacco	June 30	265,896	448,937	714,833	84,000	360,000	12†	25,000	245,833	460,475	12†
Bursledon Brick	June 30	5,457	10,119	15,576	950	7,750	15	1,600	5,276	7,155	15
International Diatomite ...	June 30	...	(p) 9,651	9,651	...	9,037	8	...	614	(a)	(a)
Kinemas, Ltd.	June 30	...	49,323	49,323	...	46,000	11½	...	3,923	(a)	(a)
Leyland and Birmingham Rubber	June 30	29,290	119,775	149,065	6,000	75,000	12½	37,450	30,615	70,694	7½
Lines Brothers	June 30	17,823	74,733	92,556	26,800	37,500	30	8,287	19,969	64,016	1200(v)
Yorkshire Dyeing and Proofing	June 30	7,521	19,188	26,709	...	15,200	8	5,000	6,509	24,857	8

* For half-year. † Free of income tax. (a) No comparable figure. (p) Ten months. (t) Absorbed £24,023. (v) Absorbed £30,000.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Continued from previous page)

We report to the Shareholders that we have audited the accounts of the Johannesburg Office of the Johannesburg Consolidated Investment Company, Limited, dated 30th June, 1937, and have obtained all the information and explanations we have required. The Balance Sheet of the Johannesburg Office of the Company is, in our opinion, properly drawn so as to exhibit a true and correct view of the state of the Company's affairs in Johannesburg according to the best of our information and the explanations given to us, and as shown by the books of the Company in Johannesburg. We have also verified the securities in South Africa. The Company has kept proper books and records.

SAML. THOMSON, *Chartered Accountant.*
FRANCIS DIX, *Incorporated Accountant.* } *Auditors.*

Johannesburg, 6th July, 1937.

We report to the Shareholders that we have audited the Accounts of the London Office of the Johannesburg Consolidated Investment Company, Limited, dated 30th June, 1937, and have obtained all the information and explanations we have required. The Audited Accounts of the Johannesburg Office have been properly incorporated in the above Balance Sheet and Profit and Loss Account, and, in our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company. We have also verified the securities in London. The Company has kept proper books and records.

KEMP, CHATTERIS, NICHOLS, SENDELL & CO., *Chartered Accountants.* } *Auditors.*

London, 5th August, 1937.

PROFIT AND LOSS ACCOUNT for the year ended 30th June, 1937

Dr.

	£ s. d.	£ s. d.
To Directors' Fees, Salaries and other Expenses, less Amounts received from other Companies including Transfer Fees	31,111 13 7	
To Balance carried down	1,141,878 7 2	
	£1,172,990 0 9	
To Reserve Fund	£ s. d. 350,000 0 0	
To Dividend No. 45 of 3s. and Bonus of 1s. per share, subject to United Kingdom Income Tax, declared 7th July, 1937	790,000 0 0	
To Balance per Balance Sheet	168,753 5 8	
	£1,308,753 5 8	

Cr.

	£ s. d.	£ s. d.
By Profits realised on Stocks and Shares, Dividends and Sundry Revenue, less provisions for taxation and contingencies, and amounts written off		1,172,990 0 9
		1,172,990 0 9
By Balance brought down	£ s. d. 1,141,878 7 2	
By Balance of Profit and Loss Account at 30th June, 1936	166,874 6	
		£1,308,753 5 8

COAL

SHEFFIELD.—There is a strong demand for all grades of coal, and the fulfilment of contracts leaves little on offer. Demand for soft coal shows a steady improvement owing to the cooler weather. There is a bigger call for gas coal and household fuel is moving fairly freely. Prices for foundry and furnace coke tend to stiffen, while gas coke remains unchanged.

Business on the export market is increasing, some good contracts having been arranged for shipment from Humber ports. Competition from Polish coal is being felt in Baltic directions. Large orders have been placed for Yorkshire coal for Aarhuus and Riga.

NEWCASTLE-ON-TYNE.—Whilst foreign inquiry is limited owing to the heavy contracts already made, the coal markets of the North East remain very steady. Apart from odd cargoes of Northumberland screened steam coal offered for prompt delivery, there is little fuel available. Prices for steam coal show slight variations. Prime Blyth qualities are 23s. per ton, with singles and doubles sparingly offered at 24s. per ton f.o.b., and good quality smalls at 18s. 6d. per ton f.o.b. Durham manufacturing coal is as firm as ever, the prime brands of coking coal being nominally 24s. per ton f.o.b.

GLASGOW.—Full-time working remains the rule in most sections of the Scottish industry. Industrial demand remains strong and with the household trade now broadening, most of the collieries are well contracted for a good many weeks ahead. Export trade also remains satisfactory, and prices in this section of the market are again showing a marked upward trend in the case of both large coal and nuts. Little coal is obtainable for prompt delivery in the Lanarkshire and Ayrshire districts, but on the East Coast Fife thirds, Lothians steams and trebles in both Fife and the Lothians are still obtainable.

CARDIFF.—Shipments continue active at the South Wales ports. Last week's shipments in the foreign and coastwise trades totalled 450,600 tons, compared with 458,800 tons in the previous week, and 352,256 tons in the corresponding week last year, thus bringing total shipments for the current year to September 12th to 14,675,592 tons, against 11,805,679 tons in the same period in 1936. There has been very little expansion in the volume of new business, but the collieries are well employed under their contracts and last week the Central Council granted the application of the Executive Board under the Mines Control Scheme for an additional output quota of 750,000 tons for the September quarter. Supplies of large steam and bituminous sized coals are available, but for practically all other classes there is a scarcity for prompt shipment. Patent fuel and pitwood are steady markets and coke continues very firm. There have been no changes in prices. A strike at the Ocean Collieries over the non-unionist question has been averted by the submission of the recalcitrants, and it is hoped that the efforts to secure a hundred per cent. Federation membership at the Powell Duffryn pits will prevent a stoppage a week hence at these collieries.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates active conditions in the iron and steel markets. Demand is only held in check by the difficulty of finding suppliers able to accept orders for the required delivery. This situation has prevailed for some time, and although in one or two departments it is reported that the position is becoming slightly easier, the market is still governed by a severe stringency of supplies.

In the pig-iron market the outlook has improved, and enough iron is reaching consumers to enable them to maintain operations, although neither producers nor consumers have had any opportunity of accumulating stocks. For the time being the quantities of steelmaking iron available for the industry are sufficient to meet current requirements, but some nervousness is still felt regarding the situation which may rule later in the year.

The position in the semi-finished steel market is rather easier than for some time, although operations at some of the consuming works are still affected by the shortage of material. Increased quantities of Continental steel, however, are now being received.

The production of finished steel continues on a heavy scale, but it is insufficient to meet consumers' requirements. Many of the steelworks have practically sold their output until the end of the first quarter of next year; and others will enter 1938 with a heavy tonnage of orders on their books.

MIDDLESBROUGH.—Producers of all materials are doing their utmost to meet the heavy demands of home consumers. Deliveries against old sales are slightly better and shipments of pig iron are improving, the total quantity shipped from the Tees to September 14th being 8,879 tons, against 3,936 tons during the first fortnight of August. Slightly better deliveries of semi-manufactured steel are being made. Prices are all unaltered. Blast furnace coke is in good demand and heavy steel scrap can easily be sold at the controlled prices. The Iron and Steel Institute are holding their autumn meeting in Middlesbrough this week and this is well attended.

SHEFFIELD.—Pressure of business in the iron and steel market shows acceleration with the close of the holiday season, but the difficulty of obtaining supplies is causing users a good deal of anxiety. Output in most directions is at present capacity, and although expansion is in hand, requirements constantly increase. Consumers are unable to build up even meagre stocks and have perforce to carry on from hand to mouth. Makers of forge and foundry pig are contracted to the hilt and very few odd lots are on offer. Production costs are continually rising, and although selling prices of pig iron are stabilised to the end of the year, there seems every likelihood of a revision thereafter. Very few producers are accepting 1938 business except on the basis of prices which may then be ruling. East Coast hematite business is rather less difficult to transact, but producers of West Coast hematite are not anxious at present to add to their commitments. Bar iron makers' operations are hampered by short supplies of forge iron. The pressure for common and marked bars is fully maintained. Imported bars are at a price which does not attract buyers.

Output of basic and acid steel billets is at a record, yet falls short of requirements, and re-rollers are complaining of delay in delivery. Supplies of Continental billets are available and are helping to ease the position to some extent. Demand for rods, strip and structural steel is unabated. There are no official changes in prices.

GLASGOW.—In the West of Scotland there is no material change. Orders on hand are sufficient to ensure working to capacity at the steel plants for many months, and the output is being so rapidly absorbed that there is no possibility of stocks accumulating. While the slight improvement in deliveries of semis recently observed is maintained, users are still receiving supplies far below their present needs and continue to work from hand to mouth. Tube makers, sheet makers, bar re-rollers, etc., have all well-filled order books and could readily dispose of much more material than they are producing, but supplies of tube strip, sheet bars, slabs and billets are not on a scale to permit of all the plant in the district being put into operation. Demand for all classes of finished material is very heavy and buyers are willing to negotiate further contracts without guaranteed delivery dates.

CARDIFF.—Trade in the various sections of the South Wales iron and steel industry continues good. The blast furnaces and steelworks have been well employed, and the sheet and tinplate branches are also active. The latest output returns of the tinplate factories shows a production of 76·39 per cent. of allocated capacity. Prices are unaltered. At Swansea last week, shipments of tinplates to foreign destinations totalled 5,880 tons, against 5,402 tons the previous week, and 1,769 tons in the corresponding week last year, while stocks increased to 10,935 tons, against 5,768 tons at the same date in 1936.

OTHER METALS

COPPER.—The past week has been a disappointing one. Offerings were larger, while demand was somewhat thin. As a result the standard cash price eased to £54 11s. 3d., a decline of exactly £2 on the week. Although consumers' stocks are at a low ebb, both in this country and on the Continent, there is a growing disinterest in a restocking movement until both the economic and political outlook become clearer. On the other hand, production is rising steadily, although in one or other of the big extra-U.S.A. producing countries some form of voluntary restriction seems to be in operation again. Nor are reports from the United States encouraging. Under these conditions the expected autumn revival may well be delayed.

Sales on the London Metal Exchange: 1,550 tons on Monday, against 850 tons last week; 2,400 tons on Tuesday, against 1,550 tons last week; 1,350 tons on Wednesday, against 1,700 tons last week. Domestic spot was quoted at 13·42½ cents per lb. in New York on Wednesday, against 13·62½ cents a week ago and 13·92½ cents a month ago. Wednesday's official closing price for standard cash in London was £54 11s. 3d. to £54 12s. 6d. per ton, compared with £56 11s. 3d. to £56 12s. 6d. a week ago.

LEAD AND SPELTER.—The spot quotation for lead dropped by £1 3s. 9d. to £21 2s. 6d., while spelter declined by £1 6s. 3d. to £21 17s. 6d. The decline in lead is largely due to the seasonal slowing down in building and a more satisfactory progress in production. Spelter suffered particularly from the growing lack of speculative interest and a certain reserve in buying by galvanisers, who are still suffering from the scarcity of regular steel supplies and thus show great reserve in replenishing their stocks. In the United States the position of both lead and spelter supplies seems to be improving. It is true that United States stocks of spelter declined last month by another 2,334 short tons to 11,227 short tons, a quantity which covers current consumption for only about five days. Reports from the chief lead-zinc mining districts of the United States, however, speak of rising ore supplies and the refining capacity in operation is also being rapidly extended. Thus, according to the American Zinc Institute, the number of retorts in operation in United States zinc refining plants amounted to 50,163 at the end of August, against 46,199 one month before and only 40,285 at the end of January last. These figures seem to indicate that United States spelter supplies will expand substantially in the not too distant future—a fact which will naturally discourage United States consumers from purchasing foreign supplies.

Sales of lead on the London Metal Exchange: 750 tons on Monday, against 1,350 tons last week; 1,300 tons on Tuesday, against 1,250 tons last week; 1,500 tons on Wednesday, against 1,150 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6·50 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £21 2s. 6d. to £21 3s. 9d. per ton, compared with £22 6s. 3d. to £22 8s. 9d. last week.

Sales of spelter on the London Metal Exchange: 1,175 tons on Monday, against 550 tons last week; 1,850 tons on Tuesday, against 750 tons last week; 1,500 tons on Wednesday, against 1,250 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7·25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £21 17s. 6d. to £21 18s. 9d. per ton, against £23 3s. 9d. to £23 5s. last week.

TIN.—Tin was the only metal which was firmer this week. The standard cash price closed at £264 7s. 6d., a gain of £3 7s. 6d. on the week. There was some buying on United States account, which led to a more cheerful tendency. In addition the Bolivian shipment figure for August, at 1,773 tons, against 2,707 tons in July and the monthly quota of 4,195 tons, again demonstrated that little progress, if any, has been made in Bolivia since the conclusion of the currency agreement between the Bolivian tin producers and the Government—which was designed to increase Bolivia's output. As Bolivian ore provides the chief basis of the Liverpool tin smelting industry, the London market is particularly impressed by the Bolivian inability to raise exports. In spite of the lower Bolivian supply, however, the recent gains in tin prices can only be maintained if consumers' demand continues on a fairly high level. In this respect the outlook is uncertain, although buying requirements of consumers are certainly fairly large.

Sales of tin on the London Metal Exchange: 400 tons on Monday, against 175 tons last week; 200 tons on Tuesday, against 150 tons last week; 355 tons on Wednesday, against 205 tons last week. The New York quotation on Wednesday was 59·87½ cents per lb., against 58·75 cents a week ago and 59·50 cents a month ago. Wednesday's official closing quotation in London for standard cash was £264 7s. 6d. to £264 12s. 6d. per ton, compared with £260 10s. to £261 a week ago.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was steady at £13 12s. to £13 12s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £80 to £82 per ton, ex warehouse, the same as last week. Chinese wolfram for "September–October" shipment was quoted at 122s. 6d. to 127s. 6d. per unit, c.f.f., compared with 120s. to 130s. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—Market conditions have not been favourable for any real expansion in business. The further downward movement in raw material rates and the foreign political news have resulted in buyers being cautious in giving out orders. With regard to the raw cotton situation, the bearish statistics published by the United States Government have brought out more hedge selling and nothing has happened to stimulate freer buying. The weather in the American belt since the beginning of September has not been very favourable, and it remains to be seen whether the latest forecast of production, at 16,098,000 bales, will be realised. In any case plentiful supplies of raw cotton during the next twelve months are assured.

Spinners of American yarns have held very firmly to quotations. A useful business has been done in coarse twists and medium wefts, and the pressure for deliveries is still pronounced. Buying in Egyptian yarns has been patchy. Buyers of piece-goods have continued to display more interest in prices. An improvement has shown itself in inquiry for India, and a few more sales have been put through in light bleaching descriptions for Calcutta and fancies for Bombay and up-country. Far Eastern trade remains very unsettled, but dyed cloths have moved off fairly well for the Straits Settlements. Makers who cater for the Dominions and the home trade have experienced rather freer buying. Cases have been reported, however, of some manufacturers being in need of fresh contracts.

COTTON SPINDLES REDUNDANCY SCHEME.—The Cotton Spindles Board, under the Cotton Spinning Industry Act, has now completed twelve months' work, and it is understood that within the next few weeks the Board will present a report to Parliament, the officials having no power to issue any statement other than this report. It is anticipated that in due course particulars will be made known of the number of spindles purchased and of the financial position of the scheme. From time to time it has been known that certain mills have been purchased, and it is believed that about 2,500,000 spindles have been scrapped during the twelve months, or arrangements are being made for the elimination of this amount of plant.

It is significant that immediately after the Spindles Board was appointed last September a trade revival was experienced and spinners have sold more yarn since that time than in any similar period for many years back. Most of the spindles obtained by the Board have been idle for some years, and only a few running mills have been bought for scrapping. Production of yarn, therefore, has not been very much affected, but to the extent indicated spinning employers have been relieved from the possibility of standing mills being restarted owing to the more profitable state of trade. There have been rumours that the work of the Board may come to a standstill owing to the higher prices which have now to be paid for spindles, but it is not likely that this work of dealing with redundant plant will be stopped by any means. At the outset of the scheme, the idea was to eliminate 10,000,000 spindles, as it was the opinion of the leaders of the industry that Lancashire trade had been lost, and could not be regained, equal to the output of this machinery. It is understood that the Government is keenly interested in this method of dealing with redundant plant and if the experiment is successful the same principle may be adopted by other industries.

COTTON PRICES

	1937				Corresponding Date	
	Aug. 25	Sept. 1	Sept. 8	Sept. 15	1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	5·68	5·44	5·58	5·34	6·39	6·96
„ Sakellaridis Fully Good Fair Egyptian ..... per lb.	9·00	8·90	9·05	8·69	8·29	10·28
Yarns—32's twist ..... per lb.	12⅛	12⅛	12⅛	12⅛	10	11
„ 40's weft ..... per lb.	11½	11½	11⅝	11⅝	10½	11
„ 60's twist (Egyptian) ..... per lb.	18	18	18	17½	15½	16½
	s. d	s. d	s. d.	s. d.	s. d.	s. d.
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	19 5	19 4	19 4	19 3	17 1½	18 1½
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	26 1	26 0	26 2	26 0	24 1½	25 4½
38-in. ditto. 38 yds., 18 by 16, 10 lb.	11 1	11 0½	11 1	11 0	10 2½	10 3
39-in. ditto. 37½ yds., 16 by 15, 8½ lb.....	10 1	10 0½	10 1	10 0	9 1½	9 2

WOOL.—Bradford: The fifth series of colonial sales opened in London on Tuesday, there being the usual large contingent of home and Continental buyers in Coleman Street, when a miscellaneous catalogue was put before the trade. The selection of merinos was not too good, particularly in greasy combing wools. Scoureds were fairly well represented, meeting good general competition. Compared with the close of the July series, prices for warp combing wools showed a decline of about 5 per cent., and medium and faulty descriptions about 10 per cent. Even these prices are well in front of the basis of values ruling overseas, but no doubt spot demand and the wools being available for immediate use account for the better market in London. Various estimates are made as to what 64's tops are going to cost. Some estimates average 64's costing 36d. and warp 64's 37–37½d.—prices which were definitely above Bradford parities last Monday.

Crossbreds are going to bulk largest in the catalogues this series, slipes dominating. The few greasy combing crossbreds catalogued found a ready sale, although the bulk of the wools were one to two years old. These showed an all-round decline of 5 to 7½ per cent., according to quality, though the very wasty parcels commanded bids often 10 per cent. below July rates. There were large offerings of slipes, and the decline here was considerable. Good halfbred lambs showed a general decline of 2d. to 2½d., fine crossbreds 1½d., and coarse wools, including short blanket slipes, about 1d. per lb. It will be a mistake on the part of owners if they do not meet the market and let the wools go into users' hands, and so prepare the trade for the marketing of a new clip at the end of November. Stocks are not heavy, particularly combing classes, but nothing will create confidence among users more than a free disposal of supplies.

There is very little business in consuming centres, everybody waiting for an established basis of values, which alone will bring confidence and lead to the placing of new orders. Botany noils have dropped in sympathy with wool and tops. The decline is rather unwelcome in many quarters because consumption is well maintained, but no doubt the political crises, together with the serious fall in stocks and shares, have had an adverse effect.

GRAIN MARKETS

WHEAT.—Although American grain markets have shared the nervousness of the stock markets, wheat prices have again been firm in London. The firmness of freight rates and the shortage of shipping tonnage have tended to support the wheat markets. Meanwhile, the Canadian crop has been officially estimated at 188 million bushels, while the total United States crop is put by Broomhall at 868 millions. The outlook for wheat is discussed in a leading article.

On Wednesday last, "September" futures were quoted in Chicago at 102 cents per bushel, against 108½ cents the week before and 110⅞ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic), ex ship, 52s. 6d. to 54s. 3d. per 496 lbs., against 52s. 6d. to 53s. 6d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 51s. to 52s. 6d., against 51s. to 51s. 6d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 934,000 quarters, against 838,000 quarters in the previous week and 1,504,000 quarters in the corresponding week a year ago.

FLOUR.—Prices are unchanged. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 40s. per 280 lbs., as against 40s. a week ago; delivered inner London, 39s. 6d., as against 39s. 6d. a week ago. Manitoba patents, ex store, 38s. to 39s. 6d., as against 38s. 9d. to 40s. 3d. a week ago. Australian, ex store, 32s. to 32s. 6d., as against 32s. to 32s. 6d. a week ago.

BARLEY.—A steady demand for imported feeding barley has been experienced during the past week. "October" futures were quoted at 59½ cents per bushel in Winnipeg on Wednesday, as against 57½ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed," at farm, not quoted; "English malting" (new), at farm, 45s. to 65s., as against 45s. to 65s. a week ago; Californian, ex ship, 45s. to 58s., as against 50s. to 52s. a week ago. Chilean, brewing, ex ship, 44s. to 48s., as against 44s. to 48s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 31 cents a bushel in Chicago, against 31½ cents a week ago and 29⅞ cents last month. Quotations in London, Wednesday: "English Black" (new), at farm,

Consolidated Main Reef Mines & Estate, Limited

(Incorporated in the Union of South Africa)

Extracted from the Annual Report for the Year ended 30th June, 1937

Capital, £1,247,602 in 1,247,602 Shares of £1 each (all issued)

DIRECTORATE

C. L. READ (Chairman). SIR ABE BAILEY, Bart., K.C.M.G.
R. S. G. STOKES. G. CARLETON JONES. MAJOR C. S. GOLDMAN.
W. A. MACKENZIE. A. A. AURET. W. H. A. LAWRENCE.

Tonnage Milled, 1,916,500.

		Per ton milled.
Total Working Revenue	£2,551,367 0 6	£1 6 7
Total Working Expenditure	1,934,581 2 11	1 0 2
Working Profit	£616,785 17 7	£0 6 5
Total Profit for the year		£623,087 14 7
Balance unappropriated at 30th June, 1936		215,883 4 6
Forfeited Dividends Account		138 0 4
		£839,108 19 5

This amount has been dealt with as follows:—

Net Expenditure on Capital Account for the Year	£66,018 6 5	
Miners' Phthisis—Provision on account of Outstanding Liability as at 31st July, 1936	9,251 0 0	
Provision for Taxation	206,355 5 6	
	281,624 11 11	
	£557,482 7 6	
Dividends declared during the year:— **No. 54** of 13⅛ per cent., and **No. 55** of 13⅛ per cent....	343,090 11 0	
Leaving a balance unappropriated of	£214,391 16 6	

Ore Reserve.—The available ore reserve has been re-estimated, and is as follows:—

	Tons.	Value, Dwt.	Stoping width, Inches.
Main Reef	606,400	4.14	58.7
Main Reef Leader	3,579,800	4.81	50.7
South Reef	3,332,200	4.39	48.5
Bird Reef	3,335,900	3.41	76.8
Total	11,154,300	4.23	56.1

In addition, there are 749,000 tons of payable ore, of a value of 5.17 dwt. standing in shaft and safety pillars, which are not at present available for stoping.

Compared with the previous year, the available reserve shows an increase of 1,465,600 tons the value and stoping width being lower by 0.16 dwt. and 0.4 inch respectively.

The Full Report and Accounts (with Plans of Workings) may be obtained from the London Secretaries, A. MOIR & Co., No. 4 London Wall Buildings, London, E.C.2.

OVERSEAS TRADE RETURNS

IMPORTS (Value C.I.F.)

	Month ended August 31		Eight Months ended August 31	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	5,261,566	7,764,373	40,678,873	58,349,066
B. Feeding-stuffs for Animals	690,375	867,915	5,079,711	7,157,896
C. Animals, Living, for Food	615,524	511,752	4,288,602	4,349,217
D. Meat	6,611,313	7,818,614	52,521,119	56,964,141
E. Dairy Produce	5,375,540	6,556,406	43,177,646	46,035,859
F. Fresh Fruit and Vegetables	2,160,720	2,457,941	26,541,679	26,027,640
G. Beverages and Cocoa Preparations	3,748,894	4,095,102	27,824,633	28,650,007
H. Other Food	3,509,843	3,857,680	29,823,649	33,430,350
I. Tobacco	1,064,604	831,100	8,088,789	6,078,589
Total, Class I	29,038,379	34,760,883	237,624,701	267,042,765
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,078	953	20,658	17,970
B. Other Non-Metalliferous Mining and Quarry Products and the like	348,182	554,599	2,762,392	3,422,609
C. Iron Ore and Scrap	718,001	1,223,036	5,955,052	7,475,571
D. Non-Ferrous Metalliferous Ores and Scrap	884,601	1,933,043	7,900,069	12,113,161
E. Wood and Timber	4,784,264	7,559,198	24,683,649	35,336,856
F. Raw Cotton and Cotton Waste	3,507,930	2,138,263	28,534,798	31,173,006
G. Wool, Raw and Waste, and Woollen Rags	1,800,308	2,738,828	31,933,319	39,809,484
H. Silk, Raw, Knubs and Noils	88,404	181,382	1,225,886	1,306,044
I. Other Textile Materials	777,387	717,517	7,100,444	9,129,337
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	2,094,695	2,529,760	19,518,968	24,295,177
K. Hides and Skins, Undressed	1,339,351	2,659,280	12,271,999	17,273,380
L. Paper-making Materials	1,009,186	1,467,323	7,572,185	9,426,321
M. Rubber	295,529	1,624,332	3,201,755	7,558,030
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	1,125,671	1,370,072	6,018,909	7,229,003
Total, Class II	18,775,587	26,697,586	158,700,083	205,565,929
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	4,791	1,949	56,219	87,287
B. Pottery, Glass, Abrasives, etc.	600,049	649,462	4,648,400	5,299,828
C. Iron and Steel and Manufactures thereof	1,032,903	1,981,016	7,972,087	9,725,467
D. Non-Ferrous Metals and Manufactures thereof	2,874,938	5,433,224	20,735,164	37,149,622
E. Cutlery, Hardware, Implements and Instruments	570,520	568,923	4,397,789	5,063,871
F. Electrical Goods and Apparatus	310,435	365,884	2,250,922	2,683,472
G. Machinery	1,342,163	2,047,245	11,706,311	16,255,135
H. Manufactures of Wood and Timber	585,503	756,707	4,982,476	5,430,444
I. Cotton Yarns and Manufactures	234,443	282,163	1,756,130	2,176,200
J. Woollen and Worsted Yarns and Manufactures	266,439	340,221	1,907,294	2,852,366
K. Silk Yarns and Manufactures	207,525	208,462	1,671,475	1,714,814
L. Manufactures of other Textile Materials	596,854	730,684	4,701,521	5,352,077
M. Apparel	841,346	958,330	6,344,566	7,281,652
N. Chemicals, Drugs, Dyes and Colours	1,006,078	1,123,554	7,974,913	8,765,331
O. Oils, Fats and Resins, Manufactured	3,292,273	4,601,407	24,216,562	31,492,398
P. Leather and Manufactures thereof	795,145	865,037	6,256,499	6,795,350
Q. Paper, Cardboard, etc.	1,217,652	1,488,151	9,528,711	10,386,144
R. Vehicles (including Locomotives, Ships and Aircraft)	239,197	384,018	3,352,945	4,393,991
S. Rubber Manufactures	46,380	56,593	392,656	499,545
T. Miscellaneous Articles wholly or mainly Manufactured	1,735,713	1,828,019	11,999,608	14,587,463
Total, Class III	17,800,347	24,651,049	136,850,248	177,992,457
IV.—Animals, not for Food	210,584	347,598	1,301,456	1,882,791
V.—Parcel Post	230,780	201,967	2,088,577	1,890,925
Total	66,055,677	86,659,083	536,565,065	654,374,867

EXPORTS OF PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.)

	Month ended August 31		Eight Months ended August 31	
	1936	1937	1936	1937
	£	£	£	£
I.—Food, Drink and Tobacco—				
A. Grain and Flour	143,195	108,081	1,166,163	1,139,015
B. Feeding-stuffs for Animals	42,755	36,558	393,173	485,516
C. Animals, Living, for Food	222	166	2,378	95,313
D. Meat	87,005	85,687	640,190	667,597
E. Dairy Produce	154,430	106,981	874,334	793,526
F. Fresh Fruit and Vegetables	10,271	10,747	78,331	283,036
G. Beverages and Cocoa Preparations	990,821	1,140,431	7,936,478	9,821,684
H. Other Food	991,492	1,153,304	7,749,497	7,912,219
I. Tobacco	355,800	392,169	2,946,003	3,316,429
Total, Class I	2,775,991	3,034,124	21,786,547	24,514,335
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	2,370,641	3,365,474	18,864,078	23,927,854
B. Other Non-Metalliferous Mining and Quarry Products and the like	93,846	105,235	702,598	882,532
C. Iron Ore and Scrap	24,998	49,737	229,031	684,397
D. Non-Ferrous Metalliferous Ores and Scrap	143,425	301,545	1,373,399	2,272,792
E. Wood and Timber	4,303	6,006	62,843	67,883
F. Raw Cotton and Cotton Waste	49,162	80,108	544,038	720,911
G. Wool, Raw and Waste, and Woollen Rags	547,585	611,141	4,495,879	6,802,205
H. Silk, Raw, Knubs and Noils	1,404	885	9,252	6,533
I. Other Textile Materials	42,044	45,220	338,552	409,484
J. Seeds and Nuts for Oil, Oils, Fats, Resins and Gums	359,651	297,582	2,247,479	2,702,073
K. Hides and Skins, Undressed	102,496	77,012	1,235,004	1,318,705
L. Paper-making Materials	111,548	155,980	795,938	1,254,800
M. Rubber	10,618	35,903	120,899	277,018
N. Miscellaneous Raw Materials and Articles mainly Unmanufactured	113,884	143,085	1,798,076	1,899,156
Total, Class II	3,975,605	5,274,893	32,817,066	43,226,323
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and Manufactured Fuel	265,163	472,787	1,814,448	2,767,386
B. Pottery, Glass, Abrasives, etc.	711,008	802,468	5,635,509	6,533,454
C. Iron and Steel and Manufactures thereof	2,617,037	3,910,976	23,022,490	31,534,011
D. Non-Ferrous Metals and Manufactures thereof	980,639	1,176,482	8,183,400	10,172,351
E. Cutlery, Hardware, Implements and Instruments	638,077	778,757	5,264,247	6,235,211
F. Electrical Goods and Apparatus	733,083	958,888	6,275,576	7,926,147
G. Machinery	3,119,771	3,843,849	26,931,216	31,154,644
H. Manufactures of Wood and Timber	90,821	111,499	777,444	871,284
I. Cotton Yarns and Manufactures	5,032,279	5,911,696	40,292,277	46,632,054
J. Woollen and Worsted Yarns and Manufactures	3,052,479	3,445,911	21,581,596	24,645,280
K. Silk Yarns and Manufactures	90,810	124,157	797,115	982,657
L. Manufactures of other Textile Materials	1,307,478	1,722,815	11,225,938	13,715,570
M. Apparel	1,054,805	1,128,604	7,608,986	8,190,421
N. Chemicals, Drugs, Dyes and Colours	1,539,070	1,870,809	13,692,242	16,605,482
O. Oils, Fats and Resins, Manufactured	405,596	475,092	3,276,837	3,961,684
P. Leather and Manufactures thereof	318,727	384,933	2,690,305	3,595,233
Q. Paper, Cardboard, etc.	518,067	695,522	4,240,666	5,162,829
R. Vehicles (including Locomotives, Ships and Aircraft)	2,864,378	2,943,473	20,808,570	25,461,397
S. Rubber Manufactures	115,183	111,417	1,055,093	1,131,101
T. Miscellaneous Articles wholly or mainly Manufactured	2,003,494	2,513,057	15,883,659	18,642,813
Total, Class III	27,477,965	33,383,192	220,847,614	265,920,989
IV.—Animals, not for Food	95,392	76,384	684,585	494,707
V.—Parcel Post	933,162	777,612	7,034,442	7,282,548
Total	35,258,115	42,546,205	283,170,234	341,438,902

25s. 6d. to 26s. 6d. per 336 lbs., as against 25s. 6d. to 26s. 6d. last week; "English White" (new), at farm, 25s. 6d. to 26s. 6d., as against 25s. 6d. to 26s. 6d. a week ago; mixed Canadian feed (Vancouver), landed, 25s. 9d. per 320 lbs., as against 25s. 9d. a week ago.

MAIZE.—Trading has been moderate, but U.K. prices are firmly held. "September" futures were quoted on Wednesday at 105⅛ cents per bushel in Chicago, against 105¼ cents a week ago, and 99⅛ cents last month. Quotations in London, Wednesday: "Plate," landed, 29s. 6d. per 480 lbs., as against 29s. a week ago; "Plate," ex ship, 28s. 9d., as against 28s. a week ago; "Plate," "September," 28s. 9d., as against 28s. a week ago; yellow maize meal, ex wharf, was quoted at £7 10s. to £7 12s. 6d. per ton, as against £7 7s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

NEARBY FUTURE	Jan. 2, 1935	Dec. 31, 1935	Sept. 16, 1936	Dec. 30, 1936	Sept. 8, 1937	Sept. 15, 1937
Winnipeg (No. 1, Manitoba)—Cents per 60 lbs.	82¼	84⅛	106	129	129½	125⅛
Chicago (No. 2, Winter)—Cents per 60 lbs.	96⅛	101½	114⅛	135⅛	108½	102

The visible supply of wheat in Canada amounts to 57,144,000 bushels, against 49,764,000 bushels last week and 76,244,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1934–35 to 1937–38.

	1934–35	1935–36	1936–37	1937–38
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to September 11	476,680	435,043	280,121	403,466
2 weeks to September 11	832,961	855,987	510,065	715,359
Average price of English wheat per cwt.	s. d. 5 1	s. d. 4 8	s. d. 7 2	s. d. 8 6

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts.	s. d.	s. d.	s. d.
September 9, 1933	355,593	356,831	48,605	4 9	10 10	5 3
September 8, 1934	476,680	378,572	36,882	5 1	11 0	6 6
September 14, 1935	435,043	426,223	63,733	4 8	10 4	6 2
September 12, 1936	280,121	804,231	42,612	7 2	10 11	6 6
September 4, 1937	311,893	33,498	43,620	8 7	12 10	8 6
September 11, 1937	403,466	135,942	48,942	8 6	12 2	8 5

OTHER FOODS

BACON.—Demand has been good and the market has had a firm tone. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week, were: English, 101s.; Canadian, 96s.; Danish, 102s.; against 101s., 94s. and 100s. last week. Arrivals in London last week included: Danish, 14,352 bales; Canadian, 4,657; Dutch, 2,842; Lithuanian, 2,194; and Polish, 3,378; as against 14,354, 8,480, 2,534, 1,467 and 3,336 bales, respectively, in the previous week.

BUTTER.—After a rather easier opening, the market developed a firmer tone and prices show a net gain on the week. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 117s.; Australian, choicest salted, 117s.; Danish, 135s.; compared with 116s., 116s., and 132s., respectively, a week ago.

CHEESE.—A steadier tendency has been general, though New Zealand is again rather cheaper. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 88s. to 90s.; Canadian, finest coloured, 70s.; and New Zealand, finest coloured, 68s. 6d.; against 88s. to 90s., 70s. to 71s., and 70s., respectively, a week ago.

COCOA.—New arrangements among purchasers of cocoa on Gold Coast markets are discussed in a Note of the Week. The spot quotation in New York on Wednesday was 8⅜ cents per lb., as against 8¼ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 36s. 3d. sellers per 50 kilos., c.i.f. Continent, against 37s. a week ago. Last week's movements of cocoa in London were as follows: Landed, 3,340 bags; delivered, for home consumption, 3,352 bags; exported, 4,531 bags; stocks, 234,072 bags, against 157,972 bags a year ago.

FRUIT.—Business at Covent Garden remains good, says *The Fruitgrower*, and prices during the past week were generally above normal for the time of year. English apples met an active demand and the good showing of English pears sold well. Business in hothouse grapes showed an improvement, with prices steady. English peaches were short and dear, while nectarines were in limited supply. English and Guernsey green figs sold well, and some French black figs were on the market. With filberts finished, cobnuts were in better demand, while plentiful supplies of blackberries sold well. Plums continued an active item, Monarch being the principal line now available. Supplies of oranges were rather short and prices were accordingly higher. Lemons were dear, but grapefruit showed an easier tendency.

MEAT.—At Smithfield Market, on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 2d. to 4s. 6d. per 8 lbs., as compared with 4s. to 4s. 5d. a week ago. New Zealand frozen mutton was 3s. 4d. to 4s. 2d. per 8 lbs., against 3s. 6d. to 4s. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 9,101 tons, a decrease of 620 tons on the corresponding week last year. Beef and veal accounted for 5,051 tons, mutton and lamb 2,512, and pork and bacon 931, as compared with 5,266, 2,696 and 1,088 tons, respectively, in the same week of 1936.

MILK.—Information relative to the operation of the Milk Marketing Scheme during August as issued by the Milk Marketing Board is given in the following table, together with comparable statistics for earlier months.

	August, 1936	May, 1937	June, 1937	July, 1937	Aug., 1937
Regional pool prices* (*per gallon*):	d.	d.	d.	d.	d.
Northern	9½	9½	9½	10	10½
North-Western	9½	9½	9½	10	10½
Eastern	10	9½	9½	10½	10½
East Midland	9½	9½	9½	10½	10½
West Midland	9½	9	9	9½	10½
North Wales	9½	9	9	9½	10½
South Wales	9½	9½	9½	10	10½
Southern	10	9½	9½	10½	10½
Mid-Western	9½	9	9	9½	10½
Far Western	9½	9	9	9½	10
South-Eastern	10½	10	10	10½	11
Liquid milk price (*per gallon, all regions*)	13	12	12	13	13
Manufacturing price (*per gallon, average*)	5·256	5·532	5·404	5·55	6 292
	Million gallons				
Total sales under contract	80·00	89·08	86·85	81·53	75·34
For liquid consumption	45·82	49·73	48·93	50·50	48 69
For manufacturing	34·18	39·35	37·92	31·03	26·65

* On account to the nearest farthing.

Accredited producers receive 1d. per gallon in addition to the above prices. Premiums for level deliveries and for Grade "A" or special services are paid to the producers concerned in addition to the pool price. Transport charges are payable by individual producers and are deducted from accounts.

PEPPER.—On Wednesday, white Muntok, "October–December," was quoted at 4 7/16d. per lb. sellers, c.i.f. Rotterdam–Hamburg, against 4⅛d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3⅛d. per lb., sellers, compared with 3⅛d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 7 tons; stocks, 1,969, against 1,772 last year. White, landed, nil; delivered, 24 tons; stocks, 11,368 tons, compared with 12,067 a year ago.

COFFEE.—The London spot market was quietly steady, but a weaker tendency was evident in New York. On Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb., in New York, as compared with 9⅛ cents per lb. last week and 9 cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 2 cwt.; delivered, for home consumption, 72 cwt.; exports, nil; stocks, 1,849 cwt., against 9,957 a year ago. Central and other South American: Landed, 13 cwt.; delivered, for home consumption, 1,709 cwt.; exported, 667 cwt.; stocks, 92,159 cwt., against 84,674 cwt. last year. Other kinds: Landed, 1,307 cwt.; delivered, for home consumption, 3,416 cwt.; exported, 319 cwt.; stocks, 88,765 cwt., against 124,616 last year.

EGGS.—With a good demand and a seasonal reduction in supplies, the market has had a firmer tendency. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 18s. to 18s. 6d. per 120, against 18s. to 18s. 6d. last week; while Danish (15½ lb.) made 13s. 6d. to 14s., as against 13s. 3d. to 13s. 9d. last week.

RICE.—The spot price of Burma No. 2 cleaned was 10s. 9d. per cwt. ex warehouse, on Wednesday, as compared with 10s. 9d. per cwt. a week ago. "September–October," in singles to Continent and U.K., was quoted at 9s. 10½d. to 10s. per cwt., against 9s. 9d. to 9s. 10½d. last week. Movements in London last week were as follows: Landed, 20 tons; delivered 45 tons; stocks, 2,123 tons, against 2,139 a year ago.

SUGAR.—The London market remains quietly steady, but New York prices have eased. The New York spot quotation was 3·45 cents on Wednesday, as compared with 3·50 cents per lb. last week and 3·60 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 6d., against 6s. 4d. to 6s. 5½d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 3,748 tons, against 3,576 in the previous week and 13,183 in the same week of 1936; deliveries, 17,571 tons, against 16,847 and 16,305 tons, respectively; stocks, 102,456 tons, against 116,288 and 106,917 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
Sept. 10, 1936	14·82	12·13	13–31	11·02	·06	11·28	13 88
Aug. 19, 1937	17·55	14·88	15·55	14·53	·79	14·36	16·22
" 26 "	17·94	14·96	15·86	13·75	11 14	14·56	16·61
Sept. 2 "	16·97	14·88	16·03	15·12	13·09	14·32	16·27
" 9 "	17·63	14·98	16·30	15·72	13·10	14·23	16·67

At this week's public auctions in Mincing Lane, 56,550 packages of Indian and 23,343 packages of Ceylon tea came up for disposal. Ceylon grades encountered keen competition at rising prices. The market in Indian teas was also firm in response to a strong and active demand.

VEGETABLES.—According to *The Fruitgrower's* Covent Gar report, tomatoes were cheaper during the past week on account of h supplies from Jersey. Good new crop cucumbers held their price, plenty of others were available at cheaper rates. Good quality ru beans and green peas were in short supply and cabbage and cauliflo consequently did better. A few Brussels sprouts of excellent qua have put in an appearance, and a few savoys have begun to arrive. Mu rooms were short and dear, but green onions were slightly cheaper. potato trade has been rather quiet and, although supplies were rather heavy, quotations again eased. At the London Borough market, best li soil King Edward made 5s. 6d. to 6s. 6d. per cwt., against 6s. to 7s. last week. Other varieties ranged from 4s. to 5s. per cwt.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Oilseeds are only moderately active. Crushers are buying sparingly of linseed in view of the poor demand and unsatisfactory price of the oil product. On the other hand, oilcakes are in improving request, and stocks are within narrow compass. Linseed is firm and is advancing in sympathy with freight rates, while prospective supplies are only moderate. The better outlook for the new crop in Argentina has, however, a steadying influence, and the fact that the crop in the United States has been harvested indicates a slackening of demand from that quarter. Shipments from the River Plate last week were larger than for some weeks, reducing the balance of the exportable surplus to 267,000 tons, according to the Government report issued last Saturday. The Indian export is proceeding slowly, and is hampered by the scarcity of freight space. Nevertheless, there is now en route from India to Europe 37,600 tons, the greater part being for this country. This and 78,100 tons from Argentina give a total of 115,700 tons afloat for Europe, while that destined for the United States is 42,800 tons. Weather conditions in Argentina are favourable to the new crop, which, if all goes well, may turn out to be equal to expectations.

A fair trade in Egyptian cottonseed to Hull has been done at £6 5s. all positions to December, a slight reaction from last week's transactions. Demand for cotton oil on both home and export account continues poor despite further reductions of 20s. per ton. Refined oil, ex Hull, from the new seed is now offered at £25 per ton, with crude £3 less. Ground nut and palm kernel oils are easier, but castor oil is firm and dearer. Linseed oil is about 10s. per ton dearer on the week.

RUBBER.—Prices rose in the early part of the period under review, in response to active buying by American interests. The gain was not held, however, and prices declined sharply under profit-taking sales to close on Wednesday showing a net loss on the week. In the United States prices are also lower than those of a week ago. The spot price in New York on Wednesday was 18⅞ cents per lb., compared with 19⅛ cents per lb. a week ago and 18 7/16 cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8 13/16d. per lb., as against 9 7/16d. on the corresponding day last week. In forward positions business has been done at 9d. to 9⅛d. for "October" shipment, as against 9 7/16d. a week ago. Stocks in London and Liverpool at the end of last week totalled 47,907 tons, against 46,256 tons a week earlier. A year ago stocks amounted to 106,279 tons.

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WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, September 15th

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

CEREALS AND MEAT

	s. d.	s. d.
GRAIN, Etc.—		
Wheat—		
No. 2, N. Man. 4/6 lb.	51 0	52 6
Eng. Gaz. av., per cwt.	8 6	
Barley, Eng. Gaz. av.	12 2	
Oats,	8 5	
Maize, La Plata, landed 480 lb.	29 6	
Flour, Lon. stan. ex mill, 280 lb.	38 3	
RiceNo.2 Burma,per cwt.	9 10½	10 0
MEAT—		
Beef, per 8 lbs.—		
English long sides	4 4	5 2
Argentine chilled hinds	4 2	4 6
Mutton, per 8 lbs.—		
English wethers	5 4	6 8
N.Z. frozen "	3 4	4 2
Lamb, per 8 lbs.—		
N.Z. frozen	5 0	5 8
Pork, English, per 8 lbs.	6 4	7 0

OTHER FOODS

BACON—		
English per cwt.	101 0	
	98 0	103 0
Irish	102 0	
Danish	100 0	
Dutch		
HAMS—		
Canadian	106 0	108 0
United States	104 0	106 0
BUTTER—		
Australian	117 0	
New Zealand	117 0	
Danish	135 0	
CHEESE—		
Canadian per cwt.	70 0	
New Zealand	68 6	
English Cheddars	88 0	90 0
Dutch	57 0	66 0
COCOA—		
(Duty, British grown, 11/8; foreign, 14/- cwt.)		
Accra, f.f. per cwt.	37 0	37 6
Trinidad	65 0	70 0
Grenada	55 0	58 0
COFFEE—		
(Duty, British grown, 4/8; foreign, 14/- cwt.)		
Santos supr. c. & f. cwt.	52 0	
Colombian, good	56 0	65 0
Costa Rica, med. to good	62 0	90 0
East Indian " " "	72 0	90 0
Kenya, medium	60 0	72 0
EGGS—		
English per 120	18 0	18 6
Danish	13 6	14 0
FRUIT—Oranges—		
S. African boxes	10 0	16 0
Brazilian boxes	9 0	11 6
Lemons, Malaga cases		
" Sicilian boxes	17 6	19 0
Apples: Amer. (var.) brls.	18 0	30 0
(var.) boxes	8 0	10 0
" Australian		
Onions—		
Valencia, cases		
Egyptian, bags		
Grapes, Almeria, barrels		
Grapefruit, Brazilian		
" S. African	9 0	17 0
LARD—		
Irish, finest bladders	64 0	72 0
U.S. per cwt.	66 6	66 9

	s. d.	s. d.
POTATOES—		
King Edward (per cwt.)	5 6	6 6
Other English	4 0	5 0
SPICES—		
Pepper, per lb.—		
Black Lampong	0 3½	
White Muntock	0 5½	
Cinnamon—1st sort, per lb.	0 9	
Cloves—Zanzibar, per lb.	0 9	
Ginger—per cwt.—		
African	59 0	
Jamaica, ord. to good	63 0	90 0
Mace per lb.	2 3	2 9
Nutmegs, 65's	1 0	
SUGAR—		
(Duty, 11/8 per cwt.)		
Centrifugals, 96°, prpt. shipm., c.i.f. U.K./Cont.	6 6	
B.W.I., crystallised	17 9	19 9
Java, white, c. & f. India Oct.-Dec.	Nominal.	
REFINED—London—		
Yellow Crystals	19 10½	
Cubes	24 1½	24 7½
Crushed	22 4½	
Granulated	20 3	21 1½
Home Grown	20 1½	20 4½
TEA—		
Indian—per lb.—		
Pekoe	1 2½	1 7½
Broken Pekoe	1 2½	2 2½
Orange Pekoe	1 2½	3 3½
Broken Orange Pekoe	1 2½	4 4
Ceylon—per lb.—		
Pekoe	1 2½	1 8½
Broken Pekoe	1 2½	1 5½
Orange Pekoe	1 2½	1 10½
Broken Orange	1 2½	1 10½
TOBACCO—		
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)		
Virginia leaf—		
Common to fine	0 8	2 6
Rhodesian leaf	0 9	1 10
Nyasaland leaf	0 7	1 4
" strips	0 9	1 6
East Indian leaf	0 7	1 10
" strips	0 6	1 9

TEXTILES

	d.
COTTON—	
Mid-American per lb.	5·34
Sakellaridis, f.g.f.	8 69
Yarns, 32's twist	12½
" 60's twist	17½
FLAX—	£ s. £ s.
Livonian ZK per ton	82 0 86 0
Pernau HD	83 0 84 0
Slanetz Medium...1st sort	88 0 90 0
HEMP—	
Italian P.C. per ton	66 0
Manilla, Oct.-Dec. "J2"	34 0
Sisal, African	24 10 27 5
JUTE—	
Native 1st mks ... per ton c.i.f. H.A.R.B.	
Sept.-Oct.	£20/10/0
Daisee 2/3 c.i.f. Dundee	
Oct.-Nov.	£19/15/0
SILK—	s. d. s. d.
Canton per lb.	6 0 8 0
Tussah	3 6 4 6
Japan	7 9 8 9
Italian—raw, fr. Milan	8 6 10 0

	d.
WOOL—	
English Southdown, greasy, per lb.	18
" Lincoln hog, washed	17½
Queensland, scd. super cmbg.	29
N.S.W. greasy, super cmbg.	17
N.Z., grsy., half-bred 50–56	18
Crossbred 40–44	16
Tops—	
Merinos 70's average	37
" 64's "	35
Crossbred 48's	25
" 46's	25

MINERALS

	s. d.	s. d.
COAL—		
Welsh, best Ad'ty...ton	19 6	22 6
Durham, best gas, f.o.b. Tyne	22 6	23 0
Sheffield, best house, at pits	22 0	24 0
IRON AND STEEL—		
Pig, Cleveland No. 3, d/d. ton	101 0	
Bars, M'brough	265 0	
Steel rails, heavy	202 6	
Tin plates per box	25 6	26 0
METALS—	£ s. d.	£ s. d.
Copper, Electrolytic, ton	61 0/0	62/0/0
Sheets (Strong)	93/0/0	
Standard	54/11/3	54/12/6
Lead, Eng. pig... per ton	22 10 0	
Soft foreign	21/2 6	21/3 9
Spelter G.O.B.	21/17 6	21/18 9
Tin—English ingots	265 10 0	266/10/0
Standard cash	264/7/6	264/12/6

MISCELLANEOUS

	s. d.	s. d.
CHEMICALS—		
Acid, citric, per lb., less 5%	1 0	1 0½
Nitric	0 2	0 3
Oxalic, net	0 5	0 6
Tartaric English, less 5%	1 1	1 1½
Alcohol, Plain Ethyl	12 0	
	£ s.	£ s.
Alum, lump per ton	8 10	8 15
Ammonia, carb. ton	20 0	21 0
Sulphate	7/6/6	
Arsenic, lump ... per ton	35 0	
Bleaching powder, per ton	8 15	9 0
	s. d.	s. d.
Borax, gran. ... per cwt.	13 6	
Do., powder	15 0	
Nitrate of soda ... per cwt.	8 0	
Potash—Chlorate, net	0 4	0 4½
Sulphate per cwt.	9 9	10 0
Soda Bicarb. ... per cwt.	10 0	11 0
Crystals per cwt.	5 0	5 3
Sulphate of Copper, per ton	£22 0	

CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—
4-ton loads and upwards 39/– per ton
1 and up to 4-ton loads 41/– per ton

	£ s. d.
COPRA—	
S.D.Straits c.i.f., per ton	14/12/6
DRUGS—	
Camphor—	s. d. s. d.
Japan, refined... per lb.	2 3
Ipecacuanha per lb.	8 3
HIDES—	
Wet salted—Australian per lb.	0 7 0 7½
West Indian	0 5 0 5½

	s. d.	s. d.
Cape	0 6½	0 7
Dry and Drysalted Cape	0 9½	0 10½
Market Hides, Manch'tr—		
Best heavy ox and heifer	0 7½	0 8½
Best cow	0 7½	0 7½
Best calf	0 7	0 11½
INDIGO—		
Bengal, gd. red.-vio. to fine per lb.	5 6	6 0
LEATHER—		
Sole Bends 8/14 lb.—		
per lb.	1 4	2 6
Bark Tanned Sole	2 6	2 8
Shoulders fm DS Hides	0 8	0 10
Do. Eng. or WS do.	0 10	1 10
Bellies from DS do.	0 5½	0 6½
Do. Eng. or WS. do.	0 6½	0 9
Dressing Hides	1 6	2 0
Ro. Eng. Calf, 20/30 lb.	5 0	6 0
Aust. Bends Avg. 7/1 lb.	1 3	1 7

	£ s. d.
VEGETABLE OILS—	
Linseed, naked, p. ton net	29/12/6
Rape, refined	38/0/0
Cotton-seed, crude	24 1/0/0
Coconut, crude	21/7/6
Palm	18 10/0
Oil Cakes, Linseed, Eng., per ton	9/3/6
Oil Seeds—Linseed—	
La Plata, p. ton, Sept.	13 8/9
Calcutta—per ton	15/2/6
	s. d.
Turpentine, per cwt.	34 9
PETROLEUM PRODUCTS—	
Motor Spirit, No. 1, London	1 6
Petroleum, Amer. rfd. bri. London, per gall.	0 10½
Fuel oil, in bulk, for contracts, ex instal. Thames—	
Furnace...per gall.	0 3½†
Diesel.....per gall.	0 4½†
ROSIN—	
American per ton	19/15/0 21/15/0
RUBBER—	s. d. s. d.
St. ribbed smoked sheet per lb.	0 8½
Fine hard Para per lb.	0 9½
SHELLAC—	
TN Orange ... per cwt.	47 0 50 0
SHELLS—	£ s. £ s.
W. Aust. M.-o.-P. "	3 10 12 10
TALLOW—	s. d.
London town...per cwt.	23 0
TIMBER—	£ s. d.
Swedish u/s 3 x 8 ... per std.	24 0 0
" 2½ x 7 ... "	22 10 0
" 2 x 4 ... "	21 0 0
Can'dn Spruce, Dis.	24 10 0
Pitchpine per load	11 0 0
Rio Deals per std.	35 0 0
Teak per load	27 0 0
Honduras Mahg. logs ... c. ft.	0 12 0
African " " ... "	0 6 0
Amer. Oak Boards "	0 6 0
" Ash "	0 6 0
English Oak Planks "	0 6 0
" Ash " "	0 7 0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Sept. 16, 1936	Aug. 18, 1937	Sept. 8, 1937	Sept. 15, 1937
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	Cents 114½	Cents 110⅞	Cents 108½	Cents 102
Maize, nearest future, Chicago, per bushel	114½	99½	105½	105½
Oats, nearest future, Chicago, per bushel	42	29⅞	31½	31
Rye, nearest future, Chicago, per bushel	83½	80½	82½	79½
Barley, nearest future, Chicago, per bushel	80½	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	8	11½	9½	9
" Santos No. 4, cash per lb.	9½	8·30	11½	11½
Cocoa, Accra, nearest future, per lb.	7·10	8·30	8·17	8·15
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·60	3·60	3·50	3·45
Cotton, middling, spot, per lb.	12·37	10·40	9·33	9·21
Rubber, smoked sheet, spot, per lb.	16½	18 3/16	19½	18½
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116.
Copper, "Electrolytic," Domestic, spot, per lb.	9·67½	13·92½	13·62½	13·42½
Copper, "Electrolytic," Export prompt, per lb.	9·90	14·15	13·85	13·65
Spelter, East St. Louis, spot, per lb.	4·85	7·25	7·25	7·25
Lead, spot, per lb.	4·60	6·50	6·50	6·50
Tin, "Straits," spot, per lb.	44·50	59·50	58·75	59·87½

(a) Nominal.

THE ECONOMIST

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Mr Eden's Offer

THE regular meetings of the Assembly of the League of Nations are determined by the calendar rather than by the progress of events. It has sometimes occurred that the Assembly has met when there is little happening. This year it has met when plenty is happening, but at a time when so many weighty movements are in mid-course that definite judgments are peculiarly difficult. The diplomatic scene is one vast mark of interrogation. Will Japan's descent upon China work to the advantage or to the ruin of the aggressor? Will the Western Powers be compelled, in spite of themselves, to take a part in the Far Eastern game? Will GENERAL FRANCO be able to make any substantial military progress before winter sets in? Will even the threadbare relics of non-intervention be able to survive? Will Italy join the Nyon patrol? And, whether she does or does not, will she send further troops to Spain? If so, what will France and Britain do? Above all, what will be accomplished at the dictators' meeting next week? Every one of these questions is of major importance. As each of them, in the coming weeks, slowly spells out its own answer, the chances of war and peace will shift. With them will fluctuate the hopes and fears of men throughout the world. In such a delicate and dynamic situation, no country can pretend to have a fixed policy.

There is thus some excuse for the lack of precision which has been criticised in the speech delivered by MR ANTHONY EDEN to the Assembly on Monday. Knowing as we do the past vacillations and present character of the British Cabinet we should be astonished to learn that the British Government had made up its mind what to do in all contingencies. And even if it had, it might be the reverse of diplomacy to announce it *coram publico*. On China, MR EDEN could, and did, say least of all. Indeed, the few sentences he devoted to the subject did nothing but express sympathy with the cruel plight in which China finds herself. On the Spanish struggle, he could be hardly more definite. So long as the legal fiction of "non-intervention" persists, London and Paris must shut their eyes to even such positive proofs of actual intervention as DR NEGRIN adduced.

Nevertheless, in spite of all these evasions, the FOREIGN SECRETARY'S speech was not an entirely negative performance. The immediate task of British statesmanship in the crucial and anxious period of the next few months is to hold the fort of peace—or what remains of it. Too great weakness would encourage the potential aggressors to attack. Too open and aggressive a challenge by the democracies might leave dictators, who have ridden to power on prestige and are now hag-ridden by the same imperious mistress, with no option but to put their fortunes to the last dreadful touch. The policy for France and Britain is thus to demonstrate in the most unmistakable terms that there are limits, perilously close, beyond which they will not retreat. But on the other hand they must remember that faces will have to be saved and they should provide a plentiful supply of diplomatic emollients. The process of *suaviter in modo, fortiter in re* was admirably begun at Nyon; it has been carried further in the sequel to Nyon; and MR EDEN'S speech was in the same key. There were no threats, open or veiled; there was plenty of willingness to explore every possibility of reconciliation; but there was also a tactful and most timely reminder of the

dimensions of British re-armament and of the near-unanimity of national determination behind it.

Those who are devoting all their energies to holding the fort cannot be expected to spend much of their time on long-range strategy. MR EDEN must therefore not be blamed for failing even to outline a prescription for universal appeasement. But his speech did contain one contribution which was both positive and new in the offer " to enter into discussion with any Powers which may approach the United Kingdom Government for an abatement of particular preferences in non-self-governing territories where these can be shown to place undue restriction on international trade."

This offer followed most appropriately on the publication of the report of the Committee set up by the last Assembly to study the problem of raw materials. The Committee (a majority of whose members came from countries which have no colonies) estimated that only about 3 per cent. of the world's production of all commercially important raw materials comes from colonial territories. Rubber comes exclusively, and tin mainly, from colonies. But these are the only important exceptions to the rule that the production of raw materials is not largely a colonial matter. It follows that any country's inability to obtain raw materials must be, in the main, an inability to obtain them from other sovereign countries. And this in turn may be due to the producers' inability to supply them or the complainant country's inability to purchase them.

Under the former head, the Committee could only find potential rather than actual grounds for complaint. Restriction schemes, for example, though they might be harmful, and had been harmful in the past, were now in the main run on sound lines. This judgment is open to dispute; but in any case such schemes do not discriminate between consumers of different nationalities. When it turns from difficulties of supply to difficulties of payment, the report becomes almost as blunt as an international document can well be. The foreign exchange difficulties of industrial countries, it says, are due to their own mistakes of currency policy and their own excessive expenditure on armaments. But as a minor exception the Committee declares that " there may be cases where the relaxation of preferences would be of assistance to countries importing raw materials."

MR EDEN did well to meet this challenge, even though it was of minor importance, and even though he has received only abuse from the German press for his pains. Only when every last scrap of economic grievance has been removed will the colonial question be clearly recognised for what it is—a matter of power-politics and nothing more.

But precisely because it is a political question, the removal of economic grievances will not finish the matter. A demand may have no logic but great psychological impetus. We in Great Britain must bring ourselves to realise that these patently fallacious economic arguments are merely the coating of pseudo-sense on a demand which may be as serious as any other obsession of a sovereign state. A settlement of the colonial question, on terms which recognise the nature of the demand, must be included in any programme of Anglo-German appeasement. To attempt any such settlement at this instant, to yield at the cannon's mouth what could only be granted to the Good Neighbour, would be both unwise and unsafe—just as would be any gesture towards unilateral disarmament. But, also like disarmament, the demand for colonial equality will be met with again in the future. We should prepare ourselves even now to meet it with a genuine will to find a solution.

The American Constitution

ONE hundred and fifty years ago, on September 17, 1787, the Philadelphia Convention agreed on a draft Constitution for the newly united states of America. This draft became supreme law on April 30, 1789, when it was accepted by eleven of the thirteen original States. The American people are now celebrating the occasion with the familiar mixture of admiration for the constitutional work of the past, and concern for the future. That the constitution is at this time, as so frequently in the past, a centre of controversy is a sign that it is a living and growing structure. The notable fact is that the constitution has survived a century and a half of fundamental change in the conditions and behaviour of the American people, and that it has been sufficiently flexible to grow with the society to which it applies. It has fulfilled the hopes of its founders, and has become the tradition which binds together the American people.

The constitution has established its authority through a long history of crises, of which many were far more serious than the troubles of the present day. It has survived a bitterly-conducted and continuing struggle between the rights of the States and the powers of the Federal Government, with the victory running steadily toward increased national power. It has survived a civil war over the claim of one group of States to secede from the Union. It has been amended to include a legal statement of equality for the negro which JEFFERSON was unable to write into the Declaration of Independence. It has seen " that rabble," the common people, supplant the propertied aristocracy in exercise of the Federal Power. It has seen the growth of the United States from the rank of a European satellite to that of the most powerful unit in the world. Industrial property rights have superseded personal property rights in political importance; great combines and monopolies have refashioned the competitive society which was to have secured the economic rights of the people. And the constitution not merely survives; it flourishes.

It is perfectly clear that what is now recognised as the American constitution bears little relation to the agreed draft of 1787. For to the original words written on paper and the intentions of the drafters have been added the written amendments and, far more important, the changing interpretations of successive generations of Americans. The constitution is not to be contained in any glass case open daily for visitors' inspection; it is a body of legal rules, of moral principles, of hopes for the future, which together represent the past experience and the present political sense of the American people. The people, and not the Supreme Court, are the true custodians of the constitution. The Supreme Court under JOHN MARSHALL in the early nineteenth century took to itself the power to rule on the constitutionality of Acts of Congress; but it has been able to maintain and develop this power only because in the long run it has followed the wishes of the people.

The constitution has lived and grown only because the convention delegates in 1787 had the wisdom to provide for amendment, although by somewhat cumbersome processes (namely, ratification by each House of Congress and by three-quarters of the States), and because, perhaps unconsciously, they drafted their articles in general terms which could be reinterpreted

to suit the changing experience of successive generations. It is difficult enough to determine just what the delegates wished to express in their constitution; it is impossible to determine what rules they would have made if they could have foreseen the conditions of modern America. But what they thought then or would have thought in present circumstances is completely irrelevant. What matters is that their words have proved sufficiently flexible to be reinterpreted to meet changing circumstances, and by their own constancy have provided a thread of continuity necessary for the stability of American society. For every living and growing society needs not only progressive forces to adapt it to changing conditions, but also a receptive and passive conservatism in which the experience of the past can be preserved. In only one respect did the drafters of the constitution attempt to make a perpetual rule, when they provided that there could be no alteration in the equal representation of all States in the Senate. This rigidity may cause trouble in the future, as the boundaries of the States become less significant—though subdivision of the more populous States provides a loophole.

The fight between PRESIDENT ROOSEVELT, the Senate and the Supreme Court is only the latest example of the process of re-expression at work. The Supreme Court had given a long series of rulings, culminating in the decision that neither Federal nor State Governments had the power to fix minimum wages for women. These, if not challenged, would have effectively prevented the Government from dealing with those clamant social problems which are no respecters of written constitutions. The PRESIDENT went to the heart of the matter in his desire to secure from the Supreme Court interpretations of the constitution fitting to modern conditions. His specific proposal was that an assistant judge should be appointed for each judge over 70 who did not retire. This was rejected by the Senate. But the Court itself recognised the justice of the attack by revising its attitude towards the PRESIDENT'S social programme. To the vast majority of Americans it has seemed inconceivable that the constitution was endangered by the PRESIDENT'S proposals; but from the minority there has been criticism enough. The more vociferous opponents are those who, ostensibly in the name of the constitution, are really concerned to protect their own personal or impersonal property rights from the regulatory actions of the Government. These are the less important. More serious is the charge that the PRESIDENT wished, in fact, to subordinate the Supreme Court to the Executive branch of the Government, with the perhaps unconscious but possibly inevitable object of establishing an un-American dictatorship.

There is more substance in this latter criticism. But the gravamen of the charge is that the personal standard of the Supreme Court judges might have been weakened rather than that the Court would have been made the catspaw of politics. For the Supreme Court, in its constitutional functions at least, is already a political rather than a legal body. In the vast majority of cases which come before the Court for constitutional judgment, there is nothing in the law, and nothing even in the constitution, specifically relevant. There are merely observations about generalities such as " due process," " general welfare," " inter-State commerce," and the like. To decide whether or not these phrases are applicable in specific instances must inevitably and most properly turn upon political considerations—that is, in most cases, upon the individual preconceptions of the judges. To say this is not to criticise the Court, but to establish its place in the dynamic balance of the constitution. Under the mantle of the law, the judges exercise a political power. If the organic character of the constitution is to be preserved, this fact must be recognised and judges be appointed from the finest statesmen available. To seek protection by denying the political function and appealing to an imaginary strict and unalterable written law would halt the organic development of the constitution in which lies its strength. The appeal to legalism is no protection even for those who wish to strengthen the obstacles to dictatorship, for if the Supreme Court were ever forced to play the part of Reichstag to the President's HITLER, it would do so with the most meticulous attention to the written law and constitution.

The Englishman is generally amazed that the American constitution works at all. The secret of its vitality is the same as that of the British democracy: neither country considers itself bound by the actions of the dead, and both are willing to meet changing social problems by adopting remedies which would have been repugnant in the past. The British are duly grateful for the fact that they are not handicapped in this process by any written document supposed to be of permanent relevance. The Americans minimise their self-imposed handicap by progressive re-interpretation of a document which is catholic enough to mean all things to all men.

Education and a Career—II

The Universities

IN an earlier article we examined the chances of employment presented to the three-quarters of a million boys and girls who leave the elementary and secondary schools of England and Wales every year. Over 4,000 boys and girls from grant-aided secondary schools pass annually to university institutions in England and Wales. The total number of new entrants from all quarters into British universities and colleges is some 14,000 yearly, including about 3,000 for the universities of Scotland. The full-time student population of British universities in 1935 was 50,638, a figure equivalent to one in 885 of the population compared with one in 604 in Germany and one in 480 in France. A generation ago the British total was only 20,249. We propose, in the present article, to estimate the cost of university education to individuals and to the State; and to examine the material rewards, by way of remunerative and congenial employment open to students at the end of their university career.

More than £2¾ millions are applied every year from rates and taxes to university education in Great Britain, in addition to something like £350,000 devoted by local authorities to student scholarships. These sums represent an annual charge of about £55 per full-time student; but they provide only 44 per cent. of the universities' total income. The balance of the £6,000,000 spent annually by universities and colleges (excluding capital expenditure on buildings, land and permanent equipment) is obtained in various ways: some 14 per cent. from endowments, 33 per cent. from tuition, examination and registration fees, and 9 per cent. from miscellaneous sources.

The graduate of to-day at the end of his university career has cost his parents, guardians, local authorities, or the State between £500 and £1,000, according to the type of university of which he has been a member. These figures include tuition, lodging and maintenance, but exclude many overhead

costs of a university training. The annual cost thus varies between the different types of universities from £125 to £250, and these differences are reflected in the divergent types of entrant which they attract.

Of the 11,600 students who entered universities in England and Wales in 1934, only a little more than one-third came from grant-aided schools. The remainder, totalling about 7,500, were recruited from private schools, public schools, independent grammar schools, other institutions and from overseas. This latter class was largely concentrated at Oxford, Cambridge and London, where, out of 7,515 entrants in 1934, only 1,885 were drawn from grant-aided schools. At the University of Wales, however, pupils from State schools numbered 68 per cent. of the 1934 entrants. Entrants from State schools accounted for 60 per cent. of the whole at Sheffield, over 50 per cent, at Birmingham, Bristol, Leeds, Liverpool and the various university colleges in other areas; and just under 50 per cent. at Durham, Manchester and Reading. The problem of post-graduate employment is correspondingly complex, and its incidence varies between the different types of universities and of students.

Though there is a paucity of information available about graduate employment, it is possible to state certain general conclusions. In the first place, a serious lack of organisation and co-ordination in the finding of jobs for graduates has only recently been mitigated by the multiplication of appointments boards and the new interest taken by employers and public authorities in the recruitment, grading and training of educated recruits. Secondly, the problems of graduate employment have been especially acute in the post-war years. The numbers in universities rose sharply after the war; and subsequent economic depression revealed serious maladjustment between the number of graduates seeking work and the number and character of the openings offered. In Germany, similar troubles occasioned the drastic reduction of university entrants from 30,000 in 1932 to 16,000 in 1934, but in Great Britain unemployment among graduates never reached the same formidable dimensions. In 1934, MISS ELEANOR RATHBONE found an unemployment percentage of 6.5 among a sample of recent graduates of the combined universities. And in Wales 10 per cent. of those who graduated between 1933 and 1935 were still unemployed at the end of two years. But by January, 1935, the Board of Education reported that 80 per cent. of the students who had graduated in June, 1934, had found posts, and that the remainder would be absorbed by June, 1935.

The results of such precise work as has been done, in fact, suggest that, apart from cyclical unemployment among engineers and scientists, actual graduate unemployment is rare. The major problems arise from the danger of *misemployment*—which occurs when graduates pass into poorly paid posts with few prospects—and from the time-lag between graduation and appointment. The latter is much the simpler of the two problems. The great majority of graduates, in fact, succeed in finding employment within a few months after leaving college. Of 876 students who graduated from University College, Exeter, between 1931 and 1935, just over 2 per cent. had to wait twelve months before obtaining work. The Birmingham Appointments Board has recorded that, of 244 students who left the University in June, 1936, only 32 were unemployed six months later; and the Cambridge Appointments Board has estimated that, on the average, about 3.5 per cent. of graduates have to wait six months before obtaining employment.

The more serious problem of misemployment is less easy to assess in any precise way. Many graduates pass into posts for which their training and degree, except in the most general sense, will be useless. An instance of partial misemployment which arouses criticism among students is in the teaching profession. Many university students proceed to their degrees as intending teachers because it is the only way of securing a subsidised university training. They are trained to teach at secondary schools, but at the end of their course are compelled, for lack of suitable openings, to go into elementary schools. At Manchester University it has been estimated that, although some 80 per cent. of teachers in training have graduated, over 60 per cent. pass into elementary schools. Between 50 and 75 per cent. of trained graduates at provincial universities find their first teaching posts in elementary schools. The trouble is twofold: the university training of intending teachers is exclusively subsidised; and the reorganisation of education, including the effective raising of the school-leaving age, which was to provide openings for graduates in central and senior schools, has not been carried through. There is, of course, no inherent inferiority in elementary school teaching compared with work in secondary schools. But most graduates have not, in fact, been trained for elementary school work, which is, moreover, less well paid.

It is only at a few universities, however, where teachers in training predominate in total numbers, though, even at Oxford and Cambridge, educational posts bulk largely in the appointments secured through the Appointments Boards. At Oxford, for instance, out of 2,934 permanent posts secured between 1926 and 1936, while 545 were in Government employment, 785 in banking and insurance, 135 in journalism, secretarial and clerical work, as many as 1,459 were in schools and colleges. Similarly, the Cambridge Appointments Board reports that of 2,352 posts obtained between 1932 and 1936, as many as 926 were in educational employment, though in this instance over a thousand passed in the same period into commerce and industry. At Birmingham, of 300 graduates, recent and past, placed in the session 1935-36, 172 took posts in schools, 81 went into industry and engineering, and 47 into business and commerce. Thus, although teaching attracts a great many university graduates, a considerable number is recruited annually through university appointments boards by industry and commerce. Many more enter firms, offices or factories without the boards' assistance. Others become doctors or lawyers, having been directly trained at college.

The lack of contact between the universities and employers, between courses and the requirements of industry, commerce and the professions is still evident. Nevertheless, many employers, whether business men, industrialists or public authorities, have recently consented to cast their net tentatively among the British universities at large—though the products of the more expensive universities seem still to have a prescriptive right to prior consideration in certain fields. Several large firms have realised the possibilities of graduate recruitment and training. The possession of a degree by a recruit is not often regarded by modern employers as a liability—though some traces of an old suspicion still remain. More often, and wisely, graduates are specially prepared by employers for work for which their training has particularly suited them. Only infrequently are they wasted on routine work. Above all, the chaotic condition of this specialised corner of the labour market is now being set in order.

On the whole, apart from instances of misemployment, the prospects of a graduate justify, in the narrowest sense, the cost of his training, provided that he is willing to begin at a relatively low wage while he learns his job. He will start in life earning £200-£250 a year. He will rise to at least £500. On the average, he will earn considerably more; and an important minority of graduates will fill the highest paid posts in the land.

Commodity Market Prospects

THE downward tendency of prices in the leading commodity markets, in evidence during the last few weeks, has lately been much accentuated. In the early months of 1937, most commodities rose rapidly in price; to-day, wheat, cotton, lead and rubber have lost more than all their gains and cotton is actually cheaper than at any time since the end of 1933. The undertone of most markets is weak and the prospect of a further decline is being widely canvassed. This is an opportune time to ask how far the market's pessimism is justified, and why its views have changed so completely within the space of a few months.

The present acute weakness of commodity prices is generally ascribed by the leading market operators, first to the adverse effect of the international political situation, and secondly to the depressing influence of falling security prices in Wall Street and on other Stock Exchanges. Both factors have undoubtedly had an important influence on the commodity price structure recently, but they are far from affording a complete explanation of the *volte-face* in sentiment since last spring. If we examined the position a little more closely we shall find that the boom in prices in the latter months of 1936 and in the first quarter of 1937 was based on a definite conviction, common both to consumers and speculators, that producers would be unable to cope with the rapid increase in demand which was then in prospect, and that an acute shortage of supplies would consequently be experienced before the end of 1937. Consumers, therefore, abandoned their policy of hand-to-mouth buying, which they had consistently followed during the depression, and began to increase their stocks before the end of last year. In their wake came many speculative operators, whose intervention, from February, 1937, onwards, was on so extensive a scale that markets rapidly got out of hand and prices were forced up to uneconomic levels.

COMMODITY PRICES IN 1937

	Beginning of Year	Highest	Lowest	Sept. 22
Wheat *Liverpool, per cental* ...	9s. 1¾d.	10s. 5¾d.	8s. 0⅜d.	8s. 9⅛d.
Cotton *Liverpool, Am. middling, per lb.*	7·07d.	8·15d.	5·08d.	5·08d.
Copper *London, per long ton* ...	£ s. d. 49-10-0	£ s. d. 78-0-0	£ s. d. 48-7-6	£ s. d. 52-1-3
Tin *London, per long ton* ...	231-0-0	311-0-0	225-0-0	260-15-0
Lead *London, per long ton* ...	27-2-6	36-7-6	19-17-6	20-15-0
Spelter *London, per long ton* ...	19-18-9	37-0-0	18-8-9	20-13-9
Rubber *London, per lb.*	9 13/16 d.	1s. 1⅜d.	8¾d.	8 15/16 d.

The financial position of many operators was doubtful, to say the least, and it soon become clear that the bubble would be pricked as soon as the first technical reactions in prices forced them to increase the deposits on their commitments. In fact, prices fell almost as quickly as they had risen in earlier months. But between the middle of March and of June this reaction, where it was deemed necessary, caused no acute misgiving in the markets. Nowhere was there any disposition to look for a far-reaching change in the basic position.

By general admission, the present downward movement comes into a very different category. It started at a moment when many commodity markets normally show a strong seasonal improvement—a fact which itself suggests that the fear of an impending shortage of supplies, which was the mainspring of the rise of prices a year ago, is no longer acute. After the lessons of recent months, consumers and speculators are hesitant to begin a new and large-scale buying movement. The consumption of many commodities is admittedly maintained at record levels, allowing for seasonal fluctuations; but the possibility of maintaining, or further increasing consumption is being questioned. High prices have in recent months caused the cancellation of numerous orders and have hindered the conclusion of new contracts. Although armament demand has been substantial throughout the summer, its actual dimensions have been smaller than the market anticipated in its bullish mood of last spring. The building boom shows signs of slackening in some leading countries of the world, and doubts are even being expressed about the eagerly awaited autumn industrial revival in the United States. Trade buyers are the more inclined to be cautious, because they have already suffered losses through their heavy purchases of commodities at the higher prices ruling in the early months of this year.

The trend of supplies of many commodities gives point to the scepticism with which many buyers now discount reports of a future shortage. The world's output of copper has risen in the first eight months of 1937, according to the Copper Institute, to 1,559,162 short tons, against 1,053,025 short tons in the first eight months of 1936—a rise of 48.2 per cent. Consumption has simultaneously increased from 1,131,905 short tons to 1,531,702 short tons, or by only 35.4 per cent., and production is again in excess of current consumption. Since the end of April, the world's stocks of copper have been rising. On August 31st these stocks totalled 328,610 short tons—a figure some 45,247 tons above the lowest level touched this year. The world's tin production in the first half of this year is put by the International Tin Research and Development Council at 92,303 long tons, which is 2,560 tons below estimated consumption. But since the end of March production has actually exceeded consumption, and according to A. Strauss & Co., Ltd., stocks on August 31st totalled 23,551 long tons, and were 2,486 tons above the lowest figure for this year. Lead production outside Spain and the United States, an isolated market, advanced in the first seven months of 1937, according to Metallgesellschaft, from 608,735 to 695,175 metric tons, an increase of 14.2 per cent. But consumption outside the United States is estimated by the American Bureau of Metal Statistics to have risen by only 6 per cent. In the case of spelter the Metallgesellschaft reports for the first seven months of this year show a rise of 8.9 per cent. in output outside the United States, which has increased from 588,227 metric tons to 640,322 metric tons; the American Bureau of Metal Statistics put the rise in the extra-United States' consumption this year at 7.9 per cent.

Similar conditions have affected the markets for commodities other than metals. For example, total

supplies of American cotton in the 1937-38 season will be 22,216,000 bales (consisting of 16,098,000 bales from the new crop and 6,118,000 bales carried over from last season) against 19,369,000 bales in the 1936-37 season and an estimated consumption of 13,135,000 bales. Supplies of cotton outside the United States are placed at about 26,221,000 bales (i.e. 19,500,000 bales of the new crop and 6,721,000 bales carried over) against 24,521,000 bales last season and an estimated consumption of not more than 18,000,000 bales. Net exports of rubber from countries adhering to the international restriction scheme, *plus* exports from non-restricting countries, have been computed by the International Rubber Regulation Committee at 644,713 long tons in the first seven months of this year, against 473,951 long tons in the corresponding period of last year. World absorption in the same months has been as much as 677,759 long tons, compared with 588,031 long tons last year. In June and July, however, new supplies exceeded current absorption and the preliminary statistics for August suggest that this tendency has continued. All the large producing countries, indeed, seem to have convincingly proved in the last few months that they are able to fulfil their high quotas. Stocks of rubber outside the regulated areas had increased to 396,446 long tons on July 31, against 374,406 long tons two months earlier.

Last, but not least, the prospects of fairly satisfactory supplies of wheat have substantially improved recently. Despite the disappointing Canadian crop the prospective harvest of the Northern Hemisphere should total about 3,350,000,000 bushels, and will be the best since the bumper year of 1931—a result for which favourable crops in the United States and in Russia are largely responsible. If supplies from the Southern Hemisphere come up to present expectations, fears of an acute shortage of wheat supplies in the 1937-38 season will be happily belied, and there may even be a slight increase in stocks at the end of the season.

Altogether, the evidence suggests that producers may be able to cope with demand, even if it maintains its current high levels. It is by no means impossible, indeed, that before long restriction of production may need to be reimposed in certain instances to obviate a tendency towards glut. On the other hand, it is known that the recent increase in visible supplies of commodities has been accompanied by a sharp drop in consumers' stocks. So long, however, as consumers are disinclined to replenish their holdings (for the reasons mentioned earlier in the present article), this condition has no immediate significance for the market.

What, then, is the general outlook for commodity prices? One thing seems tolerably certain: that a return to the levels reached earlier this year is no longer in prospect, because the special conditions which produced the bull market have passed away. At the same time, unless consumption seriously declines owing to a reaction in international industrial activity, it is unlikely that commodity prices will fall far below their present levels—apart, that is, from the short-lived effects of a possible but temporary panic. In many cases, admittedly, present commodity prices are well above the output costs of economic producers. But while consumption maintains anything like its present figures, the output of the high-cost producers will be needed to satisfy it—and long market experience goes to show that commodity prices are closely affected by the highest production costs necessary to secure adequate supplies. If these conclusions are sound, the most important element in the outlook for commodity prices will be the future trend of the world's industrial activity. If demand is maintained, the fall in prices may be stopped before it has gone much farther, and there may even be a recovery to something like the prices prevalent before the most recent decline. Any deterioration in the international industrial situation, however, would be the signal for a much more severe setback in prices, for two reasons. In the first place, the recent rate of production of many commodities corresponds to a record demand. In the second place, general reduction in output would probably be effected much more slowly than the conditions of a declining market would require.

A Penny on the Bus

WHEN the London omnibusmen came out on strike earlier this year the London Passenger Transport Board declared that the effect of an increase in bus fares would be to lower rather than to raise traffic receipts. The dispute was terminated without the necessity for testing the accuracy or otherwise of that assertion, but the difficulties of omnibus operation in a period of rising costs have, if anything, been accentuated in the period that has subsequently elapsed. And while laymen may question whether the Board have succeeded in hitting on precisely the optimum fare for every stage on every bus route in the London area, so that the slightest change, upward or downward, would involve a loss of revenue, it may be admitted that the problem of passing on increased costs is peculiarly difficult in the road passenger transport industry.

Omnibus proprietors claim to be the victims of special economic circumstances. The average omnibus fare is under 2½d., and 1d. fares are by far the most important numerically. To increase them by 5 per cent. or 10 per cent., it is claimed, is not a practical proposition. The alternative of reducing the distance a passenger is carried for a given sum is difficult and even dangerous; for the omnibus industry is subject to fierce competition from private transport, i.e. from the pedestrians' own legs and from the humble but efficient bicycle. The prosperity of the industry in recent years has been based on its success in inducing people to ride for relatively short distances, and one lesson of this year's strike has been that the habit may be less deeply ingrained than many had supposed. There is a good deal of evidence to show, moreover, that the outward movement of population from congested urban areas to new housing estates, in the last few years, would have induced a much greater demand for bus transport, but for the concurrent, and very considerable, increase in the number of privately-owned bicycles, whose original costs are low and whose running expenses are almost negligible.

The omnibus industry was brought under the control of traffic commissioners by the Road Traffic Act of 1930. The first effect of this control was to stabilise the position then existing. For three years there was virtually no change in vehicle-mileage, passenger journeys, receipts and fares. Subsequently there has been no material alteration in fares, but a small expansion of 4.7 per cent. has taken place in vehicle-mileage, together with a somewhat greater expansion of 14.5 per cent. in the number of passenger journeys, and of 6.5 per cent. in total receipts. The number of short-distance passengers has been growing, and the number of long-distance passengers declining. The result of the 1930 Act, in short, was to confer immunity from new omnibus competition on existing proprietors, and to stabilise both their total receipts and the level of their fares in a period of falling costs. Consequently, their profits rose steadily. The improvement, however, was due almost entirely to reduced expenditure, and the omnibus proprietors are in a correspondingly vulnerable position to-day.

A few relevant statistics will make the position clear. Recent returns show that, for all operators with more than five vehicles, except London Transport, the average receipts per vehicle-mile are 10.42d., and the average expenditure is 9.09d. Thus, the ratio of expenditure to receipts is 87.2 per cent. For local authority operators alone, the figures are 12.78d. and 11.49d. respectively, and the ratio 89.9 per cent. For private operators, the averages are 9.72d. and 8.38d., and the ratio 86.2 per cent. In the case of London Transport, receipts per vehicle-mile are 13.69d., and expenditure 13.13d., the ratio thus being 95.9 per cent. The differences in the financial results depend largely on the size of the vehicles used, the average seating capacity being 43.79 for local authorities' omnibuses, 29.55 for those of private operators and 48.53 for London Transport. The components of these figures deserve close examination. It may be computed that approximately 30 per cent. of the costs of operating a representative omnibus fleet is accounted for by overhead costs and fixed charges—which continue even when the buses are not running—and 70 per cent. by running costs. Taking separate items, some 39 per cent. of operating costs consists of traffic expenses (of which three-fourths represents drivers' and conductors' wages). Some 18 per cent. is attributable to fuel costs, 14 per cent. to vehicle repairs, 14 per cent. to depreciation of vehicles, and 15 per cent. to licence duties and other expenses over which the operators have little or no control.

Throughout the period since 1930, wages costs have been tending to rise, for three reasons. The first has been the increases in wage-rates and reductions in working hours which followed the inclusion of a "fair wages clause" in the Act of 1930. The second has been the absorption of small concerns paying low wages by larger operators paying higher wages. The third reason has been the growing importance of local authority operation. Up to last year, increased wages costs were more than offset by economies under other headings, and particularly those of depreciation, repairs and fuel. To-day, however, the cost of new vehicles is rising. The largest omnibus-manufacturing company in the country, Leyland Motors, for example, recently increased its prices by £60 to £75 per vehicle. In the absence of any increase in average "life," therefore, depreciation allowances must be increased. Repair costs depend largely on mechanics' wages and prices of replacements and spare parts—all of which have risen this year.

One item—fuel—remains as a possible field for economy in operating costs. Of the 47,000 omnibuses now licensed, approximately 10,000 use heavy oil and 37,000 use petrol. The proportion of the total mileage run by the vehicles using heavy oil, however, is somewhat greater than these figures suggest. The heavy oil omnibuses can be run at a saving of about 40 per cent. in fuel cost, compared with the omnibuses which use petrol, and this on a typical omnibus is equivalent to about 0.7d. per vehicle-mile. This is an appreciable saving, but against it must be set the higher initial cost of the heavy oil vehicle. Some operators, again, are doubtful whether the heavy oil vehicle will have as long a life or as low repair costs as the petrol vehicle. Nevertheless, in present conditions it seems, on balance, to hold out the prospect of appreciable economies, and it is significant that 76 per cent. of all new omnibuses purchased this year have been heavy oil vehicles, against 58 per cent. last season and 48 per cent. in the preceding season.

Once the possible economies from the substitution have been gained, however, it is difficult to see other directions in which they may be sought on any decisive scale. If the industry is, in fact, faced by the problem of rising costs and stationary fares, its financial future may largely depend on how far it can obtain a better load factor by carrying more passengers per vehicle-mile, which in turn will depend on the ability and willingness of the public to exchange copper coins for omnibus transport. An improvement in the purchasing power and an increase in the leisure of the poorer sections of the community would greatly assist the bus proprietors. Their problem, reduced to its lowest terms, is to induce one extra passenger to travel on every vehicle for each mile of its journey. But this marginal passenger will not be easy to find.

Notes of the Week

The Coming Session.—In barely a month's time Parliament will have reassembled. Political activity shows its normal autumnal rise and the Prime Minister has returned to town. We are on the eve of the Party conferences, and already the policy of the Government and the programmes of the Opposition groups are being revealed to the electorate. One thing is certain: nothing in the recess has shaken general confidence in the Government, whose stock probably stands even firmer now than two months ago. The Nyon Agreement has encouraged the belief, perhaps prematurely, that the advent of the new Prime Minister portends a hardening in foreign policy. Yet the coming session is likely to be difficult for the Government, despite the fact that the success of the Labour National Campaign in restoring the battered prestige of the official Opposition has yet to be proved.

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There are a number of thorny problems inherited from last session, when sectional interests were allowed to delay the reorganisation of the coal industry and electrical distribution. The physical fitness campaign has become widely popular during the summer, but not all the publicity to be given to the existing health services can conceal the absence of an effective policy for improved nutrition. The illogicalities of milk distribution and prices remain. Moreover, there are more general problems still to solve. Industrial prices are rising, and the re-armament programme has revealed many bottle-necks and shortages of plant and skilled labour. The regrettable gap between the condition of the distressed areas and that of other regions is still evident. And the Government's plans for the next slump are still uncertain. Mr Eden has sounded a trumpet call for an Anglo-American trade agreement, but there are few signs of the Government's readiness to place this country's authority behind a general move for freer trade. Nevertheless, the new Prime Minister is capable of following a progressive policy once the need has been proved. And, even during the recess, some members of his Cabinet have demonstrated praiseworthy zeal for departmental efficiency and reform.

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Conservative Amity.—While the forthcoming Labour Party conference at Bournemouth seems likely to be marked by considerable controversy about foreign policy and Left-wing activity, the Conservative counterpart at Scarborough on October 7th and 8th promises little excitement and no acrimony. The agenda for the Scarborough meeting is singularly free from discordant notes. No bogys are likely to be raised to compare with the issue of Indian government some years ago or, more recently, the problem of National Defence. Most of the resolutions tabled are devised to commend the Government, and castigation is reserved for the alleged policy of Opposition groups regarding foreign policy and colonies. The nearest approach to criticism will come from Mr Victor Raikes, who will urge upon the Government the claims of the poultry industry, and from the Manchester University Constitutional Association, whose resolution will stress the need of a plentiful supply of cheap milk for hospitals. It is remarkable to find such unanimity among the multitude of the Government's Conservative supporters, and its existence is certainly a tribute to the Prime Minister.

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Labour's Bid for Support.—The prestige of the Labour Party has been much blown upon since the *débâcle* of 1931, and the abortive come-back of 1935. There has been a notable lack of both agreement and direction in Labour pronouncements on foreign policy; and in domestic matters there has been similar dissension about tactics and strategy. Now the Party aims to rise like a Phœnix from the ashes of the burnt-out

enthusiasms of its early pioneers. With the launching last week-end of a National Campaign to win 100,000 new members, the Labour Party enters a new phase in its history. Until 1931 it was running with the wind. Since then it has been in the doldrums. Now it must vindicate its claim to be, as the official Opposition, the alternative to the National Government. Appeal has been made this week, in two million leaflets and at 5,000 meetings, to the middle and working classes alike. The Party can no longer claim the irresponsibility of youth. Mr Herbert Morrison, the organiser of victory in London, is leading the National Campaign. No better master of ceremonies could have been chosen to celebrate the Party's coming to years of discretion, but the success of Labour's new venture, in present political conditions, is highly uncertain.

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Japanese Barbarism.—A reply has at length been received to the British Note of protest against the wounding of the Ambassador to China. The reply is considerably more conciliatory than seemed likely at one time. It states that—

> The Japanese Government consider that the incident may have been caused by Japanese planes which mistook the Ambassador's motor as a military bus or truck. As the wounding of the Ambassador may thus have been due to the action, however involuntary, of Japanese aircraft, the Japanese Government desire to convey to his Britannic Majesty's Government a formal expression of their deep regret.

In reply to the demand for the punishment of the aviators, the Note says that "it is needless to say that the Japanese Government would take suitable steps whenever it was established that Japanese aviators killed or wounded, intentionally or through negligence, nationals belonging to a third country." It is also stated that "instructions have been sent again to the Japanese forces in China to exercise the greatest care in safeguarding non-combatants." This reply has been accepted in London as satisfactory, and, so far as regards the particular incident of the Ambassador's wounding, there is no point in pursuing it further. But the general assurances contained in the Note on Japan's solicitude for the safety of foreigners and non-combatants must be read in the light of events which occurred on the very same day that the Note was published. On Sunday, Admiral Hasegawa, the Japanese Commander at Shanghai, warned the representatives of the Powers that air raids would be made on Nanking, the Chinese capital, and that the diplomatic representatives had better withdraw to safety. This intimation, which must surely be unparalleled in history, drew immediate protests in Tokyo from the British, French and American Governments, the latter protest being in particularly strong terms, saying that a raid on Nanking would be "unwarranted and contrary to the principles of law and humanity."

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In spite of these protests, the threatened raids duly took place on Wednesday, anything up to 100 Japanese aircraft being engaged. Actually, comparatively little damage seems to have been done, and there was no loss of foreign life. But the enormity of this Japanese crime is not to be measured by piles of corpses. War is still undeclared between Japan and China. And Nanking's military importance is confined to the fact that it is a large and populous city which is the seat of the Government. To bomb this city, after cynically advising the Ambassadors of the Powers to clear out, suggests that the Japanese military authorities do not intend to observe any of the conventions of humanity. The world is being accustomed to horrors of this sort, but the raids on Nanking are more blatant and less excusable than almost anything that has gone before. There is every evidence that the opinion of the world concurs with the *New York Times* in conferring upon the Japanese action the epithet of "unprecedented barbarism." Nanking, unfortunately, is not the only city which has suffered. In Canton, a more thickly-settled and less protected city, the raids have been more frequent and the damage much more terrible. Are the Japanese really determined to put themselves beyond the pale of civilisation?

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Campaign in North China. — Apart from aerial barbarism, there has not been much movement on the Shanghai front. The Chinese forces have evidently made good their retirement to a new line, and the Japanese are going to proceed slowly in attacking it. In the North, on the other hand, there has been swift movement. The main bulk of General Terauchi's Japanese army has been advancing in a general southerly direction from Peking, with its left flank on the Tientsin-Pukow railway and its right wing across the roughly parallel Peking-Hankow railway. Taking advantage of their superior equipment and mobility, the Japanese have forced the Chinese back almost to Paotingfu, the important centre some 100 miles south of Peking. Though they have thus gained much ground, the Japanese have failed in their attempt to cut off the retreating Chinese, who were able to withdraw with the assistance of the floods which cover a large part of the countryside. Though this tactical encirclement failed, the Japanese are attempting a larger strategic movement of the same kind. The forces which were sent west of Peking into the province of Shansi have made rapid progress and are now circling round to the South and East towards Paotingfu. This western diversion has another purpose, which is to strike north-west into Suiyuan and thence into Mongolia. Thus Japanese strategy is designed not merely to cut the communications of the Chinese in Hopei, but also to threaten the communications of the Soviet Far Eastern Army farther north. But at present the operations cover only a fraction of the vast area which may become involved in the war—a fraction, moreover, in which Japanese command of transport stands at its greatest advantage. It is impossible as yet to see more than the most sketchy outlines of what may well develop into a campaign on the largest possible scale.

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Sequel to Nyon.—The succeeding stages of the diplomatic initiative begun at Nyon a fortnight ago appear to have been as speedy and effective as the first, which shocked Europe into the realisation that the democracies could, when they chose, act as quickly and incisively as the dictatorships. On September 17th, less than a week after the signature of the original agreement, the nine Nyon Powers signed a supplementary agreement designed to extend the protection against piracy to ships attacked by surface vessels and aircraft. The text is short, and merely authorises the war vessels of the signatory Powers to take measures against any aircraft or surface ships attacking merchant ships "when such attack is accompanied by a violation of the humanitarian principles embodied in the rules of international law with regard to warfare at sea, which are referred to in Part IV of the Treaty of London of April 22, 1930, and confirmed in the Protocol signed in London on November 6, 1936." In effect, this makes every air attack on shipping in the Mediterranean (always with the exception of attacks on Spanish ships) a piratical venture, since it is virtually impossible for an aeroplane to give the warning of its attack and make the arrangements for the safety of the crew which are required by the rules. Apart from its political importance, therefore, the second Nyon Agreement has the legal merit of extending for the first time a code of humanitarian conduct to air attacks. Unfortunately, the state of the world gives little encouragement for any belief that this code will be observed in future hostilities where there will not be an anti-piracy patrol to exact vengeance.

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Italian Diplomacy.—From the start, however the true significance of the Nyon Conference has been political rather than naval. Signor Mussolini, having refused to attend the Conference, was annoyed to find it taking place without him and, still more, to learn that it had concluded so effective an arrangement in his absence. Italy was, indeed, in something of a dilemma. For the Mediterranean was clearly not "Mare Nostrum" if every corner of it was to be patrolled by the British and French fleets, but not the Italian. On the other hand, to beg for admission to the Concert of Nyon was to admit diplomatic defeat. Moreover, there was little time to lose, for the Duce is due to travel to Munich and Berlin this week-end, and must appear there as the strong-armed, undefeated Master of Italy's Destiny. Britain and France, however, stood firm. While welcoming Italy's adhesion to the Agreement on the terms provided in the document itself, they held that any proposals for amendment, designed to secure a larger part for Italy, must come from Rome. This diplomatic hurdle provided the occasion for much coming and going in Rome, but in the end Italy undertook to send naval experts to a meeting at Paris, which is to begin within a few days and work out the technical details of Italy's collaboration. It is believed that there is no question of Italy's being assigned a zone in which she would exercise the exclusive patrol, but that Italian destroyers will be attached to the British and French patrols. British and French diplomacy has shown at its best in these last few days. Wisely, the advantage has not been pressed too far, but the result can be expressed as at least a victory on points for London and Paris.

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There are, indeed, signs that Signor Mussolini, being forced into some form of understanding with Britain and France, has decided to appear in Berlin not as Herr Hitler's weaker and out-manœuvred ally, but as a potential convert to the other side—not with entreaties, but with warnings. To the general surprise, the Italian permanent delegate to Geneva, Signor Bova Scoppa, was authorised to have two long conversations on Wednesday with M. Delbos, in which he gave the most emphatic reassurances on Italian policy in and towards Spain. He said that no more troops were being sent to Spain and that the "volunteers" already there would eventually be withdrawn. He also intimated that there was no intention of permanently maintaining the present occupation of the Balearics. These assurances were repeated to the British Chargé d'Affaires in Rome on Wednesday by Count Ciano himself. Signor Mussolini's diplomatic record does not encourage the world to take any of his pacific gestures at their immediate face value until proof is forthcoming, and the circumstance that the Duce is obviously in urgent need of some bargaining counters to take with him across the Alps is an added recommendation to caution. But it is just possible that he has decided, in view of the German hesitation and Franco-British firmness, that his Spanish game is up and that he had better get the best terms possible for withdrawing. If this should prove to be true, it would be the most hopeful thing that has happened in Europe for many months. Even the appreciation of its possibility has measurably relaxed the tension.

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American Democracy.—Both President Roosevelt and his Secretary of State have within the past week defined the attitude of the United States towards the challenge which dictatorial aggression is offering all over the world to the principles and practice of democracy. The President was speaking on the 150th anniversary of the American Constitution, and his address was a skilful application of American respect for that venerable document to the external and internal problems of the day. As for the world at large he made no attempt to minimise either the success of the appeal of dictatorship, which led their leaders to "laugh at all constitutions, predict the copying of their own methods and prophesy the early end of democracy throughout the world." This external challenge the American people were determined to keep from their shores. "The known and measurable danger of becoming involved in war we face confidently." But the internal danger was more insidious, either from those who hankered after a plutocratic dictatorship or from those who were in too much of a hurry for democratic institutions. The answer to both was to raise the standard of American living and economic and social security "from what they are now to levels which the people know our resources justify." "That," continued Mr Roosevelt, turning his argument into familiar channels, "is why I have been saying for months that there is a crisis in American affairs which demands action now."

* * *

The President was thus most urgently concerned with re-establishing the necessity of his internal programme. Mr Cordell Hull, on the following day, was naturally more fully occupied with the international situation. No less than his chief he gave expression to the deep abhorrence with which American opinion regards the methods and ambitions of the dictators. There followed a passage which has attracted considerable attention:—

> It was a great temptation in some countries such as their own to believe that peace could be had merely by maintaining isolation apart from the rest of the world, both in peace and war. This was a basic and sound determination, and it should not be relaxed. But a policy of complete isolation from the outside world would in its ultimate effects be as ineffective as the opposite extreme of ill-advised and unnecessary intervention would be unwise.

These words give authoritative expression to the feeling which is undoubtedly growing in the United States that if America allows dictatorship to sweep the rest of the world, she will herself eventually have to meet the same challenge. But it would be a mistake to read in Mr Cordell Hull's words any intimation of a forthcoming change in the practical details of American foreign policy. Mr Hull himself said that the quest of isolation "should be relaxed." Foreign countries may consider that search unfortunate; they may be convinced that it is short-sighted even in America's own interests; but the wish of the American people is so clear and strong that it must be reckoned as a fact in world diplomacy.

* * *

M. Bonnet's Stewardship.—A broadcast address on Monday evening by M. Bonnet, the Minister of Finance and pivotal figure in M. Chautemps's Cabinet, succeeded in materially allaying the fears felt last week for the franc. M. Bonnet was able to report excellent progress in nearly every field of his economic programme. The 1938 Budget will not only be balanced, but will show a surplus of 1,600 million francs. This does not, of course, include the re-armament expenditure covered by the extraordinary Budget, but it is nevertheless a considerable achievement. Part of this surplus will be devoted to meeting the claims of the servants

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of the State for increased salaries. But the major part will go towards the finance of re-armament. Moreover, the Caisse d'Amortissement will redeem 4,000 millions of the National Debt in the course of the year. The funding operations for the Treasury bonds which mature next month have been successful, so that the Treasury is out of all its difficulties for 1937 and the balancing of the Budget should make it fully possible to cover all requirements in 1938. M. Bonnet claimed that this improvement had been effected without crippling the country by increased taxation; the increase in railway charges had not led to any reduction of traffic, and the yield from taxation in August was better than for a long time past.

* * *

In his more specific references to the position of the franc, M. Bonnet confirmed by inference the new policy of refraining from any rigid pegging of the exchange rate (a declaration duly noted by the market), but he warned speculators that the Equalisation Fund was plentifully supplied with foreign exchange and would not hesitate to intervene when it saw fit. On the other hand, no form of exchange control was in contemplation and France would remain true to the principles of the Tripartite Agreement of a year ago. Finally, the Minister of Finance gave a clear, though tactfully worded, warning to his colleagues of the Left. For the further progress of the improvement already begun, a continuation of the " pause " is absolutely indispensable, whatever may be the gains of the Socialists in the forthcoming cantonal elections. Indeed, the Socialists, far from securing further social reforms, may be compelled to abandon some of their gains of last year. The report of the Government's Committee on Production, which is expected in a day or two, is believed to recommend the substitution of a 45-hour week for the prevailing 40-hour week. This will be a bitter pill for the Trade Unions, but it is not unreasonable to expect that they will take it with protest but without violence.

* * *

The Spanish War. — The past week has not seen much military activity in Spain. In the North, General Franco's forces have made slow advances towards the Asturias, the last part of the Atlantic coast still loyal to the Government. On the other hand, a Government offensive has been started in the Province of Cordoba, and it is claimed that an advance has been made into the Province of Badajoz. If this is pressed, it may menace the thin line of communication between the northern and southern sections of rebel Spain. The chief interest of the week has been concentrated on the revelations made in France of the part played by Franco agents in inspiring and carrying through terrorist acts. An attempt was made by Spanish Nationalists on Saturday last on the Spanish Government submarine C2, now lying at Brest, with the object of taking possession of the vessel and, presumably, of delivering it to General Franco's navy. This attempt was foiled by the loyal crew. In the course of their inquiries the French authorities have established that Colonel Troncoso, Military Governor of Irun, was personally implicated. The Colonel, having entered French territory, has been arrested and held for investigation. To complete this Ruritanian story, an attempt was made by armed men to invade France and rescue the Colonel; and the French police have officially declared that the same parties are also held responsible for other terroristic acts of the last few weeks in France. Thus piracy is spreading from sea to land.

* * *

Spain's Appeal to the League.—In the League Assembly at Geneva on the 18th of this month Spain appealed still more urgently, and denounced her assailants still more outspokenly, than on the occasion when, some months ago, she put her case before the Council. Her present spokesman, Señor Negrin, declared that, on the insurgent side, the war was now being waged almost entirely with Italian and German arms and men; and he effectively quoted both Herr Hitler and Signor Mussolini as witnesses to the truth of his charge. He further told the Assembly that the Spanish Government had reason to believe that Italy was on the point of sending to Spain another 150,000 troops in the hope of being able, with these huge reinforcements, to crush the Spanish Government's resistance before the winter. He went on to make five specific demands. The League should formally recognise that Spain was the victim of Italian and German aggression. The League should examine ways and means of bringing this aggression to an end. The Spanish Government should no longer be deprived of their legal right to acquire freely all the war material that they want. Non-Spanish combatants should be withdrawn from Spanish territory. And, finally, Spain (i.e. the legitimate Spanish Government) should be made both a participant in, and a beneficiary of, the measures just taken at Nyon for establishing collective security against piracy in the Mediterranean. As the pirates, Señor Negrin did not hesitate to name the Italians.

* * *

This Spanish address to the Assembly, which was an indictment as well as an appeal, was soon answered in a facing-both-ways speech by M. Delbos. " One elementary condition is that we must avoid the risk of war infection," said the French Foreign Minister. But he also talked gingerly of " the menace of a rupture of equilibrium to the detriment of the legitimate interests and vital needs of other countries " if illicit intervention continued and increased. Mr Eden, too, referred to the Spanish question—and this in much the same spirit—in his speech of Monday. He claimed that " the main object " of the policy of so-called non-intervention had been achieved because it had succeeded, for a whole year, in keeping the rest of Europe at peace. He added in the same breath that there had been wide breaches of the agreement; engagements had not been kept; there were foreign nationals in large numbers fighting on Spanish soil; and all this was pregnant with danger to the peace of Europe. Señor Negrin might have retorted that the danger to the peace of Spain had long since come to birth. The French and British Governments have made it clear that Spain's rights and interests are the *cadets de leurs soucis*. They are concerned in the first place to avoid war for themselves, and in the second place to secure this boon at the lowest possible cost to French and British national interests. This being so, there is as little likelihood of the Covenant being implemented in the case of Spain as in that of China.

* * *

Mr Eden's Speech.—The Far Eastern War was treated even more summarily than the Peninsular War by Mr Eden in his speech to the Assembly on Monday. The bulk of what the Foreign Secretary said on this occasion was as unexceptionable as it was ineffective. He said that war was futile and that greater freedom of international trade would tell in favour of peace. Mr Roosevelt and Mr Hull have been saying much the same things these last few days, but there is a great gulf fixed between truisms and action. On the actual contribution which the United Kingdom has made towards liberating the world's trade from its fetters, Mr Eden was perhaps rather unduly complacent. But on the whole there was little in his speech with which anybody—democrat or totalitarian—would seriously quarrel. He was adroit in slipping in his advertisement of the scale of British naval re-armament in the form of an illustration of the badness of the state of the world. But even this diplomacy was hardly needed. Nobody doubts that this country's intentions are unaggressive or that we sincerely wish for international peace and goodwill and co-operation. Our fault lies in our unwillingness to risk or sacrifice anything of our own for the sake of bringing these good things nearer. On this crucial point, Mr Eden's speech unhappily contained no hint of any positive or constructive policy.

The Council Elections.—The Spanish Government have had a second failure at Geneva. Spain has hitherto occupied one of the " semi-permanent " seats on the Council. Normally no State is eligible for re-election, but the Assembly is empowered to waive this restriction by a two-thirds majority. This year Spain applied as usual for her eligibility for re-election to be approved, but she obtained only 23 votes instead of the necessary 32. This result may have been in part a reflexion of the present situation in Spain. At any rate, dislike of the Spanish Government's actual or supposed " ideology " may have moved eight Latin-American States and Portugal to vote against her. On the other hand, Spain is believed to have obtained four Latin-American votes, as well as the votes of four States members of the British Commonwealth. What really spoilt Spain's chances was that the Islamic countries—and, with them, India—voted against her in the hope of securing the re-election of Turkey. These votes were cast in vain, since it was the general feeling of the Assembly that if Iran was to be elected to the Council (as she has been) to represent the Islamic group of States, it would be unreasonable that Turkey should retain her former seat as well. So Spain suffered without Turkey's benefiting. Another successful candidate besides Iran was Peru. But a place remains vacant, and at the time of writing Belgium is being urged to stand for it.

* * *

Other Business at Geneva.—While the Spanish appeal and the elections to places on the Council have been the principal events in the Assembly this week, they have not been the only business transacted at Geneva. China's appeal has been referred by the Assembly to a committee which has never officially been dissolved since it was constituted, to deal with the Sino-Japanese conflict, in the first act of the drama of Japanese aggression. The chief merit of this procedure is that on this committee, when it last met some four years ago, the United States was represented by an observer. This consideration has moved China to concur in the Assembly's action—but this with a reservation of China's right to bring the business back to the Assembly itself if the committee fails to make progress. The American Government is still willing to take a non-voting part in the committee and has nominated the American Minister in Berne as its " observer." This can hardly, however, be taken as a sign of a firmer American policy towards Japan. Of all the Great Powers, America has been one of the quickest to urge evacuation on its nationals who find themselves in the line of fire between the Japanese and Chinese forces, and though Mr Cordell Hull's protest against the announcement of the raid on Nanking was in strong terms, the Japanese will take more note of actions than of words. Moreover, there is little indication of a strong policy in the American Government's action in forbidding government-owned American merchant ships to carry arms and munitions to China, and in warning private American merchantmen that, if they do so, it will be at their own risk.

* * *

The Fall of Krylenko and Rakhimbaev. — The Russian proscription is not yet at an end. Last week Stalin struck down two men who each occupied a high position in one of the seven constituent States of the Soviet Union, Rakhimbaev, the Prime Minister of Tajikistan, fell at the beginning of the week, and on the 15th his fall was followed by that of Krylenko, the Commissar of Justice in the Russian Socialist Federal Soviet Republic. Of Stalin's two latest victims, Krylenko is, of course, by far the more important, and this in virtue both of his post and of his personality. While Tajikistan is one of the smallest and most backward of the seven States members of the Union, the R.S.F.S.R. overshadows all the other six put together. It not only includes in its boundaries almost the whole of the Greek-Russian-speaking element in the population of the Union; it also embraces, as its complicated title proclaims, a number of autonomous republics and districts; so that it contains representative samples of the peoples of the Union from top to bottom of their scale of civilisation. As for Krylenko himself, he has been a prominent member of the Bolshevik governing cabal ever since the revolution of 1917, and for the best part of these twenty years he has been in continuous occupation of the key position from which he has now just been ejected. Like Litvinov's predecessor Chicherin, Krylenko was a survivor from the *ancien régime*. The revolution found him an ensign in the Imperial Army and made him Commander-in-Chief with the mission of completing the disintegration of the Czarist force which thus came under his command. The satisfactory accomplishment of this task was rewarded with the appointment which he has held ever since.

* * *

A Check to the Declining Birth-Rate. — The Registrar-General's quarterly return has been widely greeted as evidence of a rising birth-rate. It is true that the total of births in the second quarter of 1937, at 163,867, was 6,215 higher than in the corresponding period of last year. But the increase is too small, and the period too short, to serve as bases for any wider conclusions. There is always a tendency for the number of births in any year to follow the number of marriages in the previous year, and marriages have been increasing ever since the bottom of the slump. This latter tendency may now have been arrested, since the number of marriages in the second quarter of 1937 was less than four-fifths of the total for the same period last year. There is nothing in the vital statistics of the last few years to invalidate the general outline of the future changes in population which is now becoming generally familiar. It so happens that many of the calculations of future population are based on the figures of 1933, when the number of births was exceptionally low. Use of the average figures of 1933-36 would lead to less catastrophically rapid estimated declines of population. But even with the slight increase in births in recent years, their number is still far below what is necessary to maintain the population.

* * *

The N.F.U. on Milk.—If a model were required of the arrogance which protectionism encourages vested minorities to assume, the search would have no need to go beyond the National Farmers' Union. That body, on Friday of last week, issued a statement calling for the immediate withdrawal of the Government's White Paper on Milk. The ignorant bystander might be forgiven for supposing that this piece of intransigence was inspired by an attempt on the Government's part to rob the dairy farmers of their living. But, on the contrary, the offending White Paper promised the continuance of the Government's insurance of reasonable prices in the manufac-

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tured milk market, offered several new subsidies and maintained the farmer-elected Milk Marketing Board in all its one-sided monopoly. But all these count for nothing with the farmers beside the fact that the Government has failed to introduce the plan which they allege they were promised two years ago by which a tariff would be placed on the imports of milk products and the proceeds expended in a subsidy to the farmers. The N.F.U. chooses to ignore the fact that the Import Duties Advisory Committee (which can be trusted to find virtue in a protectionist device if there is any) has given its opinion that the proposed duties would not help the farmer and would be contrary to the public interest. It also ignores the harm that would be done to the nutrition of the people by increasing still further the price of the only form of milk which, thanks to the farmers' price policy, the very poorest can afford. These aggressive demands by the farmers are all based ultimately upon the claim that they were "induced" to enter the Milk Marketing Scheme by the promise of protection. This is a bluff which deserves to be exposed. There was no inducement. The farmers welcomed the scheme because it was the only means of saving their skins. If they do not like the scheme without protection, let them end it. The consumer would not object, since he would gain immediately in lower prices, while the farmers would be ruined. The truth is that the scheme has brought benefits to the milk producer and to nobody else, unless it be the distributor. It has certainly not benefited the consumer or advanced the public interest. *The Economist* cannot claim ever to have been enthusiastic about the methods of agricultural assistance adopted in recent years. But resolutions such as that adopted by the N.F.U. last Thursday and letters such as that written to *The Times* by the Union's General Secretary on Monday turn a lack of enthusiasm into positive distaste. Since the farmers so much dislike the White Paper, by all means let it be withdrawn. But let every penny which the State now pays into the milk producer's pocket be withdrawn with it. Gratitude and even good manners are doubtless out of place in such affairs, but the taxpayer who finds so many millions for agriculture may well wonder what he is supposed to be receiving in return.

* * *

Thrift in Recovery.—The twenty-first report of the National Savings Committee breathes a certain spirit of satisfaction, and it has every right to do so. There was a time, a year or so after the end of the War, when (as we described in an article in *The Economist* of May 22, 1937, page 439) it seemed as if the movement would die away after the emergency that produced it had passed. But it negotiated the crisis with great success and has expanded steadily ever since. At the end of last March there was invested in National Savings Certificates, the Post Office Savings Bank and the Trustee Savings Bank no less a sum than £1,378,400,000, the highest figure in the movement's history, and £69 millions above the total a year before. Nearly £25,700,000 of Savings Certificates were sold in the course of the year and over £192 millions was paid into the Savings Banks. Obviously, though the movement has come of age, it retains a youthful vigour. The number of groups of the varied kinds adapted to the needs of schools, factories and social organisations has increased steadily. Propaganda is going uninterruptedly forward, and the Committee has even added a film to the list of its weapons for the popularisation of elementary economic wisdom. There are no signs that it tires of well-doing.

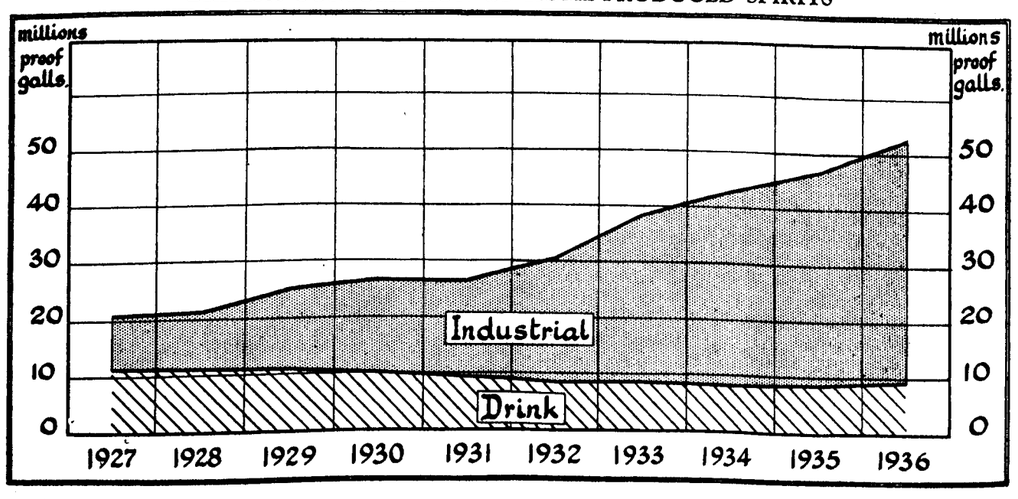
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Growth of the Distilling Industry.—The accompanying diagram illustrates the rapid growth of British consumption of home-produced spirits during the past ten years. It is based on the statistics of spirits retained for use in the United Kingdom, published in the official trade returns. Like the consumption of beer, the long-term trend of the use of spirits as a beverage has been downwards since 1927, though there has been a slight increase since the depression. Consumption of spirits for other purposes, however, has shown an astonishing increase. In 1927 industrial consumption was slightly smaller than human consumption, but in 1936 it was more than four times as large. The growth of spirits consumption in industry has been very marked in the rayon industry, in the paints, varnishes, polishes and allied trades and in the manufacture of oil and leather cloth as well as toilet requisites. Moreover, the use of spirits in industry is still on the upgrade.

* * *

Tyneside Local Government.—The Minister of Health, on tour in the North East, has at last indicated in a speech at Newcastle the views of the Government about the recommendations of the Royal Commission on Tyneside Local Government, published last March. Sir Kingsley Wood declared that, while the Government was convinced that some action was necessary to secure a measure of unification in local administration in this vast and complex urban area, the initiative for reform must rest in the first place with the authorities themselves. The majority report of the Commission suggested sweeping changes: the creation of a great regional authority having competence from the Cheviots to North Durham to administer Public Health, Education, Public Assistance, Police, Fire and Highways; and the establishment of a greater City of Newcastle to administer

BRITISH CONSUMPTION OF HOME-PRODUCED SPIRITS



more localised services in urban Tyneside. Official opinion on Tyneside, Sir Kingsley Wood pointed out, has proved strongly opposed to this drastic introduction of regional principles into Tyneside government, and is more disposed to consider the minority recommendations, themselves a protest against so extensive and unrestricted an amalgamation. In brief, the minority advocated the extension of the city and county borough of Newcastle to include Gateshead, Wallsend, Jarrow, Gosforth, Hebburn, Felling and Newburn. This scheme would involve no break with the normal structure and working of British local government, and would at the same time do much to end the anomalies, inefficiencies and extravagances which impressed the Commission in their survey.

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Clearly, the Minister of Health's speech was intended to advise the local authorities concerned of the Government's readiness to meet any proposals of this kind embodied in a local Bill. While it is regrettable that the Commission's proposal for a great regional authority must be laid aside until the time is more ripe for it, we trust that certain incidental recommendations of the Report, such as the project of a unified transport authority, will not also be shelved. The majority proposals could not easily have been applied to Tyneside alone, but the time may well come when a general regional development in urban government will become inevitable. Then the principles of the majority Report will be of national importance. Meanwhile, an obligation rests upon the Tyneside authorities to respond speedily to Sir Kingsley's invitation.

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The Tramp Steamer Scheme.—In a Note in *The Economist* of September 11th, page 515, a summary was given of the drastic voluntary scheme for the control of tramp shipping prepared by the Tramp Shipping Administrative Committee which it was hoped would succeed the Government's subsidy scheme at the end of the year. It was then arranged that the liner owners should meet on September 17th to give their assent to, or state their criticisms of, the plan. Their meeting has now been held, and they have registered their unanimous support. This is an important step forward, for without the liner owners' adhesion the scheme would have had to be redrafted and very much weakened. The unqualified acceptance by the liner companies of the principle of fines for breaches of the undertakings embodied in the draft augurs well for its eventual acceptance by the requisite 90 per cent. of the tramp owners themselves, who are to make their decision next month.

* * *

World Economic Trends.—The reputation of the Economic Intelligence Section of the League of Nations is deservedly increasing with the rising standard of the quality of its many statistical and interpretative services on world economic trends. Its annual reports are monuments of comprehensive research, and the two volumes* issued this week add further to the knowledge of the factors which have shaped world economic developments in the past twelve months. The "World Economic Survey," intended mainly for the lay reader, has again been prepared by Mr J. B. Condliffe. It provides the best concise summary of economic developments in individual countries and in the world as a whole during the twelve months ended last July. The second volume, "World Production and Prices," is more technical in treatment. It contains the usual, and now indispensable, indices of raw material and industrial production, both for individual countries and groups of countries as well as for the world as a whole. These indices show, for example, that world production of primary products in 1936 was slightly, and industrial activity considerably, higher than in 1929. The explanation of the fact that primary production last year did not keep pace with the growth of industrial activity is given by the League's index of changes in stocks of primary products—a new feature of the survey—which recorded a substantial decline. Accurate information is the prerequisite to the pursuit of rational policy. Unfortunately, the signposts put up by the League's Intelligence Section are still all too frequently ignored.

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Revision of the Rome Protocols.—Political influences can clearly be seen at work behind the Italian decision to amend the commercial treaties with Austria and Hungary known as the Rome Protocols. They have been denounced, to terminate on September 30th, and new agreements will subsequently be negotiated. The reason for this change is to bring Jugoslavia, Italy's new friend, within the charmed circle. Hungary will have to abandon some of her agricultural preferences, while Austria will find her exports of timber to Italy affected. In both cases Jugoslavia is to gain by quota increases, tariff reductions and credit facilities. Apart from these concessions to Jugoslavia, Austria will have to make price concessions on her sales of steel, cellulose and paper, all of which are still badly needed by Italy. Italy is able to impose these changes on Austria and Hungary because of her import surplus in their mutual trade. But they clearly leave little remaining of the original purpose of the Protocols, which was to show Austria and Hungary that they could find in Italy the economic outlet which the rest of the world was alleged to deny to them. Italy's motive is to reinforce on the economic side the political agreement made by Count Ciano with Dr Stoyadinovitch at Easter last. This very eagerness shows how much Italian policy is facing round towards the Mediterranean and is prepared, for that end, to sacrifice Italian interests in the Danube valley. The advantage accrues, of course, to Germany. But none of the Danubian States can be expected to rejoice in this evidence of the division of South-Eastern Europe into German and Italian spheres of influence—least of all the two small States who are so clearly being made to feel their status as pawns. Hungary is already on the point of concluding a commercial treaty with Czechoslovakia, and Austria is also moving in the same direction.

* * *

Anglo-Scandinavian Coal Talks.—British coal exporters and the Scandinavian importers are discussing the Anglo-Scandinavian arrangements of 1933, under which Sweden agreed to take 47 per cent., Norway 70 per cent., Denmark 80 per cent., and Finland 75 per cent. of total imports from Great Britain. The Scandinavian importers claim that deliveries are not made to time and that prices are too high. It would be good policy from the British point of view to meet the importers' wishes where possible; for the agreements

* World Economic Survey, 1936-37. 261 pages. 6s. net. World Production and Prices. 136 pages. 5s. net. Allen and Unwin (League of Nations Publications Department).

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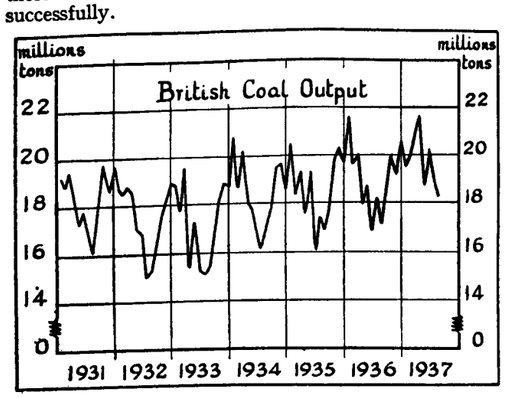
COAL EXPORTS TO SCANDINAVIA
(Monthly average, in tons)

		Great Britain	Germany	Poland
Sweden	1933	165,346	29,025	195,990
	1937	261,720	52,496	192,963
Norway	1933	79,380	1,486	66,123
	1937	137,476	20,990	34,061
Denmark	1933	238,083	9,418	61,556
	1937	277,112	49,376	26,796
Finland	1933	39,391	3,370	33,460
	1937	96,965	13,228	23,525
Total	1933	522,200	43,299	357,129
	1937	773,273	136,090	277,345

No material alterations of the agreements are in prospect, but assurances over prices are keenly desired.

* * *

Seasonal Decline in Coal Output.—As the accompanying chart shows, the production of coal is subject to marked seasonal variations. In part these variations can be traced to the weather. Household requirements for heating, for example, vary directly with changes in temperature. Domestic consumption for heating purposes falls almost to zero during the summer and reaches a peak during the winter. By lowering prices during the summer collieries have attempted to even out these fluctuations in demand, though not very successfully.



This summer has been no exception to the rule, for production was sharply curtailed in July and August. But, as a result of the expansion of industrial requirements and export demand, output has been running above last year's level in recent months. Production in August was about 7 per cent. higher than a year ago, and the latest reports suggest that the improvement is likely to be maintained over the winter.

* * *

Business Activity Maintained.—This week has brought no developments likely to alter the course of business in the near future. One of the most significant features is the alleviation of the stringency in the iron and steel markets, brought about by increasing supplies rather than by falling demand. In some of the coal-mining districts, autumn inquiry has not yet come up to expectations, and in others quotations have been shaded. The cotton textile industry remains active, but, as our correspondent points out on page 637, new business has been smaller owing to the uncertain future of raw cotton prices. Jute manufacturers are being forced to curtail output owing to the growth of Indian competition at home and abroad. Dundee manufacturers, meanwhile, demand that imports from India be limited and regulated by a quota. More detailed information concerning the latest developments at home and abroad is given in the Trade Supplement published with this issue.

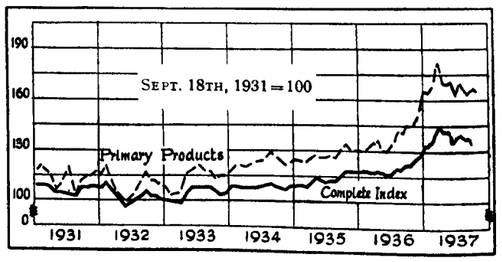
Fresh Reaction in Wholesale Prices.—Wholesale prices in England have again fallen, the complete *Economist* index number by 1.0 per cent. and primary products by 0.7 per cent. In the United States the complete Irving Fisher index number has risen by 1.4 per cent., but *The Economist* primary products index is a shade lower. The renewed depreciation of the franc is reflected in a fresh increase in French wholesale prices, which have risen by 1.5 per cent. during the past fortnight and by 4.1 per cent. during the past month. Italian prices have fallen by 0.8 per cent. during the past six weeks, but German prices have lately become a little firmer:—

SEPTEMBER 18, 1931 = 100

Date	*The Economist* Indices: British Complete Index (sterling)	Primary Products: British (sterling)	Primary Products: American (dollar)	Price of Gold (sterling)	U.S.A., Irving Fisher	France, Statistique Générale	Italy, Milan Chamber of Commerce	Germany, Statistisches Reichsamt
1932								
July 27th	99·5	103·5	84·1	136·9	88·3	91·3	88·5	88·1
1933								
July 26th	108·1	120·6	124·7	145·7	100·9	89·7	86·2	86·6
1934								
July 18th	109·5	124·8	136·7	162·4	113·2	81·4	83·2	91·1
1935								
July 31st	112·7	126·7	146·2	165·6	120·2	75·9	98·2	93·9
1936								
July 22nd	118·7	140·4	157·2	163·4	120·6	88·6	111·4†	95·7
Aug. 19th	119·4	141·9	163·2	162·7	121·9	89·8	111·4†	96·1
Sept. 30th	121·8	144·5	159·6	165·0	121·8	96·4	112·5†	95·9
Oct. 28th	123·6	145·7	161·1	167·1	122·5	102·1	114·8†	95·8
Nov. 25th	126·3	150·9	172·0	167·2	124·8	106·9	...	95·9
Dec. 30th	131·3	163·9	187·3	166·7	128·8	113·0	...	95·4
1937								
Jan. 27th	134·2	164·2	184·5	167·0	131·0	115·9	...	95·7
Feb. 24th	136·3	168·2	185·5	167·4	131·8	116·8	124·3	96·2
Mar. 31st	140·3	181·9	199·7	167·4	137·3	121·8	128·2	97·5
Apr. 28th	142·0	189·9	183·5	165·4	135·6	120·5	128·7	97·0
May 19th	142·4	188·7	184·4	165·3	135·6	120·2	131·3	97·2
June 2nd	142·7	170·2	178·9	165·6	134·3	119·8	133 2	97·5
June 16th	139·4	163·6	173·5	165·3	133·3	119·8	133·8	97·4
June 30th	139·5	165·9	176·8	165·7	134·1	...	134·2	97·5
July 14th	140·7	168·5	180·4	165·0	134·1	128·8	135·8	97·8
July 28th	140·2	167·1	171·8	164·5	133·8	130·8	137·1	97·9
Aug. 11th	139·3	166·8	171·1	164·2	133·3	131·3	137·0	98·2
Aug. 25th	137·9	164·4	165·3	164·2	133·0	133·3	...	98·1
Sept. 8th	137·4	165·1	166·9	165·3	132·2	136·7	...	97·7
Sept.22nd	136·0	164·0	166·3	165·1	134·0*	138·8*	135·9*	97·8*

* These figures relate to September 15th.
† Monthly averages.

The chart shows the course of British wholesale prices. The downward trend since the early part of this year is now quite noticeable:—



Details of group movements in the complete *Economist* index number are given below:—

The Economist INDEX
(1927 = 100)

	Sept. 18, 1931	Aug. 25, 1937	Sept. 8, 1937	Sept. 22, 1937
Cereals and meat	64·5	89·0	88·1	89·1
Other foods	62·2	66·7	66·8	67·2
Textiles	43·7	68·7	68·0	65·5
Minerals	67·4	108·1	108·9	106·4
Miscellaneous	65·8	85·6	85·3	84·5
Complete index	60·4	83·3	83·0	82·2
1913 = 100	83·1	114·7	114·2	113·1
1924 = 100	52·2	72·0	71·7	71·0

In the cereals and meat group, wheat, maize and bacon were all dearer, but meat prices moved irregularly. Advances in tea and butter explain the increase in the other foods index number. There was a general decline in textiles and also in non-ferrous metals, with the exception of tin. Among miscellaneous materials, hides, tallow and rubber were cheaper, but there was an advance in linseed oil.

Overseas Correspondence

From Our Special Correspondents

United States

Nerves in Wall Street

NEW YORK, September 14.—Last week Wall Street reached a condition aptly described by the onomatopoetic word of "jitters." The term is intended to mean more than nervousness, but less than hysteria. On Tuesday, September 8th, the day after Labour Day, on Friday, and again on Monday, the market was swept by waves of selling which recalled such days as, for example, those which followed England's departure from gold in September, 1931, or even September, 1929.

This followed a decline which in 24 days had brought average prices down approximately 20 per cent.; a considerable number of shares are now quoted at barely half the levels reached earlier in the year. The declines in the corporate bond market have been less abrupt; but, relatively, they are comparable.

Whatever the future may hold for American business, nothing in the current state of industry and trade can account for this phenomenon. Nor can it be rationally explained in terms of the news from the more troubled quarters of Europe or Asia. Unquestionably the causes lie in our own economy. A change of this magnitude in quoted share values is an economic fact of undoubted importance; but as yet no explanation is wholly satisfactory. Probably the simplest begins with the premise that the New York market has become very "thin"; and proceeds to the conclusion that minor disturbances in credit and even slight evidences of business recession produce in such a market violent repercussions out of all proportion to these influences.

Conflict in Policy

The gold sterilisation policy, combined with the increase in reserve requirements, did not introduce any shortage of bankers' cash into our banking system. The completion of the programme left the member banks with almost $900 of excess reserves, and they are still in the vicinity of this figure. These reserves were, however, irregularly distributed; and in recent months the banks of New York City, as a consequence of movements in our internal balance of payments, have never been entirely comfortable, and occasionally have been in a decidedly uncomfortable position. Subjected to an increasing demand from commercial borrowers, they have been steady sellers of investment securities, especially of Government stocks. At the same time, the Treasury continued to make large demands on the market. It became increasingly evident that the policy of credit control and the policy of deficit financing were in conflict, and the investment markets sagged under the pressure. Nevertheless, this pressure could not be described as very heavy. The long-term rate of interest in the past year has been under pressure in London, and, while in detail the circumstances have differed, it yet seems debatable if the credit pressure on investment markets in New York has exceeded that experienced by the London market.

Up to the end of August there were no data clearly forecasting a recession in business in the late months of the year. In Wall Street itself there were a number of doubts; but business opinion was confident in the highest degree, and inclined to belittle or ridicule the apprehensions of Wall Street. Before September, doubts about the future were due to the apparent fact that residential building had been checked by the rise in costs, and the suspicion that the consuming public would resist the mark-ups necessitated by increased labour costs in manufacturing generally. Furthermore, there had been continual small strikes, and threats of large strikes, notably on the railroads; and it was generally realised that a railway strike could be averted only by a wage increase which would seriously hit the companies. But these facts were, at the end of August, as well known to the business community as to the financial community. The difference was largely a difference of appraisal; the business community rated the outlook for the remainder of the year as excellent, and the financial community as fair—but neither classed it as really bad. In this account of the credit condition and of opinion about the autumn outlook, there is perhaps enough to explain receding markets such as occurred in August, but nothing that would anticipate the debacle which followed in September. To be sure, as the markets fell, Wall Street became more pessimistic, but it took heart from the continued confidence of business men.

Spreading Gloom

By the second week of September, however, as we have seen, sentiment had changed to almost unrelieved gloom. The data showed no change, but in financial circles opinion about the business outlook had changed from uncertainty to a nervous dread, which supposes that the sagging markets of the past week discount some approaching collapse in our industrial structure. The business community, attributing to the market an uncanny prescience, now became disconcerted and pessimistic. The events of the past week have given not only the financial but the business community a severe shock.

Something of this nervousness was communicated to Washington. The existence of some degree of credit pressure was belatedly recognised two weeks ago, when there was a general reduction of discount rates—a remedy not specifically relevant to the problem, and perhaps more disturbing than reassuring. On the morning of September 13th the papers carried the announcement that $300 millions would be released from the Inactive Gold Fund to the Federal Reserve Banks, and that open-market operations would be conducted as required during the approaching season.

This proposal was received by the financial community with mixed feelings. While Wall Street has been saying for some days that Washington would "have to" intervene to save the market from what Wall Street considers primarily the consequences of conditions created by Washington, the magnitude of the proposal and the fact that the decision was reached over a week-end (almost unprecedented in American officialdom) were initially interpreted as evidence that Washington was extremely alarmed. The immediate consequence was the wave of frightened liquidation. Only late in the day did some degree of confidence in the new proposal express itself in security prices.

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France

Public Confidence

PARIS, September 23.— Public opinion greeted the latest fall of the franc with astonishing calm. The fall was due to the import surplus, political instability and the recent appeals of the Treasury to the Bank of France. Better prices for agricultural products, the diminution of unemployment in a year by a further 100,000, and the profits of devaluation and the tourist traffic have actually improved the position of many French people. M. Bonnet was able to oppose the fall of the franc by the surplus of deposits in public savings banks over withdrawals, was in August the highest for a long time. In the first fortnight of September this surplus was 54 million francs, compared with a deficit of 79 million in 1936. Deposits and withdrawals since the beginning of 1937 are again balanced, whereas, in the same period of 1936, a deficit of 2,300 millions was shown.

Yet, even if some individuals are better off, the same cannot be said of France as a whole. But the appeal for sacrifices and for the acceptance of "necessary disciplines" is more favourably received now than during the paralysis of the deflation. Consequently, the atmosphere is more congenial for Government action to safeguard the country against bankruptcy.

The most recent monetary depreciation has again improved the position of debtors and checked any inordinate rise in the price of exports. Thus most people think that the franc may now be stabilised at the parity of the Belgian franc.

M. Bonnet has announced that the 1938 ordinary Budget will show a surplus of 1,600 millions in francs; that 4,000 millions of the debt will be amortised; that railway traffics have been maintained since the recent increase in rates; that the consolidation of the 5,400 millions in francs of debt coming to maturity in October is now ensured; and that the Treasury will be easily able to meet its needs for the rest of 1937. There will be no control of the exchanges; and France will adhere faithfully to the Tripartite Agreement.

Measures to Increase Production

But M. Bonnet and M. Chautemps are still insistent about the necessity of quickening the *tempo* of production. M. Blum himself has recognised that some revision of the 40-hour week in certain branches of production may be proved necessary by the Inquiry into the state of Production. It is known that this Inquiry was ordered by the Government in order to provide a technical justification for its proposals to amend the 40-hour law. The Communists, however, remain staunch advocates of a strict application of this law. This is partly explained by the fact that the other Communist slogan, "Pensions for Old Workers," has been used by other parties, while their plans for nationalisation have been rejected by the Radicals and do not now interest the public as long as there is no return of the crisis.

For the time being, an appreciable improvement of the franc on the markets has been brought about by the relaxation in international affairs; by the firm declarations of M. Bonnet that "the price must be maintained and that the Cabinet will accept, either before or after the cantonal elections, any modification to a policy on which the Congress of the Radical-Socialist Party will be invited to vote"; and by rumours that negotiations between the Unions of employers and workers were in progress for a new charter of labour. But the immediate future of the exchange will ultimately depend upon the results of the cantonal elections; the decision about the 40-hour week after the inquiry into production; the magnitude of the import surplus; and the course of prices. Meanwhile, prices are still rising, the general index this week reaching 614 compared with 581, 586, 590, 589 and 605 in the preceding five weeks. The index of food prices was 608, compared with 546, 557, 572, 572 and 591 in previous weeks.

The monthly figures of industrial production, published by the Statistique Générale, are as follows (1913 = 100):—

	July, 1936	May, 1937	June, 1937	July, 1937
General index	98	104	102	101
Engineering	100	118	117	117
Iron and steel	81	105	106	104
Textiles	58	66	65	61
Mines (adjusted figures)	102	98	95	96
Building ,,	65	61	57	55
Leather ,,	108	101	98	94
Paper ,,	166	141	143	139
Rubber ,,	959	801	833	872
Motors ,,	418	423	433	448

Unemployment on September 11th was 308,178, compared with 308,419 on September 4th and 408,099 in the corresponding week of 1936.

Germany

The Real Basis of Foreign Policy

BERLIN, September 22.—The international situation is ill-regarded. It is noted that while the older complications, such as the Far-Eastern and Spanish, are apparently still far from solution, new questions such as the Piracies and the friction between Japan and Great Britain have arisen out of them. The visit of Mussolini though duly presented here as a demonstration for order and peace, will probably not operate in that way. It will increase the self-confidence of Berlin and Rome, a development which as long as these capitals stand in bad relations with London is not to be desired; and it will also probably increase the morbid irritability and passion for "manifestation" in both capitals.

Mr Eden's utterances at Geneva did not improve matters. Even if the view of persons who are unfriendly to Germany that the greatest conceivable concessions in the domain of colonies and raw materials would not keep the Reich quiet, is incorrect, it is certain that no propitiation could result from Mr Eden's contingent and conditional obscurities. If Mr Eden is criticised by Germans for not going far enough, he might be criticised by Britons for going too far. Germany wants colonies, for the reasons for which other countries have wanted them. She does not want raw materials; these are merely a *Zellwolle-Ersatz* shirt for her colony-bare body.

Unless one believes that the overseas expansion of England was unreasonable, one must admit that Germany's colonial ambition is entirely reasonable. Any fair person must admit that the Reich did not lose its colonies because it ill-treated the natives, or for any other reason than that it was defeated in war. It lost them as England, France, Spain, and Holland lost colonies. But that does not mean that Great Britain should repair the German loss.

Germany ought to be allowed to look after herself; to develop her own resources, as she is doing with praiseworthy and welcome success; and to nurse her own natural but entirely subjective resentments. Current arguments to the contrary are mostly fallacious. The present international discontent, though presented as abnormal and as due to an abnormal peace treaty, in no wise differs from the pre-war international discontent, and is entirely normal and human. The "have-not" *v.* the "have" outcry will not bear examination. When a "have-not" State demands colonies, it demands them, not in its capacity of a "have-not," but in its capacity of a "have"—of guns, tanks and aeroplanes.

The question of restoring colonies is a question of Power, not a question of Equity; and it would be dangerous and unreasonable for Great Britain to abate one inch of her Power, and judicious and safe for her to increase her Power. Of course, Anglo-German relations will continue to be bad unless Germany gets her way, but they will be worse if she does get it.

Supplies of Food and Labour

The food situation has changed little, and there is a continued shortage of eggs. Latest official reports on the condition of potato, sugar-beet, and root crops are satisfactory, but the indices of meadow and pasturage conditions are mediocre. The potato crop is expected to exceed that of 1936, which was 46,300,000 tons; and this will materially alleviate the fodder problem. Wheat imports in August were 167,250 tons. In the first eight months of 1937 they were 992,150 tons, valued at Rm. 123 millions.

The number of unemployed declined in August by 54,000 to 509,000, and was only half the figure of August, 1936. Of the present half million, some 150,000 are not fully employable. One-fourth of the total unemployed are women. The question of employing women in those industries that are short of labour is still being discussed. Between October, 1929, and September, 1934, the number of registered women workers, employed and unemployed of all kinds, fell from 6,590,000 to 5,380,000; but then increased to 5,740,000 at the beginning of this year. The present number of registered women workers is 680,000 lower than in 1929, but if certain adjustments (allowance for the Saarland, etc.) are made, the number appears to be only some 300,000 lower than in 1929. The official policy of favouring agricultural and domestic work for women continues unchanged, and in both trades labour is short. But women are also being increasingly employed in industry, on the condition, however, that they do not keep men out of work.

Rising Imports

The August export surplus in foreign trade was Rm. 59 millions, compared with Rm. 30 millions in July, and Rm. 63 millions in August, 1936. All of the four months May to August show less favourable balances than in 1936; but this is entirely due to increased imports. The trade returns indicate that, as might be expected, the Government prefers to use up the exchange yield from increasing exports to secure a corresponding increase of imports, rather than to accumulate foreign-exchange, which would only serve to attract the critical attention of foreign creditors. The active balance of the first eight months is Rm. 279 millions. In view of the great increase of exports, this surplus is small, the whole year 1936 having yielded Rm. 550 millions surplus. Figures are :—

	July	August	Jan.–Aug.
	Millions of marks		
Imports			
I. Foodstuffs	191·5	168·3	1,301·9
(*a*) Livestock	6·4	6·9	59·8
(*b*) Animal foodstuffs	36·1	37·3	291·1
(*c*) Vegetable foodstuffs	120·1	100·2	740·6
II. Industrial goods	304·1	308·9	2,174·0
(*a*) Raw materials	180·6	185·8	1,303·1
(*b*) Semi-manufactured	91·5	88·2	625·1
(*c*) Manufactured	32·0	34·9	245·8
Total	499·7	481·6	3,508·5
Exports			
I. Foodstuffs	7·4	7·8	60·1
(*a*) Livestock	0·1	0·1	1·9
(*b*) Animal foodstuffs	1·0	0·8	5·7
(*c*) Vegetable foodstuffs	3·9	5·1	32·8
II. Industrial goods	522·4	533·4	3,726·0
(*a*) Raw materials	50·3	54·0	367·0
(*b*) Semi-manufactured	45·7	51·5	353·7
(*c*) Manufactured	426·4	427·9	3,005·3
Total	529·9	541·3	3,781·1

August, like July, witnessed a considerable gold export, so that of Rm. 146 millions imported in eight months, only Rm. 6 millions remain.

U.S.S.R.

Enemies of the People

Moscow, August 23. — As if to prove the Marxist contention that politics and economics are inseparable, the Soviet Union's Central Statistical Bureau has released figures this week about industrial production during the first half of 1937, which clearly show the influence of the domestic political crisis through which the country has been passing. Although many of the issues involved in the recent political "purges" are still confused, there is now no doubt that they have produced at least a temporary slowing-up of the country's economic progress in the final year of the second Five-Year Plan.

The Soviet Press continues to place major blame for industrial troubles on "enemies of the people," and to allege sabotage in many factories where others would be content to call the trouble inefficiency. Few foreign observers doubt the existence of a measure of sabotage and "wrecking" in many branches of Soviet industry. They question rather the scale on which it is discovered by the ubiquitous N.K.V.D., or political police, and the effectiveness of widespread dismissals and arrests as a means of coping with the problem.

The following table, expressed in millions of roubles calculated at 1926-27 prices, indicates that, except for the lumber industry, most branches of Soviet economic activity have increased their production above the 1936 level, but have lagged behind the 1937 plan:—

	1937 Plan	Production First six months of 1937	Per cent. achieved of whole year's plan	Per cent. produced of Jan.–June, 193 figure
Total — All-Union and local industrial commissariats	77,848	34,316	44·1	112·9
Heavy industry	39,914	17,917	44·9	114·1
Lumber industry	3,938	1,457	37·0	90·8
Light industry	15,595	6,995	44·9	112·5
Food industry	12,550	5,267	42·0	112·6
Local industry	3,681	1,627	44·2	119·5

Later figures indicate that the lag behind the plan figures continued during July.

"Tight Places" in the Plan

The planned increase in national income for 1937 is 24 per cent., designed to raise the total to 105,500 million roubles. In the first six months of the year industrial production increased less than 15 per cent., throwing into jeopardy the accomplishment of the entire plan.

Iron and steel, fuel, lumber and building materials have been singled out as the "tight places" on which the Soviet Union must concentrate its energies during the remainder of the year. Some of the problems may be judged by the following figures. In seven months, the country's forges have produced only 52 per cent. of the annual plan in iron, 50.3 per cent. in steel and 47.9 per cent. in rolled iron. In July, the monthly production of each was below the June figures and below the figures for July, 1936. In coal, the situation is even worse. Production for seven months amounted to 71,200,000 tons, against a planned production for 1937 of 146,300,000 tons.

The problems of the lumber industry have been complicated this year by the Soviet Union's new policy of lumber conservation in the European sections of the Soviet Union, and by the decision to shift the centre of gravity of the industry to the east and north. The first six months resulted in the fulfilment of only 37 per cent. of the annual plan. Similar lagging in the production of cement, bricks and other building materials has slowed up the construction of new factories and housing. At the same time, building costs have shown an alarming tendency to rise.

In many finished goods industries the present situation is less worrying to Soviet leaders. Both the Stalin Automobile Factory in Moscow and the Molotov Factory in Gorki have apparently mastered many of the difficulties of conveyor-belt production. Their daily production of finished cars has been increasing steadily, and their directors have been criticised in recent weeks by the Press chiefly for failure to produce spare parts in requisite quantities and assortment.

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Bicycle production has increased during the first seven months of 1936 by 31 per cent., gramophones by 43.3 per cent. and watches and clocks by 51.2 per cent. The country's locomotive plants have turned out 761 locomotives in seven months, with an annual plan calling for 1,800.

A characteristic Communist Party campaign has now been launched to complete the 1937 plan.

Argentina

Preliminary Election Results

Buenos Aires, September 11.—The Presidential Elections were held on September 5th but the full results will not be known for some considerable time. The number of ballot boxes annulled owing to irregularities is higher than in previous elections, especially in the Provinces of Buenos Aires and Santa Fé, and supplementary elections will be held in many districts on September 19th.

It was expected that the Radical candidate, Doctor Alvear, would have a big majority in the Federal Capital; and, at the moment of writing, results available in Buenos Aires City show 66,597 votes for Doctor Alvear, 22,441 votes for the official candidate, Doctor Ortíz, 8,318 votes for Doctor Repetto, the Socialist, and only 742 votes for Doctor Molinari, a " freak " candidate, representing a secessionist Radical party.

The provincial returns already available show some surprises. In the Province of Entre Ríos, which voted Radical in the last election, Doctor Ortíz is leading. This is attributed to dissensions in the Radical Party, in consequence of which certain influential Radical groups decided to support Doctor Ortíz. In the Province of Mendoza, which was expected to support the official candidate, the Radicals at the moment have a substantial lead. In the Provinces of Santiago del Estero and Jujuy, the counting is finished, and the expected majorities were recorded in favour of Doctor Ortíz.

Continued Prosperity

Exports in August showed an appreciable fall, both in volume and in value, compared with the preceding month, but are nevertheless considerably higher than in August last year. The figures for each of the last three months are given together with the corresponding figures for 1936 in the following tables:—

	Exports			
	1936	1937	1936	1937
	Volume in Tons		Value in Pesos	
June.....	862,811	1,334,706	101,829,573	153,924,793
July	1,021,341	1,257,804	121,136,881	155,932,952
August...	1,146,939	1,203,698	128,367,676	147,114,738

The wave of Argentine prosperity has not yet receded. In the first eight months of the current year the value of exports amounted to 1,712,346,229 pesos, compared with 972,807,324 pesos in the same period of 1936, an increase of 76 per cent. In the same period the volume of exports improved by 67.5 per cent. Indeed the volume of exports for the first eight months of this year is the highest ever recorded, while the value has only been exceeded in 1920 and 1928. The cause of the present Argentine prosperity is to be found in bigger shipments of wheat, maize and linseed—and to a lesser extent of oats and barley. In value Italy has more than quintupled her purchases from Argentina compared with last year.

The progressive rise in imports continues. In the first seven months of this year the market value of imports was 29.5 per cent. higher than in the same period of 1936, while exports had risen 85.3 per cent. The value of foreign trade during the first seven months of this year and last year was as follows:—

	Imports	Exports (Pesos)	Export Surplus
1936	632,337,900	844,439,648	212,101,748
1937	818,682,112	1,565,006,789	746,324,677

According to tariff values Argentina bought 159,120,756 pesos worth of goods from the United Kingdom in the first seven months of 1937, compared with 142,168,897 pesos in the same period of last year. The percentage of total imports bought from the United Kingdom has, however, fallen from 21.9 to 19.8 per cent. In July there was a sudden increase in imports from the United Kingdom which amounted to 27,782,000 pesos compared with a monthly average of 21,956,000 pesos in the first six months of the year. The chief countries which have increased their exports to Argentina are Germany, Italy, Holland, Belgium and Peru.

Current prosperity is indicated by cheque clearings which amounted to 3,528 million pesos in August last compared with 2,897 million pesos in August, 1936. In the first eight months of 1937 cheque clearings were 28,009 million pesos compared with 22,423 million pesos in the same period of last year.

On August 24th it was announced that the Government would repatriate gold to the value of 200 million pesos from stocks lying for its account in the Bank of England. The Minister of Finance stated that the purpose was to reinforce the country's gold stocks. The Ministry of Finance also reports that, since 1929, Argentine currency has depreciated in terms of gold by 54.2 per cent., while the pound sterling and the U.S. dollar have fallen by 41.1 per cent., the Australian pound by 52.3 per cent., and the Japanese yen by 66 per cent.

The outlook for the next crops is better than a month ago. Rain has fallen over a big part of the cereal zone, but more would be welcome, and the position is by no means entirely satisfactory. Parts of the Province of Santa Fé and large zones in Córdoba are suffering from drought or semi-drought.

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Irish Free State

The Free State and World Recovery

Dublin, September 19.—Every attempt to assess the economic position of any country at the present time must take note of the fact that the world is definitely passing through a period of recovery. This recovery is well-nigh universal; and, except in those countries which are weakened by war or by preparation for war, the same symptoms of progress may be observed. Some countries have proceeded farther along the path of recovery than others, but the general conjuncture is unquestionably rising. In what degree is the Free State participating in this upward movement?

Probably the most valuable index is the volume of employment, about which, in the absence of precise statistics, a certain amount of doubt must exist. Employment has increased in the protected industries, but on the other hand it has diminished to some extent in other industries. Prolonged strikes in the building trades have produced much unemployment in Dublin, and industrial disputes have recurred in other industries. The number of males employed in agriculture decreased from 579,409 in June, 1934, to 560,371 in June, 1936, and there is no reason to believe that this trend has not continued. In view of the facts that the population is declining as a result of emigration and that there is no significant decline in the numbers receiving public assistance, it is difficult to resist the conclusion that the total amount of employment is stationary if not declining.

At the same time costs of production are rising. This increase is caused partly by the rise in the price of imported raw materials, partly by the high protection of many articles, partly by the fixing of minimum wages in agriculture, and partly by the advanced labour legislation which is, in itself, wholly admirable. There is no reason to believe that any improvements in efficiency are taking place to counterbalance these cost-raising influences. The effect of rising costs and a stationary volume of employment must be a declining national income when net rather than gross production is measured. The possibility of such a reduction in the net income of the country must be taken into account before further experiments in social services are attempted or further indebtedness for non-productive expenditure is incurred.

Less Favourable Terms of Trade

The statistics of external trade reveal that imports have increased more rapidly than exports, with the result that the unfavourable balance on merchandise account in the past seven months of this year amounts to £12,417,700. The terms of trade have moved against the Free State, as the price of imports has risen faster than that of exports. Assuming that existing trends continue for the immediate future, the passive balance for the year will be well over £20,000,000, and, rich though the Free State may be as a creditor country, invisible exports will not suffice to bridge a gap of this magnitude. It is obvious that external assets will have to be realised, and evidence of such a liquidation is to be found in the banking statistics which reveal a decline in the net sterling resources of the Irish banks.

In relation to the very large sterling assets held in the Free State this decline in the banks' sterling resources is small in magnitude and need not give rise to any anxiety. The Free State is in a very strong position as a creditor country, and the repatriation of a certain amount of its external investments may be perfectly justified during a period of transition. The country has been penalised in its chief export market for five years as the result of the unfortunate Anglo-Irish dispute, and a drive towards self-sufficiency has necessitated adjustments in its economic structure. The Free State is still financially one of the soundest countries in the world. It possesses abundant external assets, the public debt is relatively small, and government credit is very high. The last few years have been difficult, but at no time has the stability of the currency or the solvency of the banking system been in the slightest danger. The worst that can be said of the situation is that the Free State has not yet participated in the benefits of general economic revival as fully as some of its neighbours. This tardiness to respond to recovery is readily explicable and should not be the occasion of any alarm.

Letters to the Editor

The People's Food

TO THE EDITOR OF THE ECONOMIST

Sir,—I was greatly interested in the excellent article in your issue of September 4th on " The People's Food " which comments upon the great improvement in the nutrition of most Western people in recent decades, but emphasises that the average standard of the industrial population of Europe is still very poor, especially in Great Britain, the United States and Scandinavian countries.

The article also emphasises that milk should " be the first objective of a British nutrition policy, since it is not only the most valuable food but also the one of which our consumption is most inexcusably low." The Food Consumption Statistics quoted on page 467 of your September 4th issue, show that the annual *per capita* consumption of meat and butter in Great Britain exceeds that of any other country in Europe, and that fact, coupled with the admitted shortage of milk prompts me to refer to an extended motor tour of the Midland Counties of England which I made in June of the present year, during which I was impressed by the great areas of meadow and pasture land, the scarcity of cattle and the lack of cereal and vegetable cultivation generally. The pasture lands indicated a deplorable lack of fertilisation, judging by the huge crops of weeds and buttercups. In fact, I could not resist a mental unfavourable contrast between the agricultural districts in England which I saw, and the more highly cultivated and fertilised farms of the Province of Ontario, where milch cows and beef cattle, and abundant crops abound.

If such agricultural conditions as I describe are general throughout England, what is the remedy, or is there a remedy?

Yours faithfully,

Toronto. Anglo-Canadian.

"The Under-Privileged"

TO THE EDITOR OF THE ECONOMIST

Sir,—" A fairer distribution of economic rewards will still be the demand of the under-privileged." This statement occurs in your issue of July 24th, in a summary of the economic outlook in view of a population that will soon be decreasing. The implication is that the present distribution leaves something to be desired. Most thinking people will admit that it does. In spite of a marked increase during the last few decades in our technical efficiency in the production of wealth, there are still millions of our people not far removed from the poverty line. Moreover, the improvement of the general standard of living except by very slow stages seems to be impossible. A vicious circle would appear to be inherent in our present economic system. If you increase wages or reduce hours you increase costs. Increased costs mean increased prices. Increased prices, apart from their ill effects on export trade, nullify the effect of increased wages. It would appear to follow that, until some system is invented under which the remuneration of the mass of the workers can be increased without increasing the costs of production, any considerable amelioration of the workers' position is impossible, and the demand of the under-privileged will remain unsatisfied.

This is not a prospect which any lover of his country can contemplate with equanimity.

Yours faithfully,

Wolverley, Little Bookham, Surrey. C. V. Brayne.



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Books and Publications

Defence of Empire

THE words of this title have been, indeed, are now being, invoked to cover a multitude of sins—both of omission and commission. The defence of the British Empire, as Sir Norman Angell commendably urges in his trenchant and logical analysis of that policy,* is valuable and necessary to Western civilisation as we have known it, and as we hope it will yet develop. But he scathingly denounces, for their lack of perception and logic, those blinkered British minds that only see in one direction: unilateral re-armament. Sir Norman is not content to refute this single-track policy by reference to some vague conceptions of pacifist objectives. Nor does he waste his time, as so many critics are wont to do, in attacks upon the cruder forms of Imperial sentiment, often irrelevantly confused with the very real problem of Imperial defence.

With judicious hammer-blows of logic he forges his own argument. It is a pleasure to read such a closely-knit, cool, and well-written book. It is an argument that, in his hands, appears crushingly obvious. He shows the paradox in British foreign policy during the last half-dozen years: the incomprehensible readiness, even apparent wilfulness, of Conservatives in tearing away from the Empire its best friends and most powerful potential allies, its most important strategic advantages and its access to material resources, in an unreasoning flight from responsibility in the face of the aggressive policies of Japan, Italy and Germany. He clarifies in this way the real causes and effects of the so-called "failure of the League"; and he shows how those who loudly advocated a British policy which necessarily conflicted with our League obligations and world responsibilities have already driven this country, and the Empire, into a far worse strategic situation than that which only *might* have faced us if we had had both the assurance and the will to lead the French and the other League nations, instead of allowing our policy to be a pale shadow of their fears. Sir Norman duly agrees that, if leaving the League and a return to isolation is to be our policy, it means heavy re-armament; we cannot afford enough to keep out of *any* combination against us; his logic then shows that the most economic re-armament is cast-iron military alliances; which is the opposite of isolation; so why ever bust the League and blow upon "collective security"? Sadly, in sorrow more than anger, Sir Norman concludes that "our real enemy has been confusion." Let us, then—and he has sharp things to say of Labour's confused ideas on foreign policy—proclaim a five-fold policy and stick to it, in its parts and its whole: readiness to enter on complete equality with the "dissatisfied Powers" into negotiations on their aims and claims; to ascertain whether they will publish the results among their own peoples; to stand for, and require all others to stand for, peaceful arbitrament in disputes; to offer to create the *means* of peaceful change in return for the collaboration of the "dissatisfied Powers"; and, finally, to express our set resolve to enter a defensive confederation involving obligations to use force, of all States who will accept this five-point policy.

Sir Norman's advocated policy is sane and practicable—granted the ability of the British people and their leaders rightly to assess the value and immensity of the issues, for them and the world, which now lie at stake, and their will to defend them. If the British people in Empire and Mother Country are confused, divided between acquiescents and activists, the Empire will lose both its force and its integrity. This is a matter above considerations of class or Party. And it is the merit of Sir Norman's book that he poses the real issues with superb clarity.

* "The Defence of the Empire." By Norman Angell. 240 pages. Hamish Hamilton. 6s.

Shorter Notices

"The Economic and Social Foundations of European Civilisation." By A. Dopsch. Kegan Paul. 404 pages. 21s.

While by no means every historian can accept in full the proofs adduced by Dr Dopsch to show that there was, in fact, no break in the Dark Ages between Roman civilisation and our own, all students of social origins will welcome this translation into English of what has been, despite its German inaccessibility, a standard work for some time. As presented to English readers, the work is scholarly and full, embracing with astonishingly complete documentation every facet of barbarian society before the Carolingian age. Farming, politics, the Church, feudal origins, town life, trade, industry and money are surveyed with equal care. Every believer in a theory about these formative centuries, about feudalism or the mark, will find problems to solve in Dr Dopsch's massive study. The validity of the author's own conclusions will be the subject of much debate among historians. But this is scholarly erudition at its most weighty; and an excellent corrective to facile generalisation.

"Easy Money." By L. D. Edie. Yale University Press: Humphrey Milford. 183 pages. 8s. 6d.

It is often supposed that Government action can now maintain low interest rates and high bond prices even in times of boom. Mr Edie examines the practicability and implications of this policy; and in particular asks how a boom can be checked in conditions of "easy money." His arguments are directed to the investor and business man as well as to the student of economics. Topical and challenging if not always convincing.

"Sandwichman." By Walter Brierley. Methuen. 283 pages. 7s. 6d.

This book is a worthy successor to the same author's "Means Test Man." It shows a Midland miner struggling to escape from the drudgery and insecurity of the pit by the road of adult education. His goal is the university, and his place of study wherever he can find a solitude free from the pressure of his daily work and his exigent family. Circumstances are too much for him: he loses his job and fails to pass his examination. The book leaves him down and out, tramping south in search of a new life. Mr Brierley may not have delved very deep into the nature of adult education or the character of colliery life, but he has drawn a shrewd picture of a miner's struggle to rise above the economic determinism of a depressed stratum of our society. The book breathes life into the bare facts and figures of coal-mining and unemployment. The personages are real and the moral disheartening.

Books Received

Mineral Raw Materials. Prepared by the Staff of the Foreign Minerals Division, U.S. Bureau of Mines. (London) McGraw Hill Publishing Co., Ltd. 342 pages. 30s.

Trade in the Eastern Seas, 1793–1813. By C. N. Parkinson. (London) Cambridge University Press, Fetter Lane, E.C.4. 434 pages. 16s. net.

The Indian Sugar Industry (1937 Annual). By M. P. Gandhi. (Calcutta) Gandhi & Co., Publishers, 14/2, Old China Bazar Street. 152 pages and appendices. Rs. 2-4-0 net.

Annuaire de la Chambre de Commerce Française de Londres, 1937. (London) Chambre de Commerce Française de Londres, 111, Queen Victoria Street, E.C.4. 246 pages. No price stated.

Yearbook of Exchange Rates of the World, 1936. By Emil Diesen. (Oslo) A/S Okonomisk Literatur, Collettsgatan 31. 224 pages. 18s. net.

City of Manchester: Abstract of the Treasurer's Accounts for the Year ending 31st March, 1937. (Manchester 2) Henry Blacklock & Co., Ltd., Albert Square. 835 pages. No price stated.

Stock Exchange Investments for Non-Residents. (*Free of British Income Tax.*) New Edition. (London) C. Mathieson & Sons, 16, Copthall Avenue, E.C.2. 15 pages. 6d. net.

The Colonial Office By Henry L. Hall. Royal Empire Society Imperial Studies. Longmans. 296 pages. 12s. 6d.

MONEY AND BANKING

America's Balance of Payments

THE annual estimate of the Balance of International Payments of the United States*, which has now been issued with an extensive discussion and interpretation, is, as usual, a most admirably detailed and informative document. The following table summarises the main items in the estimate for 1936, for the preceding year and for 1929, the last pre-depression year. The arrangement follows in the main that of the official estimate. The chief exception is that silver has been included with general merchandise, on the ground that, whatever the mixture of America's motives in buying silver, it is sold by other countries as merchandise.

BALANCE OF INTERNATIONAL PAYMENTS OF THE UNITED STATES

($ millions)

	1929			1935			1936		
	Cr.	Dr.	Balance	Cr.	Dr.	Balance	Cr.	Dr.	Balance
Merchandise trade*	5,241	4,400	+ 841	2,407	2,488	− 81	2,525	2,646	− 121
Shipping and freight	206	272	− 66	63	99	− 36	68	129	− 61
Tourist expenditures	183	821	− 638	117	409	− 292	125	497	− 372
Immigrant remittances, charity, etc.	24	289	− 265	5	120	− 115	5	147	− 142
Interest and dividends	979	414	+ 565	521	171	+ 350	568	238	+ 330
War debts	207	...	+ 207	...	...	...	1	...	+ 1
Govt. transactions	60	152	− 92	28	84	− 56	30	96	− 66
Miscellaneous current items(net)	...	...	− 105	129	52	+ 77	164	66	+ 98
Balance on current account	...	...	+ 447	...	...	− 153	...	...	− 333
Gold movements	245	365	− 120§	2	1,741	−1,739	28	1,144	−1,030§
Currency movements	...	...	− 15	31	31	...	57	35	+ 22
Total	...	...	− 135	33	1,772	−1,739	85	1,179	− 1,008
Long-term capital movement	2,328	2,464	− 137	1,991	1,529	+ 462	3,475	2,717	+ 758
Short-term capital movement (net)†	...	...	− 80	...	...	+1,075	...	...	+ 392
Balance on capital account	...	...	− 217	...	...	+1,537	...	...	+ 1,150
Residual item	...	...	− 95	...	...	+ 355	...	...	+ 191

* Including silver. † Including miscellaneous capital items. § Including net earmarkings.

For the second year in succession, the balance of merchandise trade was negative. This is due to the inclusion of silver, but even if it were left out, the positive (or "favourable") balance would have fallen to as little as $59 millions, less than a tenth of the 1929 figure, and little more than a fifth of the 1935 amount. This is a very remarkable result for a currency which has been devalued by more than 40 per cent. within the four years preceding 1936. The influence of returning prosperity in the United States in expanding imports has been stronger than any stimulus which devaluation, in this world of trade restrictions, was able to give to exports.

The other current items do not reveal any very startling changes. The larger debits on account of tourists, immigrants' remittances and charitable contributions reflect the higher level of purchasing power in the United States, but all these items have a long way to go before they will have recovered to their 1929 levels. The net receipt of interest and dividends, on the other hand, was lower than in 1935, payments having increased faster than receipts.

The net result of all these current items is to produce, for the second year in succession, a negative balance on current account. Moreover, the 1936 balance would be negative even if silver were included. Thus the old complaint against the United States that she did not know how to act as a creditor, but persisted in selling more than she bought, ought finally to be stilled. There never was a great deal in the complaint, since every creditor, in order to be able to continue lending, must have at least a small favourable balance on current account, and it is legitimate to point out that the American net balance in 1929 was smaller than the British.

There is, therefore, nothing in the current account of the American balance of payments which should occasion the least inconvenience to the outer world. The capital account is a very different story, for the inflow of capital in 1936 still reached the gigantic dimensions of $1,150 millions, second only to 1935, and directly caused an import of gold amounting to $1,030 millions. Movements of this sort are clearly not compatible with a balanced international economy. International capital is not so plentiful that it can be poured into a highly capitalised creditor nation without producing a shortage elsewhere. But it would be foolish to blame American policy for this paradox, for it is notorious that the American Government has been anxious to end it. The blame lies with the unsettled conditions of Europe.

Examination of the detailed figures thus reveals the United States in a much less aggressive light among the financial powers than is usually assumed on this side of the Atlantic. An even more obstinate delusion can also be disproved from the figures. Whatever may be the case with America's trade with the rest of the world as a whole, British-American trade in particular, it is generally believed, runs strongly in America's favour. In an attempt to throw light on this point, the following table has been compiled to show the visible and invisible current items of the British-American balance of payments. The figures are those of the official American report, together with some estimates made by *The Economist* on the basis of those figures. There are many gaps in the table, but it is believed that all the important items are included:—

ANGLO-AMERICAN BALANCE OF PAYMENTS, 1936

(In $ millions. A plus sign indicates a net balance to the credit, a minus sign a net balance to the debit, of the United States.)

	United Kingdom (1)	Crown Colonies (2)	Total Cols.(1) and (2) (3)	Canada and Newfoundland (4)	Other Dominions and India (5)	Total British Empire (6)
Merchandise	+240	−185	+ 55	+ 10	+ 67	+132
Freight and shipping	− 20		− 20	− 8		− 28
Tourists	− 12	− 30	− 42	−147	− 2	−191
Immigrants' remittances					− 11	− 11
Insurance	− 28		− 28	+ 1		− 27
Interest and dividends	− 32		− 32	+168		+136
Total invisible items	− 92	− 30	−112	+ 16	− 13	−121
Total merchandise and invisibles	+148	−215	− 67	+ 26	+ 54	+ 13
Silver	− 53	− 3	− 56	− 8	− 3	− 67
U.S. paper	− 3		− 3			− 3
Total all above items	+ 92	−218	−126	+ 18	+ 51	− 57
Gold	−174	−	−183	− 73	−101	−357
Total	− 82	−227	−309	− 55	− 50	−414

So far as the United Kingdom alone is concerned, there is a net balance in favour of the United States when gold is excluded. But even that balance is comparatively small, about £30 millions. Moreover, as is

* "The Balance of International Payments of the United States in 1936." Prepared in the Finance Division of the Bureau of Foreign and Domestic Commerce, Department of Commerce, under the direction of Amos E. Taylor. (Washington) Government Printing Office. 95 pages. 15 cents.

constantly emphasised in the United States, the United Kingdom cannot be taken alone. When the Crown Colonies are included, the balance, though still small, becomes adverse to the United States. Even without silver, trade between the United States on the one hand and the United Kingdom and the Colonial Empire on the other is thus as near as may be to a balance. The bearing of this fact on the negotiations for an Anglo-American Trade Agreement is obvious.

The introduction into the picture of the Dominions introduces some logical complications without substantially changing the outline. Canada and Newfoundland have been shown separately, since they are more in the dollar than in the sterling sphere of influence. The other Dominions and India show a balance on current account (excluding silver) of $54 millions in favour of the United States. But this is more than fully accounted for by the net excess of American exports to South Africa, which amounts to more than $60 millions. The counterpart to this is, of course, the substantial part of South Africa's gold production which finds its lasting home in America. When South Africa is included, therefore, some part (possibly quite large) of the American gold import should be counted as merchandise. The inclusion of either some of the gold or all of the silver sold to the United States by the British Empire would make the balance heavily adverse to the United States. Without either, the account is balanced. The British Empire has clearly nothing to complain of in its dealings with the United States.

Financial Notes

London and Washington.—The coincidence of the visit to Washington of a leading British Treasury official with the further depreciation of the franc has naturally suggested that the future of the Tripartite Monetary Agreement is under discussion. A moment's thought suffices to show that this visit was arranged long in advance of the franc's fresh troubles, and while no doubt the franc is being discussed at Washington, there is no reason for supposing that it is the only subject under review. The true explanation is that it has been long felt desirable both here and in Washington that close personal contact should be maintained between the two centres. The emergence this summer of such questions as the future of gold and Anglo-American trade relations obviously increases the need for contact. Presumably, therefore, no specific negotiations are now in progress at Washington on such matters as currency stabilisation or the revision of the Tripartite Agreement. The difficulties of France since the Agreement was signed a year ago are not, of course, in any way an argument for its abrogation. The term "Tripartite" has long been misleading, for the Agreement was quickly adhered to by many other countries besides the three original signatories. Nor has France broken the terms of the Agreement, for she has neither imposed exchange restrictions nor indulged in a wilful and competitive depreciation of her currency. To-day the chief need is to continue the Agreement, and to interpret it elastically.

★ ★ ★

The Franc and its Background.—This week there has been a rally in the franc to Frs. 145 to the pound. This is entirely due to fresh support by the French Control, which is estimated to have lost £5.0 millions sterling in the course of only a few days. M. Bonnet's speech, referred to in a Note on page 606, created a good impression as far as it went, but it contained two elements of doubt from the exchange point of view. First he made it clear that the Banque de France's gold would not be used to support the franc, and so the franc's future depends largely upon the resources of the Exchange Fund, which must be becoming attenuated. Next he gave no indication as to how he was going to fill the deficit of anything up to Frs. 20,000 million in the 1938 budget for re-armament, the railways and *collectivités publique*. One fundamental cause of the trouble is the institution of the Rentes Equalisation Fund. This has proved an open invitation to investors to exchange their rentes for francs, which in turn can be expatriated. In other words, at a time when orthodox exchange policy called for a restriction in the supply of francs, the Rentes Fund has served to increase the supply.

★ ★ ★

The Foreign Exchanges.—Apart from the franc, which is discussed in the Note above, there have been some interesting movements in the belga and the dollar. The depreciation of the French franc last week to Frs. 147 to the £, gave rise to some weakening of the belga, and as Belgium is still on the gold standard, the immediate result was an outflow of gold. This gold was exchanged for dollars, and the result was that sellers of belgas found themselves taking up dollars, and in order to obtain sterling had to re-sell their dollars in London. Hence the weakness of the belga caused a parallel weakening of the dollar, and by September 17th sterling had risen to $4.96¾. This week's rally in the franc, even though artificial, reacted right along the chain, for first the belga improved and then the dollar. For this and other reasons sterling has now dropped back to $4.95. Dutch interests have made heavy sales of American securities, and the consequent remittance of the proceeds to Holland has caused the Dutch authorities to cut their rate for dollars from Fl. 1.81⅞ to Fl. 1.81.

★ ★ ★

The Money Market.—This week money is much easier. Outside lenders are now only charging ½ per cent. for new bond-money, but outstanding loans are being continued at ⅝ per cent. The banks are keen buyers of bills, but brokers are not ready sellers, probably because they are well supplied with maturities. Still the banks have bought fair quantities of bills.

	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937	Sept. 23 1937
	%	%	%	%
Bank rate	2	2	2	2
Clearing banks' deposit rate	½	½	½	½
Short loan rate :—				
Clearing banks	½–½–1*	½–½–1*	½–½–1*	½–½–1*
Others	½–½	½–½	½–½	½–½
Discount rates :—				
Treasury bills	½	½	½	½
Three months' bank bills	½–⅝	½–⅝	½–⅝	½–⅝

* Loans against Treasury bills and other approved bills and British Government securities within six months of maturity; 1 per cent. Treasury Bonds and other gilt-edged stocks within six months of maturity; and other collateral respectively.

The keen demand for end-of-December maturities has reduced the average tender rate for Treasury bills to just below ½ per cent. Next week, payments up to and including Thursday will be for December bills, and so the low rate will persist until then.

★ ★ ★

The Bank Return.—There has been a further seasonal contraction in the note circulation, which has now fallen to £17.8 millions below its early August peak. The Reserve is also higher than a week ago.

BANK OF ENGLAND

	Sept.23, 1936	Sept.1, 1937	Sept. 8, 1937	Sept.15, 1937	Sept.22, 1937
Issue Department :—	£ mill.	£ mill.	£ mill.	£ mill.	£ mill.
Gold	247·6	326·4	326·4	326·4	326·4
Note circulation	445·1	490·3	489·1	488·1	486·0
Banking Department :—					
Reserve	63·6	37·6	38·9	39·9	42·1
Public deposits	10·4	14·1	12·0	12·5	15·7
Bankers' deposits	108.0	104·2	105·7	108·4	105·6
Other deposits	38·8	36·5	36·3	36·1	36·2
Government securities	83·7	109·3	107·1	109·1	106·9
Discounts and advances	7·9	5·4	5·1	5·0	5·2
Other securities	20·3	20·8	21·0	21·2	21·6
Proportion	*40·4%*	*24·3%*	*25·2%*	*25·4%*	*26·7%*

There are only minor movements in the banking department. Their net result is a contraction of £2.8 millions in bankers' deposits.

THE STOCK EXCHANGE

What are Profits?

PROFITS—past, present and to come—have a decisive influence on Stock Exchange business. They are the incentive of investment, the mainspring of industrial enterprise, and the fountain of dividends. They afford the only sound basis for the valuation of a company's shares and even of its capital assets; for capital without profits is like faith without works.

British company law lays down that dividends can be paid only out of profits. Every company publishes a statement of earnings every year, upon which financial writers comment in more or less detail. But if the average shareholder were asked to say what profits are, he would probably be surprised by his own inability to give more than a vague answer. In theory, a profit is easy to comprehend; for it is simply the excess of incomings over outgoings in a given period, after allowing, on the one hand, for all additions to capital, and, on the other, for the wastage (or "using-up") of capital assets in the process of earning those profits. Every word, however, in this definition involves a host of difficulties of connotation when applied in practice. The published figures in a company report usually depend on a lengthy series of estimations into which the element of human judgment enters so largely that the product is a matter of approximation rather than accuracy in the mathematician's sense.

It is important that investors should grasp the implications of this fact. Every increase in the scope and complexity of modern business operations makes the ascertainment of ultimate profits more formidable. For example, the following table shows the trend of published earnings, during the last eight years, of a large and successful British concern, J. Lyons and Company, Ltd., whose name and products are household words:—

J. LYONS AND COMPANY. PROFITS, 1930–37.

Years to Mar. 31	Profits Balance*	*Same, 1930=100*	Years to Mar. 31	Profits Balance*	*Same, 1930=100*
	£	%		£	%
1930 ...	947,821	*100·0*	1934...	1,020,254	*107·6*
1931 ...	954,270	*100·7*	1935...	1,021,222	*107·7*
1932 ...	953,950	*100·7*	1936...	1,022,679	*107·8*
1933 ...	984,339	*103·8*	1937...	1,024,329	*108·0*

* Before charging directors' fees.

The profits record should rightly make a powerful appeal to the conservative type of investor. It is a blend of gilt-edged stability and consistent progress. Since 1933, profits have made a new "record" every year. But what are profits? The profit and loss account to March 31, 1937, mentions directors' fees of £13,452, and proceeds to define the year's results thus:—

> By balance from trading account, dividends from subsidiary and associated companies and transfer fees after deducting interest on debenture stock and mortgages, directors' fees, salaries, wages, rents, rates, repairs, maintenance, and other expenses and after providing depreciation and reserves against contingencies, £1,010,877 0s. 9d.

The company, it will be seen, has two distinct sources of profits—namely, its own trading operations and the dividends it receives from subsidiary and associated companies in which it has a shareholding interest. The *gross* amounts of profits from these sources are unknown, but they are obviously much greater than the *net* figure of just over £1 million disclosed to shareholders. Actually, four different groups of charges have been allowed for before the final figure was struck: (1) direct business expenses, like wages, repairs, maintenance, and, doubtless, "other expenses"; (2) overhead expenses like interest on debenture stock and mortgages, directors' fees, salaries, rents and rates; (3) depreciation; and (4) "reserves against contingencies." The amounts actually charged under all these headings are set out in the company's books of account, but they are not revealed to shareholders. Many of the items under (1) and (2) are matters of accurate record, but (3) must necessarily have been based on estimate; for depreciation allowances depend on the probable life of plant and other fixed assets, not in terms of physical serviceability but of economic use. Finally, (4) is quite indeterminate.

Investors must make due allowance for all these factors *plus* the fact that the parent company's receipts from its subsidiaries and associated companies are based not on the latters' profits (some of which are subject to a process of estimation on much the same lines as those of the parent concern), but on the dividends which those companies declare and pay. On the whole, shareholders will be compelled to admit that they do not know the actual earning power of the J. Lyons group of companies, or how far it varies from year to year. They have

WIGGINS TEAPE AND CO. (1919) AND SUBSIDIARY COMPANIES

	1930	1931	1932	1933	1934	1935	1936	*Increase (+) or Decrease (−) 1936 over 1930*	*Each Item as Proportion of Total Revenue*	
									1930	*1936*
REVENUE	£	£	£	£	£	£	£	%	%	%
Gross trading profit	750,694	756,843	825,994	837,160	888,060	995,424	1,059,204	+ *41*	*98*	*99*
Dividends and interest received	10,220	13,167	8,072	8,262	4,118	3,990	3,688	− *64*	*1*	
Profit on investments	1,048	...	667	...	...	...	...			*1*
Revenue from properties	5,055	4,862	4,242	4,665	4,308	4,139	4,279	− *15*	*1*	
Total revenue	**767,017**	**774,872**	**838,975**	**850,087**	**896,486**	**1,003,553**	**1,067,171**	+ **39**	**100**	**100**
Special credits	13,634	34,344	9,343	19,569	4,855	...	2,369	− *83*	*2*	...
CHARGED AGAINST REVENUE										
Overhead and general expenses†	363,371	357,669	372,391	382,800	394,911	418,220	416,373	+ *15*	*47*	*39*
Pensions, etc., funds	17,374	18,756	22,926	24,117	26,365	28,902	30,195	+ *74*	*2*	*3*
Bad debts	7,554	16,447	13,939	6,512	3,709	19,199	24,443	+*224*	*1*	*2*
Loss on realisations*	8,900	371	85	469	1,194	2,569	1,706	...	*1*	
Maintenance, etc., of non-producing mills	3,285	9,651	4,280	5,404	4,103	3,215	3,351	+ *2*	*1*	*½*
Loan and mortgage interest‡	23,316	7,537	8,783	1,808	3,764	3,993	4,476	− *81*	*3*	
Income tax	...	...	...	...	...	6,544	19,411	...	...	*2*
Depreciation††	50,634	54,663	60,345	66,299	73,118	85,400	93,402	+ *84*	*7*	*9*
Allied cos. loss provision	...	...	...	2,433	2,941	...	...	...	...	...
Patents, goodwill, etc., w.o.§	...	...	382	7,360	258	863	5,407	...	...	*1*
Balance before reserves‡‡	**306,217**	**344,122**	**365,187**	**372,454**	**385,978**	**434,648**	**470,776**	+ **53**	**40**	**43**
Transfers to reserves :—										
Tax equalisation	...	...	...	...	...	10,000	10,000	...	...	*1*
Special obsolescence	...	...	...	...	...	15,000	15,000	...	...	*1*
Trade investments	...	5,000	...	...	3,500	5,000	1,000	...	...	...
General	...	...	40,815	35,716	50,000	50,000	85,000	...	...	*8*
Balance after reserves, before deb. interest	**306,217**	**339,122**	**324,372**	**336,738**	**332,478**	**354,648**	**359,776**	+ **17**	**40**	**33**
Applicable to outside shareholders	52,927	55,312	54,889	39,512	34,679	45,924	49,999	− *6*	*3*	*4*

† Administration and selling expenses at home and abroad, including salaries, commissions, travelling expenses, warehouse wages, rent, rates, insurance, maintenance, lighting and heating of warehouses and offices, advertising and samples, bank charges, postages, printing and stationery, etc. * Including in 1930 £8,900 reserve against fall in prices of stocks and forward contracts. ‡ Including discount on calls received in advance (1932, £1,892). § Including development expenses written off (1933, £7,360; 1934, £258). †† Including obsolescence provision (1936, £2,962). ‡‡ Including special credits.

only a " smoothed curve " of profits, after adjustment by the board in their good judgment of what is best for the company. Shareholders are, in fact, the contented subjects of a benevolent directorship, " too wise to err, too good to be unkind."

Investors, however, obviously cannot afford to apply this reasoning to every company report. The records of Carey Street prove, unhappily, that not all directors are as wise, nor all companies as strong, as J. Lyons and its board. The question therefore arises whether it would not, after all, be advantageous if the largest companies, without prejudice to their high reputation, were to take their shareholders more completely into their confidence, *pour encourager les autres?*

Disclaiming all invidious intentions, we may venture to cite, as an example of the helpful possibilities of generous disclosure, the figures published by another progressive and successful company, Wiggins, Teape, and Company (1919), Ltd. This concern, like J. Lyons, is an operating-*cum*-holding company, and its profits figures, similarly, include dividends received from its subsidiaries. But a separate section of each report shows, firstly, the *combined gross earnings* of the parent concern and its subsidiaries, and, secondly, the *actual deductions* made under a variety of headings. In the table on the preceding page we have set out these figures for every year since 1930, and have added three columns of percentages. From these calculations it is apparent that only 1 to 2 per cent. of the total gross revenue comes from sources extraneous to the group's main trading activities. Approximately 60 per cent. of the total gross revenue is absorbed by expenses and charges of various sorts, of which general and overhead expenses are much the most important. It is noteworthy, however, that between 1930 and 1936, an increase of 39 per cent. in total revenue has been accompanied by an increase of only 15 per cent. in overhead and general expenses. As a consequence, the proportion of total revenue absorbed by these expenses has fallen from 47 per cent. in 1930 to 39 per cent. in 1936. After general expenses, the most important charge occurs under the heading of depreciation. The fact that a 39 per cent. increase in total revenue has been coincident with an 84 per cent. increase in the total depreciation charge (which has consequently risen from 7 per cent. to 9 per cent. of the total revenue), affords *prima facie* evidence of a conservative policy on the directors' part.

On the basis of these and other figures given in the company's report each year, we have made the following comparison between (a) the gross revenue of the whole group of Wiggins, Teape companies, and (b) the net profit balance of the parent company alone, shown on the nearest possible basis to that adopted by J. Lyons and Company:—

WIGGINS, TEAPE PROFITS, 1930–36

Calendar years	Gross Revenue, Whole Group	*Same, 1930=100*	Net Profits, Parent Co. only*	*Same, 1930=100*
1930	767,017	*100·0*	217,119	*100·0*
1931	774,872	*101·0*	198,782	*91·6*
1932	838,975	*109·4*	237,608	*109·5*
1933	850,087	*110·9*	259,917	*119·7*
1934	896,486	*117·0*	273,305	*125·9*
1935	1,003,553	*130·8*	289,156	*133·2*
1936	1,067,171	*139·1*	323,341	*148·8*

* After debenture interest and all charges.

By every test, the record is strikingly progressive. The table suggests, however, that the trend of gross and net revenue is not necessarily identical for any company. Net profits, in fact, are always a " geared " figure, and the investor ought to know the extent of the " gearing."

It is more than probable that the dividend and reserve policy of the directors of Wiggins, Teape has been quite uninfluenced by the decision to publish detailed profits information. But the fact is equally incontrovertible that shareholders in Wiggins, Teape know much more about their company than shareholders in J. Lyons. Their advantage may be moral rather than financial, since both companies are of the highest standing. But if stockholders in the R.M.S.P. Company, or in a host of smaller ventures had been as well informed, history might well have been different.

Investment Notes

The Slump Arrested.—The new Stock Exchange account opened inauspiciously in London on Monday, when the market took its cue from the weakness of New York in the short Saturday session. By the middle of this week, however, the two rôles had been reversed, and Wall Street was inclined to follow London's lead in a modest technical recovery. The investment relevance of the maxim: " Nothing is but thinking makes it so," was aptly illustrated by the fact that the rise in the *Financial News* ordinary share index from 105.6 on Monday to 108.0 on Thursday had a background of political and economic news which, taken by and large, was little worse and very little better than that which helped to put prices down last week. Japan held the predatory tenor of her way in China; the blast of publicity for the forthcoming cementation of the Berlin-Rome axis was not exactly a market bull point; and the evidence of Italy's second thoughts about the watch on the Mediterranean was too intangible to relieve existing tension. On the other hand, industrial news was as excellent as ever, and the week's vintage of company reports and dividends was of high quality. The market recovery, altogether, was welcome but inconclusive; and protests against the very idea of any possible difficulty in meeting heavy differences at Thursday's financial Settlement might have been less numerous—and more accurate. Revival is overdue, and may go further; but optimism has had too severe a hammering to make any hearty recrudescence of speculative activity at all likely in the near future.

* * *

Wall Street Steadier.—After the series of alternating days in which mild recovery and deeper slump carried stock prices into new low ground, Wall Street this week experienced some relief. Prices have improved day by day, and the bears appear to be treading cautiously, although there is no general expectation yet of any long or rapid rise. This relief, as in London, cannot be attributed to any change in the conditions outside the market—whether in America, in Europe or in the Far East. The prospects of war are neither greater nor less than a week ago. The attitude of the Washington administration to business and the stock market has long been known, and no change has been disclosed. The appointment of Mr Douglas as chairman of the S.E.C., following Mr Landis, marks no change in policy. Mr Hull fears that if international trade is not freed from restraints there will be a military catastrophe or an economic depression in two years owing to falling armament employment; but this choice has been clearly evident for many months. Last week the markets paid more attention to their fears of a business recession in America, but even granted the possibility of a winter check, there is no new evidence to suggest that this would herald a general setback. Indeed, a great deal of old evidence suggests that this inference would be far from reasonable. There still seems, in fact, an excuse for some dogged optimism about the course of American recovery, despite the rapidly rising trend of costs. But it is not so certain that this week's improvement marks the turn of the tide. For some time to come, in all probability, it would be wiser to expect irregular movements from Wall Street. The reaction of longer term prospects upon the market demands a somewhat lengthy time in which to demonstrate itself. Wall Street will probably continue to be a law unto itself for the present.

* * *

European Money in Wall Street.—The United States Treasury Department has recorded, since the beginning of 1935, the weekly movements of foreign resources into America, and (*inter alia*) the net purchases of American domestic securities by nationals of foreign countries. The figures provide a new source of investment statistics; and although they have resulted from the campaign against " hot money," they would make a valuable permanent addition to the world's investment information. They do, in fact, provide a method for assessing the pull of market forces in Wall Street at the present time. The investigation falls into two stages. From other American sources, the British and European holdings of American stocks and bonds can be obtained, as at December 31, 1935. The figures are given below:—

(In $ millions)

	British Holdings	European Holdings
Common stocks (at market value)	372	1,274
Preferred stocks (at par)	146	240
Bonds (at par)	91	516
Total	609	2,030

The preponderant interest in Wall Street, from this side, has always been in American common stocks, despite the sizable holdings of preferred stocks on British account and of bonds on Dutch account. This fact enables us to compute, within rough limits, the experience of the influx of investment money into Wall Street up to March this year—the second stage of the inquiry.

* * *

By analysing the Treasury Department's weekly figures for purchases of U.S. domestic securities, convenient quarterly totals can be obtained for this purpose. These are not divided into categories, nor do they indicate the total turnover in all security transactions in the United States on foreign account. (For example, the total of British purchases of all securities in America during the fifteen months to March last was $1,683 millions, while sales reached $1,322. The net purchase of domestic securities on British account during the period, however, amounted to $288 millions.) Calculations based on the quarterly figures below, therefore, refer to net movements and must inevitably ignore the wider effects of profit-taking sales and " switching." We are also compelled to ignore the holdings of preferred stocks and bonds at the end of 1935, and to assume that all purchases since have consisted of common stocks. On these assumptions, the following table has been prepared, to show the net movements of British and European investment funds into United States domestic securities up to last March, together with an estimate of their present value:—

In $ millions

	United Kingdom Base Value	United Kingdom Current Value	All Europe Base Value	All Europe Current Value	*Rate of Appreciation (+) or Depreciation (−) shown at present* (%)
Value of common stocks held Dec. 31, 1935	372	407	1,274	1,394	+ 9½
Net Purchases:					
1936—					
1st quarter ...	25	25	98	98	...
2nd ,, ...	15	15	77	76	− 1¼
3rd ,, ...	45	42	102	95	− 6¼
4th ,, ...	132	113	254	218	− 14¼
1937—					
1st quarter ...	71	58	138	112	− 18½
Totals to March	660	660	1,943	1,993	

The " current value " totals are calculated, for each quarter, by applying the movement of the Standard Statistics index of 419 stocks, between the respective quarters and the present month, to the " base value " figures—the latter, of course, representing the values of common stocks held at the end of 1935 or since purchased.

* * *

It will be seen that no profits are now running, on the average, upon securities purchased after 1935 and held to-day. For the British holder of common stocks, by a coincidence, the depreciation of stocks purchased from last autumn onwards has exactly offset the 9½ per cent. appreciation in his end-1935 holdings. The rate of increase in European interests in Wall Street, however, is much less rapid, and modest capital gains still appear to be available in total. Part of the British purchases may represent French operations, but both columns suggest that security movements in London, Amsterdam and Paris will be determined for some time by the fate of these extensive holdings. The settlement of heavy differences on international stocks appears to rule out any hope of market improvement for some time to come. Investors who ponder these figures should not find it difficult to understand why Wall Street has lately called the dirge on the world's bourses.

* * *

Brazilian Debt Position.—Under the Aranha debt plan of 1934, the condition was laid down that, six months before the scheme expired, a new agreement should be ready to take its place. The scheme expires on March 31st next year; the new arrangement, therefore, should be completed by next Thursday. It seems unlikely that this time-table will be kept. Negotiations between a Brazilian delegation and the creditors' representatives in New York were broken off last month, and there is no indication, official or otherwise, of their resumption. Investors do not even know what measure of disagreement remains to be bridged. Little credence is attached to reports that Brazil will attempt to reduce the service on the funding loans, in order to pay more on the lower groups. Although this course has been suggested in Brazil, it may be presumed that no responsible government would be anxious to tamper with stocks which, above all others, are the touchstone of its credit. Brazil is burdened with her coffee problem, and her recovery has been slower than that of other primary producers. But her position certainly does not justify the violent movements which have occurred in the funding issues in the past two months. Possibly a policy of temporary postponement might, for once, have much to commend it. The extension of the present scheme for another year would give Brazil a chance to settle down after the excitements of the Presidential election this winter, and would bring her one year

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nearer to extinguishing the Vargas bonds. Without a dramatic change in the coffee situation, again, there is little promise of improved payments on the debt, save that funds gradually released by the repayment of the Vargas bonds might well be used for stepping up the annual payments under a new scheme. But it is more than desirable that an official statement on the future of the debt service should be forthcoming at the earliest possible moment.

* * *

Chinese Customs Revenue. — The full terror of Japanese attack by land, sea and air this week has been followed with increasing anxiety by holders of Chinese bonds. The position of the Customs loans, which together with indemnities and internal loans were covered last year with a 50 per cent. margin by the revenues, is particularly affected, for the Japanese attacks are concentrated upon important centres of collection. In the following table we set out the contribution to total revenues of various important cities, in order that investors may assess the possible order of magnitude of the sharp fall in revenue which is bound to occur this year. The figures are given in Chinese dollars:—

	1934	1935	1936	*Percentage of 1936 Total*
Shanghai ...	175,363,474	149,127,439	148,869,136	*46*
Tientsin	41,138,710	41,089,011	35,518,115	*11*
Hankow.....	19,365,550	22,396,228	23,874,359	*7*
Canton	8,013,102	9,616,502	10,925,799	*3*
Kowloon ...	7,462,841	7,346,729	9,120,867	*3*
Swatow	5,793,706	4,760,905	6,828,894	*2*
Others	77,508,025	81,182,898	91,446,121	*28*
Total	334,645,408	315,519,712	324,583,291	*100*

Taken at an approximate average rate of 1s. 2½d. to the dollar, last year's revenue was equivalent to almost £20 millions. The large share contributed by Shanghai—apart from other cities now being attacked—is evident from the table. The collection of the Salt Revenues (which have steadily advanced from $145 millions in 1932 to $206 millions last year) will also be seriously impeded—a matter of importance to such loans as the Anglo-French issue of 1908, the Crisp loan of 1912, the Hukuang coupons and the Vickers-Marconi notes.

Company Notes

Staveley and Sheepbridge Reports.—Results of the excellence of Staveley and Sheepbridge Coal and Iron companies to last June would have been greeted with enthusiasm twelve months ago, but in the present market context they did well merely to assist the market to its feet. The record of both companies is analysed in the following table:—

Years to June 30

	Staveley Coal and Iron			Sheepbridge Coal and Iron		
	1935	1936	1937	1935	1936	1937
Profit	518,983	594,634	835,646	151,777	219,117	280,521
Depr'n and renewals ...	196,242	207,791	242,042	43,041	42,763	103,884
Directors' fees	6,452	6,557	6,667	4,000	4,000	4,065
Deb. interest	...	...	...	19,652	17,498	15,676
Pref. divs. paid.....	...	...	...	10,460	16,737	16,736
Part. pref. div. %.....	...	...	...	6·25	10	10†
Ordinary shares—						
Earned (a)	*316,289*	*380,286*	*586,937*	(a)	(a)	(a)
Paid	270,828	304,682	423,169	73,197	117,116	117,116
Earned %‡.....	*9·3*†	*11·2*†	*17·3*†	*5·7*	*11·0*	*11·1*†
Paid %	8†	9†	12½†	6¼	10	10†
Reserve.....	50,000	50,000	100,000	...	20,000	20,000
Carry forward.....	98,743	124,346	188,114	84,698	88,702	88,746

† Tax free.
‡ Allowing for further preference participation.
(a) Surplus, subject to further preference participation: 1935, £74,624; 1936, £138,119; 1937, £140,160.

The Staveley figures must be regarded as remarkable, even for a company with an already impressive record. Total profits have jumped at a bound from £594,634 to £835,646. Earnings for the ordinary stock which, between 1928 and 1935, ranged from 6.2 per cent. to 9.3 per cent., tax free, have reached 17.3 per cent., tax free, and the total distribution has been increased from 9 per cent. to 12½ per cent., tax free. The Sheepbridge figures are similarly impressive, with profits up ostensibly from £219,117 to £280,521. It appears, however, that this understates the real advance since the 10 per cent. ordinary and preference dividends are this year paid tax free—an accounting change which would add £45,000 to the latest profits on the 1935-36 gross basis. Distribution policy, however, is still conservative, for £70,000 has been set aside for renewals, compared with £20,000 for the previous year. The reports of the two companies (which have points of contact, including their interests in Doncaster Amalgamated Collieries) record an active year. Both concerns were bound to prosper in a period of constructional activity fostered by re-armament. The Sheepbridge report, in particular, refers to the favourable effect of the Coal Selling Schemes which commenced last August, but underlines the effect of sharply increased working costs. No shareholder would deny the wisdom of the further modernisation proposals which the board has in view. Staveley shareholders are informed of the successful operation of the new pipe plant since last February, while the balance sheet reflects the sale of the Yorkshire Main Subsidiary and other coal interests to Doncaster Amalgamated Collieries. It would be unwise to regard Staveley or Sheepbridge shares as immune from broad market movements, despite the excellence of these reports, but investors may reasonably expect that the companies would weather any future depression as confidently as the last. At 60s. 3d xd., Staveley ordinary yields £4 3s. per cent., tax free, while Sheepbridge at 46s. 9d. offers the slightly higher return of £4 5s. 6d. per cent., tax free.

* * *

Thos. W. Ward Progress.—Another report which aptly coincides with this week's improvement in the market comes from Thos. W. Ward. The shares of this concern have attracted attention on the strength of the scrap steel market, which has clearly played a big part in the advance of profits during the year to June last from £173,427 to £292,600. The board's treatment of this massive increase, however, is commendably conservative. The sum of £52,005 is set aside for depreciation, which has received relatively small provision in recent years. The reserve allocation, at £80,000, is doubled, and £24,573 is added to the balance carried forward. The 10 per cent. dividend (against 7½ per cent. for 1935-36) is in fact covered by available earnings of 22½ per cent., as the following table shows:—

	Years to June 30 1935	1936	1937
Trading profit	97,137	173,427	292,600
Depreciation, etc.	5,786	7,100	52,246
Preference dividends—			
1st pref.	14,025	19,297	18,984
2nd pref.	62,500(b)	25,000	25,000
Employees' shares & staff fund	6,651(b)	3,009	8,952
Ordinary shares—			
Earned	*8,175*(c)	*119,021*(c)	*187,418*
Paid	Nil	63,250	82,844
Earned (%)	*1·0*	*13·9*	*22·5*
Paid (%)	Nil	7½	10
Reserve	...	40,000	80,000
Carried forward	40,530(d)	50,301(e)	74,874

(a) Including unstated investment profits and income tax recovered. (b) 2½ years' payment. (c) Subject to extra employees' dividend. (d) After £2,366 issue expenses. (e) After £6,000 issue expenses.

Next to the scrap business, the company's diverse interests in machinery renovating and trading, general engineering and road materials, have probably made a better return than in any year for a decade—apart altogether from its recent dealings in large industrial properties. The accounts, however, do not deal specifically with these varied activities of the company, and the balance sheet throws no direct light on the position. The scrap market is now subject to the elaborate organisation of quotas and price control, and investors may expect further benefits from this source, provided—and the proviso is important—that adequate supplies of obsolete ships are available for scrapping. The £1 shares at 36s. 3d. yield £5 15s. 3d. per cent.

* * *

Dividends of the Week. — This week's partial recovery in the market has been assisted by a number of favourable dividend announcements. United Steel Companies have increased the total distribution for the year to June 30th from 7½ per cent. to 8½ per cent. This rate is payable on a substantially increased capital, for in May, 1936, £2,205,455 of ordinary stock was issued, raising the total ordinary capital from £6,616,365 to £8,821,820. Investors will expect a good report on October 3rd. The company is engaged on an extension of the Appleby-Frodingham plant, estimated last January to cost £3,700,000. Such technical improvements, which the company has always pursued, lend long-term interest to the £1 ordinary stock units, which rose to 31s. 9d. on the dividend announcement and yield £5 10s. per cent. The Austin Motor dividend declaration is not exciting, for the dividend and bonus have been maintained at 50 per cent. for the third year. This distribution was covered last year by earnings of 77 per cent., and it is difficult, therefore, to draw any dependable inference from the announcement, save that profits have probably not advanced spectacularly. The 5s. stock units fell 1s. 9d. to 42s. on the announcement, and yield £6 5s. per cent. The company—like its competitors—is experiencing the full burden of rising costs, but the recent increase in motor prices appeared not only tardy but also relatively moderate. Investors may have to consider the possibility that the profits outlook in the motor industry is undergoing important changes. Comparison of the Murex dividend is complicated by the capital changes of the past year. A final distribution of 12½ per cent. brings the total payment to 20 per cent. on the £1,000,000 ordinary capital. For the previous year to June, 1936, the total rate was 25 per cent., but payable on £553,500 ordinary capital. Shareholders may feel some disappointment at the result, but the net total dividend payable amounts to £150,000, compared with £105,511 for the previous year. At 4⅜ the ordinary shares yield £4 9s. per cent. Only Electric and Musical Industries has disappointed the market by maintaining the 10 per cent. dividend. There is an element of mystery about the decision, however, for profits have jumped in spectacular fashion from £266,789 to £363,964.

* * *

The Unilever Proposals.—A further stage in the reorganisation of the Unilever group is marked this week by the issue of notices of meetings and the formal scheme of arrangement. These documents confirm the outline of the scheme which was published early in August, and was exhaustively analysed on page 302 of *The Economist* of August 7th. On that occasion we explained how the amalgamation of Unilever Limited and Lever Brothers Limited had been devised to produce benefits for every participant, and the latest information adds nothing to the general nature of the scheme. Unilever 7 per cent. and 5 per cent. preference stocks will be exchanged, £ for £, for similar stocks in the amalgamated company ("Lever Brothers and Unilever Limited"), which will rank *pari passu* with the existing 7 per cent. preference stock of Lever Brothers. It is again emphasised that the revenue cover of these prior charges will be enhanced. The new agreement between the new amalgamated company and the corresponding Dutch company does not threaten the position of the existing preference and preferred ordinary capital of Lever Brothers. It is, indeed, essential to preserve the policy of identical distribution of profits and assets and similarly constituted boards. The right to nominate persons for election to the board will vest, as hitherto, in the holders of a majority of the deferred stock; the fact that all classes of stock will have one vote for £1 stock cannot, therefore, affect ultimate control. The terms of the scheme do not disclose the specific non-British assets to be transferred to the Dutch group, nor is any reference made to the transfer of the earning power so represented upon future dividend possibilities. Unilever shareholders will meet on October 11th in London and Lever Brothers' members on the following day at Port Sunlight. The scheme is inherently complex, but it should command general approval.

* * *

An Unwelcome Precedent.—Neither equity nor logic was evident in the proposals submitted by the directors of Pease and Partners to the holders of 4 per cent. redeemable stock at last Thursday's meeting. Yet some 828 holders of £254,575 of the stock were in favour, and only 8 holders of £46,625 stock in opposition. The scheme, and its circumstances, however, deserve to go on record. At the end of last year the stock was established on its present basis. The rate of interest was reduced from 5 per cent. to 4 per cent., final redemption was extended from 1954 to 1977, and holders wrote off their interest rights since March, 1931. This year a regular sinking fund of £4,975 per annum begins to operate, and the latest accounts, to March last, provided for three months' interest on the stock. On the basis of 1936-37 profits it would seem that the full debenture requirements, including sinking fund, were covered more than eight times, while a 5 per cent. ordinary dividend was paid out of normal earnings of 12 per cent. The directors' proposals appeared the more remarkable in the light of this recovery. The directors declared that, at the time of last year's settlement, "it was not considered necessary to provide for any other form of redemption apart from the operation of the sinking fund." The market value of the stock is now higher than at the beginning of the year as a consequence of improving cover—and it is now quoted at 96-100. But it did not follow that "both the holders of the stock and the company" would benefit "if provision were made for the redemption at the company's option of the whole or any part of the stock"—at £103 per cent. up to October 1, 1938, or £102 per cent. thereafter. This, however, is the option which the debenture holders, by their vote on Thursday, presented to the company. It may be argued (as the board did argue) that the market value of the stock would be improved, but even if this proved true it would operate only up to the redemption limit and would be largely irrelevant to those holders who wished to keep their stock on the ground that after several years of patience they now saw promise of a reasonable return. In short, the debenture holders appear to have made a decision which might be definitely prejudicial to their interests, on proposals which were not circulated to the Press. The implications will be unwelcome to other long-term debenture holders.

WHITE DRUMMOND
& COMPANY LTD.
(ESTABLISHED 1900)
CAPITAL ISSUES
9 CLOAK LANE, LONDON, E.C.4
TELEPHONE • CITY 5201

Harrisons and Crosfield Position. — It was a foregone conclusion that the 1936-37 accounts of this merchanting, agency and investment company would reflect the general revival of produce markets, but the profits announced this week probably exceed expectations. They show an increase of 30 per cent. in revenue, which restores profits to pre-depression levels. The growth of deferred ordinary capital under the company's unusual distribution rights has, of course, prevented a corresponding return to the former rate of dividend. After making a special provision of £25,000 for staff pensions, and assigning £24,200 more to management shares to cover their participation rights, the deferred ordinary stock receives a further £26,200. The effect of these provisions is shown in the following comparative table:—

	Years to June 30		
	1935	1936	1937
	£	£	£
Profit†	268,284	271,642	354,014
Staff pensions	...	...	25,000
Pref. and pref. ordinary divs.	137,800	137,800	137,800
Management shares dividend	43,011	44,945	69,159
Deferred ordinary stock:—			
Paid	81,022	84,889	111,099
Earned (%)	*21·0*	*20·6*	*26·6*
Paid (%)	20	20	25
Carry forward	141,007	145,015	155,971
Defd. ordy. capital	405,108	424,447	444,395

† After provision for N.D.C., and after adding back staff pensions contribution.

Despite the substantial improvement in profits the main interest of this report is to be found in the company's internal finances. Under Article 14 (a), deferred ordinary holders may apply at par for further shares in respect of one-half of the dividend payable over the fixed 10 per cent., the proportion being one-tenth for management shares. Since 1934 the rate of dividend has, of course, resulted in the regular exercise of this right, under which 31,080 shares fall to be allotted (tax being deducted at 4s. 5½d.) in the latest year. This will leave only 24,525 shares unissued, which would not meet the share option for another year at the current rate of dividend. The directors, however, state specifically that they do not recommend any increase in the £500,000 deferred capital at present authorised. It is not clear at this stage how this apparent conflict between the shareholders' option (which in the immediate future should still be operative) and the directors' function of controlling, in practice, increases in authorised capital will be settled. The annual meeting on October 12th will perhaps throw light on the question, but meanwhile the £1 deferred ordinary stock units have fallen from 6 21/32 to 5⅛. The privilege is obviously of financial moment to holders of the deferred shares.

* * *

Debenhams' Accounts.—Although the preliminary figures had already shown that Debenhams' latest profits increased at a somewhat lower rate than in recent years, the full accounts again convey a satisfactory impression, within the limits of the information supplied. Earnings allocations of recent years are given in the accompanying table, but the apparent improvement of £21,450 (or 3 per cent.) under-estimates the actual progress made, since the balance has been struck after providing an unstated amount for N.D.C. The entire increase in profits becomes available for the ordinary shares. The dividend is again raised by 4⅛ per cent., but the directors maintain their strictly conservative distribution policy. Following the practice of recent years, the provision for general reserve remains at £50,000, and a large increase in the credit balance carried forward is also shown. During the past three years this item has been nearly doubled, and it now represents no less than 46 per cent. of the ordinary capital, which is in 1s. shares. The latest profits are analysed below:—

	Years ended July 31		
	1935	1936	1937
	£	£	£
Profit†	654,928	706,446	727,896
Fees	1,800	4,050	4,050
Debenture interest	145,127	144,133	143,092
Preference dividends	379,000	379,000	379,000
Ordinary shares:—			
Earned	*129,001*	*179,263*	*201,754*
Paid	62,500	83,333	104,167
Earned (%)	*29·7*	*41·8*	*46·9*
Paid (%)	12½	16⅔	20⅚
Reserve	50,000	50,000	50,000
Carry-forward	136,241	182,171	229,758

† After income tax (and N.D.C. in 1936-37).

Changes in the balance sheet of the parent company alone are of restricted significance when net interests in subsidiaries amount to £4,668,000 out of total assets of about £12 millions, but Debenhams' balance sheet, so far as it goes, contains various indications of an improved position. An expansion in both debtors and creditors implies growing turnover, while net liquid assets (excluding accounts with subsidiaries) of £603,000 are as much as £251,000 higher. A large increase in the amounts due to subsidiaries, however, has resulted in a decrease of £171,000 in the balance in favour of the parent company, which now stands at £998,000. Some compensation for the lack of consolidated accounts is offered by the Harvey Nichols and Company report. The balance of profit (including dividends) of this subsidiary is £143,471, against £111,630. The excess of earnings over the usual dividends and £10,000 to reserve is, however, absorbed by interest and expenses in connection with the recent issue of 3½ per cent. debenture stock, to finance rebuilding and repay loans. London premises have been written up to the amount resulting from a revaluation last November, the excess of £67,083 having been added to capital reserve. Debenhams' 1s. ordinary shares stand at 4s. 6d., but in view of the large balance of undistributed profits, a yield of £4 12s. 6d. per cent. is probably reasonable, subject to the effect of rising costs on the trend of profits.

* * *

Other Company Results.—A large number of interesting results has appeared this week, and our usual analysis of profit and loss accounts appearing on page 635 covers over thirty further companies. The heavy industries are well represented by such companies as *Manvers Main Collieries* and *Horseley Bridge and Thomas Piggott*. Among miscellaneous industrials satisfactory improvement is shown by *Allied Industrial Services*, and by *Qualcast*. The reports are discussed on page 636 under the heading "Shorter Company Comments."

* * *

Company Meetings of the Week.—Reports of company meetings commence in this issue from page 630. The shareholders of *Second Alliance Trust* were informed by Mr James Prain that the balance of revenue (after paying interest) for the latest period was the highest in the company's history. He hoped that the factors which operated during the past year in favour of investment trusts had not spent their force, although there had since arisen new factors, such as the decline on Wall Street, the causes of which were reviewed. At the *D. Gestetner, Ltd.*, meeting, Mr Sigmund Gestetner referred with especial satisfaction to the increase in the company's export trade. Addressing *Grosvenor House (Park Lane)* shareholders, Mr A. O. Edwards expressed the opinion that the facilities offered by Grosvenor House enabled it to face all competition, which had become keener as a result of air development.

THE WEEK IN THE MARKETS

THE STOCK EXCHANGE

SETTLING DAYS

TICKET: OCTOBER 5 ACCOUNT: OCTOBER 7

THE markets have come through with one minor casualty and more safely than was expected at one time, one of the worst weeks in recent years. Recurrent slumps on a disorganised Wall Street have had a bad effect, and rumours, last week and over the week end, that provincial and even London firms were in difficulties, gave rise to a bout of selling on Monday. The more speculative issues were badly affected, and only gilt-edged and well-established industrials survived unhurt. On Tuesday and after fears for the settlement abated considerably. Business remained small, but prices recovered part of their losses, and a much more cheerful view was taken of the outlook, assisted by the recovery in New York.

Gilt edged, which stood above the storm throughout the last account, made further progress this week. There were a few small falls, as well as other rises on Monday, but on Tuesday quotations were marked up sharply, some stocks advancing as much as 1/16, and on the following days the market continued very firm. Among Dominion issues, the chief movements have occurred among Australian issues. After opening quietly, the stocks brightened up a good deal later, and early losses were more than offset.

Chinese and Japanese issues have again been subject to sharp movements in the foreign section. Chinese issues rose at the end of last week, but this week's air raids upset the market. Japanese issues tended, though with some exceptions, to rise as the news of military "successes" came in. Brazilians have been depressed, but as sentiment fluctuated about the results of the elections and about the nature of the impending debt settlement, occasional speculative rises occurred. Greek and Hungarian issues recovered from their earlier depression, but German issues remain unpopular.

Home rails, after taking part in the general slump, recovered rapidly with daily rises in the ordinaries of anything up to a point, while prior charges were also firm. London Transport "C" stock, however, was weak throughout. In the foreign sections, the Argentine group fluctuated sharply, falling badly on Monday, but recovering subsequently. U.S. rails have followed Wall Street, rising up to 5 points on Friday, falling up to 7 on Monday, and regaining most of the losses on following days.

This week's partial recovery in the industrial share market owes as much to an improvement in sentiment (assisted by some good company news) as to the slight expansion in trading. The market opened with a spasm of weakness, when the slump of transatlantic securities brought almost every section of the domestic market down in its train. Electrical equipment, steel, motor and aircraft, and the leading miscellaneous industrial shares were all marked down sharply. After a hesitating opening on Tuesday, however, conditions showed a distinct improvement, and some large over-night losses were regained. Crompton Parkinson, to quote only one example, regained the 4s. drop which was recorded on Monday, and General Electric recovered its fall.

In the steel group, Dorman Long led the improvement, which spread on the publication of good results to such shares as Thos. W. Ward and United Steel. Vickers were also a good feature. Austin Motor reacted on the dividend announcement (discussed on page 623), but there were moderate recoveries in other shares. Reports of weakness in Amsterdam caused a sharp fall in Unilever on Monday, but the shares recovered later with the rest of the market. Brewery and tobacco issues received better support, and shipping shares, which again withstood the worst impact of Monday's fall, made further progress in mid-week. Among the leaders, Turner and Newall, British Oxygen, and Imperial Chemical presented a relatively firm front in mid-week, but building issues required a longer breathing space to absorb the shock of the latest building plan returns.

Oil shares, after opening flat, responded to the cessation of Continental selling with a sharp rally and continued to make progress in mid-week. Burmah Oil provided a strong feature and Trinidad Leaseholds, after their recent irregularity, were in better demand on dividend anticipations. Rubber shares became steadier, but were still listless, and only the leading tea shares attracted attention.

The mining markets shared the general trend, with assistance from the recovery in the base metal quotations. Although much of the interest was professional in character, the improvement tended to attract modest public support for dividend-paying Kaffirs, while Cape support for the developing mines was evident. Diamond issues improved, and Rhodesian copper issues recovered appreciably from their depressed levels.

"FINANCIAL NEWS" MARKET INDICATORS

	Sept. 16	Sept. 17	Sept. 20	Sept. 21	Sept. 22	Sept. 23
Approximate total of bargains recorded in S.E. List	8,441	6,830	8,390	6,815	7,090	6,890
Corresponding day 1936	*6,335*	*9,700*	*10,500*	*9,775*	*9,421*	*9,157*
SECURITY MOVEMENTS						
Index of 30 Ordinary Shares (July 1, 1935=100)	107·5	107·4	105·6	106·5	107·6	108·0
Index of 20 Fixed Interest Securities (1928=100)	126·2	126·1	126·1	126·3	126·4	126·5

Highest 1936: Ordinary Shares 124·9 (Nov. 18); Fixed Interest 138·8 (Feb. 10).
Lowest 1936: Ordinary Shares 107·4 (Jan. 2); Fixed Interest 136·2 (Sept. 23).
Highest 1937: Ordinary Shares 124·8 (Jan. 4); Fixed Interest 136·6 (Jan. 4).
Lowest 1937: Ordinary Shares 105·6 (Sept. 20); Fixed Interest 126·0 (Sept. 8).

ACTUARIES' INVESTMENT INDEX

This index of 177 industrial ordinary share prices had fallen on Tuesday last to 80·0, against 81·4 a week ago and 83·5 a month ago. The corresponding yields are 4·55, 4·47, and 4·37 per cent., respectively. A selection of the component series follows:—

Group (and No. of Securities)	Prices (Dec. 31, 1928 = 100)			Yield (%)		
	Month ago (Aug. 24, 1937)	Week ago (Sept. 14, 1937)	This week (Sept. 21, 1937)	Month ago (Aug. 24, 1937)	Week ago (Sept. 14, 1937)	This week, (Sept. 21 1937)
Building materials (5)	88·9	87·6	85·6	6·10	6·20	6·34
Coal (7)	125·9	124·5	121·1	3·68	3·96	4·13
Cotton (6)	46·0	45·3	43·7	2·33	2·34	2·38
Iron and steel (12)	77·2	75·4	73·8	4·99	5·12	5·25
Oil (5)	95·4	91·3	88·3	6·89	7·06	7·32
Electric supplies (10)	149·0	143·5	139·8	4·30	4·40	4·49
Stores and catering (17)	75·7	74·0	72·8	3·85	3·94	3·98

We are officially informed that Messrs George Thomas Lockett and Maurice Clifford Scawin, trading as Thomas Roberts and Company, were declared defaulters upon the Stock Exchange on September 23rd.

NEW YORK STOCK EXCHANGE

THE year's low for industrial securities was reached on Monday morning of this week, since when the level of prices has zig-zagged upward. Foreign selling was blamed for the setback at the opening of the week, and steels were depressed by lower estimates of mill activity. Railroad shares resisted the opening trend, on the intention of the railroads to ask for a general increase in freight rates. Tuesday's business opened strongly, under the influence of support in American securities in foreign centres. Steels were slightly lower but railroad issues continued strong. Last hour trading saw a recession, but prices were higher on the day. In mid-week the recovery was continued, with the usual partial setback toward the close of business. Oil and steel issues were slightly better, but rails suffered from the news that a joint wage conference had been cancelled. On the bond market government issues were firm, but in mid-week the more speculative issues lost ground slightly. *Iron Age* estimates steel mill activity for the week at 76 per cent. of capacity, and anticipates a further reduction unless new orders pick up. This possibility depends mainly upon the automobile industry which is changing models, and upon the railroads whose equipment work is held up at present by wage and freight rate disputes. The building industry shows little sign of substantial progress, but the farmers are in a very good position and may be able to influence the demand for consumption goods.

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

	1936		1937		Beginning of Year 1937	Sept. 8, 1937	Sept. 15, 1937	Sept. 22, 1937
	Lowest Apr. 29	Highest Nov. 10	Lowest Sept 22	Highest Mar. 10				
347 Industrials	112·7	145·9	120·7	155·7	143·2	125·2	124·9	120·7
32 Rails	42·8	60·2(b)	40·9(d)	64·5(f)	54·6	41·8	40·9	41·5
40 Utilities	91·2	111·0(e)	87·1	116 4(f)	111·7	88·3	89·2	87·1
Total, 419 Stocks	97·7	125·4	102·2	137 4	148·5	105·5	105·3	102·2
Average yield*	4·50% High (c)	2·65% Low (a)	5·14% High	1·[illegible]% Low (g)	3·53%	4·93%	4·96%	5·14%

* 50 Industrial Common Stocks. (a) April 8th. (b) Oct. 14th. (c) December 23rd. (d) September 15th (e) December 2nd. (f) March 17th. (g) February 10th. (h) January 13th.

(*Continued on page 628*)

LONDON ACTIVE SECURITY PRICES AND YIELDS

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

Prices, Year 1936 Highest	Prices, Year 1936 Lowest	Prices, Year 1937 Jan. 1 to Sept. 22, inclusive Highest	Lowest	Name of Security	Price, Sept. 15, 1937	Price, Sept. 22, 1937	Rise or Fall	Yield Sept. 22, 1937 £ s. d.
				British Funds				
87½	82⅞	84⅞	73⅜	Consols 2½%	73½	73⅝	+⅛	3 7 10
116⅜	112⅞	113	105⅞	Do. 4% Red. at par on or after Feb. 1957 (n)	107½	108	+½	3 8 9
102⅞	100	101⅝	94⅜	Conversn. 2½% 1944–49	94¾	94⅝	...	3 0 6
105½	103⅝	103⅝	97⅛	Do. 3%, 1948–53	98¼	98½	+¼	3 1 9
108⅝	104⅜	106⅞	99	Do. 3½% after 1961	99¼	99¼	...	3 10 6
111⅞	107	108	105	Do. 4½% 1940–44	106¼	106⅜	+⅛	2 10 6
121⅝	116¼	117¼	111⅞	Do. 5% 1944–64	113⅜	113½	+⅛	3 0 0
95⅞	92½	92½	84⅞	Funding 2½% 1956–61	87x	87½	+½	3 5 0
...	...	94½	89⅞	Funding 2¾% 1952–57	93½	94	+½	3 3 0
104½	101	101⅝	92⅞	Funding 3% 1959–69	94¼x	95	+¾	3 5 1
119½	115⅜	116⅞	109	Funding 4% 1960–90	110½	111	+½	3 7 0
...	...	96⅞	96	Nat Defce 2½% 1944–48	96½x	96¼	+⅛	2 18 0
117⅝	113¾	114⅝	107⅝	Victory Bonds 4%	107⅛	108	+⅞	3 14 0
108⅞	104¼	105⅞	99⅜	War Ln 3½% after 1952	100½	100½	+⅛	3 10 0
98⅜	94⅝	96⅞	84½	Local Loans 3%	84⅜	84⅜	...	3 10 10
103¼	101¼	101⅞	99⅜	Austria 3% 1933–53	100	100	...	3 0 9
76½	70¾	72	62	India 2½%	66	66	...	3 15 9
89½	83½	85½	74⅝	Do. 3%	77½	78	+½	3 17 0
100	96	98⅞	87	Do. 3½%	91½	91½	...	3 16 6
120⅝	116	119½	112½	Do. 4½% 1958–68	115	115	...	3 10 6
107	104	105⅞	103⅞	U.K. & Arg. 4% A (1947)	103¼	103½	...	3 13 9
				Dom. & Col. Govts.				
113⅜	109½	109⅞	105	Australia 5% 1945–75	108	108	...	3 18 0
106¼	102½	104⅜	101	Canada 4% 1940–60	103	103	...	2 18 11
118⅜	114	116¼	112⅞	Gold Coast 4½% 1956	113	113	...	3 11 6
120	117	117⅞	114	Nigeria 5% 1950–60	115	115	...	3 11 0
114½	108	109⅞	104	N. Zealand 5% 1946	108	108	...	3 18 6
109⅞	106⅞	107⅞	103⅞	Queensland 5% 1940–60	104	104	...	3 11 5
117⅞	113⅞	114	110⅛	S. Africa 5% 1945–75	112	112	...	3 6 9
				Foreign Governments				
...	...	103	97	Argentine 4½% Stg. Bds	101	101⅛	+⅛	4 9 0
102	90	105	98	Austria 7% 1957	104	104	...	6 13 9
98	82	91½	84½	Do. 4½% 1934–59	89	89	...	5 8 9
72½	71½	73¼	68⅞	B. Aires (Prov.) 3½%	70	69	−1	5 1 5
97⅜	95½	102	96	Belgian 4% red. by 1970	101	101	...	4 0 0
27½	14	30½	24⅞	Bulgaria 7½% Loan	30½	30½	...	8 6 9m
89⅜	65½	89	69	Brazil 5% Fund. 1914	74½	75½	+1	6 12 6f
23½	16	28	22½	Chili 6% (1929)	23¾	24½	+1	2 10 0v
84½	66	94½	57	China 5% (1912)	59	57½	−1½	8 13 9f
95½	80	101⅞	60⅞	Do. 5% (1913)	64½	62	−2½	8 1 3f
112	95½	107⅛	103¼	Czechoslovakia 8%	107	107	...	7 13 10
110	98	100	92⅞	Danish 3%	97½	97½	...	3 1 6
70	57	72⅞	51⅞	Danzig 6½% (g) (1952)	57½	57½	...	10 3 0
106½	102	105⅞	101	Egypt Unified 4%	104	104	...	3 17 8
25½	17½	18	12½	French 4% (British)	13	12½	−½	5 5 0e
69⅞	53	65	53	German 7% Dawes Ln.	60	60	...	11 13 3
46	34	49½	35	Do. 5½% (Young Ln.)	40	40	...	13 15 0
40	29	40⅞	30	Greek 6% Stab. Ln.	33½	34½	+1	6 18 0w
45½	35½	48½	38	Do. 7% Refugee	41	41½	+½	6 19 0w
52	39½	62	47½	Hungary 7½%	57½	57½	...	6 10 6p
90½	79½	88⅞	58⅞	Japanese 5½% 1936–65	64½	68	+3½	8 11 6
97½	83	94⅞	57⅞	Do. 6% (1924) red 1959	68½	73	+4½	8 16 8
144½	105	120	110⅛	Norwegian 4% 1911	115	115	...	3 10 0
53½	41	61	54	Peru 7½% 1922	58	58	...	...
93⅜	60	83	56	Poland 7%	64	64	...	10 18 9
15⅞	8⅞	20½	13	Roumania 4% Con. 1922	18	17	−1	10 2 0y
116	112	116½	112	U.K. & Argentine 1933 5½% B. Certs. (1951)	114	114	...	4 6 0
92½	79	96½	91	Do. C. Certs. (3% Max.)	96	96	...	3 3 0
				Corporation Stocks				
27⅞	22	25	22	Berlin 6% 1932–57	24	23	−1	...
119⅜	116	118	111	B'mgham 5% 1946–56	112	112	...	3 8 6
120	117	119	113	Bristol 5% 1948–58	113	113	...	3 11 0
84	64	82	64	Danzig % (i) (1950)	65½	65½	...	7 9 0
121½	117½	119½	115	E. London 5% 1960–70	116½	116½	...	3 18 6
97½	93⅞	95⅞	82½	L.C.C. 3%	83	83	...	3 12 3
106⅜	85½	103⅞	97⅛	Seine (Dpt of) 4½% 1952	100½	100½	...	4 10 0

Prices, Year 1937 Jan. 1 to Sept. 22, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 15, 1937	Price, Sept. 22, 1937	Rise or Fall	Yield Sept. 22, 1937 £ s. d.
				Public Boards				
120½	111	2½	2½	Central Elec. 5% 1950–70	112½	112½	...	3 15 0
				LONDON PASSENGER TRANSPORT BOARD—				
123⅜	110½	2¼	2¼	4½% "A" 1985–2023	113½	113½	...	3 19 6
135	121⅜	2½	2½	5% "A" 1985–2023	125½	125½	...	3 17 0
109	104	2¼	2¼	4½% "T.F.A." 1942–72	105	105	...	3 10 0
125	115	2½	2½	5% "B" 1985–2023	117½	117½	...	3 19 9
99⅜	77	2½(b)	1½(a)	"C" 1956 or after	80	78⅞	−1⅛	5 1 11
99⅞	86	1½	1½	Met. Wat. Bd. "B" 3%	86½	86½	...	3 9 6
121	113½	2½	2½	Pt. of Lndn. 5% 1950–70	117	117	...	3 8 6
				British Railways				
67⅞	55⅞	2½(b)	½(a)	G. Western Ord. Stk.	63	65	+2	5 0 0
6½	4⅝	Nil	Nil	L. & N. E'st'n Def. Stk.	4⅞	5	+⅛	Nil
12½	9	Nil	Nil	Do. 5% Pref. Ord.	10	10	...	Nil
100⅞	89½	5(c)	1¼(a)	Do. 5% Pref. 1955	98	98	...	5 2 3
31⅞	21	Nil(c)	½(c)	Do. 4% 2nd Pref. Stk.	28½	28	−½	1 15 9
79½	64½	4(c)	1(a)	Do. 4% 1st Pref. Stk.	72	72	...	5 11 1
36⅞	27½	Nil (c)	1½(c)	L.M.S. Ord. Stk.	30½	31½	+1	3 19 4
82½	71	4(c)	4(c)	4% Pref. Stk. 1923	75½	75	−½	5 6 9
92½	80	2(a)	2(b)	4% Pref. Stk.	82	83	+1	4 16 5
27⅞	21½	Nil(c)	½(c)	Southern Def. Stk.	21½	21½	...	2 18 2
98⅞	87½	5(c)	2(a)	Do. 5% Pref. Ord. Stk.	91	90¾	−¼	5 10 6
125⅞	106	2½(a)	2½(b)	Do. 5% Pref. Stk.	113½	113½	...	4 8 0
				Dom. & Foreign Rys.				
29	16	Nil	Nil	Antofagasta Ord. Stk.	19½	19	−½	Nil
17½	9½	Nil	Nil	B.A. & Pacific Ord. Stk.	10	10	...	Nil
35½	20½	Nil	Nil	B.A. Gr. Sthn. Ord. Stk.	22	23	+1	Nil
31⅞	18	Nil	Nil	B.A. Western Ord. Stk.	19½	19½	...	Nil
34½	17⅞	Nil	Nil	C. Argentine Ord. Stk.	20	19½	−½	Nil
6½	4	Nil	Nil	C. Uruguay Monte V.	5	5	...	Nil
18	9½	Nil	Nil	Can. Pacific Com. ($25)	10	10	...	Nil
91½	86	1	1	Can. Nat. 1927 Guar. 2%	88½	88½	...	2 4 3
37	33	2(c)	2(c)	Costa Rica Ord. Stk.	34	34	...	5 17 9
19½	9½	Nil	Nil	Entre Rios Ord. Stk.	10½	10½	...	Nil
46	20	Nil	Nil	Do. 6% Cum. Pref. Stk.	24½	22	−2½	Nil
9½	4	Nil	Nil	Leopoldina Ord. Stk.	5	5	...	Nil
62/6	50/−	Nil	Nil	Nitrate Rlys. (£10)	52/6	50/−	−2/6	Nil
98	82	†2(a)	†3(b)	San Paulo Ord. Stk.	83½	84½	+1	5 18 4†
28/9	17/6	2(c)	1(c)	Taltal Rly. Ord. £5	22/6	20/−	−2/6	5 0 0
5⅞	1⅝	Nil	Nil	Utd. Havana Ord. Stk.	2¼	2¼	...	Nil

Prices, Year 1937 Jan. 1 to Sept. 22, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 15, 1937	Price, Sept. 22, 1937	Rise or Fall	Yield Sept. 22, 1937 £ s. d.
				Banks				
40/−	32/−	5(a)	5(b)	Bank of N. Zealand £1	35/−	35/−	...	4 11 6d
376	334½	6(a)	6(b)	Bank of England Stk.	338½	338½	...	3 10 10
80/10½	71/6	7(b)	7(a)	Barclay B. (£1)	73/6	73/6	...	3 16 0
48/3	40/−	3(b)	2¾(a)	Barcl. (Dom. &c.) A £1	44/6	44/−	−6d	2 12 6
10⅞	8⅞	4½(b)	3½(a)	Bk. of Australasia (£5)	8¾x	8⅞	−⅛	4 11 5
£49½	£40½	8(c)	8(c)	Bk. of Montreal ($100)	£43½	£41½	−£2	3 16 0e
29⅜	26¼	5(c)(o)	5¼(c)(o)	Bk. of N.S. Wales (£20)	27	26½	−½	3 2 3e
101/−	87/6	6(c)	6(c)	British Overseas A £5	92/6	92/6	...	6 10 0
17	13½	7(b)	7(a)	Chtd. of India (£5)	13⅜	13½x	+1/16	5 3 8
15/9	13/1½	(o)3½(a)	(o)3½(b)	Comcl. Bk. of Aus. 10/−	13/9	13/9	...	3 16 6e
94/−	82/0	16⅔(b)	16⅔(a)	District A £5, £1 pd.	83/9	83/9	...	3 19 3
58/−	50/6	5(b)	5(a)	Do. B £1 fully paid	52/6	52/6	...	3 16 0
108/9	86/6	†2½(b)	3½(a)	Eng.Scot.&Aust. £5 £3pd	92/6	90/−	−2/6	4 11 0
11⅞	10½	18(c)	18(c)	Hambros £10, £2½ paid	10⅝	10⅝	...	4 4 6
£121½	£92½	£3(b)	£2½(a)	Hong. and S. ($125)	£93½	£94½	+£1	5 16 5
69/−	58/10½	6(b)	6(a)	Lloyds £5, with £1 pd.	59/6	59/6	...	4 1 0
10⅛	8⅞	7(b)	7(a)	Martins £20, £2½ pd.	8⅞	8⅞	...	4 0 0
94/6	81/−	8(b)	8(a)	Midland £1, fully pd.	85/−	85/−	...	3 15 0
44½	38½	11(b)	4(a)	Nat. of Egypt £10	39	40	+1	3 15 0
47⅞	39	9(b)	9(a)	Nat. of India £25, £12½ pd	40½x	41	+½	5 10 0
16½	14⅛	7½(b)	7½(a)	Nat. Prov. £20, £4 pd.	14⅞	14⅞	...	4 3 0
496	459	8½(a)	8½(b)	Royal Bk. of Scotland	461	461	...	3 13 9
16½	14⅛	5(a)	9(b)	St. of S. Af. £20, £5 pd.	15	15	...	4 13 3
101/4½	88/6	9(b)	9(a)	Westminster £4, £1 pd.	89/−	90/6	+1/6	3 19 6
				Discount Cos.				
94/6	63/9	10(b)	7½(a)	Alexanders £2, £1 pd.	65/−	65/−	...	5 7 9
6⅝	5¼	5(b)	5(a)	National A £2½ fully pd.	6	6	...	4 3 3
16⅛	12⅞	17(b)	9(a)	" B £7½, £2½ pd.	13	13	...	5 0 0
54/9	44/3	6½(b)	3½(a)	Union £1 of stock	47/6	47/6	...	4 4 3
				Insurance				
32	26½	40(a)	50(b)	Alliance £1, fully pd.	27½	27½	...	3 6 0
15⅞	13⅞	†3/6(a)	†4/6(b)	Atlas £5, £1¼ pd.	13⅞	13⅞	...	2 18 0†
10⅞	9⅞	20(a)	20(b)	Com. Un. £1, fully pd.	10	10	...	4 0 0
6⅛	4⅞	2/−(b)	1/6 (a)	Gen. Accident £1, 5/− pd.	5⅛	5⅛	...	3 8 0
35⅝	29⅝	25(a)	25(b)	Lon. & Lanc. £5, £2 pd.	30½	30½	...	3 6 1
14	11⅛	3/2(a)	3/1(b)	N.Brit.&Mer., £1¼, fy. pd	11⅞	11⅞	−⅛	2 14 3
21½	18½	35(a)	40(b)	Northern £10, £1 pd.	20⅛	20⅛	...	3 13 2
22½	19	†26½(b)	†25(a)	Pearl (£1), fully paid	19⅞	19⅞	...	2 12 6†
16⅞	15	6/−(a)	6/−(b)	Phoenix £1, fully pd.	15⅞	15⅞	...	3 16 0
37⅞	32½	†95½(c)	†25(a)	Prudential £1 A	34	33⅞	−⅛	2 16 0†
114/−	103/9	†43½(c)	†50(c)	Do. £1, with 4s. paid	106/3	106/3	...	1 17 0†
11⅛	9⅛	11(a)	19(b)	Royal Exchange (£1)	10½	10½	...	2 19 3
9⅞	8½	3/3(a)	3/3(b)	Royal £1, 10/− pd.	8⅞	8⅞	...	3 15 0
19½	16½	6/6(a)	6/6(b)	Sc.Un.&Nat.A £20, £1 pd.	17	17	...	3 17 6
93/−	80/−	1/3(a)	1/5(b)	Sun Insur., £1 with 5/− pd.	86/3	85/−	−1/3	3 3 8
8⅞	7⅞	†8(b)	†10(a)	Sun Life Assur., £1, fy pd	7⅞	7⅞	...	2 6 6†
21	18½	†30(b)	†17½(a)	Yorkshire £1, fully pd.	18½	18½	...	2 10 6†
				Investment Trusts				
311½	275	3½(a)	8½(b)	Anglo-American, Deb.	280	280	...	4 5 9
80	70	2½(c)	3(c)	Anglo-Celtic Ord.	70½	70½	...	4 5 1
9/8½	5/−	1(c)	Nil (c)	Atlas Electric, etc. £1	6/−	6/−	...	Nil
18/1½	12/−	3(c)	7½(c)	Brit. Assets Trust 5/−	13/3	13/3	...	2 15 0
258	233	6(b)	4(a)	Debenture Corp. Stk.	235½	235½	...	4 5 0
91	83½	1½(a)	2½(b)	For. Amer. etc., Def.	85½	85½	...	4 14 2
154½	142	2½(a)	4(b)	Guardian Investment	145½	145½	...	4 9 6
305	260	3½(a)	7½(b)	Indus. and Gen. Ord.	265	260	−5	4 4 7
336	260	5(a)	8(b)	Invest. Trust Def.	290	290	...	4 9 8
23/3	18/−	2½(a)	6(b)	Lake View Invest. 10/−	19/3	18/9	−6d	4 10 0
303	269	8(b)	3½(a)	Mercantile Investment	272	272	...	4 4 7
181½	164	4½(b)	3(a)	Merchants Trust Ord.	167½	167½	...	4 9 7
302	272½	7(b)	5(a)	Metropolitan Trust	272½	272½	...	4 8 1
7/9	5/9	1½(c)	2½(c)	Scottish Investment (5/−)	6/3	6/3	...	2 0 0
252½	229	2½(a)	7(b)	Scottish Mortgage, etc.	235	235	...	4 0 10
255½	229	3(a)	7(b)	Trustees Corp. Ord.	232½	232½	...	4 6 0
253	221	7(b)	4(a)	United States Debenture	223½	222½	−1	4 18 10
				Financial Trusts, &c.				
18/−	14/−	2½(c)	2½(c)	Argentine Land, etc. 10/−	15/−	14/−	−1/−	1 15 6
37	27½	Nil	Nil	Australian Estates Ord.	30½	30½	...	Nil
45/−	29/7½	6⅔(c)	10(c)	Brit. S. Africa 15/− fy. pd	33/−	32/−	−1/−	4 13 6
37/6	25/−	10(c)	10(c)	Charterhouse Inv. £1	36/3	36/3	...	5 10 3
19/6	17/7½	2(a)	2(b)	C. of London R. Pty. £1	18/9	18/9	...	4 5 4
48/7½	36/4½	†2½(a)	†8⅔(b)	Daily Mail & General £1	39/−	37/6	−1/6	6 0 0†
9⅜	8	†3½(b)	3⅜(a)	Dalgety £20 £5 pd.	8⅜	8¼	−⅛	5 15 0
30/6	25/−	3½(a)	5(b)	Forestal Land £1	27/9	28/−	+3d	6 0 6
42/7½	28/6	Nil	Nil	Hudson's Bay Co. £1	30/−	29/6	−6d	Nil
35/7½	25/−	2(a)	4(b)	Java Invest., etc., £1	26/6	26/6	...	4 11 5
14½	8½	Nil	Nil	Peruvian Corp. Pref. Stk.	8⅞	9	+⅛	Nil
18/4½	12/9	3(c)	3(c)	Primitiva Holdings £1	14/−	13/6	−6d	4 9 0
25/−	21/10½	7½(c)	7½(c)	Staveley Trust £1	22/−	22/−	...	6 16 6
57/6	41/6	8(c)	10(c)	Sudan Plantations £1	43/−	42/6	−6d	4 14 0
				Breweries, &c.				
102/6	87/6	17½(b)	5(a)	Ansell's Brewery £1	90/−	88/−	−2/−	2 16 6k
37/9	31/−	2½(a)	5½(b)	Barclay Perkins £1	32/3	32/3	...	4 19 0
140/−	127/−	†19(b)	†5(a)	Bass Ratcliff Ord. £1	137/−	138/−	+1/−	3 9 0†
95/6	83/6	14(b)	6(a)	Benskins Watford £1	93/−	91/6	−1/6	4 6 0
79/−	69/6	3(a)	11(b)	Charrington & Co. £1	72/6	72/−	−6d	3 18 3
22/4½	13/−	6(c)	20(t)	City of London Def. 5/−	13/6	13/6	...	(t)
94/6	86/6	14(b)	6(a)	Courage Ord. £1	91/−	91/−	...	4 6 6
124/9	102/9	7½(a)	15(b)	Distillers Co. Ord. £1	105/6	107/−	+1/6	4 4 0
143/−	118/9	12(a)	17(b)	Guinness (A) Ord. Stk. £	126/6	127/−	+6d	4 10 0
127/−	107/6	20(b)	7½(a)	Ind Coope & Allsopp £1	120/6	120/6	...	4 11 6
52/−	41/−	7½(b)	3½(a)	Meux's Ord. £1	45/6	45/6	...	4 15 0
109/6	98/9	†11½(b)	8(a)	Mitchells & Butlers £1	101/−	101/−	...	4 11 0
79/3	68/−	5(a)	12½(b)	Ohlsson's Cape £1	73/6	73/6	...	4 15 3
84/−	76/−	14(b)	4(a)	Simonds (H. & G.) £1	79/−	78/6	−6d	4 11 6
115/6	102/6	†5(a)	†17½(b)	S. African Bws. £1	109/6	110/6	+1/−	4 0 0†
72/9	53/−	10(c)	20(c)	S. African Dist. Ord. £1	55/−	55/−	...	7 5 0
48/−	40/−	6(b)	4(a)	Taylor Walker Ord. £1	40/6x	40/6	...	4 19 0
27/6	21/3	6(c)	2(a)	Walker (P) & R. Cain £1	25/6	25/−	−6d	4 16 0
88/−	72/−	6(a)	13(b)	Watney Combe Def. £1	80/6	81/−	+6d	4 13 0
				Iron, Coal and Steel				
35/−	25/−	4(a)	7½(b)	Allied Ironfounders £1	26/6	26/−	−6d	8 12 0
4/4½	2/4½	Nil	Nil	Amal. Anthracite £1	3/3	3/3	...	Nil
55/6	45/7½	4(a)	6(b)	Babcock Wilcox £1	46/3	46/3	...	4 6 6
13/4½	8/10½	7½(c)	10(c)	Baldwins 4/−	11/−	11/−	...	3 13 0
17/6	12/6	Nil(c)	Nil(c)	Barrow Hematite £1	13/9	13/9	...	Nil
52/6	45/9	8(b)	4(a)	Bolsover Col'ry Ord. £1	49/4½	48/9x	+1½d	4 18 6
44/−	32/−	†5(a)	†10(b)	Brown (John) Ord. 10/−	35/6	35/−	−6d	4 5 0†
45/3	37/6	†2(a)	†6(b)	Butterley Co. Ord. £1	41/3	40/−	−1/3	4 0 0†
17/7½	11/10½	3½(c)	5(c)	Cammell Laird 5/−	13/−	12/6	−6d	2 0 0
34/1½	25/−	Nil(c)	7(c)	Colvilles Ord. £1	27/9	27/9	...	5 1 0
17/−	11/10½	Nil(c)	7½(c)	Consett Iron Ord. (6/8)	13/−	13/−	...	3 18 0
91/−	76/8	5(a)	15(b)	Cory, William, Ord. £1	87/6	86/3	−1/3	4 12 6
62/−	41/6	Nil(c)	6(c)	Dorman, Long Ord. £1	51/3	52/6	+1/3	2 5 9
80/3	65/	Nil(c)	14(c)	Do. Pref. Ord. £1	73/9	73/9	...	3 15 6
37/3	30/10½	†2½(a)	†3½	Guest Keen etc. Ord. £1	35/−	35/3	+3d	3 8 0†

(a) Interim dividend. (b) Final dividend. (c) Dividends for full year. (d) Paid in New Zealand currency. (e) Allowing for rate of exchange. (f) Flat yield. (h) Yield on 3½% basis. (k) Yield on 12½% basis. (m) Based on payment of 2½%. (n) Yield worked on redemption at par on February 1, 1957. (o) Paid in Australian currency. (v) Yield worked on basis of 12/1·2%. (w) Yield basis 40% of face value. † Free of Income Tax. (g) Interest reduced to 4½%. (i) Interest reduced to 5%. (y) Yield basis 45% of face value. (t) Scrip Bonus.

Prices, Year 1937 Jan. 1 to Sept. 22, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 15, 1937	Price, Sept. 22, 1937	Rise or Fall	Yield, Sept. 22, 1937 £ s. d.
				Iron, Coal, &c.—cont.				
42/1½	30/−	10(b)	7½(a)	Hadfields 10/−	34/−	33/−	−1/−	5 6 0
15/3	12/6	Nil	Nil	Har. & Wlf. B. Ord. £1	13/9	13/1½	−7½d	Nil
37/6	29/3	5(b)	2½(a)	Horden Collieries £1	36/3	35/−	−1/3	4 5 9
35/−	28/9	5(c)	5(c)	Lambert Bros. Ord. £1	32/6	32/−	−6d	3 2 6
18/4½	14/−	Nil(c)	2(c)	Ocean Coal & Wilsons £1	17/3	17/3	...	2 7 0
16/3	11/3	Nil(c)	5(c)	Pease and Partners 10/−	14/9	14/9	...	3 7 6
27/4½	21/9	4½(a)	5½(b)	Powell Duffryn £1	26/−	25/3	−9d	5 11 0
28/9	22/0	5(c)	6½(c)	Ruston & Hornsby £1	23/6	23/6	...	5 2 0
52/6	44/3	†2½(a)	†7½(b)	Sheepbridge Cl & In. £1	48/9x	46/3	−2/6	4 6 6†
44/−	37/−	3½(a)	8½(b)	Shipley Collieries Ord £1	41/3	41/3	...	5 16 6
57/6	47/6	11(c)	12(c)	S. Durham } Ord. £1	52/6	52/6	...	4 11 6
33/6	25/7½	5(c)	6(c)	Steel & Iron } B Ord. £1	27/6	27/−	−6d	4 8 6
55/3	45/−	4(a)	6(b)	Stanton Ironworks £1	47/6	47/6	...	4 4 3
64/−	52/3	†3(a)	†9½(b)	Staveley Coal, etc. £1	60/7½x	60/−	−7½d	4 3 0†
43/4½	35/−	5(c)	7½(c)	Stewarts and Lloyds £1	41/3	40/−	−1/3	3 15 0
36/10½	27/4½	4½(b)	3(a)	Swan, Hunter £1	31/3	30/−	−1/3	5 0 0
17/−	11/4½	5(a)	10(b)	Thomas (Richard) (6/8)	13/9	13/3	−6d	7 10 0
28/1½	19/9	Nil	Nil	Thornycroft, John, £1	20/−	20/−	...	Nil
10/−	6/8	5(c)	3(a)	Un. Steel (S.A.) Ord. 5/−	7/6	7/3	−3d	3 6 9
$129½	$76½	Nil	Nil	U. States Steel $100	$96	$91	−$5	Nil
34/6	27/10½	2½(a)	6(b)	United Steel Cos. Ord. £1	30/−	30/7½	+7½d	5 15 3
39/1½	26/9	8(c)	10(c)	Vickers (10/−)	29/−	29/6	+6d	3 7 0
39/1½	29/0	7½(c)	10(c)	Ward (Thos. W.) £1	34/4½	35/7½	+1/3	5 18 6
49/4½	40/10½	6(c)	10½(c)	Weardale Steel etc. Df £1	47/6	45/−	−2/6	4 11 6
156/3	112/6	12½(a)	22½(b)	Whitehead Iron & Stl. £1	132/6	132/6	...	5 5 9
83/9	62/6	10(c)	15(c)	Yarrow & Co. £1	70/−	70/−	...	4 5 9
				Textiles				
12/1½	6/7½	Nil	Nil	Bleachers £1	7/−	6/9	−3d	Nil
12/6	6/6	Nil	Nil	Bradford Dyers (£1)	7/6	7/−	−6d	Nil
11/4½	6/4½	Nil	Nil	Brit. Celanese Ord. (10/−)	7/4½	6/9	−7½d	Nil
15/6	9/1½	Nil	Nil	Calico Printers £1	10/−	9/9	−3d	Nil
55/−	44/3	10(c)	10(c)	Coats, J. and P. (£1)	45/7½	45/−	−7½d	4 9 0
55/3	50/7½	7(b)	3½(a)	Courtaulds £1	52/6	52/6	...	4 0 0
49/−	41/−	2½(a)	7½(b)	English Swg. Ctn. £1	42/6	41/3	−1/3	4 17 0
14/6	8/3	Nil	Nil	Fine Cotton Spinners £1	9/−	8/9	−3d	Nil
38/3	33/−	5½(b)	3(a)	Linen Thread Stk. (£1)	36/3	35/7½	−7½d	4 15 0
69/3	53/9	†12½(c)	†12½(c)	Patons & Baldwins £1	55/−	55/−	...	4 10 9†
23/9	16/6	2(a)	4(b)	Whitworth & Mitchell £1	20/−	18/9	−1/3	6 8 0
				Electrical Manufactg.				
56/7½	44/−	8(c)	10(c)	Associated Elec. (£1)	45/−	45/6	+6d	4 7 3
100/−	91/6	15(b)	5(a)	British Insulated (£1)	95/−	93/9x	−3d	4 5 0
99/9	88/6	5(a)	15(b)	Callenders (£1)	96/3	92/6	−3/9	4 6 7
78/−	48/6	6½(b)	6(a)	Crompton Parkinson 5/−	55/−	53/9	−1/3	1 2 6
37/6	30/−	Nil	Nil	English Electric £1	34/6	33/6	−1/−	Nil
94/9	78/3	15(c)	17½(c)	General Electric (£1)	80/−	82/−	+2/−	4 5 0
23/−	18/6	15(b)	5(a)	Henleys (W. T.) (5/−)	19/4½x	20/−	+7½d	4 0 0s
54/6	40/6	5(a)	5(b)	Johnson & Phillips £1	45/−	43/9	−1/3	4 11 5
35/−	31/1½	6(c)	7½(c)	Siemens £1	33/1½	33/1½	...	4 10 6
				Electric Light, &c.				
$32	$18	40c.(b)	50c.(a)	Brazil Trac., no par	$22	$22	...	4 1 9
78/−	66/6	9(b)	6(a)	Bournemouth & Poole	67/6x	67/6	...	4 9 0
31/6	25/6	4(b)	2(a)	British Power & Light £1	28/6	28/6x	+4½d	4 4 9
38/9	32/−	4(b)	3½(a)	City of London £1	34/6	34/6	...	4 7 0
46/6	38/−	5(b)	3(a)	Clyde Valley Elec. £1	40/6x	40/6	...	4 0 0
54/7½	45/9	7½(b)	8(a)	County of London £1	49/−x	49/−	...	4 5 0
45/3	38/10½	4(a)	5(b)	Edmundsons £1	39/−	39/−	...	4 11 6
38/9	32/3	2½(a)	5(b)	Lancashire Electric £1	34/−	33/6x	...	4 7 0
51/3	44/4	(g)9½(b)	3(a)	Metro. Electric £1	46/−	46/−	...	4 6 6
41/3	35/6	5½(b)	2½(a)	Midland Counties £1	38/6	38/−	−6d	4 5 0
34/9	30/9	4½(b)	2½(a)	North-Eastern Elec. £1	32/6x	32/6	...	4 6 2
56/6	45/9	6(b)	4(a)	North Metropolitan £1	49/4½	49/4½	...	4 1 0
42/6	35/6	5½(b)	2½(a)	Scottish Power £1	37/6	37/6x	+6d	4 5 3
45/9	38/3	5(b)	3(a)	Yorkshire Electric	39/6	39/6	...	4 1 0
				Gas				
27/−	23/3	5⅔(c)	5⅔(c)	Gas Light & Coke £1	24/6	24/6	...	4 10 6
169½	140	4(a)	6(b)	Imp. Continental Stk.	142½	140½	−2	7 2 4
26/9	23/−	2½(a)	2½(b)	Newc.-on-Tyne £1	24/6	24/6	...	4 7 10
120	103	3(b)	2½(a)	S. Metropolitan Stk.	104½	103½	−1	5 6 3
				Motors and Cycle				
52/3	40/7½	†5⅓(b)	†2⅓(a)	Assocd. Equipmt. Ord £1	43/9	42/6	−1/3	3 10 7†
50/4½	38/9	50(c)	50(c)	Austin 5/−	43/1½	43/9	+7½d	6 0 0
27/6	20/6	Nil	Nil	Birm. Sml. Arms £1	24/−	23/9	−3d	Nil
37/9	30/−	133⅓(b)	33⅓(a)	Dennis 1/−	35/−	33/9	−1/3	4 17 0
33/9	24/9	5(c)	6(c)	Ford Motors £1	27/−	26/3	−9d	4 11 5
4/3	2/1½	Nil(c)	7½(c)	Guy Motors (1/−)	2/3	2/6	+3d	3 0 0
74/9	62/6	12½(b)	2½(a)	Lucas, J. (£1)	67/6	67/6	...	4 8 11
126/3	85/−	17½(c)	20(c)	Leyland Motors £1	91/3	89/4½	−1/10½	4 10 3
43/9	33/3	†15(c)	45(c)	Morris Motors 5/− Ord.	35/3	33/9	−1/6	6 13 3
15/3	8/6	Nil	Nil	Napier 5/−	10/−	8/9	−1/3	Nil
80/−	68/6	17½(b)	5(a)	Raleigh Cycle Holdgs. £1	73/9	73/9	...	6 2 0
135/−	98/9	7½(a)	15(b)	Rolls-Royce £1	100/−	101/3	+1/3	4 8 0
30/7½	23/1½	†5(a)	†5(b)	Rover Co. 8/−	26/3	26/3	...	3 1 0†
176/3	123/9	20(c)	25(c)	Standard Motor Co. £1	155/−	150/−	−5/−	3 6 9
				Shipping				
10/4½	7/−	Nil(c)	Nil(c)	Cairn Line (10/−)	8/−	8/9	+9d	Nil
10⅜	8½	5(a)	15(b)	Clan Line Steamers (£1)	9	9	...	2 4 6
8/7½	5/6	Nil	Nil	Cunard £1	5/9	5/9	...	Nil
31/6	25/9	Nil(c)	3(c)	Furness, Withy £1	27/6	28/−	+6d	2 2 0
37/4½	28/10½	Nil(c)	4(c)	P. & O. Defd. £1	30/−	30/−	...	2 13 3
				Tea and Rubber				
30/3	20/3	2½(c)	5(c)	Allied Sumatra £1	22/−	20/6	−1/6	4 19 6
58/3	35/6	3(a)	4(b)	Anglo-Dutch £1	38/−	35/3	−2/9	4 0 0
58/9	34/−	5(c)	9(c)	Bah Lias £1	36/3	34/−	−2/3	5 5 6
43/9	26/3	7½(c)	6(c)	Jhanzie Tea £1	30/−	30/−	...	4 0 0
46/−	35/−	2(a)	6(b)	Jorehaut Tea £1	42/6	41/3	−1/3	3 17 6
43/9	36/−	2(a)	6(b)	Jokai (Assam) £1	40/−	40/−	...	4 0 0
36/6	23/3	Nil(c)	5(c)	Linggi Plantations £1	25/−	24/4½	−7½d	4 2 0
6/−	4/6	7(c)	10(c)	London Asiatic 2/−	4/9	4/7½	−1½d	4 6 0
48/9	34/−	5(c)	7½(c)	Rubber Trust £1	37/−	34/6	−2/6	4 7 0
5/11	4/1	10(c)	5(a)	United Serdang 2/−	4/4½	4/3	−1½d	4 14 0
				Oil				
44/7½	34/9	7½(c)	10(c)	Anglo-Ecuadorian £1	39/3	38/6	−9d	5 3 3
44/4½	32/9½	10(c)	12½(c)	Anglo-Egyptian B £1	37/6	37/6	...	6 13 3
132/−	78/9	5(a)	20(b)	Anglo-Iranian £1	82/6	82/6	...	(s)
44/6	31/3	25(b)	12½(a)	Apex (Trinidad) 5/−	34/3	35/−	+9d	5 6 0
43/−	17/9	Nil	Nil	Attock £1	34/3	41/3	+7/−	Nil
5/7½	3/−	Nil	Nil	Brit. Controlled (V.T.Cts.)	3/6	3/6	...	Nil
130/7½	104/4½	5(a)	22½(b)	Burmah Oil £1	123/9	127/−	+3/3	4 6 0
57/6	41/3	7½(c)	12½(c)	Lobitos Oilfields £1	43/1½	42/6	−7½d	5 19 0
32/4½	12/6	10d psc	11d psc	Mexican Eagle (Mex. $4)	14/3	14/3	...	6 6 0
11/6	5/7½	Nil(c)	3½(c)	Phoenix Oil £1	6/−	6/−	...	12 10 0
£52½	£41½	5(a)	11½(b)	Royal Dutch (fl. 100)	£44½	£43½	−£1	4 6 0e
147/−	99/4½	†7½(a)	†12½(b)	Shell Transport £1	105/−	105/7½	+7½d	3 14 0†
172/−	112/6	17½(b)	10(a)	Trinidad Leaseholds £1	115/−	117/6	+2/6	4 13 0
68/9	44/8½	7½(a)	15(b)	V.O.C. Ord. 13/4	47/6	46/3	−1/3	6 8 0
				Miscellaneous				
26/3	21/10½	5(c)	5(c)	Aerated Bread £1	22/6	22/6	...	4 9 0
35/−	25/3	8(c)	9(c)	Allied Newspapers £1	26/−	26/−	...	6 18 6
20/3	16/7½	5(c)	5(c)	Amal. Dental Def. £1	17/3	17/−	−3d	5 19 0
36/3	27/−	6(c)	7(c)	Amal. Metal £1	28/9	28/9	...	4 17 5
22/4½	17/3	6(b)	5(a)	Amal. Press (10/−)	17/9	17/6	−3d	6 6 0
18/1½	12/6	7(a)	11(b)	Assocd. Brit. Picture 5/−	13/9	13/9	...	6 11 0
24/3	17/−	26⅔(c)	26⅔(c)	Assocd. Newsprs. Df. 5/−	18/6	17/3x	−11d	7 10 0
110/3	85/3	7½(a)	15(b)	Assoc. P. Cement £1	88/9	88/9	...	5 1 6
85/3	72/9	10(b)	5(a)	Barker (John) £1	75/−	75/−	...	4 12 6
78/7½	62/6	10(b)	6(a)	Berger (Lewis) Ord. £1	65/−	65/−	...	4 19 0

Prices, Year 1937 Jan. 1 to Sept. 22, inclusive Highest	Lowest	Last two Dividends (a) (b) %	(c) %	Name of Security	Price, Sept. 15, 1937	Price, Sept. 22, 1937	Rise or Fall	Yield, Sept. 22, 1937 £ s. d.
64/6	50/−	m29(c)	m29(c)	Boots Pure Drug 5/−	52/6x	50/7½	−1/10½	2 16 6
36/9	29/6	5(c)	7½(c)	Borax Deferred £1	31/3	30/7½	−7½d	4 18 0
27/−	20/−	5(c)	2½(a)	Bovril Deferred £1	23/1½	23/1½	...	4 6 3
38/3	17/6	4(a)	5(b)	Bowaters Paper Mills £1	18/−	18/−	...	10 0 0
64/6	45/−	7½(a)	15(b)	Bristol Aeroplane 10/−	52/6	50/−	−2/6	4 10 0
55/6	44/3¾	10(c)	4(a)	British Aluminium £1	51/3	52/−	+9d	3 19 0
39/4½	35/3	2½(a)	5(b)	British Match £1	36/−	36/−	...	4 5 6
6 11/16	5	†20(c)	†20(c)	Brit.-Amer. Tobacco £1	5⅞x	5 11/16	+1/16	3 10 0†
138/9	91/3	7(a)	8(b)	British Oxygen £1	100/−	100/−	...	3 0 0
83½	74½	...	...	Cable & Wir. { A. Ord.	77½	75½	−2	Nil
107	102	5½(c)	2¾(a)	Holding { 5½% Pf.	103½	103	−½	5 7 0
8 13/16	7⅞	30(b)	15(a)	Carreras "A" Ord. £1	8 7/16	8⅜	−1/16	‡4 4 0v
23/1½	12/6	12½(a)	17½(b)	Cole (E. K.) Ord. 5/−	15/−	15/−	...	10 0 0
25/−	16/1½	Nil(c)	20(c)	Crittall Manufg. Ord. 5/−	16/9	16/6	−3d	6 2 0
63/9	43/9	10(c)	10(c)	De Havilland Aircraft £1	46/3	44/4½	−1/10½	4 10 0
38/6	32/−	8(c)	9(c)	Dunlop £1	33/6	33/6	...	5 7 9
50/7½	38/9	5(a)	10(b)	Eastwoods Ord. £1	42/6x	40/−	−2/6	7 10 0
27/6	19/−	12½(c)	10(c)	Elec. & Musical Ind. 10/−	19/−	21/−	+2/−	4 15 3
33/6	29/10½	15(a)	30(b)	Ever Ready Co. 5/−	30/6	30/−	−6d	7 10 0
24/9	17/−	5(c)	10(c)	Fairey Aviation 10/−	18/6	17/6	−1/−	5 14 0
68/3	55/−	4(a)	6(b)	Finlay (James) & Co. £1	61/3	60/−	−1/3	3 6 9
145/7½	110/−	5½(a)	19½(b)	Gallaher Ltd. Ord. £1	117/6	115/−	−2/6	4 7 0
9/1½	5/1½	7(c)	Nil(c)	Gaumont-Brit. (10/−)	5/3	5/6	+3d	Nil
32/3	25/6	6(a)	10(b)	Gen. Refractories (10/−)	27/9	26/−	−1/9	6 3 0
50/−	43/	17½(a)	22½(b)	Gestetner (D.) (5/−)	50/−	47/6x	−1/4½	4 4 3
166/3	110/−	5(a)	20(b)	Harrisons & Cros. Def. (£1)	137/6	115/−	−22/6	(d)
91/10½	81/3	13½(b)	5(a)	Harrods £1	83/9	83/9	...	4 8 6
5/5½	3/10½	10(c)	Nil(c)	Home & Col. Stores 4/−	4/6	4/3	−3d	Nil
62/6	31/3	7(c)	8(c)	Imperial Airways £1	33/9	32/6	−1/3	4 18 6
41/10½	36/−	5½(b)	3(a)	Imperial Chem. Ord. £1	36/9	37/9x	+1/6	4 10 8
24/1½	15/1½	Nil(c)	Nil(c)	Imperial Smeltg. Ord. £1	16/3	16/3	...	Nil
9 5/16	7⅞	†17½(b)	†7½(a)	Imperial Tobacco £1	7⅝	7 9/16	−1/16	3 8 6†
$75 5/16	$52½	$0·75c	$1·30c	Inter. Nickel of Can.	$56½	$54½	−$1⅞	3 13 0n
22/3	12/7½	8(a)	8(b)	International Tea 5/−	15/9	15/6	−3d	5 2 6
76/3	52/−	22½(c)	22½(c)	London Brick £1	53/9	53/1½	−7½d	8 9 0
6 11/16	5⅝	8½(a)	14½(b)	Lyons (J.) Ord. £1	6	6	...	3 16 0
90/7½	62/2¼	15(a)	25(b)	Marks & Spencer 'A' 5/−	65/−	63/9	−1/3	3 2 6
10/6	4/10½	5(c)	7½(c)	Millars' Timber (4/−)	5/9	5/6	−3d	5 8 6
5 13/16	4½	7½(a)	12½(b)	Murex £1 Ord.	5	4⅝	−⅜	4 8 3
46/4½	40/6	2½(a)	9⅜(b)	Phillips (Godfrey) £1	43/1½	43/1½	...	5 11 0
56/−	40/6	12½(b)	7½(b)	Pinchin Johnson 10/−	42/−x	41/3	−9d	4 17 0
67/−	44/4½	13½(a)	31½(b)	Prices Trust Ord. (5/−)	50/7½	49/4½	−1/3	4 10 0
67/−	55/6	11⅞(b)	3½(a)	Radiation Ord. £1	56/10½	56/3x	...	5 6 9
115/7½	100/−	22½(c)	22½(c)	Reckitt & Sons Ord. £1	102/6	102/6	...	4 7 0
18/9	13/6	†8⅓(b)	†5(a)	Sears (J.) Ord. 5/−	14/−	14/−	...	4 12 6†
21/9	10/6	6½(c)	2½(c)	Smthfld. & Arg. Meat £1	17/−	16/6	−6d	3 0 6
62/6	58/−	12½(b)	2½(a)	Spillers Ord. £1	60/7½	60/−	−7½	5 0 0
54/3	44/9	15(c)	15(c)	Do. Deferred £1	45/−	45/−	...	6 13 3
28/7½	17/9	Nil	Nil	Swed. Match, B. (kr. 25)	24/4½	23/9	−7½d	Nil
91/6	81/6	14(b)	4½(a)	Tate and Lyle £1	83/9	82/6	−1/3	4 9 3
77/6	56/6	5(b)	5(a)	Tilling, Thos. £1	57/6x	57/6	...	3 9 7
77/6	63/9	10(b)	5(a)	Tobacco Secrts. Ord. £1	63/9	63/9	...	4 14 0
74/3	56/3	60(c)	w35(c)	Triplex Safety G. (10/−)	58/9	60/−	+1/3	5 16 8
93/−	81/3	12½(b)	7½(a)	Tube Investments £1	83/9	83/9	...	4 15 6
112/6	84/6	13⅞(b)	3½(a)	Turner & Newall £1	86/3	88/9	+2/6	3 19 0
46/10½	37/6	3½(a)	4(b)	Unilever £1	40/−	38/−	−2/−	3 12 6
60/4½	52/−	7½(b)	5(a)	United Dairies £1	57/6	58/−	+6d	4 6 0
34/9	24/−	10(b)	6½(a)	United Molasses 6/8	28/9	30/−	+1/3	3 12 6
10½	8 11/16	30(c)	40(c)	Utd.Tob.(South) Ord. £1	9½x	9½	...	4 6 0
45/−	36/6	7½(b)	5(a)	Wallpaper Mfrs. Def. £1	38/9	37/6	−1/3	6 13 3
45/−	37/3	3(a)	6(b)	Wiggins, Teape Ord. £1	38/3	38/9	+6d	4 12 10
96/3	65/9	45(b)	15(a)	Woolworth (F.W.) Or. 5/−	68/9	67/−	−1/9	4 9 3
				Mines				
81/10½	55/6	85(c)	95(c)	Ashanti Goldfields (4/−)	60/7½	58/1½x	−1/7½	6 11 0
24/3	15/9	p7½(a)	p11(b)	Burma Corp. (Rs. 9)	17/3	16/4½	−10½d	10 11 0r
7/3	4/−	Nil(c)	Nil(c)	Commonwealth Mng. 5/−	4/6	4/6	...	Nil
123/9	64/9	20(c)	6¼(a)	Cons. Glds. of S. Af. £1	75/−	73/1½	−1/10½	5 8 0
59/4½	30/−	27½(c)	30(c)	Cons. Mines Selection 10/−	36/3	35/−	−1/3	8 10 0
16 13/16	11½	95(b)	95(a)	Crown Mines 10/−	12⅞	12⅝	−¼	7 8 6
96/6	60/11½	20(c)	20(c)	Johan. Cons. £1	63/9	67/−	+3/3	6 0 0
76/6	43/1½	12½(a)	11½(b)	Randfontein Ests. £1	47/6	46/3	−1/3	9 17 6
19	10⅞	5(b)	25(a)	Rhokana Corp. £1	12¼	11½	−¾	2 10 0
32½	17½	Nil	Nil	Rio Tinto £5	20	18	−2	Nil
89/3	57/6	30(a)	50(b)	Roan Antelope Cpr. 5/−	71/3	68/9	−2/6	5 16 0
14½	8½	90(b)	90(a)	Sub Nigel (10/−)	10½	10	−½	9 0 0
225/−	135/−	2/6(a)	6/−(b)	Union Corp. (12/6 fy pd.)	160/−	155/−	−5/−	5 9 0
19 13/16	6 1/16	Nil	Nil	W. Witwatersrand 10/−	8	7½	−½	Nil
35/6	15/7½	10(c)	Nil(c)	Wiluna Gold (£1)	17/−	16/3	−9d	Nil

UNIT TRUSTS Latest prices, supplied by managers and Unit Trusts Association

Name and Group	Sept. 22, 1937	Compared Sept. 15
Municipal and Gen		
1st British	46/9-47/9	−6d
2nd British	28/0-28/10½	...
3rd British	23/6-24/3	−3d
4th British	20/0-20/9	−3d
For. Govt. Bond	18/9-20/6x	...
Limited Invest.	22/9-23/3	−3d
Mid. & Sthn. Inv.	21/3-22/0	−3d
Scot. & N.C. Inv.	20/0-20/6	−3d
Bank - Insurance		
Bank-Insur. Uts.	19/0-20/0	−3d
Insurance Units	20/9-21/9	...
Bank Units	17/9-18/9	−3d
Invest. Trust Units	16/3-17/3	−3d
Scot. B.I.I.T. Unts	16/9-17/9	...
British Empire		
British Empire "A"	21/7½ bid	−3d
Do. "B"	10/0 bid	−1½d
Do. Cum.	17/3 bid	−1½d
Do. Comp.	18/3 bid	−1½d
Do. First Unit	20/6-21/6x	...
National		
National "A"	32/4½ bid	−4½d
Do. "B"	21/9 bid	+1½d
Do. "C"	19/0-20/0	...
Do. "D"	19/9-20/9	−3d
Do. Inv. Group	15/3-16/3	...
Amalgamated Certs	21/9-22/9x	...
Century	18/4½-19/4½x	...
Commercial	20/9 bid	−1½d
Gilt-edged	18/6-19/0	...
Scottish	18/0-19/0	−3d
Universal	19/7½-20/7½x	−1½d
First Provincial		
First Prov. "A"	20/6-21/6	...
Do. "B"	17/0-18/0	...
Do. Reserves	16/6-17/6	−3d
British General		
Capital Securities	8/7½-9/1½x	−1½d
British General { "A"	21/3-22/3	−4½d
"B"	18/10½x bid	−4½d
"C"	17/10½-18/10½x	−4½d
First Recovery	6/9-7/4½	...

Name and Group	Sept. 22, 1937	Compared Sept. 15
Rubber & Tin	1/7½-1/9	−1d
Keystone.		
Keystone	18/1½-19/1½	−1½d
Do. 2nd	15/10½-16/10½	−1½d
Do. Flexible	17/6-18/6	−1½d
GoldProd.Dep.Rec.	22/0 bid	−7½d
Do. 2nd Series	16/3-17/3	−3d
Do. 3rd Series	12/4½-13/4½	−3d
Rand Certificates	18/4½ bid	−7½d
Oil Certificates	25/9 bid	−4½d
"15 Moorgate"		
Hundred	20/1½-21/1½	−3d
Investors Flexible	16/3-17/3	−3d
Do. Gas & Elec.	13/4½-14/4½	−1½d
Do. General	18/6-19/6	−4½d
Do. 2nd General	15/9-16/9	−4½d
Do. Gold	14/1½-15/1½x	−4½d
Prov. Investors	15/6-16/6x	...
Security First	17/3-18/3	−3d
F.T.M.		
Aviation & Univer.	9/3-9/9	−3d
Domestic	8/3-8/9	−3d
Protected		
Protected 1st	21/9-22/9x	−3d
Do. 2nd	19/9-20/9	−3d
Do. 3rd	15/3-16/3	...
Allied		
British Indus. 1st	19/3-20/3x	−6d
Do. 2nd Series	17/6-18/6	...
Do. 3rd Series	18/6-19/6	−6d
Do. 4th Series	19/0-20/0	−3d
Elec. Industries	17/9-18/9	−3d
Metals and Minerals	15/9-16/9	−6d
Selective		
Selective "A"	17/7½-18/7½	−1½d
Do. "B"	17/1½-18/1½	−3d
British Transport	16/3-17/3x	...
Bank Insce. & Fin.	17/0-18/0	...
Brewery Trust Un.	16/6-17/6	...

(a) Interim dividend. (b) Final dividend. (c) Last two yearly dividends. (g) Includes a Special Jubilee bonus of 2½ per cent. free of tax. (n) Based on current annual dividend rate $2·00 per share. (m) Including bonus of 5% free of tax. (r) Calculated on basis of 18½ annas per share of Rs. 9. Taken at 16 annas to one rupee. (p) Annas per share. † Free of Income Tax. (‡v) Yield worked on a 35% basis. (s) Yield worked on a 16½% basis. (t) Special Jubilee bonus (z) Highest price 132/- and 25 per cent. dividend on old shares, before 50 per cent capital bonus. Yield at 25 per cent. = £6 0s. 9d; at 16 per cent. = £3 17s. 0d. (w) Paid on £300,000 more capital than in preceding year. (d) Total dividend 25 per cent., of which 17½ per cent. cash and 7½ per cent. taken in deferred ordinary stock.

(*Continued from page 625*)

Daily Average of 50 American Common Stocks (1926 = 100)

Highest*	Lowest†	Sept. 15	Sept. 16	Sept. 17	Sept. 18	Sept. 20	Sept. 21	Sept. 22
180·3	138·1	143·3	145·7	142·7	138·5	136·1	137·4	138·1

* March 6th. † September 20th.

Total Dealings in New York

	Sept. 16	Sept. 17	Sept. 18*	Sept. 20	Sept. 21	Sept. 22
Stock Exchange—						
Shares (No. Thous.)	890	810	700	1,550	980	740
Bonds (Thous. $) ...	8,580	6,180	3,600	9,220	6,540	6,260
Curb—						
Shares (Thous.) ...	195	167	163	315	196	150

* Two-hour session.

	Sept. 15, 1937 (Close)	Sept. 22 1937 (Close)	Sept. 23, 1937 (Latest)
1. Rails & Transport			
Atchison	59⅜	61⅜	61⅜
Balt. and Ohio	18½	19⅜	19½
B.M.T.	16	13½	12½
Can. Pacific	9⅞	10	9⅞
Ches. and Ohio	43¾	42⅜	42½
Gt. Nthn. Rly. Pf.	40	41⅜	41½
Illinois Central	16⅜	17	17
N.Y. Central	27⅜	29	29
Nor. Pac.	20½	21½	21
Pennsylvania R.R.	31⅜	32	31⅞
Southern Pac.	32½	33⅜	34
Southern Rly.	20⅜	21	21½
Union Pac.	105⅜	106	106
Greyhound Cp. New	12⅜	12½	12½
2. Utilities and Communications			
Am. Waterworks	15⅜	15⅜	15½
C'wealth & S'thern (Cons. Gas of N.Y.) now Cons. Edison	2⅜	2	2
Col. Gas & Electric	33½	32⅜	32⅜
Elec. Bond & Share	11⅜	10⅜	10½
Nat. Pwr. and Lt.	14⅜	13⅞	13⅜
North American	9⅜	8⅜	...
Pac. Gas & Electric	22⅜	22⅜	22½
Pac. Lighting	29⅛	28½	28½
Pub. Service N.J.	40½	39	...
Stan. Gas & Elec.	39⅜	37⅜	37½
United Corp.	6⅜	6⅛	...
United Gas Imp.	4⅛	4⅛	4⅛
Am. Tel. & Tel.	11⅜	11⅛	11⅛
Int. Tel. and Tel.	163	161	160½
Western Union	9	8½	8⅜
Radio	34⅛	33½	32⅜
Radio B. Pref. New	9⅜	9⅜	9⅜
	68⅜	68½	67½
3. Extractive and Metal Industries			
Am. Rolling Mills	33½	32	31⅜
Beth. Steel xd	80⅜	75	74⅜
Beth. Steel Pref. xd	112	109	...
Republic Steel	29⅜	27	26⅜
U.S. Steel	94	89½	88⅜
U.S. Steel Pref.	126	122⅜	121⅜
Alaska Juneau	10⅜	10⅜	10½
American Metal xd	45	43½	42
American Smelting	81	73⅜	73⅜
Anaconda	49⅜	42½	42⅜
Bohn Aluminium	40⅜	37⅜	37½
Cerro de Pasco	63⅜	55	54
Int. Nickel	56⅜	54½	54½
Kennecott	56½	48⅜	48½
Patiño Mines	13⅜	13½	13
Texas Gulf Sulph.	34	34⅜	34½
U.S. Smelt.	79⅜	78	78
Vanadium Corp.	25⅜	25	24½
Atlantic Refining	24½	25	25½
Phillips Petroleum	52⅜	49½	49
Shell Union	22⅜	21⅜	22
Shell Union Pref.	104⅜	104½	103½
Socony Vacuum	19	18⅜	18½
Stand. Oil Calif.	39½	38⅜	38⅜
Stand. Oil N.J.	59⅜	58⅜	58
Texas Corp.	52⅜	50⅜	50½
4. Manufacturing			
Briggs	40	36½	36
Chrysler	98½	95⅛	95⅞
Electric Autolite	34½	31⅜	31⅜
General Motors	50⅜	50⅜	50⅜
Hudson Motor Car	12	11⅜	11½
Murray Corp.	9⅜	9½	9⅜
Nash Kelvinator	16	15½	15½
Packard Motor Car	7⅞	7⅜	7⅜
Bendix Aviation	17	16	16⅜
Boeing Airplane	26½	25	25½
Douglas Aircraft	32⅜	35⅜	36⅜
United Aircraft	23⅜	22⅜	22⅜
Air Reduction	68	63½	63½
Allied Chemi.	206	192	194
Col. Carbon	106½	102	102½
Comm. Solvents	11⅜	11⅛	11½
Dupont	149	149⅜	147⅜
Union Carbide	93⅜	89	88⅜
U.S. Ind. Alcohol	29⅜	28	27⅜
Allis Chalmers	58	57	57
General Electric	47⅜	45	45
Westinghouse	132	122⅜	122
American Can.	97	97½	97⅛
Addressograph	27⅞	27½	...
Caterpillar	83	89½	89½
Cont. Can.	55	54⅜	54⅜
Ingersoll Rand	118	115	...
Intntl. Harvester	99⅜	95⅜	93⅜
Johns Manville	106½	105	104½
Am. Radiator	17	15⅜	15⅜
Corn Products	60	59⅜	59⅜
J. I. Case and Co.	145	140	140
Glidden	37	34⅜	34½
Gen. Am. Transpt.	56½	50	49⅜
Allied Mills	20	18	...
Celanese of Amer.	31⅞	30⅜	30½
Ind. Rayon Newxd	31⅜	32	31½
Colgate Palmolive	15⅞	14⅜	14⅜
Eastman Kodak	178½	177	177
Gillette	12⅜	12⅜	12½
Lambert Co.	18½	17½	...
Loews	75⅜	72½	72½
20th Century Fox	32½	30⅜	30⅜
5. Retail Trade and Food			
Montgomery Ward	51⅞	48⅜	49
J. C. Penney Co.	87⅜	86½	86
Sears Roebuck	82	78	77⅜
United Drug	9½	9½	9½
Walgreen	26	24⅜	23
Woolworth	43	43⅛	43
Borden	22½	22	22⅜
Gen. Foods	35⅜	34⅜	34⅜
Kroger Grocery	19	18⅜	18⅜
Nat. Biscuit	24	23½	23
Nat. Dairy	17⅜	17⅜	17⅜
Standard Brands	11	11	10⅞
Am. Tobacco B.	78½	75	73
Liggett Myers B	95⅜	93⅜	92½
Lorillard	20	20	...
Reynolds Tob. B.x	49⅜	50	49½
National Distillers	28½	28½	27⅜
Schenley Distillers	39½xd	36	36½
6. Finance			
Commercial Credit	56⅜	52⅜	52
Atlas Corp.	13⅜	13⅜	...
Com. Invest. Trust	57	52½	51½

CAPITAL ISSUES

ONLY one prospectus has extended its attractions before the investor this week. Since it was announced on Thursday that the lists had been closed "in accordance with the terms of the prospectus," the inference was prompted that the lists were open longer than the now customary five minutes. This impression was confirmed by the later announcement that owing to the small public response the directors had decided not to proceed to allotment. The company is *Southampton Sportsdrome*, which issued 260,000 5s. shares at par. It proposes to extend an existing ice rink to form a "modern sportsdrome." Part of the properties acquired are apparently subject to conditions affecting the user of the properties for the purpose intended, but counsel advise that these restrictions are not enforceable. The latest record of the existing business is embodied in an estimate of future profits by the managing director which holds out the prospect of 15 per cent. earnings. The valuation statement adopts the questionable procedure of valuing the existing assets and the new buildings when completed, as a going concern, at an omnibus figure of £82,600. It is evident, indeed, that the enterprise is in the highest degree speculative. The directors of *Tredegar Iron and Coal* have given notice of their intention to redeem the outstanding 6 per cent. debentures on March 31st next, and offer existing holders the right to convert into an equal amount of 4½ per cent. stock. The service of the new stock would be covered almost four times on the basis of the latest profits.

TOTALS OF CAPITAL ISSUES DURING WEEK

National Savings Certificates Net Sales, Week ended September 18, 1937: *Dr. £100,000*

	Nominal Capital	Conversions	New Money
	£	£	£
To the Public	65,000	...	65,000
To Shareholders only	117,641	...	117,641
By Stock Exchange Introduction	Nil	...	Nil
By Permission to Deal	539,732	...	2,051,625

Total Capital Raised—	Including Conversions	Excluding Conversions
	£	£
1937 (New Basis)	455,793,045	407,119,150
1937 (Old Basis)	257,516,329	211,924,913
1936 (New Basis)	345,112,311	247,119,333
1936 (Old Basis)	228,004,790	131,820,703
January 1 to date (Old Basis)—		
1935	255,451,786	129,500,865
1934	312,208,910	125,425,209
1928	469,062,067	296,961,444

Total offered for Subscription—	Including Conversions	Excluding Conversions
	£	£
Whole Year (New Basis)—		
1936	642,017,245	494,139,765
1935	898,313,125	357,925,440
Whole Year (Old Basis)—		
1936	402,470,003	255,570,993
1935	548,351,393	236,147,637
1934	410,980,300	169,108,700
1933	467,921,500	244,780,500
1928	683,000,056	369,058,073

Destination of Capital (Excluding Conversions)

	United Kingdom	British Empire (excluding United Kingdom)	Foreign Countries	Total
	£	£	£	£
January 1 to date—				
1937 (New Basis)	348,044,086	56,816,705	2,258,359	407,119,150
1937 (Old Basis)	194,063,735	16,388,678	1,492,500	211,924,913

Nature of Borrowing (Excluding Conversions)

Janua y 1 to date—	Debentures	Preference	Ordinary	Total
1937 (New Basis)	204,421,510	26,278,146	176,419,494	407,119,150
1937 (Old Basis)	147,536,092	16,457,821	47,931,000	211,924,913
1936 (New Basis)	85,175,483	29,812,167	131,131,683	247,119,333
1936 (Old Basis)	68,711,359	14,862,821	48,246,523	131,820,703
Whole Year (Old Basis)—				
1928	212,917,900	45,082,600	111,177,600	369,158,100
1933	222,064,300	12,733,700	9,982,500	244,780,500
1934	102,769,300	21,481,000	44,878,400	169,108,700
1935	167,185,509	31,696,741	37,265,387	236,147,637
1936	160,521,116	24,423,647	70,626,230	255,570,993
Whole Year (New Basis)—				
1935	193,599,713	48,806,822	115,118,905	357,525,400
1936	184,255,833	41,580,731	268,303,201	494,139,765

PUBLIC OFFERS

Southampton Sportsdrome.—Issue of 260,000 5s. ordinary shares at par. General amusement caterers. To build sportsdrome and acquire "The Ice Rink" from vendors, who acquired it in 1934 from receiver for debenture holders. Ice rink net profits, after repairs, before interest, depreciation and fees, years to August 31: 1935, £1,783; 1936, £3,051; period to June 30, 1937, £5,058. Estimated profits from other activities, £7,500 annually; or £10,058 in all after interest, etc. Properties and buildings when complete, valued at £82,600. Purchase price for rink and sites, £40,800 cash. Vendors advance £20,000 on a 5 per cent. debenture (first charge). Extensions to cost £30,500; preliminary expenses, £9,000. Lists closed September 22nd at end of banking hours.

PRIVATE PLACING

Swansea Gas Light.—The company has placed privately £20,000 3½ per cent. redeemable debenture stock, bringing the issued amount of stock to within £1,816 of the authorised total of £200,000.

BY TENDER

Liverpool Bills.—The Corporation is inviting tenders, to be received at the Bank of England, London, on September 27th, for bills to the amount of £1,000,000 (in amounts of £1,000, £5,000 or £10,000), dated September 30, 1937, and payable September 30, 1938.

Banbury Water Company.—Offer for sale by tender of £40,000 5 per cent. maximum dividend ordinary stock, at a minimum of 102½.

BONUS SHARES

Olive and Partington.—This company is to distribute a scrip bonus to ordinary shareholders of 25 per cent. by capitalising £60,000 of undivided profits.

Serck Radiators.—It is proposed to capitalise £50,000 of reserve, and to distribute a bonus of £1 stock for every £3 held.

ISSUES TO SHAREHOLDERS ONLY

Gold and Base Metal Mines of Nigeria.—Issue at par of 765,441 2s. 6d. shares in proportion of one share for five held.

Clondalkin Paper Mills.—Issue of 87,843 5s. shares in proportion of one for six held on September 6th.

CONVERSIONS AND REPAYMENTS

Uruguayan Amortisable Bonds.—A Decree has been issued providing for redemption at par on October 1st next of 3½ per cent. Amortisable Sterling Bonds.

Tredegar Iron and Coal.—The company is repaying the £555,600 6 per cent. debentures at 103 on March 31, 1938, and is issuing £600,000 4½ per cent. first mortgage debenture stock at 103. Existing holders may convert into the new stock. For each £100 of debentures converted, holders will receive £100 of stock, plus a cash bonus of 11s. 3d. Debenture and share holders may apply at 103 for any stock not required for conversion. Conversion and cash lists will close on October 7th.

RESULT OF ISSUE

Amalgamated Gowns.—Underwriters to recent issue of 760,000 5s. shares receive 60 per cent. The Stock Exchange committee has deferred consideration of application for permission to deal until after first annual report—subject to usual right of appeal.

LONDON NEW ISSUE PRICES

Stock or Share	Issue price	Paid	Sept. 15, 1937	Sept. 22, 1937
Arnott and Harrison 4/-	5/-	5/-	4/1½–4/4½	4/1½–4/4½
Essex 3½% 1957–62	101	26	½ dis–par	par–½ pm
Finchley 3½%	101	51	½ dis–½ pm	par–½ pm
Imperial Airways £1	30/-	...	par–6d. pm	1/0 6d. dis
Iraq 4½% Bonds	94	94	½–1 pm	½–1½ pm
Lindsay Parkinson Pref. 20/-	20/-	20/-	23/9–24/3	23/4½–24/4½
Middlesex 3½% 1957–62	101	56	½ dis–par	⅛–¼ pm
Odeon Theatres Ord. 5/-	5/-	5/-	8/6–9/0	8/6–9/0
Do. 5% 1st Deb.	99	59	6½–6½ dis	7½–6½ dis
Premier (Trinidad) Oilfields	5/-	3/-	7½d–4½d dis	7½d–4½d dis
Tithe Redemption 3%	...	...	86½–87½	86½–87½
Rippingilles Ord. 5/-	9/-	9/-	7/3–7/9	7/0–7/6
Salt (Saltaire) 5% Loan	100	50	½ dis–½ pm	½ dis–½ pm

OIL OUTPUTS

VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended September 11, 1937, was: Bolivar District, 1,010,841 barrels; Maracaibo District, 22,958 barrels; 1,033,799 barrels.

ANGLO-IRANIAN OIL COMPANY, LTD.—Production in Iran for July amounted to 939,000 tons, making a total of 5,688,000 tons for first seven months of 1937.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for week ended September 18th: 13,422 barrels.

WEEKLY TRAFFIC RETURNS

RAILWAYS OF GREAT BRITAIN AND IRELAND

(b) Week ended Sept. 18, 1937. (c) Week ended Sept. 17, 1937.	Miles Open	Gross Receipts, week ended Sept. 19. 1937 (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts	Aggregate Gross Receipts, compared with 1936 (37 weeks) (£'000) Passen-ger, etc.	Merchan-dise, etc.	Coal and Coke	Total Goods	Total Receipts
Great Western	1937 3,738	231	208	110	318	549	8,374	7,319	4,100	11,419	19,793
	1936 3,739	232	200	98	298	530	8,141	7,023	3,670	10,693	18,834
(c) L. & N. Eastern	1937 6,315	353	341	245	586	939	12,977	12361	9,034	21,395	34,372
	1936 6,332	350	329	222	551	901	12,393	11913	8,486	20,399	32,792
L. M. & Scottish	1937 6,871	540	514	251	765	1,305	19,805	17988	9,307	27,295	47,100
	1936 6,898	536	496	229	725	1,261	19,036	17480	8,795	26,275	45,311
Southern	1937 2,157	336	70	29	99	435	12,480	2,269	1,094	3,363	15,843
	1936 2,153	334	68	29	97	431	11,853	2,327	1,125	3,452	15,305
Total	1937 19081	1460	1133	635	1768	3,228	53,636	39937	23535	63,472	117108
	1936 19122	1452	1093	578	1671	3,123	51,423	38743	22076	60,819	112242
(c) Belfast & Co. Down	1937 80	2·6	...	...	0·4	3·0	102·5	...	...	17·8	120·3
	1936 80	2·8	...	...	0·4	3·2	103·6	...	...	20·1	123·7
(c) Great Northern	1937 543	12·8	...	...	9·6	22·4	425·7	...	...	346·1	771·8
	1936 543	11·9	...	...	9·5	21·4	415·1	...	...	359·5	774·6
(c) Great Southern	1937 2,078	41·3	...	...	39·4	80·7	1399·4	...	...	1502·9	2902·3
	1936 2,124	41·2	...	...	42·2	83·4	1387·4	...	...	1531·4	2918·8

Comparison with Corresponding Periods, 1935 and 1936
(000's omitted)

	Great Western	L.M.S.	L.N.E.R.	Southern
	£	£	£	£
Second half-year, 1936, compared with second half-year, 1935:— Gross increase or decrease	+ 491	+ 1,575	+ 751	+ 378
First half-year, 1937, compared with first half-year, 1936:— Gross increase or decrease	+ 670	+ 1,329	+ 1,187	+ 359
Second half-year, 1937, compared with second half-year, 1936:— 11 weeks to Sept. 18, 1937	+ 289	+ 460	+ 393	+ 179
Weekly average second half 1937	+ 26,¹¹	+ 41,¹¹	+ 35,¹¹	+ 16,¹¹
Latest week 1937 compared with 1936	+ *19*	+ *44*	+ *38*	+ *4*

LONDON TRANSPORT

	Takings (before pooling)	Compared with corresponding period of last year
Week ending Sept. 18, 1937	£559,800	— 7,500
Aggregate 12 weeks to Sept. 18, 1937	£6,667,900	+ 8,900

OVERSEAS RAILWAY RECEIPTS

Name	Weeks	Ending	Present Mileage	Gross Receipts for Week * 1937	+ or −	Gross Aggregate Receipts 1937	+ or −
INDIAN		1937		Rs.	Rs.	Rs.	Rs.
Assam Bengal	21	Aug. 31	1,330	‡5,01,400	+ 40,767	73,01,461	+ 5,47,597
Bar-i Lt. Ry.	20	20	202	‡30,100	− 4,200	7,25,500	+ 52,000
Bengal & N.Western	21	31	2,111	‡8,35,713	− 76,924	1,66,61,543	+ 13,86,188
Bengal-Nagpur	21	31	3,268	‡24,29,000	+ 2,96,364	3,85,57,788	+ 44,27,974
Bombay, Bar. & C.I.	23	Sept. 10	3,072	‡27,92,000	+ 2,03,000	5,24,90,000	+ 39,64,000
Madras & S. Mahr.	21	Aug. 31	3,229	‡19,02,000	+ 1,15,722	3,15,74,786	+ 3,18,903
Rohilk'd & Kumaon	21	31	546	1,45,743	− 9,978	31,27,358	+ 78,689
South Indian	20	20	2,532	‡15,33,463	+ 194,206	2,17,06,443	+ 7,79,341

‡ 10 days. † 11 days.

CANADIAN		1937		$	$	$	$
Canadian National	36	Sept. 14	23766	4,149,716	+ 4,552	136,033,774	+ 11737870
Canadian Pacific	36	14	17228	3,233,000	− 48,000	97,040,000	+ 5,034,000

SOUTH AMERICAN		1937					
Antofagasta (Chili and Bolivia)	38	Sept. 19	834	£16,140	+ 4,140	625,420	+ 114,530
Argentine N.E.	12	18	753	‡186,700	+ 11,400	1,996,500	+ 114,500
				*£11,582	+ 1,270	123,854	+ 13,503
B.A. and Pacific	12	18	2,806	‡1,283,000	− 7,000	14,917,000	+ 143,700
				*£79,591	+ 3,709	925,373	+ 59,210
B.A. Central	10	4	...	$131,600	− 21,600	1,451,600	+ 237,100
B.A. Gt. Southern	12	18	5,084	‡2,065,000	+ 224,000	22,405,000	+ 570,000
				*£128,102	+ 18,808	1,389,889	+ 109,693
B.A. Western	12	18	1,930	£780,000	+ 113,000	8,656,000	+ 811,000
				*£48,387	+ 9,152	536,974	+ 77,037
Central Argentine	12	18	3,700	‡2,175,500	− 435,100	25,476,250	− 1,683,150
				*£134,957	− 18,608	1,580,411	− 12,119
Central Uruguayan	10	4	980	d137,294	+ 14,164	1,275,611	− 100,409
				e£15,768	+ 2,716	144,384	+ 1,874
Cordoba Central	12	18	1,218	$481,000	− 35,000	7,056,000	− 232,000
				*£29,840	+ 510	437,740	+ 10,480
Entre Rios	12	18	810	*£14,851	+ 704	166,976	+ 20,697
				£7,100	+ 500	269,500	− 8,400
G. Westn. of Brazil	38	18	1,092	Ms1983000	+ 1,000	67,568,000	+ 6,295,000
Leopoldina	38	18	1,918	£26,357	+ 3,234	873,529	+ 170,058
Leopoldina Termnl.	38	18	...	Ms. 343,000	+ 20,000	13,323,000	+ 769,000
Nitrate	36	15	384	d17,660	+ 3,936	113,641	+ 22,896
Paraguay Central	12	18	274	$3,011,000	+ 220,000	39,233,000	+ 8,154,000
Salvador	12	18	100	Col. 11,200	+ 9,211	136,259	+ 12,144
San Paulo	37	12	153½	Ms2409000	+ 235,000	97,055,000	+ 4,765,000
				£31,900	+ 6,112	1,221,275	+ 122,639
United of Havana	12	18	1,353	£14,587	+ 516	212,185	+ 25,997

* Converted at average official rate during week ended Sept. 18, 16·12 pesos to £.
‡ Receipts in Argentine pesos. † Fortnight. *a* Converted at official rate.
d Receipts in Uruguayan currency. *e* Converted at "controlled free rate."

OTHER OVERSEAS		1937					
Egyptian Delta Light Railways	21	Aug. 31	621	†£7,355	+ 992	97,164	+ 8,695
Egyptian Markets	37	Sept. 17	...	£1,155	− 254	58,541	− 2,303
Mexican Railway	10	14	483	$335,500	+ 76,300	3,276,500	+ 533,000

† 11 days.

SUEZ CANAL RECEIPTS

		1937		£	£	£	£
Suez Canal	36	Sept. 10	...	‡228,000	− 70,200	7,631,900	− 147,300

‡ 10 days.

TRAMWAYS WEEKLY GROSS RECEIPTS

		1937					
Anglo-Argentine	37	Sept. 16	325	$646,485	+ 19,394	23,476,124	+ 222,838
B. Aires Lacroze	10	5	...	$54,526	− 6,447	540,502	− 35,081
Burnley, Colne and Nelson Jt. Trspt.	37	18	87·68	£5,295	+ 244	...	...
Calcutta Tramways	37	18	...	Rs. 1,26,548	+ 9,153	40,37,164	+ 1,95,617
Liverpool Corp.	24	15	...	£30,849	+ 841	753,817	+ 48,935
Madras Electric	36	15	...	†Rs. 57,452	+ 3,398	8,85,058	+ 38,045

‡ Fortnight.

MONTHLY TRAFFICS

Company	Months	Ending	Description	Receipts for Month 1937	+ or −	Receipts to Date 1937	+ or −
Brazilian Traction	8	Aug. 31	Gross	$3,536,495	+ 783,689	25,665,802	+ 4,893,780
			Net	$1,986,328	+ 455,708	14,174,731	+ 2,799,054
Brit. Colum. Pow. Corp.	2	Aug. 31	Gross	$1,219,301	− 4,360	2,450,926	+ 17,431
			Net	$337,108	− 18,437	683,743	− 22,476
Burma Elect. Supply	1	Aug. 31	Gross	Rs.52,253	+ 1,739	...	...
Manchester Ship Canal	8	Aug. 31	Gross	£105,700	+ 8,600	884,921	+ 30,656
Midland Uruguay Rly.	2	Aug. 31	Gross	$62,000	− 14,836	129,000	− 29,331
				£7,032	− 939	14,578	− 1,176
N. Wn. of Uruguay Rly.	2	Aug. 31	Gross	$14,000	− 4,079	32,243	− 7,743
				£1,588	− 287	3,642	− 492
Santa Fé	1	Aug. 31	Gross	£113,492	− 23,659	...	...
Shanghai Elect. Constr.	8	Aug. 31	Gross	$243,760	− 123,184	3,109,209	+ 127,788
Uruguayan Nrthn. Rly.	2	Aug. 31	Gross	$7,000	− 583	13,800	− 2,561
				£794	+ 7	1,560	− 132



COMPANY MEETINGS

SECOND ALLIANCE TRUST COMPANY, LIMITED

INCREASED DIVIDEND—RECORD REVENUE FIGURES

MR JAMES PRAIN'S REVIEW

The annual ordinary general meeting of The Second Alliance Trust Company, Limited, was held, on the 17th instant, in the Company's Office, Meadow House, 64 Reform Street, Dundee.

Mr James Prain presided, and after formal evidence of the proper calling of the meeting had been submitted, the interim secretary read the auditors' report to the shareholders.

THE LATE MR BRUCE

The Chairman, in moving the adoption of the annual report, said:—I cannot proceed to the consideration of the report for the year without referring to the loss which we have sustained through the sudden death of our secretary, Mr Bruce. The loss is a personal one. By the sincerity and kindliness of his disposition and his genuine desire to serve, he earned the warm regard and confidence of everyone connected with the company, and we mourn his passing as that of a personal friend.

But it is more appropriate here that I should speak of his services to our companies. He entered the office of The Alliance Trust Company in 1896, and for over forty years he devoted himself with unfailing earnestness to his work, first with that company and later with it and this company. His heart was in his work, and the reward which he valued most he found in the success of his companies. His real natural ability and his sterling qualities of character made him an official of singular value. I am sure you will wish to join us in an expression of our sense of the high value of his services and of deep sympathy with his widow and children.

We have been able to fill the vacancy created by Mr Bruce's death by the appointment of Mr Alan L. Brown, C.A., Edinburgh, whose abilities and experience in connection with the management of investment trusts will, we are sure, make him a valuable acquisition to the companies' staff.

RECORD REVENUE

I have now to submit for your approval the directors' report and accounts for the past year. They have been in your hands for the statutory period, and I think that you will agree that the results set forth make a satisfactory showing. If we exclude the amount brought forward and deduct interest on borrowed money we have a balance of revenue remaining for the credit of our shareholders of £113,864. This figure not only shows an increase on last year of £16,935, it also exceeds the highest corresponding figure for any year in the company's history by £2,251. It is reassuring, therefore, to feel that the company has made so complete a recovery from the depression.

We must not lose sight of the fact that the year was one exceptionally favourable to the revenue showing of investment trusts. As mentioned in the report, the year's revenue has benefited from the payment of arrears to the extent of over £9,000 and the restoration of defaults, increases in dividends, and the continued reduction of the rate of interest on our short-term borrowing all contributed to swell our net income. Still we felt that with such figures before us we were entirely justified in recommending the increase in this year's dividend.

STRENGTHENING OF RESERVES

We are particularly glad to be able to make this increase without departing in any way from our policy of continually strengthening our reserves in one form or another. It is just that policy which, when depression came, enabled us to restrict the necessary decrease in our dividend to a comparatively small percentage and in due course has made our recovery from the results of the depression so speedy and so complete. I would add also that this policy particularly appeals to our debenture-holders, whose essential interest is the absolute security of their loans, and no one familiar with our operations can doubt the importance to the company of the well-founded confidence of those who lend us money.

Our position on valuation continues to be satisfactory. At last year's meeting I was able to report that the usual valuation showed a substantial appreciation over the book cost of our bonds and stocks, and this year a further advance is shown. Market values constantly fluctuate, of course, but it is always reassuring to find a good revenue buttressed by a satisfactory valuation.

FAVOURABLE CONDITIONS

I dealt at considerable length last year with the reasons which led one to regard the conditions then prevailing as favourable to the immediate future of investment trusts. The views then expressed have been justified by results, and we trust that the factors then operating have by no means spent their force. At the same time, new factors have arisen to alter the picture. We are certainly presented with figures which point to progress. Industrial production in the June quarter of the year was unprecedentedly high, being fully 9 per cent. greater than in the same quarter of 1936, and the steady expansion in international trade points to the present phase of the recovery being a healthy one and—so far—independent of the stimulus of rearmament, etc. In the first eight months of this year total exports from the United Kingdom were higher in value by over £70,000,000. But, as *The Economist* points out, in little more than a year from the middle of 1936 there has been a rise of 20 per cent. in the index of wholesale prices, a fact which makes the increased figures of overseas trade look much less impressive.

The principal trouble in my view, however, which will check the prosperity of the concerns in which our money is invested is the rising costs of manufacturing in their varied forms. A moderate rise is healthy, but such a rise for instance as that affecting the steel consuming industries springing from a congestion of orders and a scarcity of raw materials is pathological and in the end vicious and paralysing in its effects. Then we have, of course, the international situation. The clouds that darken the Far East have almost overshadowed the troubles connected with the Spanish Civil War, but both are full of potentialities of disaster.

THE UNITED STATES

As regards the United States, where nearly 20 per cent. of our invested funds are located, your attention has no doubt been attracted to the spectacular declines which have occurred recently in the New York Stock Market. In the first place, however, we must remember that that market is the victim of gambling operations to an extent for which we find no parallel on our side, and wild and disorderly movements are the natural result.

The economic position gives no apparent justification for what has happened. There is a large demand for goods and services accumulated during the depression still not satisfied, money is easy and likely to remain so, and there is a strong revival in agriculture—the country's greatest industry and the basis of its prosperity and of its export trade. On the other hand, we cannot treat such movements as have taken place as if they had no significance at all. They show real lack of confidence somewhere, and without reasonable confidence healthy and sustained recovery cannot take place.

The trouble lies in the political sphere. The wild methods of government finance, President Roosevelt's attitude to big business—particularly to the utility companies—the success which has attended the shock tactics of organised labour and so on, have tended to sap confidence. We can hope, however, that the great resources of the United States and the energy and ability of its business community will enable it to overcome all the difficulties which politicians put in its way.

CAUTIOUS POLICY

The whole situation the world over, however, suggests a cautious policy on our part—a policy which enables us to be ready for every eventuality and has put our company in the strong position it holds to-day.

I shall not detain you further, but with once again a hearty acknowledgment of the valuable services of our staff, I shall conclude by moving that the directors' report and accounts for the year ended July 31, 1937, be adopted and approved, and that the final dividends be declared at the rates therein recommended on £700,000 preference stock at the preferential rate of 4½ per cent. per annum, and on £350,000 ordinary stock at the rate of 11 per cent. actual, making 20 per cent. for the year, both subject to income tax.

The report and accounts were adopted, and the resolutions declaring dividends, re-electing the retiring director, and appointing auditors were unanimously passed.

D. GESTETNER, LIMITED

RECORD TURNOVER AND PROFITS

The ordinary general meeting of D. Gestetner, Limited, was held, on the 23rd instant, at the registered office of the Company, Neo-Cyclostyle Works, Fawley Road, Tottenham, London.

Mr Sigmund Gestetner, who presided, said: It is most gratifying to your directors to be able to meet you once again with figures marking new high records, both as regards turnover obtained and profits earned. The home market has shown steady progress, but the pleasurable feature is the increase in our export trade.

We again propose an issue of bonus shares. This distribution will reduce our general reserve to £65,000, but when you take into consideration the total amount of general reserve and carry-forward which will remain after our proposals have been given effect to, we think you will agree that the issue is not imprudent.

The balance sheet calls for little comment. Cash and cash items, trustee securities, sinking fund policies and the like, show an increase of approximately £70,000 as compared with last year. Sundry debtors and loans are approximately the same figure. Bearing in mind our considerably increased turnover, this position may be regarded as a very satisfactory feature of our trading operations.

I draw your attention to the taxation reserve, to which, as you will note, we propose to add £30,000 to include provision for National Defence Contributions. I am sure you will agree that building up this reserve in prosperous times is the correct procedure in view of the method of assessment to income tax in this country.

You will expect me to say something regarding the outlook for the coming year. We again start the new financial period with a fixed determination to do even better than in the year which has passed. Given reasonable trading conditions, I can see no reason why our ambitions for 1937-38 should not be realised.

The report was unanimously adopted and a resolution was also passed approving the capitalisation of £80,683 10s. of the reserve fund and its distribution as ordinary shares of 5s. each (subsequently converted into ordinary stock) *pro rata* among the ordinary stockholders.

GROSVENOR HOUSE (PARK LANE), LIMITED

FURTHER INCREASE IN PROFITS

The ninth ordinary general meeting of Grosvenor House (Park Lane), Limited, was held, on the 17th instant, at Grosvenor House, Park Lane, London. Mr A. O. Edwards (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the balance of trading profit for the year was £134,446, compared with £120,163 last year, and the net profit for the year was £90,450, against £76,208 last year. The directors recommended a dividend of 5 per cent. on the ordinary shares.

The Great Room had been air-conditioned and the cost, together with the cost of additional furnishings, amounting altogether to £23,402, was written off out of profits available, and £10,000 was transferred to income tax reserve. There was now no banqueting room in London that could be compared with Grosvenor House Great Room for spaciousness combined with luxury and comfort.

Air development was making the world smaller and competition between hotels of like standard in every part of the world was keener, but Grosvenor House could face up to all competition. They could claim to offer more facilities and amenities in one building than any other hotel in Europe, and they need not fear comparison with any hotel in the world. The disabilities affecting this country's hotels, however, were important, and in that connection he would mention D.O.R.A., and two new taxes, N.D.C. and tax on Monopoly Value. The cost of commodities represented 40 per cent. increase on the average prices for the five years from 1931.

The year's increase in profits was due largely to the Coronation. The unfurnished flats at Grosvenor House were proving attractive, as they were unique, being a combination of a first-class flat with a first-class hotel. It was the only building in London providing such services for unfurnished flats. Until international relations improved it was best to look to the future in a spirit of optimism tempered by caution.

The report was adopted; the retiring directors were re-elected and a tribute paid to Mr A. H. Jones, the general manager.

GOVERNMENT RETURNS, &c.

NATIONAL ACCOUNTS

The total ordinary revenue for the week ended September 18, 1937, amounted to £15,394,000, against ordinary expenditure of £17,563,000. After increasing Exchequer Balances by £147,077 the operations for the week, as shown below, increased the gross National Debt by £2,546,000, to about £8,005 millions.†

(000's omitted)

	£		£
Treasury Bills	+ 346	National Savings Certificates	— 100
Public Department Advances	+ 2,300		
	+ 2,646		— 100

† Including £575 millions on account of Exchange Equalisation Fund.

An approximate analysis of the National Debt as at June 30, 1937, appeared on page 45 of *The Economist* of July 3rd.

REVENUE	Receipts into the Exchequer: Estimate for the year 1937–38	April 1, 1936, to Sept. 19, 1936	April 1, 1937, to Sept. 18, 1937	Week ended Sept. 19, 1936	Week ended Sept. 18, 1937
ORDINARY REVENUE	£	£	£	£	£
Inland Revenue—					
Income Tax	288,150,000	44,722,000	51,237,000	630,000	1,451,000
Sur-tax	58,000,000	5,640,000	6,580,000	70,000	120,000
Estate, etc., Duties	89,000,000	40,600,000	43,900,000	2,490,000	1,510,000
Stamps	29,000,000	9,730,000	9,560,000	370,000	1,550,000
Other Inland Revenue Duties	1,500,000	120,000	140,000	...	...
National Defence Contribution	2,000,000	...	...	...	...
Total Inland Revenue	467,650,000	100,812,000	111,417,000	3,560,000	4,631,000
Customs and Excise—					
Customs	219,850,000	97,785,000	103,818,000	3,611,000	4,399,000
Excise	113,150,000	50,700,000	53,000,000	5,800,000	5,800,000
Total Customs and Excise	333,000,000	148,485,000	156,818,000	9,411,000	10,199,000
Motor Vehicle Duties	34,000,000	‡8,373,000	8,609,000	‡...	113,000
Post Office (Net Receipt)	11,800,000	8,250,000	8,250,000	350,000	450,000
Crown Lands	1,350,000	620,000	590,000	...	...
Receipts from Sundry Loans	4,300,000	2,917,988	3,404,854	...	...
Miscellaneous Receipts	11,000,000	9,834,302	3,785,195	26,501	726
Total Ordinary Revenue	863,100,000	279,292,270	292,874,049	13,347,501	15,393,726
SELF-BALANCING REVENUE					
Post Office (Revenue required to meet expenditure on Post Office and Broadcasting)	75,198,000	28,700,000	30,700,000	1,000,000	900,000
Total	...	307,992,270	323,574,049	14,347,501	16,293,726

EXPENDITURE	Issues out of the Exchequer to meet payments: Estimate for the year 1937–38	April 1, 1936, to Sept. 19, 1936	April 1, 1937, to Sept. 18, 1937	Week ended Sept. 19, 1936	Week ended Sept. 18, 1937
ORDINARY EXPENDITURE	£	£	£	£	£
Interest and Management of National Debt	224,000,000	103,622,680	106,359,972	277,921	872,649
Payments to Northern Ireland Exchequer	8,000,000	2,735,306	3,069,521	...	...
Other Consolidated Fund Services	3,200,000	1,013,633	1,521,654	1,343	...
Post Office Fund	300,000	...	...	...	...
Total	235,500,000	107,371,619	110,951,147	279,264	872,649
Total Supply Services (excluding Post Office and Broadcasting)	†627348000	‡248001949	271,215,997	‡8,455,000	16,690,000
Total Ordinary Expenditure	862,848,000	355,373,568	382,167,144	8,734,264	17,562,649
SELF-BALANCING EXPENDITURE					
Post Office Vote and Vote for Broadcasting	75,198,000	28,700,000	30,700,000	1,000,000	900,000
Total	...	384,073,568	412,867,144	9,734,264	18,462,649

† Including margin for Civil Supplementary Estimates but excluding £80,000,000 estimated to be met from borrowed moneys under the Defence Loans Act, 1937.
‡ Motor Vehicle Duties apportioned to Road Fund treated as Self-Balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

The aggregate issues and receipts from April 1, 1937, to September 18, 1937, are shown below:—

(000's omitted)

	£		£
Ordinary Expenditure	382,167	Ordinary Revenue	292,374
Increase in balances	23	Gross borrowing £94,141	
		Less:—	
		New Sinking Fund 4,816	
		Old S. Fund, 1907–08 9	
		Net borrowing	89,316
	382,190		382,190

POSITION OF THE FLOATING DEBT

	Sept. 19, '36	Mar. 31, '37	Sept. 18, '37	Movement Week ended Sept. 18, '37
Ways & Means Advances Outstanding:	£	£	£	£
Advances by Bank of England	...	...	...	...
Advances by Public Departments	27,450,000	23,535,000	37,025,000	+2,300,000
Treasury Bills outstanding	812,430,000	674,595,000	864,355,000*	+ 345,000
Total Floating Debt	839,880,000	698,130,000	901,380,000	+2,645,000

* Includes £3,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER

Tenders for £50,000,000 Treasury Bills were opened on Sept. 17, 1937. The amount applied for was £87,355,000. Tenders were accepted for Treasury bills at three months dated Monday to Friday at £99 17s. 6d. about 85 per cent; above, in full. Saturday at £99 17s. 7d. and above, in full. The average rate per cent. was 9s. 11·18d.

Date	Amount Offered	Total Applications	Amount Allotted	Average Rate %
	£	£	£	£ s. d.
January 4, 1935	30,000,000	49,560,000	27,500,000	0 6 1·64
July 5, 1935	40,000,000	60,905,000	40,000,000	0 12 4·32
January 3, 1936	35,000,000	68,075,000	35,000,000	0 10 10·72
July 3, 1936	50,000,000	72,750,000	50,000,000	0 12 1·27
January 1, 1937	40,000,000	75,450,000	40,000,000	0 12 5·63
April 2, 1937	45,000,000	73,025,000	45,000,000	0 10 10·86
July 2, 1937	45,000,000	72,860,000	42,000,000	0 11 0·45
September 10, 1937	50,000,000	92,890,000	50,000,000	0 10 2·62
September 17, 1937	50,000,000	87,355,000	50,000,000	0 9 11·18

NATIONAL SAVINGS CERTIFICATES

Total Sales of Savings Certificates	No. of Certificates	Value
		£
Week ended August 21, 1937	509,386	382,040
Week ended August 28, 1937	496,454	372,340
Week ended September 4 1937	530,244	397,683
Week ended September 11, 1937	506,714	380,035

THE BANKERS' GAZETTE

BANK OF ENGLAND

RETURN FOR WEEK ENDED WEDNESDAY, SEPTEMBER 22, 1937

ISSUE DEPARTMENT

	£		£
Notes Issued :—		Government Debt	11,015,100
In Circulation	485,969,669	Other Government Securities	188,654,538
In Banking Department	40,436,956	Other Securities	319,761
		Silver Coin	10,581
		Amount of Fiduciary Issue	200,000,000
		Gold Coin and Bullion	326,406,626
	526,406,625		526,406,625

BANKING DEPARTMENT

	£		£
Proprietors' Capital	14,553,000	Government Securities	106,867,977
Rest	3,717,802	Other Securities :—	
Public Deposits*	15,663,878	Discounts and Advances £5,208,031	
Other Deposits :—		Securities £21,641,029	
Bankers £105,601,370			26,849,060
Other Accounts £36,242,941		Notes	40,436,956
	141,844,311	Gold and Silver Coin	1,624,998
	175,778,991		175,778,991

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

Both Departments	Amount, Sept. 22, 1937	Inc. or Dec. on Last Week	Inc. or Dec. on Last Year
	£	£	£
Note circulation	485,969,669	− 2,182,937	+ 40,865,387
Public deposits	15,663,878	+ 3,200,856	+ 5,222,212
Bankers' deposits	105,601,370	− 2,796,044	− 2,380,425
Other deposits	36,242,941	+ 151,695	− 2,551,783
Total outside liabilities	643,477,858	− 1,626,430	+ 41,155,391
Capital and rest	18,270,802	+ 17,206	+ 5,290
Government debt and securities	306,537,635	− 2,195,984	− 36,314,006
Discounts and advances	5,208,031	+ 169,672	− 2,672,938
Other securities	21,960,790	+ 434,811	+ 1,156,445
Silver coin in issue department	10,581	− 1,375	− 334,224
Coin and bullion (bank's reserves)	328,031,623	− 16,338	+ 79,325,404
Reserves of notes and coin in banking department	42,061,954	+ 2,166,599	− 21,539,983
Proportion of reserve to outside liabilities—			
(a) Banking Department only ("proportion")	26·7%	+ 1·5%	− 13·8%
(b) Gold stocks to deposits and notes ("reserve ratio")	51·0%	+ 0·2%	+ 9·7%

(000's omitted)

Date	Issue Department		Banking Department			Gold in or out of Bank	Bank Rate
	Notes Issued	Circulation	Public Deposits	Bankers' Deposits	Other Deposits		
1937	£	£	£	£	£	£	%
Sept. 1	526,407	490,310	14,111	104,172	36,531	Nil	2
„ 8	526,407	489,148	11,969	105,702	36,256	Nil	2
„ 15	526,407	488,153	12,463	108,397	36,091	Nil	2
„ 22	526,407	485,970	15,664	105,601	26,243	Nil	2

(000's omitted)

Date	Issue Department		Both Depts.		Banking Department				
	Govt. Debt and Securities	Other Securities	Gold Coin and Bullion and Reserve Ratio		Govt. Securities	Discounts & Advances	Other Securities	Reserve and the "Proportion"	
1937	£	£	£	%	£	£	£	£	%
Sept. 1	109,287	708	327,960	50	109,275	5,368	20,755	37,651	24
„ 8	109,309	679	328,026	51	107,142	5,121	21,030	38,878	25
„ 15	109,861	327	328,048	50	109,073	5,038	21,199	39,895	25
„ 22	109,670	320	328,032	51	106,868	5,208	21,641	42,062	26

BANKERS' CLEARING RETURNS

LONDON (000's omitted)

	Town	Metropolitan	Country	Total
1937	£	£	£	£
January 1 to September 8	25,816,815	1,507,378	2,631,329	29,955,522
Week ended September 15	613,795	33,697	64,289	711,781
Week ended September 22	612,783	35,016	64,788	712,587
Total to date, 1937	27,043,393	1,576,091	2,760,406	31,379,890
Total to date, 1936	24,071,901	1,448,380	2,509,527	28,029,808
Increase or decrease in 1937	+2,971,492	+127,711	+250,879	+3,350,082
	= 12·3%	= 8·8%	= 10·0%	= 11·9%
Total for year 1936	35,039,356	2,039,620	3,537,598	40,616,574
Total for year 1935	32,443,575	1,887,112	3,229,064	37,559,751
Increase or decrease in 1936	+2,595,781	+152,508	+308,534	+3,056,823
	= 8·0%	= 8·1%	= 9·6%	= 8·2%

PROVINCIAL (000's omitted)

	Week ended September 18		Month of August (Dublin excluded)			Aggregate Totals, January 1 to September 18	
	1936	1937	1936	1937	Inc. or Dec.	1936	1937
No. of working days :			25	25			
	£	£	£	£	%	£	£
BIRMINGHAM	2,209	1,986	9,584	9,116	− 4·8	96,199	97,785
BRADFORD	664	660	3,662	4,121	+12·5	35,575	38,798
BRISTOL	1,228	1,299	4,952	5,017	+ 1·3	47,146	47,596
DUBLIN	5,113	5,368				209,621	215,370
HULL	768	795	3,293	3,638	+10·4	30,360	34,021
LEEDS	906	838	3,471	3,341	− 3·7	34,176	37,604
LEICESTER	714	769	2,638	2,732	+ 3·5	26,991	28,230
LIVERPOOL	5,556	5,923	24,411	26,153	+ 7·1	225,372	259,622
MANCHESTER	9,334	9,598	41,284	43,974	+ 6·5	372,959	410,352
NEWCASTLE	1,068	1,427	5,524	6,483	+17·3	48,400	55,023
NOTTINGHAM	380	369	1,967	1,916	− 2·5	18,859	19,271
SHEFFIELD	903	903	4,356	4,442	+ 1·9	37,176	41,033
	28,843	29,935	105,142	110,933	+ 5·5	1,182,834	1,284,705

OVERSEAS BANK RETURNS

NOTE.—The latest return of the Bank of Turkey appeared in *The Economist* for June 26, 1937. Egypt, Lithuania and Danzig in September 4. Denmark, International Settlements and Finland, in September 11. Bulgaria, Estonia, Greece, Java, Latvia, Norway, Portugal, Roumania, Sweden Canada, Jugoslavia, Austria, and Czechoslovakia, in September 18.

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

U.S.F.R. Banks	Sept. 24, 1936	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937	Sept. 23, 1937
Resources,					
Gold Certificates on hand and due from the Treasury	8,384,680	8,831,390	8,830,890	9,129,880	9,129,890
Total reserves	8,664,590	9,134,570	9,111,100	9,435,400	9,446,970
Total cash reserves	267,060	294,240	271,250	296,920	308,470
Total bills discounted	7,030	23,720	23,580	23,200	24,190
Bills bought in open market	3,100	3,080	3,080	3,070	3,030
Total bills on hand	10,130	26,800	26,640	26,270	27,220
Industrial advances	28,550	20,780	20,710	20,600	20,600
Total U.S. Govt. securities	2,430,230	2,526,190	2,526,190	2,526,190	2,526,190
Total bills and securities	2,468,910	2,573,780	2,573,530	2,573,060	2,574,010
Total resources	11,826,010	12,452,650	12,369,530	12,979,510	12,824,630
Liabilities					
Federal Reserve notes in actual circulation	4,033,850	4,260,600	4,295,480	4,271,310	4,253,160
Aggregate of excess member-bank reserves over requirements	1,740,000	750,000	760,000	830,000	1,020,000
Deposits—Member-bank—reserve account	6,224,640	6,731,210	6,709,990	6,884,730	6,977,190
Government deposits	388,350	156,260	130,990	347,690	193,490
Total deposits	6,868,120	7,224,020	7,154,430	7,525,230	7,532,740
Capital paid in and surplus	302,750	305,940	305,930	305,930	305,950
Total liabilities	11,826,010	12,452,650	12,369,530	12,979,510	12,824,630
Ratio of total reserves to deposit and F.R. note liabilities combined	79·5%	79·5%	79·6%	80·0%	80·2%
U.S.F.R. Banks and Treasury Combined Resources					
Monetary Gold Stock	10,786,000	12,567,000	12,604,000	12,651,000	12,694,000
Treasury and National Bank Currency	2,509,000	2,585,000	2,587,000	2,590,000	2,593,000
Liabilities					
Money in Circulation	6,239,000	6,532,000	6,597,000	6,554,000	6,529,000
Treasury Cash and Deposits with Federal Reserve Banks	2,787,000	3,875,000	3,886,000	3,843,000	3,730,000

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

	Sept. 24, 1936	Sept. 2, 1937	Sept. 9, 1937	Sept. 16 1937	Sept. 23, 1937
Total gold reserves	3,216,170	3,369,920	3,321,230	3,621,240	3,640,180
Total bills discounted	4,670	14,740	15,760	15,610	15,210
Bills bought in open market	1,100	1,090	1,090	1,080	1,070
Total U.S. Govt. securities	660,560	725,030	725,030	725,030	725,030
Total bills and securities	673,400	746,250	747,280	747,110	746,700
Deposits—Member-bank—reserve account	2,702,780	2,900,920	2,846,050	2,970,600	3,147,900
Ratio of total res. to dep. and Federal Res. note liabilities combined	84·2%	83·6%	83·6%	84·5%	84·8%

FEDERAL RESERVE REPORTING MEMBER BANKS

In $'s (000,000's omitted)

	Sept. 9, 1936	Aug. 11, 1937	Aug. 18, 1937	Aug. 25, 1937	Sept. 1, 1937	Sept. 8, 1937
Loans, total†	8,827	9,917	9,933	9,958	10,027	10,041
Investments	13,806	12,414	12,370	12,357	12,292	12,274
Reserve with Federal Reserve banks	5,109	5,122	5,194	5,191	5,186	5,162
Due from domestic banks	2,275	1,680	1,709	1,654	1,638	1,619
Demand deposits, adjusted	14,918	14,914	14,930	14,950	14,924	14,811
Time deposits	5,036	5,229	5,227	5,282	5,268	5,289
Government deposits	821	498	532	569	591	608
Due to banks	6,307	5,568	5,593	5,474	5,468	5,499

† In this item, comparison between May 20, 1937, onwards and preceding weeks is affected by a revision of the statement.

AUSTRALIAN COMMONWEALTH BANK

In £'s (000's omitted)

Assets	Sept. 21, 1936	Aug. 23, 1937	Aug. 30, 1937	Sept. 6, 1937	Sept. 13 1937	Sept. 20, 1937
Gold and English sterling	16,002	16,007	16,007	16,007	16,007	16,007
Other coin, bullion and cash	6,509	4,970	5,227	5,403	4,821	4,890
Money at short call—London	21,405	33,384	34,236	33,847	34,888	35,042
Short-term loans	6,826	3,563	3,273	3,181	3,178	3,176
Securities	75,296	76,587	76,998	76,991	76,925	76,920
Discounts and advances	8,443	10,282	10,401	10,391	10,295	10,371
Liabilities						
Notes issued	47,038	47,038	47,534	47,534	47,534	47,534
Reserve premium on gold	7,753	7,753	7,753	7,753	7,753	7,753
Deposits	71,331	86,020	86,790	92,650	92,929	83,185

RESERVE BANK OF NEW ZEALAND.—In £'s (000's omitted)

Assets	Sept. 14, 1936	Aug. 23, 1937	Aug 30, 1937	Sept. 6, 1937	Sept. 13, 1937
Gold	2,801	2,801	2,801	2,801	2,801
Sterling exchange	18,849	20,631	20,555	18,794	18,836
Advances to State	710	5,004	4,787	4,479	4,299
Investments	2,035	2,906	2,906	2,906	2,906
Liabilities					
Bank notes	11,042	12,779	12,793	12,913	12,944
Demand liabilities :—					
Government	5,646	6,206	6,273	5,472	5,605
Other	6,359	10,943	10,559	9,165	8,869
Ratio of reserves to sight liabilities	93·9%	78·3%	78·8%	78·4%	78·9%

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

Assets	Sept. 18, 1936	Aug. 20, 1937	Aug. 27, 1937	Sept. 3, 1937	Sept. 10, 1937	Sept. 17, 1937
Gold coin and bullion	22,931	22,703	22,942	22,939	22,940	22,939
Bills discounted : Foreign	5,951	5,490	5,490	5,530	5,445	6,052
Investments	1,733	1,726	1,726	1,726	1,726	1,725
Other assets	11,166	10,370	10,775	10,841	10,924	10,667
Liabilities						
Notes in circulation	13,951	15,089	16,064	16,844	15,969	15,317
Deposits : Government	3,590	2,202	1,872	1,551	1,601	1,989
Bankers	19,211	17,525	18,971	17,357	18,793	19,458
Ratio of cash reserves to liabilities to public	58·8%	57·7%	57·6%	59·8%	59·9%	59·4%

RESERVE BANK OF INDIA.—In Rupees (000's omitted)

Assets	Sept. 18, 1936	Sept. 3, 1937	Sept. 10, 1937	Sept. 17, 1937
Gold coin and bullion	44,42,17	44,41,51	44,41,51	44,41,51
Rupee coin	67,75,89	61,22,82	61,05,32	61,37,41
Balances abroad	5,71,78	13,62,80	13,49,52	13,00,08
Sterling securities*	67,31,71	80,30,70	80,30,70	80,30,70
Indian Government rupee securities*	23,41,70	27,38,29	27,38,45	27,38,51
Investments	5,56,50	8,05,25	7,66,54	7,70,22
Liabilities				
Notes in circulation	1,65,31,89	1,81,01,07	1,82,24,48	1,81,12,20
Deposits : Government	10,04,19	13,02,10	11,28,47	13,10,05
Banks	28,01,76	30,23,52	30,26,46	29,42,47
Ratio of gold and sterling to liabilities	55·1%	58·5%	58·5%	58·4%

* Held against notes.

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

Assets	Sep. 18, 1936	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937
Gold*	52,691,762	55,717,533	55,717,533	55,761,283	55,805,022
Advances on Gold Coin	1,287,227	1,099,156	1,099,156	1,099,156	1,099,156
Commercial Bills	7,554,772†	9,505,145	8,540,435	8,906,889	9,344,222
Bills bought abroad	1,225,310	880,696	880,696	836,946	793,207
Advances on securities	4,243,156	4,239,236	5,087,819	4,661,279	4,816,797
Loans to State without interest : (a) general	8,200,000	3,200,000	3,200,000	3,200,000	3,200,000
(b) provisional	14,583,423	25,218,127	26,018,127	26,008,455	26,008,455
Negotiable Bonds, Sinking Fund Dept.	5,639,818	5,637,303	5,637,303	5,637,303	5,637,303
Other assets (excluding forward exch.)	3,823,277	4,132,377	4,225,692	4,285,839	4,292,865
Liabilities					
Notes in circulation	83,764,539	88,254,891	90,001,893	89,369,783	88,939,573
Public deposits	1,546,780	2,251,318	2,284,399	2,312,173	2,309,382
Private deposits	6,393,328	15,790,736	14,720,677	15,313,522	16,489,370
Other liabilities	2,544,098	3,332,627	3,399,790	3,401,670	3,378,702
Ratio of gold reserve to sight liabilities	57·4%	52·4%	52·0%	52·1%	51 8%

* Based on franc at 49 milligrams Oct. 2, 1936, to July 22, 1937, and at 43 milligrams from July 29, 1937. † Includes fcs. 750,000,000 Treasury Bills.

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

Assets	Sept. 17, 1936	Aug. 19, 1937	Aug. 26, 1937	Sept. 2, 1937	Sept. 9, 1937	Sept. 16, 1937
Gold	3,716,878	3,588,035	3,581,930	3,582,001	3,582,362	3,575,099
Silver and other coin	53,164	42,862	43,727	42,679	41,999	45,028
Securities	1,359,888	1,354,909	1,345,905	1,333,626	1,332,880	1,324,532
Advances	73,466	32,788	33,604	39,897	36,111	33,924
Liabilities						
Notes in circulation	4,505,164	4,409,302	4,404,744	4,438,341	4,431,501	4,402,274
Deposits : Govt.	35,888	138,510	115,596	107,188	71,965	72,587
Other	851,295	655,837	668,875	636,561	674,361	687,602

REICHSBANK.—In Reichsmarks (000's omitted)

Assets	Sept. 15, 1936	Aug. 31, 1937	Sept. 7, 1937	Sept. 15, 1937
Gold	65,978	69,866	69,970	70,006
Of which deposited abroad	24,528	19,986	20,055	20,055
Reserve in foreign currencies	5,555	5,969	5,822	5,638
Bills of exchange and cheques	4,467,779	5,316,054	5,105,055	4,825,089
Silver and other coin	160,890	138,426	140,683	188,746
Advances	41,423	51,704	40,614	33,006
Investments	527,464	403,444	403,662	403,686
Other assets	561,971	766,634	737,947	796,415
Liabilities				
Reserves	473,561	492,977	492,977	492,977
Notes in circulation	4,300,768	5,115,541	4,936,489	4,763,213
Other daily maturing obligations	669,472	736,016	665,092	649,410
Other liabilities	237,059	257,563	259,195	266,984
Cover of note circulation	1·66%	1·48%	1·53%	1·58%

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

Assets	Sept. 15, 1936	Aug. 14, 1937	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937	Sept. 15, 1937
Gold	1,528,197	2,553,427	2,547,817	2,543,995	2,542,889	2,527,859
Of which held abroad	174,229	467,115	462,737	462,737	462,737	467,214
Discounts	130,656	6,955	7,048	7,013	9,252	9,216
Confederation Bills	39,200	14,300	14,300	14,300	14,200	13,700
Advances	63,979	27,955	27,607	27,588	27,229	27,140
Securities	42,718	15,881	15,881	15,881	15,881	15,688
Liabilities						
Notes in circulation	1,269,774	1,361,173	1,353,316	1,411,057	1,387,085	1,377,106
Deposits	504,702	1,381,439	1,426,849	1,358,299	1,394,301	1,428,849

† Gold revalued from Oct. 7, 1936. *N.B.*—Exchange Equalisation Fund and assets included in returns Dec. 31, 1936, onwards at 336,583,653 fcs.

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

Assets	Sep. 21, 1936	Aug. 23, 1937	Aug. 30 1937	Sep. 6, 1937	Sept. 13, 1937	Sept. 20, 1937
Gold	708,567	1,265,883	1,265,883	1,265,883	1,265,883	1,265,883
Silver	21,405	19,712	18,767	18,266	18,306	18,402
Home bills discounted	21,882	12,908	12,944	10,969	10,646	10,754
Loans and advances in current account	120,625	177,488	179,759	179,561	179,488	179,031
Liabilities						
Notes in circulation	749,152	821,962	853,085	845,511	834,793	829,019
Deposits	144,467	678,066	649,393	653,714	663,546	670,144

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

Assets	Sept. 15, 1936	Aug. 23, 1937	Aug. 31, 1937	Sept. 7, 1937	Sept. 15, 1937
Metal reserve—					
Gold coin and bullion	78,936	84,056	84,056	84,056	84,056
Foreign Exchange	28,689	57,417	57,808	58,666	59,466
Token money	7,171	6,488	5,145	4,286	4,662
Inland bills, warrants and securities	478,476	379,387	416,415	395,225	385,060
Advances to Treasury	93,214	111,485	111,485	111,322	111,322
Liabilities					
Notes in circulation	366,942	393,110	453,265	426,113	403,617
Current accounts, deposits, etc.	158,375	219,076	191,372	202,119	218,851
Cash certificates	95,625	92,901	92,901	92,901	92,901
Other liabilities	167,413	152,940	158,742	160,192	160,110

CENTRAL BANK OF ARGENTINA

In paper pesos (000,000's omitted)

Assets	Aug. 31, 1936	June 30, 1937	July 15 1937	July 31, 1937	Aug. 15, 1937	Aug. 31, 1937
Gold at home	1,224	1,224	1,224	1,224	1,224	1,224
Gold abroad and foreign exchange	126	344	328	320	299	273
Non-interest bearing Government Bonds	119	119	119	119	119	119
Treasury Bonds	399	398	398	398	398	398
Liabilities						
Notes	991	1,165	1,168	1,179	1,181	1,146
Government deposits	198	120	129	120	129	124
Bank deposits	369	437	406	406	373	394
Certificates against Treasury Bonds	313	358	358	358	364	366
Ratio of gold and foreign exchange to note and sight liabilities	86·2%	90·7%	90·7%	90·2%	90·2%	89·6%

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

Assets	Sept. 10, 1936	Aug. 10, 1937	Aug. 20, 1937	Aug. 31, 1937	Sept. 31, 1937
Gold	366,866	427,667	428,525	429,418	430,013
Foreign exch. and balances	16,936	31,467	31,697	32,013	33,068
Bills discounted	649,389	517,035	513,355	536,503	542,449
Loans against securities	110,893	27,306	25,496	26,197	27,358
Treasury bonds discounted	45,975	51,607	50,474	49,445	48,197
Securities	124,418	135,445	135,354	135,312	135,726
Liabilities					
Notes in circulation	1,019,036	981,715	965,973	1,021,801	1,008,066
Sight liabilities	189,351	274,414	288,117	248,669	275,867

BANK OF JAPAN.—In yen (000's omitted)

Assets	Aug. 29, 1936	Aug. 7, 1937	Aug. 14, 1937	Aug. 21, 1937	Aug. 28, 1937
Gold coin and bullion	533,163	467,534	459,580	446,329	801,000
Other coin and bullion	62,723	53,770	51,326	50,565	47,962
Discounts	588,949	584,248	562 266	547,185	576,381
Advances	189,242	275,480	277,928	282,967	261,250
Advances on foreign bills	88,666	99,084	114,242	118,017	135,181
Government bonds	519,455	770,515	802,053	815,843	640,895
Liabilities					
Notes issued	1,455,231	1,448,002	1,469,796	1,479,077	1,579,608
Government deposits	326,641	364,772	357,586	317,469	360,985
Other deposits	63,194	62,475	63,292	75,896	76,651

MONEY AND EXCHANGE RATES

LONDON MONEY RATES

	Sept. 16, 1937	Sept. 17, 1937	Sept. 18, 1937	Sept. 20, 1937	Sept. 21, 1937	Sept. 22, 1937	Sept. 23, 1937
Bank rate (changed from 2½% June 30, 1932)	% 2	% 2	% 2	% 2	% 2	% 2	% 2
Market rates of discount—							
60 days' bankers' drafts	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
3 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
4 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
6 months' do.	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝	½–⅝
Discount Treasury Bills—							
2 months'	½	½	½	½	½	½	½
3 months'	½	½	½	½	½	½	½
Loans—Day-to-day	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Short	½–1	½–1	½–1	½–1	½–1	½–1	½–1
Deposit allowances : Bank	½	½	½	½	½	½	½
Discount houses at call	½	½	½	½	½	½	½
At notice	½	½	½	½	½	½	½

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Comparison with previous weeks

	Short Loans	Bank Bills 3 Months	Bank Bills 4 Months	Bank Bills 6 Months	Trade Bills 3 Months	Trade Bills 4 Months	Trade Bills 6 Months
1937	%	%	%	%	%	%	%
Aug. 26	1–1				2 2½	2½–2½	2½–3
Sept. 2	1–1				2 2½	2½–2½	2½–3
„ 9	1–1				2 2½	2½–2½	2½–3
„ 16	1–1				2 2½	2½–2½	2½–3
„ 23	1–1				2–2½	2½–2½	2½–3

LONDON RATES OF EXCHANGE

I.—Spot Rates (Range of the day's business)

London on	Par of Exch. per £	Sept. 17, 1937	Sept. 18, 1937	Sept. 20, 1937	Sept. 21, 1937	Sept. 22, 1937	Sept. 23, 1937
New York, $..	$4·86⅝	$4·95½–96⅛	$4·96–96⅛	$4·95½–96⅛	$4·95½–95⅞	$4·95½–95⅞	$4·94⅞–95⅛
Montreal, $...	$4·86⅝	$4·95–96⅛	$4·96–96⅛	$4·95½–96⅛	$4·95½–95⅞	$4·95½–96	$4·94⅞–95⅛
Paris, Fr.....	124·21	146–147½	146⅜–½	145⅞–146⅜	144⅛–146⅜	143⅞–145⅛	144⅛–145⅛
Brussels, Bel.	35·00(a)	29·43–51	29·46–50	29·43–48	29·42–46	29·42–46	29·39–43
Milan, L.....	92·46	94–94⅛ / 94·12i	94⅛–⅜ / 94·35i	94·30i	94⅛–⅜ / 94·22i	94⅛–⅜ / 94·18i	94–94⅛ / 94·16i
Zurich, Fr....	25·22½	21·55–63	21·59–62	21·57–61	21·56–59	21·56–59	21·54–57
Athens, Dr....	375	540–555	540–555	540–555	540–555	540–555	540–555
He'sfors, M...	193·23	225⅞–226⅛	225⅞–226⅛	225⅞–226⅛	225⅞–226⅛	225⅞–226⅛	225⅞–226⅛
Madrid, Pt....	25·22½	70–100(f) / 72·00j	70–100(f) / 75·00j	70–100(f) / 75·00j	70–100(f) / 75·00j	70–100(f) / 75·00j	70–100(f) / 75·00j
Lisbon, Esc...	110	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛	110–110⅛
Amst'd'm, Fl.	12·107	8·99⅛–9·00⅛	8·99–9·00⅛	8·97⅛–9·00	8·97–99	8·96⅛–98⅛	8·95⅛–97
Berlin, Mk.	20·43	12·34–38	12·35–38	12·34–37	12·33–36	12·33–36	12·31–35
Registered Marks	(c)	43–48	43–48	43–48	43–48	43–48	43⅛–48⅛
Vienna, Sch...	34·58½	25⅛–27⅛	25⅛–27⅛	25⅛–27⅛	25⅛–27⅛	25⅛–27⅛	25⅛–27⅛
Bu'pest, Pen...	27·82	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞
Prague, Kc....	§164½	141⅛–142½	141⅛–142	141⅛–142½	141⅛–142	142⅛–142	141⅛–⅞
Danzig, Gul...	25·00	26–26⅛	26–26⅛	26–26⅛	26–26⅛	26–26⅛	26–26⅛
Warsaw, Zl....	43·38	26–26⅛	26–26⅛	26–26⅛	26–26⅛	26–26⅛	26–26⅛
Riga, Lat. ...	25·22½	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞	24⅝–25⅞
Buchar'st, Lei	813·8	660–685	660–680	660–685	660–685	660–685	660–685
Const'ple, Pst	110	621* / 625⅛	621* / 625⅛	621* / 625⅛	620* / 625⅛	620* / 625⅛	618* / 625⅛
Belgrade, Din.	276·32	211–221	211–221	211–221	211–221	211–221	211–221
Kovno, Lit....	48·66	29–30	29–30	29–30	29–30	29–30	29–30
Sofia, Lev. ...	673·66	390–420	390–420	390–420	390–420	390–420	390–420
Tallinn, E. Kr.	18·159	17⅜–18⅛	17⅜–18⅛	17⅜–18⅛	17⅜–18⅛	17⅜–18⅛	17⅜–18⅛
Oslo, Kr.....	18·150	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95	19·85–95
St'holm, Kr...	18·150	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45	19·35–45
Cop'h'gen, Kr.	18·159	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45	22·35–45
Alex'dria, Pst.	97⅛	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜	97⅛–⅜
Br. India Rup.	† 18d.	18 11/16–⅞	18 11/16–⅞	18 11/16–⅞	18 11/16–⅞	18 11/16–⅞	18 11/16–⅞
Hong Kong, $	† ...	14⅛–15⅛	14⅛–15⅛	14⅛–15⅛	14⅛–15⅛	14⅛–15⅛	14⅛–15⅛
Kobe, Yen ...	†24·58d.	13 13/16–14 1/16	13 13/16–14 1/16	13 13/16–14 1/16	13 13/16–14 1/16	13 13/16–14 1/16	13 13/16–14 1/16
Shanghai, $...	†	14–14⅛	14–14⅛	14–14⅛	14–14⅛	14–14⅛	14–14⅛
Singapore, $..	† 29d.	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛	28 1/16–⅛
Batavia, F....	12·11	8·96–9·00	8·95–99⅛	8·94–98	8·94–98	8·93½–97½	8·92–96
Rio, Mil.....	†5·899d.	3 3/16–f / 16·45–50g	3 3/16–f / 16·45–50g	3 3/16–f / 16·45–50g	3 3/16–f / 16·46–52g	3 3/16–f / 16·48–53g	3 3/16–f / 16·50–59g
B. Aires, $ ...	11·45	16·12h	16·12h	16·12h	16·12h	16·12h	16·12h
Valparaiso, $..	40	125e(l)	125e(l)	125e(l)	124e(l)	124e(l)	125e(l)
M'video, $ ...	† 51d.	27⅞–28⅛ / 39 11/16 *b	27⅞–28⅛ / 39 11/16 *b	27⅞–28⅛ / 39 11/16 *b	27⅞–28⅛ / 39 11/16 *b	27⅞–28⅛ / 39 11/16 *b	27⅞–28⅛ / 39 11/16 *b
Lima, Sol. ...	17·38	18⅝–19⅜	18⅝–19⅜	18⅝–19⅜	18⅝–19⅜	18⅝–19⅜	18⅝–19⅜
Mexico, Pes....	9·76	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛	17⅛–18⅛
Manila, Pes....	†24·66d.	24⅛–¼	24⅛–¼	24⅛–¼	24⅛–¼	24⅛–¼	23⅞–24⅛
Moscow, Rbls.	...	26·25⅛–26⅜	26·31⅛–31⅝	26·29⅜–½	26·26 7/16–11/16	26·27–½	26·23–23½
B'ngkok, Baht	†21·82d.	22–22⅛	22–22⅛	22–22⅛	22–22⅛	22–22⅛	21⅞–22⅛

Usance: T.T., except Alexandria (Sight); Rio de Janeiro, Lima, Valparaiso (90 days). * Sellers. † Pence per unit of local currency. ‡ Par 8·23⅜ since dollar devaluation on Februafy 1, 1934. § Par, 197·10 5/16 since koruna devaluation on February 17, 1934. (a) Prior to devaluation on April 2, 1935. (b) Official Rate. (c) Per cent. discount. (d) Latest "export" rate. (f) Official rate is 4½d. sellers. (g) Official rate is $15 sellers. (h) Average remittance rate for importers. Rate for payments to the Bank of England:—(i) For account Controller of Anglo-Italian debts; (j) under Anglo-Spanish Agreement; (k) under Anglo-Turkish Agreement; (l) Nominal.

II.—Forward Rates

(Closing quotations)

London on		Sept. 17, 1937 Per £	Sept. 18, 1937 Per £	Sept. 20, 1937 Per £	Sept. 21, 1937 Per £	Sept. 22, 1937 Per £	Sept. 23, 1937 Per £
New York, cent.	1 Month	(p) 7/16–⅜	(p) 7/16–⅜	(p) 7/16–⅜	(p) 7/16–⅜	(p) 7/16–⅜	(p) 7/16–⅜
	2 „	½–9/16	½–9/16	½–9/16	½–9/16	½–9/16	½–9/16
	3 „	1–⅛	1–⅛	1–⅛	1–⅛	1–⅛	1–⅛
Paris, fr.	1 Month	(d) 1½–2	(d) 1½–2	(d) 1 11/16–1 15/16	(d) 1½–2⅛	(d) 1 11/16–1 15/16	(d) 2⅛–2⅜
	2 „	3⅛–3⅜	3⅛–4	3⅛–3⅜	3⅛–3⅜	3⅜–4	4⅛–4⅜
	3 „	5–5½	5½–5⅞	4⅜–5⅜	5⅛–6⅛	6⅛–7⅛	6⅞–7
Amsterdam, c'nt	1 Month	(p) 1–⅞	(p) 1–⅞	(p) 1–⅞	(p) 1–⅞	(p) 1–⅞	(p) 1–⅞
	2 „	1–⅞	1–⅞	1–⅞	1–⅞	1–⅞	1–⅞
	3 „	2–1⅛	1⅛–1⅛	1⅛–1⅜	1⅛–1⅛	1⅛–1⅛	1⅛–1
Brussels, cent	1 Month	(d) 3½–5½	(d) Abt. 3–5	(d) 2–4	(d) 1–3	(d) 2–3	(d) 3–4
	2 „	9–11	Abt10-12	8–10	4–7	5–7	8–10
	3 „	14–16	Abt14-18	11–14	6–9	7–10	12–15
Geneva, cent	1 Month	(p) Par	(p) 1–Par	(p) 1–Par	(p) 1⅛–½	(p) 1⅛–½	(p) 1–par
	2 „	Par	2–Par	1⅛–½	2–1	2–1	1⅛–1
	3 „	Par	2½–¾	2–1	2½–1½	3–1½	2½–1½

(p) Premiu "under spot." (d) Discount i.e. "over spot."

NEW YORK MONEY AND EXCHANGE RATES

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

	Sept. 23, 1936	Aug. 25, 1937	Sept. 1, 1937	Sept. 8, 1937	Sept. 15, 1937	Sept. 22, 1937
	%	%	%	%	%	%
Call money	1	1	1	1	1	1
Time money (90 days' mixed coll.)	1½	1½	1½	1½	1½	1½
Bank acceptances:—			Selling Rates			
Members—eligible, 90 days	⅜	⅜	⅜	⅜	⅜	⅜
Non-mem.—eligible, 90 days	⅝	½	½	½	½	½
Commercial accept., 90 days	⅝	1	1	1	1	1

Rates of Exchange, New York on—		Par Level	Sept. 23, 1936	Sept. 8, 1937	Sept. 15, 1937	Sept. 22, 1937
London—		Old par				
60 days	Dollars for £1	4·8666	5·0537	4·9431	4·9418	4·9418
Cable		New par	5·07	4·9518	4·9506	4·9506
Cheques		8·2397	5·0693	4·9506	4·95	4·95
Paris .....cheques	Cents for 1 franc	6·63	6·58½	3·7237	3·38	3·4187
Brussels „	Cents for 1 belga	23·54	16·90	16·872	16·835	16·85⅝
Switzerland „	Cents for 1 franc	32·67	32·57	22·972	22·98	22·97
Italy „	Cents for 1 lira	8·91	7·86½	5·26	5·26	5·26
Berlin „	Cents for 1 mark	40·33	40·17	40·135	40·11	40·13
Vienna „	Cts.forAustrn.shig.	23·82	18·88	18·88	18·88	18·88
Madrid „	Cents for 1 peseta	32·67	...	...	...	...
Amsterdam „	Cents for 1 guilder	68·06	67·66	55·12	55·02	55·23
Copenhagen „	Cents for 1 kroner	45·37	22·635	22·11	22·105	22·105
Oslo „			25·475	24 885	24·88	24·88
Stockholm „			26·14	25 535	25·525	25·53
Athens „	Cents for 1 drachma	1·29½	0·94⅜	0 91	0·90⅝	0·91
Montreal „	Cents for Can. $1	109·31	100 3/16	99⅛	100	100
Yokohama „	Cents for 1 yen	84·40	29·62	28·88	28·875	28·875
Shanghai „	Cents for 1 dollar		30·23	29 80	29·81	29·93
Calcutta „	Cents for 1 rupee	61·80	38·30	37·40	37·40	37·40
Buenos Aires „	Cents for 1 peso		33·79	30·71	30·70	30·71
Rio de Janeiro „	Cents for 1 milreis	11·96	8·55	8 34	8·34	8·34

Overseas bank rates and exchange rates for South Africa and Australasia were given in the issue of September 4th on pages 497 and 498; Central and South American exchange quotations appeared in last week's issue on page 586.

GOLD AND SILVER

The following statistics of imports and exports of gold and silver for the week ended September 23, 1937, are issued by the Statistical Department of H.M. Customs and Excise.

IMPORTS AND EXPORTS OF GOLD

(Into and from United Kingdom)

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British West Africa	134,615	...	Denmark	417	...
British South Africa	1,226,406	...	Netherlands	5,645	27,420
Tanganyika	8,038	...			23,247
Kenya	8,003	...	France	118,594	19,000
Uganda	5,041	...			9,840
British India	270,721	...	Syria	...	5,725
Australia	294,589	...	Switzerland	4,790	3,030
New Zealand	46,381	...	Jugoslavia	151,943	...
British Guiana	8,844	...	U.S.A.	9,423,389	...
U.S.S.R.	1,124,711	...	Cen. & S. America	999,797	...
Germany	1,970	...	Other countries	625	68
Netherlands	...	60,000			
Belgium	5,882	...			
France	...	972			
Liberia	2,132	...			
Japan	802,328	...			
Venezuela	21,139	...			
Other countries	500	751			
Totals	3,961,300	60,751 / 972	Totals	10,705,200	52,213 / 36,117

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

IMPORTS AND EXPORTS OF SILVER

Imports From	Bullion* £	Coin† £	Exports To	Bullion* £	Coin† £
British S. Africa	...	2,800	Trinidad	...	2,500
Australia	...	892	Sweden	2,050	...
New Zealand	2,665	...	Denmark	3,460	...
Germany	1,590	100	Italy	4,679	...
Belgium	2,229	33,300	Egypt	...	3,230
France	6,845	78	Saudi Arabia	...	3,312
Czechoslovakia	26,859	...	U.S.A.	160,800	...
Japan	48,801	...	Cen. and S. America	287	...
Other countries	...	1,656 / 171	Other countries	1,994	808 / 27
Totals	88,789	5,448 / 33,549	Totals	173,270	3,308 / 6,589

* At current market value. † Coin which is of legal tender in the United Kingdom is entered at face value and shown in *italics*. Other coin is entered at current market value.

No gold movements were reported at the Bank of England between September 17th and 23rd Details of previous movements appeared in *The Economist* of September 4th on page 498.

GOLD MARKET

Messrs Samuel Montagu and Company write on September 22, 1937:—The Bank of England gold reserve against notes amounted to £326,406,625 on September 15th, showing no change as compared with September 8th.

In the open market about £1,770,000 of bar gold was disposed of at the daily fixing during the past week. There was a good general demand, which occasionally raised prices to a slight premium over dollar parity; most of the offerings, however, were taken for shipment to New York.

The s.s. "Rangura," which sailed from Bombay on September 18th, carries gold to the value of about £246,000.

SILVER MARKET

Reports received from New York during the week indicated that the agreement under which the United States Treasury pays a premium for home-produced silver and which expires at the end of the year may be extended with little, if any, alteration. Further it was thought likely that the Treasury would work for a renewal of the London Silver Agreement of 1933, which also expires at the end of this year. The news appears to have occasioned some bear covering operations and prices hardened slightly to 20d. for cash and 19⅞d. for two months' delivery; the demand did not continue, however, and prices eased, the Indian Bazaars being disposed to sell, and a little miscellaneous selling adding to supplies. At 19 15/16d. for cash, America gave support, this price approximating American parity, and in present circumstances no wide movement from this level is expected in the near future.

Quotations for gold and silver are shown below:—

1937	Price of Gold per Fine Ounce	Equivalent Value of £ sterling	Price of Bar Silver in London per ounce standard: Cash	Price of Bar Silver in London per ounce standard: Two Months	Price of Silver New York per ounce ·999 fine
	s. d.	s. d.	d.	d.	1937 Cents
Sept. 16	140 5	12 1·20	20	19⅞	
„ 17	140 3½	12 1·33	20	19⅞	Sept. 15 to Sept. 21 inclusive 45
„ 18	140 1	12 1·55	19⅞	19⅞	
„ 20	140 2	12 1·46	19 15/16	19 15/16	
„ 21	140 3	12 1·38	19 15/16	19 15/16	
„ 22	140 3½	12 1·33	19⅞	19⅞	
Average	140 3	12 1·38	19·896	19·771	
Sept. 23	140 6	12 1.12	19 15/16	19 15/16	

The highest rate of exchange on New York recorded during the period from 16th to 22nd September was $4·96⅛, and the lowest $4·94⅞.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS

Company	Year Ending	Balance from Last Account	Net Profit After Payment of Debenture Interest	Amount Available for Distribution	Appropriation: Dividend: Prefce. Amount	Appropriation: Dividend: Ordinary Amount	Appropriation: Dividend: Ordinary Rate	Appropriation: Carried to Reserve, Depreciation, etc.	Balance Forward	Corresponding Period Last Year: Net Profit	Corresponding Period Last Year: Dividend
		£	£	£	£	£	%	£	£	£	%
Banks											
Commercial Bank of Australia	June 30	98,930	247,435	346,365	84,694	133,333	6⅔	25,000	103,338	234,481	5⅚
Commercial Banking Co. of Sydney	June 30	110,226	342,042	452,268	...	308,036	6½	25,000	119,232	298,227	6
Financial, Land, etc.											
Harrisons and Crosfield	June 30	145,015	314,014	459,029	137,800	111,099 / 54,159	25(c) / (d)	...	155,971	255,942	20(c) / (d)
Trafford Park Estates	June 30	32,772	(k) 59,296	92,068	...	45,500	7	...	46,568	(m)74,787	7
Iron, Coal and Steel											
Dorman (W. H.) and Co.	Mar. 31	Dr. 57,231	19,654	Dr. 37,577	...	...	...	...	Dr37,577	1,636	Nil
Hawthorn (R. & W.), Leslie and Co.	June 30	19,102	36,439	55,541	...	32,245	9	...	23,296	25,648	6
Horsley Bridge & Thomas Piggott	June 30	25,028	45,069	70,097	8,451	16,875	10	38,363	6,408	24,798	Nil
Manvers Main Collieries	June 30	30,080	111,420	141,500	11,000	44,000	5½	61,453	25,047	67,898	4½
Sheepbridge Coal and Iron	June 30	85,702	260,780	346,482	16,736	117,116	10†	123,884	88,746	197,618	10
Petters, Ltd.	Mar. 31	13,575	Dr. 914	12,661	5,719	...	...	...	6,942	13,640	7½
Staveley Coal and Iron	June 30	124,346	828,980	953,326	...	423,170	12½	342,042	188,114	588,077	9†
Ward (Thos. W.)	June 30	50,301	292,359	342,660	43,985	86,796	10	137,005	74,874	173,427	7½
Motor, Cycle and Aviation											
Renold and Coventry Chain	July 4	15,487	305,164	320,651	12,687	101,818	15	1 91,826	14,320	246,310	10
Rubber											
Aberfoyle	Mar. 31	583	5,350	5,933	...	3,500	14	...	2,433	246	Nil
Bajoe Kidoel	Mar. 31	37,977	25,340	63,317	...	24,896	10	...	38,421	3,359	3
Bantam (Java)	June 30	2,240	28,997	31,237	...	22,500	15	...	8,737	9,307	6
Banteng (Selangor)	Apr. 30	8,720	9,169	17,889	...	5,940	6	3,000	8,949	5,167	• 4
Glen	June 30	Dr. 837	1,683	846	...	...	...	...	846	Dr. 512	Nil
Johore Rubber Lands	Mar. 31	6,456	6,888	13,344	...	5,488	5	...	7,856	2,088	2½
Kulim	June 30	1,743	22,773	24,516	1,628	17,188	12	2,500	3,200	9,889	5
Langkapoera (Sumatra)	June 30	3,643	12,537	16,180	...	9,049	10	...	7,131	2,527	3
Sandac	Mar. 31	33	5,507	5,540	...	4,164	4	400	976	(a)	(a)
Sittang Valley	June 30	545	15,028	15,573	...	8,412	10	4,700	2,461	9,232	8
Sungei Tukong	June 30	1,120	9,751	10,871	...	7,050	6	1,500	2,321	4,163	3½
Tandjong	June 30	27,013	32,595	59,608	...	25,000	10	5,000	29,608	15,330	5
Tangoel	June 30	1,539	5,795	7,334	...	4,596	6	...	2,738	1,312	2
Shops and Stores											
Debenhams, Ltd.	July 31	182,171	580,754	762,925	379,000	104,167	20⅔	50,000	229,758	558,263	16⅔
Harvey Nichols and Co.	July 31	27,086	129,565	156,651	30,000	60,000	10	36,874	29,777	110,830	10
Riding's Stores	June 30	1,989	36,609	38,598	4,801	20,063	(l) 30(p)	...	13,734	9,467(b)	10
Textile											
Melso Fabrics, Ltd.	June 30	5,761	5,510	11,271	4,538	...	...	500	6,233	10,188	6
Trusts											
City & International Trust	Aug. 31	38,872	51,338	90,210	30,000	16,000	4	13,059	31,151	45,938	3
C.L.R.P. Investment Trust	Aug. 31	4,666	23,493	28,159	13,781	4,575	2½	5,000	4,803	20,869	2
Other Companies											
Allied Industrial Services	June 30	7,953	128,467	136,420	12,000	60,000	60	45,128	19,292	93,088	22½
Aspro, Ltd.	June 30	10,583	292,320	302,903	20,798	122,500	32½	148,646	10,959	n278,855	25
Calthrops, Ltd.	June 30(e)	...	14,000	14,000	2,081	5,625	10·136	...	6,294	(a)	(a)
Cheshire United Salt	June 30	8,190	7,009	15,199	9,961	1,650	3	1,000	2,588	5,366	2½
Cohen, Weenen and Co.	June 26	40,594	56,378	96,972	45,000	9,000	9	...	42,972	51,428	9
Hulett (Sir) J. L., and Sons	Apr. 30	41,424	214,249	255,673	16,875	52,500	7	137,829	48,469	122,304	5
Phosferine Products	June 30	1,929	4,104	6,033	...	2,120	20	2,000	1,913	5,426	20
Qualcast, Ltd.	June 30	56,914	53,349	110,263	3,970	32,461	30	25,950	47,882	32,201	20(l)
Redman (L. and D.)	July 24	...	4,622	4,622	...	4,400	4	...	222	(a)	(a)
S.G.B. (Dudley)	June 30	7,761	24,997	32,758	6,806	9,000	8	...	16,952	21,779	7½
Vitacream	June 30	8,575	21,553	30,128	...	15,405	40·73	6,248	8,475	(a)	(a)

† Free of income tax. (a) No comparable figure. (b) For half-year. (c) Paid on deferred shares. (d) Paid on management shares. For preceding year £29,944 was paid on these shares. (e) Period Feb. 16 to June 30, 1937. (l) Absorbed £19,062. (p) Also capital bonus of 10 per cent. (k) Includes £18,270 profits from sales of land, etc. (m) Includes £31,759 profits from sales of land, etc. (l) Includes £6,500 for capital bonus 10 per cent. (n) May 20, 1935, to June 30, 1936.

OTHER STATISTICS

DIVIDEND ANNOUNCEMENTS

Rate % per Annum, except where marked % or Stated in Cash

Name of Company	* Interim or † Final	Date of Payment	Comparison with Last Year	Total Latest Year	Total Previous Year
TEA AND RUBBER				%	%
Aberfoyle Plantations	10%†	...	Nil	14	Nil
Bantam (Java) Rubber	...	Sept. 30	...	15	6
British Rubber Estates of Java	...	...	1st dividend	5	Nil
Brooklands (Selangor) Rubber	6¼%†	Oct. 20		12½	7½
Ceylon Tea Plantations	5%*	Oct. 30	2½%*	...	...
Chimpul (F.M.S.) Rubber	...	Oct. 13	...	6	3
Elmhurst (Ceylon) Tea, etc.	8¼%†	...	5½%†	11	8
F.M.S. Rubber Planters	5%*	Oct. 6	3%*	...	...
Federated (Selangor) Rubber	7½%†	...	5%†	12½	5
Galaha (Ceylon) Tea	4%*	Oct. 5	2½%*	...	...
General Ceylon Rubber and Tea	2%*	Sept. 30	Nil*	...	4
Golconda (Malay) Rubber	2½%*	Oct. 23	2%*	...	...
Grand Central (Ceylon) Rubber	2½%*	...	Nil*	...	4
Highland Tea of Ceylon	4%*	Sept. 24	3%*	...	...
Johore Rubber Lands	...	...	...	5	2½
Kempas Rubber	12½%†	Oct. 16	...	17½	6
K.M.S. Rubber	6%†	Oct. 28	10%†	11	10
Langkapoera (Sumutra) Rubber	...	Sept. 30	...	10	3
Layang Rubber	...	...	...	6	3
Malayalam Plantations	6%†	Oct. 18	5½%†	10	8
Mergui Crown Estates	9%†	Oct. 29	Nil	12½	Nil
Sengat Rubber	...	...	...	7½	4
Sungei Tamu Rubber	6%†	...	...	10	5
Tandjong Rubber	...	...	...	10	5
Tebrau Rubber	10%†	...	7½%†	14	7½
Tillyfour Rubber	...	Oct. 20	...	4	2½
MINING					
Rand Selection Corporation	...	...	...	50	40
Renong Tin Dredging	20%†	Oct. 13	15%†	27½	20
OTHER COMPANIES					
Allsopp Brewery Investments	37½%†	...	Same	45	45
American Investment and General Trust (Deferred)	2½%*	Sept. 20	2%*	...	...
Army and Navy Stores	4½%*	Oct. 21	Same	...	...
British Gas Light	3½%*	...	Same	...	...
Cheshire United Salt Ord.	...	...	...	3	2½
Do. Pref. Ord.	...	...	...	8	7½
Criterion Restaurants	2½%*	Oct. 21	Same	...	...
Dickinson (John) and Company	4%*	Sept. 30	Same	...	...
Eastwood Lewes Cement Ord.	8½%†	Oct. 13	Same	12½	12½
Do. Founders' Shares	8½%†	Oct. 13	Same	12½	12½
Engineering Components	7½%*	Oct. 1	5%*	...	...
Friars Investment Trust	1½%*	Oct. 16	1%*	...	3½
General Investors and Trustees	(s) 4%*	Oct. 1	Same	...	...
Herrburger Brooks	9%†	...	Same	14	14
Hill (Philip) and Partners	12½%*	Sept. 30	...	...	...
Hopkinsons	2½%*	...	Same	...	...
Hosegood Industries	...	Oct. 1	First	7½	...
International Harvester	$1·50ps	...	...	$3·37½	$2·50
International Paint	4%*	Sept. 30	Same	...	...
Lamson Paragon Supply	2½%*	Oct. 7	Same	...	...
Manchester Liners	...	...	...	7½	5
Midland Counties Electric	2½%*	Oct. 15	Same	...	8
Midland Electric Corporation	3%*	Oct. 15	Same	...	...
Montreal Light Heat, etc.	37 cts ps*	Oct. 30	Same	...	...
Murex	(c) 12½%†	...	15%†	(c) 20	25
Ransomes and Rapier	12½%*(t)	Oct. 15	Same	...	...
Renold and Coventry Chain	...	...	...	15	10
River Plate Trust, etc., A	5%*	Oct. 1	Same	...	13
Do. B	1%*	Oct. 1	Same	...	3½
Robinson and Cleaver	7%†	...	4%†	10	7
Second Scottish Northern	3%*	Oct. 13	Same	...	...
Serck Radiators	...	...	...	22½	20
Spillers	2½%*	Nov. 1	Same	...	...
Sun Electrical	...	...	...	5	5
United Steel Companies	6%†	Oct. 16	5%†	8½	7½
Ward (Thos.) W.	...	...	...	10	7½
Whitehall Court	3½%*	Oct. 5	Same	7½	7½
Woodheads Canonbury Brewery	5%*	...	Same	...	10

‡ Free of Income Tax. (c) Payable on £1,000,000 of capital. For previous year 25 per cent. was paid on £553,500 of capital. (s) Paid on £435,600 of ordinary stock, against £396,000 of ordinary stock a year ago. (t) Paid on increased capital. (v) Paid on 1,186,875 deferred 5s. shares, against 1,050,000 deferred 5s. shares a year ago.

ASHANTI GOLDFIELDS CORPORATION.—Second ordinary interim dividend of 22½ per cent. (as before) for year to September 30, 1937.

AUSTIN MOTOR COMPANY.—Annual ordinary distribution maintained at 50 per cent., less tax, and again includes cash bonus of 25 per cent.

BEECHAMS PILLS, LTD.—Interim dividend on the deferred shares raised by 5 per cent. to 17½ per cent., paid on a capital of £296,719, as increased by the £34,219 share bonus.

BORNEO COMPANY.—Two years' arrears on 7½ per cent. cumulative preference shares are to be paid October 20th, bringing payments up to August 4, 1934.

BRITAIN STEAMSHIP.—Interim ordinary dividends resumed with payment of 4 per cent. Previous interim, 1½ per cent. in respect of 1929.

BRITISH ALUMINIUM.—Interim ordinary dividends resumed with a payment of 4 per cent.

BRITISH GENERAL FIXED TRUST.—Half-yearly distribution, payable October 15, 1937, of 5·4d. net per sub-unit on series "C."

BRITISH PISTON RING.—Final dividend of 17½ per cent. on 800,000 5s. ordinary shares, making 25 per cent. for year. For previous year an interim of 7½ per cent. was paid on 400,000 and a final dividend of 15 per cent. on 600,000 5s. shares.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE.—Interim payment is increased to 7½ per cent., less tax, from 7 per cent.

MALAYALAM PLANTATIONS.—Final dividend of 6 per cent., against 5½ per cent. Total for year is 10 per cent. (against 8 per cent.).

MANCHESTER LINERS.—Ordinary dividend 7½ per cent., against 5 per cent. paid for last four years.

MEUX'S BREWERY COMPANY.—Interim ordinary dividend is maintained at 3½ per cent.

PHILIP HILL AND PARTNERS.—Interim ordinary dividend, 12½ per cent.

RAND SELECTION CORPORATION.—Ordinary dividend 50 per cent. on £1,000,000 for year to September 30, 1937, the highest distribution in the history of the Company. For each of the two preceding years a dividend of 40 per cent. was paid.

ROYAL MAIL STEAM PACKET.—A first dividend of 6d. per £ payable October 30th is announced by the liquidator.

SHORTER COMPANY COMMENTS

COMPANY RESULTS OF THE WEEK.—Substantial progress by MANVERS MAIN COLLIERIES is ascribed to greater activity in the steel and allied trades and to the success of the Central Selling Scheme. Owing to heavy commitments for improvement, the dividend is increased by 1 per cent. only, to 5½ per cent. Difficulty in recent months in obtaining steel supplies has not prevented HORSELEY BRIDGE AND THOMAS PIGGOTT from showing excellent results: net profits have reached £45,069 against £24,798, and ordinary dividends have been resumed. R. & W. HAWTHORN LESLIE AND COMPANY, the engineers and shipbuilders, whose profits of £36,439 compare with £25,648, are absorbing the locomotive works of Robert Stephenson and Company. Although they have earned £19,654 against £1,636, W. H. DORMAN AND COMPANY still show a debit balance of £37,577. After debiting funding certificate interest, PETTERS, LTD., report a loss of £914 against a profit of £13,640. A circular from the new Board says these results testify to the acute competition in the oil engine business. A reduction of preference dividend is proposed in exchange for a free issue of ordinary shares. Profits of £74,900 constitute a record for QUALCAST, LTD. The ordinary dividend is raised by 10 per cent. to 30 per cent., but is also payable on a larger capital. A higher level of manufacturing activity combined with technical improvements has enabled RENOLD AND COVENTRY CHAIN to earn £305,164 against £246,310, and to increase the dividend by 5 per cent. to 15 per cent. Good progress has also been made by SERCK RADIATORS, who pay 22½ per cent., against 20 per cent., and also declare a capital bonus of one in three. Rapid expansion is recorded by ALLIED INDUSTRIAL SERVICES, who supply an industrial clothing cleaning material service. Net profits amount to £128,467, against £93,088. S.G.B. (DUDLEY) shows an increase in profits of over £3,000 to £24,997. RIDINGS STORES have made a trading profit of £49,287, against £31,169 for the two preceding half-years, and their 30 per cent. dividend is supplemented by a 10 per cent. capital bonus. The first year's trading of VITA-CREAM, LTD., as a public company has resulted in a net profit of £21,553, manufacturing profits of £46,549 comparing with £39,734. Another company issuing its first report, CALTHROPS, LTD. (makers of cattle and poultry foods) has earned £14,000 net for its initial 4½ month period, or £51,768 trading profit for the full year. Proprietary article manufacture is well represented in the week's results. ASPRO, LTD., have earned, £292,320 against £278,855 for the initial 13 month period. The company pays 32½ against 25 per cent. and allocates £20,000 to dividend equalisation reserve. BEECHAMS PILLS interim dividend of 17½ per cent. is not only 5 per cent. higher, but is payable on a capital increased by £34,219. PHOSFERINE PRODUCTS maintain their 20 per cent. distribution, having earned £4,104 against £5,426. A higher average price for sugar has resulted in a rise in net profits of SIR J. HULETT & SONS from £122,304 to £214,249 (total revenue of £1,225,000, being 27 per cent. higher); special provisions and reserves are generously increased. The latest rubber company results reveal excellent progress during the past year. JOHORE RUBBER LANDS report trebled profits, and TANGOEL have earned £5,795 against £1,312.

MISCELLANEOUS

PATERSON LAING AND BRUCE SCHEME.—The Shareholders Protection Association consider that proposals under this scheme would seem to be inequitable to the preference shareholders, and suggest that these holders should refrain from sending in proxies pending a communication from the Association.

CABLE AND WIRELESS, LTD. (Index Numbers).—Monthly figures reduced to working day average. Working day average of comparable receipts, year 1929 = 100. Index number, August, 1937, 73·0 (lowest figure this year), compared with 73·4 for July, 1937, and 69·1 for August, 1936. For table showing monthly index since beginning of 1930, see *The Economist*, August 28, 1937, page 451.

COURAGE AND COMPANY.—This company is acquiring the ordinary shares of C. N. Kidd and Son, of Dartford.

HOSEGOOD INDUSTRIES, LTD.—First report shows profit for year to June 30, 1937, of £104,871. Tax provision £20,000. Preference dividends £15,467. Ordinary dividend 7½ per cent., absorbing £45,474. Carry forward £23,931.

ASPRO, LTD.—Profits for year to June 30, 1937, rose by £11,593 to £292,913. To depreciation £2,362 against £2,598. Ordinary dividend raised from 25 per cent. to 32½ per cent. To reserves: Tax, £75,000 against £65,374; general, £50,000, as before; dividend equalisation, £20,000. Carry forward £10,959.

INDIAN IRON AND STEEL.—For year to March 31, 1937, a net profit of Rs. 40,80,704 was secured. Ordinary dividend 20 per cent., absorbing Rs. 40,42,636. Carry forward Rs. 38,068. The accounts include, for the first time, the figures of the Bengal Iron Company, Ltd.

MANVERS MAIN COLLIERIES.—Trading profit for year to June 30, 1937, £157,797 compared with £103,495. To depreciation £34,078 against £29,236. Ordinary dividend raised from 4½ to 5½ per cent. Special charges £46,453. To obsolescence, etc., reserve, £15,000. Carry forward £25,047.

CARRIER ENGINEERING.—A rise in profits from £60,198 to £91,386 is shown in the accounts to June 30, 1937. Ordinary dividend is again 50 per cent., but is payable on a doubled capital. A sum of £10,594 is allowed for income tax and N.D.C., compared with £10,272 and issue expenses of £808 have been written off. Carry forward £26,855.

CANNOCK ASSOCIATED COLLIERIES.—The report for period from June 4, 1936, to June 30, 1937, shows a profit of £176,609. The dividend on the first preference shares of the parent company takes £10,209 and the second preference dividend £25,219. The total ordinary dividend for the period is 10 per cent. Carry forward £16,405.

RENOLD AND COVENTRY CHAIN.—The income from investments and profit on trading for year to July 4, 1937, including trading results of subsidiaries, totalled £309,899, before fees, against £251,946 for 1935–36. Ordinary dividend from 10 to 15 per cent. General reserve allocation, £25,000, against £15,000, and £14,320, against £15,487, is carried forward.

QUALCAST, LTD.—Net profits for the year to June 30, 1937, are £21,036 higher at £53,349. Final dividend 12½ per cent. and bonus of 10 per cent., payable on increased capital, making a total of 30 per cent., against 20 per cent. for the two preceding years. It is proposed that £100,000 should be transferred to reserve (£74,050 from share premium account and £25,950 from profit and loss balance). Carry forward £47,882.

COMMERCE AND TRADE

SURVEY OF COMMODITY MARKETS

THE markets in industrial raw materials remained under a cloud during the past week, and the majority of quotations were again marked down. The uncertain political outlook and the pessimistic view taken by some observers concerning the future of recovery in the United States are causing consumers to refrain from buying far ahead, just as the anticipation of shortages early this year had prompted them to increase their reserves of raw materials.

Copper, lead, spelter and tin fell sharply in price, with tin holding up rather better than the others. The market in rubber remained dull, and vegetable oils and seeds attracted little interest from buyers. Raw wool prices failed to recover, and raw cotton quotations again drifted downwards in spite of the proposed reduction of next year's crop in the United States. On the other hand, the iron and steel markets remained firm, and prices are expected to be increased further at the turn of the year. In general, quotations for coal and coke are firmly held, but there are a few isolated reports of price-shading in certain districts.

Foodstuffs, on the whole, showed a steadier tendency. Wheat rose a little in price on a persistent demand and advancing freight rates. The yield in Argentine and Australia, however, is still uncertain. The markets in sugar and tea were quite firm. Meat prices at Smithfield are scarcely changed on the week, but bacon, butter and eggs were dearer.

The general trend of prices in the United States was downwards, reflected in the decline of Moody's index of staple commodity prices during the week ended Wednesday from 195·1 (December 31, 1931 = 100) to 192·0. A month ago the index stood at 200·4 and a year ago at 184·1.

COAL

SHEFFIELD.—The outlook on the export market is better, and there are enquiries for forward deliveries to the end of the year. The competitive prices of other coal producing countries are, however, proving a somewhat serious problem. Lightning strikes continue to disturb output to some extent, making supplies difficult to arrange. Prices are very firm on inland account. The scarcity of washed singles and washed smalls is still a source of inconvenience. Cooler weather has increased the demand for household coal, and this will tend to restrict the supply of some qualities of hard coal favoured on the household market. Coke is in full demand and prices are strong.

WORKINGTON.—Coal output does not suffice for the various markets. House coal needs alone can be met. But there is a famine in smalls for coking coal, and round coal therefore has to be crushed and Welsh coal imported. Futhermore, iron smelters which absorb the whole of the make of coke are compelled to buy East Coast fuel. Shipments to Ulster and the Free State seldom exceed 3,500 tons per week. The Irish demand is brisker. Prices are firm. Best round is 23s. 6d.; washed doubles, 22s.; washed singles, 21s.; all per ton, f.o.b. Smalls are 15s. 6d. Best house coal is 35s. 8d.; house nuts, 34s. at station. Gas coal is 27s.; local coke, 15s. 6d. to 16s. 6d.

GLASGOW.—The coal trade is experiencing a lull at the moment in regard to new buying. This applies both to the home and the shipping markets. There is, however, a fairly good tentative enquiry circulating, so that the slackening of business may be a temporary phase. Meantime, the collieries in all districts are fully engaged on contract work, and are having no difficulty in keeping outputs moving, although here and there prices are now being shaded a little for prompt orders. This easiness is most apparent in the East Coast shipping districts. Both the Lanarkshire and the Ayrshire collieries are in a strong position, and adhere to full prices for practically all grades of round coal as well as nuts. London business is quieter at the moment.

CARDIFF.—Shipments of coal at the South Wales docks continue active. Last week they totalled 436,800 tons, compared with 347,815 tons in the corresponding week last year. The market is disappointed at the delay in the normal autumn expansion in current inquiries. Contract commitments, however, are absorbing practically the whole of the increased output and supply quotas, but for spot positions buyers have been able to obtain parcels of large descriptions at prices a shade lower than those which have been ruling recently. The new zone scheme for the marketing of grades suitable for central heating is stated to be operating satisfactorily. Negotiations with the gas companies for the renewal of contracts are hanging fire, although it is reported that one of the South Western coalfields has been able to obtain an advance of 5s. per ton compared with 1936. Coke is very firm, and patent fuel and pitwood prices are unaltered.

IRON AND STEEL

LONDON.—The weekly report of the London Iron and Steel Exchange indicates that great activity rules in the industry. The works in nearly all departments continue to operate at capacity. Some improvement is noticeable in the imports of steel, though Continental makers are still badly in arrears with their quota deliveries.

In the pig-iron market conditions have become somewhat easier; and not only are consumers receiving regular tonnages, but arrears against contracts appear to have been reduced. New business is scarce as producers are unable to accept orders for execution this year. The steel-works are also getting larger supplies of iron and appear to be in a better position in this respect than for some time past.

There is still great stringency in the semi-finished steel market, although conditions have improved compared with those which existed a few months ago. More regular supplies of British material and larger imports from abroad have to a certain extent relieved the situation; but operations at most of the consuming works are restricted by the limited quantities available.

The pressure to obtain deliveries of finished steel material is unrelaxed in spite of the record production. Consumers are still rationed on the basis of their purchases in 1936, and the makers are concentrating upon producing the material most urgently needed. New business is hampered by the inability of the manufacturers to take orders excepting for far forward delivery. Business on overseas account has become rather quieter, but there is a good volume of inquiry.

MIDDLESBROUGH.—The pressure for supplies continues. The output of Cleveland foundry pig iron is below requirements, but is being distributed to home users in order to keep their plant going. It is understood that supplies of foundry iron are still coming into this district from the Midlands. The price is unaltered at 101s. per ton, delivered locally, for No. 3 Cleveland foundry pig iron. Production of East Coast hematite is being maintained, with the bulk of it being sent to home consumers after producers have covered their own requirements. Business is restricted to small parcels as most works have good order books and are not inclined to sell further ahead. The official price is based on No. 1 hematite at 123s. per ton, delivered locally, less the rebate.

The supply of semi-manufactured steel, both from producers in this country and from abroad, is better but additional quantities would be welcome. Sheet makers have much work in hand.

Finished steel producers, whilst running their plant at capacity, find it difficult to ease the position owing to the flow of orders for all classes of steel, structural and shipbuilding requirements being very pressing.

Heavy melting steel scrap remains in good demand and the official prices of 69s. for No. 1 quality and 67s. per ton for No. 2 quality are strictly adhered to. Blast furnace coke is very firm at 40s. per ton, delivered at the furnaces. Chartering in ore has been resumed from Bilbao, and cargoes are arriving at East Coast ports. Freight rates for ore from Mediterranean ports are inclined to increase. Transactions are limited to odd lots.

SHEFFIELD.—The position in the iron and steel market varies little week by week, though there does appear to be rather less hesitancy in accepting new business. Supplies of forge and foundry pig iron are still short. There is a fair amount of foreign iron on offer, but consumers do not readily pay the high prices demanded for this material. East Coast hematite makers are accepting contracts rather more freely, but business in West Coast is still very difficult to negotiate. Common and marked bars are in heavy demand, and producers are unable to satisfy all requirements. Pig-iron prices are regarded as stabilised to the end of the year, but there is talk of early revision in view of the sharply rising cost of production.

The rapidly advancing price of high-speed steel is causing new business to be accepted only subject to price at time of delivery. Business in wire rods, steel strip, etc., is at record levels, and prices are everywhere firmly held. The scrap market is becoming steadier with supply and demand more balanced. High-speed steel scrap fetches £100 per ton, delivered. Iron scrap not subject to control is still in strong request, but prices have not advanced further. Government work in this area is now on such a scale that some firms are finding it increasingly difficult to keep pace with ordinary business.

WORKINGTON.—The North-West Coast hematite pig-iron market is quieter than for many months past. If makers are over-sold users are over-bought, and until prices are revised in November there is no intention of reopening books for dealing with orders for iron for delivery in the first quarter of next year. Smelters are concentrating upon maintaining production at a maximum in order to give rather larger supplies to the Midlands, South Wales and Scotland. Despite the periodic uncertainty concerning the adequacy of ore and coke supplies, makers are succeeding in driving their furnaces hard, and are consequently reducing, if only slightly, the arrears into which deliveries have fallen. Prices are firm and unchanged. Bessemer mixed numbers are £6 3s. per ton at Glasgow; £6 8s. 6d. at Manchester; £6 11s. at Sheffield; and £6 13s. 6d. at Birmingham, with 5s. 6d. to 16s. 6d. extra for special qualities. Malleable iron is in lively request at £8 delivered at Birmingham; and the whole of the make of ferro-manganese is readily absorbed, at £18 15s. home.

The steel industry is in full swing. Output is heavy, Workington's production occasionally rising almost to 6,000 tons weekly. Chiefly it is the smaller products that are being rolled, but in most weeks both Workington and Barrow are engaged on rails for China, South Africa, and the home railways. Orders on the books ensure a run of at least another nine months. Progress is being made with the expansion of the output of native ore, which is quoted at 24s. 6d. per ton, f.o.t. Heavy imports of North and West African ore are, however, still necessary.

GLASGOW.—Great activity continues in all branches of the iron and steel industry in the West of Scotland, and where supplies of material are available all works are running to capacity. On the whole supplies are somewhat easier than for some months past. Supplies of semis are still insufficient for the requirements of users, but there is some increase both in home and continental deliveries, and there are prospects that these will further increase within the next few months. Pressure from all sides for finished steel is very great and producers are still unable to meet all the demands made upon them. Within the past week or two several large contracts have been placed with sheet metal workers and also with tank makers in the Glasgow district. During the present week it was announced that an order for four locomotives for the San Paulo Railway, Brazil, has been placed in Glasgow.

CARDIFF.—During the week ended September 11th, production in the tinplate industry was 77½ per cent. of allotted capacity. Prices are unaltered, but the mills are working regularly, and shipments last week at Swansea reached the exceptionally high total of 13,986 tons. This quantity has only been exceeded during one other week in the current year, and compares with 6,118 tons in the corresponding period in 1936. A great part of these consignments were drawn from stocks which were consequently reduced from 10,935 tons to 6,598 tons. The demand for pig iron and steel ingots is as active as ever, and according to the returns compiled by the British Iron and Steel Federation, the output of steel in South Wales and Monmouthshire, at 207,800 tons, was greater than that in any other district in the United Kingdom. Sheets are in good demand, particularly for the home market. Prices are unaltered.

OTHER METALS

COPPER.—This has been the worst week for copper since the speculative breakdown of March last. Despite a sharp recovery on Tuesday and Wednesday, the standard cash price closed on the latter day at £52 1s. 3d., a loss of £2 10s. on the week. The reason for the setback was a substantial increase in offerings by holders who had become nervous under the con-

tinuous abstention of consumers' buying, the weakness in Wall Street and the international political crisis. The recovery on Tuesday and Wednesday was primarily technical, although a certain amount of consumers' buying was noticeable at the lower levels. The immediate future of the market will be mainly dependent on the progress of the autumn revival in the world's industrial activity and the development of the United State's market. But reports from America are not very encouraging. Purchases by United States consumers in the first three weeks of this month aggregated only 15,106 short tons, the lowest level for many months. The United States price for scrap copper was lowered substantially last week, and the New York export price is now so much below the U.S. domestic quotation that there is again talk of a reduction of the latter.

Sales on the London Metal Exchange: 3,900 tons on Monday, against 1,550 tons last week; 2,000 tons on Tuesday, against 2,400 tons last week; 2,850 tons on Wednesday, against 1,350 tons last week. Domestic spot was quoted at 12·77½ cents per lb. in New York on Wednesday, against 13·42½ cents a week ago and 13·77½ cents a month ago. Wednesday's official closing price for standard cash in London was £52 1s. 3d. to £52 3s. 9d. per ton, compared with £54 11s. 3d. to £54 12s. 6d. a week ago. Stocks of refined copper in British official warehouses at the end of last week, at 8,706 tons, showed a decrease of 555 tons, while stocks of rough copper, at 13,794, were 908 tons larger.

LEAD AND SPELTER.—Both markets continued their downward movement, and although they closed the week well above their lowest levels, lead lost 7s. 6d., while spelter declined by £1 3s. 9d. The causes of the fresh decline in lead and spelter are the same as those mentioned for copper. In addition, the new decline in the Ministry of Labour statistics of building plans approved during August, and the publication of the July production figures depressed the two markets.

According to the Metallgesellschaft the world's lead smelter output, excluding the United States and Spain, increased in the first seven months of this year by 14·2 per cent. to 695,175 metric tons. Zinc smelter production outside the U.S.A., increased in the same period by 8·9 per cent. to 640,322 metric tons. In both cases production rose faster than consumption this year, so that supplies are now quite substantial. The outlook is mainly dependent on a revival of consumers' buying, but in this respect no favourable signs are noticeable at the moment.

Sales of lead on the London Metal Exchange: 3,650 tons on Monday, against 750 tons last week; 800 tons on Tuesday, against 1,300 tons last week; 2,600 tons on Wednesday, against 1,500 tons last week. The New York quotation on Wednesday was 6·50 cents per lb., against 6·50 cents a week ago and 6.50 cents a month ago. Wednesday's official closing quotation in London for soft foreign for shipment during the current month was £20 15s. to £20 16s. 3d. per ton, compared with £21 2s. 6d. to £21 3s. 9d. last week.

Sales of spelter on the London Metal Exchange: 2,450 tons on Monday, against 1,175 tons last week; 2,400 tons on Tuesday, against 1,850 tons last week; 1,600 tons on Wednesday, against 1,500 tons last week. Wednesday's quotation in East St. Louis was 7·25 cents per lb., against 7·25 cents the week before and 7.25 cents a month earlier. Wednesday's official closing quotation in London for "good ordinary brands" for shipment during the current month was £20 13s. 9d. to £20 16s. 3d. per ton, against £21 17s. 6d. to £21 18s. 9d. last week.

TIN.—In spite of a price decline of £3 13s. 6d. per ton, the undertone of the tin market was comparatively steady throughout the past week. The panic conditions which at times prevailed on the other metal markets were not noticeable here. The reason for this exception is, of course, the fact that speculative holdings of tin are negligible and that buying requirements of consumers even for their immediate consumption are substantial. In addition, the market expects a new decline in tin stocks at the end of this month. The September Bulletin of the International Tin Research and Development Council reports a decline in the world's tin output during July from 17,100 to 15,900 tons. Consumption declined simultaneously, according to the same source, only from 14,990 to 14,700 tons. In spite of the particularly favourable statistical position, however, the tin market can maintain its present strength only if the general industrial and political outlook improves and thus keeps consumption at its recent record level.

Sales of tin on the London Metal Exchange: 405 tons on Monday, against 400 tons last week; 410 tons on Tuesday, against 200 tons last week; 205 tons on Wednesday, against 355 tons last week. The New York quotation on Wednesday was 59·62½ cents per lb., against 59·87½ cents a week ago and 59·12½ cents a month ago. Wednesday's official closing quotation in London for standard cash was £260 15s. to £261 per ton, compared with £264 7s. 6d. to £264 12s. 6d. a week ago. Stocks of tin in London and Liverpool at the end of last week totalled 2,966 tons, an increase of 85 tons on the week.

OTHER NON-FERROUS METALS.—Among other non-ferrous metals, aluminium ingots and bars for home delivery were again quoted on Wednesday at £100 per ton, and rolling billets at £102 per ton. Nickel, for home and export, was maintained at £180 to £185 per ton. Quicksilver, on the spot, was steady at £13 12s. to £13 12s. 6d. per flask of 76 lbs., the same as last week. Chinese antimony was quoted at £82 to £83 per ton, ex warehouse, as against £80 to £82 last week. Chinese wolfram for "September–October" shipment was quoted at 120s. to 125s. per unit, c.i.f., compared with 122s. 6d. to 127s. 6d. last week. Refined platinum was quoted on Wednesday at £10 5s. per ounce, compared with £10 5s. a week earlier.

TEXTILES

COTTON.—Manchester.—Spinners and manufacturers in the Lancashire cotton industry remain very busy completing existing contracts. Here and there, of course, order books are lighter, but practically the bulk of producers have sufficient work on hand to last them many weeks. Demand for yarn and cloth has been fairly extensive, but business has not been on so large a scale as recently, owing to the lack of confidence in raw cotton prices. A disconcerting feature has also been the political situation abroad. In the circumstances, buyers have been disposed to act with caution, and it is considered probable that this policy will be followed out until there are definite indications of raw material rates moving on to a higher basis.

The raw cotton markets have been lifeless. Any slight advance in American futures prices in Liverpool has brought out more hedge selling, and these small see-saw movements are likely to prevail for some time. With regard to crop control for next season, it is expected that the yield will be kept down to around 12½ million bales, against 16 millions this season. This news, when released, had practically no effect upon prices.

There has been more inquiry for cloth and a slight improvement in turnover. India has bought fair lines, while useful sales have taken place for the Straits Settlements, South America, the Crown Colonies and Dominions. Home trade purchases have comprised a wide range of cloths.

Spinners have been very firm in quotation. Quite a number of orders have been placed in American yarns for delivery to follow on current contracts. A moderate business has been done in Egyptian numbers.

INDUSTRIAL RELATIONS.—Labour questions are likely to play an important part in developments in the Lancashire cotton industry during the next few months. The steady improvement in trade, with definite evidence that the spinning mills and weaving firms are making much larger profits than at any time during the past ten years, has encouraged the leaders of the trade unions to agitate for reforms. They are pressing for holidays with pay for the 400,000 workers throughout the whole textile industry and in addition, they will now table a demand for a minimum weekly wage of 35s., which will affect anything between 25,000 and 50,000 weaving operatives. This last move was adopted in place of applying for an all-round advance to cover the increased cost of living since twelve months ago. The employers will oppose both applications. The industry is also concerned with dealing with redundancy in the manufacturing and printing and dyeing sections. Further plans will probably be formulated at an early date. On the broad issue of trade affairs, representations are to be made to the Government on the recent surrender of the Ceylon textile quota system to the benefit of Japan. But more important than this will be the terms of the new Anglo-Indian trade pact, which is now being negotiated.

COTTON PRICES

	1937 Sept. 1	Sept. 8	Sept. 15	Sept. 22	Corresponding Date 1935	1936
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American ..... per lb.	5·44	5·58	5·34	5 24	6·36	6·83
,, Sakellaridis Fully Good Fair Egyptian..... per lb.	8·90	9·05	8 69	8 56	8 39	10·15
Yarns—32's twist ..... per lb.	12⅜	12½	12½	12½	10	10⅝
,, 40's weft ..... per lb	11½	11⅝	11½	11½	10½	10⅝
,, 60's twist (Egyptian) ..... per lb.	18	18	17½	17½	16	16½
	s. d	s. d.	s. d.	s. d	s. d.	s. d.
32-in. Printers, 116 yds, 16 by 16, 32's and 50's	19 4	19 4	19 3	19 3	17 1½	18 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	26 0	26 2	26 0	26 0	24 1½	25 3
38-in. ditto. 38 yds., 18 by 16, 10 lb.	11 0½	11 1	11 0	11 0	10 2½	10 2
39-in. ditto. 37½ yds., 16 by 15, 8¼ lb.....	10 0½	10 1	10 0	10 0	9 1½	9 1

JUTE.—Dundee.—The jute industry is passing through an anxious time. What with heavy imports of jute cloth and bags into this country from India and prices for raw jute maintaining a level at which it is impossible to make ends meet when it comes to selling yarns and cloth, spinners and manufacturers are having to curtail their production. The volume of business passing is very small, even at low and uneconomical prices. Imports of jute cloth from India for the eight months ending August this year were 121,061,000 square yards, compared with 94,616,000 square yards during the same time last year and 41,616,000 square yards in 1935. These Calcutta goods are being sold at prices with which it is impossible for Dundee manufacturers to compete, and further representations are being made to the Board of Trade to press for a quota system based on the imports for the year 1928, when these were only 28,000,000 square yards. A meeting held in London between representatives of the Dundee jute industry with representatives from the Indian jute trade resulted in the latter refusing to consider giving any concessions to the home industry, but there is still an opportunity to save the jute trade of Dundee, which will be very materially affected if these cheap goods are allowed to continue to enter the U.K. free of import duty or without restriction of some kind, when the Government comes to discuss the terms of an Agreement with India to take the place of the Ottawa Agreement which expired about a year ago.

Though imports of jute into Calcutta have increased considerably, there is evidently a sufficient demand, principally from the Indian mills, to absorb them. Prices are being very well maintained, with slight fluctuations taking place from day to day. The full group of Daisee–2/3 is firm meantime at £19 17s. 6d., after being recently down to £19 12s. 6d. Daisee–4 is quoted at £18 10s., while Tossa–2 3 is named at £20 17s. 6d. and fours at £19 17s. 6d., October–November. Good First Marks have been sold at £22 12s. 6d. and £22 10s., while Lightnings are offered at from £21 10s. to £22, and Hearts at £20 15s., September–October.

A little more interest has been taken in jute yarns, and prices are the turn firmer because of restriction of supplies. One large mill is closed all this week. Common 8 lb. cops have been sold at 2s. 0 d. and 2s. 1d. and 8 lb. spools at 1d. more. Twist is steady at from 3½d. to 4d. for 3-ply 8 lb., and sacking yarns rule at 2½d. for 24 lb. weft and 3 ⅛ d. to 3 ⅜ d. for 8 lb. chains. Rove is very firm at £21 for 48 lb. and £17 10s. is now lowest for 200 lb. and the Rio yarns are steady at 2s. 8½d. for second quality 8 lb. warp, 2s. 5½d. for third and 2s. 3½d. for fourth. Carpet yarns are in some demand at from 3 ⅛ d. for 14 lb. warp.

The cloth market is very quiet, and prices are not being seriously tested. Manufacturers, however, are refusing to accept less than 2⅛d. for 10 oz. 40 in. and 2½d. for 8 oz. Linoleum hessians are slow and deliveries have been stopped by some firms in America. Heavy goods remain quiet, but steady. The War Office has circulated the jute manufacturers with a view to elucidating how many sand bags they could supply in a stipulated period.

GRAIN MARKETS

WHEAT.—Despite reports of substantial rainfall in Argentina and Australia, prices are higher on the week. Demand has broadened out, while freight rates continue very firm. Meanwhile, the area sown to wheat in Argentina is officially estimated at 17,500,000 acres, against 17,495,000 actually sown last year and 14,200,000 in 1935. The average area sown in the period 1930–34 was 19,059,000 acres.

On Wednesday last, "September" futures were quoted in Chicago at 105⅜ cents per bushel, against 102 cents the week before and 105¼ cents a month ago. Quotations in London, Wednesday: No. 1 Northern Manitoba (Atlantic), ex ship, 54s. 9d. per 496 lbs., against 52s. 6d. to 54s. 3d. last week; No. 2 Northern Manitoba (Atlantic), ex ship, 53s. 3d., against 51s. to 52s. 6d. last week. According to the *Corn Trade News*, total shipments of wheat and flour last week amounted to 899,000 quarters, against 934,000 quarters in the previous week and 1,553,000 quarters in the corresponding week a year ago.

FLOUR.—The quota payments were re-imposed as from Monday of this week, the rate being 6d. per sack. The market has had a rather firmer tone this week. Wednesday's London quotations (excluding quota payments) were: Straight run, delivered Home Counties, 40s. 6d. per 280 lbs., as against 40s. a week ago; delivered inner London, 40s., as against 39s. 6d. a week ago. Manitoba patents, ex store, 39s. to 40s. 6d., as against 38s. to 39s. 6d. a week ago. Australian, ex store, 32s. to 32s. 6d., as against 32s. to 32s. 6d. a week ago.

BARLEY.—Barley has been a steady market. "October" futures were quoted at 62⅜ cents per bushel in Winnipeg on Wednesday, as against

59½ cents last week. Quotations per 448 lbs. in London on Wednesday were: "English feed," at farm, not quoted; "English malting" (new), at farm, 45s. to 65s., as against 45s. to 65s. a week ago; Californian, ex ship, 45s. to 58s., as against 45s. to 58s. a week ago. Chilean, brewing, ex ship, 44s. to 48s., as against 44s. to 48s. a week ago.

OATS.—On Wednesday, "September" futures were quoted at 32½ cents a bushel in Chicago, against 31 cents a week ago and 28⅛ cents last month. Quotations in London, Wednesday: "English Black" (new), at farm, 26s. to 27s. per 336 lbs., as against 25s. 6d. to 26s. 6d. last week; "English White" (new), at farm, 26s. to 27s., as against 25s. 6d. to 26s. 6d. a week ago; mixed Canadian feed (Vancouver), landed, 26s. 3d. per 320 lbs., as against 25s. 9d. a week ago.

MAIZE.—Demand remains active and the market has had a firm tone. "September" futures were quoted on Wednesday at 112½ cents per bushel in Chicago, against 105⅜ cents a week ago, and 98½ cents last month. Quotations in London, Wednesday: "Plate," landed, 29s. 6d. per 480 lbs., as against 29s. 6d. a week ago; "Plate," ex ship, 28s. 6d., as against 28s. 9d. a week ago; "Plate," "September," 28s. 6d., as against 28s. 9d. a week ago; yellow maize meal, ex wharf, was quoted at £7 10s. per ton, as against £7 10s. to £7 12s. 6d. last week.

AMERICAN WHEAT MARKETS.—The following table shows wheat quotations for selected weeks in 1935–1937:—

Nearest Future	Jan. 2, 1935	Dec. 31, 1935	Sept. 23, 1936	Dec. 30, 1936	Sept. 15, 1937	Sept. 22, 1937
Winnipeg (No. 1, Manitoba) —Cents per 60 lbs.	82⅛	84⅛	109½	129	125½	127⅛
Chicago (No. 2, Winter)— Cents per 60 lbs	98⅛	101⅛	116⅜	135⅛	102	105⅜

The visible supply of wheat in Canada amounts to 67,452,000 bushels, against 57,144,000 bushels last week and 80,131,000 bushels in the corresponding week last year.

SALES AND PRICES OF BRITISH CEREALS.—The following table gives the estimated sale of home-grown wheat during the harvest years 1934–35 to 1937–38.

	1934–35	1935–36	1936–37	1937–38
Estimated sales of home-grown wheat—	Cwts.	Cwts.	Cwts.	Cwts.
1 week to September 18	532,140	589,614	238,903	315,965
3 weeks to September 18.....	1,365,101	1,445,601	748,968	1,031,324
Average price of English wheat per cwt.	s. d. 5 1	s. d. 5 0	s. d. 7 4	s. d. 8 7

The following is a statement showing the quantities sold and the average price of British cereals in the past two weeks, and for the corresponding weeks in each of the years from 1933 to 1936:—

Week ended	Quantities Sold			Average Price per cwt.		
	Wheat	Barley	Oats	Wheat	Barley	Oats
	Cwts.	Cwts.	Cwts	s. d.	s. d.	s. d.
August 21, 1937	102,339	6,008	23,052	9 2	12 2	8 8
August 28, 1937	156,388	13,378	31,186	8 10	12 7	8 8
September 4 1937 ...	311,893	33,498	43,620	8 7	12 10	8 6
September 11, 1937...	403,466	135,942	48,942	8 6	12 2	8 5
September 11, 1937 ...	403,466	135,942	48,942	8 6	12 2	8 5
September 18, 1937...	315,965	533,905	49,650	8 7	12 0	8 5

OTHER FOODS

BACON.—The market remained generally firm on a sustained demand. The official quotations (per cwt. for No. 1 Sizable) which formed the basis for dealings on the London Provision Exchange this week were: English, 105s.; Canadian, 100s.; Danish, 106s.; against 101s., 96s. and 102s. last week. Arrivals in London last week included: Danish, 13,234 bales; Canadian, 4,716; Dutch, 2,342; Lithuanian, 2,132; and Polish, 3,261; as against 14,352, 4,657, 2,842, 2,194, and 3,378 bales, respectively, in the previous week.

BUTTER.—The market had a very firm tone and prices were marked up. Quotations (per cwt.) on the London Provision Exchange on Wednesday were: New Zealand, finest salted, 119s. to 120s.; Australian, choicest salted, 119s.; Danish, 136s. to 138s.; compared with 117s., 117s., and 135s., respectively, a week ago.

CHEESE.—Cheese was in generally steady demand, with prices occasionally higher. Quotations (per cwt.) on the London Provision Exchange on Wednesday were as follows: English Cheddars, finest farmers, 90s. to 92s.; Canadian, finest coloured, 70s.; and New Zealand, finest coloured, 68s. 6d. to 69s.; against 88s. to 90s., 70s., and 68s. 6d., respectively, a week ago.

COCOA.—Prices suffered a sharp decline in mid-week. The spot quotation in New York on Wednesday was 7⅛ cents per lb., as against 8¼ cents per lb. last week. In London, on Wednesday last, good fermented new crop, Accra, "November–January," was quoted at 35s. 6d. sellers per 50 kilos., c.i.f. Continent, against 36s. 3d. a week ago. Last week's movements of cocoa in London were as follows: Landed, 2,086 bags; delivered for home consumption, 3,482 bags; exported, 641 bags; stocks, 232,035 bags, against 159,679 bags a year ago.

COFFEE.—The London spot market was quiet, while the New York quotations were unchanged. On Wednesday, Rio No. 7 (cash) was quoted at 9 cents per lb., in New York, as compared with 9 cents per lb. last week and 9 cents per lb. a month ago. Movements of coffee in London last week were as follows: Brazilian, landed, 1 cwt.; delivered, for home consumption, 41 cwt.; exports, 67 cwt.; stocks, 1,742 cwt., against 10,031 a year ago. Central and other South American: Landed, 229 cwt.; delivered, for home consumption, 1,995 cwt.; exported, 215 cwt.; stocks, 90,178 cwt., against 81,353 cwt. last year. Other kinds: Landed, 379 cwt.; delivered, for home consumption, 2,770 cwt.; exported, 201 cwt.; stocks, 86,173 cwt., against 120,151 last year.

EGGS.—The seasonal rise in the price of eggs continues, the markets having had a firm tone. At Smithfield, on Wednesday, English (ordinary packing, Grade I, about 15–15½ lb.) realised 18s. 6d. to 19s. per 120, against 18s. to 18s. 6d. last week; while Danish (15½ lb.) made 14s. 3d. to 14s. 9d., as against 13s. 6d. to 14s. last week.

FRUIT.—With supplies rather below normal for the time of year prices at Covent Garden have been firmer, states *The Fruitgrower*. Business has been steady. English apples enjoy an improving demand, and pears are in steady request. American barrel pears, on the other hand, are slightly easier. Hothouse grapes are inclined lower on heavy arrivals. English peaches are short and rather dear, but fair quantities of Italian peaches are still arriving. English melons are cheaper and green figs a point easier. Cobnuts are steady in price and walnuts and chestnuts are now selling well. Blackberries, however, are not so plentiful. Oranges are in heavier supply and have consequently declined in price, but lemons are firm. Grapefruit are plentiful and lower in price.

MEAT.—At Smithfield Market, on Wednesday last, Argentine chilled hindquarters were quoted at 4s. 4d. to 4s. 8d. per 8 lbs., as compared with 4s. 2d. to 4s. 6d. a week ago. New Zealand frozen mutton was 3s. 4d. to 4s. 2d. per 8 lbs., against 3s. 4d. to 4s. 2d. a week ago. According to the Smithfield Market official report, supplies during last week amounted to 9,208 tons, a decrease of 442 tons on the corresponding week last year. Beef and veal accounted for 4,850 tons, mutton and lamb 2,488, and pork and bacon 1,051, as compared with 4,930, 2,882, and 1,111 tons, respectively, in the same week of 1936.

PEPPER.—On Wednesday, white Muntok, "October–December," was quoted at 4½d. per lb. sellers, c.i.f. Rotterdam–Hamburg, against 4 ⅛ d. per lb. a week earlier. Black Lampong, spot, in bond, was quoted at 3½d. per lb., sellers, compared with 3½d. per lb. last week. Movements of pepper in London last week were as follows: Black, landed, nil; delivered, 10 tons; stocks, 1,959, against 1,782 last year. White, landed, 22 tons; delivered, 27 tons; stocks, 11,363 tons, compared with 12,041 a year ago.

RICE.—The spot price of Burma No. 2 cleaned was 10s. 9d. per cwt. ex warehouse, on Wednesday, as compared with 10s. 9d. per cwt. a week ago. "September-October," in singles to Continent and U.K., was quoted at 10s. per cwt., against 9s. 10½d. to 10s. last week. Movements in London last week were as follows: Landed, 2 tons; delivered, 116 tons; stocks, 2,009 tons, against 1,867 a year ago.

SUGAR.—Although the London spot market in raw sugar was steady to firm, New York showed a weaker tendency. The New York spot quotation was 3·42 cents on Wednesday, as compared with 3·45 cents per lb. last week and 3·60 cents per lb. a month ago. Wednesday's sales of raw sugar in London included "December" delivery at 6s. 6½d. to 6s. 7d., against 6s. 6d. a week ago. Movements of raw sugar in public warehouses in London and Liverpool last week were as follows: Imports, 37,003 tons, against 3,748 in the previous week and 17,712 in the same week of 1936; deliveries, 18,557 tons, against 17,571 and 19,446 tons, respectively; stocks, 120,911 tons, against 102,465 and 105,183 tons, respectively.

TEA.—The following table shows the average price (compiled by the Tea Brokers' Association) of tea sold in Mincing Lane on Garden Account in recent weeks:—

Week ended	Northern India	Southern India	Ceylon	Java	Sumatra	Africa	Total
	d.	d.	d.	d.	d.	d.	d.
Sept. 17, 1936.....	14·29	12·13	13·32	11·03	9·96	11·53	13·56
Aug. 26, 1937	17·94	14·96	15·86	13·75	12·84	14·56	16·61
Sept. 2, ,, ...	16·97	14·88	16·03	15·12	13·09	14·32	16·32
,, 9, ,, ...	17·63	14·98	16·30	15·72	13·10	14·23	16·67
,, 16, ,, ...	17·36	15·14	16·47	15·83	13·12	14·59	16·77

At this week's public auctions in Mincing Lane, 58,592 packages of Indian and 20,735 packages of Ceylon tea came up for disposal. The market in Indian grades was firm on an active demand. At Tuesday's Ceylon sale plain teas were fully firm and medium kinds were usually ¼d. per lb. dearer. Competition was strong generally.

VEGETABLES.—Heavy rains have restricted supplies, with the result that quotations are generally higher, states *The Fruitgrower*. Thus, tomatoes are dearer; but demand for cucumbers is not so good, with the cooler weather, and prices are consequently barely steady. Cabbage, cauliflower, sprouts and marrows are in demand and are making good prices. Best runner beans are fetching up to 8s. per bag. Celery is more prominent, and a fair showing of green peas is still arriving. Meanwhile, the potato trade at the various London markets shows little alteration, though a firmer price tendency is expected shortly. At the Borough market on Tuesday, best siltland King Edward realised from 5s. 6d. to 6s. 6d. per cwt., and other varieties from 4s. to 5s., the same as last week.

MISCELLANEOUS COMMODITIES

VEGETABLE OILS AND OILSEEDS.—Among oilseeds, linseed has a slightly easier tone, consequent on the improved outlook for the new crop in Argentina. Good rains are reported from many districts; these nourish the seed already in the ground, and assist sowing in the late districts. Should all go well in the next few weeks a substantial harvest, though perhaps not a "bumper" one, is expected. Meanwhile, shipments of old crop continue at a fair level, last week's total including 12,000 tons for the United States. The balance of the exportable surplus has now been reduced to around 200,000 tons. The latest official estimate of the new crop in the United States is for 190,000 tons or 10,000 tons less than forecast a month before. Canada is estimated to have only 19,000 tons. Together, these make 209,000 tons for North America, compared with 193,000 tons a year ago. America is considered likely to make further calls on outside sources to supplement the domestic yield and to make good the decline in wood and other oils from China. Demand in the past few days has been more active, both English and Continental crushers participating.

While the trade in oilcakes is improving, linseed oil is in only moderate demand, and with supplies on the short side, crushers have been more reserved. With regard to cottonseed, new crop Egyptian is steady without much activity, and business is reported at £6 10s. per ton, January–March loading, for Hull. Some old crop on spot is offered at a discount, while new for September shipment has been done down to £6 5s. There is no improvement in the demand for refined cotton oil which has declined still further to £23 10s. per ton, naked, ex Hull. Prospects of large supplies of cottonseed in the United States are a depressing factor.

RUBBER.—In sympathy with the stock markets, and in response to the unsettled international political outlook, the market in rubber again had an easy tone. The net loss on the week was, however, small. A meeting of the International Rubber Regulation Committee is to take place on Tuesday next, but no important decisions are expected. The spot price in New York on Wednesday was 18⅛ cents per lb., compared with 18⅛ cents per lb. a week ago and 18¼ cents a month ago. Wednesday's official buyers' price for standard ribbed smoked sheet on the spot in London was 8¼d. per lb., as against 8 ⅛ d on the corresponding day last week. In forward positions business has been done at 9d. for "November" shipment, as against 9 ⅛ d. to 9¼d. a week ago. Stocks in London and Liverpool at the end of last week totalled 48,761 tons, against 47,907 tons a week earlier. A year ago stocks amounted to 104,327 tons.

WHOLESALE COMMODITY PRICES

UNITED KINGDOM: LONDON, September 22nd

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

CEREALS AND MEAT

	s.	d.	s.	d.
GRAIN, Etc.—				
Wheat—				
No. 2, N. Man. 496 lb.	53	3		
Eng. Gaz. av., per cwt.	8	7		
Barley, Eng. Gaz. av.	12	0		
Oats,	8	5		
Maize, La Plata," landed 480 lb.	29	6		
Flour, Lon. stan. ex mill, 280 lb.	38	9		
RiceNo.2 Burma,per cwt.	10	0		
MEAT—				
Beef, per 8 lbs.—				
English long sides	4	4	5	0
Argentine chilled hinds	4	4	4	8
Mutton, per 8 lbs.—				
English wethers	5	4	6	4
N.Z. frozen „	3	4	4	2
Lamb, per 8 lbs.—				
N Z. frozen	5	0	5	8
Pork, English, per 8 lbs.	6	6	7	2

OTHER FOODS

BACON—				
English ..... per cwt.	105	0		
Irish	105	0	107	0
Danish	106	0		
Dutch	106	0		
HAMS—				
Canadian	106	0	108	0
United States	104	0	107	0
BUTTER—				
Australian	119	0		
New Zealand	119	0	120	0
Danish	136	0	138	0
CHEESE—				
Canadian ..... per cwt.	70	0		
New Zealand	68	6	69	0
English Cheddars	90	0	92	0
Dutch	57	0	66	0
COCOA—				
(Duty, British grown, 11/8; foreign, 14/- cwt.)				
Accra, f.f.q. ..... per cwt.	34	0	nom.	
Trinidad	65	0	70	0
Grenada	55	0	58	0
COFFEE—				
(Duty, British grown, 4/8; foreign, 14/- cwt.)				
Santos supr. c. & f. cwt.	52	0		
Colombian, good	56	0	65	0
Costa Rica, med. to good	62	0	90	0
East Indian „ „ „	72	0	90	0
Kenya, medium	60	0	72	0
EGGS—				
English ..... per 120	18	6	19	0
Danish	14	3	14	9
FRUIT—Oranges—				
S African ..... boxes	12	0	17	0
Brazilian ..... boxes	12	0	15	0
Lemons, Malaga .. cases				
„ Sicilian .. boxes	12	0	20	0
Apples: Amer. (var.) brls.	22	0	30	0
„ (var.) boxes	8	0	12	0
„ Australian		...		
Onions—				
Valencia, case		...		
Egyptian, bags		...		
Grapes, Almeria, barrels	10	0	15	0
Grapefruit, Brazilian		..		
„ S. African	9	0	17	0
LARD—				
Irish, finest bladders	70	0	75	0
U.S. ..... per cwt.	69	0	70	0

POTATOES—	s.	d.	s.	d.
King Edward (per cwt.)	5	6	6	6
Other English	4	0	5	0
SPICES—				
Pepper, per lb.—				
Black Lampong	0	3½		
White Muntock	0	5½		
Cinnamon—1st sort, per lb.	0	9		
Cloves—Zanzibar, per lb.	0	9		
Ginger—per cwt.—				
African	59	0		
Jamaica, ord. to good	63	0	90	0
Mace ..... per lb.	2	3	2	9
Nutmegs, 65's	1	0		
SUGAR—				
(Duty, 11/8 per cwt.)				
Centrifugals, 96°, prpt. shipm.,c.i.f. U.K./Cont.	6	6		
B.W.I., crystallised	18	0	19	9
Java, white, c. & f. India Oct.-Dec.	Nominal.			
REFINED—London—				
Yellow Crystals	19	10½		
Cubes	24	1½	24	7½
Crushed	22	4½		
Granulated	20	3	21	1½
Home Grown	20	1½	20	4½
TEA—				
Indian—per lb.—				
Pekoe	1	2¾	1	6½
Broken Pekoe	1	2½	1	10
Orange Pekoe	1	2½	3	0½
Broken Orange Pekoe	1	2½	3	11½
Ceylon—per lb.—				
Pekoe	1	2½	1	10
Broken Pekoe	1	2½	1	4½
Orange Pekoe	1	2½	1	9½
Broken Orange	1	3	1	11½
TOBACCO—				
(Duty, 9/6–10/6½ per lb. Empire growth, 7/5½–8/3½ per lb.)				
Virginia leaf—				
Common to fine	0	8	2	6
Rhodesian leaf	0	9	1	10
Nyasaland leaf	0	7	1	4
„ strips	0	9	1	6
East Indian leaf	0	7	1	10
„ strips	0	6	1	9

TEXTILES

COTTON—	d.			
Mid-American ..... per lb.	5	24		
Sakellaridis, f.g.f.	8	56		
Yarns, 32's twist	12½			
„ 60's twist	17½			
FLAX—	£	s.	£	s.
Livonian ZK ..... per ton	80	0	82	0
Pernau HD	79	0	80	0
Slanetz Medium...1st sort	88	0	90	0
HEMP—				
Italian P.C. ..... per ton	66	0		
Manilla, Oct.-Dec. "J2"	33	0		
Sisal, African	24	0	27	0
JUTE—				
Native 1st mks ... per ton c.i.f. H.A.R.B.				
Sept. Oct.	£20/11/3			
Daisee 2/3 c.i.f. Dundee Oct. Nov.	£19/17/6			
SILK—	s.	d.	s.	d.
Canton .....per lb.	6	0	8	0
Tussah	3	6	4	6
Japan	7	9	8	9
Italian—raw, fr. Milan	8	6	10	0

WOOL—	d.
English Southdown, greasy, per lb.	18
„ Lincoln hog, washed	17½
Queensland, scd. super cmbg.	29
N.S.W. greasy, super cmbg.	17
N.Z., grsy., half-bred 50–56	17½
Crossbred 40–44	16
Tops—	
Merinos 70's average	35
„ 64's „	33
Crossbred 48's	25
„ 46's	24½

MINERALS

COAL—	s.	d.	s.	d.
Welsh, best Ad'ty ..ton	19	6	22	6
Durham, best gas, f.o.b. Tyne	22	6	23	0
Sheffield, best house, at pits	22	0	24	0
IRON AND STEEL—				
Pig, Cleveland No. 3, d/d. ton	101	0		
Bars, M'brough	285	0		
Steel rails, heavy	202	6		
Tin plates ..... per box	25	6	26	0
METALS—	£	s.	£	s.
Copper, Electrolytic, ton	57	10	58	10/0
Sheets (Strong)	83	10		
Standard	52	13	52	3 9
Lead, Eng. pig... per ton	22	10	0	
Soft foreign	20	15	0	20 16 3
Spelter G.O B.	20	13	9	20 16,3
Tin—English ingots	262	0	0	
Standard cash	260	15	0	261,0,0

MISCELLANEOUS

CHEMICALS—	s.	d.	s.	d.
Acid, citric, per lb., less 5%	1	0	1	0½
Nitric	0	2	0	3
Oxalic, net	0	5	0	6
TartaricEnglish, less 5%	1	1	1	1½
Alcohol, Plain Ethyl	12	0		
	£	s.	£	s.
Alum, lump ..... per ton	8	10	8	15
Ammonia, carb. ..... ton	20	0	21	0
Sulphate	7/5/0		7/6/6	
Arsenic, lu up ... per ton	35	0		
Bleaching powder, per ton	8	15	9	0
	s.	d.	s.	d.
Borax, gran. ... per cwt.	13	6		
Do., powder	15	0		
Nitrate of soda ... per cwt.	8	0		
Potash –Chlorate, net	0	4	0	4½
Sulphate ..... per cwt.	9	9	10	0
Soda Bicarb. ... per cwt.	10	0	11	0
Crystals ..... per cwt.	5	0	5	3
Sulphate of Copper, per ton	£22	0		
CEMENT, best Eng. Portland, d/d. site, London area, jute sacks, 11 to ton (charged and credited at 1/6d. each) or paper bags 20 to ton (free, non-returnable)—				
4-ton loads and upwards 39/– per ton				
1 and up to 4-ton loads 41/– per ton				
COPRA—	£	s.	d.	
S.D.Straits c.i.f., per ton	15	11	3	
DRUGS—				
Camphor—	s.	d.	s.	d.
Japan, refined... per lb.	2	4		
Ipecacuanha ..... per lb.	8	3		
HIDES—				
Wet salted—Australian per lb.	0	6½	0	7
West Indian	0	5	0	5½

	s.	d.	s.	d.
Cape	0	6½	0	7
Dry and Drysalted Cape	0	9½	0	10½
Market Hides, Manch'tr—				
Best heavy ox and heifer	0	7	0	8½
Best cow	0	6½	0	7½
Best calf	0	7	0	11½
INDIGO—				
Bengal, gd. red.-vio. to fine ..... per lb.	5	6	6	0
LEATHER—				
Sole Bends 8/14 lb.— per lb.	1	4	2	6
Bark Tanned Sole	2	6	3	8
Shoulders fm DS Hides	0	8	0	10
Do. Eng or WS do.	0	10	1	10
Bellies from DS do.	0	5½	0	6½
Do Eng or WS. do.	0	6½	0	9
Dressing Hides	1	6	2	0
Ro. Eng Calf, 20/30 lb.	5	0	6	0
Aust. Bends Avg. 7/11 lb.	1	4	1	7
VEGETABLE OILS—	£	s.	d.	
Linseed, naked, p. ton net	29	15	0	
Rape, refined	38	10		
Cotton-seed, crude	23	0		
Coconut, crude	22	5	0	
Palm	19	0	0	
Oil Cakes, Linseed, Eng., per ton	9	5	0	
Oil Seeds –Linseed – La Plata, p ton, Sept.	13	7	6	
Calcutta—per ton	15	7	6	
	s.	d.		
Turpentine, per cwt.	35	0		
PETROLEUM PRODUCTS—				
Motor Spirit, No. 1, London	1	6		
Petroleum, Amer. rfd. brl. London..per gall.	0	10½		
Fuel oil, in bulk, for contracts, ex instal. Thames—				
Furnace...per gall.	0	3½†		
Diesel.....per gall.	0	4½†		
ROSIN—				
American ..... per ton	19/15/0		21/15/0	
RUBBER—	s.	d.	s.	d.
St. ribbed smoked sheet per lb.	0	8¾		
Fine hard Para per lb.	0	9¼		
SHELLAC—				
TN Orange ... per cwt.	47	0	80	0
SHELLS—	£	s.	£	s.
W. Aust. M.-o.-P. „	3	10	12	10
TALLOW—	s.	d.		
London town...per cwt.	22	0		

TIMBER—	£	s.	d.
Swedish u/s 3 x 8 ... per std.	24	0	0
„ 2½ x 7 ... „	23	10	0
„ 2 x 4 ... „	21	0	0
Can'da Spruce, Dis.... „	24	10	0
Pitchpine ..... per load	11	0	0
Rio Deals ..... per std	35	0	0
Teak ..... per load	27	0	0
Honduras Mahg. logs ... c. ft.	0	12	0
African „ ... „	0	6	0
Amer. Oak Boards „ ... „	0	6	0
„ Ash „ ... „	0	6	0
English Oak Planks ... „	0	6	0
„ Ash „ ... „	0	7	0

† These prices are for fuel oil for inland consumption—other than for use in Diesel-engined road vehicles—and do not include the Government tax.

UNITED STATES

New York quotations unless otherwise stated

	Sept. 23, 1936	Aug. 25, 1937	Sept. 15, 1937	Sept. 22, 1937
	Cents	Cents	Cents	Cents
Wheat, No. 2, Winter, nearest future, Chicago, per bushel	116⅜	105¼	102	105⅝
Maize, nearest future, Chicago, per bushel	110¼	98⅛	105⅝	112½
Oats, nearest future, Chicago, per bushel	42⅜	28½	31	32½
Rye, nearest future, Chicago, per bushel	84⅜	79½	79½	82⅝
Barley, nearest future, Chicago, per bushel	85½	(a)	(a)	(a)
Coffee, Rio No. 7, cash, per lb.	7½	9	9	9
„ Santos No. 4, cash per lb.	9½	11½	11½	11⅜
Cocoa, Accra, nearest future, per lb.	7·00	8·10	8·15	7·16
Sugar, Cuban Centrifugals, 96 deg., spot, per lb.	3·40	3·60	3·45	3·42
Cotton, middling, spot, per lb.	12·25	9·78	9·21	8·89
Rubber, smoked sheet, spot, per lb.	16½	18½	18⅛	18⅛
Petroleum, Mid-continent crude 33 deg., to 33·90, at well, per barrel	104	116	116	116
Copper, "Electrolytic," Domestic, spot, per lb.	9·65	13·77½	13·42½	12·77½
Copper, "Electrolytic," Export prompt, per lb.	9·87½	14·00	13·65	13·00
Spelter, East St. Louis, spot, per lb.	4·85	7·25	7·25	7·25
Lead, spot, per lb.	4·60	6·50	6·50	6·50
Tin, "Straits," spot, per lb.	44·95	59·12½	59·87½	59·62½

(a) Nominal.

THE ECONOMIST
INSURANCE SUPPLEMENT

SATURDAY, JULY 17, 1937

Found Thieves in Her House at 2 a.m.

SCOTLAND YARD were investigating to-day a burglary at the home of [redacted] Hanover-gate, Regent's Park.

Mrs. [redacted] who is a relative of Viscount [redacted] returned home at about 2 a.m. on Saturday and found the burglars in a dressing-room next to her bedroom.

She screamed. The thieves escaped through a window.

To get in the house they had climbed a drainpipe and forced a window.

A quantity of jewellery was stolen.

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IN reviewing the C.I.S. Report and Accounts for 1936, the Editor of the *Insurance Mail* (24-3-37) said :—

"The Co-operative has had another wonderful year . . . the Industrial Branch increase in premium income is £465,515—a record for the Society . . . In 1936 the total was £4,197,869 . . . in the last 12 years the Industrial branch premium income has been multiplied by more than four times. As far as we know there is no similar office in the world with a comparable record. It is a marvellous record . . . The other branches of the Society's business have been uniformly successful. But everything the Society touches is successful. The Co-operative is indeed a wonderful office."

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INSURANCE IN 1936

A Review of Progress and Prospects

Vol. CXXVIII SATURDAY, JULY 17, 1937 No. 4899

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I.—INSURANCE AND THE PUBLIC

Insurance and National Wealth

CURRENT impressions concerning the proportion of Britain's national wealth represented by insurance companies are simply that the proportion is large. Beyond that, little has been done to give statistical precision to a subject whose interest extends far beyond insurance itself. That the chances of obtaining significant results are small is in no way due to the insurance companies, whose statutory accounts, collected and summarised in the Board of Trade's annual returns, provide a convenient and precise set of figures. The difficulty is rather to discover a really satisfactory measure of the national wealth. Valuable work has been done by private individuals, on their own initiative and at their personal expense, to find some basis for such a figure; but the task is big enough, and important enough, to justify its remission of an official agency with the financial resources and personnel necessary for keeping the figures, once ascertained, up to date.

In the absence of such arrangements, calculations of national wealth, income, savings and investment are subject to a wide margin of error. Nevertheless, the existing material is sufficient to dispel some of the clouds which now surround the subject and to impose, at least, a limit on possible flights of the imagination.

In 1931 Sir Josiah Stamp assessed the national capital, after deducting debt charges, at £18,405 millions. This estimate was subject to a margin of error of ± £1,350 millions. Total assurance funds for all classes of business in the same year amounted to £1,397 millions. This is an aggregate of balance sheet totals. It represents 7.59 per cent. of Sir Josiah's middle figure for the national capital. The corresponding balance sheet total for 1935, the latest year for which Board of Trade returns are available, is £1,655 millions. Since the latest available report of the Industrial Assurance Commissioner relates to the year 1934, industrial assurance funds have been estimated on the assumption that the rate of growth between 1932 and 1934 has been maintained. Though these figures are in no way spectacular in themselves, their implications are undoubtedly impressive. Some 220 companies and societies contribute to the total, but many have only a small individual share in it. A mere handful of companies account for a large proportion, and the Prudential alone is responsible for roughly one-fifth of the whole.

Our estimate that about 7 per cent. of the national wealth is represented by insurance companies is largely corroborated by the results of an alternative approach to the problem. Messrs Daniels and Campion, working on the figures of deceased estates, put the total *personal* capital owned by persons over 25 years of age in England and Wales in 1924-30 at £13,680-£15,150 millions. Average *life* assurance funds in the same period amounted to £980 millions, or 6.80 per cent. of the mean figure. The correspondence between the two results, arrived at by widely divergent methods, is close.

When we turn from capital to income, we are fortunate enough to have estimates of the national income up to and including 1937. For 1935 Mr Colin Clark put the *net* total (i.e. excluding maintenance and depreciation) at £4,530 millions. The total insurance premiums and annuities received by the companies in that year are

shown by the various official returns to have been £290 millions, or 6.41 per cent. of the national income. A cross-section of these figures can be obtained from the Estate Duty returns in the latest report of the Commissioners of Inland Revenue. These give the total gross capital value of deceased estates as £611,116,756, of which insurance policies account for £22,377,871, or 3.66 per cent.

To calculate the total value of investments is no less difficult than to calculate national income or capital. We know, however, the par value of the 5,522 marketable securities which were quoted in the Official List of the London Stock Exchange on March 24, 1937—namely, £17,846,746,382. If we exclude certain groups, such as American Railways, which are not widely held in this country, this figure is reduced to about £16,234 millions. The total of Stock Exchange investments by insurance companies (excluding mortgages and loans) is £1,122 millions. This figure is taken from the latest Board of Trade returns, which relate to accounts deposited during the year 1936. The two figures are not precisely comparable for we have no returns of the *market value* of all the securities dealt in on the Stock Exchange, or even on the par value of securities in the Supplementary (as distinct from the Official) List. Taking the figures as they stand, however, the ratio is 6.87 per cent.; and in view of recent controversies, it is certainly significant to know that something like 7 per cent. of the total investment in this country may have been contributed by purchasers of insurance policies without any meticulous calculations of interest rates—representing some £1,000 millions of accumulated automatic saving.

The following table shows comparative changes in (a) national income and premiums, and (b) total investment and investment by insurance companies in the years 1930-36.

Year	Net National Income (Clark) (1) (£ Millions)	Total Insurance Premiums (Board of Trade) (2) (£ Millions)	% (3)	Total Securities in Stock Exchange Official List (4) (£ Millions)	Stock Exchange Investments by Insurance Companies (5) (£ Millions)	% (6)
1930.....	4,318	271·5	6·29	...	873	...
1931.....	3,889	267·8	6·89	18,458	911	...
1932.....	3,844	275·9	7·18	18,371	938	...
1933.....	3,962	276·1	6·97	18,476	1,009	...
1934.....	4,238	285·8	6·60	17,584	1,070	6·08
1935.....	4,530	290·2	6·41	17,603	1,122	6·37
1936.....	...	...	...	17,524	...	...
1937.....	...	...	...	17,846	...	...

N.B.—Owing to the fact that the total figures in column (4) include more items before 1934 than in the later years, no precise comparison is possible and pre-1934 percentages are therefore omitted from column (6).

The figures suggest that no important changes have recently occurred in the rôle played by insurance companies in national recovery; but the significance of that rôle is beyond question.

In 1935, the population of the United Kingdom was 46,885,000 and the number of life assurances and annuities in force was 95,769,892. Thus there were two policies to every person. One shilling in every sixteen of the national income was paid out in premiums. Between seven and eight per cent. of the national capital—say £1,500 millions—was administered by the insurance companies. Insurance policies account for over 3½ per cent. of the gross capital value of estates of all sizes. For estates of £15,000 and under they cover 5.71 per cent. For estates of £1,000 and under they amount to £5,113,785—or 10.94 per cent. of a total of £46,750,632. They thus form the fourth largest single item, the three first being House Property and Business Premises £13,817,130, Cash £10,186,784, and British Government Securities £5,307,657. In small estates not exceeding £300 gross value which are included in the Estate Duty Returns, insurance policies account for £1,474,846, or 20.21 per cent. of the total of £7,296,907. And it is probable that in estates of under £100, for which there are no returns, they would bulk very large indeed, for a considerable proportion of the savings of the working classes take this form. Some impressive figures of this proportion are given in Mr Colin Clark's "National Income and Outlay." Of a total of £172.4 millions saved by working- and middle-class persons in 1934 through repayments of principal to building societies, life insurance, savings banks, provident societies and Savings Certificates, net savings through life insurance accounted for £54.6 millions, or 31.67 per cent. Net savings through life insurance are defined as the amount by which the income of life assurance and industrial assurance companies exceeded their outgoings during the year, transfers to and from reserve not being included.

A notable pioneering contribution to the study of insurance company figures has been made in Messrs Schwartz and Paish's "Insurance Funds and their Investment." The figures given in the present article are designed to supplement this work and to present some idea of the relative importance of insurance in our modern economy. It is desirable that the layman should know more of the work of the insurance companies; and, perhaps, that the companies should have wider opportunities of seeing their contribution to national well-being in due perspective.

Retailing Life Assurance

THE last few years have seen a rapid increase in the number of ways of insuring his life offered to the citizen. There was a time when his only choice, roughly speaking, was between obtaining a lump sum at death or at some particular age. The decision once made as to which of these to adopt, he had then only to search out the assurance office that gave him the best terms. But now, with the introduction and growing popularity of various schemes, which embody in one form or another the principle of an annuity, the position has become far more complicated.

Few of us would trust our own unaided judgment as to the precise value of annuities of different terms, purchased with different premiums, and associated with different alternative lump sums.

The answer to the question: What sort of cover? has thus become a matter on which the layman most decidedly needs specialist advice. The problem of finding the best means of obtaining this advice faces an increasing number of people. In one form or another, it concerns every person who takes out a policy for himself in his declining years, for his dependants or for his successors. And the figures which we give elsewhere in this Supplement show that the aggregate net sums assured under policies with the British life offices who make returns to the Board of Trade has nearly doubled in the last ten years. In 1926, the total was £129 millions. In 1935, it was £224 millions, and the figures which we have assembled for a large number of offices for 1937 suggest that the increase during that year alone was of the order of 18 per cent. If true salesmanship is designed, not merely to induce the buyer to buy, but to teach him to buy what is best adapted for his special purpose, the need for its application to the retailing of insurance is increasing with every year that passes.

Thus simultaneously life assurance has become more complicated and more important. For many people it is now the largest and most complicated financial decision they ever take in their lives. Naturally, therefore, they need highly expert advice in taking that decision; and it is being increasingly realised that the existing machinery of the life assurance market does not necessarily and invariably provide them with advice that is either sufficiently impartial or sufficiently informed.

Once one has decided to insure one's life one has to set about discovering the appropriate scheme and office. Some people walk straight into some insurance office with which they are acquainted and take the best they can get there, which, unless they are lucky, is not necessarily the best. But the great majority go to an agent or to an insurance broker, and it is upon the efficiency of this middleman that their fate depends. One has therefore to examine his possible qualifications closely.

Now, in this country anyone under the sun may become an agent. It is a matter simply of asking a permission which is rarely refused. You need neither have any knowledge of the subject nor show any signs of aptitude. Since your payment is a percentage commission on any sum assured through your activity, merely becoming an agent puts no one to any expense. But if you bully your friends to insure themselves through you, or if they come to you because they like your style at tennis, and so on, they may be poorly served. You are quite likely to be unable to judge their exact wants, and, at the same time (since life offices are legion and you are probably not an agent for more than one), even if you could tell exactly what they needed, you might not be able to tell where they could best get it. Many offices, furthermore, permit a curious system of commission (which is well known, but might as well be recorded here for the sake of future generations), by which anyone who takes out a policy direct and asks at the same time to become an agent is allowed a commission on his own policy. And if the office is in need of new business, a little pressure may easily get him an unusually large commission. Four out of five who do this must imagine that they are doing well out of it, though of course they actually pay for the delusive concession in the terms of their policy. Nor perhaps in some cases would they be unwise to suspect a little the reasons for such anxiety to secure them as clients.

The simplest facts about the agency system thus speak for themselves. The reasons for doubting the efficiency of insurance brokers in all matters of life assurance are less obvious. It can at once be said of them (and of many hard-working whole-time agents) that they devote their whole working days and working intelligence to their job. There is certainly less likelihood that they will be ignorant, and also they have the advantage that, in effect, they are the agents of the general body of offices, and not of one or a very few like the ordinary agent. The trouble is that, with the best will in the world, they may be subject to forces which put a considerable strain on their impartiality. They are almost exclusively paid by commissions from the insurance offices, and only very exceptionally by fees from their clients. Unless, therefore, they are entirely immune from temptation, it is important that no differences in the commissions offered them should deflect their judgment. But such differences as between one plan of assurance and another exist and are in some cases large. Unfortunately the merely technical difficulty of devising a proper schedule of commissions for a wide variety of prices is not the whole explanation. Different offices may offer different commissions for the same policy, with the definite objective of securing as large a number of customers as possible. It is thus not impossible to conceive of a situation in which office A may be offering the broker more than office B to sell an inferior article. Since brokers must needs earn their living, and may therefore be occasionally influenced a little more than they would freely admit by economic motives, the intending policyholder, even when he has been wise enough to go to a broker, is not certain of getting the very best advice.

Naturally these arguments must not be carried too far. There are many agents of proved aptitude and experience. The majority of brokers carry out their duties with a highly commendable sense of responsibility for their clients' best interests. But the machinery for retailing assurance is certainly less than perfect, and it is just as well that the ordinary public should know it. Its defects are well understood by the best minds in the insurance world, and attempts, so far unsuccessful, have been made to devise safeguards. The obvious remedy would be to abolish the agency system altogether and for all life offices to agree upon one identical scale of commissions to the brokers. That, of course, would be very drastic: many offices would certainly object with considerable energy, and the revised system could scarcely work unless broking could be raised to fully professional standards. But if, with a judicious mixture of official pressure and internal propaganda, the thing could be done—either in the way suggested or by some less violent device, the possible nature of which is not so obvious to an outsider—the gain, both to insurers and insured, would be immense. In the world of industry experience has shown that the twin ideals of eliminating all possible sources of waste and of giving the customer the best possible article at the lowest possible price are, at bottom, one and the same. This argument applies even to the simplest articles which are in universal use and on whose quality and suitability the non-technical buyer may himself be in a position to reach a sound judgment. In the case, however, of highly complex products, whose purchasers must largely put themselves in the sellers' hands, its force may, in the long run, be decisive.

Sooner or later, therefore, it will probably be decided that some reform must be carried out. The need for expert advice is greater than ever, not only for the reasons which have been mentioned, all of which are chiefly personal to the policyholder, but for social reasons which should not be forgotten. Insurance is increasing every year. It is covering more people and more of each person's life. And as the rate of interest gradually declines, it may become less attractive. Unless everything is done that can possibly be done to make it attractive and suitable to the public, it is not impossible that part of the ground won may eventually be lost again.



Insurance and House Purchase

THE abnormal conditions which existed during the War, together with the increase of population attaining adult ages, produced an acute shortage of houses after the cessation of hostilities. Under pre-war conditions, much of this shortage would doubtless have been made good by the investment of large amounts of capital in the erection of new houses for renting. But rent restriction legislation made such investment relatively unattractive, and potential house occupiers were forced to become house owners on an unprecedented scale. In the great majority of cases a large portion of the necessary purchase money had to be borrowed.

More recently, the increase of working-class purchasing power, due to the stability of wage rates in a period of rapidly falling prices, has given a considerable stimulus to the demand for owner-occupied houses. The result has been a phenomenal increase in the operations of the British building societies. In 1890 the total assets of these societies amounted to £51,000,000, in 1914 to £66,000,000 and in 1919 to £77,000,000. The corresponding figure in 1926 was £194,000,000, and according to recent official returns a new high level was reached in 1936 at the formidable total of £656,000,000. In 1936 alone some £140,000,000 was lent by the Societies ; the average amount advanced was about £550, and 96 per cent. of the mortgages were for sums under £1,000.

These figures refer to societies whose *raison d'être* is the financing of house purchase, and which are required to make official returns of their operations. Insurance companies do not publish detailed particulars of their mortgages, but it is well known that in the aggregate their house purchase advances have also increased very considerably. Building society loans are normally repayable by fixed monthly instalments of principal and interest over an arranged term of years, and a higher percentage of the value of a property may be lent than is usual under an ordinary " straight " mortgage. The system of gradual repayment by regular instalments is, however, well adapted to the financial circumstances and habits of the average borrower. It is a system, moreover, with which the payment of premiums under a life insurance policy has familiarised many peoples, and this similarity has been the basis of a marriage between the two operations, which has been consummated in a large number of cases.

The method customarily adopted for combining insurance with house purchase may be briefly described: in conjunction with the loan from the society, etc., a policy may be effected on the life of the borrower, under which the sum assured decreases in the same way as the loan itself. Thus, at any time, the sum assured is equal to the amount of the loan outstanding. A single premium is payable, which is advanced by the society, added to the original loan and repaid on the same terms. If the death of the breadwinner occurs before the whole has been repaid (when normally the family might be forced to sell the property) the proceeds of the policy cancel the loan. Sometimes it happens that a borrower is unable to put down in cash the minimum percentage of the property value required by a society. The difficulty may then be overcome by the society advancing more than its maximum limit, on condition that the borrower effects a guarantee policy with an insurance office, indemnifying the society against any loss in excess of what would have been incurred had the loan been on the society's normal basis.

Instead of this combination of building society loan and life assurance policy, much the same end may be secured if an assurance office lends the money, which is secured on the property with an endowment assurance on the borrower's life as collateral. Many life assurance offices transact this type of business. The building society movement, naturally, does not view it with any enthusiasm, but it is, in fact, an eminently suitable method, both from an investment point of view and in relation to the ordinary course of life assurance business. From the borrower's viewpoint the income tax rebate on the endowment assurance premium is an attractive feature ; and so is the option of effecting the policy with the right to participate in profits. At death, or at the end of the term agreed upon, the loan is repaid out of the proceeds of the policy.

In recent years a number of life assurance companies have co-operated with building societies in operating another method, which has different features. It involves the financing of a house purchase loan by a building society on a straight mortgage of the property. Simultaneously, an endowment assurance policy, effected on the borrower's life, is mortgaged to the society.

An idea of the way the system works out, and its relative cost to house-buyers, may be obtained from the following example which has been taken from the leaflet of a life assurance office. It shows the effective cost of a loan of £750 at 4½ per cent. for a term of twenty-three years, secured on suitable house property, and repayable by means of an endowment assurance policy, without profits, on the life of a borrower aged thirty next birthday.

	£	s.	d.
Annual interest	33	15	0
Annual premium (in advance)	26	3	9
Annual payment	59	18	9
Less (*a*) tax at 5s. in £ on interest £8 8 9			
(*b*) tax rebate at 2s. 6d. in £ on premium 3 5 5			
	11	14	2
	£48	4	7

This dual system is an interesting development. It is understood to work harmoniously in practice, but whether it will ever attain major importance may be doubted.



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How America Insures

AMERICAN insurance presents an example of dependence upon geographical, political and legal conditions. The American population of 128 millions is distributed over forty-eight different States, each of which has its own insurance legislation. Further, the principle of State supervision of insurance has been increasingly enforced during the last eighty years. There is scarcely a week in the year when one or more laws affecting insurance is not either changed or supplemented. All States have regulations for the different branches of insurance, and supervision applies not only to investments and periodical balances, but also, more or less, to methods of rate-making and policy conditions. In some cases (e.g. life insurance commissions) even expenses are regulated. Most of the larger and more important States require the taking out of a licence, renewable annually, for both agents and brokers. Agents are frequently required to undergo an examination of their knowledge, ability and fitness. Altogether, the United States probably leads the world in the number of restrictions placed on the insurance market.

Insurance, nevertheless, is one of the best developed of American businesses. There are as many life policies sold in America as there are people living in the country. Life insurance, indeed, with more than $100,000 millions worth of insured sums, is much the most important branch of American insurance. Yet only a small proportion of American families would be able to live for even a year on the proceeds of life policies, the majority of which are industrial and are designed mainly to defray funeral costs.

Thus the army of 320,000 licensed life insurance agents (usually known as underwriters) still have much to do before their field can be regarded as adequately covered. It is surprising how often the same people take out life policies again and again. Life insurance, in fact, is viewed more as an investment in the United States than in any other country. This is one of the most characteristic features of the market, and it accounts for the fact that, contrary to experience in most European countries, one type of policy stands out pre-eminent—the straight life insurance policy. Endowment policies take only a secondary place, and annuities are not popular.

The most typical American institution in the entire system of life insurance is the sales organisations. The National Association of Life Insurance Underwriters, which has branch offices distributed all over the United States, has an organisation comparable with that of a strong political party. Its activities include meetings and publications, educational work and advertisement. In addition, the College of Chartered Life Insurance Underwriters was founded about ten years ago. It acts as an academical examining body, and has granted the degree of C.L.U. to about 1,200 leading agents, as the symbol of their membership of the aristocracy of their profession.

Ever since a New York company, in 1862, introduced the granting of high first commissions to life insurance agents there has been continuous discussion on the question of correct percentage commissions. In life insurance—indeed, in American insurance generally—the percentage of administrative costs is much higher than in Europe. The United States has yet to follow the example of the British industrial insurance offices, which have reduced their costs in recent years to a remarkably low level. Another problem is the regrettable frequency with which policies are allowed by holders to lapse, especially industrial policies in their first few years. This feature has been attributed, in part, to

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over-competition among agents, frequently of the same company.

The organisation of the life insurance market was profoundly affected by the introduction of group-life insurance, an American product of the year 1910. Its success has provided a medium between commercial and social insurance, but it has the serious defect that it fails to afford protection if the workman leaves or loses his job. Usually he is himself unable to keep up the policy, which has no surrender value; and he frequently ends by realising the advantages, from his own point of view, of other types of policy which are more favourable, though they may be more expensive.

The majority of American life companies are mutual, not joint-stock companies—this applies particularly to the giant companies. It is estimated, indeed, that joint-stock companies do only one-quarter of the total business.

In marine insurance the United States plays an insignificant rôle. English marine insurance companies and Lloyds are predominant, and seem likely to remain so in the absence of extensive State subventions. Inland marine insurance has a more important market among American companies, and a wide variety of policies are in force.

In the fire insurance market, by far the largest proportion of the total business is transacted by joint-stock companies. Mutual offices are responsible for only about 10 per cent. of the whole, which is carried by about 2,500 fairly small concerns, most of which cover special risks such as factories, farms, etc., usually without the help of agents. Among the joint-stock companies, however, there is enormous competition in selling fire insurance policies, and as many as 230,000 agents and brokers are employed. This competition, however, is closely restricted in the most important States by regulations laying down a standard form of policy, and frequently a common rate-making bureau, in which both joint-stock and mutual companies are represented. Rates also require the approval of the State Commissioner, who may modify them. In recent times there has been a significant reduction in the percentage of losses, and, concurrently, a decided increase in administrative costs. Fire insurance companies are beginning to handle marine insurance and so-called collateral or side-lines to an increasing extent. These subsidiary lines include windstorm and tornado, hail, riot and explosion, sprinkler leakage, use and occupancy, as well as other consequential losses. In some States, however, fire insurance companies are debarred from undertaking certain business. The casualty insurance companies (a specifically American term) have the right in some cases to cover risks which fire companies are not permitted to carry, including plate glass, burglary and robbery, steam boilers, engine and machinery, automobile, fidelity and surety, liability, health and accident risks. This differentiation, however, is steadily being broken down. It has been predicted that when the New York insurance law secures its much overdue revision it will permit the granting of multiple line charters. This lead will probably be followed by the rest of the United States, and it will do much to eliminate the difficulty which has been undoubtedly caused by overlapping between the two types of companies.

In America, the land of experiment, the potential intervention of the State and Federal authorities is a contingency which insurers must needs keep constantly in mind. There have been various attempts by State authorities to undertake insurance schemes. Workmen's compensation has been essayed in seventeen States, hail insurance in five, and automobile liability in one. The results, however, have usually been unfavourable. The Federal Government, for its part, has a monopoly of the insurance of bank deposits. It also insures the lives of men in the military services, with demonstrable success. It is now proposed that the Federal Government should undertake an all-risk insurance for the wheat crop, but what the result will be is at present uncertain.

General Results of British Offices

THE experience of the British insurance companies in 1936 was satisfactory. In the life branch the net rate of interest earned on the funds showed only a small reduction, while new business was marked by considerable further expansion. Annuity consideration moneys, which have increased remarkably in recent years, would have remained at practically the same level as in 1935 but for a large reduction in the case of one company. In the fire and miscellaneous branches premium income changed little, but underwriting profits were less favourable, due largely to the exceptional fire insurance results in the United States in 1935.

In the annexed table, which gives the results in respect of all branches of insurance of twenty-two of the most important companies, the figures have been calculated on a uniform basis for all the offices. The reserve for unexpired risk, except in the marine branch, has been taken at 40 per cent. of the premium income of the year, which is the basis used by the majority of offices. It is not possible to use a uniform method of calculating underwriting profits in the case of the marine accounts, and the method of the company concerned has been followed. Special attention is drawn to the headings of each column; the calculations may differ from the published results of individual companies, as is only to be expected when various data are reduced to a comparable basis,

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED
FIRE - LIFE - MARINE - ACCIDENT
Head Office - CORNHILL, E.C.3
TOTAL ASSETS EXCEED £64,000,000

UNDERWRITING PROFIT

Company	Total Premium Income (excluding Life, Annuity and Sinking Fund)	Underwriting Profits: Net Trading Surplus (excluding Life, Annuity and Sinking Fund)	Underwriting Profits: *Ratio of Net Trading Surplus to Premiums*	Underwriting Profits: Contribution to Net Trading Surplus from Life, Annuity and Sinking Fund	Underwriting Profits: Total Net Trading Surplus	Dividend Position: Net Interest Earnings after deducting Debenture Interest and Preference Dividends	Dividend Position: Cost of Dividend on Ordinary Shares	Dividend Position: *Proportion of Dividend met by Interest Earnings*
	(1) £	(2) £	(3) %	(4) £	(5) £	(6) £	(7) £	(8) %
Alliance	3,797,688	172,528	*4·5*	51,061	223,589	349,774	481,688	*73*
Atlas	2,473,748	125,059	*5·1*	28,720	153,779	123,810	176,000	*70*
Caledonian	1,322,469	26,717	*2·0*	12,871	39,588	75,778	88,641	*85*
Commercial Union	13,559,880	417,190	*3·1*	93,712	510,902	708,955	1,100,344	*64*
Eagle Star and British Dominions	3,434,654	— 59,773	*—1·7*	110,447	50,674	189,576	185,774	*102*
Employers Liability	6,905,683	99,402	*1·4*	...	99,402	252,168	207,296	*122*
General Accident	8,887,059	151,836	*1·7*	...	151,836	276,781	261,591	*106*
Guardian	2,595,648	36,387	*1·4*	18,545	54,932	151,848	170,623	*89*
Liverpool and London and Globe	8,830,810	447,129	*5·1*	26,000	473,129	389,741	546,850	*71*
London Assurance	4,007,512	188,486	*4·7*	22,500	210,986	182,851	229,058	*80*
London and Lancashire	6,225,193	395,048	*6·3*	18,457	413,505	481,952	573,191	*84*
North British and Mercantile	5,240,814	439,650	*8·4*	67,460	507,110	535,516	528,516	*101*
Northern	4,376,713	178,381	*4·1*	...	178,381	193,365	232,205	*83*
Norwich Union	3,228,047	91,200	*2·8*	...	91,200	143,698	204,000	*70*
Pearl	1,637,186	—122,422	*—7·5*	689,000	566,578	54,247	615,000	*9*
Phœnix	6,975,682	79,808	*1·1*	40,000	119,808	377,994	459,787	*82*
Prudential	2,000,182	101,072	*5·1*	54,926	155,998	111,282	133,333	*84*
Royal	11,827,110	286,004	*2·4*	50,000	336,004	1,223,211	1,389,628	*88*
Royal Exchange	3,192,293	80,603	*2·5*	42,908	123,511	224,563	217,764	*103*
Scottish Union and National	1,635,360	501	...	...	501	142,987	149,661	*96*
Sun	4,489,485	125,300	*2·8*	...	125,300	255,903	248,195	*103*
Yorkshire	2,571,619	22,139	*·9*	13,570	35,709	103,563	139,415	*74*
	109,214,845	3,282,245	*3·0*	1,340,177	4,622,422	6,549,563	8,338,960	*79*

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and this fact should constantly be borne in mind. In arriving at the trading surplus shown in column 2 all allocations to investment and other special reserves have been deducted; undoubtedly this will operate somewhat unfairly in certain cases, but it is impossible from the accounts to distinguish between what may be regarded as an addition to free reserves and what is required by ordinary business prudence. Column 4 indicates the amount of the contribution to the net trading surplus derived from the operations of the life department. Such profits emerge from actuarial valuations, and in the majority of cases these valuations take place only at quinquennial intervals. It may be mentioned that some companies set aside the shareholders' proportion of surplus revealed at a quinquennial valuation, and, in each year of the new quinquennium, credit one-fifth of that surplus to profit and loss. This practice, however, is not universal. Hence the absence of any figure in this column for some companies which transact life business merely means that no valuation was due to be made. The Prudential is in a special position, since the life profits belong entirely to the "A" shareholders. The table is concerned only with the "B" shareholders, whose interest is confined to the remaining departments and who have no rights to any share in the surplus of the life and annuity department.

DIVIDEND POSITION

As will be seen from the table, 79 per cent. of the total dividends were made out of interest earnings, which, it is very satisfactory to note, are well maintained; excluding the Pearl, whose activities are mainly confined to life assurance, the figure is 84 per cent. By a policy of meeting the cost of a very substantial part of the shareholders' dividend from interest earnings, a considerable portion of the underwriting profits is available to augment the special reserves. In consequence the offices are in a very strong financial position.

A summary of the results of the same group of twenty-two companies is given below for each of the last five years.

Year	Total Premium Income (Excl. Life Annuity and Sinking Fund)	Underwriting Profits: Net Trading Surplus (Excl. Life Annuity and Sinking Fund) Amount	Underwriting Profits: Net Trading Surplus (Excl. Life Annuity and Sinking Fund) *Percentage of Premium Income*	Dividend Position: Total Net Interest Earnings	Dividend Position: Cost of Ordinary Share Dividend	Dividend Position: *Proportion of Dividend Met out of Interest Earnings*
	£	£	%	£	£	%
1931	111,077,136	1,729,815	1·6	7,082,694	8,056,895	88
1932	106,901,260	1,291,704	1·2	6,834,987	8,086,479	85
1933	102,240,852	2,339,247	2·3	6,507,391	8,153,563	80
1934	105,427,999	2,799,348	2·7	6,524,064	8,317,337	78
1935	106,964,457	3,546,715*	3·3	6,525,324	8,396,674	78
1936	109,214,845	3,282,245	3·0	6,549,563	8,338,960	79

* Revised figure.

ENDOWMENT POLICIES
WITH HOUSE PURCHASE PRIVILEGES

SOME ADVANTAGES OF ENDOWMENT POLICIES

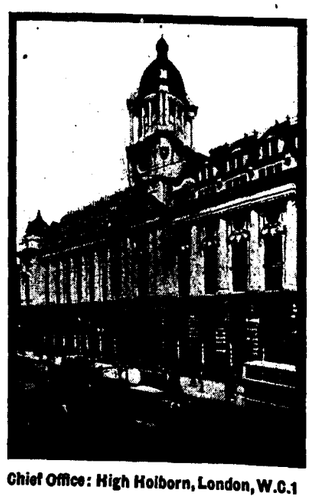
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2 You may be insurable now, but not insurable in the future, when an advance for House Purchase would prove of great service to you.
3 **The Life Assurance comes into force immediately the first premium is paid; the policy is a sound investment even if the privilege of obtaining an advance is never exercised.**
4 You can take out your policy now and defer the selection of the house until a suitable property is available.
5 The premiums paid under these policies enable you to obtain statutory rebate of income tax.
6 The policy entitles the assured to all the benefits of an ordinary Endowment Assurance Policy with the additional advantage of being available for House Purchase.

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II.—LIFE ASSURANCE

Life Assurance Results

THE latest returns made by the British Life Offices to the Board of Trade in respect of their 1935 accounts show that exclusive of industrial insurance policies there were 5,646,000 policies in force at the end of that year, representing sums assured plus existing bonuses of £1,936 millions. The total interest income in 1935 was £36,482,000 and the premium income £80,687,000; while the accumulated funds totalled £902,723,000. The following table is compiled from the same official source.

Year	Aggregate Net sums Assured under New Policies Mill. £	Increase or decrease per cent. compared with preceding year
1921	109	−25·3
1922	106	− 2·8
1923	112	+ 5·7
1924	124	+10·7
1925	130	+ 4·8
1926	129	− 0·8
1927	148	+14·7
1928	160	+ 8·1
1929	162	+ 1·2
1930	166	+ 2·5
1931	161	− 3·0
1932	164	+ 1·9
1933	183	+11·6
1934	208	+13·7
1935	224	+ 7·7

NEW BUSINESS

(a) *Life Assurance.*—The following table shows the new sums assured, excluding industrial assurances, effected in each of the past two years by a number of representative offices. The Dominion offices are omitted, as the figures of their new business in this country are not made public.

While all four groups show further expansion, there is a distinct slowing down in the rate of the industrial-cum-ordinary group, in which the increase in 1935 was approximately £5,700,000. On this occasion the largest proportionate increase took place among the proprietary life offices, followed by the composite offices.

(b) *Annuity Business.*—Last year we expressed the opinion that after several successive years of increasing annuity business it seemed likely that new business had reached a more or less stable condition at the higher levels attained. The following table shows a fall last year of nearly £1,000,000 in consideration moneys, almost the whole of which is explained, however, by a reduction in the Prudential figure. It is interesting to notice a further increase for the Equity and Law, and in view of the very large amount of business secured in recent years by that office it is of particular interest to learn from the chairman's speech this year that the annuitant mortality experience on the tables employed is proving profitable. It has, indeed, been the reiterated opinion of that office that the fall in interest rates since 1932 had broadened the basis of annuity business, and that on the average financial necessity was likely to counteract the well-known self-selection of annuitants.

Family provision scheme

A scheme to secure a Capital Sum payable at death and a regular income over a period of years for dependants in the event of early death, at a cost which is little more than that of ordinary life assurance.

Example of Benefits provided by the Scheme

£1,000 payable immediately upon proof of Death, *and, in addition,* if death occur before age 60, *an income of*

£150 per Annum until the time when the age of 60 would have been attained.

ANNUAL PREMIUMS (CEASING at AGE 60)
Age not exceeding 25...£27.4.8 *Age not exceeding* 35...£34.14.10
" " " 30...£30.3.6 " " " 40...£41. 9. 4

The Scheme is readily adaptable, and rates will be quoted on application for policies to suit the needs of each individual.

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INSURANCE BUSINESS OF EVERY KIND TRANSACTED

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Net New Business

Company	1935 No. of Policies	1935 Sums Assured	1936 No. of Policies	1936 Sums Assured
		£		£
Mutual Offices :—				
Equitable	2,651	1,337,073	3,633	1,707,808
Friends' Provident and Century	2,675	2,275,717	2,796	2,302,110
London Life	2,008	2,865,707	2,011	2,701,930
Marine and General	845	471,068	774	462,325
National Mutual	1,027	809,800	1,111	903,227
National Provident	2,718	1,637,412	3,036	1,881,916
Norwich Union	16,881	10,787,590	18,062	11,090,783
Provident Mutual	21,313	2,272,415	23,920	2,661,632
Scottish Amicable	2,030	1,963,920	2,201	2,072,022
Scottish Equitable	2,704	1,917,843	1,989	1,595,132
Scottish Provident	4,179	3,206,839	4,114	3,165,899
Scottish Temperance	2,075	1,445,622	2,139	1,524,441
Scottish Widows	6,590	4,464,930	7,249	4,849,287
Standard	6,952	4,379,280	7,553	4,576,076
United Kingdom	6,421	4,551,106	6,508	4,621,190
	81,069	44,326,322	87,096	46,316,778
Proprietary Offices :—				
Clerical, Medical and General	2,853	2,511,048	3,250	2,842,794
Equity and Law	1,756	3,931,322	1,947	4,658,910
Scottish Life	2,232	2,153,345	2,264	2,389,375
Sun Life	25,048	17,423,364	30,998	20,720,166
	31,889	26,019,079	38,459	30,611,245
Industrial-cum-Ordinary Offices :—				
Britannic	20,599	3,654,012	20,222	3,865,341
Co-operative	21,650	3,320,603	21,153	3,459,297
Pearl	52,075	8,598,047	52,815	8,801,640
Provident Association	1,453	677,525	1,437	580,450
Prudential	106,327	28,744,687	106,494	30,760,699
Refuge	58,055	8,456,817	57,196	8,766,071
Wesleyan and General	9,789	1,799,398	8,801	1,714,229
	269,948	55,251,089	268,118	57,947,727
Composite Offices :—				
Alliance	5,214	3,579,859	5,211	3,525,540
Atlas	4,943	3,564,157	5,872	4,315,147
Beacon	3,454	1,049,234	3,948	1,152,749
British Equitable	1,141	866,441	1,286	829,354
British General	1,381	760,485	1,538	871,089
Caledonian	2,475	1,685,886	2,874	2,039,320
Commercial Union	7,849	5,119,903	8,238	5,533,211
Eagle Star and British Dominions	2,454	2,754,680	2,690	5,733,647
General Accident	...	2,884,687	...	2,854,496
Guardian	2,128	1,584,760	2,199	1,759,725
Law, Union and Rock	3,528	2,455,471	4,092	2,745,927
Legal and General	19,848	15,763,690	21,926	16,897,581
Liverpool and London and Globe	4,502	2,460,601	6,815	3,211,028
London and Scottish	3,283	2,083,871	3,132	1,942,938
London Assurance	3,698	2,763,674	3,156	2,823,869
North British and Mercantile	11,360	5,506,835	11,649	5,634,712
Northern	2,706	1,545,042	2,921	1,812,540
Phœnix	4,702	3,806,118	5,501	4,858,712
Royal	7,657	4,907,999	7,707	4,924,175
Royal Exchange	8,712	4,349,671	7,673	4,322,527
Scottish Union and National	4,342	2,430,353	4,745	3,761,131
Yorkshire	3,223	2,430,353	3,577	2,779,772
	...	75,527,436	...	84,329,190
Total	...	201,123,926	...	219,224,940

Interest earned by annuity funds is virtually on a gross basis, and where mortality does not operate unfavourably annuity business, under the terms at present offered, should prove definitely remunerative to the companies. In our opinion, whatever the future course of interest rates, any marked recession in business is unlikely.

Consideration Money for Purchase of Annuities

	1935 £	1936 £
Mutual Offices :—		
Equitable	174,762	233,451
Friends' Provident and Century	931,017	1,291,188
London Life	168,347	125,729
Marine and General	9,000	4,920
National Mutual	59,890	41,970
National Provident	94,426	96,609
Norwich Union	286,321	279,926
Provident Mutual	29,238	100,657
Scottish Amicable	33,341	27,272
Scottish Equitable	44,452	36,773
Scottish Provident	174,008	248,737
Scottish Temperance	19,643	14,073
Scottish Widows	208,113	197,623
Standard	619,328	219,331
United Kingdom Provident	64,933	48,154
	2,916,828	2,966,413
Proprietary Offices :—		
Clerical, Medical and General	253,779	376,455
Equity and Law	2,398,634	2,510,226
Scottish Life	49,182	68,954
Sun Life	189,010	175,127
	2,885,605	3,130,762
Industrial-cum-Ordinary Offices :—		
Britannic	11,063	15,784
Co-operative	54,849	51,491
Pearl	274,499	184,341
Provident Association	706,158	539,072
Prudential	2,339,519	1,386,807
Refuge	75,037	81,833
Wesleyan and General	54,262	53,745
	3,515,387	2,313,073

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Reinsurance only—
Home and Foreign

FIRE LIFE
ACCIDENT MARINE

Net Premium Income for 1936
£958,865

Investments and Cash at Bankers exceed
£1,200,000

25 to 31, MOORGATE,
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Accident Manager: CARLTON HALL
Secretary: H. P. HEWITT Actuary: W. H. CLOUGH, F.I.A.
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Composite Offices :—		
Alliance	268,414	314,155
Atlas	595,640	419,082
Beacon	8,915	8,744
British Equitable	4,099	4,490
British General	10,242	5,695
Caledonian	122,141	139,538
Commercial Union	477,004	461,407
Eagle Star	130,042	183,333
General	55,961	59,723
Guardian	126,251	87,416
Law Union and Rock	68,329	74,133
Legal and General	1,188,296	1,577,317
Liverpool and London and Globe	39,985	38,134
London and Scottish	24,447	6,233
London Assurance	211,809	186,077
North British and Mercantile	701,483	658,872
Northern	104,586	117,237
Phœnix	143,154	89,005
Royal	180,648	190,226
Royal Exchange	311,864	195,325
Scottish Union and National	88,292	63,590
Yorkshire	246,256	154,891
	5,107,858	5,034,623
Grand Total	14,425,678	13,444,871

MORTALITY

It is quite unusual for offices to give any information in regard to their mortality experience which would serve as more than a very rough guide as to the amount of mortality profit earned. A perusal, however, of the annual reports and chairmen's speeches gives the general impression that the experience in 1936 did not differ very materially from that in the previous year. The O^M table is rapidly being displaced by the A1924/29 table as and when actuarial valuations fall due.

INTEREST

In spite of the small increase in income tax in 1936, it will be seen that the fall in the average rate of interest earned by the following offices on their life and annuity funds was only 1s. 5d. per cent. This result is distinctly encouraging from the point of view of bonus maintenance, and more favourable than would have been forecast by most people a year or two ago. The actual average net rate earned, namely, £4 2s. 5d. per cent., gives a very considerable margin over the rates of interest commonly used in assessing the liabilities; the margin is really a good deal greater as actuarially the rate of interest should more properly be calculated not on the life assurance and annuity funds, but on actuarial reserves which are much smaller. The further increase in the rate of tax for the current fiscal year will, by itself, operate to reduce the earned rates of interest; but there now seems less reason to anticipate a general and marked fall in bonus rates, in the earning of which the interest element is the most important factor under modern conditions. In considering the following table, it should be borne in mind that the net rates shown for any two offices are not necessarily strictly comparable owing to differences in bookkeeping. Among other things, a good deal depends on the method of valuing the assets.

Net Rate of Interest

Life and Annuity Funds (including Reversions)

	1935 £ s. d.	1936 £ s. d.
Mutual Offices :—		
Equitable	4 5 6	4 4 4
Friends' Provident and Century	4 4 6	4 1 11
London Life	3 19 0	3 17 8
Marine and General	4 7 11	4 5 7
National Mutual	4 6 1	4 6 1
National Provident	4 8 10	4 5 3
Norwich Union	4 10 10	4 7 10
Provident Mutual	4 9 2	4 9 6
Scottish Amicable	4 0 8	4 2 7
Scottish Equitable	4 5 9	4 2 7
Scottish Provident	3 17 6	3 18 11
Scottish Temperance	4 3 3	4 2 4
Scottish Widows	4 6 6	4 6 1
Standard	4 15 5	4 15 2
United Kingdom Provident	4 3 5	4 3 6
	4 5 8	4 4 8

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Net Rate of Interest—*continued*

	1935			1936		
	£	s.	d.	£	s.	d.
Proprietary Offices :—						
Clerical, Medical and General	4	3	6	4	2	3
*Equity and Law	4	7	0	4	8	6
Scottish Life	4	4	4	4	4	2
Sun Life	4	3	9	4	3	1
	4	4	8	4	4	6
Industrial-cum-Ordinary Offices :—						
Britannic	4	11	10	4	8	1
Co-operative	4	2	10	3	19	7
Pearl	4	6	5	4	6	6
Provident Association	3	19	4	3	18	0
Prudential	4	9	3	4	9	4
Refuge	4	6	0	4	3	11
Wesleyan and General	4	15	7	4	12	4
	4	5	10	4	4	0
Composite Offices :—						
Alliance	3	18	3	3	15	6
Atlas	4	10	4	4	8	6
Beacon	4	3	0	4	1	2
British Equitable	4	7	0	4	2	10
British General	4	1	2	3	16	9
Caledonian	3	18	10	4	0	2
Commercial Union	4	3	0	3	19	3
Eagle Star and British Dominions	4	3	5	4	3	0
General Accident	4	3	1	3	19	3
Guardian	3	19	10	3	17	5
Law Union and Rock	3	14	4	3	15	11
*Legal and General	4	3	11	4	0	9
Liverpool and London and Globe	3	19	3	3	17	9
London and Scottish	4	4	11	4	2	7
London Assurance	3	17	9	3	17	8
North British and Mercantile	3	15	0	3	12	10
Northern	4	4	8	4	2	6
Phœnix	4	2	8	4	1	0
Royal	3	19	6	3	17	11
Royal Exchange	4	6	8	4	2	9
Scottish Union and National	3	19	0	3	19	4
Yorkshire	4	6	1	4	4	0
	4	1	11	3	19	11
Average of British Offices	4	3	10	4	2	5

* Excluding reversions.

A.M.P

Actual Examples of Whole Life Assurances

(Claims Paid at London Branch 1936)

Age at Entry	Number of years in force	Sum Assured	Bonuses	Total Claim	Average Annual Bonus for each £100 assured
26	50	£300	£514 4 0	£814 4 0	£3 8 0
22	36	£500	£579 10 0	£1,079 10 0	£3 4 0
28	42	£500	£683 16 0	£1,183 16 0	£3 6 0
27	43	£1,000	£1,422 16 0	£2,422 16 0	£3 6 0

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LIFE OFFICE INVESTMENTS

The annexed table shows the percentage distribution of the assets of the principal British companies, the average of the percentage held in each group of assets by all companies, and also the average percentage holdings in each of four groups, viz. mutual, proprietary industrial-cum-ordinary and composite offices.

We stated last year that owing to the general fall in interest rates in recent years, among other causes, it had become increasingly difficult to obtain attractive mortgages. In reviewing the accounts of 1936 it was noticed that the diminution in this type of investment appeared to have been arrested, and it is of interest to note that in the aggregate there was a definite upward swing on the year. In other directions the tendency of late years to change from gilt-edged has been continued. Thus there is a further reduction in British Colonial and Foreign Government securities which is approximately compensated by increasing debenture preference and ordinary stocks. The following table gives the average distribution of all the companies for each of the last five years:—

Class of Assets	Year 1932 %	1933 %	1934 %	1935 %	1936 %
Mortgages, including loans on policies	27·2	24·2	22·8	22·0	22·3
British Government securities	20·4	22·0	21·3	19·5	18·1
Indian, Colonial and Foreign Government securities	9·5	9·7	9·2	8·8	8·2
British municipal and county stocks	2·1	2·9	2·9	2·9	2·9
Indian, Colonial and Foreign municipal securities	3·0	2·8	2·9	2·7	2·5
Debenture stocks	15·9	16·4	17·7	18·4	18·6
Preference and guaranteed stocks	6·7	6·8	7·6	8·7	9·2
Ordinary stocks	5·1	5·6	6·4	7·5	8·6
Reversionary interests, properties and other assets	10·1	9·6	9·2	9·5	9·6

Office	Mortgages, including loans on Policies	British Government Securities	Indian, Colonial and Foreign Government Securities	British Municipal and County Stocks	Indian, Colonial and Foreign Municipal Securities	Debenture Stocks	Preference and Guaranteed Stocks	Ordinary Stocks	Reversionary Interests, Properties, and Other Assets
	%	%	%	%	%	%	%	%	%
Mutual Offices									
Equitable	26·9	3·2	8·6	3·6	3·0	22·1	4·6	4·7	23·3
Friends' Provident	21·7	8·3	4·7	1·2	1·1	28·2	7·0	21·2	8·6
London Life	27·3	14·6	7·3	2·3	1·9	12·8	9·8	10·8	13·2
Legal and General	15·0	14·2	10·4	4·3	5·6	28·4	13·7	7·1	1·3
National Mutual	10·2	12·8	3·1	·4	·2	20·5	20·5	20·0	12·3
National Provident	24·6	15·4	7·9	2·2	2·7	24·5	6·3	5·3	11·1
Norwich Union	33·6	8·4	7·4	·3	2·2	19·0	7·5	14·0	7·6
Provident Mutual	8·3	19·2	6·9	·7	1·5	16·3	19·9	18·4	8·8
Scottish Amicable	12·7	23·8	6·6	1·6	1·4	21·5	18·9	9·0	4·5
Scottish Equitable	27·6	13·0	9·2	1·6	1·9	25·7	7·7	8·4	4·9
Scottish Provident	7·3	37·0	5·9	1·6	2·6	13·6	10·7	12·5	8·8
Scottish Temperance	24·6	6·4	4·5	1·3	4·1	20·1	18·6	6·6	13·8
Scottish Widows	13·6	20·9	6·5	2·7	·8	21·7	15·8	13·2	4·8
Standard	11·3	23·1	7·6	·3	3·4	28·1	8·7	13·9	3·5
United Kingdom	23·4	14·6	7·4	·5	2·2	11·5	8·9	9·6	21·9
Average	19·2	15·7	6·9	1·6	2·3	20·8	11·9	11·7	9·9
Proprietary Offices									
Clerical Medical	33·9	5·3	11·4	1·1	2·5	14·9	·5	7·1	23·3
Equity and Law	33·6	7·9	5·3	·5	1·4	13·1	8·3	18·4	11·5
Scottish Life	14·9	15·4	8·5	...	2·4	24·8	19·4	10·7	3·9
Sun	24·8	24·7	13·7	3·1	3·6	23·7	1·1	1·9	3·4
Average	26·8	13·3	9·7	1·2	2·5	19·2	7·3	9·5	10·5
Industrial-cum-Ordinary Offices									
Britannic	15·7	23·4	12·6	5·1	3·5	10·7	8·7	14·1	6·2
Pearl	6·3	33·3	13·6	6·4	3·9	13·4	7·1	9·8	6·2
Provident Association	54·2	4·1	20·8	7·1	6·5	4·3	·2	·2	2·6
Prudential	16·2	28·9	5·5	1·8	1·9	16·0	8·8	11·4	9·5
Refuge	15·6	36·5	7·3	2·3	1·2	20·4	10·9	1·0	4·9
Wesleyan & General	34·1	22·0	6·8	8·8	3·2	11·2	5·5	...	8·4
Average	23·7	24·7	11·1	5·2	3·4	12·7	6·8	6·1	6·3
Composite Offices									
Alliance	32·1	16·3	7·0	4·1	1·6	21·5	6·9	3·6	6·9
Atlas	24·5	7·0	15·3	·8	3·9	18·6	6·2	7·8	15·9
British Equitable	17·0	10·0	11·3	4·6	4·6	20·3	9·7	5·1	17·4
Caledonian	16·6	23·0	5·9	1·9	1·6	20·2	10·1	12·3	8·4
Commercial Union	26·8	30·3	4·2	9·5	1·6	15·7	5·8	4·8	1·3
Eagle Star	19·9	25·7	1·6	2·2	1·6	15·8	12·1	6·1	15·0
Guardian	34·9	6·7	6·2	3·5	·4	20·0	10·2	10·6	7·5
Law Union and Rock	28·7	29·7	7·2	1·4	2·0	8·5	10·5	2·3	9·7
Legal and General	34·2	13·9	4·6	5·5	1·3	7·7	4·4	9·6	18·8
London Assurance	16·4	22·8	6·6	4·1	1·9	27·1	6·9	5·4	8·8
North British and Mercantile	23·7	29·2	11·2	6·3	1·9	15·9	3·8	2·7	5·2
Phœnix	18·3	19·2	13·3	2·9	5·2	24·3	9·1	1·8	5·9
Royal Exchange	18·3	15·6	9·5	2·2	2·7	26·2	5·8	5·7	14·0
Average	24·0	19·2	8·0	3·8	2·3	18·6	7·8	6·0	10·3
Average of all companies	22·3	18·1	8·2	2·9	2·5	18·6	9·2	8·6	9·6

Life Office Valuations

The Assurance Companies Act, 1909, provides that every office "shall cause an investigation to be made into its financial position, including a valuation of its liabilities," at least once in every five years. These investigations mark the occasion for the distribution of bonuses to policyholders.

The table on page 16 analyses the results of the valuations made at the end of last year, together with the corresponding data for the preceding valuation. In all cases where no allocation to shareholders is shown, this simply means that the office is a mutual society and has no shareholders.

As will be seen from the notes which follow, bonus rates were remarkably well maintained in view of the general belief held in recent years that the reduction in interest rates would force a lower level of bonus distributions. Of the nine offices declaring bonuses annually seven repeat their 1935 rates, while the only biennial declaration (National Mutual) is unchanged. Only one of the triennial bonuses shows a definite reduction, while the quinquennial declaration of the Eagle Star was on a more generous scale than in 1931. In the industrial branches of these offices doing this class of business, the bonus distributions were at least as favourable as in 1935. While it might be unduly optimistic to regard present bonus levels as static, the outlook seems to suggest that the offices may find it possible to maintain bonuses at rates not greatly differing from their latest declarations. In the last few years premium rates have, of course, been modified in many cases to allow for an assumed lower future rate of interest on the one hand, and on the other hand for improving mortality, and these adjustments tend in practice towards the maintenance of approximately existing bonus rates.

ANNUAL VALUATIONS

Britannic.—Ordinary branch bonus 38s. per cent. on the sum assured (same). As usual, the cost of the bonus, including shareholders' proportion, is well within earnings.

Co-operative.—Ordinary branch bonus 36s. per cent. on sum assured (same).

London Life.—The rate of bonus declared by the London Life is again 35s. per cent. per annum calculated on the sum assured and existing bonuses. In the reduction of premium class the rate of reduction for the second successive year is 3 per cent.; the rate for some years prior to 1935 was 2 per cent., and it is once more stated that 3 per cent. must be regarded as exceptional.

London and Manchester.—The rate of bonus in the ordinary branch is 40s. per cent. calculated on the sum assured, and the cost is amply covered by the trading profits. For many years the rate of bonus has been 44s. per cent., and the present reduction reflects a cautious view of the future, as it will be seen from the accompanying table that the previous rate of bonus could have been maintained out of trading profits. In the industrial branch the basis of allocation is unaltered.

Pearl.—Ordinary branch bonus 40s. per cent. on sum assured (same). In the industrial branch the rate of bonus is increased in the whole-life class from 14s. to 16s. and in the endowment assurance class from 11s. to 12s. for each weekly premium of 1s.

Prudential.—Ordinary branch reversionary bonus declared is 46s. per cent. for whole-life and 40s. per cent. for endowment assurances, both rates being calculated on sum assured (same). In the industrial branch the remarkably high reversionary bonus of 32s. per cent. declared in 1935 is repeated. To policies assured in the industrial branch of the British Widows' Assurance Company, whose business was transferred last year to the Prudential, the method of allotting bonus adopted

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by that company has been adhered to and enlarged in scope.

In the allocation to reserves in the accompanying table the industrial branch figures for 1935 and 1936 include £1,200,000 and £800,000 respectively to strengthen the actuarial reserves. The outdoor staff receives bonuses each year out of the industrial branch surplus, and amounts of £662,000 and £671,000 are included above among the reserve allocations in respect of the last two years.

Refuge.—The bonus in the ordinary branch is reduced from 38s. per cent. to 36s. per cent. calculated on the sum assured. In the industrial branch the amount payable under claims arising in the current twelve months will be the same as would have been paid under the latest scale of benefits (same).

Standard.—Rate of bonus 42s. per cent. calculated on sum assured and existing bonuses (same). This rate of bonus has now been paid each year for the past ten years.

Wesleyan and General.—The rate of bonus in the ordinary branch for both whole-life and endowment assurance policies is 38s. per cent. calculated on the sum assured, contrasted with 44s. per cent. for whole-life and 38s. per cent. for endowment assurances in 1935, and with 46s. per cent. and 40s. per cent. in 1934. In the industrial branch the form of distribution follows the same lines as in the previous year.

Biennial Valuations

National Mutual.—Rates of bonus 52s. 6d. per cent. per annum for whole-life and 45s. per cent. per annum for endowment assurances, calculated on the sum assured and existing bonuses (same). These rates are, of course, extremely high, and are indeed unequalled. It should be noted that 10s. of the 52s. 6d. and 7s. 6d. of the 45s. are expressed, as on the previous declaration, as being a special distribution.

Triennial Valuations

Caledonian.—Rates of bonus declared 42s. per cent. per annum for whole-life policies and 40s. per cent. per annum for endowment assurances, in both cases calculated on the sums assured (same).

Life Association of Scotland.—Under the association's immediate bonus plan the rate of bonus was reduced at the preceding investigation from 44s. per cent. per annum, calculated on the sum assured, to 40s. per cent. per annum, and the rate has now suffered further reduction to the modest figure of 35s. per cent. per annum. Under the office's other plan, in which bonuses do not vest until attainment of the expectation of life, the rate of bonus remains unaltered at 60s. per

VALUATION RESULTS (in £000's)

Name of Company	Year of Valuation	Source of Surplus: Profit Brought Forward	Trading Profit	Investment Profit Brought into Account	Total Surplus	Allocation of Surplus: Policy-holders	Share-holders	Investment and other Reserves	Profit Carried Forward
	Annual Valuations								
Britannic :—									
(a) Ordinary Branch	1935	138	390	...	528	265	34	105	124
	1936	124	397	...	521	275	35	50	161
(b) Industrial Branch	1935	126	682	...	808	238	285	165	140
	1936	140	675	...	815	242	265	150	158
Co-operative :—									
(a) Ordinary Branch	1935	63	236	...	299	233	...	...	66
	1936	66	260	...	326	254	...	...	72
(b) Industrial Branch	1935	79	201	...	280	181	...	...	99
	1936	99	299	...	398	286	...	...	112
London Life	1935	251	502	444	1,197	491	...	...	148
	1936	148	514	...	662	455	...	558	157
London and Manchester :—								50	
(a) Ordinary Branch	1935	231	395	...	626	328	...	...	263
	1936	263	421	...	684	320	15	20	329
(b) Industrial Branch	1935	130	273	...	403	113	15	20	131
	1936	131	295	...	426	110	109	50	132
Pearl :—							109	75	
(a) Ordinary Branch	1935	362	1,061	...	1,423	829	205	140	249
	1936	249	1,098	...	1,347	845	209	40	253
(b) Industrial Branch	1935	651	1,546	...	2,197	638	410	510	639
	1936	639	1,371	...	2,010	759	480	110	661
Prudential :—									
(a) Ordinary Branch	1935	622	2,505	220	3,347	2,510	265	14	558
	1936	558	2,874	85	3,517	2,629	277	15	596
(b) Industrial Branch	1935	987	6,588	...	7,575	3,971	876	2,150	578
	1936	578	6,680	...	7,258	4,027	878	1,764	589
Refuge :—									
(a) Ordinary Branch	1935	634	1,118	...	1,752	933	104	75	640
	1936	640	1,070	...	1,710	913	101	...	696
(b) Industrial Branch	1935	132	248	...	380	128	46	75	133
	1936	133	219	...	352	133	49	50	120
Standard	1935	31	468	...	499	368	...	100	31
	1936	31	497	...	528	397	...	100	31
Wesleyan and General :—									
(a) Ordinary Branch	1935	89	154	7	250	136	...	59	55
	1936	55	140	7	202	142	...	14	46
(b) Industrial Branch	1935	99	176	8	283	54	...	127	102
	1936	102	182	3	287	56	...	183	38
	Biennial Valuations								
National Mutual	1933–34	254	309	896	1,459	301	...	879	279
	1935–36	279	321	514	1,114	330	...	461	323
	Triennial Valuations								
Caledonian	1931–33	100	384	...	484	334	37	10	103
	1934–36	103	381	...	484	347	39	...	98
Life Association of Scotland	1931–33	154	444	...	598	399	38	25	136
	1934–36	136	308	50	494	352	33	25	84
National Provident Institution	1931–33	410	888	...	1,308	929	...	20	359
	1934–36	359	948	...	1,307	897	...	20	390
	Quinquennial Valuations								
Eagle Star	1927–31	83	439	156	366	201	105	...	60
	1932–36	60	373	35	468	287	143	...	38
Legal and General	1927–31	46	1,913	395	2,354	969	800	465	120
	1932–36	120	1,613	486	2,219	736	350	1,040	93
Sun Life	1927–31	297	4,366	...	4,663	2,716	306	209	1,432
	1932–36	1,432	4,570	...	6,002	3,252	378	739	1,633
TOTALS :—									
Annual Valuations :—									
(a) Ordinary Branch	1935	2,421	6,829	671	9,921	6,093	623	1,071	2,134
	1936	2,134	7,271	92	9,497	6,230	637	289	2,341
(b) Industrial Branch	1935	2,204	9,714	8	11,926	5,321	1,706	3,077	1,822
	1936	1,822	9,721	3	11,546	5,613	1,781	2,342	1,810
Biennial Valuations	1933–34	254	309	896	1,459	301	...	879	279
	1935–36	279	321	514	1,114	330	...	461	323
Triennial Valuations	1931–33	664	1,726	...	2,390	1,662	...	55	598
	1934–36	598	1,637	50	2,285	1,596	75	45	572
Quinquennial Valuations	1927–31	426	6,718	239	7,383	3,886	72	674	1,812
	1932–36	1,612	6,556	521	8,689	4,275	1,211	1,779	1,764

cent. per annum where the expectation of life has not yet been attained, but has been reduced from 40s. per cent. per annum to 35s. per cent. per annum in the remaining cases; in 1933 an additional special reversionary bonus of 3 per cent. of the sum assured was declared, to which there is no counterpart this year.

National Provident Institution.—The basic rate of bonus allotted to whole-life policies remains at 3 per cent. per annum calculated on the sum assured. Varying substantial addition to this minimum rate is made where the life assured has survived his expectation of life; this addition is slightly smaller in all cases than in 1933. The basic endowment assurance bonus varies with maturity, age and duration; an additional bonus is given payable only on survival of the endowment term. Examples of the basic rates of bonus, which are identical with those allotted in 1933, are given below. The additional survival bonus, however, is reduced from 8s. per cent. per annum to 5s. per cent. per annum, calculated on the sum assured.

Endowment Assurance—Annual Reversionary Bonus calculated on the Sum Assured

Age at maturity	Duration: 18 years or less	21 years or over
	%	%
50	39/–	49/–
55	43/–	53/–
60	48/–	58/–
65	53/–	63/–

Quinquennial Valuations

Eagle Star and British Dominions.—For the quinquennium ended December 31, 1931, bonus rates were 28s. per cent. per annum of the sum assured in the ordinary section, 29s. per cent. per annum in the abstainers' section and 15s. per cent. per annum in the low premium section; on the present occasion the corresponding rates are 40s. per cent., 41s. per cent. (42s. per cent. for whole-life policies) and 27s. per cent. (28s. per cent. for whole-life policies).

Legal and General.—The rate of bonus is 38s. per cent. per annum compound, being the maximum rate to which existing with-profit policyholders are entitled. Since 1919 the issue of participating policies has been discontinued.

Sun Life.—The bonuses under the special contribution method adopted by the Sun vary according to the age at entry and the number of years a policy has been in force. The rates of bonus on this occasion are practically the same as in respect of the previous quinquennium, except that for very long durations some small reduction appears to have been made. The published scale varies from about 35s. per cent. per annum in the case of a policy effected at age 30 and five years in force to about 45s. per cent. per annum for age 50 at entry and 30 years in force, these rates being calculated on the sum assured only.

III.—OTHER INSURANCE

Fire Insurance

THE following tables relating to twenty-two large composite offices include many subsidiary companies, but there is no duplication in the figures shown. Some further small reduction took place in the premium income, but premiums in this country alone would appear to have been greater. Reference is made by the various chairmen to the fall in foreign premiums being mainly due to restrictive nationalist legislation in certain

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SAFEGUARDED

the future

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Your dependants and

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REFUGE POLICY

Assets - - - £65,600,000
Claims Paid - - £103,000,000

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ASSURANCE COMPANY
LIMITED
OXFORD ST., MANCHESTER, 1

BRITANNIC
ASSURANCE COMPANY LTD
(Established 1866)

transacts

LIFE, HOUSE PURCHASE, FIRE, ACCIDENT, BURGLARY, MOTOR, PLATE GLASS, EMPLOYERS' LIABILITY, FIDELITY GUARANTEE, HOUSEHOLDERS' and all classes of GENERAL INSURANCES and

offers

Promptness in settlement of Claims
Liberal Policy Conditions
Absolute Security

ANNUAL INCOME over - £6,400,000
FUNDS over - - - £28,000,000

Chief Offices:
Broad Street Corner
BIRMINGHAM

J. A. JEFFERSON, F.I.A. Chairman & General Manager
J. MURRAY LAING, F.I.A., F.F.A. Deputy General Manager

countries and to the devaluation of currencies in gold *bloc* countries. Expenses—which include the increasing burden of foreign taxation—although smaller in the aggregate, ate up a slightly higher proportion of the reduced premium income, but the commission ratio remained unchanged. The loss experience in 1935 was quite exceptionally good, due to conditions in America, and it was only to be expected that 1936 would not register so favourable an experience. At 41.8 per cent. of the premium income the loss ratio is, however, still very satisfactory. Among the individual offices the highest profit ratio, namely 20.1 per cent., again belongs to the General Accident, while the Alliance, an office which enjoys consistently excellent fire results, although suffering considerable reduction in profits, comes next with 16.5 per cent. The Century has the highest commission ratio, as in the previous year, but on this occasion its profit ratio is better than that experienced by the Employers' Liability and the Norwich Union and much above the average of the twenty-two offices in 1932.

FIRE—GENERAL RESULTS, 1932-36

	1932		1933		1934		1935		1936	
	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums
	£		£		£		£		£	
Claims	24,254,622	52·0	20,326,686	46·3	18,597,890	42·2	17,543,429	40·0	18,208,169	41·8
Commission	9,153,329	19·6	8,673,299	19·8	8,840,713	20·1	8,889,005	20·3	8,834,750	20·3
Expenses	12,472,801	26·8	12,062,568	27·6	11,952,100	27·2	11,988,897	27·3	11,970,896	27·5
Increase in reserve for unexpired risk	−1,145,832	−2·4	− 988,486	−2·3	141,827	3·2	− 63,937	− ·1	− 85,270	− ·2
Profit	1,874,845	4·0	3,767,467	8·6	4,514,838	10·3	5,458,580	12·5	4,637,220	10·6
Premiums	46,609,765		43,841,534		44,047,368		43,815,974		43,565,765	

FIRE—INDIVIDUAL OFFICES, 1935-36

Company	Year	Claims		Commission		Expenses		Increase in Reserve for Unexpired Risk		Profit		Premium
		Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	
		£		£		£		£		£		£
Alliance	1935	734,168	34·9	320,044	15·2	625,751	29·8	18,591	+ ·9	404,531	19·2	2,103,080
	1936	830,247	38·6	313,126	14·6	632,695	29·4	18,426	+ ·9	354,652	16·5	2,149,146
Atlas	1935	757,043	43·0	393,604	22·4	433,479	24·6	− 6,740	− ·4	181,564	10·4	1,758,950
	1936	749,172	42·6	398,549	22·6	435,892	24·8	86	...	175,465	10·0	1,759,164
Caledonian	1935	311,974	42·5	176,697	24·1	170,518	23·2	− 8,394	−1·1	82,499	11·3	733,294
	1936	309,926	43·3	174,183	24·4	167,884	23·5	− 7,344	−1·0	70,289	9·8	714,938
Century	1935	135,372	40·9	95,229	28·7	68,359	20·6	8,217	2·5	24,329	7·3	331,506
	1936	141,282	41·2	98,204	28·7	70,733	20·6	4,483	1·3	28,010	8·2	342,712
Commercial Union	1935	2,064,413	39·2	945,186	18·0	1,698,135	32·2	− 43,348	− ·8	602,063	11·4	5,266,449
	1936	2,133,072	40·2	970,947	18·3	1,699,928	32·0	16,785	·3	487,680	9·2	5,308,412
Eagle Star and British Dominions	1935	328,862	40·7	181,777	22·5	229,138	28·3	− 1,898	− ·2	70,139	8·7	808,087
	1936	322,148	40·4	174,782	22·0	229,783	28·9	− 4,869	− ·6	74,073	9·3	795,917
Employers' Liability	1935	146,958	41·0	68,274	19·1	103,208	28·8	7,388	+2·1	32,224	9·0	358,052
	1936	165,323	45·3	61,868	17·0	107,232	29·4	2,752	+ ·7	27,757	7·6	364,932
General Accident	1935	207,254	32·3	135,993	21·2	134,847	21·0	24,829	+3·8	139,396	21·7	642,319
	1936	220,163	32·6	140,812	20·9	145,625	21·6	32,351	+4·8	135,754	20·1	674,705
Guardian	1935	432,581	38·9	213,856	19·3	314,072	28·3	212	...	149,743	13·5	1,110,464
	1936	430,939	37·9	217,416	19·1	319,716	28·1	10,727	+ ·9	158,483	14·0	1,137,281
Liverpool and London and Globe	1935	1,588,191	40·1	881,426	21·7	1,028,402	26·0	138	...	482,741	12·2	3,960,629
	1936	1,665,239	42·6	852,217	21·8	1,011,522	25·6	20,445	− ·5	410,985	10·5	3,909,518
London Assurance	1935	982,868	44·5	488,850	23·3	487,309	23·3	853	...	186,164	8·9	2,094,338
	1936	914,400	44·8	479,473	23·5	497,905	24·4	22,436	−1·1	172,321	8·4	2,041,663
London and Lancashire	1935	1,057,434	37·6	519,504	18·5	803,555	28·5	11,879	− ·4	443,789	15·8	2,812,403
	1936	1,113,296	40·5	513,925	18·7	788,674	28·8	26,272	−1·0	357,202	13·0	2,746,725
North British and Mercantile	1935	1,262,333	37·2	735,178	21·8	917,019	27·1	6,694	+ ·2	461,648	13·7	3,382,866
	1936	1,398,507	41·1	719,706	21·2	906,844	26·6	7,650	+ ·2	369,286	10·9	3,401,993
Northern	1935	788,213	40·7	407,782	21·1	541,857	28·0	− 4,635	− ·2	202,913	10·4	1,936,110
	1936	805,737	41·8	412,848	21·5	534,032	27·7	− 3,759	− ·2	177,854	9·2	1,926,712
Norwich Union	1935	726,296	43·5	336,300	20·1	480,697	28·8	− 24,186	−1·4	151,019	9·0	1,670,126
	1936	741,357	45·3	327,021	20·0	493,236	30·1	− 13,271	− ·8	88,604	5·4	1,636,947
Phœnix	1935	1,118,729	42·0	604,804	22·7	676,875	25·4	47,000	−1·8	311,071	11·7	2,664,479
	1936	1,158,300	43·1	608,386	22·6	688,748	25·6	11,000	·4	224,089	8·3	2,690,523
Prudential	1935	429,704	46·4	195,972	21·2	224,933	24·4	2,347	− ·2	75,335	8·2	923,597
	1936	396,238	43·1	180,102	19·5	234,114	25·4	1,367	...	111,091	12·0	920,178
Royal	1935	2,211,928	39·7	1,142,649	20·6	1,494,459	26·9	− 11,764	− ·2	720,631	13·0	5,557,903
	1936	2,334,413	42·2	1,147,440	20·8	1,497,269	27·1	− 12,723	− ·2	559,695	10·1	5,526,094
Royal Exchange	1935	579,681	39·1	329,944	22·2	364,299	24·5	20,613	+1·4	189,292	12·8	1,483,829
	1936	596,979	42·4	323,866	23·0	347,299	24·6	− 29,823	−2·1	170,950	12·1	1,409,271
Scottish Union and National	1935	412,314	40·8	197,618	19·5	268,404	26·5	− 172	...	133,348	13·2	1,011,512
	1936	402,329	40·3	194,912	19·5	272,223	27·3	− 5,359	− ·5	134,008	13·4	998,133
Sun	1935	899,263	39·2	389,957	17·0	679,203	29·6	14,499	+ ·6	310,556	13·6	2,293,478
	1936	980,107	44·3	377,470	17·0	660,952	29·9	− 35,597	−1·6	231,049	10·4	2,213,981
Yorkshire	1935	417,855	45·8	148,381	16·3	244,377	26·8	− 1,695	− ·2	103,585	11·3	912,503
	1936	398,995	44·5	147,497	16·4	238,690	26·6	− 6,265	− ·7	117,923	13·2	896,840
Totals	1935	17,543,429	40·0	8,889,005	20·3	11,988,897	27·3	− 63,937	− ·1	5,458,580	12·5	43,815,974
	1936	18,208,169	41·8	8,834,750	20·3	11,970,896	27·5	− 85,270	− ·2	4,637,220	10·6	43,565,765

Marine Insurance

In spite of a further fall in Hull rates during 1936 (owing to lack of effective co-operation among the underwriters), the expansion of trade, increased values and also extra war risk premiums resulted in an aggregate increase in marine insurance premium income, thus reversing the experience of recent years. The underwriting profits were, however, less favourable than in 1935. During the depression, at the height of which there were over 2,000,000 tons of idle shipping laid up in the United Kingdom ports, only the best vessels and personnel were in commission, a condition which reacted favourably on claims experience and enabled the offices to obtain quite satisfactory profits in spite of successive rate reductions. There is now practically no idle tonnage, and it has always been recognised that when such a situation arose heavier claims were to be anticipated; and recent experience seems to have justified this view. Unless there is an upward movement in premiums to meet heavier rates of claim and increased costs of repairs, underwriting results are bound to suffer. As we go to press it is announced that marine underwriters at London and Liverpool have come to an agreement providing for a sliding scale of percentage increases in rates for renewals. It is the practice of those offices who confine their activities mainly to this class of business to leave the underwriting account open for two years. The account is then closed by taking the unexpended balance of the first year's premiums to profit and loss, after making suitable provision for further claims by a transfer to a suspense account. Hence the 1936 report shows the profit which, it is estimated, emerges from the 1935 premiums. The following table gives the results obtained during the past five years by representative marine companies:—

Office	Account	Premiums	Claims and Suspense	Expenses	Surplus or Deficit
		£	£	£	£
British and Foreign	1931	481,573	345,603	97,855	38,115
	1932	431,189	298,548	99,143	33,498
	1933	371,539	268,117	97,202	6,220
	1934	389,127	262,690	98,650	27,587
	1935	398,073	280,100	98,942	19,031
Indemnity	1931	362,224	322,889	23,355	16,000
	1932	371,370	327,856	23,514	20,000
	1933	316,256	275,228	21,028	20,000
	1934	348,266	311,971	21,295	15,000
	1935	316,457	279,945	21,512	15,000
Merchants	1931	247,396	192,491	40,571	14,334
	1932	225,328	171,719	37,741	15,868
	1933	180,188	145,374	32,949	1,865
	1934	166,786	129,097	33,082	4,587
	1935	153,419	128,540	32,737	−7,858
Sea	1931	521,004	409,845	44,890	66,269
	1932	536,793	438,007	47,089	51,697
	1933	478,092	377,926	46,956	53,210
	1934	475,505	400,705	36,336	38,464
	1935	452,005	360,006	34,124	57,875

The general practice of composite offices is to present their marine accounts in the form used for their fire and accident business. The claims are thus to a large extent unrelated to the premiums appearing in the same account. The amount transferred to profit and loss does not represent the underwriting profit of any particular year or years; the results can be gauged approximately by comparison of the total premiums received over a period of years with the total claims and expenses in the same period.

The following table refers to five composite offices doing a large marine business:—

Office	Premiums	Claims	Expenses
	£	£	£
British Dominions:—			
1931	413,794	368,709	64,759
1932	307,342	266,603	65,067
1933	269,761	220,155	64,276
1934	254,088	194,582	63,529
1935	233,326	183,037	60,165
1936	252,042	184,255	58,905
	1,730,353	1,417,341 = 81·9%	376,701 = 21·8%
Commercial Union:—			
1931	733,757	329,151	152,006
1932	587,098	317,600	164,570
1933	534,405	253,031	153,565
1934	542,563	277,883	133,911
1935	584,935	328,734	137,100
1936	609,516	356,221	129,645
	3,592,274	1,862,620 = 51·9%	870,797 = 24·2%
Liverpool and London and Globe:—			
1931	322,768	258,597	35,411
1932	295,282	242,661	35,224
1933	285,288	230,559	32,098
1934	282,413	229,997	33,411
1935	290,393	237,903	28,010
1936	294,163	243,286	28,352
	1,770,307	1,443,003 = 81·5%	192,506 = 10·9%
London and Lancashire:—			
1931	1,296,045	884,160	200,327
1932	1,102,380	831,317	189,322
1933	858,310	644,868	182,605
1934	1,023,781	632,817	191,014
1935	1,041,109	666,082	182,588
1936	1,126,880	768,568	194,484
	6,448,505	4,427,812 = 68·7%	1,140,340 = 17·7%
Royal Exchange:—			
1931	462,058	523,494	79,467
1932	639,839	651,971	85,743
1933	419,414	383,939	79,886
1934	574,830	482,386	80,469
1935	596,823	565,245	76,502
1936	659,486	587,459	84,856
	3,352,450	3,194,494 = 95·3%	486,923 = 14·5%

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- *You should apply for quotations and details of our attractive terms.*

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Accident and Miscellaneous Insurance

All branches of insurance, except life, fire and marine, are included under this category. Premium income, after falling continuously for a number of years, has shown a steady increase since 1933. The profit never forms other than a small proportion of the premium income, and at 4.4 per cent. the 1935 profit ratio was considered satisfactory. Last year there was substantial improvement to 5.1 per cent. and the effective result was probably rather better than this owing to the large increase in the amount required for unexpired risks. Improved economic conditions in the United States and this country have resulted in increased premium income in the two main divisions, namely workmen's compensation and motor insurance. The motor department presents problems of special difficulty, owing to the absence of any general basis for the settlement of claims, while the anomalies occurring in the damages awarded have added much to the actual cost of claims and to settlement expenses. The proportion of accidents to the number of vehicles on the roads has shown some reduction. Unless the experience of the offices improves an increase in motor insurance rates is regarded as likely. Among the individual offices, it will be seen that the results vary considerably, as might be expected, owing to the widely different distribution among the offices of the various classes of casualty insurance.

ACCIDENT AND MISCELLANEOUS—GENERAL RESULTS, 1933-36

	1933		1934		1935		1936	
	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums
	£	%	£	%	£	%	£	%
Claims	28,247,637	56·6	29,492,132	55·7	29,823,749	55·0	29,906,370	52·8
Commission	9,301,272	18·6	9,664,149	18·2	9,781,126	18·0	10,235,581	18·1
Expenses	10,953,811	21·9	11,105,743	21·0	11,462,250	21·1	12,028,912	21·3
Increase in reserve for unexpired risk	28,435	·1	1,246,772	2·4	803,552	1·5	1,544,009	2·7
Profit	1,423,553	2·8	951,225	1·8	2,373,656	4·4	2,898,708	5·1
Premiums	49,954,708		52,960,021		54,246,335		56,613,560	

MISCELLANEOUS—INDIVIDUAL OFFICES, 1935-36

Company	Year	Claims		Commission		Expenses		Increase in Reserve for Unexpired Risk		Profit		Premiums
		Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	Amount	Percentage of Premiums	
		£		£		£		£		£		£
Alliance	1935	601,824	48·3	181,523	14·6	302,413	24·3	16,131	1·3	143,067	11·5	1,244,958
	1936	615,395	47·2	189,818	14·6	312,125	23·9	23,873	1·8	163,430	12·5	1,304,641
Atlas	1935	239,471	43·9	74,203	13·6	149,558	27·4	43,362	7·9	39,375	7·2	545,969
	1936	280,382	47·7	80,905	13·8	157,597	26·8	32,489	5·5	36,175	6·2	587,548
Caledonian	1935	265,177	54·7	96,584	20·0	88,742	18·6	14,857	3·1	17,314	3·6	483,674
	1936	283,535	54·4	106,195	20·4	100,117	19·2	15,061	2·9	16,415	3·1	521,323
Century	1935	128,808	50·8	42,028	16·6	59,252	23·4	6,356	2·5	16,900	6·7	253,344
	1936	130,625	44·4	48,842	16·6	62,795	21·4	28,978	9·9	22,719	7·7	293,959
Commercial Union	1935	4,129,542	54·3	1,327,319	17·4	1,820,070	23·9	73,906	1·0	258,630	3·4	7,609,467
	1936	4,035,259	52·8	1,347,145	17·6	1,821,331	23·8	12,994	·2	425,023	5·6	7,641,952
Eagle Star and British Dominions	1935	926,869	43·2	423,157	19·7	505,460	23·6	151,008	7·1	138,616	6·4	2,145,110
	1936	1,170,382	49·0	470,351	19·7	532,467	22·3	106,930	4·5	106,565	4·5	2,386,695
Employers' Liability	1935	4,096,381	62·7	1,159,465	17·7	1,095,078	16·8	— 581	...	184,786	2·8	6,535,129
	1936	3,911,127	59·7	1,208,490	18·5	1,223,282	18·7	3,736	·1	194,116	3·0	6,540,751
General	1935	4,229,723	56·4	1,488,849	19·9	1,189,534	15·9	301,340	4·0	285,090	3·8	7,495,536
	1936	4,300,933	53·6	1,603,602	20·0	1,284,668	16·0	402,303	5·0	430,245	5·4	8,021,751
Guardian	1935	531,308	47·1	245,608	21·8	287,680	25·5	14,868	1·3	48,021	4·3	1,128,485
	1936	612,075	51·7	242,185	20·4	315,242	26·6	22,711	1·9	— 6,221	— ·6	1,185,262
Liverpool and London and Globe	1935	2,575,376	60·0	815,554	19·0	937,757	19·5	— 69,097	— 1·6	133,809	3·1	4,293,399
	1936	2,324,576	50·2	858,905	18·5	900,853	19·5	312,518	6·8	230,177	5·0	4,627,129
London Assurance	1935	696,059	55·6	194,986	15·6	227,344	18·1	14,154	1·1	120,043	9·6	1,252,586
	1936	746,872	56·6	207,452	15·7	234,518	17·8	26,430	2·0	103,389	7·9	1,318,661
London and Lancashire	1935	1,139,838	52·1	396,317	18·1	515,555	23·6	64,156	2·9	72,716	3·3	2,188,582
	1936	1,209,778	51·4	423,141	18·0	546,442	23·2	65,202	2·8	107,025	4·6	2,351,588
Motor Union	1935	846,654	52·7	291,259	18·2	345,430	21·5	27,675	1·7	94,898	5·9	1,605,916
	1936	814,679	50·4	290,681	18·0	359,946	22·3	3,755	·2	156,285	9·1	1,615,306
North British and Mercantile	1935	492,678	40·7	190,504	15·7	286,952	23·7	93,884	7·7	148,209	12·2	1,212,227
	1936	539,937	43·0	196,944	15·7	296,640	23·9	80,318	6·4	138,019	11·0	1,254,858
Northern	1935	788,584	47·2	275,635	16·5	417,603	25·0	47,464	2·8	142,236	8·5	1,671,522
	1936	818,366	46·6	287,029	16·3	432,135	24·6	92,857	5·3	126,833	7·2	1,757,020
Norwich Union	1935	795,863	56·1	218,674	15·4	339,523	24·0	— 90,658	— 6·2	12,219	·8	1,453,582
	1936	1,836,094	53·3	656,098	19·1	770,207	22·4	— 14,547	— 1·0	77,681	5·5	1,417,194
Phœnix	1935	1,936,619	51·9	723,125	19·4	795,757	21·3	42,000	1·2	139,247	4·0	3,443,634
	1936	616,479	55·1	173,241	15·8	242,022	22·1	117,000	3·1	162,393	4·3	3,736,894
Prudential	1935	650,371	55·9	178,760	15·4	273,676	23·5	51,087	4·6	15,441	1·4	1,096,270
	1936	2,690,127	52·0	891,047	17·3	1,272,810	24·7	55,297	4·8	4,601	·4	1,162,705
Royal	1935	2,754,766	50·2	956,600	17·4	1,308,503	23·8	9,085	·2	297,108	5·8	5,160,177
	1936	160,330	51·5	42,574	13·6	87,443	28·0	133,600	2·4	340,708	6·2	5,494,177
Scottish Union and National	1935	226,897	72·9	41,475	13·3	89,408	28·8	18,144	5·8	3,513	1·1	312,004
	1936	1,197,078	64·6	349,246	18·8	306,352	16·9	22,336	7·2	— 69,015	—22·2	311,101
Sun	1935	1,025,608	58·7	310,071	17·8	331,401	17·8	— 23,395	— 1·2	24,785	1·3	1,854,066
	1936	699,651	55·6	236,252	18·8	288,376	22·9	— 34,029	— 2·0	114,190	6·5	1,747,241
Yorkshire	1935	720,325	53·9	245,211	18·4	307,186	23·0	— 2,194	— ·2	36,633	2·9	1,258,718
	1936							34,197	2·6	28,885	2·1	1,335,804
All Offices	1935	28,825,749	55·0	9,781,127	18·0	11,462,251	21·1	803,552	1·5	2,373,656	4·4	54,246,335
	1936	29,906,370	52·8	10,235,581	18·1	12,028,912	21·3	1,544,009	2·7	2,898,708	5·1	56,613,560

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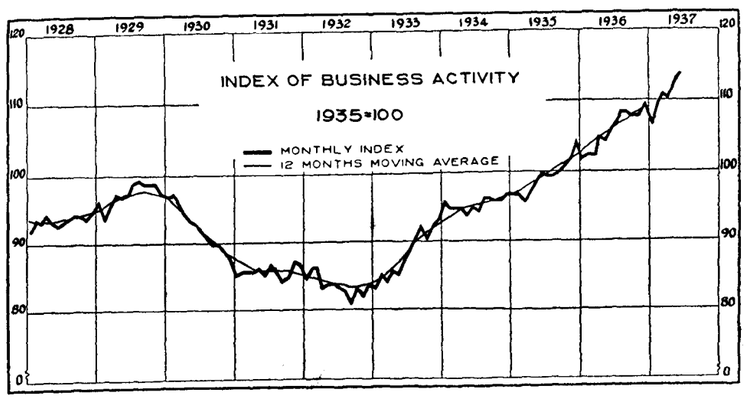
TRADE SUPPLEMENT

New Series | SATURDAY, JULY 24, 1937 | No. 7

The Trend of Business

In contrast to the normal seasonal trend, business activity continued to expand during the past month. The improvement is reflected in a further rise in *The Economist* index of Business Activity from 113 (1935 = 100) in May to 114 in June. Of the fourteen component series of the index, shown on page 3, eight showed a rise between May and June, while five registered a decline and one (merchandise on railways) remained unchanged.

The latest reports from the principal industrial centres, moreover, indicate that the volume of new business is being well maintained, and in some cases is still increasing. Indeed, the available evidence points to a further expansion of activity during the next few months. There are no signs as yet that the rise in costs is tending to restrict demand, especially as it is accompanied by a steady expansion of credit. The latest company accounts indicate that profits are increasing as rapidly as ever. The temporary uncertainty brought about earlier this year by Mr Chamberlain's first version of N.D.C. and by repeated gold scares, appears to have passed, and the capital market has shown signs of revival in recent weeks. The possibility of a series of labour disputes has also receded into the background since trade union leaders have apparently no intention of being pushed into extreme measures by the Left Wing element.



The salient feature of recent months has been the rapid expansion of the volume of British exports of manufactures, which, in June, was some 28½ per cent. higher than a year ago. The improvement, moreover, is fairly general and comprises the majority of industries. Imports of raw materials also continue to increase in volume, and *The Economist's* index has reached a new record last month. Average import prices have risen much more rapidly than average export prices since the beginning of the year, and this points to appreciable improvement in the purchasing power of primary producing countries. It is significant, however, that although the terms of trade have moved against this and other industrialised countries by reason of the relatively greater advance in the prices of primary products, the prices obtained by British exporters are satisfactorily remunerative, since the net rise in the cost of converting raw materials into finished goods has been, in most cases, relatively small.

Apart from a number of consumption goods trades which have experienced a seasonal lull in new business, the majority of individual industries have made further headway in recent weeks. The iron and steel industry and those trades dependent on it are operating practically at capacity. But the demand for steel continues to exceed supplies, though the latter are now steadily increasing. The stringency of the position has been alleviated to some extent by heavy imports of pig iron, which will be followed by an increased intake of semi-finished materials purchased after the reduction of duties a fortnight ago. Production of coal is now substantially higher than a year ago, for the technical difficulties which prevented a rapid increase in output are gradually being overcome. Even the constructional trades continued to expand last month, despite the downward trend of the value of new plans passed. Since a year ago, however, unemployment in public works contracting has fallen more than in building, while, in the latter category, residential construction has probably passed its peak.

World recovery has now entered a phase during which international trade is rapidly expanding in spite of the obstacles to the exchange of commodities and services. This tendency is a direct consequence of the expanding demand for the majority of primary products and manufactured goods at rising prices and of the decreasing ability of individual countries to satisfy their domestic needs from internal sources. Consequently, the volume of world trade, which has already recovered to the pre-depression level, may be expected to surpass that level during the next twelve months. The long-term trend of the prices of primary products still appears to be upwards, and there are indications that the sharp reaction of quotations earlier this year, following an inordinate upward rush, has exhausted itself. Any further increase in raw material quotations is likely to provide a stimulus to international trade by inducing a further improvement in the purchasing power of primary producing countries, such as the British Empire, South America, China, Scandinavia and the Eastern European countries.

Predictions of a setback in the United States, due to strikes and over-expansion of production last winter, have not been fulfilled. Business activity has so far been well maintained in spite of a number of serious labour disputes, and the slight decline in June, caused partly by seasonal influences, does not necessarily herald the beginning of a major recession. The indications are that activity will resume its upward trend in the near future, for much leeway remains to be made up to raise America's capital equipment to pre-depression standards. Industrial activity in Germany, Austria, Holland, Poland and Czechoslovakia continues to expand, but in France recovery is still hanging fire, an improvement in confidence, following the second devaluation of the franc, having been prevented so far by the militant attitude of the left-wing supporters of the Government. But while prospects in the economic sphere are still satisfactory in most countries, there are unfortunately still no indications of an early improvement in the European political situation.

British Industrial Developments

The following reports on British industry cover, in most cases, the period to the middle of July. In the remainder they relate to the month of June.

COAL

The seasonal decline in output has been less marked than usual at this time of the year. The output of commercially disposable coal was 20,232,700 tons in June, against 18,715,300 tons in the previous month and 16,865,000 tons in June, 1936. The percentage of "wholly unemployed" miners was fractionally lower last month, compared with May, but the number "temporarily stopped" showed a substantial rise, partly in consequence of pit stoppages on account of the Yorkshire mine workers' annual demonstration. Export business continues to forge ahead, total shipments last month being 3,482,340 tons, compared with only 2,574,365 tons in June, 1936. Shipments to France, the industry's principal overseas customer, showed a remarkable advance, while Sweden and the Irish Free State were prominent buyers. Germany took more than in recent years and shipments to Italy, although only half as large as in 1935, were far in excess of last year's corresponding figure. The development of the latter market is, however, hampered by potential difficulties in securing payment. In recent weeks the export section has been quieter, forward inquiries having dwindled in number. Meanwhile, on the home market, demand for house coal is very slack and the reduction in output due to this cause makes it difficult to find the smalls needed by industrial users. Demand from the latter continues active and deliveries against contracts are well maintained.

IRON AND STEEL

The demand for iron and steel remains as strong as ever, and the industry is still unable to meet all requirements at current prices within reasonable periods. But the capacity of the industry is being steadily enlarged, and output is gradually expanding. Activity continued to increase last month, when pig iron output was higher than in any month since May, 1927, and crude steel production was almost equal to the all-time record of last March. The salient feature of the past month was the marked increase of imports of pig iron, totalling 75,809 tons, against 12,568 in June, 1936. These imports came mainly from the United States and British India. Moreover, since the reduction of duties a fortnight ago, arrangements have been made for a substantial increase in imports of steel from the Continent, which should alleviate somewhat the stringency of supplies. The trend of exports remains upwards, last month's shipments being appreciably heavier than a year ago.

GENERAL ENGINEERING

Activity in the engineering trade is still on the up-grade, and the volume of new business on offer continues to exceed the industry's capacity. The proportion of insured unemployed workers in general engineering showed a further decline in June to the low level of 5 per cent. The expansion of demand, moreover, is not confined to the home market. For example, the volume of exports rose from 27,550 tons in June, 1936, to 37,557 tons in the past month. Most sections of the industry benefited from the expansion of export demand, but machine-tool makers, who are hard pressed by home consumers, were unable to ship abroad as much machinery as a year ago. Imports, especially of machine tools, are also at a substantially higher rate than a year ago, totalling 12,529 tons, last month, against 7,573 tons in June, 1936. Until recently the industry's chief anxiety has been the difficulty of obtaining supplies of iron and steel, and it is significant, therefore, that current complaints are mainly directed against the marked increase of the prices of raw materials. Nevertheless, there are no indications that the rise in prices is likely to lead to an early decline of new business.

SHIPBUILDING

As a result of the rapid expansion of international trade, accompanied by a steep upward trend of freight rates, the demand for new mercantile shipping tonnage is steadily increasing. The tonnage of merchant vessels under construction at the end of last month, at 1,199,973 gross, was the highest since June, 1930, and showed an increase of 185,519 gross tons over the past three months and of 351,241 gross tons over the figure for June, 1936. Moreover, the indications point to a further improvement during the remainder of this year, though the small volume of overseas orders is a less satisfactory feature.

ELECTRICAL EQUIPMENT

Manufacturers of electrical machinery and equipment remain very active, and the volume of inquiry and new business is still at a high level. The B.E.M.A. index of new orders received for heavy electrical machinery, given on page 5 (items 8-10), showed a further increase last month, a slight decline in foreign orders being more than offset by an increase in domstic orders being more than offset by an increase in domestic showed a substantial increase over the corresponding month last year.

AUTOMOBILES

The event of the month was the increase by approximately 5 per cent. in the price of cars; the effect of this action on demand remains to be seen, but it is not believed in the trade that the check will be serious. In May, however, production of cars was below the previous year's corresponding figure—33,093, compared with 36,231. The total output during the first eight months of the present season amounted to 272,377, against 248,224 in the previous season; while production of commercial vehicles totalled 80,806, against 71,730. Imports of cars in June were substantially above the previous year's corresponding figure, while exports also continued to increase. Overseas sales of commercial vehicles were also larger than in June, 1936.

BUILDING

Building activity is maintained at a high level, and no marked decline appears likely in the immediate future. The number of houses built in the year ended March 31st last, at 346,047, was 21,187 more than in the previous twelve months and constituted a record. Little change in the general position of the industry was apparent last month, although the unemployment percentages were fractionally lower than in May. The slight improvement was common to each of the administrative divisions and to each occupation group, except painters. Meanwhile, the value of building plans approved by the local authorities continues to move irregularly, with the aggregate showing a downward tendency. Compared with a year ago, the June total shows a decline of 13 per cent. An increase in the value of plans approved for factories, workshops, churches, schools and public buildings was offset by a decline in plans for other purposes—including residential buildings. It is unfortunately true, however, that for a number of technical reasons the plan figures are becoming less reliable as a guide to the future course of building activity.

CHEMICALS

There has been little notable change in the home chemical market during the month of June, the industrial chemicals section continuing in fair demand. Tartaric, citric and acetic acids have been particularly good items, due probably to seasonal factors. The wood distillation products market has been moderate. Improvement was again shown in overseas trade during June, exports of chemicals, drugs, dyes and colours being £12,586,595 for the first six months of this year, an increase of £2,313,556 over the same period of 1936. Imports showed an increase over last year of £496,694, the total for the first six months of 1937 being £6,521,208.

POTTERY

The position on the home market showed practically no change during June. Employment in North Staffordshire remained fair generally and was much better than in the same month of last year. Employment continued good at Bristol and Derby and very good at Worcester. Nevertheless, a considerable proportion of operatives are working short-time and conditions are by no means uniform. Export business was considerably above the level of a year ago. Shipments of general earthenware showed a satisfactory expansion, Canada and other Empire countries being the principal customers. Sales overseas of electrical ware, sanitary ware and tiles were also larger than in June, 1936, but exports of china were rather smaller.

FOOTWEAR

The employment position showed a marked improvement between May and June, but comparison is rather unreal, since unemployment was increased in the former month by holiday stoppages. Activity, however, is well above last year's level at this time. Exports of leather boots and shoes amounted to 30,836 dozen pairs last month, compared with 21,301 dozen pairs in the same month of 1936. Imports showed a similar expansion.

COTTON

Activity in Lancashire is well maintained on the basis of past contracts, but sales of yarns and piece goods in recent weeks have been less than output; order lists are consequently lighter. Employment at June 21st showed an improvement compared with May 24th, when, however, holiday stoppages affected the position. The volume of unemployment was substantially smaller than at this time last year, and acute shortages of juvenile labour are reported from many centres. A shortage of weavers was occasionally experienced. Meanwhile, the attitude of buyers is being affected by bearish news of the American cotton crop. The acreage under cotton is 10.4 per cent. larger than in the past season and, although the growing cro phas still to pass through the most critical period, there is every probability of a large output. Demand for cloth from India is of small dimensions, and only occasional transactions have been put through for Egypt and season and, although the growing crop has still to pass through for China, Java and Singapore, while prints have been bought in fair volume for West Africa and dyed goods for South America. Business for the Continent remains irregular and home trade buyers are cautious. Spinners are firm in their quotations, most rates being protected by legalised price agreements. Spinning continues at about 92 per cent. of capacity, against 79 per cent. a year ago.

JUTE

Fluctuations in the price of the raw material have occasioned uncertainty, and anticipations of a decline in quotations tended to hamper business during most of the period under review. According to the first forecast of the Indian jute crops for 1937-38, the area sown (at 2,747,100 acres) is not so large as had been expected. The industry is, however, inclined to distrust the returns since the crop has been underestimated by an average of 1,750,000 bales during the past six seasons. Nevertheless, jute prices have shown a firmer tendency since their publication. Yarns, which had been a very quiet market, are now receiving more attention at rather firmer rates. New business in cloth is, however, concerned mainly with small lots for immediate delivery and quotations are nominal. Meanwhile, representatives of the industry are seeking protection against Calcutta manufactures, which at present enter the country duty free.

LINEN

Flax is in quiet demand, and holders refrain from pushing sales as they anticipate difficulty in securing replacement. Courtrai fibre is in brisk demand. Reports on the growing crops are generally favourable. New business in yarns shows a seasonal decline, but pressure for delivery against current contracts is intensified. New cloth business is practically confined to routine requirements, buyers conceding the higher prices now established.

RAYON

Business in yarns is generally healthy, some of the popular deniers of viscose being in particularly good demand. Considerable forward buying is taking place—a tendency which is being stimulated by the firmness of prices. Demand from Lancashire for acetate yarns is somewhat restricted, while business with the West Riding in yarns for satins and satin beautés is also decreasing considerably.

WOOL

Unemployment was swollen in May by holiday stoppages, and it is therefore not surprising to find that the position showed some improvement last month. The percentage of insured workpeople recorded as unemployed was 8.7 on June 21st last, against 11.1 a year earlier. Export business last month showed a satisfactory increase compared with June, 1936, total overse assales of woollen and worsted yarns and manufactures being valued at £17,647,931, against £15,310,740. Prominent customers of the industry were Canada, the Union of South Africa and Argentina; each of these took larger quantities than in the previous year. Germany, however, which is the second largest buyer, absorbed less than in June, 1936. Meanwhile, machinery activity is now showing a seasonal decline, but active preparations are being made for the spring and summer season of 1938. Raw material prices remain firm, the tendency at the recent series of London sales being stronger than was expected; but users are seeking to obtain concessions.

AGRICULTURE AND FISHERIES

Weather conditons during June were, on the whole, favourable for land work and crops made good growth. Corn crops made considerable progress. Early autumn sown wheat is generally healthy and vigorous, but later sowings and spring wheat are variable, especially on wet and heavy land; yields are expected to be below average generally. Despite recent improvement, barley is still backward and yields may be rather below average; oats are in a similar position. Beans are promising, and should produce at least an average yield, while peas have also been making good progress. Potatoes, although backward, look well and, where litting has begun, are yielding satisfactorily. Root crops and hops are making good growth, although some of the hop bines in Kent have been attacked by aphis and downy mildew. The growth of hay has been good, but harvesting operations have been prolonged by adverse weather; yields are estimated to be above the ten-year average. Grass has continued plentiful. Cattle and sheep have consequently done well, milk yields being well maintained. In the first six months of 1937 British takings of wet fish aggregated 9,447,778 cwts., against 9,450,497 cwts. in the corresponding period of last year. Prices realised, however, showed a marked decline and the total value of the catch consequently amounted to no more than £6,858,207, compared with £7,271,314 last year. Prices, however, showed a slight recovery in June.

SHIPPING

The rapid rise in freight rates, which has been a notable feature in the shipping world since the middle of last year, was checked in June. Nevertheless, the *Economist* index of whole cargo shipping freights rose from 154.9 in May to 157.0 in June (1898-1913 = 100), against only 90.6 in the same month of 1936. Quiet conditions continued to rule during the first half of July, but, under the lead of the River Plate market, the principal homeward markets are now showing a better tone. The gradual expansion of international trade and the recovery of the prices of primary products are a good augury for the immediate future of shipping.

UNITED KINGDOM—THE ECONOMIST INDICES OF BUSINESS ACTIVITY*

Daily Averages of 1935 = 100

Period	Employment	Consumption of Power: Coal	Consumption of Power: Electricity	Transport: Merchandise on Railways	Transport: Commercial Motors in Use	Postal Receipts	Building Activity	Consumption of: Iron and Steel	Consumption of: Cotton	Foreign Trade: Imports of Raw Materials	Foreign Trade: Exports of British Manufactures	Foreign Trade: Shipping Movements	Bank Clearings: Metropolitan, Country, Provincial	Bank Clearings: Town	Complete Index: Monthly	Complete Index: Twelve-Months' Moving Average
Number of Weights.....	10	4	2	4	2	3	2	2	1	2	3	2	4	1	42	
1929	98½	103	68	127	76	95	60	97	111	98½	137½	108½	91	109	98½	...
1930	94½	98½	68½	115½	80½	96½	65½	84½	82	88	108	107	89	112	93	...
1931	91	92	69	98½	83½	95½	62	73	86	82½	80½	97½	86½	96½	87½	...
1932	90	90	71½	86	86	94½	57	59½	81	84	82	94½	86½	86½	84	...
1933	93½	90	78	89½	89½	96½	73½	70	101	92½	85	96	91	88	89	...
1934	97½	97½	88½	100	95	97½	88	93½	98½	100	92½	98	95½	96	96	...
1935	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	...
1936	105	104½	112½	106½	105½	104½	107	125	109½	110½	101½	102	104	103½	106	...
1934—June	97½	91½	90	101	95½	95½	88½	87½	103	103	93½	96½	94½	85	95	95½
July	98	92½	84½	98½	96½	94½	89½	92½	101	107½	91½	98	94	85	94½	95½
August	98½	97	87½	102½	97	98	90	95½	98	114	89	98	93	89½	96½	95½
September	99½	95	88½	102½	97	96	90	90½	98	101	101	98	94½	89½	96½	95½
October	99½	97	89½	100½	95	97½	91½	94	89	98	95½	95½	96½	91½	96	96
November	98	99½	94	98	95	97½	93	89	87	89	93	97½	95½	114½	98	96½
December	98½	98½	87	99½	95½	101	92½	96	97½	94	98	100	99	100½	97	96½
1935—January	98	96	92	103½	98½	98	93½	98½	98	85	95½	95	98	110	97	97
February	98	96	92	99	98½	99	95	94½	92	91½	104	97	98	94½	97	97½
March	98½	98½	93	98	99½	95½	96½	97½	94	85	98½	97½	96	92	98	98
April	99½	98	97	97	99	101	98	92½	90	100	99½	99½	97	100	99	98½
May	99½	102½	99	100½	99	98	100	93½	96	100½	97	100½	100	96	100	99½
June	100	99½	97	99½	99½	96½	98½	93½	99	97½	105½	100½	102½	106½	100	99½
July	101	94	96½	98	100	98	99½	104½	112	108	96	100½	104	99½	99½	100½
August	101	92½	99	100½	100	99	100½	105½	100	100½	97	100	100½	98	99½	100½
September	101	100½	99½	98	100½	101	102½	102	96½	104½	103	100½	102	95½	101	101
October	101	105	101½	101½	101	99½	103½	102	96	102½	102½	98	99½	96½	100	100½
November	101	104	102	103	101½	100½	105½	102½	107	108	99	101	99	96½	102	101½
December	101½	105½	108½	102½	102	104	108	113½	99	117	99½	103½	103	112½	104½	102½
1936—January	101½	107	104	104	103½	101	106½	117	106½	97½	92½	98½	98	91	102	102½
February	102½	100½	108	102	104	101½	107½	115	100	98	102	100½	99½	93	102½	103½
March	103	98	105	105½	104½	102	107	112½	101½	99½	99½	99	100½	94	102½	104½
April	103½	103	111	106½	104½	102	107½	116	112½	107½	98½	98½	101	97	105	104½
May	104½	102½	107½	105½	105	102	106½	109	121	119	117½	98	102½	104	104	105½
June	105	106½	107½	104½	105½	103½	107½	123	120	117	117½	101	105½	97	107	106½
July	106½	104½	109½	106	106	103½	109½	139	120	107	123½	105	107½	103	106	106½
August	107	104	111½	106½	106½	106½	108½	132	107	102½	117	107½	109½	113½	108½	107½
September	106½	102½	112	106½	107½	104½	107	127½	102½	100½	117	100	103	106	108	108
October	106½	104	113½	107	108	108	107	125	100½	109	119½	106	106	111	108½	108½
November	107	104	117½	106	108	108	105	134½	109	108½	108½	103½	109½	114	109½	109½
December	106½	107½	117½	113	108½	108	103½	134½	109	108½	108½	103½	107	122	109½	109½
1937—January	108½	97½r	116	110½	109	107½	102	124	111½	103½	104½	101	106½	105	107	...
February	109	108½r	116	107	109½	110	102½	118	110	102½	111	107½	108	115	109½	...
March	108	109p	125	106	110½p	107½	99½	118½	123	119	120	114	108½	107½	111p	...
April	109½	112½p	122	115	110p	110	102½	117	116½	114½p	112½p	102½	103p	104p	110½rp	...
May	109	113p	123½	113r	110½p	106½	100½	130½	143	129p	122p	114	107½p	99p	113rp	...
June	110½	121½p	122½	113p	111p	107	99p	133½	111	138p	126p	106½	106½p	106p	114p	...

* For method of construction and earlier figures (1924–1936) see Supplement to *The Economist* of July 25, 1936. r Revised. p Provisional. † Annual indices represent averages of monthly figures.

Business Developments Overseas

BRITISH EMPIRE

AUSTRALIA.—A cabled report from the National Bank of Australasia states that seasonal conditions are exceptionally promising in Western and South Australia, but that Victoria, New South Wales and South-East Queensland need early rains. The wool clip is estimated at 3,146,000 bales, or 2 per cent. more than last year, while the area under wheat is estimated to be 11 per cent. more. Recent high levels in industry and trade have been maintained; the trade balance for the twelve months amounts to £35 million sterling, against £22,500,000 for the corresponding period last year.

SOUTH AFRICA.—Latest available data suggest that the tide of prosperity in the Union continues to flow. The expansion of the gold mining industry has not only enabled the public finances to be established on a much more favourable basis, but has contributed in many ways to the social amenities of the country. Thus, a great national road scheme has recently been inaugurated, the programme to be completed in five or six years. Meanwhile, overseas trade continues well above last year's level. Imports in June were valued at £9,004,000, against £7,269,000 in the same month of last year; while total exports were £11,322,000, against £8,469,000 in June, 1936.

CANADA.—Business activity, as is pointed out in the Monthly Letter of the Royal Bank of Canada, has recently been maintained well above the 1936 level. While the improvement has been general, the growth in the output of iron and steel, newsprint, nickel, copper and gold is particularly striking. Employment has consequently increased and retail sales are greater than at any time since 1931. Meanwhile, wholesale prices have been steadily rising. Data for May and June are still incomplete, but it is suggested that the seasonal slackening of activity will be rather more pronounced than usual. The outlook is clouded by the adverse weather conditions in the wheat belt.

NEW ZEALAND.—The improvement in the Dominion's economic position is reflected in the national accounts for the year ended March 31st, which disclose a surplus of £472,000. The tax yield is steadily rising, but the Government has embarked upon an expansionist programme of social services, and some concern is being felt lest taxation should be further increased. Meanwhile the export industries continue to benefit from rising prices and overseas trade continues to grow. Imports amounted to £4,412,000 in May and exports to £5,896,000, against £3,196,000 and £5,025,000 in May, 1936.

EUROPE

FRANCE.—France is one of the few countries which have not yet been caught by the rising tide of recovery. Industrial activity had shown a very gradual increase between August, 1936, and April, 1937, but even in the latter month the official index of production was still some 25 per cent. below the pre-depression level. In contrast to France, Switzerland and Holland have been making fairly rapid headway since devaluation last autumn. France lost the benefits of the initial exchange depreciation owing to the rapid rise of internal costs and prices due to the reduction of hours of work and wage increases. In May, industrial activity again took a downward turn, and in June France found herself in the throes of another Budget crisis which led to a change of Government and a further measure of exchange depreciation. But despite the severe measures taken to balance the Budget, there are still no indications of an early revival of confidence and of a repatriation of capital, partly owing to the militant attitude of the Government's Left Wing supporters. The outlook remains uncertain.

GERMANY.—Business activity continues to expand. The index of industrial production of the German Institute for Business Research rose from 113.7 (1928 = 100) in December, 1936, to 119.8 last May. This year's expansion, however, has been practically confined to capital equipment and other durable goods. The index relating to consumption goods has actually shown a downward trend since last December. During June the official returns of the number of unemployed persons showed a further decline, from 776,300 to 649,000. Wholesale prices and quotations for industrial securities have shown little change in recent months. As far as Germany's foreign trade is concerned, both imports and exports have risen in value since the beginning of the year, but as the increase was most marked in imports the excess of exports over imports has fallen from Rm. 79 millions in January to Rm. 9 millions in May.

NORWAY.—Business activity has been well maintained in recent months at a level showing an increase of 25 per cent. over 1929. Foreign trade has shown a remarkable increase during the past twelve months. Thus, the value of imports rose from Kr. 77.4 millions in May, 1936, to Kr. 120.0 millions in the corresponding month this year, while exports advanced from Kr. 47.7 millions to Kr. 60.6 millions during this period. Again, the number of registered unemployed has shown a steady decline, from 36,260 last December to 22,028 in June, against 26,139 a year ago.

GREECE.—Heavy rains and hail during June caused some damage to the crops. Harvesting has nearly finished. On the whole, crops are expected to be larger in quantity and better in quality than last year's. A seasonal lull in internal trade and in certain industries is noticeable. Foreign trade returns for May show an increase both in imports and exports compared with May, 1936. Sharp rises in quotations took place in Juné on the Athens Stock Exchange. The foreign exchange reserves of the Bank of Greece, as well as the index of wholesale prices, have registered a slight fall.

POLAND.—Industrial production is steadily expanding, though not rapidly enough to absorb the increase in the number of persons applying for work. Thus, registered applicants for work last April numbered 414,974, against 407,734 a year ago. On the other hand, the index of industrial production calculated by the Polish Institute for Economic Research rose from 71.2 (1929 = 100) to 85.7 during the twelve months ended last May. The current volume of activity, however, is still about 15 per cent. below the pre-depression level.

UNITED STATES OF AMERICA

Despite a number of serious labour disputes business activity has so far been well maintained. After a slight setback in January, industrial production continued at a high level until June, when a small decline took place as a result of the strikes in the steel, automobile and other industries, and owing to seasonal influences. There are no indications, however, of a more serious setback during the next few months. The rise in the prices of food crops and other primary products has brought about an improvement in America's economic balance. For example, the United States Department of Agriculture estimates the farm income for 1937 at $9,500 millions, an increase of $1,500 millions over last year and of $5,123 millions over 1932. However, much leeway remains to be made up to raise America's capital equipment to pre-depression standards. Residential building, in particular, has fallen heavily in arrears since 1929 and is now gradually expanding. The increasing demand for accommodation is reflected in the upward trend of rents, which recently has been even more marked than the rise in costs of construction. The improved outlook is reflected in a sharp recovery of quotations for industrial securities during the past few weeks.

LATIN AMERICA

ARGENTINE.—Although exports continue to decline from the record high level registered in the first quarter of the year, their aggregate value in May, 1937, was still some 72 per cent. higher than in May, 1936. Both the tonnage and value of imports in the first five months of 1937 were the highest recorded for that period in any year since 1931. United Kingdom goods remain at the head of the import list, at over 20 per cent. of the total. Argentina's favourable trade balance for the first five months of this year is over £44 millions sterling and higher than for any full year since 1919. Retail business in Buenos Aires is definitely better than a year ago.

BRAZIL.—The exchange value of the milreis continues steadily to improve, believed to be due to official intervention. Imports are rising faster than exports, and the favourable balance of trade fell from £2 millions (gold) during the first four months of 1936 to £1,578,000 (gold) during the corresponding period this year. Suggestions for restoring statistical equilibrium to coffee include the elimination of millions of trees, or, alternatively, production quotas to each district or planter. Whichever is adopted, planters will expect monetary compensation.

CHILE.—Foreign trade continues to expand, notably in copper exports; and, mainly by arbitrage of the United States dollar, there is at present a sufficient supply of sterling exchange cover available for legitimate trading.

OTHER COUNTRIES.—Under the new Trade Agreement between Colombia and Germany, the latter should take larger quantities of Colombian coffee. Arrivals of new crop coffee in Ecuador are satisfactory, but business generally is difficult owing to the control of exchange and imports. Guatemala's coffee crop has sold well, while the national accounts have again closed the year with a surplus. The new Nicaraguan coffee crop promises well, and in Venezuela there is also a brisk demand for coffee from abroad.

THE FAR EAST

The feature of the past month has been the growing political tension between China and Japan, a factor which has tended to obscure the economic outlook in both countries. In Japan, however, business activity, stimulated by the needs of the re-armament programme, continues on a high level. The money market in that country has hardly been affected by the outbreak of hostilities, but Stock Exchange prices have suffered a setback. Commodity prices have continued to show weakness generally, silk and cotton having suffered a sharp break; rice, however, has risen in price. The main feature of Japan's foreign trade has recently been the growth of the import surplus, the excess of imports over exports aggregating 641 million yen in the first half of 1937. Imports in June amounted to 397 million yen, against 242 million yen last year, while exports totalled 295 million yen, against 216 million yen in June, 1936. China's imports rose from 111 million standard dollars in May to 115 millions in June, against only 84 millions in June, 1936; while her exports increased from 78 millions to 85 millions, compared with 58 millions in June last year.

UNITED KINGDOM

(Population, mid 1936, 47,098,000; Area 95,030 sq. miles; 244,000 sq. kms.)

United Kingdom figures; otherwise Great Britain (G.B.)	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936	1936 May	1936 June	1936 Dec.	1937 Jan.	1937 Feb.	1937 Mar.	1937 Apr.	1937 May	1937 June
PRODUCTION																		
1. Industr. Prod. B. of Trade(*a*)(*d*)	1930 = 100	*108·5*	100·0	*91·0*	*90·5*	*95·5*	106·1	113·5	124·5		122·9	132·1			137·9	...	...	...
2. Coal, G. B.	Mill. tons	21·4	20·3	18·3	17·4	17·2	18·4	18·8	19·0	18·7	16·9	20·6	19·5	19·8	20·9	21·7	18·7	20·2
3. Electcy., public supply, G.B.	Mill. kw.-hrs.	858	910	951	1,020	1,130	1,288	1,464	1,685	1,457	1,334	2,180	2,172	1,944	2,074	1,832	1,621	1,575
4. Pig iron	Thous. tons	632	516	314	298	345	497	535	641	661	644	671	651	604	680	681	696	699
5. Steel ingots and castings	"	803	610	434	439	585	738	822	975	963	966	1,019	999	996	1,110	1,080	1,047	1,106
6. Buildg. plans passed ∫ Dwellgs.	Thous. £'s	3,688	3,897	3,374	3,907	5,192	5,799	6,536	6,255	7,777	6,857	5,396	4,476	5,300	5,945	7,036	5,788	5,720
7. 146 towns, G.B. ..... { Other...	"	2,403	2,320	1,877	1,614	1,781	2,164	2,990	3,497	4,996	3,621	3,629	3,996	5,399	3,953	3,941	3,406	3,540
New Orders, heavy elec. mach.	1929 = 100	100	125	77	112	67	160	148	250	192	199	250	264	258	255	232	233	238
8. Home	"	100	67	50	31	44	60	62	96	77	82	96	105	118	125	118	116	114
9. Foreign	"	100	93	58	59	56	107	104	167	133	139	167	175	189	188	174	173	174
10. Total	"	137	79	17	6	20	43	57	91	94	94	91	84	84	84	123	123	123
11. Shipbuilding : commenced (*f*)	Thous. gross tons	127	123	42	16	11	38	42	71	56	56	93	59	59	59	84	84	84
12. " launched (*f*).....	"	1,560	909	401	225	332	597	743	964	...	849	964	...	...	1,014	...	...	1,200
13. " on hand, end yr.	"																	
14. Automobiles : priv. cars (*b*)...	Number	15,196	14,139	13,250	14,270	19,232	21,406	25,962	29,479	36,231	29,968	34,349	34,062	28,449	44,578	36,309	33,093	...
15. " Com. vehicles(*b*)	"	4,705	5,572	5,609	5,123	5,459	7,136	7,681	8,967	9,820	8,262	10,165	11,427	8,468	11,045	10,069	10,057	...
16. Cotton delivered to mills, G.B.	Mill. lbs. daily av.	5·27	3·92	4·04	4·47	4·72	4·31	4·72	5·17	5·44	5·45	5·74	5·65	5·50	6·23	5·90	6·93	5·11
17. Rayon : Output	Thous. lbs.	4,742	4,064	4,548	6,043	7,007	7,758	10,314	12,110	12,970	12,320	10,950	11,740	11,720	12,520	13,670	12,180	...
18. " Quantity excised	"	4,710	3,992	4,591	5,955	7,086	7,715	9,987	11,776	12,784	11,946	11,188	11,680	16,638	12,527	14,317	...	...
19. Beer production	Thous. st. barrels	1,620	1,568	1,585	1,102	1,193	1,293	1,355	1,395	1,469	1,462	1,560	1,163	1,131	1,473	1,534	1,511	...
20. Distilling : Drink (*f*).....	Thou. proof galls.	914	840	786	721	733	719	720	760	694	694	1,078	634	634	634	...	...	...
21. " Industrial alcohol(*f*)	"	1,205	1,393	1,438	1,834	2,484	2,816	3,172	3,595	3,315	3,315	3,959	3,700	3,700	3,700	...	...	...
22. " Stocks, end year...	Mill. proof galls.	151·6	153·4	148·5	141·5	134·9	135·4	136·1	137·4	138·1	138·1	137·4	138·2	139·3	140·6	141·7	142·2	...
TRADE AND TRANSPORT																		
Domestic Trade																		
23. Rly. traf. : Merch. & livstk. G.B.	Thous. tons	9,780	8,890	7,602	6,605	6,875	7,660	7,661	8,188	8,478	8,200	8,279	8,098	8,180	8,404	...	...	...
24. " Coal and coke, G. B.	"	15,933	14,868	13,360	12,861	12,727	13,384	13,447	13,539	13,476	12,402	14,883	14,150	15,355	15,685	...	...	...
25. Automob. : prv. crs in use, G.B.	Thousands	893·8	967·7	979·7	1018·4	1084·9	1184·5	1347·5	1498·8	1531·4	1547·1	1558·0	1445·9	1458·6	1487·7	1685·6	1699·1	1716·1
26. " Comcl. vehicles in use, G.B.	"	314·7	333·6	346·0	356·2	370·0	393·5	413·2	437·0	433·5	436·6	453·4	445·9	448·6	454·9	456·7	457·4	468·8
27. Postal traffic receipts, daily ...	Thous. £'s	133	135	134	133	135	137	140	147	140	138	199	148	146	149	152	145	146
28. Retail trade, Gt. Brit. : Food	Avg. daily sales	...	...	...	102	100	103	111	120	116	119	142	119	123	137	12.	139	...
29. " Other merchandise	in 1933 = 100	...	...	...	99	100	103	108	113	121	109	167	120	95	111	115	130	...
30. " Total	"	...	...	...	101	100	103	109	116	118	114	154	119	110	124	115	131	...
31. Advtg. expnditre. on brand. gds.	1935 = 100	...	...	76·1	79·2	84·6	90·4	100	104·6	126·4	104·8	94·9	88·1	100·2	120·1	126·2	115·9	110·3
Foreign Trade																		
32. Retained imports, value : Food	Thous. £'s	42,444	37,603	33,041	29,810	27,311	27,829	28,616	30,921	30,558	30,754	36,839	31,080	29,717	34,033	31,738	33,015	34,507
33. " Raw materials ...	"	23,774	17,874	12,277	11,740	12,897	15,155	15,237	17,934	16,954	16,801	21,940	22,627	17,491	21,559	21,638	21,605	23,833
34. " Manufactures ...	"	25,457	23,822	20,367	12,168	11,654	13,395	14,302	16,452	15,613	14,730	18,111	16,435	17,223	19,917	21,727	20,677	22,275
35. " Total	"	92,589	79,762	66,449	54,221	52,161	56,681	58,473	65,710	63,544	62,636	77,558	70,505	64,725	75,974	75,596	75,758	80,990
36. Volume : Food (*a*)(*d*).....	Avg. of 1935	*98·9*	99·6	*106·5*	*102·5*	*100·7*	*101·1*	100	102·8		99·8	115·7			97·2	...	...	...
37. " Raw materials (*a*)(*d*)	= 100	*101·5*	90·9	*82·9*	*84·6*	*92·7*	*99·6*	100	111·1		106·6	122·0			114·7	...	...	...
38. " Manufactures (*a*)(*d*)	"	*133·6*	133·9	*123·9*	*79·5*	*81·8*	*95·0*	100	111·6		105·6	120·8			114·8	...	...	...
39. " Total (*a*)(*d*)	"	*108·9*	106·3	*105·0*	*92·2*	*93·7*	*99·0*	100	107·2		102·8	118·9			106·0	...	...	...
40. Domestic exports, value : Food	Thous. £'s	4,555	3,944	2,898	2,625	2,314	2,588	2,636	2,966	2,738	2,633	3,404	2,990	3,120	2,908	3,092	3,100	2,972
41. " Raw materials.....	"	6,575	5,813	3,920	3,634	3,932	4,021	4,400	4,278	4,484	3,546	4,940	5,091	4,901	5,264	5,636	5,47.	5,652
42. " Manufactures	"	47,899	36,745	24,398	23,031	23,475	25 403	27,411	28,410	28,193	24,945	30,828	29,885	29,787	34,158	33,362	33,266	34,673
43. " Total.....	"	60,779	47,563	32,552	30,419	30,659	33,000	35,493	36,727	36,396	32,065	40,816	39,101	38,572	43,470	43,027	42,733	44,373
44. Volume : Food (*a*)(*d*)	Avg. of 1935	*126·7*	118·7	*94·6*	*90·9*	*81·8*	*93·3*	100	110·6		98·8	131·7			110·2	...	...	...
45. " Raw materials(*a*)(*d*)	= 100	*130·4*	110·2	*86·9*	*83·0*	*88·6*	*90·3*	100	102·4		87·1	100·7			109·2	...	...	...
46. " Manufactures(*a*)(*d*)	"	*142·1*	113·8	*80·7*	*83·0*	*85·6*	*92·4*	100	102·1		95·5	108·6			109·7	...	...	...
47. " Total (*a*)(*d*)	"	*140·3*	115·0	*83·8*	*84·0*	*85·9*	*92·4*	100	101·5		94·6	110 1			108·2	...	...	...
48. Shipping : Tonnage entered ...	Thous. net tons	5,225	5,310	5,023	4,947	5,036	5,223	5,302	5,616	5,587	6,082	5,534	4,869	4,821	5,760	5,421	6,004	6,287
49. " Tonnage cleared	"	5,723	5,488	4,862	4,620	4,636	4,674	4,777	4,735	4,935	4,726	4,663	4,528	4,282	4,716	5,143	5,091	5,447
50. " Tonnage laid-up	"	365	1,593	1,966	1,971	1,240	878	436	212	...	502	212	...	...	90	...	...	...
51. Freight rates, *Economist* Index	1929 = 100	100	81·7	82·2	77·9	75·1	76·4	76·8	87·3	78·8	80·4	113·8	120·4	119·3	122·3	133·4	137·5	139·4
52. Cable and wireless traffic recpts.	Corresponding month 1929 = 100	100	87·2	78·9	72·2	70·5	72·5	73·5	74·4	67·6	70·3	96·4	85·8	84·6	90·6	83·7	78·6	73·5
EMPLOYMENT AND WAGES																		
53. Insured pers. employed G.B.	Thousands	10,220	9,797	9,421	9,848	9,681	10,139	10,377	10,896	10,831	10,832	11,132	11,106	11,187	11,242	11,394	11,387	11,517
54. Insured pers. unemployed "	"	1,212	1,915	2,630	2,756	2,496	2,107	1,958	1,684	1,635	1,645	1,552	1,604	1,552	1,501	1,368	1,396	1,306
55. Per cent. unemployed "	"	10·3	15·8	21·1	21·9	19·8	16·6	15·8	13·0	12·8	12·9	11·9	12·8	11·9	11·5	10·5	10·7	10·0
56. Regist'd at Exchanges, all ages,	"	1,276	2,014	2,718	2,813	2,588	2,221	2,106	1,822	1,768	1,766	1,703	1,766	1,704	1,677	1,526	1,519	1,423
57. " London	"	118	177	273	306	272	216	203	179	163	161	173	200	194	183	162	163	153
58. " S.E. England.....	"	50	75	114	142	120	93	91	79	72	65	79	90	89	86	72	62	52
59. " S.W. "	"	69	91	129	157	147	127	114	94	86	80	93	106	100	93	83	78	68
60. " Midlands	"	165	267	381	371	325	245	217	178	171	178	156	163	152	149	132	14.	134
61. " N.E. England.....	"	280	419	569	602	557	478	452	304	367	400	171	171	164	168	146	172	176
62. " N.W. "	"	285	522	627	562	517	461	489	374	374	365	338	334	320	315	297	301	281
63. " Northern (*c*).....	"	...	...	...	...	...	...	...	179	...	...	180	179	172	176	158	156	142
64. " Scotland	"	156	244	368	378	364	331	314	277	273	254	265	271	267	269	247	23.	215
65. " Wales	"	116	168	196	228	219	208	206	198	199	198	174	174	172	164	153	145	136
66. " N. Ireland	"	26	60	71	68	68	63	70	67	63	64	74	77	76	78	71	68	67
67. Industr. disputes, No. days lost	"	676	361	527	541	87	78	160	154	163	191	195	306	84	220	480	814	111
68. Wage rates, Min. of Labour (*d*)	1929 = 100	100	100	97½	96	95½	95½	96½	99½		99½	100½			101½	...	...	...
PRICES																		
Wholesale : 'Economist' Indices																		
69. Cereals and meat	1929 = 100	100	83·6	70·9	70·4	66·4	71·3	72·2	79·4	74·3	72·4	89·2	91·1	90·2	96·0	95·1	96·6	94·1
70. Other foods	"	100	90·0	76·1	72·8	68·4	68·8	70·6	71·2	68·4	68·6	78·4	79·0	80·0	82·0	81·2	79·9	78·7
71. Textiles	"	100	69·9	54·2	53·4	55·2	58·7	61·8	67·0	63·3	64·4	73·2	75·1	74·8	80·5	80·6	79·4	76·7
72. Minerals	"	100	87·5	76·5	76·3	80·8	80·5	83·5	88·5	85·5	84·5	99·9	103·9	110·7	118·4	114·2	115·1	111·4
73. Total, incl. miscell.	"	100	84·0	70·2	67·8	68·3	71·6	74·3	78·8	75·5	75·3	85·7	87·6	89 1	94·4	92·7	93·3	91·2
74. Primary products	Sep.18,1931 = 100	...	154·5	114·5	118·1	113·0	123·0	126·9	140·2	130·1	133·2	163·9	164·2	168·2	181·9	169·9	170·2	165·9
Cost of Living : Min. of Labour																		
75. Food	1929 = 100	100	94·2	85·1	81·8	77·9	79·2	81·2	83·6	81·8	81·8	88·3	87·6	87·7	87·7	88·3	88·3	90·9
76. Total	"	100	90·3	80·0	77·8	75·4	76·0	77·2	79·7	77·8	77·9	84·0	83·4	83·5	83·5	84·0	84·0	86·5
77. *Industrial securities, Fin. News*	July 1.1935 = 100	102·0	84·6	65·8	64·0	79·8	84·1	97·0	115·7	109·4	111·9	124·6	122·0	120·5	117·7	111·1	112·4	109·9
78. *Fixed interest* " "	1928 = 100	96·8	99·9	99·2	113·6	126·1	133·6	137·1	137·7	137·6	136·3	136·6	133·9	127·6	127·4	129·6	130·5	127·6
FINANCE																		
79. Govt. Revenue, cumulative (*h*)	Mill. £'s	815·0	857·8	851·5	927·0	909·4	804·6	844·8	886·6	99·6	140·1	505·0	648·3	785·5	886·6	63·9	107·4	155·2
80. " expenditure, " (*h*)	"	829·5	881·0	851·1	859·3	778·2	797·1	841·8	902·2	130·0	212·3	643·9	726·0	810·6	902·2	85·0	128·9	225·4
81. Bank of Eng. : Notes in circ.(*g*)	"	362·2	358·6	354·8	258·5	271·2	278·7	294·7	431·4	424·2	433·3	463·9	455·1	455·2	466·7	467·1	477·9	480·8
82. " Bankers' deposits ...(*g*)	"	62·9	65·5	64·7	81·3	99·9	100·3	96·7	96·2	82·5	89·5	101·0	103·9	96·6	85·2	92·6	93·4	110·9
83. " Gov.sec. B'king Dept.(*g*)	"	55·9	49·7	45·5	94·0	79·6	81·1	87·0	88·8	90·4	88·5	94·2	82·5	82·4	93·0	97·4	103·6	108·4
84. Clearing Banks : Deposits...(*g*)	"	1,738	1,741	1,689	1,791	1,953	1,890	1,999	2,142	2,113	2,155	2,238	2,231	2,198	2,169	2,178	2,181	2,217
85. " Cash & bal. with B.E.(*g*)	"	194	192	182	187	212	212	215	221	213	218	286	230	222	218	222	225	234
86. " Discounts .....(*g*)	"	229	264	256	308	354	230	266	313	354	322	515	340	302	248	299	242	257
87. " Advances .....(*g*)	"	991	963	919	844	759	753	769	839	839	847	858	852	873	906	919	924	936
88. " Investments .....(*g*)	"	257	255	301	348	537	560	615	613	610	612	630	640	642	637	631	627	624
89. Bank Clearings : Town ...(*e*)	"	130·1	126·3	103·6	90·4	90·6	100·1	106·0	134·8	105·4	114·0	135·3	125·7	122·0	131·9	126·2	115·7	125·1
90. " Met. Country & Prov.(*e*)	"	21·4	19·9	18·3	17·9	18·5	19·7	20·9	22·6	22·1	21·6	24·9	25·9	24·6	25·1	24·8	24·9	23·8
91. Interest Rates : Bank rate ...	"	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
92. " Three mths. bank bills	%	5·498	3·414	3·969	3·098	2	2	2	2	2	2	2	2	2	2	2	2	2
93. " Day to day loans	"	5·26	2·57	3·61	1·87	0·69	0·82	0·58	0·60	0·56	0·78	0·84	0·56	0·55	0·55	0·55	0·55	0·73
94. " Yield on Consols	"	4·47	2·27	2·94	1·61	0·69	0·82	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50
95. Cap. Issues : Total (exl. Br. Govt.) (*Economist*)	Th's £ New basis	4·61	4·49	4·40	3·75	3·40	3·10	2·89	2·94	2·94	2·94	2·96	2·98	3·15	3·28	3·28	3·26	3·38
96. " Old "		...	...	...	...	...	...	20,590	36,073	30,521	22,939	111170	37,935	41,187	31,179	23,980	25,065	32,218
97. Of which abroad		*18,319*	*16,849*	*7,620*	*7,184*	*7,831*	*10,418*	*12,346*	*16,299*	*16,700*	*10,262*	*27,590*	*24,575*	*9,246*	*9,600*	*11,915*	*9,278*	*25,274*
98.		...	...	...	...	...	...	2,540	3,787	2,679	2,187	9,608	5,157	14,771	5,508	11,495	3,314	3,828
99. Exchange Rates : New York ..	$ per £	*7,267*	*8,096*	*3,970*	*2,153*	*2,878*	*2,619*	*1,291*	*1,215*	*2,222*	*1,706*	*2,226*	*1,214*	*1,245*	*2,261*	*3,128*	*3,077*	*2,067*
100. " Paris	Frs. per £	4·857	4·862	4·533	3·504	4·218	5·041	4·903	4·971	4·971	5·020	4·907	4·908	4·834	4·885	4·918	4·940	4 940
101. " Berlin.....	Rm. per £	124·02	123·87	115·55	89·20	84·58	76·74	74·26	82·97	75·48	76·15	105·15	105·14	105·12	106·31	106·33	110·32	110·824
102. " Amsterdam	Fl. per £	12·10	12·09	11·27	8·66	8·24	7·48	7·24	7·78	7·35	7·42	8·99	8·96	8·95	8·93	8·98	8·99	8·98
103. " Kobe	Pence per Yen	22·81	24·41	26·23	19·32	14·64	14·20	14·08	14·02	14·06	14·08	13·86	13·96	13·99	14·00	14·00	14·00	13·98
104. " Shanghai	Pence per $	25·86	30·61	16·65	20·83	15·09	16 32	18·00	14·47	14·47	14·39	14·51	14·52	14·62	14·63	14·57	14·50	14·45

(*a*) Old quarterly Board of Trade indices linked on to new indices; figures in italics based on old indices. (*b*) Annual figures relate to year ended September. (*c*) Daily average. (*f*) Monthly figures are averages of quarterly returns. (*c*) Figure for 1936 is average of August-December. (*d*) Indices shown in last month of quarter to which they relate. (*e*) Monthly figures are cumulative. (*g*) Average of weekly figures. (*h*) Annual figures are totals for financial year beginning in year shown. (*i*) Period June 1-28.

UNITED STATES, FRANCE AND GERMANY

	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936	1936 May	June	Dec.	1937 Jan.	Feb.	Mar.	Apr.	May	June
UNITED STATES (Population 1934: 126,450,000; Area: 7,839,432 sq. kms.)																		
PRODUCTION																		
1. Industrial production, F.R.B.(a)	1929=100	100	80·7	68·1	53·8	63·9	66·4	75·6	88·1	84·9	86·6	101·7	95·8	97·5	99·2	99·2	99·2	...
2. Investment goods, F.R.B.....(a)	,,	100	72·6	48·2	27·6	41·2	46·5	63·2	82·4	80·6	84·1	97·6	92·6	93·5	93·8	96·8	99·4	...
3. Consumption goods, F.R.B...(a)	,,	100	86·8	85·2	75·9	84·2	83·4	87·6	94·5	89·2	92·1	107·1	100·5	101·8	102·6	102·4	99·2	...
4. Coal	Million m. tons	46·0	40·6	33·4	27·2	29·0	31·4	31·6	36·5	30·0	30·2	44·8	40·8	41·3	50·9	29·7	34·0	32·0
5. Electricity generated	Million kw. hrs.	8,113	7,995	7,644	6,842	7,111	7,590	8,283	9,461	9,088	9,124	10,528	10,151	9,247	10,264	9,885	...	...
6. Steel	Million m. tons	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	4,111	4,049	4,503	4,813	4,496	5,313	5,153	5,236	...
7. Index of machine tool orders	1929=100	100	46·0	26·0	12·6	17·4	29·7	55·5	87·7	76·3	82·7	165·4	128·5	105·9	135·8	181·4	...	...
Building contracts awarded:																		
8. Residential	Million $	159·6	91·8	67·6	23·3	20·8	20·7	39·9	66·8	70·3	73·6	65·5	78·4	63·0	90·2	108·0	83·9	...
9. Other	,,	319·6	285·1	190·1	89·3	83·8	107·9	114·1	155·2	145·7	159·4	134·5	164·4	125·3	141·0	161·9	160·2	...
10. Private cars	Thousands	382	232	164	88	131	181	271	306	386	376	426	310	296	404	440	...	...
11. Commercial vehicles	,,	64	48	35	20	29	48	58	65	75	77	73	70	67	90	96	...	...
12. Activity in textile industry	1929=100	100	79·1	81·7	72·2	84·3	73·9	90·4	97·4	87·0	93·0	122·6	107·8	109·6	112·2	107·8	106·1	...
13. Stocks of raw materials	,,	100	106·0	116·7	120·7	122·1	120·7	94·0	...	72·5	68·5	112·1	93·3	85·3	74·5	65·1	...	...
14. Stocks of manufactures	,,	100	102·5	65·0	86·7	85·9	90·9	86·7	...	85·0	86·7	88·4	92·5	90·9	90·0	87·5	...	...
TRADE AND TRANSPORT																		
15. Index of Rly. car loadings	,,	100	86·8	70·7	52·8	54·7	58·5	59·4	67·9	66·1	66·0	81·1	75·4	77·3	78·3	79·2	75·4	...
16. Index of Dept. Store sales	,,	100	91·9	82·9	62·2	60·3	67·6	71·2	79·2	78·4	78·4	82·9	83·8	85·3	83·8	83·8	83·8	...
17. Retained imports	Million $	362	260	174	110	119	136	170	202	189·0	194·3	239·8	228·7	260·2	296·0	281·7	285·0	...
18. Domestic exports	,,	430	315	198	131	137	175	187	201	197·0	181·4	226·6	217·9	229·6	252·3	264·9	289·4	...
EMPLOYMENT AND WAGES																		
19. Factory employment, F.R.B.	1929=100	100	87·2	73·8	62·6	68·8	78·8	82·1	87·8	85·8	86·3	94·1	94·4	95·5	96·4	97·5	97·5	...
20. Pay rolls, F.R.B.	,,	100	81·1	61·8	42·6	45·3	57·7	65·4	75·5	74·2	74·1	87·1	83·4	88·0	92·6	96·2	96·2	...
21. Hourly earnings, N.I.C.B.	,,	100	100	96	84	83	99	102	105	...	105	108	...	...	...	...	...	...
22. Av. hours of work, N.I.C.B.	Number	48·3	43·9	40·4	34·8	36·4	34·7	37·2	39·7	39·0	39·4	41·8	41·0	41·4	41·9	41·4	...	...
23. Number unemployed, A.F.L.	Thousands	1,864	4,770	8,738	13,182	13,723	12,364	12,208	...	11,259	11,126	...	...	...	...	...	...	...
PRICES																		
24. Cost of living, N.I.C.B.	1929=100	100	96·2	87·2	77·9	74·9	79·4	82·6	84·8	83·7	85·0	86·1	86·8	87·1	87·8	88·2	88·7	...
25. Wholesale prices, D. of Lab.	,,	100	90·7	76·6	68·0	69·3	78·7	83·9	84·8	82·5	83·1	88·4	90·1	90·6	92·1	92·3	91·7	...
26. ,, raw materials ,,	,,	100	86·5	67·3	56·5	57·9	70·4	79·1	82·0	77·8	79·6	87·8	90·4	90·6	92·2	90·9	...	...
27. ,, semi-manufactures ,,	,,	100	87·2	73·5	63·2	61·4	77·6	78·4	80·8	78·8	78·7	87·6	90·9	91·1	95·4	95·3	...	...
28. ,, Finished goods ,,	,,	100	93·1	81·5	74·4	74·6	82·8	87·0	86·8	85·2	85·4	88·5	89·8	90·4	91·4	92·4	...	...
29. ,, Farm products ,,	,,	100	84·1	61·8	45·9	49·0	62·3	75·1	77·2	71·7	74·4	84·4	87·0	87·1	89·6	87·9	85·8	...
30. 351 Indus. securit's., Stand. Stat.	,,	100	74·2	45·9	24·4	35·0	42·9	48·0	67·3	61·8	63·7	75·3	77·5	80·1	80·3	75·3	72·4	70·6
FINANCE																		
31. Total Res. Bank credit	Million $	1,739	1,386	1,853	2,171	2,674	2,470	2,486	2,500	2,474	2,473	2,500	2,497	2,465	2,458	2,565	2,585	...
32. Gold stock	,,	3,900	4,225	4,051	4,045	4,012	8,238	10,125	11,258	10,401	10,608	11,258	11,358	11,436	11,574	11,799	11,989	...
33. Money in circulation	,,	4,578	4,603	5,360	5,388	5,519	5,536	5,882	6,543	5,952	6,241	6,543	6,319	6,399	6,377	6,426	6,462	...
34. Member Bank Res. Balances	,,	2,355	2,471	1,961	2,509	2,729	4,096	5,587	6,606	5,719	5,633	6,606	6,781	6,695	6,639	6,881	6,915	...
35. ,, Excess Reserves	,,	−73	96	−33	576	859	1,814	2,844	1,984	2,866	2,717	1,984	2,152	2,078	1,398	1,594	918	...
Member Banks in 101 towns:																		
36. loans and investments	,,	...	...	...	...	...	...	20,895	22,931	21,832	22,520	22,760	22,734	22,600	22,610	22,280	22,201	...
37. deposits: Demand	,,	19,112	18,660	15,985	14,965	11,383	11,419	13,888	15,571	14,562	14,563	15,571	15,493	15,501	15,126	15,388	15,528	...
38. ,, Time.	,,	13,070	13,654	11,453	10,527	4,790	4,781	4,911	5,067	5,028	5,059	5,067	5,077	5,167	5,144	5,158	5,220	...
39. Bank debits outside N. Y. City	,,	26,901	23,113	17,119	12,819	13,288	15,701	18,676	23,238	16,998	18,882	23,238	20,383	17,620	21,605	20,051	19,292	19,748
40. Call money	%	7·61	2·94	1·74	2·05	1·16	1·0	0·56	0·91	0·93	1·0	1·0	1·0	1·0	1·0	1·0	1·0	1·0
41. Yield on Govt. bonds	%	3·60	3·28	3·31	3·66	3·31	3·10	2·69	2·47	2·50	2·50	2·27	2·29	2·31	2·50	2·74	2·67	...
42. Capital issues, C.F. Chronicle	Million $	595	848	260	99	59	115	123	166	112	217	266	249	168	185	152	150	359
FRANCE (Population 1936: 41,906,000; Area: 550,986 sq. kms.)																		
PRODUCTION																		
43. Industrial production S.G.F.(b)	1929=100	100	100·7	89·2	69·1	77·0	71·2	67·6	70·5	73·4	70·5	71·9	72·7	74·1	74·8	75·6	74·8	...
44. Coal	Thous. met.tons	4,482	4,490	4,167	3,856	3,907	3,969	3,851	3,769	3,870	3,433	3,813	3,623	3,710	4,087	3,910	3,414	...
45. Electricity S.G.F.(a)	1929=100	100	99·2	93·3	88·2	96·7	98·8	101·7	104·2	106·7	103·4	106·7	105·9	108·5	112·6	116·8	...	...
46. Steel	Thous. met.tons	808	787	652	470	544	512	522	559	609	503	591	607	624	679	684	654	...
47. Building activity S.G.F.(a)	1929=100	100	111·4	101·6	81·3	74·0	66·7	55·3	52·0	56·9	53·7	47·2	51·2	54·5	54·5	50·4	49·6	...
TRADE AND TRANSPORT																		
48. Rly. car loadings, daily	Thous. cars.	65·1	65·4	53·9	47·3	45·2	42·5	40·1	40·9	39·4	38·5	43·2	40·1	42·5	41·3	41·9	39·8	...
49. Imports	Mill. frs.	4,852	4,376	3,517	2,484	2,369	1,925	1,745	2,117	1,967	1,831	3,013	3,319	3,681	3,227	3,297	3,051	...
50. Exports	,,	4,178	3,570	2,536	1,642	1,539	1,487	1,289	1,288	1,170	1,131	1,637	1,773	1,695	1,837	1,973	1,759	...
EMPLOYMENT AND WAGES																		
51. Unemployed in receipt of benefit	Thousands	0·9	2·5	56·1	273·4	276·0	345·0	426·9	432·1	422·0	419·9	413·5	426·1	410·2	386·3	371·0	346·0	322·0
52. Wage rates, Paris region	1929=100	100	106	105	100	102	102	101	...	...	...	...	...	...	...	...	...	...
PRICES																		
53. Wholesale, index of S.G.F.	,,	100	88·4	80·0	68·2	63·6	60·0	54·0	65·5	59·6	60·3	82·8	85·8	85·0	87·7	88·0	87·7	88·8
54. Cost of living, Paris, ,,	,,	100	104·5	102·3	94·6	93·5	92·8	86·9	91·1	...	89·4	97·1	...	...	104·5	...	...	...
55. Industrial securities ,,	,,	100	84·6	58·1	47·0	44·8	35·4	36·3	33·4	30·9	28·4	40·6	52·0	51·6	51·3	43·3	42·5	42·6
FINANCE																		
56. Govt. revenue: impôts indirects	Mill. frs.	35,496	33,912	33,048	28,980	28,560	27,420	26,244	26,670	11,158	18,148	26,670	2,876	5,193	7,573	10,122	12,047	...
57. Impôts sur les revenus	,,	10,592	10,716	10,068	7,428	6,348	5,904	5,088	5,705	960	1,175	5,705	272	545	629	697	1,044	...
58. Bank of France: Gold	,,	41,668	53,578	68,863	83,017	77,098	82,124	66,296	60,359	58,159	53,999	60,359	57,359	57,359	57,359	57,359	57,359	54,859
59. ,, Notes in circulation	,,	68,571	76,436	85,725	85,028	82,613	83,412	81,150	89,342	84,705	85,106	89,342	87,688	87,062	85,746	87,063	85,745	85,985
60. Commercial bank deposits	,,	34,065	36,681	38,245	37,759	32,635	30,943	27,553	28,484	27,199	25,655	28,484	29,305	29,644	31,088	27,702	...	...
61. Bank clearings	,,	42,705	46,333	38,377	27,700	31,545	27,012	28,275	24,244	25,746	25,308	25,585	24,291	24,095	30,183	31,631	26,247	29,991
62. Interest rate:—Bank rate	%	3·50	2·71	2·12	2·50	2·50	2·50	3·70	4·00	6	4	2	4	4	4	4	4	6
63. ,, ,, Market discount	%	3·50	2·26	1·55	1·26	1·90	2·09	3·48	4·00	6	4	2·13	4·00	4·13	4·13	4·13	4·13	4·13
64. ,, ,, 3% Rentes	%	3·96	3·42	3·46	3·82	4·35	4·12	3·73	3·87	3·98	3·92	3·60	3·60	3·70	3·87	4·20	4·24	3·90
65. Capital issues	Mill. frs.	1,569	2,233	1,899	1,214	868	806	615	326	115	536	525	209	2,429	253	150	448	...
GERMANY (Population 1934: 66,382,000; Area: 470,714 sq. kms.)																		
PRODUCTION																		
66. Industrial production, I.K.	1929=100	100	85·9	67·6	53·3	60·7	79·8	94·0	106·3	107·5	108·0	112·1	105·5	106·6	111·9	116·8	118·2	...
67. Investment goods ,,	,,	100	81·6	52·6	34·4	43·6	72·6	99·4	113·2	119·6	121·8	114·8	105·8	106·2	113·3	119·2	123·0	...
68. Consumption goods ,,	,,	100	94·0	89·2	76·3	82·6	92·4	88·2	98·7	94·5	92·2	105·7	98·0	100·6	101·4	102·6	...	...
69. Coal	Thous.met.tons	13,620	11,892	9,887	8,728	9,160	10,418	11,918	13,198	12,156	12,299	14,861	14,856	14,298	15,086	15,720	13,904	...
70. Lignite	,,	14,538	12,168	11,109	10,221	10,566	11,437	12,282	13,445	12,589	12,832	15,437	15,179	14,103	14,287	14,631	13,701	...
71. Electricity, I.K.	1929=100	100	96·0	84·5	76·7	84·6	99·7	113·6	131·0	122·9	119·8	156·7	157·0	149·4	148·3	140·1	147·6	...
72. Steel	Thous.met.tons	1,354	962	691	481	634	993	1,344	1,598	1,569	1,631	1,472	1,534	1,520	1,582	1,645	1,608	...
73. Machinery (orders filled), I.K.	1929=100	100	82·4	59·0	37·9	41·5	63·1	81·0	97·5	101·6	105·4	119·6	98·7	109·5	120·0	...	...	...
74. Automobiles, total ,,	,,	100	66·4	46·7	27·7	53·9	90·3	128·5	155·7	181·6	175·0	153·1	155·4	170·8	184·6	190·6	199·6	...
75. Textiles, index of activity ,,	,,	100	97·4	94·9	85·7	98·1	106·8	98·5	106·6	104·7	99·7	112·2	99·9	110·0	109·8	113·6	...	...
TRANSPORT																		
76. Rly. traffic: trucks ordered	Thous. per day	152·1	131·5	112·6	99·8	104·9	117·5	124·3	135·2	138·1	136·8	139·0	126·3	131·0	140·6	145·5	...	...
77. Retail trade, index of I.K.	1929=100	100	91·4	79·2	62·4	59·4	65·9	68·9	76·1	76·8	64·9	119·2	71·1	69·2	81·4	...	...	...
78. Retained imports	Mill. Rm.	1,120	866	561	389	350	371	347	352	337	360	367	336	347	409	477	447	...
79. Domestic exports	,,	1,124	1,003	800	478	406	347	356	397	372	371	457	415	406	462	492	456	...
EMPLOYMENT—WAGES																		
80. Employment	Thous.	17,869	16,515	14,336	12,518	13,016	15,041	15,949	17,106	17,520	17,675	16,955	16,599	17,014	17,497	18,448	18,776	...
81. Unemployment	,,	1,892	3,076	4,520	5,575	4,804	2,718	2,151	1,593	1,491	1,315	1,478	1,853	1,611	1,245	961	776	649
82. Tariff wage rates	1929=100	100	101·7	96·5	81·7	79·2	79·1	79·1	79·1	79·1	79·1	79·1	...	...	...	...	...	...
PRICES																		
83. Wholesale	,,	100	90·8	80·8	70·3	68·0	71·7	74·2	75·9	75·7	75·8	76·5	76·7	76·9	77·3	77·1	77·2	...
84. Cost of living	,,	100	96·2	88·4	78·3	76·6	78·6	79·9	80·8	80·7	80·8	80·7	80·8	81·0	81·2	81·2	81·3	...
85. Industrial securities	,,	100	81·6	60·1	40·7	57·7	57·9	67·5	74·6	74·1	79·2	78·7	79·3	80·7	81·6	82·6	83·4	...
FINANCE																		
86. Money in circulation	Mill. Rm.	5,965	5,858	5,827	5,802	5,359	5,477	5,761	6,174	6,438	6,351	6,964	6,724	6,738	6,838	6,937	6,830	6,938
87. Deposits, 8 banks	,,	12,306	13,114	10,129	8,048	7,308	6,998	6,887	7,631	6,972	7,059	7,072	7,277	7,362	7,439	7,520	...	...
88. Interest rates:—Bank rate	%	7·1	4·9	6·9	5·2	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0
89. ,, Loans for one month	,,	8·97	6·14	8·71	6·73	5·78	5·07	3·64	3·14	3·13	3·13	3·20	3·27	3·12	3·07	3·07	3·06	3·05
90. Yield on 4½% mortgage bonds	,,	7·40	7·15	7·04	8·38	3·15	6·57	5·08	4·67	4·68	4·66	4·64	4·63	4·60	4·59	4·55	4·54	4·54
91. Capital issues	Mill. Rm.	224	290	165	81	129	85	234	333	111	82	386	354	312	926	647	...	

(a) Adjusted for seasonal variations. (b) Partly adjusted for seasonal variations.

BRITISH DOMINIONS AND FOREIGN COUNTRIES OUTSIDE EUROPE

(Bi-Monthly Table)

	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936	1936 May	June	Dec.	1937 Jan.	Feb.	Mar.	Apr.	May	June
I. BRITISH COUNTRIES																		
AUSTRALIA (Population 1935: 6,724,000; Area: 7,704,000 sq. kms.)																		
1. Retained imports	Million £Stg.(a)	*10·687*	*7·680*	3·336	4·257	4·406	5·522	6·359	7·171	6·743	6·594	6·907	7·405	6·138	7·609	8·144	6·718	...
2. Domestic exports	Million £A.	7·906	7·407	7·429	7·841	9·209	8·173	9·433	10·626	7·850	6·615	17·055	11·451	15·774	15·617	13·787	12·413	...
3. Unemployed Trade Unionists	Thousands	47·36	84·77	117·87	120·45	104·03	86·86	71·82	53·99	57·0	...	...	...	44·0	...	...	...	...
4. Wholesale prices	1929=100	100·0	88·5	79·2	78·3	78·2	81·6	81·5	85·6	84·4	84·5	89·4	91·2	89·7	91·6	91·9	...	...
5. Cost of living	,,	100·0	94·6	84·8	80·7	78·3	79·6	80·9	82·7	...	82·0	...	84·4	...	...	...	...	...
6. Notes in circulation (net issue)	Million £A.	42·2	42·3	48·2	45·0	45·1	45·1	46·1	47·0	41·9	41·5	47·0	42·3	42·2	44·2	43·0	42·8	...
7. Commercial bank deposits	,,	293·5	280·6	284·2	280·3	284·3	298·3	295·8	298·2	...	298·1	298·2	314·4	...	...	...	...	...
CANADA (Population 1934: 10,835,000; Area: 9,542,000 sq. kms.)																		
8. Business activity	1929=100	100·0	84·8	71·0	58·1	60·3	73·5	81·3	89·8	85·2	88·7	95·1	93·7	92·4	96·1	97·3	...	...
9. Retained imports	Million Can.$	108·25	84·04	52·34	37·72	33·43	42·79	45·86	52·93	59·12	57·60	53·00	51·88	48·68	70·97	56·89	...	...
10. Domestic exports	,,	102·05	75·46	54·27	46·69	51·31	63·81	69·86	85·66	84·52	79·94	99·41	83·42	75·69	89·36	66·91	101·58	...
11. Applicants for work	Thousands	14·97	33·01	71·38	75·14	81·81	88·89	84·05	90·13	84·94	83·83	93·37	99·02	99·04	101·51	100·42	...	...
12. Wholesale prices	1929=100	100·0	90·6	75·4	69·8	70·2	74·9	75·4	78·0	75·1	75·6	83·4	85·0	86·7	89·4	90·1	89·0	...
13. Cost of living	,,	100·0	99·3	89·7	81·5	77·8	78·8	79·4	80·5	80·1	80·5	81·7	81·8	82·1	82·3	82·9	82·9	...
14. Price of industrial securities	,,	100·0	64·3	36·6	23·7	35·3	46·4	54·4	74·3	70·4	70·9	79·7	83·1	85·7	90·5	83·9	81·1	...
15. Notes in circulation	Million Can.$	359	308	303	306	304	340	211	239	209	211	239	227	227	231	235	234	...
16. Commercial bank deposits	,,	2,163	2,068	1,927	1,844	1,859	1,983	2,127	2,230	2,105	2,127	2,230	2,193	2,219	2,295	2,315	2,273	...
INDIA (Population 1934: 363,644,000; Area: 4,684,000 sq. kms.)																		
17. Retained imports } Sea-borne trade	Million rupees	208·57	156·62	113·47	110·66	95·63	104·37	111·91	101·90	101·33	97·57	96·02	113·81	90·04	127·74	151·28	139·21	...
18. Domestic exports }	,,	268·78	210·49	137·66	112·63	120·37	123·57	130·94	150·38	142·26	132·04	173·48	206·62	185·43	215·31	167·87	160·89	...
19. Silver: Excess of imp. (+) or exp. (−)	,,	+6·1	+7·6	+4·7	−2·1	−5·1	−2·8	−7·6	+12·6	...	...	+ 5·9	+16·9	+21·8	+0·4	...	...	...
20. Gold: Excess of imp. (+) or exp. (−)	,,	+14·9	+13·2	−28·6	−62·0	−41·8	−49·7	−36·0	−26·6	...	...	−14·7	−22·6	−8·5	−10·7	...	...	...
21. Wholesale prices, Calcutta	1929=100	100·0	82·3	68·1	64·5	61·7	63·1	64·5	64·5	63·8	63·8	66·7	69·5	70·2	70·9	73·0	73·0	...
22. Cost of living, Bombay	,,	100·0	91·9	73·8	73·2	68·5	65·1	67·8	68·5	67·1	67·8	69·8	69·8	69·8	69·8	69·8	69·8	71·1
23. Bank notes in circulation	Million rupees	1,794	1,613	1,793	1,748	1,781	1,839	1,718	1,899	1,659	1,641	1,899	1,926	1,939	1,944	1,911	1,903	1,860
IRISH FREE STATE (Population 1935: 3,033,000; Area: 69,000 sq. kms.)																		
24. Retained imports	Million £	5·021	4·633	4·139	3·453	2·934	3·231	3·087	3·282	3·379	3·051	3·355	2·858	3·241	3·191	3·473	3·694	...
25. Domestic exports	,,	3·852	3·647	2·962	2·098	1·537	1·464	1·635	1·832	1·858	1·754	1·880	1·516	1·478	1·867	1·841	1·905	...
26. Applicants for work	Thousands	*20·70*	*22·40*	*25·23*	62·82	72·25	103·67	119·50	99·83	109·19	70·27	105·08	100·18	91·68	93·43	92·36	88·48	64·01
27. Cost of living	1929=100	100·0	97·2	91·5	89·2	85·8	86·4	88·6	90·9	89·2	...	...	...	94·9	...	...	94·9	...
28. Notes in circulation	Million £	14·2	14·3	13·4	13·4	13·7	13·9	14·3	15·1	14·2	14·2	15·1	14·8	14·8	15·1	15·0	15·1	15·1
29. Currency Commission: F. Assets	,,	7·1	7·9	7·4	7·4	7·7	7·9	8·3	9·1	8·2	8·2	9·1	8·8	8·8	9·1	9·0	9·1	9·1
NEW ZEALAND (Population 1935: 1,559,000; Area: 268,000 sq. kms.)																		
30. Retained imports	Million £N.Z.	3·998	3·634	2·156	2·001	2·082	2·564	2·986	3·637	3·196	3·397	4·254	4·629	3·675	4·564	4·277	4·412	...
31. Domestic exports	,,	4·515	3·684	2·860	2·915	3·367	3·898	3·838	4·689	5·025	4·184	4·282	7·004	7·693	7·467	8·336	5·896	...
32. Unemployed registered (males)	Thousands	2·89	5·00	41·43	51·55	46·97	39·23	38·23	36·89	35·27	39·04	32·29	31·42	28·94	27·91	27·95	28·302	22·028
33. Wholesale prices	1929=100	100·0	97·4	90·5	87·2	87·9	89·4	93·1	94·6	93·5	94·0	97·4	97·4	98·6	98·9	99·5	100·9	...
34. Cost of living	,,	100·0	97·7	90·2	83·5	79·2	80·5	83·2	85·7	84·9	85·2	88·3	88·1	89·6	89·9	90·7	91·5	...
35. Notes in circulation (active)	Million £N.Z.	7·2	6·7	7·3	7·1	7·6	6·8	7·6	10·4	7·2	7·2	10·4	8·4	8·5	9·8	8·7	9·0	...
36. Commercial bank deposits	,,	54·7	52·5	52·0	51·3	59·7	60·1	63·7	63·3	67·6	66·1	63·3	67·2	68·4	67·9	70·3	68·4	...
SOUTH AFRICA (Population 1935: 8,600,000; Area: 1,222,000 sq. kms.)																		
37. Retained imports	Million £S.A.	6·587	5·095	4·144	2·606	3·961	5·366	6·100	7·010	6·068	7·099	7·920	7·676	7·429	7·956	7·987	8·112	...
38. Domestic exports	,,	7·769	6·657	5·709	5·622	7·720	6·626	8·325	9·295	13·229	8·436	7·516	7·029	7·106	9·563	12·003	10·709	...
39. Of which gold	,,	3·864	3·959	3·842	4·042	5·738	4·629	5·938	6·895	11·145	6·648	4·607	3·739	3·838	6·253	7·747	7·741	...
40. Wholesale prices	1929=100	100·0	88·5	85·8	79·0	80·2	87·7	81·8	85·0	...	...	...	86·7	...	...	85·0	...	...
41. Cost of living	,,	100·0	97·6	94·0	89·9	87·5	88·6	88·1	88·5	88·8	88·9	88·7	88·8	88·9	89·5	89·8	90·0	84·5
42. Notes in circulation	Million £S.A.	9·2	8·0	8·8	8·3	11·9	13·0	14·1	16·4	15·0	14·2	16·4	15·8	15·9	15·4	16·6	16·9	15·4
43. Commercial bank deposits	Million £	61·0	63·8	56·6	54·6	81·2	85·0	88·5	95·0	84·3	86·5	95·0	96·9	92·6	93·7	92·6	92·2	...
II. FOREIGN COUNTRIES																		
ARGENTINA (Population 1935: 12,393,000; Area: 2,793,000 sq. kms.)																		
44. Retained imports	Mill. paper pesos	163·26	140·00	97·82	69·69	74·76	92·49	97·92	93·06	81·38	80·52	104·33	106·13	89·37	111·90	131·07	108·44	...
45. Domestic exports	,,	180·63	116·31	121·32	107·32	93·40	119·87	130·78	137·98	104·13	101·83	207·62	282·28	274·32	281·07	237·48	179·12	...
46. Wholesale prices	1929=100	100·0	95·6	92·3	92·8	88·8	102·3	100·6	...	101·5	101·2	...	...	...	...	...	...	...
47. Cost of living	,,	100·0	101·5	49·7	77·7	82·8	77·6	82·9	90·6	89·3	90·6	90·7	89·4	90·1	92·4	93·8	93·3	...
48. Notes in circulation	Mill. pesos papel	1,247	1,261	1,245	1,339	1,214	1,171	1,178	1,302	1,218	1,211	1,302	1,313	1,342	1,347	1,372	1,345	...
49. Commercial bank deposits	,,	3,903	3,956	3,517	3,525	3,467	3,427	3,447	3,730	3,508	3,514	3,730	3,822	3,895	3,962	4,011	...	...
BRAZIL (Population 1934: 41,660,000; Area: 8,511,000 sq. kms.)																		
50. Imports (general trade)	Million milreis	294·0	195·3	156·7	126·6	180·4	208·6	321·3	355·7	376·7	328·1	406·2	362·8	357·3	399·3	...	...	...
51. Exports (general trade)	,,	321·7	242·3	283·2	211·4	235·0	288·3	342·0	408·0	360·2	398·6	472·5	412·5	360·5	422·9	...	...	...
52. Exports of coffee	Thous. met. tons	75·4	90·2	76·4	61·0	79·3	67·0	77·4	...	...	57·7	85·7	78·9	55·7	69·4	58·2	...	...
53. Price of coffee "Santos" London	sh. per cwt.	97·9	60·5	47·9	63·2	50·1	49·0	39·2	40·9	38·3	39·0	47·0	50·2	53·8	50·0	49·3	52·2	53·8
54. Notes in circulation	Million milreis	3,395	2,842	2,942	3,239	3,037	3,157	3,612	4,030	3,629	3,679	4,030	4,050	4,030	4,030	...	...	...
55. Commercial bank deposits	,,	5,925	5,731	5,962	6,843	6,484	7,419	7,767	...	7,458	8,044	...	...	...	...	...	...	...
CHILE (Population 1935: 4,508,000; Area: 742,000 sq. kms.)																		
56. Industrial production	1929=100	100·0	100·9	77·9	87·0	95·8	105·1	120·1	125·9	122·2	121·3	131·1	110·5	124·3	130·2	129·2	129·3	...
57. Retained imports	Million pesos	134·77	116·67	58·81	17·82	15·15	17·82	24·59	28·95	29·16	27·64	33·46	26·38	25·29	34·41	38·85	29·51	...
58. Domestic exports	,,	191·07	110·53	68·70	24·20	27·58	38·32	38·70	45·76	37·23	36·44	46·55	86·10	72·23	125·05	119·69	80·91	...
59. Production of copper (in bars)	Metric tons	25,266	17,334	17,975	8,126	13,125	20,643	21,660	20,440	17,823	18,034	27,770	34,271	34,504	36,050	37,626	39,716	...
60. Wholesale prices	1929=100	100·0	86·7	79·5	119·7	179·8	178·6	178·4	197·3	191·2	194·6	210·8	218·9	226·1	237·8	240·9	241·9	...
61. Cost of living, Santiago	,,	100·0	98·9	98·2	104·4	129·6	129·7	132·4	143·6	142·7	144·3	150·3	149·3	147·4	151·5	157·3	161·6	...
62. Notes in circulation	Mill. pesos papel	352	306	319	488	515	516	567	653	614	612	653	643	680	702	715	710	...
CHINA (Population 1934: 450,000,000; Area: 11,103,000 sq. kms.)																		
63. Retained imps. (excl. Manch.)	Mill. std. dollars	*160·59*	*170·05*	*186·11*	*146·68*	112·13	85·81	76·60	78·46	85·09	83·75	92·16	77·03	85·41	108·77	109·14	110·99	114·68
64. Domestic exps. (excl. Manch.)	,,	*131·87*	*116·18*	*118·08*	*83·41*	50·99	44·60	47·98	58·81	54·24	58·41	79·88	82·21	85·10	72·60	79·78	78·34	84·83
65. Imports: Manch. and Jehol	Mill. Yuan M.	...	...	...	...	36·33	44·67	47·67	53·68	59·47	56·69	55·86	51·05	...	...	...	...	...
66. Exports: Manch. and Jehol	,,	...	...	...	...	31·39	31·93	29·64	39·52	36·91	27·90	58·92	67·32	...	...	...	...	...
67. Silver: Excess of imp. (+), exp. (−)	Mill. std. dollars	+13·5	+8·7	+5·9	−0·9	−1·2	−21·4	−5·2	20·8	...	...	−0·0	−0·0	...	...	...	...	...
68. Wholesale prices, Shanghai	1929=100	100·0	109·9	121·2	107·6	99·3	92·9	92·0	103·5	101·2	101·5	113·7	116·4	117·6	117·7	118·6	119·7	120·7
69. Cost of living, Shanghai	,,	100·0	112·9	116·7	110·4	99·4	98·3	98·9	105·0	103·0	103·6	108·9	111·3	111·3	108·2	108·8	110·0	101·3
JAPAN (Population 1934: 68,194,900; Area: 382,314 sq. kms.)																		
70. Industrial production	1929=100	100	94·8	91·6	97·8	113·2	128·7	141·8	151·6	149·3	146·9	172·4	157·5	161·5	173·6	...	...	...
71. Prod. of silk piece goods	Thous. metres	...	13,194	13,454	14,173	15,824	17,158	16,274	12,778	12,127	13,480	17,306	15,986	14,705	16,386	...	...	...
72. ,, rayon ,, ,,	,,	...	7,823	10,258	15,445	15,702	19,770	28,145	40,618	35,784	39,077	46,416	49,429	47,545	53,358	...	...	...
73. ,, cotton ,, ,,	Mill. sq. yards	...	115·7	117·0	127·7	139·4	149·4	153·6	150·2	152·7	155·3	157·7	154·5	159·4	157·4	...	...	...
74. Retained imports	Million yen	180·7	125·6	100·5	115·3	156·9	187·0	202·2	225·2	236·4	223·5	276·1	299·0	297·4	395·8	331·1	414·3	...
75. Domestic exports	,,	175·1	119·2	93·1	113·5	152·3	177·8	204·5	219·3	215·6	202·7	288·4	194·5	220·5	271·1	257·6	276·6	...
76. No. unemployed	Thousands	...	369	423	486	409	373	356	338	344·9	337·9	330	...	...	...	331·1	414·3	...
77. Wholesale prices	1929=100	100	82·4	69·6	73·3	81·6	80·8	84·4	89·9	86·8	87·5	97·8	106·1	104·8	109·1	112·8	109·6	...
78. Cost of living, Tokio	,,	100	85·5	74·7	75·4	80·3	82·0	83·6	87·8	88·2	88·4	89·6	93·6	94·1	94·3	94·8	94·8	...
79. Price of industrial securities	Jan., 1930=100	...	74·8	76·4	103·6	176·7	222·7	181·6	205·8	195·5	201·0	217·2	230·9	246·1	...	246·1	269·3	...
80. Notes issued, Bank of Japan	Million yen	1,642	1,436	1,331	1,426	1,545	1,627	1,767	1,866	1,371	1,491	1,866	1,586	1,529	1,464	1,450	1,502	...
81. Commercial bank deposits	,,	9,213	8,659	8,174	8,131	8,727	9,354	9,874	10,932	10,099	10 255	10,932	10,857	10,967	11,261	11,367	...	...
82. Yield on National bonds	Per cent.	5·08	5·36	5·40	5·59	4·81	4·52	4·49	4·08	3·93	3·94	3·97	3·91	3·96	3·91	3 9	3·9	...
III. WORLD STATISTICS																		
83. Industrial production (c)	1929=100	100	88	79	69	78	85	95	110·5	108·5	107·9	121·7	...	...	...	...	...	...
84. Output of raw materials	,,	100	91	81	71·4	78·6	85	93	105	...	...	...	...	...	...	...	...	...
85. ,, foodstuffs	,,	100	102	100	100	102	102	101	103	...	...	...	...	...	...	...	...	...
86. Stocks of primary products (e)	,,	100	135	150	148	139	128	120	109	110	106	109	106	105	102	...	...	...
87. Value of world trade (gold) (d)	,,	100	81·0	57·9	39·1	35·2	33·9	34·7	37·4	36·6	35·4	43·2	40·7	40·7	46·5	46·8	46·3	...
88. Volume of world trade (d) (f)	,,	100	93	85·5	74·5	75·5	78·0	82·0	85·8		83·5	91·9			92·6			...

(a) Imports 1929 and 1930, £A. (c) Monthly average for 1936 and figures for October, 1936, are provisional. (d) Excluding Italy and Spain from 1936. (e) Annual figures relate to end of year. (f) Indices shown in last month of quarter to which they relate.

RAW MATERIALS AND CRUDE FOODSTUFFS

GROUP I.—MONTHLY TABLE.

Commodity	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936 (a)	1936 May	June	Dec.	1937 Jan.	Feb.	Mar	Apr.	May	June
COAL																		
1. Production: Belgium	Th. metric tons	2,245	2,285	2,254	1,785	2,108	2,199	2,207	2,323	2,319	1,359	2,519	2,467	2,385	2,611	2,623	2,298	...
2. ,, France	,,	4,482	4,490	4,187	3,856	3,907	3,969	3,851	3,769	3,870	3,433	3,818	3,625	3,710	4,087	3,910	3,414	...
3. ,, Germany: Coal	,,	13,920	11,892	9,887	8,728	9,141	10,405	11,918	13,198	12,156	12,299	14,681	14,856	14,298	15,086	15,720	13,904	...
4. ,, Poland	,,	3,853	3,126	3,189	2,403	2,283	2,436	2,395	2,479	2,059	2,064	2,984	2,992	2,861	2,747	2,740	2,494	...
5. ,, U.S.	,,	21,837	20,650	18,582	17,717	17,525	18,708	18,877	19,340	18,994	17,136	20,929	19,802	20,114	21,232	22,093	19,016	20,500
6. ,, U.S.A.	,,	46,026	40,590	33,395	27,183	28,967	31,398	31,576	36,470	30,044	30,162	44,846	40,792	41,257	50,889	29,707	31,011	32,000
7. ,, All Principal countries	,,	107219	98,062	86,002	76,435	79,688	87,503	89,335	96,620	88,959	85,913	111263	105322	104425	118527	97,818	...	...
8. Price: Av. Br. expt. price	sh. per ton	16·08	16·67	16·17	16·25	16·08	16·04	16·29	16·98	17·03	16·75	17·06	17·09	17·30	17·42	17·64	18·56	18·88
OIL																		
9. Production: Dutch East Indies	Th. metric tons	437	461	392	424	461	503	507	536	532	507	599	573	538	592	584	...	...
10. ,, Mexico	,,	556	492	411	408	422	475	501	511	483	473	636	632	596	643	600	...	...
11. ,, Persia (Ang-Ir. Oil)	,,	462	503	497	543	544	579	577	628	708	666	653	691	582	772	660	...	...
12. ,, Roumania	,,	403	483	563	612	615	706	698	723	763	762	692	653	578	630	...	...	...
13. ,, U.S.A.	,,	11,509	10,260	9,714	8,970	10,347	10,375	11,386	12,550	12,852	12,364	13,388	13,513	12,774	14,632	14,753	...	...
14. ,, U.S.S.R.	,,	1,206	1,552	1,912	1,791	1,786	2,013	1,989	2,193	2,257	2,188	2,249	2,208	2,002	2,167	2,181	...	...
15. ,, All Principal countries	,,	17,082	16,293	15,766	15,004	16,465	17,366	18,768	20,463	21,012	20,160	20,861	21,086	20,216	...	...	...	...
16. Stocks: U.S.A. end year	Thous. barrels	422	402	371	340	354	337	315	288	315	311	288	287	290	297	304	...	...
17. Price: U.S.A., Mid-Cont. crude	cents per barrel	123·3	111·1	57·3	81·3	60·1	94·0	94·0	104·0	104·0	104·0	104·0	107·0	116·0	116·0	116·0	116·0	116·0
CRUDE STEEL																		
18. Production: Belgium	Th. metric tons	342	280	259	232	229	246	252	265	256	152	296	286	269	309	328	330	...
19. ,, France	,,	808	787	652	470	544	514	523	559	609	503	591	603	624	679	684	654	...
20. ,, Germany, inc. Saar	,,	1,354	962	691	481	632	990	1,342	1,596	1,569	1,631	1,472	1,534	1,520	1,582	1,645	1,608	...
21. ,, Japan, ex. castings	,,	191	191	157	200	267	325	375	419	408	413	458	458	442	478	514	...	...
22. ,, Luxemburg	,,	223	189	170	163	154	161	153	165	161	152	186	205	203	225	230	224	237
23. ,, U.K.	,,	816	620	438	445	595	750	833	990	978	981	1,036	1,015	1,012	1,127	1,088	1,064	1,124
24. ,, U.S.A., ex. castgs.	,,	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	4,111	4,049	4,503	4,813	4,496	5,313	5,153	5,236	4,250
25. ,, U.S.S.R.	,,	407	483	451	490	571	800	1,034	1,362	1,338	1,281	1,498	1,469	1,287	1,580	1,493	1,521	...
26. ,, All Principal countries	,,	9,714	7,660	5,615	4,113	5,510	6,638	7,923	9,975	10,131	9,815	10,723	11,095	10,553	12,015	11,871	...	...
27. Price: Pig iron Clevel. No. 3,	per ton £	3·53	3·35	2·91	2·91	3·13	3·35	3·39	3·70	3·50	3·50	4·05	4·05	4·05	4·05	4·05	4·05	4·05
GOLD																		
28. Production: Union of S. Africa	Thous. fine ozs.	868	893	907	963	918	873	898	945	938	945	967	981	924	982	980	972	...
29. ,, U.S.S.R.	,,	90	120	142	166	222	355	486	613	...	...	...	...	...	...	...	...	...
30. ,, Canada	,,	161	175	225	254	246	248	274	310	308	317	330	329	310	329	323	...	...
31. ,, U.S.A.	,,	171	175	185	185	190	229	264	310	...	...	...	...	...	...	...	...	...
32. ,, World (b)	,,	1,632	1,736	1,863	2,028	2,113	2,313	2,574	2,905	...	...	...	...	...	...	...	...	...
33. Price: London, per fine ounce	sh.	84·9	85·0	92·5	118·0	127·8	137·6	142·1	140·3	140·09	138·69	141·69	141·69	142·11	142·36	141·30	140·61	140·56
WHEAT																		
34. World shipments	Mlns. of bushels	923	630	825	801	631	549	515	504	45	41	52	63	61	61	...	...	...
35. Stks.: World visible supplies (d)	,,	370·1	411·9	462·7	408·2	459·7	477·2	339·5	275·1	285·0	244·0	312·5	336·5	316·8	288·2	234·7	184·2	...
36. Average British import price...	sh. per cwt.	10·33	8·22	5·09	6·15	5·52	5·38	6·02	7·53	6·82	6·69	7·89	7·93	9·89	9·87	10·37	10·99	9·31
COTTON																		
37. Mill consumption: U.K.	Thousands	2,800	2,485	1,964	2,386	2,248	2,470	2,507	2,733	...	...	...	...	...	...	...	...	...
38. ,, Japan	of actual	2,766	2,997	2,565	2,769	2,900	3,252	3,730	3,651	...	...	...	...	...	...	...	...	...
39. ,, U.S.A.	bales	7,033	6,060	5,246	4,847	6,109	5,670	5,321	6,329	...	...	...	...	...	...	...	...	...
40. ,, World		25,882	25,209	22,488	22,322	24,352	25,112	24,418	25,389	...	...	...	...	...	...	...	...	...
41. Stks.: World Visible Supplies	Thousand bales	2,736	4,317	6,593	7,682	7,510	6,571	3,983	4,297	5,488	4,866	7,928	7,495	7,065	6,359	5,725	5,105	4,362
42. Price: Mid. American	d. per lb.	10·33	7·48	5·08	5·25	5·54	6·67	6·70	6·89	6·54	6·92	6·94	7·18	7·30	7·87	7·60	7·31	7·06
SUGAR																		
43. Stks.: World visible supplies (d)	Thous. tons	4,047	5,522	6,765	7,018	6,441	5,692	4,166	2,983	6,508	4,990	5,389	5,071	5,834	6,011	5,312	4,878	...
44. Av. Brit. import price, unrefined	sh. per cwt	9·68	8·91	8·10	7·70	7·46	6·98	6·38	6·71	7·50	6·59	7·20	7·97	8·88	8·47	8·79	8·32	8·50

GROUP II.—BI-MONTHLY TABLE.

Commodity	Unit of Measurement	1929	1930	1931	1932	1933	1934	1935	1936 (a)	1936 May	June	Dec.	1937 Jan.	Feb.	Mar	Apr.	May	June
COPPER																		
1. Production: Belgian Congo	Th. metric tons	11·3	11·4	10·0	4·5	5·6	10·8	12·1	8·5	...	...	...	...	...	...	...	...	...
2. (Smelter) Canada	,,	9·1	8·5	9·2	8·0	9·9	12·7	14·7	14·2	13·9	12·9	16·9	16·9	17·4	18·1	18·0	18·2	18·1
3. ,, Chile	,,	25·3	17·3	18·0	8·1	13·1	20·6	21·6	20·4	17·8	18·0	27·8	34·3	35·0	36·0	38·0	39·5	40·0
4. ,, N. Rhodesia	,,	0·5	0·5	0·8	5·8	8·8	11·7	12·2	11·9	11·1	11·2	15·0	16·5	17·5	17·5	19·6	19·6	19·0
5. ,, U.S.A.	,,	83·2	60·8	44·8	23·2	18·9	27·3	38·3	55·3	56·3	50·8	63·8	68·2	65·2	82·5	85·8	80·0	81·4
6. ,, World	,,	157·9	131·5	114·9	77·6	86·6	98·4	115·6	128·5	129·6	118·7	154·3	167·0	168·5	185·2	195·7	189·2	189·6
7. Consumption: World	,,	146·8	120·0	103·5	75·5	89·1	100·8	121·2	135·5	124·9	129·1	146·1	166·6	162·3	191·2	196·7	177·9	172·1
8. Stocks: U.K.	,,	6·6	7·8	21·7	37·3	32·8	58·9	88·7	47·0	65·1	62·7	47·0	43·6	36·3	26·2	22·2	15·9	19·2
9. (Refined) Stocks: World	,,	423·0	547·1	692·7	724·5	634·2	532·6	440·3	320·4	423·0	416·3	320·4	304·9	297·7	279·8	257·1	...	...
10. Price: Std. cash, London	£ per ton	75·48	54·54	38·31	31·71	32·57	30·32	31·91	38·48	36·73	36·36	45·99	51·54	59·27	72·45	62·61	61·23	55·77
LEAD																		
11. Production: Australia	Th. metric tons	15·0	14·3	12·7	15·8	17·4	16·9	18·2	16·6	16·5	15·4	17·9	17·6	17·6	18·4	18·3	20·7	...
12. (Smelter) Canada	,,	11·5	11·5	10·5	9·6	9·6	11·9	12·4	13·7	14·0	13·3	14·6	15·5	14·1	16·0	15·0	15·7	...
13. ,, Germany	,,	8·2	9·2	8·4	7·9	9·7	10·0	10·2	12·1	11·6	10·9	14·2	13·3	12·3	12·3	14·0	14·0	...
14. ,, Mexico	,,	19·2	19·3	17·3	10·9	10·0	14·0	14·9	17·5	18·8	16·9	18·5	19·5	17·6	19·4	19·6	18·4	...
15. ,, Spain	,,	11·1	10·1	9·1	8·8	7·3	6·1	5·9	...	4·0	4·5	...	...	...	...	...	...	...
16. ,, U.S.A.	,,	54·1	46·4	31·4	21·1	20·8	24·2	28·4	32·7	35·9	33·3	39·6	37·4	31·7	37·4	39·8	36·5	...
17. ,, World	,,	145·0	137·2	113·3	95·7	96·1	110·5	117·7	129·6	128·0	120·2	132·7	134·9	121·9	134·8	139·6	138·6	...
18. Stocks: U.K.	,,	2·0	8·5	13·8	20·6	29·7	19·7	7·1	6·2	6·9	6·8	6·2	6·5	7·1	7·2	7·0	6·7	6·4
19. ,, U.S.A.	,,	49·7	99·6	137·5	159·4	184·3	210·2	201·6	156·4	208·0	209·0	156·4	154·0	151·6	142·3	124·3	...	...
20. Price: "Soft Foreign," London	£ per ton	23·25	18·05	13·02	11·00	11·68	10·93	14·25	17·60	15·53	15·17	25·56	27·27	28·33	33·03	28·01	24·00	22·88
SPELTER																		
21. Production: Holland	Th. metric tons	2·1	1·9	1·6	1·3	1·5	1·7	1·1	...	18·9	15·3	20·5	20·5	18·3	20·2	20·0	20·5	...
22. (Smelter) Belgium	,,	16·5	14·7	11·2	8·0	11·4	14·6	15·3	...									
23. ,, Canada	,,	6·5	9·2	9·0	6·5	7·0	10·3	11·3	...	14·7	15·2	12·5	10·6	9·5	15·8	15·8	16·2	...
24. ,, Mexico	,,	1·3	2·5	2·9	2·5	2·2	2·4	2·7	...									
25. ,, Germany	,,	8·5	8·1	3·8	3·5	4·2	6·1	10·4	11·4	11·8	11·3	12·3	13·2	12·3	13·5	13·2	13·9	...
26. ,, Poland	,,	14·1	14·6	10·9	7·0	6·9	7·7	7·1	7·7	7·8	7·3	8·2	8·6	7·5	8·9	9·0	9·3	...
27. ,, Australia	,,	4·4	4·7	4·6	4·5	4·6	4·6	5·7	...									
28. ,, U.K.	,,	4·9	4·1	1·8	2·3	3·5	4·3	5·4	...	11·3	11·0	10·8	11·3	9·9	11·4	10·9	11·4	...
29. ,, U.S.A.	,,	47·3	37·7	22·1	15·7	23·2	27·5	31·8	39·6	40·7	40·8	42·7	46·9	43·7	48·3	47·2	49·9	...
30. ,, World	,,	121·5	116·7	83·4	65·3	82·2	97·7	111·2	124·6	126·6	121·8	128·6	123·6	113·4	143·2	140·9	146·0	...
31. Stocks: U.K.	,,	4·5	12·0	21·6	13·2	7·0	10·9	8·2	17·2	10·9	12·1	17·2	17·9	17·7	18·2	18·4	18·4	20·1
32. ,, U.S.A.	,,	70·1	130·2	117·7	113·2	95·7	108·7	76·1	40·5	74·1	77·1	40·5	31·0	22·3	26·5	12·6	...	...
33. Price: G.O.B., London	£ per ton	24·88	16·84	12·45	13·58	15·68	13·87	14·08	14·90	14·53	13·90	17·88	21·15	25·12	33·19	26·22	23·09	21·40
TIN																		
34. Production: Bolivia	Tons	3,862	3,179	2,562	1,715	1,227	1,719	2,264	2,006	2,038	2,343	1,981	1,734	1,728	2,288	1,676	1,552	...
35. (exports) Dutch E. Indies	,,	2,978	2,909	2,290	1,307	1,201	1,557	2,060	2,629	2,799	2,582	3,715	2,355	2,420	2,924	2,724	3,366	...
36. ,, China	,,	334	356	314	464	592	545	674	748	718	695	1,424	971	805	859	480	...	...
37. ,, Belgian Congo	,,	81	72	12	57	185	384	540	626	413	426	1,888	105	211	582	699	533	...
38. ,, British Malaya	,,	5,781	5,331	4,576	2,479	2,075	2,838	3,830	5,567	6,065	5,187	6,427	6,134	5,154	6,610	6,149	5,649	...
39. ,, Nigeria	,,	895	724	602	355	314	416	586	794	1,018	587	1,816	154	815	1,475	1,040	584	...
40. ,, Siam	,,	828	922	1,037	772	860	882	815	1,058	842	715	1,190	1,440	1,207	1,377	1,254	1,049	...
41. ,, World	,,	15,582	14,251	12,020	7,930	7,261	9,155	11,710	14,323	13,661	13,391	19,625	14,074	13,704	17,541	15,327	...	...
42. ,, Quota of restrg. countries	% of std. quanty. Thous. tons	...	...	67·7	42·8	32·6	45·0	58·8	92·5	85·0	85·0	105·0	100·0	100·0	100·0	110·0	110·0	110·0
43. Consumption: U.K.	,,	2,518	1,883	1,745	1,542	1,664	1,756	1,786	1,822	768	811	1,805	1,935	1,981	2,438	2,337	1,616	...
44. ,, U.S.A.	,,	7,298	6,385	5,297	2,938	4,899	3,633	5,191	6,304	5,468	8,112	8,315	8,498	7,207	10,450	6,398	...	...
45. ,, World	,,	14,834	13,450	11,283	8,289	10,604	9,807	11,873	13,099	11,961	12,796	15,700	16,265	15,061	19,320	14,990	...	...
46. Stocks: World Visible supply	,,	32,449	46,623	59,247	55,903	29,135	17,107	13,841	22,695	17,461	15,536	22,695	24,922	22,756	23,476	23,813	23,027	...
47. ,, Ratio to annual cons.	%	18·2	28·9	43·8	56·2	22·9	14·5	9·7	14·6	11·2	9·9	13·9	15·1	13·6	13·6	13·7	13·1	...
48. Price: Std. cash, London	£ per ton	203·9	141·8	118·6	136·0	194·8	230·4	225·7	204·6	202·61	183·35	232·3	229·50	233·98	283·28	267·43	250·85	249·99

CROPS (Season ended in Year shown)

Commodity	1930	1931	1932	1933	1934	1935	1936	1937 (a)
Cotton (thous. bales)								
1. Brazil	564	471	575	438	1,014	1,359	1,718	1,800
2. Egypt	1,697	1,655	1,271	991	1,715	1,511	1,707	1,889
3. India	5,243	5,226	4,007	4,656	5,108	4,858	5,728,	6,307
4. U.S.A.	16,066	14,918	18,163	13,914	14,029	10,638	11,727	13,637
5. World	28,474	27,674	29,102	25,345	28,337	25,577	28,299	33,660
Wheat (mill. bushels)								
6. Argentina	163	232	220	241	286	241	141	250
7. Australia	127	214	191	214	177	133	143	134
8. Canada	305	421	321	443	282	276	277	234
9. U.K.	50	42	38	44	62	70	65	53
10. U.S.A.	823	886	937	757	552	526	626	627
11. World	3,465	3,744	3,709	3,744	3,669	3,390	3,421	3,349

Commodity	1930	1931	1932	1933	1934	1935	1936	1937 (a)
Wool (mill. lbs.)								
12. Argentina	353	361	378	388	385	370	365	385
13. Australia	938	912	1,007	1,063	996	1,015	992	990
14. S. Africa	309	302	314	330	284	222	251	285
15. N. Zealand	273	271	283	288	301	276	317	295
16. U.K.	112	111	113	119	120	115	109	105
17. U.S.A.	400	415	464	441	460	451	453	449
18. World	3,915	3,847	3,846	3,863	3,745	3,681	3,668	...
Sugar (thous. tons)								
19. Cuba	4,670	3,163	2,639	2,029	2,303	2,570	2,565	2,855
20. Java	3,062	3,121	2,957	2,715	1,483	692	555	601
21. U.K.	319	479	284	373	549	694	549	548
22. World	28,096	29,113	26,780	25,310	25,120	24,791	26,701	27,511

(a) Figures for 1936, and in the case of crops for 1936-37, are provisional. (b) Figures for 1934 and 1935 are subject to revision. (c) End of year. (d) End of season.
(e) Monthly figures are averages of quarterly returns.

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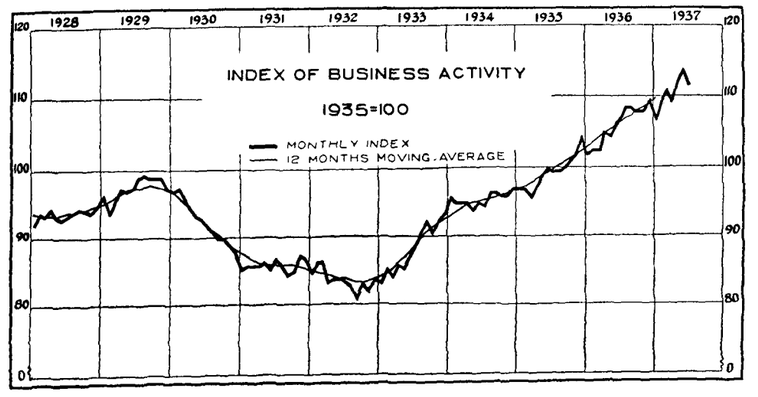
THE ECONOMIST

TRADE SUPPLEMENT

New Series SATURDAY, AUGUST 28, 1937 No. 8

The Trend of Business

THERE has been no major change of trend in British business activity since the publication of our last monthly Trade Supplement on July 24th. On the whole, the lull in business during the summer has this year been less marked than usual. The volume of employment in Great Britain at the end of July, for example, was as high as in June and showed an increase of 511,000 over the year. *The Economist* index of business activity declined from its peak of 113½ in June to 111½ in July. But a glance at the movement of the constituent series on page 11 shows that the decline was by no means general. Six series actually registered a rise, while seven declined and one remained unchanged. In any case, a number of indices for July are still provisional; the heavy fall in the provisional index of British coal consumption, in particular, almost certainly fails to represent the true position, but movements of stocks during that month are not yet available.



Although the evidence is not altogether conclusive, the latest reports from the principal industrial centres point to a resumption of the upward trend of business activity during the autumn. The more rapid rise of costs of production is as yet scarcely reflected in business profits, which, indeed, continue to show greater percentage increases than a year ago. Nor are there any indications that rising prices are meeting with much resistance on the part of consumers. Demand for iron and steel, for example, is still greater than supplies at current prices, though the latter are steadily expanding. Our index of British iron and steel consumption, indeed, reached a record level last month, the steadily expanding demand embracing nearly all branches of engineering and shipbuilding. The value of building plans passed by 146 Local Authorities has recently been much below last year's level in spite of the rise in construction costs, and it now looks as if residential construction, in particular, may take a definite downward turn next year. For some time, however, the impact of the decline in private building is likely to be softened by Government contracts which are not included in the figures of building plans passed by Local Authorities.

In contrast to the metal industries, the textile and clothing trades experienced a lull in activity accompanied by a fairly general increase in unemployment; but, in view of the increasing purchasing power, this lull is expected to be only temporary. The Ministry of Labour's index of weekly wage rates (1924 = 100) rose from 100 in the first quarter to 101½ in the second quarter of this year, an increase of 2½ per cent. over the corresponding period in 1929. On the other hand, the official index of the cost of living, though it has risen from 86.3 (1924 = 100) to 87.1 during this period, against the normal seasonal trend, still stands about 5 per cent. below the 1929 level.

As we pointed out a month ago, recovery in this country has been considerably strengthened in recent months by the rapid improvement of British exports, due to the rise in prices of primary products, on the one hand, and to the increased trade between manufacturing countries on the other. This trend has continued in July, when the value of British exports was 18.7 per cent. higher than a year ago.

Following a fair measure of recovery in July, prices of many primary products have again tended to decline. In the case of wheat and cotton, the renewed fall is due mainly to heavier crops, while in the case of metals the absence of further improvement may be ascribed to the continued absence of consumer buying accompanied by the rising trend of production. But the erratic movements on the commodity markets in recent weeks does not necessarily portend a change of trend. In any case, current quotations are in most cases still substantially higher than a year ago. Moreover, stocks of primary products in first hands are still considerably smaller than a year ago, and a resumption of purchases may lift prices again to higher levels.

There is thus little danger of an early setback in the prosperity of primary producing countries whose increased purchasing power has contributed much towards raising the volume of international trade. The latest reports from these countries, including the British Empire, South America, Scandinavia and Eastern Europe, point to progressive or sustained improvement. China's overseas trade has also been expanding fairly rapidly in recent months, and it is as yet too early to estimate the repercussions on China's economy of Japan's attempt to gain control over her Northern Provinces by force of arms.

As far as manufacturing countries are concerned, there are no indications of an early interruption of the progress of recovery. News from the United States is somewhat conflicting, and the immediate outlook has been rendered uncertain by internal political dissensions. Nevertheless, the autumn is expected to witness a further expansion of business activity. Industrial activity in Germany has continued to expand in recent months under the self-sufficiency programme, but in view of conditions prevailing in Germany, a rising volume of production accompanied by a decrease in unemployment is not necessarily synonymous with an increase in the standard of living. In Austria, Belgium, Holland and Poland activity is considerably greater than a year ago. In France, the volume of industrial production has actually tended to decline in recent months. While it is now gradually being realised that improvement in the standard of living is impossible without an increase of production, it still cannot be said that France has definitely turned the corner. But the outlook should become clearer before long.

British Industrial Developments

The following reports on British industry cover, in most cases, the period to the middle of August. In the remainder they relate to the month of July.

COAL

Latest available data suggest that activity in the coal-mining industry remains above the seasonal norm. Output declined from the high figure of 20,233,000 tons in June to 18,942,000 tons in July, the latter figure comparing with 18,186,000 in the same month of last year. Employment last month, though affected by the seasonal decline in demand, was fairly good for the time of year in most districts. The employment position is now considerably better than at this time last year. Meanwhile, exports registered a further sharp increase last month, amounting to 4,130,600 tons, compared with 3,360,000 tons in July, 1936. The best customers were France, Sweden, Italy, Finland, Canada and Argentina; whereas Italy took no British coal in July, 1936. Export demand has been rather quiet in recent weeks, but some benefit is expected from the cessation of shipments from South Africa. Meanwhile all grades of industrial fuel remain in active demand, but business in house coal continues seasonally slack.

IRON AND STEEL

No fundamental change has taken place in the position of the iron and steel industry during the past few weeks. Demand is as good as ever, but supplies are increasing only slowly, and there is still a severe stringency of materials, especially in the semi-finished steel section. The output of pig iron continued to expand last month, but, contrary to last year's experience, production of crude steel showed a decline between June and July. Higher imports of iron and steel have given some slight relief, the intake in July having been 202,300 tons, against 174,800 tons in June and 98,100 tons in May. Exports of iron and steel in July, at 232,200 tons, have been well maintained, but it is significant that the volume of exports, which, in the past, was normally considerably greater than imports, is now running only slightly above the level of imports, measured by tonnage. Our seasonally adjusted index of British steel consumption, shown on page 11, reached a new record in July. Moreover, there are as yet no indications of an early slackening of demand at current prices.

GENERAL ENGINEERING

The steady expansion of activity in the engineering industry has been temporarily arrested by seasonal influences, such as local holidays. But provided the industry can obtain sufficient materials and labour, the indications point to the continuance of the upward trend next month. The demand for machinery, both at home and abroad, is still tending to expand, despite the increase in prices. The improvement in foreign demand is reflected in a further expansion of exports during the past month. Imports, too, continue to increase rapidly owing to the inability of British firms to supply all the requirements of the home market. Measured in volume, imports of machinery rose from 6,588 tons in July, 1935, to 9,016 tons a year later and 14,311 tons last month. But the f.o.b. value of exports during the first seven months of this year was still almost double the c.i.f. value of imports during this period. The increase in imports has been very marked in the case of machine tools and rolling-mill machinery. The heavier purchases of rolling-mill machinery, incidentally, reflect the efforts which are being made to increase the capacity of the iron and steel industry. The prospects of the industry remain promising.

ELECTRICAL EQUIPMENT

Owing to the pressure of demand, manufacturers of electrical apparatus and machinery have had little respite this summer. Actually, there has been scarcely any decline in activity in recent weeks. Mainly as a result of the pressure of home demand, exports of electrical machinery in July were lower in quantity and in value than in the corresponding month last year. But this decline was more than offset by an increase in exports of apparatus and appliances. Despite a slight fall in the volume of new orders for heavy electrical machinery last month, the outlook for the electrical equipment industry is still good.

AUTOMOBILES

As was anticipated last month, the increase of about five per cent. in the price of certain makes of car does not appear to have affected demand. The decreased demand during May is attributed by the trade to the temporary effects of the Coronation, and it may be noted that the rise in June more than offset the fall in May. The output in June was also well above last year's corresponding figure—35,657 against 29,968. Total production during the first nine months of the present season was 308,034, against a corresponding figure of 278,192 last year; while the output of commercial vehicles was 91,125, against 80,992. Imports of cars this year have been higher than a year ago, due partly to larger purchases from Germany. Exports also continue to exceed last year's corresponding figures.

BUILDING

Activity in the building industry is maintained on a high level, with unemployment at its lowest since 1929, despite a 25 per cent. increase in the number of workpeople since that date. A slight seasonal increase in unemployment, common to all districts, occurred in July, but in most areas the percentage of unemployment was lower than in July, 1936. Shortages of bricklayers and other skilled operatives were reported in some districts. While there is no sign of an early recession, the maintenance of operations on the present scale is problematical in view of recent movements in the plan figures. The value of building plans approved by 146 local authorities during the past four months was 9.5 per cent. below the previous year's corresponding total, despite the rise in costs in the meantime. Although these figures do not take account of Government work, and may be open to qualification on other grounds, it appears unlikely that Government building will be sufficient to ensure the maintenance of the present level of activity after a comparatively short time has elapsed.

CHEMICALS

During the past month trade in the home chemical market has been on a very fair scale for the time of year, particularly in the industrial chemicals and wood distillation products sections. In the coal tar products market refined coal tar and creosote oil have been quite active, but there has not been much new business in other products. Demand for pharmaceutical chemicals has been steady, but rather limited. Overseas trade in chemicals, drugs, dyes and colours continues to increase, July exports being £267,955 greater and imports £151,025 greater than in the same month of last year.

POTTERY

In North Staffordshire activity was affected by seasonal slackness and temporary stoppages occurred towards the end of July. At Derby and Bristol, however, employment continued good, while at Worcester it was still very good. Meanwhile, exports of general earthenware last month were slightly smaller than in the same month of last year; but exports of tiles, sanitary ware and electrical ware showed an improvement.

FOOTWEAR

Following the improvement in June, employment showed a slight seasonal decline at most centres in July, though it remained fairly good for the time of year. The industry is considerably more active than at this time last year. Export demand shows a similar improvement. Exports totalled 37,108 dozen pairs in July, against 30,367 dozen pairs in the same month of 1936, the best customers being Empire countries.

COTTON

The sagging tendency of raw cotton rates has made buyers of manufactures cautious, and few producers have been able to sell their full output. The American cotton crop is officially estimated at 15,593,000 bales, while production of "outside" growths is expected to aggregate 19,500,000 bales. With a carry-over of 12,800,000 bales, total supplies amount to nearly 48 million bales, compared with a consumption last season of some 31 millions. The outlook for raw cotton therefore appears bearish. Order lists of manufacturers have tended to run down during the past month, though producers remain busy on current contracts. Operations for India have been limited and business with China has come to a standstill. Moderate sales have been made for other outlets, with home trade buyers cautious. Sales of yarn have been disappointing, though margins have been maintained. Spinning production continues at about 92 per cent. of capacity, the same as a month ago, against 79 per cent. at this time last year.

JUTE

The industry has recently been passing through a quiet spell. The raw material has been maintained on a high price level, though a rather weaker tendency has been evident in recent weeks. Spinners and manufacturers have encountered a quiet demand and unemployment in the industry remains on a high level. Stocks in consumers' hands, however, appear to be running down, and some revival of demand is consequently being looked for in the near future.

LINEN

As usual at this season, very little flax is on offer, excepting odd lots in merchants' hands; these have mostly been disposed of at full rates. No indications regarding the new crop have been given either by the Soviet or by the Baltic monopoly, but supplies of Irish fibre will be smaller than last year. Courtrai promises well, with prices tending upwards. Demand for both yarns and cloth is on a hand-to-mouth basis, seasonal buying not commencing until next month. Exports are well maintained.

RAYON

In the rayon spinning trade there is considerable activity for the time of year. While there is not an abundance of new business, deliveries are maintained on a high level and there is a shortage of certain types of yarn. Staple fibre is in steady request, and business is materially larger than at this time last year.

WOOL

The raw material has been firm in price during the period under review and some further rise is expected when the new season opens in Australasia at the end of this month. Employment in the industry showed a slight decline in July, but this was largely due to seasonal causes and occurred almost entirely in the worsted section. There was little change in the woollen section, but a slight decline in the carpet section. Machinery has been kept busy, except for holiday stoppages. Meanwhile, prices of tops and yarns show a firm tendency and new business is reported to be good. The export position remains satisfactory, the value of total shipments of yarns and manufactures last month being £3,548,258, against £3,180,474 in July, 1936. The industry's best customer was Canada, followed by Argentina and the United States. Sales to a long list of countries showed an improvement over the year.

RETAIL TRADE

The money value of retail sales in July, according to this week's *Board of Trade Journal*, was 8.1 per cent. above last year's corresponding figure. The increase was common to each of the seven districts, being greatest in the Midlands and South Wales (+ 11.9 per cent.) and least in Central and West-End London (+ 0.8 per cent.). Sales of food and perishables were up by 10.2 per cent. compared with July, 1936, while sales of other merchandise showed a gain of 6.1 per cent. Part of the increase is, of course, due to the rise in prices, but it is difficult to assess the quantitative importance of this factor. Total sales for the first half of the trading year (February to July) were 8.2 per cent. in excess of those for the same period of 1936, the rise being greatest in the Midlands and South Wales.

AGRICULTURE AND FISHERIES

Corn crops are variable but generally fair; at the end of July more sunshine was needed to ripen the grain. Harvesting has begun but is not yet general. The yields of wheat, barley and oats are at present forecast to be below the average of the past ten years. Both early and main crop potatoes promise an average yield. On present appearances the yields of root crops are expected to be about average, but the yield of hops is expected to be below average. Haymaking has proceeded slowly owing to the absence of sun. The yield per acre of both seeds and meadow hay is estimated to be above average. Cattle and sheep are thriving. Milk yields generally have been up to average for the season. Meanwhile, British takings of wet fish aggregated 2,140,472 cwts. in July, against a total of 1,940,699 cwts. in the same month of last year. Average values were, however, lower than in July last year, and the total catch was consequently valued at only £1,485,291, compared with a comparable total of £1,505,343 a year ago.

SHIPPING

The tendency of the freight markets was somewhat irregular during July; and *The Economist* index of whole cargo shipping freights (1898-1913 = 100) eased from 157.0 in June to 154.5 in July, compared with 92.3 in July, 1936. Subsequently, although the volume of business has been limited, the markets have had a firm tone, and there appears to be no early possibility of a substantial setback. The demand for tonnage has been intensified by the stoppage of South African coal exports; for importers' requirements must now be satisfied from farther afield.

UNITED KINGDOM—*THE ECONOMIST* INDICES OF BUSINESS ACTIVITY*

Daily Averages of 1935 = 100

Period	Employment	Consumption of Power: Coal	Consumption of Power: Electricity	Transport: Merchandise on Railways	Transport: Commercial Motors in Use	Postal Receipts	Building Activity	Consumption of: Iron and Steel	Consumption of: Cotton	Foreign Trade: Imports of Raw Materials	Foreign Trade: Exports of British Manufactures	Foreign Trade: Shipping Movements	Bank Clearings: Metropolitan, Country, Provincial	Bank Clearings: Town	Complete Index: Monthly	Complete Index: Twelve-Months' Moving Average
Number of Weights.....	10	4	2	4	2	3	2	2	1	2	3	2	4	1	42	
1929	† 98½	103	68	127	76	95	60	97	111	98½	137½	108½	91	109	99½	...
1930	94½	98½	68½	115½	80½	96½	65½	84½	82	88	108	107	89	112	93	...
1931	91	92	69	98½	83½	95½	62	73	86	82½	80½	97½	86½	96	87½	...
1932	90	90	71½	86	86	94½	57	59½	94	84	82	94½	86½	86½	84	...
1933	93½	90	78	89½	89½	96½	73½	70	101	92½	85	96	91	88	89	...
1934	97½	97½	88½	100	95	97½	88	93½	98½	100	92½	98	95½	96	96	...
1935	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	...
1936	105	104½	112½	106½	105½	104½	107	125	109½	110½	101½	102	104	103½	106	...
1934—July	98	92½	84½	98½	96½	94½	89½	92½	101	107½	91½	98	94	85	94½	95½
August	98½	97	87½	102½	97	98	90	95½	98	114	89	98	93	89½	96½	95½
September	98½	95	88½	102½	97	96	90	90½	98	101	101	98	94½	89½	96½	95½
October	98	97	89½	100½	95	97½	91½	94	89	98	95½	95½	96½	91½	96	96
November	98½	99½	94	98	95	97½	93	89	97	89	93	97½	95½	114½	96	96½
December	98½	93½	87	99½	95½	101	92½	98	97½	94	98	100	99	100½	97	96½
1935—January	98	98	92	103½	98½	98	93½	98½	98	85	95½	95	98	110	97	97
February	98	96	92	99	98½	99	95	94½	92	91½	104	97	98	94½	97	97½
March	98½	92½	93	98	99	95½	96½	97½	94	85	98½	97½	96	92	98	97½
April	99½	98	97	99	99	101	98	92½	90	100	99½	99½	97	97½	98	98½
May	99½	102½	99	100½	99½	98	100	93½	96	100½	97	100½	99	100	99	98½
June	100	99½	97	99	99½	96½	98½	93	99	97½	105½	100½	102½	106½	100	99½
July	101	94	96½	98	100	98	99½	93½	112	108	96	100½	104	99½	99½	99½
August	101	92½	99	100½	100	99	100½	104½	100	100½	97	100	100½	98	99½	100½
September	101	100½	99½	98	100½	101	102½	105½	96½	104½	103	98	99½	96½	101	101½
October	101	105	101½	101½	101	99½	103½	102	96	102½	102½	98	99½	96½	102	101½
November	101½	104	102	103	101½	100½	105½	102½	107	106	99	101	99	96½	102	101½
December	101½	105½	108½	102½	102	104	108	113½	99	117	99½	103½	103	112½	104½	102½
1936—January	101½	107	104	104	103½	101	106½	117	106½	97½	92½	98½	98	91	102	102½
February	102½	100½	108	102	104	102	107	112½	101½	99½	99½	99	100½	94	102½	103½
March	103	98	105	105½	104½	102	106½	126	110	107½	98½	98½	101	97	105	104½
April	103½	103	111	106½	104½	102	107½	116	112½	106	99	100	103	96½	104½	105½
May	104½	102½	107½	105½	105	102	107½	121	119	117½	98	102½	104	104	106	105½
June	105	106½	107½	104½	105½	101½	109	123	120	117	105½	101½	104	97	107	106½
July	106½	104½	109½	106	105½	103½	109½	139	120	117½	101	107½	105½	103	108½	106½
August	105	106½	109½	106	106½	103½	109½	139	120	117½	107½	105½	106	113½	108½	107½
September	106½	104½	106½	106½	106½	104½	108½	132	107	123½	105	100½	106	114	108½	107½
October	106½	102½	112	106½	107½	104½	107	127½	102½	117	107½	103	106	114	108½	108
November	107	104	113½	107	107½	104½	107	125	100½	119½	100	106	109½	111	108	108½
December	106½	104	117½	106	108	107	105	134½	109	108½	108½	103½	107	122	109½	109½
1937—January	106½	107½	117½	113	108½	108	103½	124	111½	103½	104½	101	106½	105	107	109½
February	108½	97½	116	110½	109	107½	102	124	111½	103½	104½	101	106½	105	107	109½
March	109	108½	116	107	109½	110	102½	118	110	102½	111	107½	108	115	109½	...
April	108	110r	125	106	110r	107½	99½	118½	123	119	120	114	108½	107½	111	...
May	109½	112rp	122	115	110½r	110	102½	117	116½	103½r	108½r	102½	102½r	103½r	109½r	...
June	109	114½rp	123½	113	111r	106½	100½	130½	143	116r	117½r	114	107r	98½r	112½rp	...
July	110½	121½p	122½	113p	111½rp	107	99	133½	111	125r	122½r	106½	106½	106	113½rp	...
* August	110½	105½p	123	111p	111½p	105	96½	140	131½	122p	117½p	109	102½p	100½p	111½p	...

* For method of construction and earlier figures (1924-1936) see Supplement to *The Economist* of July 25, 1936. r Revised. p Provisional. † Annual indices represent averages of monthly figures.

Business Developments Overseas

BRITISH EMPIRE

AUSTRALIA.—Industry and trade show signs of winter recession, states a cable from the National Bank of Australasia, but activity generally remains above last year's level. Until recently the farming outlook was obscured by unseasonable weather, but good rainfall has occurred this week. With the improvement in the trade balance, bank deposits have reached record figures. The stock markets are firm, with prices showing a rising tendency.

SOUTH AFRICA.—General business in the larger centres is steady, states a cable from the Standard Bank. Wholesale orders in Johannesburg are, however, below expectations, owing to excessive purchases earlier in the year. The building and allied trades are well employed, while, despite drought in some districts, the agricultural position generally remains favourable. Commodity markets are, in the main, active; while railway earnings remain above Budget estimates.

CANADA.—The disastrous crop failure in Saskatchewan and Alberta has made it necessary for the Federal Government to undertake relief measures and has thus thrown a strain on the public purse. Meanwhile, however, the second half of July witnessed a revival of business confidence; business activity is now slowly expanding. Production in the mining industry is maintained on a high level and rising prices have benefited the industry. The newsprint industry is also making headway.

INDIA.—India's merchandise imports amounted to 14,12 lakhs of rupees in July, against 13,88 in the previous month. Exports, on the other hand, aggregated 17,36 lakhs, compared with 17,85 lakhs in June. Taking into account bullion movements, the favourable balance of trade in July amounted to 5,13 lakhs, against 3,74 lakhs in June. Meanwhile, rainfall has been general in most parts of India, and the crops are reported to be in good condition, except in Bihar Province, where flood damage has occurred.

EUROPE

FRANCE.—While the second quarter of the current year witnessed a steady decline in industrial production, the latest reports indicate a slight improvement. Thus, in contrast to the movement a year ago, unemployment declined during the past month, the number of persons in receipt of benefit falling from 319,161 to 313,553. Moreover, this trend has continued during the first fortnight of August. At the end of July, 1936, the number of unemployed persons in receipt of benefit was 420,776. Yet, in spite of the substantial reduction in unemployment since last year, industrial production is only slightly higher and remains some 25 per cent. below the 1929 level. Even now it would be rash to state that France has definitely "turned the corner." There are signs, however, of a growing realisation of the fact that legislation alone is not sufficient to lift the country out of the depression. Commodity prices are still on the upgrade, but quotations for industrial securities, after rising steeply in the first half of August, have fallen back almost to the level of a month ago.

GERMANY.—Industrial activity continued to expand, partly as a result of the drive for national self-sufficiency and re-armament work. However, the problem of unemployment has now given way to the problem of labour shortage. According to the official returns, the number of unemployed persons declined from 648,400 to 562,900 during July, against 1,169,900 a year ago. But while Germany's resources are now almost fully employed, it must be remembered that this state of affairs is not necessarily synonymous with a high standard of living. Wholesale prices are scarcely changed on the month, but quotations for industrial securities have shown a rising tendency. Coal production, as well as the output of pig iron and steel continue above the level of a year ago.

AUSTRIA.—Recovery has made rapid progress in recent months. The index of industrial production for May (the latest available) stood at 107 (1929 = 100), against 87 in January and 81 a year ago. The number of applicants for work has fallen from 322,501 at the end of June, 1936, to 281,401 at the corresponding date this year. The improvement is likely to be maintained.

POLAND.—Poland is slowly emerging from depression. The volume of industrial production has not changed very much in recent months, but is substantially higher than a year ago. The number of registered applicants for work, however, declined only slightly, from 314,014 at the end of June, 1936, to 293,025 at the turn of the half-year of 1937. Present indications point to a continuation of recovery, if at a slow rate.

SWEDEN.—Industrial production continued to expand in recent months, the index having risen from 135 (1929 = 100) in January to 142 in June, against 127 a year ago. The improvement is reflected in a remarkable increase in foreign trade. Exports rose from Kr. 126 millions in June, 1936, to Kr. 169 millions this year, and imports advanced from Kr. 121 millions to Kr. 179 millions during this period.

UNITED STATES OF AMERICA

While industrial activity showed a moderate decline in June, there has been no further deterioration since then. The current volume of production, though different in composition, is about equal to the 1929 level. Prospects for the autumn are fair, and an early resumption of the upward trend is expected. The income of the agricultural community is increasing as a result of heavier crops and higher prices. In industry, labour disputes have tended to decline. But a more rapid expansion of activity is prevented by rising costs and uncertainty concerning future legislation affecting business. The capital market, indeed, is still slow in reviving, while constructional activity is increasing only slowly. Foreign trade is at a considerably higher level than a year ago. The outlook remains promising.

LATIN AMERICA

ARGENTINA.—Following record exports, purchasing power is expanding and finds reflection in the steady improvement in the retail markets. Imports during the first six months of 1937 amounted to 669 million pesos, against 539 millions in the same period of 1936, the highest figure registered in the period since 1930. All the principal imports registered substantial increases. Although British goods continue to head the list, at nearly 132 million pesos, against 121 millions last year, the proportion declined from 21.9 per cent. to 19.8 per cent. of total Argentine imports. A feature is the growth of Argentine trade with the United States and Japan, with a large balance of trade in favour of the Argentine, and these two countries are pressing for the removal of the 20 per cent. surcharge on exchange, which would intensify their competition with British goods. Similarly, under the recent Italo-Argentine Trade Agreement, importers of Italian goods should now be able to obtain exchange at the official rate, and, helped by subsidies, are under-selling in the Argentine market, particularly woollen textiles. Japan has reduced the price of cotton goods by 20 per cent. and competition with Lancashire goods from this source is extremely keen. Although figures of Argentine exports for the complete six months ended June last registered a spectacular increase over 1936, there has been a contraction of exports during the last month or two from the record figures in the first quarter, which will probably assist the Government in avoiding any reduction in the official selling rate of exchange. Despite recent light rains, the prolonged drought has held up ploughing for the next fine cereal harvest, and this year's wheat harvest will undoubtedly be appreciably below that of 1936.

URUGUAY.—The economic position is improving steadily, and the general pastoral and agricultural outlook is satisfactory. The exchange value of the peso is being appreciated gradually, but yet under the control of the State Bank.

BRAZIL.—Trade shows an increase on both import and export account. Coffee exports are languishing, but the outlook for the coming cotton crop is now better. Conditions are normal with regard to general business and in the import markets.

CHILE.—Foreign trade statistics show steady expansion, whilst there is a notable growth in exports of mining products, particularly copper. Assisted thereby, there continues to be a sufficient supply of sterling and dollar cover for legitimate trading in the exchange market.

OTHER COUNTRIES.—Peru's export trade continues to flourish, with a large visible balance at end-May, whilst the outlook for the new coffee crop in the Central American Republics is so far favourable.

THE FAR EAST

The outbreak of hostilities between Japan and China has been the principal feature of the past month; it is reported that Japan is making preparations for a long conflict. Industrial production, which has been on a high level in Japan for some time, is being intensified, and the growing need for raw materials is reflected in the steady expansion of the import surplus. Imports in July amounted to 373 million yen, against 215 millions last year, while exports aggregated 294 millions compared with 230 millions in July, 1936. Meanwhile, production is being hampered by shortages of labour and of raw materials in the capital goods industries, and in some cases also by scarcity of necessary machinery. The Government, however, is taking steps to deal with these problems. Political developments caused uneasiness on the commodity and stock markets at the end of July, but some improvement in prices has since been evident. China's imports amounted to 124 million dollars in July, compared with 115 millions in June, while her exports aggregated 89 millions, compared with 85 millions a month earlier.

UNITED KINGDOM

(Population, mid 1936, 47,098,000; Area 95,030 sq. miles; 244,000 sq. kms.)

United Kingdom figures; otherwise Great Britain (G.B.)	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936	1936 June	1936 July	1937 Jan.	Feb.	Mar.	Apr.	May	June	July
PRODUCTION																		
1. Industr. Prod. B. of Trade(a)(d)	1930 = 100	*108·5*	100·0	*91·0*	*90·5*	*95·5*	106·1	113·6	124·7	123·5	...			131·7	...	...	134·7	...
2. Coal, G. B.	Mill. tons	21·4	20·3	18·3	17·4	17·2	18·4	18·6	19·0	16·9	18·2	19·5	19·8	20·9	21·7	18·7	20·2	18·9
3. Electcty., public supply, G.B.	Mill. kw.-hrs.	858	910	951	1,020	1,130	1,288	1,464	1,685	1,334	1,403	2,172	1,944	2,074	1,832	1,621	1,575	1,588
4. Pig iron	Thous. tons	632	516	314	298	345	497	535	641	644	666	651	604	680	681	693	699	729
5. Steel ingots and castings	"	803	610	434	439	585	738	822	975	966	974	999	906	1,110	1,080	1,047	1,116	1,059
6. Buildg. plans passed { Dwellgs.	Thous. £'s	3,688	3,897	3,374	3,907	5,192	5,799	6,536	6,255	6,357	6,669	4,476	5,300	5,945	7,036	5,788	5,720	6,208
7. 146 towns, G.B. { Other...	"	2,403	2,320	1,877	1,614	1,781	2,164	2,990	3,497	3,621	4,170	3,996	5,399	3,953	3,941	3,406	3,540	3,712
New Orders, heavy elec. mach.																		
8. Home	1929 = 100	100	125	77	112	67	169	148	250	199	212	264	258	255	232	233	238	237
9. Foreign	"	100	67	50	31	44	60	62	96	82	84	105	118	125	118	116	114	113
10. Total	"	100	93	58	59	58	107	104	167	139	144	175	189	188	174	173	174	172
11. Shipbuilding: commenced (f)	Thous. gross tons	137	79	17	6	20	43	57	91	94	98	84	84	84	123	123	123	...
12. " launched (f)	"	127	123	42	16	11	38	42	71	56	71	59	59	59	84	84	84	...
13. " on hand, end yr.	"	1,560	909	401	225	332	597	743	964	849	...	...	...	1,014	...	...	1,200	...
14. Automobiles: priv. cars (b)	Number	15,196	14,139	13,250	14,270	19,232	21,406	25,962	29,479	29,968	29,796	34,062	28,449	44,578	36,309	33,093	35,657	...
15. " Com. vehicles(b)	"	4,705	5,572	5,609	5,123	5,459	7,136	7,681	8,967	8,262	10,044	11,427	8,468	11,045	10,069	10,057	10,319	...
16. Cotton delivered to mills, G.B.	Mill. lbs. daily av.	5·27	3·92	4·04	4·47	4·72	4·31	4·72	5·17	5·45	5·00	5·65	5·50	6·23	5·90	6·93	5·11	5·52
17. Rayon: Output	Thous. lbs.	4,742	4,064	4,548	6,043	7,007	7,758	10,314	12,110	12,320	13,810	11,740	11,720	12,529	13,670	12,180	14,060	...
18. " Quantity excised	"	4,710	3,992	4,591	5,955	7,086	7,715	9,987	11,776	11,946	13,311	11,680	16,638	12,527	14,317	12,806	...	...
19. Beer production	Thous. st. barrels	1,620	1,568	1,365	1,102	1,193	1,293	1,355	1,395	1,462	1,726	1,163	1,131	1,473	1,334	1,511	1,608	...
20. Distilling: Drink (f)	Thou. proof galls.	914	840	786	721	733	719	720	760	694	697	634	634	634	711	711	711	...
21. " Industrial alcohol(f)	"	1,205	1,393	1,438	1,834	2,484	2,816	3,172	3,595	3,315	3,670	3,700	3,700	3,700	4,414	4,414	4,414	...
22. " Stocks, end year	Mill. proof galls.	151·6	153·4	148·5	141·5	134·9	135·4	136·1	137·4	138·3	138·0	138·2	139·3	140·6	141·7	142·2	142·8	...
TRADE AND TRANSPORT																		
Domestic Trade																		
23. Rly. traf.: Merch. & lvstk. G.B.	Thous. tons	9,780	8,890	7,602	6,605	6,875	7,660	7,661	8,188	8,200	7,592	8,093	8,180	8,404	8,558	8,717	...	...
24. " Coal and coke, G. B.	"	15,933	14,868	13,360	12,861	12,727	13,384	13,447	13,539	12,402	11,374	14,150	15,355	15,685	14,378	14,379	...	...
25. Automob.: prv. crs in use, G.B.	Thousands	893·8	967·7	979·7	1018·4	1084·9	1184·5	1347·5	1498·8	1547·1	1599·1	1445·9	1458·6	1487·4	1639·7	1671·2	1687 9	1745·3
26. " Comcl. vehicles in use, G.B.	"	314·7	333·6	346·0	356·2	370·0	393·5	413·2	437·0	436·6	439·3	445·9	448·6	453·8	456·9	458·1	461·3	464·5
27. Postal traffic receipts, daily	Thous. £'s	133	135	134	133	135	137	140	147	138	142	148	146	149	152	145	146	144
28. Retail trade, Gt. Brit.: Food	Avg. daily sales in 1933 = 100	...	...	...	102	100	103	111	120	119	115	119	123	137	122	139	125	127
29. " Other merchandise	"	...	...	...	99	100	103	108	113	109	116	120	95	111	115	130	114	123
30. " Total	"	...	...	...	101	100	103	109	116	114	115	119	110	124	119	134	119	125
31. Advtg. expndtre. on brand. gds.	1935 = 100	...	...	76·1	79·2	84·6	90·4	100	104·6	104·8	93·4	88·1	100·2	120·1	126·2	115·9	110·3	99·7
Foreign Trade																		
32. Retained imports, value: Food	Thous. £'s	42,444	37,603	33,041	29,810	27,311	27,829	28,616	30,921	30,754	28,903	31,080	29,717	34,033	31,738	33,019	34,507	32,609
33. " Raw materials	"	23,774	17,674	12,277	11,740	12,897	15,153	15,237	17,934	16,801	17,501	22,627	17,491	21,559	21,638	21,605	23,833	23,718
34. " Manufactures	"	25,467	23,622	20,367	12,168	11,654	13,395	14,302	16,452	14,730	16,951	16,435	17,223	19,917	21,727	20,677	22,275	21,988
35. " Total	"	92,589	79,762	66,449	54,221	52,161	56,681	58,473	65,710	62,636	63,739	70,505	64,725	75,974	75,596	75,738	80,990	78,702
36. Volume: Food (a)(d)	Avg. of 1935 = 100	*98·9*	99·6	*106·3*	*102·5*	*100·7*	*101·1*	100	102·8	99·8	...			97·2	...	...	...	...
37. " Raw materials (a)(d)		*101·5*	90·9	*82·9*	*84·6*	*92·7*	*99·3*	100	111·1	105·6				114·7	...	...	...	...
38. " Manufactures (a)(d)		*133·6*	133·9	*121·9*	*79·5*	*81·8*	*95·0*	100	111·6	105·6				114·8	...	...	...	...
39. " Total (a)(d)		*108·9*	106·3	*105·0*	*92·2*	*93·7*	*99·0*	100	107·2	102·9				106·0	...	...	...	...
40. Domestic exports, value: Food	Thous. £'s	4,555	3,944	2,898	2,625	2,314	2,538	2,636	2,966	2,633	3,044	2,990	3,120	2,908	3,092	3,100	2,972	3,311
41. " Raw materials	"	6,875	5,313	3,920	3,624	3,832	4,921	4,400	4,278	3,546	4,591	5,091	4,901	5,264	5,636	5,472	5,652	5,956
42. " Manufactures	"	47,899	36,745	24,398	23,031	23,475	25,403	27,411	28,410	24,945	31,493	29,885	29,737	34,158	33,362	33,269	34,673	37,377
43. " Total	"	60,779	47,563	32,552	30,419	30,659	33,000	35,493	36,727	32,065	40,086	39,101	38,572	43,470	43,027	42,733	44,373	47,570
44. Volume: Food (a)(d)	Avg. of 1935 = 100	*126·7*	118·7	*91·5*	*90·9*	*81·8*	*93·3*	100	110·6	98·3				110·2	...	...	...	...
45. " Raw materials(a)(d)		*130·4*	110·2	*86·9*	*83·0*	*88·6*	*99·3*	100	92·4	87·0				100·2	...	...	...	...
46. " Manufactures(a)(d)		*142·1*	113·8	*80·7*	*83·0*	*85·5*	*92·4*	100	102·1	95·5				109·7	...	...	...	...
47. " Total (a)(d)		*140·3*	115·0	*83·8*	*84·0*	*85·9*	*93·4*	100	101·5	94·6				108·2	...	...	...	...
48. Shipping: Tonnage entered	Thous. net tons	5,225	5,310	5,023	4,947	5,036	5,223	5,302	5,616	6,082	6,172	4,869	4,821	5,760	5,421	6,004	6,287	6,425
49. " Tonnage cleared	"	5,723	5,488	4,862	4,620	4,638	4,674	4,777	4,735	4,726	5,221	4,528	4,282	4,716	5,143	5,091	5,447	5,820
50. " Tonnage laid-up	"	365	1,593	1,966	1,971	1,240	578	436	212	502				90	...	...	61	...
51. Freight rates, *Economist* Index	1929 " 100	100	81·7	82·2	77·9	75·1	76·4	76·8	87·3	80·4	82·0	120·4	119·3	122·3	133·4	137·5	139·4	137·2
52. Cable and wireless traffic recpts.	Corresponding month 1929 = 100	100	87·3	73·9	72·3	70·5	72·5	73·5	74·4	70·3	70·3	85·8	84·6	90·6	83·7	78·6	73·5	73·4
EMPLOYMENT AND WAGES																		
53. Insured pers. employed G.B.	Thousands	10,220	9,797	9,421	9,348	9,681	10,139	10,377	10,896	10,837	11,006	11,106	11,187	11,242	11,394	11,387	11,517	11,517
54. Insured pers. unemployed "	"	1,212	1,915	2,630	2,756	2,496	2,107	1,958	1,684	1,645	1,595	1,604	1,552	1,505	1,368	1,390	1,306	1,321
55. Per cent. unemployed "	"	10·3	15·8	21·1	21·9	19·8	16·6	15·3	13·0	12·9	12·2	12·3	11·9	11·5	10·5	10·7	10·0	10·1
56. Regist'd at Exchanges, all ages,	"	1,276	2,014	2,718	2,813	2,588	2,221	2,106	1,822	1,766	1,717	1,766	1,704	1,677	1,526	1,519	1,423	1,445
57. " London	"	118	177	273	306	272	216	203	179	161	156	200	194	183	162	163	153	155
58. " S.E. England	"	50	75	114	142	120	93	91	79	65	61	90	89	86	72	62	52	52
59. " S.W. "	"	69	91	129	157	147	127	114	94	80	76	106	100	93	83	78	68	67
60. " Midlands	"	165	267	381	371	325	245	217	178	178	181	163	152	149	132	140	134	144
61. " N.E. England	"	280	419	569	602	557	478	452	394	400	362	371	364	366	349	377	376	366
62. " N.W. "	"	285	522	627	562	517	461	439	374	365	359	334	320	345	297	301	281	286
63. " Northern (c)	"	...	...	...	...	...	...	...	179	...	...	179	172	176	159	150	142	134
64. " Scotland	"	156	244	358	378	364	321	314	277	254	268	271	267	269	247	232	215	245
65. " Wales	"	116	158	196	228	219	208	206	198	198	188	174	172	164	153	149	136	131
66. " N. Ireland	"	36	60	71	68	68	62	70	67	64	65	77	76	76	71	68	67	66
67. Industr. disputes, No. days lost	"	676	361	527	541	87	78	160	154	191	83	306	84	220	480	814	111	512
68. Wage rates, Min. of Labour (d)	1929 = 100	100	100	97½	96	95½	95½	96½	99½	99½				101½			102½	...
PRICES																		
Wholesale: 'Economist' Indices																		
69. Cereals and meat	1929 = 100	100	83·6	70·9	70·4	66·4	71·3	72·2	79·4	72·4	79·4	91·1	90·2	96·0	95·1	96·6	94·1	95·6
70. Other foods	"	100	90·0	76·1	72·8	68·4	68·8	70·6	71·2	68·6	71·3	79·0	80·0	82·0	81·2	79·9	78·7	78·3
71. Textiles	"	100	69·9	54·2	53·4	55·2	58·7	61·8	67·0	64·4	66·9	75·1	74·8	80·5	80·6	79·4	76·7	76·7
72. Minerals	"	100	87·5	76·5	76·3	80·8	80·5	83·5	88·5	84·5	86·2	103·9	110·3	118·4	114·2	115·1	111·4	113·6
73. Total, incl. miscell.	"	100	84·0	70·2	67·8	68·3	71·0	74·3	78·8	75·3	78·2	87·6	89 1	94·4	92·7	93·3	91·2	91·7
74. Primary products	Sep.18,1931 = 100	...	154·5	114·5	118·1	113·0	123·0	126·9	140·2	133·2	142·4	164·2	168·2	181·9	169·9	170·2	165·9	167·1
Cost of Living: Min. of Labour																		
75. Food	1929 = 100	100	94·2	85·1	81·8	77·9	79·2	81·2	83·6	81·8	81·8	87·6	87·7	87·7	88·3	88·3	90·9	90·9
76. Total	"	100	96·3	90·0	87·8	85·4	86·0	87·2	89·7	89·0	89·0	92·1	92·1	92·1	92·7	92·7	94·5	94·5
77. *Industrial securities, Fin. News*	July 1,1935 = 100	102·0	84·6	85·8	84·0	79·8	84·1	97·0	115·7	111·9	114·5	122·0	120·5	117·7	111·1	112·4	109·9	111·5
78. *Fixed interest* " "	1928 = 100	98·8	99·9	99·2	113·6	126·1	133·6	137·1	137·7	136·3	137·5	133·9	127·6	127·4	129·6	130·5	127·6	127·2
FINANCE																		
79. Govt. Revenue, cumulative (h)	Mill. £'s	815·0	857·8	851·5	827·0	809·4	804·6	844·8	896·6	140·1	209·3	648·3	785·5	896·6	63·9	107·4	155·2	221·2
80. " expenditure, " (h)	"	829·5	881·0	851·1	859·3	778·2	797·1	841·8	902·2	212·3	291·1	726·0	810·6	902·2	85·0	128·9	225·4	303·6
81. Bank of Eng.: Notes in circ.(g)	"	362·3	358·6	354·8	338·5	371·2	378·7	394·7	431·4	433·3	443·6	455·1	455·2	468·7	467·1	477·9	480·8	494·8
82. " Bankers' deposits (g)	"	62·9	65·5	64·7	81·3	99·9	100·3	96·7	96·2	89·5	94·5	103·9	96·6	85·2	92·6	93·4	110·9	94·8
83. " Gov. sec. B'king Dept.(g)	"	55·9	49·7	45·5	64·0	79·6	81·1	87·0	88·8	98·5	99·2	82·5	82·4	93·0	97·4	103·6	108·4	105·6
84. Clearing Banks: Deposits...(g)	"	1,738	1,741	1,699	1,791	1,953	1,880	1,999	2,142	2,155	2,169	2,231	2,198	2,169	2,178	2,181	2,217	2,216
85. " Cash & bal. with B.E.(g)	"	194	192	182	187	212	212	215	221	218	217	230	222	218	222	225	234	227
86. " Discounts .....(g)	"	229	264	256	308	334	230	268	313	322	341	340	302	249	238	242	257	279
87. " Advances .....(g)	"	991	963	919	844	759	753	769	839	847	853	853	875	908	919	924	936	941
88. " Investments .....(g)	"	257	258	301	348	537	560	615	613	612	610	640	642	637	631	627	624	617
89. Bank Clearings: Town ...(e)	"	130·1	126·3	103·6	90·4	90·6	100·1	106·0	134·8	114·0	111·5	125·7	132·0	131·9	126·2	115·7	125·1	124·5
90. " Met. Country &Prov.(e)	"	21·4	19·8	18·3	17·9	18·5	19·7	20·9	22·6	21·6	23·5	25·9	24·6	25·1	24·8	24·9	23·8	25.1
91. Interest Rates: Bank rate	"	5·498	3·414	3·969	3·008	2	2	2	2	2	2	2	2	2	2	2	2	2
92. " Three mths. bank bills	%	5·26	2·57	3·61	1·87	0·69	0·82	0·58	0·60	0·58	0·59	0·56	0·56	0·56	0·56	0·56	0·69	0·56
93. " Day to day loans	"	4·47	2·27	2·94	1·61	0·69	0·82	0·50	0·80	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50
94. " Yield on Consols	"	4·61	4·49	4·40	3·75	3·40	3·10	2·89	2·94	2·94	2·94	2·98	3·15	3·28	3·26	3·26	3·38	3·36
95. Cap. Issues: Total (excl. Br. Govt.)	Th's £ New basis	...	...	...	...	...	...	20,590	36,073	22,939	42,592	37,935	41,187	31,179	23,980	25,065	32,218	59,069
96. (Economist) Govt.)	Old "	*18,319*	*16,849*	*7,620*	*7,184*	*7,831*	*10,418*	*12,346*	*16,299*	*10,262*	*19,428*	*24,575*	*9,240*	*9,600*	*11,915*	*9,278*	*25,274*	*14,104*
97. Of which abroad	£ New "	...	...	...	...	...	...	2,540	3,787	2,187	6,901	5,157	14,771	5,508	11,495	3,314	3,828	7,731
98.	Old "	*7,267*	*8,096*	*3,970*	*2,153*	*2,878*	*2,619*	*1,291*	*2,125*	*1,706*	*2,807*	*1,214*	*1,241*	*2,261*	*3,129*	*3,077*	*2,067*	*3,237*
99. Exchange Rates: New York	$ per £	4·857	4·862	4·533	3·504	4·218	5·041	4·903	4·971	5·020	5·023	4·908	4·894	4·885	4·916	4·940	4 935	4,970
100. " Paris	Frs. per £	124·02	123·87	115·55	89·20	84·58	76·74	74·26	82·97	76·15	75·86	105·14	105·12	106·31	109·33	110·32	110·82	130·57
101. " Berlin	Rm. per £	20·40	20·38	19·18	14·74	13·98	12·80	12·18	12·33	12·46	12·45	12·19	12·17	12·15	12·23	12·38	12·31	12·35
102. " Amsterdam	Fl. per £	12·09	12·09	11·27	8·66	8·24	7·48	7·24	7·78	7·42	7·38	8·96	8·95	8·93	8·98	8·99	8·98	9·02
103. " Kobe	Pence per Yen	22·81	24·41	26·33	19·32	14·64	14·20	14·08	14·02	14·08	14·03	13·96	13·89	14·00	14·80	14·00	13·98	13·97
104. " Shanghai	Pence per $	28·85	20·61	16·65	20·83	15·09	16·32	18·00	14·47	14·39	14·42	14·52	14·62	14·63	14·57	14·50	14·45	14·32

(a) Old quarterly Board of Trade indices linked on to new indices; figures in italics based on old indices. (b) Annual figures relate to year ended September. (c) Figure for 1936 is average of August-December. (d) Indices shown in last month of quarter to which they relate. (e) Daily average. (f) Monthly figures are averages of quarterly returns. (g) Average of weekly figures. (h) Annual figures are totals for financial year beginning in year shown. Monthly figures are cumulative. (i) Period June 1-28.

UNITED STATES, FRANCE AND GERMANY

	Unit of Measurement	Monthly Average								1936		1937						
		1929	1930	1931	1932	1933	1934	1935	1936	June	July	Jan.	Feb.	Mar.	Apr.	May	June	July
UNITED STATES (Population 1934: 126,450,000; Area: 7,839,432 sq. kms.)																		
PRODUCTION																		
1. Industrial production, F.R.B.(a)	1929=100	100	80·7	68·1	53·8	63·9	66·4	75·6	88·1	86·6	90·8	95·8	97·5	99·2	99·2	99·2	96·6	...
2. Investment goods, F.R.B.....(a)	,,	100	72·6	48·2	27·6	41·2	46·5	63·2	82·4	84·1	87·9	92·6	93·5	93·8	96·8	99·1	93·2	...
3. Consumption goods, F.R.B...(a)	,,	100	86·8	85·2	75·9	84·2	83·4	87·6	94·5	92·1	96·0	100·5	101·8	102·6	102·4	99·7	99·5	...
4. Coal	Million m. tons	46·0	40·6	33·4	27·2	29·0	31·4	31·6	36·5	30·2	32·9	40·8	41·3	50·9	29·7	31·0	32·7	44·4
5. Electricity generated	Million kw. hrs.	8,113	7,995	7,644	6,842	7,111	7,590	8,283	9,461	9,124	9,682	10,151	9,247	10,228	9,868	9,972	10,066	...
6. Steel	Million m. tons	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	4,049	3,986	4,813	4,496	5,313	5,153	5,236	4,251	4,630
7. Index of machine tool orders	1929=100	100	46·0	26·0	12·6	17·4	29·7	55·5	87·7	82·7	95·4	128·5	105·9	135·8	181·4	134·0	123·0	...
Building contracts awarded:																		
8. Residential	Million $	159·6	91·8	67·6	23·3	20·8	20·7	39·9	66·8	73·6	71·9	78·4	63·0	90·2	108·0	83·9	93·1	81·0
9. Other	,,	319·6	285·1	190·1	89·3	83·8	107·9	114·1	156·1	159·1	222·8	164·4	125·3	141·0	161·9	160·2	225·0	240·6
10. Private cars	Thousands	382	232	164	88	131	181	271	306	376	372	310	296	404	440	425	411	...
11. Commercial vehicles	,,	64	48	35	20	29	48	58	65	77	69	70	67	90	96	91	86	...
12. Activity in textile industry	1929=100	100	79·1	81·7	72·2	84·3	73·9	90·4	97·4	93·0	100·0	107·8	109·6	112·2	107·8	107·0	109·6	...
13. Stocks of raw materials	,,	100	106·0	116·7	120·7	122·1	120·7	94·0	...	68·5	71·2	93·3	85·3	74·5	65·8	61·8	59·7	...
14. Stocks of manufactures	,,	100	102·5	65·0	86·7	85·9	90·9	86·7	...	86·7	83·3	92·5	90·8	90·8	88·3	88·3	90·1	...
TRADE AND TRANSPORT																		
15. Index of Rly. car loadings	,,	100	86·8	70·7	52·8	54·7	58·5	59·4	67·9	66·0	68·9	75·4	77·3	78·3	79·2	75·4	73·6	...
16. Index of Dept. Store sales	,,	100	91·9	82·9	62·2	60·3	67·6	71·2	79·2	78·4	82·0	83·8	85·3	83·8	83·8	83·8	83·8	...
17. Retained imports	Million $	362	260	174	110	119	136	170	202	194·3	196·5	228·7	260·2	296·0	281·7	278·8	286·0	...
18. Domestic exports	,,	430	315	198	131	137	175	187	201	181·4	176·4	217·9	229·6	252·3	264·9	285·1	265·4	...
EMPLOYMENT AND WAGES																		
19. Factory employment, F.R.B.	1929=100	100	87·2	73·8	62·6	68·8	78·8	82·1	87·8	86·3	88·5	94·4	95·5	96·4	97·2	97·6	97·2	...
20. Pay rolls, F.R.B.	,,	100	81·1	61·8	42·6	45·3	57·7	65·4	75·5	74·1	73·3	83·4	88·0	92·6	96·2	96·2	94·4	...
21. Hourly earnings, N.I.C.B.	,,	100	100	96	84	83	99	102	105	105	...	...	...	112	...	...	...	...
22. Av. hours of work, N.I.C.B.	Number	48·3	43·9	40·4	34·8	36·4	34·7	37·2	39·7	39·4	39·2	41·0	41·4	41·9	41·4	41·2	40·7	...
23. Number unemployed, A.F.L.	Thousands	1,864	4,770	8,738	13,182	13,723	12,364	12,208	...	11,126	11,208	...	...	...	...	...	...	...
PRICES																		
24. Cost of living, N.I.C.B.	1929=100	100	96·2	87·2	77·9	74·9	79·4	82·6	84·8	85·0	85·2	86·8	87·1	87·8	88·2	88·7	88·8	88·8
25. Wholesale prices, D. of Lab.	,,	100	90·7	76·6	68·0	69·3	78·7	83·9	84·8	83·1	84·5	90·1	90·6	92·1	92·3	91·7	91·5	92·5
26. ,, raw materials ,,	,,	100	86·5	67·3	56·5	57·9	70·4	79·1	82·0	79·6	81·8	90·4	90·6	92·2	90·9	89·3	88·3	...
27. ,, semi-manufactures ,,	,,	100	87·2	73·5	63·2	61·4	77·6	78·4	80·8	78·7	80·1	90·9	91·1	95·4	95·3	93·1	92·4	...
28. ,, Finished goods ,,	,,	100	93·1	81·5	74·4	74·6	82·8	87·0	86·8	85·4	86·4	89·8	90·4	91·4	92·4	92·6	92·8	...
29. ,, Farm products ,,	,,	100	84·1	61·8	45·9	49·0	62·3	75·1	77·2	74·4	77·5	87·0	87·1	89·6	87·9	85·6	84·3	...
30. 351 Indus. securit's., Stand. Stat.	,,	100	74·2	45·9	24·4	35·0	42·9	48·0	67·3	63·7	66·1	77·5	80·1	80·3	75·3	72·4	70·6	74·6
FINANCE																		
31. Total Res. Bank credit	Million $	1,739	1,386	1,853	2,171	2,674	2,470	2,486	2,500	2,473	2,462	2,497	2,465	2,458	2,565	2,585	2,562	...
32. Gold stock	,,	3,900	4,225	4,051	4,045	4,012	8,238	10,125	11,258	10,608	10,648	11,358	11,436	11,574	11,799	11,989	12,318	...
33. Money in circulation	,,	4,578	4,603	5,360	5,388	5,519	5,536	5,882	6,543	6,241	6,162	6,349	6,399	6,377	6,426	6,462	6,447	...
34. Member Bank Res. Balances	,,	2,355	2,471	1,961	2,509	2,729	4,096	5,587	6,606	5,633	6,005	6,781	6,695	6,639	6,881	6,915	6,900	...
35. ,, Excess Reserves	,,	−73	96	−33	576	859	1,814	2,844	1,984	2,717	3,029	2,152	2,078	1,398	1,594	918	865	...
Member Banks in 101 towns:																		
36. loans and investments	,,	...	...	...	...	...	...	20,895	22,931	22,520	22,378	22,734	22,600	22,610	22,280	22,201	22,330	...
37. deposits: Demand	,,	19,112	18,660	15,985	14,965	11,383	11,419	13,888	15,571	14,563	14,850	15,493	15,501	15,126	15,388	15,528	15,186	15,033
38. ,, Time	,,	13,070	13,654	11,453	10,527	4,790	4,781	4,911	5,067	5,059	5,015	5,077	5,167	5,144	5,158	5,222	5,235	5,268
39. Bank debits outside N. Y. City	,,	26,901	23,113	17,119	12,819	13,288	15,701	18,676	23,238	18,882	18,617	20,383	17,620	21,605	20,051	19,292	20,019	20,147
40. Call money	%	7·61	2·94	1·74	2·05	1·16	1·0	0·56	0·91	1·0	1·0	1·0	1·0	1·0	1·0	1·0	1·0	1·0
41. Yield on Govt. bonds	%	3·60	3·28	3·31	3·66	3·31	3·10	2·69	2·47	2·50	2·50	2·29	2·31	2·50	2·74	2·67	2·64	...
42. Capital issues, C.F. Chronicle	Million $	595	848	260	99	59	115	123	166	217	103	249	168	185	152	150	359	250
FRANCE (Population 1936: 41,906,000; Area: 550,986 sq. kms.)																		
PRODUCTION																		
43. Industrial production S.G.F.(b)	1929=100	100	100·7	89·2	69·1	77·0	71·2	67·6	70·5	70·5	70·5	72·7	74·1	74·8	75·6	74·8	73·4	...
44. Coal	Thous. met.tons	4,482	4,490	4,167	3,856	3,907	3,969	3,851	3,769	3,433	3,915	3,623	3,710	4,087	3,910	3,414	3,498	...
45. Electricity S.G.F.(a)	1929=100	100	99·2	93·3	88·2	96·7	98·3	101·7	104·2	103·4	100·0	105·9	108·5	112·6	116·8	116·0	...	...
46. Steel	Thous. met.tons	808	787	652	470	544	512	522	559	503	542	607	624	679	684	651	683	...
47. Building activity S.G.F.(a)	1929=100	100	111·4	101·6	81·3	74·0	66·7	55·3	52·0	53·7	52·9	51·2	54·5	54·5	50·4	49·6	47·1	...
TRADE AND TRANSPORT																		
48. Rly. car loadings, daily	Thous. cars.	65·1	65·4	53·9	47·3	45·2	42·5	40·1	40·9	38·5	38·4	40·1	42·5	41·3	41·9	39·8	41·9	...
49. Imports	Mill. frs.	4,852	4,376	3,517	2,484	2,369	1,925	1,745	2,117	1,831	1,851	3,319	3,681	3,227	3,297	3,051	3,707	...
50. Exports	,,	4,178	3,570	2,536	1,642	1,539	1,487	1,289	1,288	1,131	1,101	1,773	1,695	1,837	1,973	1,759	1,997	...
EMPLOYMENT AND WAGES																		
51. Unemployed in receipt of benefit	Thousands	0·9	2·5	56·1	273·4	276·0	345·0	426·9	432·1	419·9	420·8	426·1	410·2	386·3	371·0	346·0	322·0	314·0
52. Wage rates, Paris region	1929=100	100	106	105	100	102	102	101	...	...	...	...	...	...	...	...	...	...
PRICES																		
53. Wholesale, index of S.G.F.	,,	100	88·4	80·0	68·2	63·6	60·0	54·0	65·5	60·3	62·4	85·8	85·0	87·7	88·0	87·7	88·8	92·8
54. Cost of living, Paris, ,,	,,	100	104·5	102·3	94·6	93·5	92·8	86·9	91·1	89·4	...	...	...	104·5	...	...	109·0	...
55. Industrial securities ,,	,,	100	84·6	58·1	47·0	44·8	35·4	36·3	33·4	28·4	25·3	52·0	51·6	51·3	43·3	42·5	42·6	40·4
FINANCE																		
56. Govt. revenue: impôts indirects	Mill. frs.	35,496	33,912	33,048	28,980	28,560	27,420	26,244	26,670	18,148	15,836	2,876	5,193	7,573	10,122	12,047	14,354	...
57. Impôts sur les revenus	,,	10,592	10,716	10,068	7,428	6,348	5,904	5,088	5,705	1,175	1,823	272	545	629	697	1,044	1,379	...
58. Bank of France: Gold	,,	41,668	53,578	68,863	83,017	77,098	82,124	66,296	60,359	53,999	54 942	57,359	57,359	57,359	57,359	57,359	54,859	55,677
59. ,, Notes in circulation	,,	68,571	76,436	85,725	85,028	82,613	83,412	81,150	89,342	85,106	85,892	87,688	87,062	85,746	87,063	85,745	85,985	89,307
60. Commercial bank deposits	,,	34,065	36,681	38,245	37,759	32,635	30,943	27,553	28,484	25,655	25,334	29,305	29,644	31,088	27,702	...	...	...
61. Bank clearings	,,	42,705	46,333	38,377	27,700	31,545	27,012	28,275	24,244	25,308	20,479	24,291	24,095	30,183	31,631	26,247	29,991	28,318
62. Interest rate:—Bank rate	%	3·50	2·71	2·12	2·50	2·50	2·50	3·70	4·00	4	3	4	4	4	4	4	6	5
63. ,, ,, Market discount	%	3·50	2·26	1·55	1·26	1·90	2·09	3·48	4·00	4	3·40	4·00	4·13	4·13	4·13	4·13	5·16	5
64. ,, ,, 3% Rentes	%	3·96	3·42	3·46	3·82	4·35	4·12	3·73	3·87	3·92	4·11	3·60	3·70	3·87	4·20	4·24	3·90	3·70
65. Capital issues	Mill. frs.	1,569	2,233	1,899	1,214	868	806	615	326	536	106	209	2,429	253	150	448	112	...
GERMANY (Population 1934: 66,382,000; Area: 470,714 sq. kms.)																		
PRODUCTION																		
66. Industrial production, I.K.	1929=100	100	85·9	67·6	53·3	60·7	79·8	94·0	106·3	108·0	109·6	105·5	106·6	111·9	116·8	118·2	...	...
67. Investment goods ,,	,,	100	81·6	52·6	34·4	43·6	72·6	99·4	113·2	121·8	124·2	105·8	106·2	115·9	125·5	130·2	...	...
68. Consumption goods ,,	,,	100	94·0	89·2	76·3	82·6	92·4	88·2	98·7	92·2	96·8	98·0	100·6	101·4	103·1	97·9	...	...
69. Coal	Thous.met.tons	13,620	11,892	9,887	8,728	9,160	10,418	11,918	13,198	12,299	13,375	14,856	14,298	15,086	15,720	13,904	15,403	...
70. Lignite	,,	14,538	12,168	11,109	10,221	10,566	11,437	12,282	13,445	12,832	13,302	15,179	14,103	14,287	14,631	13,701	15,108	...
71. Electricity, I.K.	1929=100	100	96·0	84·5	76·7	84·6	99·7	113·6	131·0	119·8	119·8	157·0	149·4	148·3	140·1	147·6	149·0	...
72. Steel	Thous.met.tons	1,354	962	691	481	634	993	1,344	1,598	1,631	1,724	1,534	1,520	1,582	1,645	1,608	1,659	...
73. Machinery (orders filled), I.K.	1929=100	100	82·4	59·0	37·9	41·5	63·1	81·0	97·5	105·4	98·5	98·7	109·5	120·0	...	...	...	...
74. Automobiles, total ,,	,,	100	66·4	46·7	27·7	53·9	90·3	128·5	155·7	175·0	168·2	155·4	170·8	184·6	190·6	199·6	201·0	...
75. Textiles, index of activity ,,	,,	100	97·4	94·9	85·7	98·1	106·8	98·5	106·6	99·7	105·4	99·9	110·0	109·8	113·6	101·2	105·1	...
TRANSPORT																		
76. Rly. traffic: trucks ordered	Thous. per day	152·1	131·5	112·6	99·8	104·9	117·5	124·3	135·2	136·8	133·9	126·3	131·0	140·6	145·5	148·5	144·7	...
77. Retail trade, index of I.K.	1929=100	100	91·4	79·2	62·4	59·4	65·9	68·9	76·1	64·9	71·0	71·1	69·2	82·2	82·9	78·8	...	...
78. Retained imports	Mill. Rm.	1,120	866	561	389	350	371	347	352	360	346	336	347	409	477	447	504	...
79. Domestic exports	,,	1,124	1,003	800	478	406	347	356	397	371	395	415	406	462	492	456	481	...
EMPLOYMENT—WAGES																		
80. Employment	Thous.	17,869	16,515	14,336	12,518	13,016	15,041	15,949	17,106	17,675	17,839	16,599	17,014	17,497	18,448	18,776	18,941	...
81. Unemployment	,,	1,892	3,076	4,520	5,575	4,804	2,718	2,151	1,593	1,315	1,170	1,853	1,611	1,245	961	776	649	563
82. Tariff wage rates	1929=100	100	101·7	96·5	81·7	79·2	79·1	79·1	79·1	79·1	79·1	...	...	...	...	...	...	...
PRICES																		
83. Wholesale	,,	100	90·8	80·8	70·3	68·0	71·7	74·2	75·9	75·8	75·9	76·7	76·9	77·3	77·1	77·2	77·3	...
84. Cost of living	,,	100	96·2	88·4	78·3	76·6	78·6	79·9	80·8	80·8	81·4	80·8	81·0	81·2	81·2	81·4	81·9	...
85. Industrial securities	,,	100	81·6	60·1	40·7	57·7	57·9	67·5	74·6	79·2	77·0	79·3	80·7	81·6	82·6	83·4	...	...
FINANCE																		
86. Money in circulation	Mill. Rm.	5,965	5,858	5,827	5,802	5,359	5,477	5,761	6,174	6,351	6,447	6,724	6,738	6,838	6,937	6,830	6,938	7,104
87. Deposits, 8 banks	,,	12,306	13,114	10,129	8,048	7,308	6,998	6,887	7,631	7,059	6,890	7,277	7,362	7,439	7,520	...	...	...
88. Interest rates:—Bank rate	%	7·1	4·9	6·9	5·2	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0
89. ,, Loans for one month	,,	8·97	6·14	8·71	6·73	5·78	5·07	3·64	3·14	3·13	3·13	3·27	3·12	3·07	3·07	3·06	3·05	3·07
90. Yield on 4½% mortgage bonds	,,	7·40	7·15	7·04	8·38	3·15	6·57	5·08	4·67	4·66	4·66	4·63	4·60	4·59	4·55	4·54	4·54	4·53
91. Capital issues	Mill. Rm.	224	290	165	81	129	85	234	333	82	316	354	312	926	147	820	...	...

(a) Adjusted for seasonal variations. (b) Partly adjusted for seasonal variations.

EUROPEAN COUNTRIES
(Bi-monthly)

	Unit of Measurement	Monthly Average								1936		1937						
		1929	1930	1931	1932	1933	1934	1935	1936	June	July	Jan.	Feb.	Mar.	Apr.	May	June	July
USTRIA (Population 1935: 6,786,000; Area: 84,000 sq. kms.)																		
. Industrial production (a)	1929=100	100	81	69	60	62	68	77	81	78	80	87	97	94	101	107	...	...
. Retained imports	Mill. schilling	271·88	224·93	180·11	115·29	95·68	96·07	100·52	104·10	89·00	93·44	104·63	115·66	126·83	121·67	121·14	125·32	...
. Domestic exports	,,	182·38	154·28	107·59	63·69	64·56	71·42	74·58	79·32	75·11	70·95	72·00	90·28	104·96	102·79	98·29	104·16	...
. Applicants for work	Thous.	192·1	242·6	300·2	377·9	405·7	370·2	348·7	349·7	322·5	310·4	407·5	398·4	367·9	330·1	303·6	281·4	...
. Wholesale prices	1929=100	100·0	90·0	83·9	86·2	83·1	84·6	84·4	83·9	84·0	84·5	86·5	85·9	86·4	87·2	88·8	88·6	88·8
. Cost of living	,,	100·0	100·0	95·5	97·3	94·8	94·5	94·4	94·4	95·3	94·1	94·3	94·3	94·1	93·9	94·1	95·0	94·4
. Price of industrial securities	,,	100·0	84·0	64·0	54·5	45·1	49·4	65·3	81·8	77·8	77·3	96·3	102·1	102·2	96·6	93·2	91·0	94·8
. Notes in circulation	Mill. schilling	1,094	1,090	1,183	914	952	964	976	944	950	952	895	893	891	905	832	896	915
ELGIUM (Population 1934: 8,276,000; Area: 30,000 sq. kms.)																		
. Industrial production	1929=100	100·0	88·8	81·1	69·1	71·4	72·3	83·0	87·1	48·5	74·0	87·2	87·5	90·6	91·0	88·1	...	...
. Retained imports	Mill. francs	2,961	2,581	1,979	1,347	1,235	1,142	1,426	1,758	1,427	1,559	2,087	2,124	2,514	2,446	2,386	2,275	...
. Domestic exports	,,	2,649	2,172	1,922	1,234	1,169	1,128	1,317	1,644	1,118	1,712	1,787	1,901	2,354	2,297	2,171	2,263	...
. Unemployment	Thousands	27·3	74·2	201·1	336·7	338·0	349·1	284·2	213·7	200·0	189·9	229·4	206·8	193·0	164·1	171·6	...	...
. Wholesale prices	1929=100	100·0	87·4	73·6	62·5	58·9	55·6	63·1	69·1	67·0	67·7	77·3	79·3	81·4	81·8	81·4	81·9	82·5
. Cost of living	,,	100·0	103·6	93·0	83·6	82·6	79·4	79·9	84·7	82·9	81·7	89·2	90·1	89·7	88·8	88·8	90·0	...
. Price of industrial securities	,,	100·0	68·2	49·5	37·4	36·4	30·8	37·4	47·0	42·9	39·3	62·3	69·2	68·6	62·0	61·5	61·6	...
. Notes in circulation	Mill. francs	13,425	16,419	18,270	18,135	17,093	17,650	20,583	22,702	21,768	22,310	22,398	22,387	22,022	22,104	21,902	22,089	22,201
ZECHOSLOVAKIA (Population 1935: 15,158,000; Area: 140,000 sq. kms.)																		
. Retained imports	Mill. kr.	1663·5	1309·4	980·3	623·9	485·9	531·8	561·5	659·1	529·2	548·8	699·5	782·0	850·4	1021·1	976·8	976·2	...
. Domestic exports	,,	1708·1	1456·0	1093·2	611·9	487·9	606·7	618·2	667·3	535·0	579·6	649·7	876·7	980·0	951·3	1040·9	979·7	...
. Registered unemployed	Thousands	41·7	105·4	291·3	554·0	738·3	677·0	686·3	622·7	565·8	508·1	667·5	677·9	627·3	503·6	385·1	304·3	...
. Wholesale prices	1929=100	100·0	88·8	80·6	74·5	72·2	74·0	77·2	77·4	76·6	75·7	81·6	82·6	83·7	82·7	82·4	85·5	...
. Cost of living	,,	100·0	97·8	93·4	91·7	90·7	89·6	92·3	93·1	93·3	92·9	93·2	93·7	93·7	93·7	94·0	95·0	...
. Price of industrial securities	,,	100·0	81·8	65·0	51·7	56·6	60·1	65·6	88·4	83·4	84·2	113·9	115·7	125·7	125·0	112·0	105·2	...
. Notes in circulation	Million kr.	8,230	7,824	7,679	6,755	6,334	6,017	6,137	6,972	6,097	5,837	6,281	6,253	6,425	6,437	6,290	6,695	6,590
ENMARK (Population 1935: 3,684,000; Area: 43,000 sq. kms.)																		
. Industrial production (b)	1929=100	100	108	100	91	105	117	125	125	133	133	132	134	136	137	138	136	...
. Retained imports	Mill kr.	142·91	138·03	117·48	91·97	102·08	108·89	107·22	119·26	115·67	106·59	134·89	114·20	140·80	138·10	146·50	140·78	...
. Domestic exports	,,	134·63	126·97	104·97	90·53	96·90	97·96	101·12	110·55	111·13	115·10	111·80	113·02	117·20	136·30	122·05	119·67	...
. Applicants for work	Thousands	44·6	40·6	59·4	126·0	121·1	97·6	92·4	93·3	57·8	61·3	156·2	145·6	131·3	86·4	73·4	69·4	...
. Wholesale prices	1929=100	100·0	86·4	75·8	78·0	83·3	90·2	92·4	97·7	94·7	96·2	103·8	106·1	108·3	110·6	111·4	110·6	112·1
. Cost of living	,,	100·0	94·6	89·3	89·3	92·9	96·4	99·1	100·4	100·0	...	...	...	102·6	...	...	103·6	...
. Price of industrial securities	,,	100·0	94·3	85·4	74·8	83·1	96·2	98·7	105·7	105·6	106·7	110·6	108·7	109·3	110·7	107·8	106·7	107·0
. Notes in circulation	Mill. kr.	367	360	346	332	375	386	384	393	381	373	374	375	378	392	384	387	386
INLAND (Population 1934: 3,558,000; Area: 388,000 sq. kms.)																		
2. Industrial production (a)	1929=100	100·0	90·8	80·0	83·3	95·8	116·7	125·0	133·3	120·0	136·7	150·0	151·7	140·8	155·0	137·5	135·0	...
3. Retained imports	Million mks.	583·5	437·3	288·7	291·9	327·3	398·0	445·4	530·8	559·9	566·5	515·6	504·8	569·2	754·4	886·5	897·8	...
4. Domestic exports	,,	535·8	450·3	371·4	386·0	441·5	518·8	520·0	691·9	703·7	820·7	484·8	383·8	433·8	528·6	620·7	924·9	...
5. Registered unemployed	Thousands	3·906	7·993	11·522	17·581	17·139	10·011	7·163	4·796	1·877	2·129	6·805	5·383	4·482	3·554	3·126	2·076	...
6. Wholesale prices	1929=100	100·0	91·8	85·7	91·8	90·8	91·8	91·8	93·4	91·8	92·9	100·0	103·1	105·1	105·1	106·1	105·1	...
7. Cost of living	,,	100·0	92·2	84·8	83·7	81·7	80·2	81·4	81·5	80·3	80·7	83·3	84·3	84·7	85·0	84·4	84·5	...
8. Notes in circulation	Mill. markka	1,361	1,279	1,293	1,085	1,184	1,277	1,381	1,630	1,465	1,460	1,600	1,757	1,913	2,008	1,900	1,859	1,841
IOLLAND (Population 1935: 8,474,000; Area: 34,000 sq. kms.)																		
9. Industrial production	1929=100	100·0	91·4	79·0	62·3	69·1	69·8	66·3	71·9	67·9	63·6	92·0	93·8	93·8	96·9	97·5	97·5	...
0. Retained imports	Mill. gulden	229·36	201·52	157·73	108·29	100·73	86·52	77·99	84·71	76·89	79·55	105·51	105·32	125·19	142·29	128·26	139·83	146·36
1. Domestic exports	,,	165·79	143·24	109·32	70·51	60·49	59·32	56·26	62·18	53·00	59·65	72·73	79·16	94·36	101·19	90·22	94·60	101·95
2. Unemployed registered	Thousands	...	...	138·2	271·1	322·9	332·8	384·7	414·5	378·8	375·7	466·2	439·6	403·4	359·7	328·5	...	...
3. Index of wages (hrly. earnings)	1929=100	100	102	100	93	89	87	84	81	81	...	...	...	...	...	...	...	...
4. Wholesale prices	,,	100·0	89·9	76·5	64·8	63·1	63·2	61·7	64·0	61·8	62·5	73·2	74·2	76·2	77·3	76·9	76·5	77·7
5. Cost of living	,,	100·0	95·8	90·0	83·9	83·0	83·4	81·1	78·6	78·1	...	79·9	79·7	79·9	81·0	81·1	82·1	...
6. Price of industrial securities (c)	,,	100·0	70·4	52·1	34·5	38·0	40·1	38·7	45·1	41·1	41·7	65·6	70·7	71·3	69·2	66·8	65·4	68·3
7. Notes in circulation	Mill. gulden	862	847	1,025	963	913	913	810	793	768	749	768	775	815	797	837	822	823
TALY (Population 1935: 43,009,000; Area: 310,000 sq. kms.)																		
8. Industrial production	1929=100	100·0	91·9	77·6	66·9	73·7	80·9	91·8	...	...	...	...	...	...	...	...	...	...
9. Retained imports	Million lire	1805·6	1445·6	970·3	689·0	619·3	639·6	649·2	501·2	555·7	391·2	902·9	922·0	1081·9	1243·3	1353·7	1567·1	...
0. Domestic exports	,,	1269·7	1009·9	850·8	567·7	499·2	435·3	436·5	455·2	495·3	339·0	661·5	773·8	828·2	976·9	848·2	1162·1	...
1. Wholly unemployed	Thousands	300·8	425·4	734·5	1006·4	1019·0	963·7	...	...	...	...	...	...	...	...	...	...	...
2. Wholesale prices	1929=100	100·0	89·5	78·1	73·0	66·5	65·0	71·5	80·1	79·5	78·3	85·5	87·3	89·2	90·3	92·0	93·9	96·2
3. Cost of living	,,	100·0	96·6	87·2	83·1	79·6	75·5	76·6	82·6	82·9	82·6	85·4	85·9	86·2	87·8	89·2	90·0	91·8
4. Notes in circulation	Million lire	16,774	15,680	14,295	13,672	13,243	13,145	16,297	16,525	...	...	...	15,678	15,871	15,645	...	...	...
NORWAY (Population 1935: 2,884,000; Area: 323,000 sq. kms.)																		
5. Industrial Production	1929=100	100·0	101·0	78·3	92·7	93·8	97·7	105·1	115·2	117·7	101·2	118·1	127·7	127·7	119·8	125·2	133·5	...
6. Retained imports	Million krone	88·61	87·98	71·20	56·89	54·76	60·74	68·14	76·36	74·29	64·25	91·00	99·61	100·66	129·70	119·92	103·79	...
7. Domestic exports	,,	61·89	56·23	38·31	46·74	45·82	47·50	49·80	56·21	46·91	50·61	62·60	65·05	62·13	68·46	60·69	57·89	...
8. Unemployed registered	Number	19,089	19,353	27,479	32,705	35,591	35,121	36,103	32,643	26,139	22,145	35,435	34,440	32,951	31,824	26,298	22,028	18,572
9. Wholesale prices	1929=100	100·0	92·0	81·9	81·9	81·9	83·2	85·2	89·9	88·6	88·6	96·6	98·7	100·7	103·4	105·4	105·4	107·4
0. Cost of living	,,	100·0	97·0	92·2	89·8	88·6	89·2	91·0	93·4	93·4	93·4	95·2	95·8	97·0	98·2	98·2	100·0	101·2
1. Price of industrial securities	,,	100·0	78·3	62·3	53·8	68·4	72·8	84·4	109·4	105·0	106·0	129·8	130·5	129·8	131·1	124·4	126·8	...
2. Notes in circulation	Million krone	318	312	334	315	327	333	348	429	376	382	401	399	410	411	403	415	...
SWEDEN (Population 1935: 6,248,000; Area: 449,000 sq. kms.)																		
3. Industrial production (b)	1929=100	100	99	95	90	96	109	119	129	127	127	135	136	138	140	140	142	...
4. Retained imports	Million krone	148·55	138·51	118·96	96·24	91·32	108·73	123·03	134·95	121·42	132·50	142·24	133·29	160·15	199·34	184·39	179·36	...
5. Domestic exports	,,	151·63	129·20	93·53	78·95	89·89	108·53	108·12	125·45	126·22	131·87	123·05	115·03	113·55	148·69	171·27	169·14	...
6. Unemployed	Thousands	32·6	42·0	64·8	90·7	97·3	84·7	81·4	71·9	54·0	48·5	91·5	85·6	86·1	69·6	51·9	...	...
7. Wholesale prices	1929=100	100·0	87·1	79·3	77·9	76·4	81·4	82·9	85·7	84·3	85·0	92·1	94·3	97·1	98·6	99·3	99·3	...
8. Cost of living	,,	100·0	97·1	93·5	92·4	90·6	91·2	92·1	92·8	92·9	...	...	...	94·7	...	...	95·3	...
9. Price of industrial securities	,,	100·0	87·5	64·1	37·3	36·9	45·8	52·3	67·3	66·3	70·9	77·9	82·3	84·8	80·7	78·2	83·7	83·6
0. Notes in circulation	Million krone	569	594	583	598	648	708	786	893	792	780	827	842	873	862	837	872	863
SWITZERLAND (Population 1935: 4,163,000; Area: 41,000 sq. kms.)																		
1. Retained imports	Million francs	227·57	213·65	187·69	146·89	132·87	119·54	106·94	105·52	93·41	95·32	133·14	157·78	163·99	172·95	147·13	154·72	141·58
2. Domestic exports	,,	174·82	146·87	112·40	66·75	71·07	70·36	68·50	73·47	66·24	66·54	76·81	86·40	100·89	105·42	102·35	107·06	111·29
3. Unemployed (wholly)	Per cent.	1·8	3·4	5·9	9·1	10·8	9·8	11·8	13·2	10·4	10·6	16·6	16·0	12·8	9·7	7·2	...	...
4. Wholesale prices	1929=100	100·0	89·6	77·7	68·0	64·5	63·6	63·6	67·7	65·1	65·9	76·8	78·9	80·2	80·0	79·7	79·4	79·6
5. Cost of living	,,	100·0	98·1	93·2	85·7	81·4	80·1	79·5	80·7	80·7	80·7	82·9	84·7	84·7	84·9	84·7	85·2	85·2
6. Price of industrial securities	,,	100·0	91·0	70·2	52·6	63·6	66·0	70·4	81·0	77·1	75·0	106·2	107·8	106·2	105·1	102·4	105·5	108·0
7. Notes in circulation	million francs	999	1,062	1,609	1,613	1,510	1,440	1,366	1,482	1,301	1,292	1,385	1,376	1,394	1,386	1,374	1,409	1,412
U.S.S.R. (Population 1933: 168,000,000; Area: 21,268,000 sq. kms.)																		
78. Industrial production	1929=100	100·0	130·9	161·3	183·4	198·4	238·3	293·4	382·3	368·0	332·8	...	...	...	...	...	...	...
79. Output of investment goods	,,	100·0	141·9	183·2	213·2	234·8	292·6	368·0	485·7	494·6	454·6	...	...	...	...	...	...	...
80. ,, consumers' goods	,,	100·0	120·7	141·2	155·9	164·8	183·9	224·9	286·0	253·0	225·0	...	...	...	...	...	...	...
81. Retained imports	Mill. New Rbls.	321·45	386·49	403·35	256·97	127·10	84·84	88·10	112·71	108·07	99·92	105·91	87·75	140·76	121·59	127·18	...	...
82. Domestic exports	,,	337·13	378·26	296·09	209·85	180·63	152·70	134·11	113·26	142·88	159·62	80·39	65·09	110·38	79·96	121·94	...	...
III.—WORLD STATISTICS																		
83. Industrial production (c)	1929=100	100	88	79	69	78	85	95	110·5	107·9	108·5	...	...	...	...	...	...	...
84. Output of raw materials	,,	100	91	81	71·4	78·6	85	93	105	...	...	...	...	...	...	...	...	...
85. ,, foodstuffs	,,	100	102	100	100	102	102	101	103	...	...	...	...	...	...	...	...	...
86. Stocks of primary products (e)	,,	100	135	150	148	139	128	120	105	106	105	104½	105	103½	99½	96½	...	...
87. Value of world trade (gold) (d)	,,	100	81·0	57·9	39·1	35·2	33·9	34·7	37·4	35·4	36·5	40·7	40·8	46·6	42·1	40·4	47·7	...
88. Volume of world trade (d)(f)	,,	100	93	85·5	74·5	75·5	78·0	81·8	85·9	83·5				92·8	...	...		

(a) Adjusted for seasonal variations. (b) Partly adjusted for seasonal variations. (c) Series revised. (d) Excluding Spain from 1936. (e) Annual figures relate to the end of each year. (f) Indices shown in last quarter to which they relate.

RAW MATERIALS AND CRUDE FOODSTUFFS

GROUP I.—MONTHLY TABLE.

Commodity	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936 (a)	1936 June	1936 July	1937 Jan.	Feb.	Mar	Apr.	May	June	July
COAL																		
1. Production : Belgium	Th. metric tons	2,245	2,285	2,254	1,785	2,105	2,199	2,207	2,323	1,359	2,499	2,467	2,365	2,611	2,623	2,298	2,512	...
2. ,, France	,,	4,482	4,490	4,167	3,856	3,907	3,969	3,851	3,769	3,433	3,915	3,623	3,710	4,087	3,910	3,414	3,498	...
3. ,, Germany : Coal	,,	13,620	11,892	9,887	9,728	9,141	10,405	11,918	13,198	12,299	13,375	14,856	14,293	15,086	15,720	13,904	15,403	...
4. ,, Poland	,,	3,853	3,126	3,189	2,403	2,283	2,436	2,395	2,479	2,064	2,339	2,982	2,861	2,747	2,740	2,494	2,946	...
5. ,, U.K.	,,	21,837	20,650	18,582	17,717	17,525	18,708	18,877	19,340	17,136	18,478	19,802	20,114	21,232	22,093	19,016	20,557	19,230
6. ,, U.S.A.	,,	46,026	40,590	33,395	27,183	28,967	31,398	31,576	36,470	30,162	32,405	40,792	41,257	50,898	49,707	31,014	32,687	44,416
7. ,, All Principal countries	,,	107219	98,062	86,002	76,435	79,688	87,503	89,335	96,620	85,913	92,233	105325	104426	118536	97,425	92,492	?	...
8. Price : Av. Br. expt. price	sh. per ton	16·08	16·67	16·17	16·25	16·08	16·04	16·29	16·98	16·75	17·04	17·09	17·20	17·43	17·64	18·56	18·88	18·99
OIL																		
9. Production : Dutch East Indies	Th. metric tons	437	461	392	424	461	503	507	536	507	532	573	538	592	584	611	599	...
10. ,, Mexico	,,	556	492	411	408	422	475	501	511	473	475	632	586	643	600	615	...	...
11. ,, Persia (Ang-Ir. Oil)	,,	462	503	487	543	544	579	577	628	666	641	691	582	772	660	698	...	...
12. ,, Roumania	,,	403	483	563	612	615	706	698	723	762	768	653	578	629	604	616	...	...
13. ,, U.S.A.	,,	11,509	10,260	9,714	8,970	10,347	10,375	11,386	12,550	12,364	12,624	13,513	12,774	14,632	14,393	15,206	...	...
14. ,, U.S.S.R.	,,	1,206	1,552	1,912	1,791	1,786	2,013	1,989	2,193	2,188	2,226	2,208	2,062	2,167	2,181	2,194	...	...
15. ,, All Principal countries	,,	17,082	16,293	15,766	15,004	16,465	17,366	18,768	20,463	20,160	20,824	21,090	20,220	23,198	22,718	23,756	...	...
16. Stocks : U.S.A. end year	Thous. barrels	422	402	371	340	354	337	315	288	311	306	287	290	297	304	308	...	...
17. Price : U.S.A., Mid-Cont. crude	cents per barrel	123·3	111·1	57·3	81·3	60·1	94·0	94·0	104·0	104·0	104·0	107·0	116·0	116·0	116·0	116·0	116·0	116·0
CRUDE STEEL																		
18. Production : Belgium	Th. metric tons	342	280	259	232	229	246	252	265	152	250	286	269	309	328	330	349	...
19. ,, France	,,	808	787	652	470	544	514	523	559	503	542	603	624	679	684	651	683	...
20. ,, Germany, inc. Saar	,,	1,354	962	691	481	632	990	1,342	1,596	1,631	1,722	2,208	2,062	2,167	2,181	2,194	...	...
21. ,, Japan, ex. castings	,,	191	191	157	200	267	325	375	419	413	428	458	442	478	514	496	...	...
22. ,, Luxemburg	,,	225	189	170	163	154	161	153	165	152	162	205	203	225	230	224	237	221
23. ,, U.K.	,,	816	620	438	445	595	750	833	990	981	990	1,015	1,012	1,127	1,098	1,064	1,124	1,076
24. ,, U.S.A., ex. castgs.	,,	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	4,049	3,986	4,813	4,496	5,313	5,153	5,236	4,251	4,630
25. ,, U.S.S.R.	,,	407	483	451	490	571	890	1,034	1,362	1,281	1,302	1,469	1,287	1,530	1,493	1,521	1,450	...
26. ,, All Principal countries	,,	9,714	7,660	5,615	4,113	5,510	6,838	7,983	9,975	9,815	10,017	11,095	10,553	12,015	11,872	11,927	...	...
27. Price : Pig iron Clevel. No. 3, per ton £		3·53	3·35	2·91	2·91	3·13	3·35	3·39	3·70	3·50	3·55	4·05	4·05	4·05	4·05	4·05	5·05	5·05
GOLD																		
28. Production : Union of S. Africa	Thous. fine ozs.	868	893	907	963	918	873	898	945	915	967	981	924	982	980	972	975	...
29. ,, U.S.S.R.	,,	90	120	142	166	222	355	486	613	...	...	...	...	...	...	...	...	...
30. ,, Canada	,,	161	175	225	254	246	248	274	310	317	320	329	310	326	323	340	343	...
31. ,, U.S.A.	,,	171	175	185	185	190	229	264	310	...	...	...	...	...	...	...	...	...
32. ,, World (b)	,,	1,632	1,736	1,863	2,028	2,113	2,313	2,574	2,905	...	...	...	...	...	...	...	...	...
33. Price : London, per fine ounce	sh.	84·9	85·0	92·5	118·0	127·8	137·6	142·1	140·3	138·69	138·88	141·69	142·11	142·36	141·30	140·61	140·56	140·09
WHEAT																		
34. World shipments	Mlns. of bushels	923	630	825	801	631	549	515	504	41	38	63	61	62	46	41	...	...
35. Stks. : World visible supplies (d)	,,	370·1	411·9	462·7	498·2	459·7	477·2	339·5	275·1	244·0	275·1	336·5	316·8	288·2	234·7	184·2	157·8	...
36. Average British import price...	sh. per cwt.	10·33	8·22	5·09	6·15	5·52	5·38	6·02	7·53	6·69	6·92	7·93	9·89	9·87	10·37	10·99	9·31	10·42
COTTON																		
37. Mill consumption : U.K.	Thousands	2,800	2,465	1,964	2,386	2,248	2,470	2,507	2,733	...	...	...	...	...	...	...	...	...
38. ,, Japan	of actual	2,768	2,997	2,565	2,769	2,900	3,252	3,730	3,651	...	...	...	...	...	...	...	...	...
39. ,, U.S.A.	bales	7,033	6,960	5,246	4,847	6,109	5,670	5,321	6,229	...	...	...	...	...	...	...	...	...
40. ,, World		25,882	25,209	22,488	22,322	24,352	25,112	24,418	25,389	...	...	...	...	...	...	...	...	...
41. Stks. : World Visible Supplies	Thousand bales	2,736	4,317	6,593	7,682	7,510	6,571	3,983	4,297	4,866	4,313	7,495	7,065	6,359	5,725	5,105	4,362	3,875
42. Price : Mid. American	d. per lb.	10·33	7·46	5·08	5·25	5·54	6·67	6·70	6·69	6·92	7·33	7·18	7·30	7·87	7·60	7·31	7·06	6·68
SUGAR																		
43. Stks. : World visible supplies (d)	Thous. tons	4,047	5,522	6,765	7,018	6,441	5,892	4,166	2,983	4,990	4,884	5,071	5,834	6,011	5,312	4,878	4,388	...
44. Av. Brit. import price, unrefined	sh. per cwt	9·68	8·91	8·10	7·70	7·46	6·98	6·38	6·71	6·59	5·52	7·97	8·88	8·47	8·79	8·32	8·50	8·09

GROUP II.—BI-MONTHLY TABLE.

Commodity	Unit of Measurement	1929	1930	1931	1932	1933	1934	1935	1936 (a)	Dec. 1935	Feb. 1936	April 1936	June 1936	Aug. 1936	Oct. 1936	Dec. 1936	Feb. 1937	April 1937	June 1937	Aug. 1937
RUBBER																				
1. Production : Ceylon	Thous. tons	6·69	6·30	5·19	4·10	5·32	6·59	4·52	4·14	3·77	3·77	4·51	5·40	7·05	3·42	4·61	5·15	...	...	...
2. ,, D. E. Indies	,,	21·22	20·18	21·40	17·58	23·51	31·60	23·54	25·81	26·40	33·91	27·12	26·90	30·93	33·14	38·55	49·12	...	...	...
3. ,, British Malaya	,,	38·05	36·90	35·20	33·80	37·10	38·90	34·71	29·48	25·12	34·21	24·75	24·14	40·14	41·70	33·93	31·38	...	...	...
4. ,, World	,,	72·20	68·80	66·60	59·05	71·03	84·93	72·68	71·36	66·46	83·83	71·54	70·54	102·44	89·68	86·78	95·97	...	...	...
5. ,, Quota of restricting countries	% of est. cap'c'ty	...	...	...	...	...	87·14	67·50	62·50	60·00	65·00	75·00	75·00	75·00	80·00	80·00	80·00	90·00	...	...
6. Consumption : U.K.	Thous. tons	6·02	6·38	6·38	6·50	6·63	9·18	8·29	6·59	6·81	8·13	7·16	7·08	12·03	7·14	8·22	8·36	...	...	...
7. ,, U.S.A.	,,	38·95	31·33	29·58	28·08	34·33	38·75	41·04	47·79	52·77	48·25	48·74	50·28	52·94	51·80	51·73	51·80	...	...	...
8. ,, World	,,	67·12	59·53	57·05	57·70	68·73	78·78	78·58	85·07	88·16	86·05	92·02	92·18	104·07	92·67	99·31	95·50	...	...	...
9. ,, Reclmd. in U.S.A.	,,	18·08	12·79	10·25	6·46	7·08	8·40	9·42	10·84	12·56	12·86	14·45	14·58	15·60	15·61	14·69	14·41	...	...	...
10. Stocks : U.K. end year	,,	73·2	118·6	127·1	92·7	86·5	134·9	134·3	78·5	122·3	113·4	71·1	63·8	52·1	48·7	46·6	43·4	...	...	...
11. ,, U.S.A. ,, ,,	,,	118·6	201·0	322·0	379·0	365·0	355·0	303·0	218·8	245·5	235·9	201·9	193·9	191·6	174·9	173·0	169·6	...	...	...
12. ,, World ,, ,,	,,	232·7	366·3	504·3	503·2	499·4	555·4	500·8	326·7	400·6	383·4	313·3	303·5	290·3	266·3	257·4	259·2	...	...	...
13. Price : London, st. sm. sheet	pence per lb.	10·25	5·91	3·13	2·34	3·25	6·22	6·00	7·75	7·38	7·72	10·81	10·62	11·91	11·66	10·47	9·69	9·13	...	...
RAYON																				
(i) *Continuous Filament*																				
14. Production : France (e)	Mill. lb.	3·1	3·3	3·7	4·3	4·8	4·8	4·4	3·5	3·5	3·5	4·0	4·0	4·0	...	...	...	...	...	...
15. ,, Germany (e)	,,	4·9	4·9	5·2	4·6	5·2	6·1	8·7	9·3	9·3	9·3	9·0	9·0	9·0	...	...	...	...	...	...
16. ,, Italy (e)	,,	5·9	5·5	6·4	5·9	5·9	7·0	7·2	7·3	6·9	6·9	7·9	7·3	8·5	8·6	...	...	...	...	...
17. ,, Japan	,,	2·1	3·0	4·0	6·3	8·2	13·0	18·3	22·9	21·9	21·5	25·3	25·6	26·5	26·9	28·0	...	...	...	...
18. ,, U.K.	,,	4·4	4·2	4·5	5·7	6·9	7·5	9·8	9·9	9·5	10·8	9·5	9·2	8·6	10·9	9·5	10·8	...	...	...
19. ,, U.S.A.	,,	10·1	10·6	12·6	11·2	17·8	17·7	21·5	23·2	22·1	22·9	25·6	25·6	25·6	26·2	26·2	26·2	...	...	...
20. ,, World (e)	,,	36·0	37·0	41·8	44·0	55·2	63·2	77·6	85·2	...	...	...	...	...	...	...	...	...	...	...
21. Price : Viscose, std. grade, per lb.	pence	...	...	78·0	77·0	72·0	59·0	55·5	55·5	55·5	55·5	55·5	55·5	55·5	55·1	55·1	55·0	...	...	...
(ii) *Staple Fibre*																				
22. Production : France (e)	Mill. lb.	...	...	...	0·1	0·2	0·4	0·7	1·0	...	...	...	...	...	...	...	...	...	...	...
23. ,, Germany (e)	,,	0·3	0·5	0·5	0·6	0·8	1·4	2·7	6·4	...	...	...	...	...	...	...	...	...	...	...
24. ,, Italy (e)	,,	0·1	0·1	0·1	0·8	1·0	1·8	5·5	8·3	10·0	...	12·0	12·0	12·0	...	...	...	...	...	...
25. ,, Japan (e)	,,	...	...	...	0·4	0·1	1·1	3·3	...	...	...	11·3	11·4	13·2	12·9	...	...	...	...	...
26. ,, U.K.	,,	0·2	0·1	0·1	0·2	0·2	0·3	0·8	2·4	2·8	3·0	7·8	...	...	...	...	...	...	...	...
27. ,, U.S.A. (e)	,,	0·0	0·0	0·1	0·1	0·2	0·2	0·5	1·0	...	...	2·3	2·5	2·5	2·8	2·9	2·8	...	...	...
28. ,, World (e)	,,	0·7	0·6	0·8	1·8	2·5	4·5	11·4	22·6	...	...	...	...	...	...	...	...	...	...	...
29. Price : Viscose, std. grade, per lb.	pence	...	...	...	...	...	...	15·5	11·0	11·0	11·0	11·0	11·0	11·0	11·0	11·0	11·0	...	...	...
WOOL																				
30. Stocks : Australia, S. Africa, N. Zealand, June 30	Million lbs.	35	98	101	147	74	114	94	47	47	...	...	...	...	...	...	...	...	...	...
31. Price : *Weekly Wool Chart*	1929 = 100	100	64·7	49·3	48·6	60·4	68·1	62·1	78·4	72·4	74·1	100	95·7	101·7	106·0	106·0	103·5	106·0	...	...
PIG IRON																				
32. Production : France	Th. metric tons	864	836	683	461	527	513	482	520	470	519	590	574	649	654	666	681	...	...	...
33. ,, Germany	,,	1,103	808	505	328	439	728	1,045	1,275	1,241	1,312	1,292	1,191	1,304	1,306	1,313	1,804	...	...	...
34. ,, U.K.	,,	643	524	318	303	350	506	544	651	684	676	661	613	691	692	707	711	741	...	...
35. ,, U.S.A.	,,	3,580	2,659	1,547	735	1,119	1,384	1,779	2,591	2,628	2,636	3,263	3,043	3,515	3,446	3,594	3,157	3,555	...	...
36. ,, U.S.S.R.	,,	362	417	405	513	597	867	1,042	1,193	1,167	1,198	1,158	1,010	1,218	1,217	1,259	1,236	...	...	...
37. ,, All principal countries	,,	7,974	6,454	4,480	3,170	3,959	5,026	5,882	7,290	7,125	7,358	8,126	7,542	8,682	8,588	8,873	...	...	...	...
TEA																				
38. Exports : Ceylon	Million lbs.	21·0	20·2	20·3	21·1	18·0	18·2	17·7	18·2	20·2	18·4	13·0	13·3	18·1	21·1	25·9	19·0	...	...	...
39. ,, Dutch East Indies	,,	13·3	13·2	14·4	14·5	13·2	11·8	12·1	12·8	13·4	12·0	11·1	10·9	12·1	14·4	13·2	11·5	...	...	...
40. ,, British India	,,	32·0	30·0	28·8	30·8	27·3	28·0	27·4	26·2	14·4	31·6	20·6	11·2	7·1	7·1	9·5	13·9	...	...	...
41. ,, World	,,	80·6	74·7	75·3	77·7	70·7	71·9	70·1	70·3	58·8	80·1	59·7	51·8	55·4	50·7	...	...	...	...	...
42. ,, Quota of Restricting countries	% of std. quant'y	...	...	...	...	85·0	87·5	82·5	82·5	82·5	82·5	82·5	82·5	82·5	87·5	87·5	87·5	87·5	...	...
43. Consumption : U.K.	Mill. lbs.	35·4	36·6	38·5	37·9	36·5	36·0	36·9	36·8	34·4	36·7	39·2	44·3	50·7	42·5	21·4	28·8	...	...	...
44. ,, World	,,	76·1	75·2	75·1	74·2	72·2	71·2	72·8	71·3	62·4	67·0	80·5	80·2	92·3	73·5	...	...	...	...	...
45. Stocks : U.K. and Holland (c)	,,	281·9	294·8	278·9	315·8	295·7	309·4	270·3	241·2	227·2	215·3	232·6	211·6	180·8	154·7	155·9	150·7	...	...	...
46. Price : Av. London auctions	pence per lb.	16·25	15·23	12·24	9·45	11·78	13·27	12·90	13·07	12·21	12·29	13·71	14·40	15·17	15·59	15·71	14·68	14·93	...	...

CROPS (Season ended in Year shown)

Commodity	1930	1931	1932	1933	1934	1935	1936	1937 (a)
Cotton (thous. bales)								
1. Brazil	564	471	575	438	1,014	1,359	1,718	1,800
2. Egypt	1,697	1,655	1,271	991	1,715	1,511	1,707	1,889
3. India	5,243	5,226	4,007	4,656	5,108	4,858	5,728	6,317
4. U.S.A.	16,066	14,918	18,163	13,914	14,029	10,638	11,727	13,637
5. World	28,474	27,674	29,102	25,345	28,337	25,577	28,299	33,660
Wheat (mill. bushels)								
6. Argentina	163	232	220	241	286	241	141	250
7. Australia	127	214	191	214	177	133	143	134
8. Canada	305	421	321	443	282	276	277	234
9. U.K.	50	42	38	44	62	70	65	53
10. U.S.A.	823	886	937	757	552	526	626	627
11. World	3,465	3,744	3,709	3,744	3,669	3,390	3,421	3,349

Commodity	1930	1931	1932	1933	1934	1935	1936	1937 (a)
Wool (mill. lbs.)								
12. Argentina	353	361	378	388	385	370	385	385
13. Australia	938	912	1,007	1,063	996	1,015	992	1,015
14. S. Africa	309	302	314	310	284	222	251	285
15. N. Zealand	273	271	283	288	301	276	317	295
16. U.K.	112	111	113	119	120	118	109	108
17. U.S.A.	400	435	464	441	460	451	453	449
18. World	3,915	3,847	3,846	3,883	3,745	3,681	3,668	...
Sugar (thous. tons)								
19. Cuba	4,670	3,163	2,639	2,020	2,303	2,570	2,565	2,855
20. Java	3,062	3,121	2,957	2,715	1,483	692	555	601
21. U.K.	319	479	294	373	549	694	549	548
22. World	28,096	29,113	26,780	25,310	25,120	24,791	26,701	27,311

(a) Figures for 1936, and in the case of crops for 1936-37, are provisional. (b) Figures for 1934 and 1935 are subject to revision. (c) End of year. (d) End of season.
(e) Monthly figures are averages of quarterly returns.

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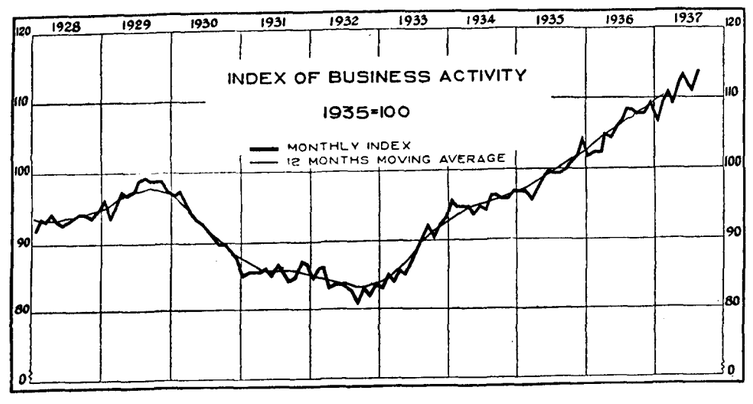
TRADE SUPPLEMENT

New Series SATURDAY, SEPTEMBER 25, 1937 No. 9

The Trend of Business

THE seasonal decline in business activity during August has been less marked than usual this year. *The Economist's* index of business activity (shown graphically on this page) which is corrected for seasonal variations, rose to a new record in August, after falling slightly in July. Moreover, the latest reports from industrial centres indicate a strong seasonal revival in most branches of activity in September. But the favourable trend of affairs at home is overshadowed by the conflicts in Spain and in the Far East, which show no signs of an early termination.

Of the fourteen component series of *The Economist* index of activity given on page 19, ten registered a rise last month and only four showed a decline. One of the few unfavourable tendencies is the consistent decline in the value of *building plans* passed by 146 local authorities, reflected in the fall in our index of building activity, from 109½ in August, 1936, to 95½ in the past month. But as these plans exclude London as well as Government contracts they tend to exaggerate the prospective decline in building activity. Actually, aggregate employment in building and public works construction is still higher than a year ago. To some extent plans may also have been held up by a shortage of materials, especially constructional steel. Nevertheless, the steady downward trend of the building plans passed by a substantial proportion of local authorities may foreshadow some slackening in residential construction next year. As a result of the persistent fall in raw cotton prices, new orders for manufactures have fallen off, and this movement is reflected in a decline in our index of *cotton consumption*. The position of the Yorkshire wool textile trade has also deteriorated slightly, following the recent decline in the price of the industry's raw material. The decline in the figure for *Town bank clearings* is partly a reflection of the reduction of Stock Exchange transactions, due to the fall in commodity prices, to general uncertainty and to the weakness of Wall Street. After rising to a post-depression record in June, our index of the volume of *exports of British manufactures* has been declining, though it is as yet too early to deduce a change of trend from the movement of the index during the past two months.



Against these unfavourable tendencies must be set the continued upward trend of the majority of general indices. The figures for *employment, power consumption, transport, postal and cable traffic, imports of raw materials* and *local bank clearings* all show an increase between July and August. Among individual branches of activity, the iron and steel and metal-using industries are still gaining ground. Our index of *home consumption of iron and steel*, for example, has risen to a new record last month. Although steel supplies are steadily increasing, the volume of new business offered at current prices remains generally in excess of the capacity of manufacturers. Nor are there any indications of an early lull in the metal trades so long as prices are not pushed up much further. The shipping and shipbuilding industries have experienced a marked revival under the stimulus of rising freight rates and world trade.

Our monthly analyses of industrial profits show that the trend of earnings has remained upwards. At the same time, there is hardly a chairman who, in his annual address to shareholders, does not express anxiety about the effect on profits of the continued rise in material and labour costs. Much will depend, therefore, on the movement of costs over the winter, for if they were to rise so far as to reduce profit margins, a decline in some lines of activity might follow. Meanwhile, the majority of reports from individual branches, summarised on pages 18 and 19, indicate sustained activity.

Until recently business activity in the majority of overseas countries has shown a tendency to expand, and the rise in the prices of primary products has provided a strong stimulus to world trade. The League of Nations' index of the volume of international trade (1929 = 100) took a sharp upward turn from 92.8 in January-March to 98.1 in the second quarter of this year. The trend of raw material prices will continue to play an important part in the future course of activity in most countries as well as in international trade. The sharp decline in the majority of quotations since last spring, therefore, is ominous for the producing nations, especially if it should persist over the winter. Current prices of primary products, however, are remunerative to most producers, and, in the absence of a further general fall, the British Dominions, Latin America, Scandinavia and Eastern Europe should continue to make headway. The rapid progress of recovery in China earlier this year was unfortunately arrested by the Sino-Japanese conflict, and the value of her foreign trade was halved between July and August.

In the United States, there has been a lull in the expansion of business, due partly to the dislocation of price and cost relationships caused by a too rapid increase in wages and material costs, and to the stringency in the capital market brought about by a change in the Government's monetary policy last spring. Many observers, therefore, envisage a period of adjustment which may hold up progress for some time. In Germany, business activity remains at a high level, while Austria, Belgium, Holland, Poland and Switzerland continue to gain ground. France is still lacking the confidence necessary to encourage capital investment, and, although the budget problem is less acute and industrial relations have improved, the outlook remains somewhat uncertain, though slightly more hopeful.

British Industrial Developments

The following reports on British industry cover, in most cases, the period to the middle of September. In the remainder they relate to the month of August.

COAL

Activity in the coalmining industry was well maintained last month, when the output of saleable coal amounted to 18,231,000 tons, against 18,942,000 tons in July—a month which had two more working days. In August last year the output was only 17,056,000 tons. Mainly owing to a reduction in the number of persons "temporarily stopped," the employment position was better in August than in July, and showed a striking improvement over August, 1936. The market in household coal benefited from a rush of orders at the end of August, before prices were advanced, but business has subsequently been below normal for the time of year. Stocks are consequently heavy. Meanwhile, industrial grades of coal and coke remain in active demand, no difficulty being experienced in disposing of the full output. Prices are firm. Shipments of coal last month, though rather smaller than in July, were again well in excess of last year's corresponding figure; the improvement in demand came mainly from non-British countries. Sales to **France** were again heavy, while the Scandinavian countries and **Argentina** were good customers. Italy took almost as much as in **August**, 1935 (sales to Italy dropped to zero last August), while exports to Germany showed a welcome improvement. New business on the export markets has been rather quiet in recent weeks, but order books are healthy and a shortage of some sorts is anticipated.

IRON AND STEEL

The past month witnessed a seasonal decline in the output of pig iron and crude steel, but the reduction was less marked than a year ago. Moreover, despite the relatively small decline in output, manufacturers were unable to add materially to their stocks. Exports also showed a seasonal reduction, but imports rose further, and, in volume, actually exceeded British exports—an indication of the change in the situation since 1932 when a tariff was imposed to restrict imports. As a result, our index of British iron and steel consumption (shown on page 19), adjusted for seasonal fluctuations but not for variations in stocks, rose to a new record in August. The increase in imports has tended to alleviate the stringency of supplies, but only to a slight extent; for requirements continue to exceed supplies. Since the end of August a further expansion of activity in the industry has been rendered possible by an increase in raw material supplies. But demand is as strong as ever, and there are no indications that the industry will be able to meet in full the requirements of consumers at current prices during the next few months.

GENERAL ENGINEERING

While seasonal influences, such as holidays, were responsible for a slight lull in the expansion of production in the engineering industry, pressure for supplies remains as strong as ever and Government contracts are increasing. Consequently, the industry is expected to make further progress during the next few months. The volume of imports of machinery rose from 8,227 tons in August, 1936, to 12,667 tons last month. Exports, however, show an even bigger increase, from 28,243 tons to 34,723 tons. Imports of machine tools, mainly under licence, continue to show a marked increase over last year, and the intake of rolling-mill machinery is more than double that of a year ago—an indication of the steps now being taken to re-equip and extend the capacity of the iron and steel industry. There is still some difficulty in obtaining supplies of iron and steel. Industrial relations are satisfactory for the time being, and the agreement concerning working conditions reached at the end of last July is expected to be ratified in due course. As far as individual sections of the industry are concerned, the oil engine, railway equipment and printing machinery branches are improving. Business is good in power equipment and fair in the case of textile machinery.

ELECTRICAL EQUIPMENT

The electrical equipment industry has continued very active throughout the summer. Apart from the steady increase in home sales, exports have shown considerable expansion. Shipments of electrical machinery in August were substantially higher in volume than a year ago, and the value of exports of electrical goods and apparatus rose from £753,000 in August, 1936, to £959,000 last month. While the industry has a large volume of orders on hand, new business in heavy electrical machinery has shown a decline in August, both as far as home and overseas business is concerned. The outlook for the industry as a whole, however, is still promising.

AUTOMOBILES

The automobile industry remains very active, and a further expansion of business is looked for in coming months in view of the motor exhibition. The registration figures reflect an encouraging rise in sales. New registrations of private cars and taxis in July totalled 28,783, an increase of 3,058 units over the corresponding month of last year. Commercial-vehicle registrations showed an increase of 115 units over the same period—8,970 against 8,855 last year. Sales overseas also continue to show a gratifying improvement compared with a year ago. Thus British exports of cars aggregated 6,200 last month, compared with only 3,607 in August, 1936. Overseas sales of commercial vehicles rose during the same period by 187 units, from 1,512 to 1,699. Rising prosperity at home is also reflected in the growth of imports, which have recently been running well above last year's level.

BUILDING

The building trades remain very active, with unemployment at a low level in the skilled occupations. Conditions in August showed little change compared with those ruling a month earlier and the percentage of unemployment was about the same as a year ago. In some districts shortages of skilled operatives, especially bricklayers and plasterers, were reported. But while current activity is well maintained on the basis of past plans, the outlook is less certain. The value of plans approved by 146 local authorities last month, as reported in *The Ministry of Labour Gazette*, was over 20 per cent. below the level of a year ago. Although these figures are not comprehensive, their steady decline in recent months suggests that the present level of activity is unlikely to be exceeded and will probably not be maintained much beyond the end of the present year. On the other hand, there are grounds for supposing that some revival of demand would be experienced if the difficulty of obtaining supplies of certain essential materials could be surmounted.

CHEMICALS

Most sections of the home chemical market have been rather quiet during the past month, but business has been quite up to the normal for the time of year. Chief interest has been shown in industrial chemicals and wood distillation products. Export trade in chemicals, drugs, dyes and colours has continued to increase, the value of exports for the first eight months of this year now being over £2,000,000 greater than during the same period of last year. The increase in August, as compared with August, 1936, was £331,739, salt being the only item for which an appreciable decrease was recorded. August imports of chemicals, drugs, dyes and colours were £117,476 higher in value than in August, 1936.

POTTERY

A further general improvement was recorded last month. Following the termination of local holidays, business became more active in North Staffordshire, while conditions in Derby and Bristol remained good. At Worcester employment was still very good. Export business, on the other hand, was rather less satisfactory than in August, 1936. Overseas sales of general earthenware, sanitary ware and tiles were rather smaller than last year; but business in china was a little better.

FOOTWEAR

Conditions in this industry remain rather patchy, both overtime and short time being common. Nevertheless, unemployment was slightly reduced last month at most of the principal centres and was fairly good on the whole. Export business remained above the level of a year ago, shipments of leather boots and shoes aggregating 35,494 dozen pairs last month, against 27,110 dozen pairs in August, 1936. Imports, however, showed an even larger increase.

COTTON

Although current activity is maintained on a high level, new business has been restricted by the continued fall in raw cotton rates. The price of American cotton is now lower than for about four years and bearish sentiment has been accentuated by the raising of the official crop estimate to 16,098,000 bales. The United States Government loan and subsidy plan has not availed to check the decline, and spinners are assured of plentiful supplies during the next twelve months. Overseas sales of cotton manufactures have been less than production, though exports remain above the level of a year ago. Sales to India have been disappointing and the position in the Far East has been very unsettled. Nevertheless, dyed goods have moved off fairly well for the Straits Settlements. Lancashire traders have been upset by the change in the quota system in Ceylon, and strong representations are being made to the Government. Irregular buying has taken place for the Crown Colonies, the Dominions and South America. Home trade buying has also been limited. On the other hand, sales of American yarns have shown an improvement and the margin for some counts and qualities has been increased under the price agreement schemes. Pressure for delivery continues to be the feature of this section. Spinning production continues at about 92 per cent. of capacity, against 79 per cent. at this time last year.

JUTE

The final official forecast estimates the yield of the Indian jute crop at 8,617,700 bales, against an actual out-turn of 10,700,000 bales last season. Trade circles, however, believe that this seriously under-estimates the true position, and in some quarters a yield of almost 12 million bales is anticipated. Prices are accordingly rather easier. Yarns have been in quiet demand, but are firm in price, while business in cloth has also been restricted. The industry is complaining of acute competition from India, and the Government is being pressed to place quota restrictions on British imports of jute manufactures from that country. Negotiations to this end are at present proceeding between representatives from India and officials at the Board of Trade, but no decision has yet been taken.

LINEN

Merchants' stocks of old crop flax have now been liquidated, and there are unconfirmed reports of sales of new crop fibre by Baltic states to Germany at full quoted rates. Soviet material has also been purchased by merchants on sellers' terms. Yarns remain rather quiet, but damask and fancy spinnings are in demand. The new season's cloth business is developing slowly. The Far Eastern crisis has complicated matters and shipments are being held up until the situation is clearer.

RAYON

Forward buying in rayon yarns is somewhat limited at present, but there has lately been an improvement in this respect in several sections of the trade. Meanwhile, deliveries against old contracts are maintained on a high level; machinery activity in both weaving and hosiery sections is reasonably good for the time of year. Despite rumours of a pending increase, prices remain unaltered.

WOOL

Prices of raw wool at the opening of the new selling season in Australasia failed to come up to expectations. The temporary absence of Japanese buyers from the market has been followed by a significant price decline, and London quotations have reacted in sympathy. The employment position in the woollen and worsted industry showed some improvement last month and was a little better than at the same time last year. More recently, however, the outlook for the industry has suffered a certain deterioration in view of the break in raw wool prices. New business in tops and yarns was virtually at a standstill in the early part of September, pending the clarification of the outlook. A gradual improvement in the volume of inquiries has since taken place, but little new business has been booked. The market nevertheless has a firm tone, and it is believed that a buying wave would develop if the raw material showed a firmer tendency. Meanwhile, the export position remains moderately satisfactory. Exports of wool tops and of woollen and worsted yarns were smaller last month than in August, 1936, but sales of woollen and worsted tissues were larger. In view of the advance in prices, the value of the August shipments was substantially higher than a year ago. Larger sales were made to a long list of overseas customers.

AGRICULTURE AND FISHERIES

The corn harvest became general by the middle of August, and proceeded under favourable conditions. The yields of wheat, barley and oats are at present estimated to be below average. The yield of potatoes is forecast to be equivalent to the final estimate for the ten years 1927-1936. It is expected that average crops of roots will be obtained in most districts. The yield of hops is expected to be rather below that of last year. The condition and quality of hay are good. The yields of both seeds and meadow hay are expected to be above the ten years' average. Cattle and sheep have done well generally. Milk yields are about average for the time of year. Meanwhile, British takings of wet fish aggregated 1,740,499 cwt. last month compared with 1,884,542 cwt. in August, 1936. Prices were rather better than in the previous month, and the total value was £1,340,520, against £1,397,161 in the same month of last year.

SHIPPING

After the irregular tendency noted in July, the freight markets showed an improved tone last month. Thus *The Economist* index of freight rates rose sharply from 154.5 in July (1898-1913 = 100) to a post-depression record of 161.8 in August. A year ago the index stood no higher than 97.5. The improvement has since been well maintained and no setback appears likely in the near future. Some reluctance on the part of owners to send tonnage through the Mediterranean has been dispelled in consequence of the Anglo-French anti-piracy measures.

UNITED KINGDOM—*THE ECONOMIST* INDICES OF BUSINESS ACTIVITY*

Daily Averages of 1935 = 100

Period	Employment	Consumption of Power: Coal	Consumption of Power: Electricity	Transport: Merchandise on Railways	Transport: Commercial Motors in Use	Postal Receipts	Building Activity	Consumption of: Iron and Steel	Consumption of: Cotton	Foreign Trade: Imports of Raw Materials	Foreign Trade: Exports of British Manufactures	Foreign Trade: Shipping Movements	Bank Clearings: Metropolitan, Country, Provincial	Bank Clearings: Town	Complete Index: Monthly	Complete Index: Twelve-Months' Moving Average
Number of Weights	10	4	2	4	2	3	2	2	1	2	3	2	4	1	42	
1929	96½	103	68	127	76	95	60	97	111	98½	137½	108½	91	109	98½	...
1930	94½	98½	68½	115½	80½	96½	65½	84½	82	88	108	107	89	112	93	...
1931	91	92	69	98½	83½	95½	62	73	86	82½	80½	97½	86½	96	87½	...
1932	90	90	71½	86	86	94½	57	59½	94	84	82	94½	86½	86½	84	...
1933	93½	90	78	89½	89½	96½	73½	70	101	92½	85	96	91	88	89	...
1934	97½	97½	88½	100	95	97½	88	93½	98½	100	92½	98	95½	98	96	...
1935	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	...
1936	105	104½	112½	106½	105½	104½	107	125	109½	110½	101½	102	104	103½	106	...
1934—August	98½	97	87½	102½	97	98	90	95½	98	114	89	98	93	89½	96½	95½
September	98½	95	88½	102½	97	96	90	90½	98	101	101	98	94½	89½	96½	95½
October	98	97	89½	100½	95	97½	91½	94	89	98	95½	97½	98½	91½	96	96
November	98½	99½	94	98	95	97½	93	89	87	89	93	97½	95½	114½	98	96½
December	98½	93½	87	99½	95½	101	92½	96	97½	94	98	100	99	100½	97	96½
1935—January	98	96	92	103½	98½	98	93½	98½	98	85	95½	95	98	110	97	97
February	98	96	92	99	99½	99	95	94½	92	91½	104	97	98	94½	97	97½
March	98½	92½	93	98	99½	95½	96½	97½	94	85	98½	97½	96	92	96	97½
April	99½	98	97	97	99	101	98	92½	90	100	99½	99½	97	97½	98	98½
May	99½	102½	99	100½	99	98	100	93½	96	100½	97	100½	99	100	99	98½
June	100	99½	97	99½	99½	96½	98½	98	99	97½	105½	100½	102½	106½	100	99½
July	101	94	96½	98	100	98½	99½	93½	112	108	96	100½	104	99½	99½	99½
August	101	92½	99	100½	100	99	100	104½	100	100½	97	100	100½	98	99½	100½
September	101	100½	99½	98	100½	101	102½	105½	96½	104½	103	101½	102	95½	100	100½
October	101	105	101½	101½	101	100½	105½	102½	107	106	99	101	99	96½	102	101½
November	101½	104	102	103	101½	104	108	113½	99	117	99½	103½	103	112½	104½	102½
December	101½	105½	108½	102½	102											
1936—January	101½	107	104	104	103½	101	106½	117	106½	97½	92½	98½	98	91	102	102½
February	102½	100½	108	102	104	101½	107½	115	100	98	102	100½	99½	93	102½	103½
March	103	98	105	105½	104½	102	107	112½	101½	99½	99½	99	100½	94	102½	104½
April	103½	103	111	106½	104½	102	106½	126	110	107½	98½	98½	101	97	105	104½
May	104½	102½	107½	105½	105	102	107½	116	112½	106	99	100	103	96½	104½	105½
June	105	108½	107½	104½	105½	101½	109	121	119	117½	98	102½	104	104	106	105½
July	106½	104½	109½	106	105½	103½	109½	123	120	117	105½	101½	104	97	107	106½
August	107	104	111½	109½	106	103½	109½	139	120	117½	101	107½	105½	103	108½	106½
September	106½	102½	112	106½	106½	106½	108½	132	107	123½	105	100½	106	113½	108½	107½
October	106½	104	113½	107	107½	104½	106½	127½	102½	117	107½	103	106	114	108	108
November	107	104	117½	106	108	107	105	125	100½	119½	100	106	109½	111	108	108½
December	106½	107½	117½	113	108½	108	103½	134½	109	108½	108½	103½	107	122	109½	109½
1937—January	108½	97½	116	110½	109	107½	102	124	111½	103½	104½	101	106½	105	107	109½
February	109	108½	116	107	109½	110	102½	118	110	102½	111	107½	108	115	109½	110½
March	108	110	125	106	110	107½	102	119	120	114	103½	108½	108½	107½	111	...
April	109½	112	122	115	110½	106½	100½	117	116½	103½	108½	102½	102½	103½	109½	...
May	109	114½p	123½	113	111	106½	100½	130½	143	116	117½	114	107	98½	112½p	...
June	110½	116½p	122½	113½r	111½p	105	99	133½	111	125	122½	106½	106½	106	113½p	...
July	111	105½p	123	111p	111½p	105	96½	140	131½	122p	117½p	109	102½p	100½p	111½p	...
August	111½	109p	125½	116p	112p	108½	95½	160	115½	125½p	113p	113	106p	99p	113½p	...

* For method of construction and earlier figures (1924-1936) see Supplement to *The Economist* of July 25, 1936. r Revised. p Provisional. † Annual indices represent averages of monthly figures.

Business Developments Overseas

BRITISH EMPIRE

AUSTRALIA.—Owing to the favourable weather recently experienced, crop prospects are excellent, states a cable from the National Bank of Australasia. Meanwhile, secondary industries and trade remain active, though some easing is expected during the election campaigns of the Federal and Victorian Parliaments. The new wool selling season opened strongly, but an easier tendency has since been evident; prices nevertheless remain well above those of a year ago. Industrial share prices have weakened in response to the deterioration of the international political situation, while mining shares have reacted in sympathy with the metal markets.

NEW ZEALAND.—The available data suggest that the Dominion continues to enjoy moderate prosperity; the country has benefited substantially from the rise in the price of such staple exports as wool, dairy produce and meat. Fears of financial instability as a result of the Labour Government's monetary policy have not been realised and overseas funds have been augmented since the beginning of the year. The Government's public works programme is being financed partly by borrowing and partly from current revenue.

SOUTH AFRICA.—Agricultural conditions in the Union are generally favourable, according to the Standard Bank, though drought has affected certain districts. The new wool selling season has opened satisfactorily. Wholesale and retail trade shows little change, except in Johannesburg, where business has failed to come up to expectations. In the latter centre, too, building plans show a decline, but activity is well maintained on the basis of past plans. Seasonal slackness is evident in some of the secondary industries.

CANADA.—Despite the disastrous failure of the wheat crop in Saskatchewan, general business conditions remain satisfactory and there is increasing confidence about the outlook for the autumn and winter. Commodity prices have shown greater stability recently. The labour situation, nevertheless, gives cause for some anxiety, for an epidemic of strikes has been spreading. However, the heavy industries remain busy and sales of motor cars are actually 25 per cent. above those of a year ago.

EUROPE

FRANCE.—The official index of production continued to decline during July, but remained slightly above the level of a year ago. The value of both imports and exports also declined in July as well as in August. Wholesale prices, on the other hand, continued their upward movement during the past month. But there are some indications of an improvement in the Budget position under the guidance of M. Bonnet, the Minister of Finance. According to a statement by M. Bonnet on September 20th, the 1938 Budget is actually expected to show a surplus of 1,600 million francs, part of which will be used for capital purposes in order to reduce the loan requirements of the Treasury. Furthermore, there are also signs of an improvement in industrial relations, and it is hoped that the trade unions will agree to an adjustment of working conditions which will restore profit margins and enable output to be increased. There has been a marked revival of the tourist industry this summer and autumn, partly because of the depreciation of the franc and partly because of the Paris Exhibition. Nevertheless, confidence has not yet been fully restored, and some time is expected to elapse before capital investment and industrial activity take an upward turn. But the outlook is now more promising than earlier this year.

GERMANY.—In contrast to the position in France, industrial activity in Germany has so far remained at a very high level. As in the United Kingdom, the current volume of industrial production in Germany is well above the pre-depression level. Activity is particularly marked in the iron and steel, engineering and constructional industries. Further expansion, however, is to some extent limited by a shortage of materials and skilled labour. The official returns disclose a further reduction in unemployment in August from 562,900 to 509,000. Both wholesale prices and quotations for stock exchange securities are scarcely changed on the month. The value of Germany's overseas trade has risen rapidly during the last twelve months. The value of imports showed a slight reduction in July, but exports, at Rm. 530 millions, compared with Rm. 481 millions in June and Rm. 395 millions in July, 1936.

POLAND.—Recovery has proceeded steadily since the beginning of the year. The index of industrial production calculated by the Polish Institute for Economic Research, for example, has risen from 77.7 (1929 = 100) in December, 1936, to 86.7 in last July. The output of coal rose from 2.3 million tons in July, 1936, to 3.2 millions in the corresponding month this year. Moreover, foreign trade has shown a strong upward trend. During the twelve months ended July last imports rose from 82.4 to 114.7 million zloty, while exports advanced from 84.0 to 98.3 million zloty. Owing to the increase in Poland's working population, however, the improvement is not fully reflected in the unemployment returns, which still show only a small reduction in the number of persons unemployed compared with a year ago.

HOLLAND.—Since the devaluation of her currency Holland has experienced an almost uninterrupted recovery. The extent of the expansion is reflected in the rise of the index of production, from 63.6 (1929 = 100) in July, 1936, to 97.5 in June and 102.5 in July this year. Business activity, therefore, has now recovered to the pre-depression level. Unemployment, however, is still at a relatively high level, the total number of registered unemployed having declined from 375,700 to 312,900 during the past twelve months. Foreign trade is buoyant, but both imports and exports showed a reduction between July and August.

SWEDEN.—As in other Scandinavian countries, business activity in Sweden has been maintained far above the pre-depression level. Thus the index of industrial production (1929 = 100) rose from 127 in July last year to 142 in the corresponding month this year. The proportion of workers unemployed has fallen well below 10 per cent. this summer and both imports and exports rose in value between June and July.

UNITED STATES OF AMERICA

The heavy decline in the value of Stock Exchange securities has revealed some doubt concerning the future of economic progress in the United States. Actually, industrial production has never recovered to the level reached in December last year. A recession in January was followed by gradual recovery until May, but since then the volume of production has fallen slightly. There are indications that cost and price relationships have been somewhat disturbed by sharp rises in labour and material costs, while the deterioration in industrial relations has also tended to undermine business confidence. In addition, the capital market became definitely sticky last spring, thus rendering it most difficult for industrialists to finance new capital investment. Building activity, though gradually increasing, has not reached earlier anticipations. In the case of residential construction, the slowness of recovery is attributed mainly to the sharp rise in costs of construction. Again, railway expenditure on new equipment, after rising steeply earlier this year has since shown a marked reduction with the decline in net operating income. Capital expenditure by the utilities has been retarded by the unfavourable conditions in the capital market and by the uncertainty concerning future Government policy. On the other hand, the income of the farming community is substantially higher this year as a result of bountiful crops. On the whole, it would appear that, after a period of adjustment, business may recover.

LATIN AMERICA

ARGENTINA.—Slight to moderate rains have fallen over the Argentine agricultural area, but generally much more precipitation is required for the satisfactory progress of the fine cereal crops. The livestock market is firm. This being now between crop seasons, Argentine exports are falling rapidly, while imports show an expanding tendency. Nevertheless, aggregate exports for the first seven months of 1937 were nearly double the value of those in the corresponding period of 1936, whilst the favourable balance, at 746 million pesos (nearly £50 millions sterling), was more than trebled. Although British goods continue to head the Argentine import list, there is considerable expansion in Argentine trade with the United States and Italy. Buenos Aires bank clearings show considerable expansion, total clearings in the first eight months of 1937 having been 28,009 million pesos, compared with 22,424 millions in the same period of 1936.

BRAZIL.—Negotiations are proceeding concerning the future service of Brazilian bonds, and are probably connected with the scheme mooted for a Central Bank. Certainly, stability of exchange would be welcomed in international trade. Coffee exports, however, continue to shrink and there is little possibility of reviving the export trade unless prices are lowered by the reduction or elimination of part of the existing taxes and dues.

OTHER COUNTRIES.—Chilean overseas trade continues to expand, particularly in copper and fertilisers. The rate for the peso has been appreciated from 26 to 25 pesos per United States dollar, equivalent to about 124.50 pesos per £, and there are rumours that further appreciation may be effected. Exchange continues to be forthcoming for approved imports. Lower world prices for cotton have depressed the Peruvian market. In general, the outlook for the new coffee crop in the Central American countries is favourable.

THE FAR EAST

Stimulated by rearmament and war needs, business remains very active in Japan, with industrial profits still on the up-grade. The price-level also continues to rise, though cotton and silk showed a weaker tendency during August. The growing need for raw materials is reflected in the remarkable expansion of the import surplus in recent months. Imports last month were valued at 314 million yen and exports at 260 million yen, thus showing an import balance of 54 millions. A year ago, on the other hand, Japanese exports exceeded imports by as much as 34 million yen. The prosecution of the war in China has thrown a serious strain on the Japanese Budget and heavy supplementary estimates have had to be passed. The additional expenditure is being met by the revaluation of gold stocks, by the upward revision of tariffs, and by higher income and sales taxes. The Stock Exchange, which had previously shown a reactionary tendency, has now registered an improvement. In China, too, the war has had serious economic consequences. The effect is particularly noticeable in foreign trade, whose value was halved between July and August. Imports aggregated 55 million dollars, against 124 millions in July and 70 millions in August, 1936; while exports were 46 millions, against 89 and 55 respectively.

UNITED KINGDOM

(Population, mid 1936, 47,098,000; Area 95,030 sq. miles; 244,000 sq. kms.)

United Kingdom figures; otherwise Great Britain (G.B.)	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936	1936 July	1936 Aug.	1937 Feb.	1937 Mar.	1937 Apr.	1937 May	1937 June	1937 July	1937 Aug
PRODUCTION																		
1. Industr. Prod. B. of Trade(a)(d)	1930 = 100	*108·5*	100·0	*91·0*	*90·5*	*95·5*	106·1	113·6	124·7				131·7			134·7	...	...
2. Coal, G. B.	Mill. tons	21·4	20·3	18·3	17·4	17·2	18·4	18·6	19·0	18·2	17·1	19·8	20·9	21·7	18·2	20·2	18·9	18·2
3. Electcy., public supply, G.B.	Mill. kw.-hrs.	858	910	951	1,029	1,130	1,288	1,464	1,685	1,403	1,332	1,944	2,074	1,832	1,621	1,575	1,588	1,529
4. Pig iron	Thous. tons	632	516	314	288	345	497	535	641	666	636	604	680	681	696	699	729	713
5. Steel ingots and castings	,,	803	610	434	439	585	738	822	975	974	873	996	1,110	1,080	1,047	1,108	1,059	988
6. Buildg. plans passed { Dwellgs.	Thous. £'s	3,688	3,897	3,374	3,907	5,192	5,799	6,536	6,255	6,669	5,052	5,300	5,945	7,038	5,788	5,720	6,208	3,624
7. 146 towns, G.B. { Other...	,,	2,403	2,320	1,877	1,614	1,781	2,164	2,990	3,497	4,170	2,548	5,399	3,953	3,941	3,406	3,540	3,712	2,223
New Orders, heavy elec. mach.																		
8. Home	1929 = 100	100	125	77	112	67	160	148	250	212	247	258	255	232	233	238	237	220
9. Foreign	,,	100	67	50	31	44	60	62	96	84	88	118	125	118	116	114	113	107
10. Total	,,	100	93	58	59	56	107	104	167	144	162	189	188	174	173	174	172	161
11. Shipbuilding: commenced (f)	Thous. gross tons	137	79	17	6	20	43	57	91	98	93	84	84	123	123	123	...	...
12. ,, launched (f)	,,	127	123	42	16	11	38	42	71	71	71	59	59	84	84	84	...	...
13. ,, on hand, end yr.	,,	1,560	909	401	225	332	597	743	964				1,014			1,200	...	...
14. Automobiles: priv. cars (b)	Number	15,196	14,139	13,250	14,270	19,232	21,406	25,962	29,479	29,796	18,351	28,449	44,578	36,040	33,489	36,490	33,905	...
15. ,, Com. vehicles(b)	,,	4,705	5,572	5,609	5,123	5,459	7,136	7,681	8,967	10,044	7,539	8,468	11,045	10,069	10,020	10,244	10,305	...
16. Cotton delivered to mills, G.B.	Mill. lbs. daily av.	5·27	3·92	4·04	4·47	4·72	4·31	4·72	5·17	13,810	9,863	11,720	12,520	13,670	12,180	14,060	14,600	4·47
17. Rayon: Output	Thous. lbs.	4,742	4,064	4,548	5,043	7,007	7,758	10,314	12,110	13,311	9,740	16,638	12,527	14,317	12,806	14,833	...	...
18. ,, Quantity excised ...	,,	4,710	3,992	4,591	5,955	7,086	7,715	9,987	11,776	1,726	1,445	1,131	1,473	1,534	1,511	1,608	1,772	...
19. Beer production	Thous. st. barrels	1,620	1,568	1,385	1,102	1,193	1,293	1,355	1,395	697	697	634	634	711	711	711	...	...
20. Distilling: Drink (f)	Thou. proof galls.	914	840	786	721	733	719	720	760	3,670	3,670	3,700	3,700	4,414	4,414	4,414	...	...
21. ,, Industrial alcohol (f)	,,	1,205	1,393	1,438	1,834	2,484	2,816	3,172	3,595	138·0	137·5	139·3	140·6	141·7	142·2	142·8	143·1	...
22. ,, Stocks, end year	Mill. proof galls.	151·6	153·4	148·5	141·5	134·9	135·4	136·1	137·4									
TRADE AND TRANSPORT																		
Domestic Trade																		
23. Rly. traf.: Merch. & lvstk. G.B.	Thous. tons	9,780	8,890	7,602	6,605	6,875	7,660	7,681	8,188	7,592	8,111	8,180	8,404	8,558	8,717	8,764	...	...
24. ,, Coal and coke, G. B.	,,	15,933	14,868	13,360	12,861	12,727	13,384	13,447	13,539	11,374	13,226	15,355	15,685	14,378	14,379	13,672	...	...
25. Automob.: prv. crs in use, G.B.	Thousands	893·8	967·7	979·7	1018·4	1084·9	1184·5	1347·5	1498·8	1599·1	1604·9	1458·6	1487·4	1659·7	1671·2	1687·9	1745·3	1752·3
26. ,, Comcl. vehicles in use, G.B.	,,	314·7	333·6	346·0	356·2	370·0	393·5	413·2	437·0	439·4	438·6	448·6	453·8	456·9	458·1	461·3	464·5	463·6
27. Postal traffic receipts, daily	Thous. £'s	133	135	134	133	135	137	140	147	142	135	146	149	152	145	146	144	141
28. Retail trade, Gt. Brit.: Food	Avg. daily sales	...	...	...	102	100	103	108	113	116	85	95	111	115	130	114	123	...
29. ,, Other merchandise	in 1933 = 100	...	...	...	99	100	103	109	116	115	101	110	124	119	134	119	125	...
30. ,, Total	,,	...	...	...	101	100	103	109	116	93·4	66·6	100·2	120·1	126·2	115·9	110·3	99·7	68·8
31. Advtg. expndtre. on brand. gds.	1935 = 100	...	...	76·1	79·2	84·6	90·4	100	104·6									
Foreign Trade																		
32. Retained imports, value: Food	Thous. £'s	42,444	37,603	33,041	29,810	27,311	27,829	28,616	30,921	28,903	28,102	29,717	34,033	31,738	33,019	34,507	32,609	33,867
33. ,, Raw materials	,,	23,774	17,674	12,277	11,740	12,897	15,153	15,237	17,934	17,501	16,552	17,491	21,559	21,638	21,605	23,833	23,718	23,730
34. ,, Manufactures	,,	25,467	23,622	20,387	12,168	11,654	13,395	14,302	16,452	16,951	16,631	17,223	19,917	21,727	20,677	22,275	21,988	21,877
35. ,, Total	,,	92,589	79,762	66,449	54,221	52,161	56,681	58,473	65,710	63,739	61,701	64,725	75,974	75,596	75,738	80,990	78,702	79,972
36. Volume: Food (a)(d)	Avg. of 1935	*98·9*	99·6	*106·5*	*102·5*	*100·7*	*101·1*	100	102·8				97·2	...	...	...	...	...
37. ,, Raw materials (a)(d)	= 100	*101·5*	90·9	*82·9*	*84·6*	*92·7*	*99·6*	100	111·1				114·7	...	...	...	...	...
38. ,, Manufactures (a)(d)	,,	*133·6*	133·9	*123·9*	*79·5*	*81·8*	*95·0*	100	111·6				114·8	...	...	...	...	...
39. ,, Total (a)(d)	,,	*108·9*	108·3	*105·0*	*92·2*	*93·7*	*99·0*	100	107·2				106·0	...	...	...	...	...
40. Domestic exports, value: Food	Thous. £'s	4,555	3,944	2,898	2,625	2,314	2,538	2,636	2,966	3,044	2,776	3,120	2,908	3,092	3,100	2,972	3,311	3,034
41. ,, Raw materia's	,,	6,575	5,313	3,920	3,634	3,832	4,021	4,400	4,278	4,591	3,976	4,901	5,264	5,636	5,472	5,652	5,956	5,275
42. ,, Manufactures	,,	47,899	36,745	24,398	23,031	23,475	25,403	27,411	28,410	31,493	27,478	29,737	34,158	33,362	33,269	34,673	37,377	33,383
43. ,, Total	,,	60,279	47,563	32,552	30,419	30,659	33,000	35,493	36,727	40,086	35,258	38,572	43,470	43,027	42,733	44,373	47,570	42,546
44. ,, ame: Food (a)(d)	Avg. of 1935	*126·7*	118·7	*94·5*	*90·9*	*81·8*	*93·3*	100	110·6				110·2	...	...	...	...	...
45. ,, Raw materials (a)(d)	= 100	*130·4*	110·2	*86·9*	*82·0*	*88·5*	*90·3*	100	92·4				100·2	...	...	...	...	...
46. ,, Manufactures (a)(d)	,,	*142·1*	113·8	*80·7*	*83·0*	*85·5*	*92·4*	100	102·1				109·7	...	...	...	...	...
47. ,, Total (a)(d)	,,	*140·3*	115·0	*83·8*	*84·0*	*85·9*	*92·4*	100	101·5				108·2	...	...	...	...	...
48. Shipping: Tonnage entered	Thous. net tons	5,225	5,310	5,023	4,947	5,036	5,223	5,302	5,616	6,172	6,456	4,821	5,760	5,421	6,004	6,287	6,425	6,722
49. ,, Tonnage cleared	,,	5,723	5,488	4,862	4,620	4,638	4,674	4,777	4,735	5,221	5,115	4,282	4,716	5,143	5,091	5,447	5,820	5,487
50. ,, Tonnage laid-up	,,	365	1,593	1,966	1,971	1,240	878	436	212				90			61	...	...
51. Freight rates, *Economist* Index	1929 = 100	100	81·7	82·2	77·9	75·1	76·4	76·8	87·3	82·0	86·6	119·3	122·3	133·4	137·5	139·4	137·2	143·6
52. Cable and wireless traffic recpts.	Corresponding month 1929 = 100	100	87·3	73·9	72·3	70·5	72·5	73·5	74·4	70·3	69·1	84·6	90·6	83·7	78·6	73·5	73·4	73·0
EMPLOYMENT AND WAGES																		
53. Insured pers. employed G.B.	Thousands	10,220	9,797	9,421	9,348	9,681	10,139	10,377	10,896	11,006	11,072	11,187	11,242	11,394	11,387	11,517	11,517	11,562
54. Insured pers. unemployed ,,	,,	1,212	1,915	2,630	2,756	2,496	2,107	1,958	1,684	1,595	1,548	1,552	1,505	1,368	1,390	1,306	1,321	1,294
55. Per cent. unemployed ,,	,,	10·3	15·8	21·1	21·9	19·8	16·6	15·3	13·0	12·2	11·9	11·9	11·5	10·5	10·7	10·0	10·1	9·9
56. Regist'd at Exchanges, all ages,	,,	1,276	2,014	2,718	2,813	2,588	2,221	2,106	1,822	1,717	1,678	1,704	1,677	1,526	1,519	1,423	1,445	1,424
57. ,, London	,,	118	177	273	306	272	216	203	179	156	161	194	183	162	163	153	155	154
58. ,, S.E. England	,,	50	75	114	142	120	93	91	79	61	52	89	88	72	62	52	52	58
59. ,, S.W. ,,	,,	69	91	129	157	147	117	114	94	76	78	100	93	83	78	68	67	67
60. ,, Midlands	,,	165	267	381	371	325	245	217	178	181	175	152	149	132	140	134	144	143
61. ,, N.E. England	,,	285	419	569	602	557	478	452	394	362	183	164	166	149	177	176	166	151
62. ,, N.W. ,,	,,	285	522	627	562	517	461	439	374	359	347	320	315	297	301	281	286	294
63. ,, Northern (c)	,,	...	...	...	...	...	...	...	179	...	180	172	176	159	150	142	134	139
64. ,, Scotland	,,	156	244	358	378	364	331	314	277	268	257	267	269	247	232	215	245	222
65. ,, Wales	,,	116	158	196	228	219	208	206	198	188	181	172	164	153	149	136	131	132
66. ,, N. Ireland	,,	36	60	71	68	68	62	70	67	65	65	76	76	71	68	67	86	86
67. Industr. disputes, No. days lost	,,	676	361	527	541	87	78	160	154	83	76	84	220	480	814	111	512	228
68. Wage rates, Min. of Labour (d)	1929 = 100	100	100	97½	96	95½	95½	96½	99½				101½			102½	...	...
PRICES																		
Wholesale: 'Economist' Indices																		
69. Cereals and meat	1929 = 100	100	83·6	70·9	70·4	66·4	71·3	72·2	79·4	79·4	82·3	90·2	96·0	95·1	96·6	94·1	95·6	91·1
70. Other foods	,,	100	90·0	76·1	72·8	68·4	68·8	70·6	71·2	71·3	71·7	80·0	82·0	81·2	79·9	78·7	78·3	77·7
71. Textiles	,,	100	89·9	54·2	53·4	55·2	58·7	61·8	67·0	66·9	66·3	74·8	80·5	80·6	79·4	78·7	76·7	74·5
72. Minerals	,,	100	87·5	76·5	76·3	80·8	80·5	83·5	88·5	86·2	86·5	110·3	118·4	114·2	115·1	111·4	113·6	113·1
73. Total, incl. miscell.	,,	100	84·0	70·2	67·8	68·3	71·0	74·3	78·8	78·2	78·7	89·1	94·4	92·7	93·3	91·2	91·7	90·2
74. Primary products	Sep. 18, 1931 = 100	...	154·5	114·5	118·1	113·0	123·0	126·9	140·2	142·4	141·3	168·2	181·9	169·9	170·2	165·9	167·1	164·4
Cost of Living: Min. of Labour																		
75. ,, Food	1929 = 100	100	94·2	85·1	81·8	77·9	79·2	81·2	83·6	81·8	81·2	87·7	87·7	88·3	88·3	90·9	90·9	90·9
76. ,, Total	,,	100	96·3	90·0	87·8	85·4	86·0	87·2	89·7	89·0	89·6	92·1	92·1	92·7	92·7	94·5	94·5	94·5
77. *Industrial securities, Fin. News*	July 1, 1935 = 100	102·0	84·6	65·8	64·0	79·8	84·1	97·0	115·7	114·5	117·7	120·5	117·7	111·1	112·4	109·9	111·5	112·3
78. *Fixed interest* ,, ,,	1928 = 100	96·8	99·9	99·2	113·6	128·1	133·6	137·1	137·7	137·5	137·9	127·6	127·4	129·6	130·5	127·6	127·2	126·6
FINANCE																		
79. Govt. Revenue, cumulative (h)	Mill. £'s	815·0	857·8	851·5	827·0	809·4	804·6	844·8	896·6	209·3	271·0	785·5	896·6	63·9	107·4	155·2	221·2	282·6
80. ,, expenditure, ,, (h)	,,	829·5	881·0	851·1	859·3	778·2	797·1	841·8	902·2	291·1	336·5	810·6	902·2	85·0	128·9	225·4	303·6	360·7
81. Bank of Eng.: Notes in circ. (g)	,,	362·3	358·6	354·8	258·5	371·2	378·7	394·7	431·4	443·6	448·2	455·2	466·7	467·1	477·9	480·8	494·8	494·3
82. ,, Bankers' deposits (g)	,,	62·9	65·5	64·7	91·3	99·9	100·3	96·7	96·2	94·5	96·9	96·6	85·2	92·6	93·4	110·9	94·8	94·9
83. ,, Gov.sec. B'kingDept. (g)	,,	55·9	49·7	45·5	64·0	79·6	81·1	87·0	88·8	99·2	87·7	82·4	93·0	97·4	103·6	108·4	105·6	109·3
84. Clearing Banks: Deposits (g)	,,	1,738	1,741	1,699	1,791	1,953	1,880	1,999	2,142	2,169	2,170	2,198	2,169	2,178	2,181	2,217	2,216	2,205
85. ,, Cash & bal. with B.E. (g)	,,	194	192	182	187	212	212	215	221	217	226	222	218	222	225	234	227	226
86. ,, Discounts (g)	,,	229	264	256	308	354	230	266	313	341	338	302	249	239	242	257	279	273
87. ,, Advances (g)	,,	991	963	919	844	759	753	769	839	853	845	875	908	919	924	936	941	938
88. ,, Investments (g)	,,	257	258	301	348	537	560	615	613	610	612	642	697	631	627	624	617	616
89. Bank Clearings: Town (e)	,,	130·1	126·3	103·6	90·4	90·6	100·1	106·0	134·8	111·5	105·2	132·0	131·9	126·2	115·7	125·1	124·5	108·2
90. ,, Met. Country & Prov. (e)	,,	21·4	19·9	18·3	17·9	18·5	19·7	20·9	22·6	23·5	21·2	24·6	25·1	24·8	24·9	23·8	25·1	22·7
91. Interest Rates: Bank rate	%	5	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
92. ,, Three mths. bank bills	,,	5·28	2·57	3·61	1·87	0·69	0·82	0·58	0·60	0·59	0·56	0·58	0·56	0·56	0·56	0·69	0·56	0·56
93. ,, Day to day loans	,,	4·47	2·27	2·94	1·61	0·69	0·82	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50	0·50
94. ,, Yield on Consols	,,	4·61	4·49	4·40	3·75	3·40	3·10	2·89	2·94	2·94	2·95	3·15	3·28	3·26	3·38	3·36	3·37	
95. Cap. Issues: Total (exl. Br. Govt.) (*Economist*) Of which abroad	Th's £ New basis	...	...	...	...	...	...	20,590	36,073	42,592	17,666	41,187	31,179	23,980	25,065	32,218	59,099	9,409
96.	Old ,,	*18,319*	*16,849*	*7,629*	*7,184*	*7,831*	*10,418*	*12,346*	*16,299*	*19,428*	*6,661*	*9,246*	*9,600*	*11,915*	*9,278*	*25,274*	*14,104*	*4,751*
97.	New ,,	...	...	...	...	...	...	2,540	3,787	6,901	4,799	14,771	5,508	11,495	3,314	3,828	7,731	1,163
98.	Old ,,	*7,267*	*8,096*	*5,970*	*2,153*	*2,578*	*3,819*	*1,291*	*2,125*	*2,807*	*3,712*	*1,245*	*2,261*	*3,129*	*3,077*	*2,067*	*3,837*	*487*
99. Exchange Rates: New York	$ per £	4·857	4·862	4·533	3·504	4·218	5·041	4·903	4·971	5·023	5·027	4·894	4·885	4·916	4·940	4·933	4·970	4·980
100. ,, Paris	Frs. per £	124·02	123·87	115·55	89·20	84·58	76·74	74·28	82·97	75·86	76·33	105·12	108·31	109·33	110·32	110·82	130·57	132·85
101. ,, Berlin	Rm. per £	20·40	20·38	19·18	14·74	13·98	12·80	12·18	12·33	12·45	12·49	12·17	12·15	12·23	12·30	12·31	12·35	12·39
102. ,, Amsterdam	Fl. per £	12·09	12·09	11·27	8·66	8·24	7·48	7·24	7·78	7·38	7·40	8·95	8·93	8·98	8·98	8·98	9·02	9·03
103. ,, Kobe	Pence per Yen	22·81	24·41	26·53	19·33	14·64	14·20	14·08	14·02	14·08	14·05	13·99	14·00	14·00	14·00	13·98	13·97	14·00
104. ,, Shanghai	Pence per $	28·85	20·61	16·85	20·83	16·09	16·82	18·00	14·47	14·42	14·41	14·62	14·68	14·57	14·50	14·45	14·32	14·36

(a) Old quarterly Board of Trade indices linked on to new indices; figures in italics based on old indices. (b) Annual figures relate to year ended September.
(c) Figure for 1936 is average of August-December. (d) Indices shown in last month of quarter to which they relate. (e) Daily average. (f) Monthly figures are averages of quarterly returns. (g) Average of weekly figures. (h) Annual figures are totals for financial year beginning in year shown. Monthly figures are cumulative.
(i) Period June 1–28.

UNITED STATES, FRANCE AND GERMANY

	Unit of Measurement	Monthly Average								1936		1937						
		1929	1930	1931	1932	1933	1934	1935	1936	July	Aug.	Feb.	Mar.	Apr.	May	June	July	Aug.
UNITED STATES (Population 1934: 126,450,000; Area: 7,839,432 sq. kms.)																		
PRODUCTION																		
1. Industrial production, F.R.B.(a)	1929=100	100	80·7	68·1	53·8	63·9	66·4	75·6	88·1	90·8	90·8	97·5	99·2	99·2	99·2	95·8	95·8	...
2. Investment goods, F.R.B.(a)	"	100	72·6	48·2	27·6	41·2	46·5	63·2	82·4	87·9	87·1	93·5	93·8	96·8	99·1	92·6	100·3	...
3. Consumption goods, F.R.B.(a)	"	100	86·8	85·2	75·9	84·2	83·4	87·6	94·5	96·0	97·4	101·8	102·6	102·4	99·7	98·7	94·2	...
4. Coal	Million m. tons	46·0	40·6	33·4	27·2	29·0	31·4	31·6	36·5	32·9	32·7	41·3	50·9	29·7	31·0	32·8	31·1	32·9
5. Electricity generated	Million kw. hrs.	8,113	7,995	7,644	6,842	7,111	7,590	8,283	9,461	9,682	9,814	9,247	10,228	9,868	9,972	10,066	10,100	...
6. Steel	Million m. tons	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	3,986	4,262	4,496	5,313	5,153	5,236	4,251	4,630	4,940
7. Index of machine tool orders	1929=100	100	46·0	26·0	12·6	17·4	29·7	55·5	87·7	96·4	81·8	105·9	135·8	181·4	134·0	123·0	...	...
Building contracts awarded:																		
8. Residential	Million $	159·6	91·8	67·6	23·3	20·8	20·7	39·9	66·8	71·9	100·5	83·0	90·2	108·0	83·9	93·1	81·0	...
9. Other	"	319·6	285·1	190·1	89·3	83·8	107·9	114·1	156·1	222·8	174·5	125·3	141·0	161·9	160·2	225·0	240·6	...
10. Private cars	Thousands	382	232	164	88	131	181	271	306	372	210	296	404	440	425	411	...	...
11. Commercial vehicles	"	64	48	35	20	29	48	58	65	69	62	87	90	96	91	86	...	...
12. Activity in textile industry	1929=100	100	79·1	81·7	72·2	84·3	73·9	90·4	97·4	100·0	104·3	109·6	112·2	107·8	107·0	109·6	...	...
13. Stocks of raw materials	"	100	106·0	116·7	120·7	122·1	120·7	94·0	86·2	71·2	75·9	85·3	74·5	65·8	61·8	59·7	...	...
14. Stocks of manufactures	"	100	102·5	65·0	86·7	85·9	90·9	86·7	85·0	83·3	85·0	90·8	90·8	88·3	88·3	90·1	...	...
TRADE AND TRANSPORT																		
15. Index of Rly. car loadings	"	100	86·8	70·7	52·8	54·7	58·5	59·4	67·9	68·9	66·0	77·3	78·3	79·2	75·4	73·6	...	...
16. Index of Dept. Store sales	"	100	91·9	82·9	62·2	60·3	67·6	71·2	79·2	82·0	77·5	85·3	83·8	83·8	83·8	83·8	...	...
17. Retained imports	Million $	362	260	174	110	119	136	170	202	196·5	200·0	260·2	296·0	281·7	278·8	278·7	265·4	...
18. Domestic exports	"	430	315	198	131	137	175	187	201	176·4	175·6	229·6	252·3	264·9	285·1	256·5	267·2	...
EMPLOYMENT AND WAGES																		
19. Factory employment, F.R.B.	1929=100	100	87·2	73·8	62·6	68·8	78·8	82·1	87·8	88·5	89·1	95·5	96·4	97·2	97·6	97·2	...	...
20. Pay rolls, F.R.B.	"	100	81·1	61·8	42·6	45·3	57·7	65·4	75·5	73·3	76·5	88·0	92·6	96·2	96·2	94·4	...	...
21. Hourly earnings, N.I.C.B.	"	100	100	96	84	83	99	102	105				112	...	...	...	...	...
22. Av. hours of work, N.I.C.B.	Number	48·3	43·9	40·4	34·8	36·4	34·7	37·2	39·7	39·2	40·0	41·4	41·9	41·4	41·2	40·5	40·1	...
23. Number unemployed, A.F.L.	Thousands	1,864	4,770	8,738	13,182	13,723	12,364	12,208	...	11,208	10,777	...	...	...	...	...	...	...
PRICES																		
24. Cost of living, N.I.C.B.	1929=100	100	96·2	87·2	77·9	74·9	79·4	82·6	84·8	85·2	85·6	87·1	87·8	88·2	88·7	88·8	88·8	...
25. Wholesale prices, D. of Lab.	"	100	90·7	76·6	68·0	69·3	78·7	83·9	84·8	84·5	85·6	90·6	92·1	92·3	91·7	91·5	92·2	91·9
26. " raw materials "	"	100	86·5	67·3	56·5	57·9	70·4	79·1	82·0	81·8	83·6	90·6	92·2	90·9	89·3	88·3	...	...
27. " semi-manufactures "	"	100	87·2	73·5	63·2	61·4	77·6	78·4	80·8	80·1	80·6	91·1	95·4	95·3	93·1	92·4	...	...
28. " Finished goods "	"	100	93·1	81·5	74·4	74·6	82·8	87·0	86·8	86·4	87·2	90·4	91·4	92·4	92·6	92·8	...	...
29. " Farm products "	"	100	84·1	61·8	45·9	49·0	62·3	75·1	77·2	77·5	79·9	87·1	89·6	87·9	85·6	84·3	...	...
30. 351 Indus. securit's., Stand. Stat.	"	100	74·2	45·9	24·4	35·0	42·9	48·0	67·3	66·1	67·7	80·1	80·3	75·3	72·4	70·6	74·6	75·8
FINANCE																		
31. Total Res. Bank credit	Million $	1,739	1,386	1,853	2,171	2,674	2,470	2,486	2,500	2,462	2,471	2,465	2,458	2,565	2,585	2,562	...	...
32. Gold stock	"	3,900	4,225	4,051	4,045	4,012	8,238	10,125	11,258	10,648	10,716	11,436	11,574	11,799	11,989	12,318	12,445	12,566
33. Money in circulation	"	4,578	4,603	5,360	5,388	5,519	5,536	5,882	6,543	6,162	6,227	6,399	6,377	6,426	6,462	6,447	6,460	6,524
34. Member Bank Res. Balances	"	2,355	2,471	1,961	2,509	2,729	4,096	5,587	6,606	6,005	6,410	6,695	6,639	6,881	6,915	6,900	...	...
35. " Excess Reserves	"	−73	96	−33	576	859	1,814	2,844	1,984	3,029	1,950	2,078	1,398	1,594	918	865	...	...
Member Banks in 101 towns:																		
36. loans and investments	"	...	...	...	...	...	...	20,895	22,931	22,378	22,264	22,600	22,610	22,280	22,201	22,330	...	...
37. deposits: Demand	"	19,112	18,660	15,985	14,965	11,383	11,419	13,888	15,571	14,850	14,911	15,501	15,126	15,388	15,528	15,186	15,033	...
38. " Time	"	13,070	13,654	11,453	10,527	4,790	4,781	4,911	5,067	5,015	5,028	5,167	5,144	5,158	5,222	5,235	5,268	...
39. Bank debits outside N. Y. City	"	26,901	23,113	17,119	12,819	13,288	15,701	18,676	23,238	18,617	17,106	17,620	21,605	20,051	19,292	20,019	20,152	18,418
40. Call money	%	7·61	2·94	1·74	2·05	1·16	1·0	0·56	0·91	1·0	1·0	1·0	1·0	1·0	1·0	1·0	1·0	...
41. Yield on Govt. bonds	%	3·60	3·28	3·31	3·66	3·31	3·10	2·69	2·47	2·50	2·43	2·31	2·50	2·74	2·67	2·64	...	...
42. Capital issues, C.F. Chronicle	Million $	595	848	260	99	59	115	123	166	103	216	168	185	152	150	359	250	76
FRANCE (Population 1936: 41,906,000; Area: 550,986 sq. kms.)																		
PRODUCTION																		
43. Industrial production S.G.F.(b)	1929=100	100	100·7	89·2	69·1	77·0	71·2	67·6	70·5	70·5	66·9	74·1	74·8	75·6	74·8	73·4	72·7	...
44. Coal	Thous. met.tons	4,482	4,490	4,167	3,856	3,907	3,969	3,851	3,769	3,915	3,154	3,710	4,087	3,910	3,414	3,509	3,530	...
45. Electricity S.G.F.(a)	1929=100	100	99·2	93·3	88·2	96·7	98·3	101·7	104·2	100·0	96·7	108·5	112·6	116·8	116·0	115·2	...	...
46. Steel	Thous. met.tons	808	787	652	470	544	512	522	559	542	460	624	679	684	651	685	680	...
47. Building activity S.G.F.(a)	1929=100	100	111·4	101·6	81·3	74·0	66·7	55·3	52·0	52·9	50·4	54·5	54·5	50·4	49·6	46·7	44·7	...
TRADE AND TRANSPORT																		
48. Rly. car loadings, daily	Thous. cars.	65·1	65·4	53·9	47·3	45·2	42·5	40·1	40·9	38·4	37·2	42·5	41·3	41·9	39·8	41·9	39·7	...
49. Imports	Mill. frs.	4,852	4,376	3,517	2,484	2,369	1,925	1,745	2,117	1,851	1,764	3,681	3,227	3,297	3,051	3,707	3,200	...
50. Exports	"	4,178	3,570	2,536	1,642	1,539	1,487	1,289	1,288	1,101	1,174	1,695	1,837	1,973	1,759	1,997	1,872	...
EMPLOYMENT AND WAGES																		
51. Unemployed in receipt of benefit	Thousands	0·9	2·5	56·1	273·4	276·0	345·0	426·9	432·1	420·8	413·4	410·2	388·3	371·0	346·0	322·0	314·0	311·0
52. Wage rates, Paris region	1929=100	100	106	105	100	102	102	101	116				162	...	...	...	...	...
PRICES																		
53. Wholesale, index of S.G.F.	"	100	88·4	80·0	68·2	63·6	60·0	54·0	65·5	62·4	64·0	85·0	87·7	88·0	87·7	88·8	92·8	96·0
54. Cost of living, Paris, "	"	100	104·5	102·3	94·6	93·5	92·8	86·9	91·1				104·5			109·0	...	...
55. Industrial securities "	"	100	84·6	58·1	47·0	44·8	35·4	36·3	33·4	25·3	24·8	51·6	51·3	43·3	42·5	42·6	40·4	41·6
FINANCE																		
56. Govt. revenue: impôts indirects	Mill. frs.	35,496	33,912	33,048	28,980	28,580	27,420	26,244	26,670	15,836	17,729	5,193	7,573	10,122	12,047	14,354	17,522	...
57. Impôts sur les revenus	"	10,592	10,716	10,068	7,428	6,348	5,904	5,088	5,705	1,823	2,502	545	629	697	1,044	1,379	2,065	...
58. Bank of France: Gold	"	41,668	53,578	68,863	83,017	77,098	82,124	66,296	60,359	54,942	54,511	57,359	57,359	57,359	57,359	54,859	55,677	55,718
59. " Notes in circulation	"	68,571	76,436	85,725	85,028	82,613	83,412	81,150	89,342	85,892	84,534	87,062	85,746	87,063	85,745	85,985	89,307	88,255
60. Commercial bank deposits	"	34,065	36,681	38,245	37,759	32,635	30,943	27,553	28,484	25,334	24,979	29,644	31,088	27,702	28,242	28,128	...	...
61. Bank clearings	"	42,705	46,333	38,377	27,700	31,545	27,012	28,275	24,244	20,479	16,895	24,095	30,183	31,631	26,247	29,991	28,318	23,175
62. Interest rate:—Bank rate	%	3·50	2·71	2·12	2·50	2·50	2·50	3·70	4·00	3	3	4	4	4	4	6	5	4
63. " " Market discount	%	3·50	2·26	1·55	1·26	1·90	2·09	3·48	4·00	3·40	3·13	4·13	4·13	4·13	4·13	5·28	5·25	...
64. " " 3% Rentes	%	3·96	3·42	3·46	3·82	4·35	4·12	3·73	3·87	4·11	4·08	3·70	3·87	4·20	4·24	3·90	3·70	3·59
65. Capital issues	Mill. frs.	1,569	2,233	1,899	1,214	868	806	615	326	106	106	2,429	253	150	448	112	611	...
GERMANY (Population 1934: 66,382,000; Area: 470,714 sq. kms.)																		
PRODUCTION																		
66. Industrial production, I.K.	1929=100	100	85·9	67·6	53·3	60·7	79·8	94·0	106·3	109·6	109·9	106·6	111·9	116·9	117·9	118·1	...	...
67. Investment goods "	"	100	81·6	52·6	34·4	43·6	72·6	99·4	113·2	124·2	121·4	106·2	115·9	125·5	130·2	130·0	...	...
68. Consumption goods "	"	100	94·0	89·2	76·3	82·6	92·4	88·2	98·7	96·8	99·0	100·6	101·4	103·1	97·2	100·1	...	...
69. Coal	Thous.met.tons	13,620	11,892	9,887	8,728	9,160	10,418	11,918	13,198	13,375	12,995	14,298	15,086	15,720	13,904	15,403	15,915	...
70. Lignite	"	14,538	12,168	11,109	10,221	10,566	11,437	12,282	13,445	13,302	12,884	14,103	14,287	14,631	13,701	15,108	16,054	...
71. Electricity, I.K.	1929=100	100	96·0	84·5	78·7	84·6	99·7	113·6	131·0	119·8	130·2	149·4	148·3	140·1	147·6	149·0	139·5	...
72. Steel	Thous.met.tons	1,354	962	691	481	634	993	1,344	1,598	1,724	1,725	1,520	1,582	1,645	1,608	1,658	1,657	...
73. Machinery (orders filled), I.K.	1929=100	100	82·4	59·0	37·9	41·5	63·1	81·0	97·5	98·5	97·5	109·5	120·0	...	...	...	...	...
74. Automobiles, total "	"	100	66·4	46·7	27·7	53·9	90·3	128·5	155·7	168·2	174·0	170·8	184·6	190·6	199·6	201·0	...	...
75. Textiles, index of activity "	"	100	97·4	94·9	85·7	99·1	100·8	98·5	106·6	105·4	104·7	110·0	109·8	113·6	101·2	105·1	...	...
TRANSPORT																		
76. Rly. traffic: trucks ordered	Thous. per day	152·1	131·5	112·6	99·8	104·9	117·5	124·3	135·2	133·9	133·9	131·0	140·6	145·5	148·5	144·7	...	...
77. Retail trade, index of I.K.	1929=100	100	91·4	79·2	62·4	59·4	65·9	68·9	76·1	71·0	68·3	69·2	82·2	82·9	78·8	...	...	...
78. Retained imports	Mill. Rm.	1,120	866	561	389	350	371	347	352	346	346	347	409	481	448	505	500	...
79. Domestic exports	"	1,124	1,003	800	478	406	347	356	397	395	409	406	462	492	456	481	530	...
EMPLOYMENT—WAGES																		
80. Employment	Thous.	17,869	16,515	14,336	12,518	13,016	15,041	15,949	17,106	17,839	17,896	17,014	17,497	18,448	18,776	18,941	19,092	...
81. Unemployment	"	1,892	3,076	4,520	5,575	4,804	2,718	2,151	1,593	1,170	1,098	1,611	1,245	961	776	649	563	...
82. Tariff wage rates	1929=100	100	101·7	96·5	81·7	79·2	79·1	79·1	79·1	79·1	79·1	...	...	...	...	...	...	...
PRICES																		
83. Wholesale	"	100	90·8	80·8	70·3	68·0	71·7	74·2	75·9	75·9	76·2	76·9	77·3	77·1	77·2	77·3	77·6	...
84. Cost of living	"	100	96·2	88·4	78·3	76·6	78·6	79·9	80·8	81·4	81·4	81·0	81·2	81·2	81·4	81·9	...	...
85. Industrial securities	"	100	81·6	60·1	40·7	57·7	57·9	67·5	74·6	77·0	76·0	80·7	81·6	82·6	83·4	...	...	...
FINANCE																		
86. Money in circulation	Mill. Rm.	5,965	5,858	5,827	5,802	5,359	5,477	5,761	6,174	6,447	6,538	6,738	6,838	6,937	6,830	6,938	7,104	7,093
87. Deposits, 8 banks	"	12,306	13,114	10,129	8,048	7,308	6,998	6,887	7,631	6,890	6,866	7,362	7,439	7,520	...	...	...	...
88. Interest rates:—Bank rate	%	7·1	4·9	6·9	5·2	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0	4·0
89. " Loans for one month	"	8·97	6·14	8·71	6·73	5·78	5·07	3·64	3·14	3·13	3·13	3·12	3·01	3·07	3·06	3·05	3·07	...
90. Yield on 4½% mortgage bonds	"	7·40	7·15	7·04	8·38	3·15	6·57	5·08	4·67	4·66	4·66	4·60	4·59	4·55	4·54	4·54	4·53	4·52
91. Capital issues	Mill. Rm.	224	290	165	81	129	85	234	333	316	1,024	312	926	147	820	115	...	...

(a) Adjusted for seasonal variations. (b) Partly adjusted for seasonal variations.

BRITISH DOMINIONS AND FOREIGN COUNTRIES OUTSIDE EUROPE

(Bi-Monthly Table)

	Unit of Measurement	Monthly Average								1936		1937						
		1929	1930	1931	1932	1933	1934	1935	1936	July	Aug.	Feb.	Mar.	Apr.	May	June	July	Aug.
I. BRITISH COUNTRIES																		
AUSTRALIA (Population 1935: 6,724,000; Area: 7,704,000 sq. kms.)																		
1. Retained imports	Million £Stg.(a)	10·687	7·680	3·336	4·257	4·406	5·522	6·359	7·171	8·253	72·73	6·138	7·809	8·144	6·716	8·230	8·650	...
2. Domestic exports	Million £A.	7·906	7·407	7·429	7·841	9·209	8·173	9·433	10·626	6·499	56·99	15·774	15·617	13·787	12·413	9·108	10·490	...
3. Unemployed Trade Unionists	Thousands	47·36	84·77	117·87	120·45	104·03	86·86	71·82	53·99	...	52·48	44·0	...	...	43·01	...	...	...
4. Wholesale prices	1929=100	100·0	88·5	79·2	78·3	78·2	81·6	81·5	85·6	86·1	87·9	89·7	91·6	91·9	92·2	94·5	...	...
5. Cost of living	"	100·0	94·6	84·8	80·7	78·3	79·6	80·9	82·7	83·2	...	...	...	84·5	...	...	...	...
6. Notes in circulation (net issue)	Million £A.	42·2	42·3	48·2	45·0	45·1	45·1	46·1	47·0	41·4	41·6	42·2	44·2	43·0	42·8	42·6	42·5	...
7. Commercial bank deposits	"	293·5	280·6	284·2	280·3	284·3	298·3	295·8	298·2	290·7	...	...	...	320·5	...	...	...	...
CANADA (Population 1934: 10,835,000; Area: 9,542,000 sq. kms.)																		
8. Business activity	1929=100	100·0	84·8	71·0	58·1	60·3	73·5	81·3	89·8	87·9	90·9	92·4	96·1	97·3	99·0	102·5	102·7	...
9. Retained imports	Million Can.$	108·25	84·04	52·34	37·72	33·43	42·79	45·86	52·93	53·82	50·26	48·68	70·97	56·89	76·71	75·67	72·00	...
10. Domestic exports	"	102·05	75·46	54·27	46·69	51·31	63·81	69·86	85·66	84·97	93·53	75·69	89·36	66·91	101·58	108·86	100·14	...
11. Applicants for work	Thousands	14·97	33·01	71·38	75·14	81·81	88·89	84·05	90·13	85·30	77·2	99·04	101·51	100·42	91·51	85·34	...	...
12. Wholesale prices	1929=100	100·0	90·6	75·4	69·8	70·2	74·9	75·4	78·0	77·8	79·7	86·7	89·4	90·1	89·0	88·5	91·5	...
13. Cost of living	"	100·0	99·3	89·7	81·5	77·8	78·8	79·2	80·8	81·1	81·2	82·1	82·3	82·9	82·7	83·1	...	...
14. Price of industrial securities	"	100·0	64·3	36·6	23·7	35·3	46·4	54·4	74·3	71·2	71·7	85·7	90·5	83·9	81·1	78·7	81·6	...
15. Notes in circulation	Million Can.$	359	308	303	306	304	340	211	239	213	222	227	231	235	234	240	246	...
16. Commercial bank deposits	"	2,163	2,068	1,927	1,844	1,859	1,983	2,127	2,230	2,113	2,129	2,219	2,295	2,315	2,273	2,283	2,239	...
INDIA (Population 1934: 363,644,000; Area: 4,684,000 sq. kms.)																		
17. Retained imports } Sea-borne trade (b)	Million rupees	208·57	156·62	113·47	110·66	95·63	104·37	111·91	101·93	99·65	91·63	90·04	127·74	151·28	140·78	132·77	136·25	...
18. Domestic exports }	"	268·78	210·49	137·66	112·63	120·37	123·57	130·94	150·51	141·08	139·17	185·43	215·31	167·87	161·23	170·76	168·61	...
19. Silver: Excess of imp. (+) or exp. (−) (b)	"	+6·1	+7·6	+4·7	−2·1	−5·1	−2·8	−7·6	+12·6	+9·1	+7·9	+21·8	+0·4	+1·3	+2·8	+5·4	...	...
20. Gold: Excess of imp. (+) or exp. (−) (b)	"	+14·9	+13·2	−28·6	−62·0	−41·8	−49·7	−36·0	−26·6	−39·3	−20·8	−8·5	−10·7	−16·2	−13·0	−4·8	...	...
21. Wholesale prices, Calcutta	1929=100	100·0	82·3	68·1	64·5	61·7	63·1	64·5	64·5	64·5	63·8	70·2	70·9	73·0	73·0	72·3	73·8	...
22. Cost of living, Bombay	"	100·0	91·9	73·8	73·2	68·5	65·1	67·8	68·5	67·8	68·5	69·8	69·8	69·8	69·8	71·1	...	...
23. Bank notes in circulation	Million rupees	1,794	1,613	1,793	1,748	1,781	1,839	1,718	1,899	1,606	1,622	1,939	1,944	1,911	1,903	1,860	1,787	1,778
IRISH FREE STATE (Population 1935: 3,033,000; Area: 69,000 sq. kms.)																		
24. Retained imports	Million £	5·021	4·633	4·139	3·453	2·934	3·231	3·087	3·282	3·364	2·839	3·241	3·691	3·473	3·694	4·278	3·791	...
25. Domestic exports	"	3·852	3·647	2·962	2·098	1·537	1·464	1·635	1·832	2·007	2·016	1·478	1·867	1·841	1·905	1·919	2·082	...
26. Applicants for work	Thousands	20·70	22·40	25·23	62·82	72·25	103·67	119·50	99·83	68·96	67·04	91·68	93·43	92·36	88·48	64·01	63·29	65·67
27. Cost of living	1929=100	100·0	97·2	91·5	89·2	85·8	86·4	88·6	90·9	...	90·3	94·9	...	...	94·9	...	...	96·6
28. Notes in circulation	Million £	14·2	14·3	13·4	13·4	13·7	13·9	14·3	15·1	14·1	14·2	14·8	15·1	15·0	15·1	15·1	15·0	14·9
29. Currency Commission: F. Assets	"	7·1	7·9	7·4	7·4	7·7	7·9	8·3	9·1	8·1	8·2	8·8	9·1	9·0	9·1	9·1	9·0	8·9
NEW ZEALAND (Population 1935: 1,559,000; Area: 268,000 sq. kms.)																		
30. Retained imports	Million £N.Z.	3·998	3·634	2·156	2·001	2·082	2·564	2·986	3·637	3·492	3·954	3·675	4·564	4·277	4·412	3·914	4·798	...
31. Domestic exports	"	4·515	3·684	2·860	2·915	3·367	3·898	3·838	4·689	4·643	3·107	7·693	7·467	8·336	5·896	5·447	4·779	...
32. Unemployed registered (males)	Thousands	2·89	5·00	41·43	51·55	46·97	39·23	38·23	36·89	42·94	44·26	28·94	27·91	27·95	28·30	29·33	...	...
33. Wholesale prices	1929=100	100·0	97·4	90·5	87·2	87·9	89·4	93·1	94·0	93·8	94·7	98·6	98·9	99·5	100·9	101·7	101·6	...
34. Cost of living	"	100·0	97·7	90·2	83·5	79·2	80·5	83·2	86·1	85·4	86·6	89·6	89·9	90·7	91·5	91·3	91·7	...
35. Notes in circulation (active)	Million £N.Z.	7·2	6·7	7·3	7·1	7·6	6·8	7·6	10·4	7·2	7·8	8·5	9·8	8·7	9·0	8·7	8·6	...
36. Commercial bank deposits	"	54·7	52·5	52·0	51·3	59·7	60·1	63·7	63·3	65·2	64·1	68·4	67·9	70·3	68·4	68·2	67·3	...
SOUTH AFRICA (Population 1935: 8,600,000; Area: 1,222,000 q. kms.)																		
37. Retained imports	Million £S.A.	6·587	5·095	4·144	2·606	3·961	5·366	6·100	7·010	7·327	7·340	7·429	7·956	7·987	8·112	8·765	8·871	...
38. Domestic exports	"	7·769	6·657	5·709	5·622	7·720	6·626	8·325	9·295	9·263	8·341	7·106	9·563	12·003	10·709	11·075	12·346	...
39. Of which gold	"	3·864	3·959	3·842	4·042	5·738	4·629	5·938	6·895	7·449	6·420	3·838	6·253	7·747	7·741	8·198	9·444	...
40. Wholesale prices	1929=100	100·0	88·5	85·8	79·0	80·2	87·7	81·8	85·0	83·1	...	...	...	85·0	...	...	87·4	...
41. Cost of living	"	100·0	97·6	94·0	89·9	87·5	88·6	88·1	88·5	88·3	88·1	88·9	89·5	89·8	90·0	90·5	90·4	...
42. Notes in circulation	Million £S.A.	9·2	8·0	8·8	8·3	11·9	13·0	14·1	16·4	14·2	15·5	15·9	15·4	16·6	16·9	15·4	14·9	16·1
43. Commercial bank deposits	Million £	61·0	63·8	56·6	54·6	81·2	85·0	88·5	95·0	88·7	85·2	92·6	93·7	92·6	92·2	102·1	92·1	...
II. FOREIGN COUNTRIES																		
ARGENTINA (Population 1935: 12,393,000; Area: 2,793,000 sq. kms.)																		
44. Retained imports	Mill. paper pesos	163·26	140·00	97·82	69·69	74·76	92·49	97·92	93·06	93·40	93·65	89·37	111·90	131·07	108·44	122·24	149·54	...
45. Domestic exports	"	180·63	116·31	121·32	107·32	93·40	119·87	130·78	137·98	121·14	128·37	274·32	281·07	237·48	179·12	153·92	155·93	...
46. Wholesale prices	1929=100	100·0	95·6	92·3	92·8	88·8	102·3	100·6	102·9	102·5	104·3	110·4	114·7	117·3	118·7	118·9	120·1	...
47. Cost of living	"	100·0	101·5	49·7	77·7	82·8	77·6	82·9	90·6	92·2	92·8	90·1	92·4	93·5	93·3	95·3	93·8	...
48. Notes in circulation	Mill. pesos papel	1,247	1,261	1,245	1,339	1,214	1,171	1,178	1,302	1,192	1,191	1,342	1,347	1,372	1,345	1,373	1,387	1,356
49. Commercial bank deposits	"	3,903	3,956	3,517	3,525	3,467	3,427	3,447	3,730	3,502	3,530	3,895	3,962	4,011	3,952	3,984	...	...
BRAZIL (Population 1934: 41,660,000; Area: 8,511,000 sq. kms.)																		
50. Imports (general trade)	Million milreis	294·0	195·3	156·7	126·6	180·4	208·6	321·3	355·7	373·1	352·0	357·3	399·2	439·4	383·9	437·3	...	...
51. Exports (general trade)	"	321·7	242·3	283·2	211·4	235·0	288·3	342·0	408·0	466·5	462·1	360·5	422·9	389·0	418·3	530·7	...	...
52. Exports of coffee	Thous. met. tons	75·4	90·2	76·4	61·0	79·3	67·0	77·4	...	...	...	55·7	69·4	58·2	69·6	57·7	...	...
53. Price of coffee "Santos" London	Sh. per cwt.	97·9	60·5	47·9	63·2	50·1	49·0	39·2	40·9	40·0	41·7	53·8	50·0	49·3	52·2	53·6	52·5	...
54. Notes in circulation	Million milreis	3,395	2,842	2,942	3,239	3,037	3,157	3,612	4,050	3,750	3,800	4,030	4,030	4,121	4,252	4,248	...	...
55. Commercial bank deposits	"	5,925	5,731	5,962	6,843	6,484	7,419	7,767	8,332	...	...	...	...	...	...	...	...	...
CHILE (Population 1935: 4,508,000; Area: 742,000 sq. kms.)																		
56. Industrial production	1929=100	100·0	100·9	77·9	87·0	95·8	105·1	120·1	123·9	128·0	127·4	124·3	130·2	129·2	129·3	...	...	...
57. Retained imports	Million pesos	134·77	116·67	58·81	17·82	15·15	17·82	24·59	28·95	30·12	28·08	25·29	34·41	38·85	29·51	36·75	...	...
58. Domestic exports	"	191·07	110·53	68·70	24·20	27·58	38·32	38·70	45·73	39·34	35·96	72·23	125·05	119·69	80·91	75·52	...	...
59. Production of copper (in bars)	Metric tons	25,266	17,334	17,975	8,126	13,125	20,643	21,660	20,440	17,785	19,224	34,504	36,050	37,626	39,710	...	...	...
60. Wholesale prices	1929=100	100·0	86·7	79·5	119·7	179·8	178·6	178·4	197·3	198·6	202·6	226·1	237·8	240·9	241·9	...	...	...
61. Cost of living, Santiago	"	100·0	98·9	98·2	104·4	129·6	129·7	132·4	143·6	145·6	146·6	147·4	151·5	157·3	161·6	...	...	...
62. Notes in circulation	Mill. pesos papel	352	306	319	488	515	516	567	653	613	606	680	702	715	710	699	...	...
CHINA (Population 1934: 450,000,000; Area: 11,103,000 sq. kms.)																		
63. Retained imps. (excl. Manch.)	Mill. std. dollars	160·59	170·05	186·11	146·68	112·13	85·81	76·60	78·46	74·92	70·40	85·41	108·77	109·14	110·99	114·68	124·14	55·47
64. Domestic exps. (excl. Manch.)	"	131·87	116·18	118·08	83·41	50·99	44·60	47·98	58·81	60·45	55·33	85·10	72·60	79·78	78·34	84·83	88·78	45·52
65. Imports: Manch. and Jehol	Mill. Yuan M.	...	...	...	...	36·33	44·67	47·67	53·68	48·02	50·05	57·17	63·58	69·17	...	...	...	...
66. Exports: Manch. and Jehol	"	...	...	...	...	31·39	31·93	29·64	39·52	26·64	21·53	58·07	41·06	43·45	...	...	...	...
67. Silver: Excess of imp. (+), exp. (−)	Mill. std. dollars	+13·5	+8·7	+5·9	−0·9	−1·2	−21·4	−5·2	−20·8	−10·9	−11·6	+0·1	...	...	...	−0·1	...	...
68. Wholesale prices, Shanghai	1929=100	100·0	109·9	121·2	107·6	99·3	92·9	92·0	103·5	102·6	102·8	117·6	117·7	118·6	119·7	120·7	120·4	...
69. Cost of living, Shanghai	"	100·0	112·9	116·7	110·4	99·4	98·3	98·9	105·0	104·0	107·0	111·3	108·2	108·8	110·0	101·3	111·2	...
JAPAN (Population 1934: 68,194,900; Area: 382,314 sq. kms.)																		
70. Industrial production	1929=100	100	94·8	91·6	97·8	113·2	128·7	141·8	151·1	151·1	150·9	161·5	173·6	172·7	173·9	...	...	...
71. Prod. of silk piece goods	Thous. metres	...	13,194	13,454	14,173	15,824	17,158	16,274	12,778	14,047	13,273	14,705	16,386	15,853	16,336	...	...	...
72. " rayon " "	"	...	7,823	10,258	15,445	15,702	19,770	28,145	40,618	42,567	41,764	47,545	53,358	51,596	50,754	...	...	...
73. " cotton " "	Mill. sq. yards	...	115·7	117·0	127·7	139·4	149·4	153·6	150·2	151·0	147·4	159·4	157·4	160·5	160·2	...	...	...
74. Retained imports	Million yen	180·7	125·6	100·5	115·3	156·9	187·0	202·2	225·2	198·8	186·8	297·4	395·8	331·1	414·3	376·6	354·8	...
75. Domestic exports	"	175·1	119·2	93·1	113·5	152·3	177·8	204·5	219·3	218·4	225·3	220·5	271·1	257·6	276·6	275·4	277·7	...
76. No. unemployed	Thousands	...	369·4	422·7	485·7	408·7	372·9	356·0	338·4	333·6	330·3	328·5	310·1	...	...	...	...	...
77. Wholesale prices	1929=100	100	82·4	69·6	73·3	81·6	80·8	84·4	89·9	89·8	91·3	104·8	109·1	112·8	109·8	108·4	108·7	...
78. Cost of living, Tokio	"	100	85·5	74·7	75·4	80·3	82·0	83·6	87·8	86·9	87·7	94·1	94·3	94·8	94·8	94·5	95·0	95·9
79. Price of industrial securities	Jan., 1930=100	...	74·8	76·4	103·6	176·7	222·7	181·6	205·8	205·8	212·4	246·1	...	246·1	269·3	267·4	271·4	...
80. Notes issued, Bank of Japan	Million yen	1,642	1,436	1,331	1,426	1,545	1,627	1,767	1,866	1,401	1,475	1,529	1,464	1,450	1,502	1,571	1,580	1,534
81. Commercial bank deposits	"	9,213	8,659	8,174	8,131	8,727	9,354	9,874	10,932	10,201	10,159	10,967	11,261	11,367	11,474	11,704	11,457	...
82. Yield on National bonds	Per cent.	5·08	5·36	5·40	5·59	4·81	4·52	4·49	4·08	3·89	3·87	3·96	3·91	3·90	3·91	3·95	3·93	...
III. WORLD STATISTICS																		
83. Industrial production	1929=100	100	88	79	69	78	85	95	110·5	108·5	110·1	...	...	...	...	...	...	...
84. " " (excl. U.S.S.R.)	"	100	86	75	63	71	77	85	95	96·1	96·5	102·7	104·7	105·9	106·2	...	...	...
85. Output of raw materials	"	100	91	81	71·4	78·6	85	93	105	...	...	...	...	...	...	...	...	...
86. " foodstuffs	"	100	102	100	100	102	102	101	103	...	...	...	...	...	...	...	...	...
87. Stocks of primary products (e)	"	100	117	123	123	121½	115	102½	94				93			...		
88. Value of world trade (gold) (d)	"	100	81·0	57·9	39·1	35·2	33·9	34·7	37·4	36·5	36·3	40·8	46·7	47·3	46·3	47·8	47·1	...
89. Volume of world trade (d) (f)	"	100	93	85·5	74·5	75·5	78·0	82·0	85·8	...	...		92·6			98·1	...	...

(a) Imports 1929 and 1930, £A. (b) In and from April, 1937, excluding Burma. (d) Excluding Italy and Spain from 1936. (e) Annual figures relate to end of year. League of Nations' Quarterly Index substituted for U.S. Department of Commerce index. (f) Indices shown in last month of quarter to which they relate.

RAW MATERIALS AND CRUDE FOODSTUFFS

GROUP I.—MONTHLY TABLE.

Commodity	Unit of Measurement	Monthly Average 1929	1930	1931	1932	1933	1934	1935	1936 (a)	1936 July	1936 Aug.	1937 Feb.	Mar	Apr.	May	June	July	Aug.
COAL																		
1. Production : Belgium	Th. metric tons	2,245	2,285	2,254	1,785	2,108	2,199	2,207	2,323	2,499	2,286	2,385	2,611	2,623	2,298	2,512	2,274	...
2. „ France	„	4,482	4,490	4,167	3,856	3,907	3,989	3,851	3,769	3,915	3,154	3,710	4,087	6,910	3,414	3,509	3,530	...
3. „ Germany : Coal	„	13,620	11,892	9,887	8,728	9,141	10,405	11,918	13,196	13,375	12,994	14,298	15,086	15,720	13,904	15,403	15,915	...
4. „ „ : Briquettes	„	3,853	3,126	3,189	2,403	2,283	2,436	2,395	2,479	2,339	2,387	2,861	2,747	2,749	2,494	2,946	3,219	...
5. „ U.K.	„	21,837	20,650	18,582	17,717	17,525	18,708	18,877	19,340	18,478	17,330	20,114	21,232	22,083	19,016	20,557	19,246	18,550
6. „ U.S.A.	„	46,028	40,590	33,365	27,183	29,957	31,398	31,578	35,470	32,405	33,088	41,257	50,859	29,707	31,041	32,841	31,123	32,885
7. „ All Principal countries	„	107219	98,062	86,002	76,435	79,688	87,503	89,335	96,620	92,233	90,383	104426	118467	97,413	92,563	98,535	...	...
8. Price : Av. Br. expt. price	sh. per ton	16·08	16·67	16·17	16·25	16·08	16·04	16·29	16·98	17·04	17·12	17·30	17·43	17·64	18·56	18·88	18·99	19·08
OIL																		
9. Production : Dutch East Indies	Th. metric tons	437	461	392	424	461	503	507	536	532	531	538	592	584	611	599	...	...
10. „ Mexico	„	556	492	411	408	422	475	501	511	475	564	586	643	600	615	...	...	...
11. „ Persia (Ang-Ir. Oil)	„	462	503	487	543	544	579	577	628	641	674	582	772	759	762	750	...	...
12. „ Roumania	„	403	483	563	612	615	706	698	723	768	765	578	629	604	616	569	...	...
13. „ U.S.A.	„	11,569	10,268	9,714	8,970	10,347	10,375	11,886	12,550	12,624	13,037	12,774	14,632	14,393	15,206	14,507	15,180	...
14. „ U.S.S.R.	„	1,268	1,552	1,912	1,791	1,798	2,013	1,989	2,193	2,226	2,158	2,002	2,167	2,181	2,194	2,229	...	...
15. „ All Principal countries	„	17,082	16,293	15,766	15,004	16,485	17,366	18,763	20,463	20,824	21,309	20,220	23,198	22,797	23,819	23,079	...	...
16. Stocks : U.S.A., end year	Thous. barrels	422	402	371	340	354	337	315	288	306	302	290	297	304	308	308	...	...
17. Price : U.S.A., Mid-Cont. crude	cents per barrel	123·3	111·1	57·3	81·3	60·1	94·0	94·0	104·0	104·0	104·0	116·0	116·0	116·0	116·0	116·0	116·0	116·0
CRUDE STEEL																		
18. Production : Belgium	Th. metric tons	342	280	259	232	229	246	252	265	250	272	269	309	328	330	349	356	...
19. „ France	„	808	787	652	470	544	514	523	559	542	460	624	679	684	651	685	680	...
20. „ Germany, inc. Saar	„	1,354	962	691	481	632	990	1,342	1,596	1,722	1,725	1,520	1,582	1,645	1,608	1,658	1,657	...
21. „ Japan, ex. castings	„	191	191	157	200	267	325	375	419	428	401	442	478	514	496	...	...	...
22. „ Luxemburg	„	225	189	170	163	154	161	153	165	162	164	203	225	230	224	237	291	215
23. „ U.K.	„	816	620	438	445	595	750	833	990	990	887	1,012	1,127	1,098	1,064	1,124	1,076	1,064
24. „ U.S.A., ex. castgs.	„	4,599	3,326	2,133	1,128	1,913	2,139	2,830	3,973	3,986	4,262	4,496	5,313	5,153	5,236	4,251	4,630	4,940
25. „ U.S.S.R.	„	407	483	451	490	571	800	1,034	1,362	1,302	1,353	1,287	1,530	1,493	1,521	1,450	...	...
26. „ All Principal countries	„	9,714	7,660	5,615	4,113	5,510	6,638	7,983	9,975	10,017	10,156	10,553	12,015	11,872	11,927	11,053	...	...
27. Price : Pig iron Clevel. No. 3,	per ton £	3·53	3·35	2·91	2·91	3·13	3·35	3·39	3·70	3·75	3·75	4·05	4·05	4·05	4·05	5·05	5·05	5·05
GOLD																		
28. Production : Union of S. Africa	Thous. fine ozs.	868	893	907	963	918	873	898	945	967	967	924	982	980	972	975	997	...
29. „ U.S.S.R.	„	90	120	142	166	222	355	486	613	...	...	...	...	...	...	...	...	...
30. „ Canada	„	161	175	225	254	246	248	274	310	320	329	310	326	323	340	345	350	...
31. „ U.S.A.	„	171	175	185	185	190	229	264	310	...	...	...	...	...	...	...	...	...
32. „ World (b)	„	1,632	1,736	1,863	2,028	2,113	2,313	2,574	2,900	...	...	...	...	...	...	...	...	...
33. Price : London, per fine ounce	sh.	84·9	85·0	92·5	118·0	127·8	137·6	142·1	140·3	138·88	138·35	142·11	142·36	141·30	140·61	140·56	140·03	139·52
WHEAT																		
34. World shipments	Mlns. of bushels	923	630	825	801	631	549	515	504	38	47	61	62	47	43	41	...	...
35. Stks. : World visible supplies (d)	„	370·1	411·9	462·7	408·2	459·7	477·2	339·5	275·1	275·1	294·0	316·8	288·2	234·7	184·2	157·8	229·5	...
36. Average British import price...	sh. per cwt.	10·33	8·22	5·09	6·15	5·52	5·38	6·02	7·53	6·92	7·47	9·89	9·87	10·37	10·99	9·31	10·42	10·61
COTTON																		
37. Mill consumption : U.K.	Thousands	2,800	2,465	1,964	2,386	2,248	2,470	2,507	2,733	...	...	...	...	...	...	...	...	...
38. „ „ Japan	of actual	2,766	2,997	2,565	2,769	2,900	3,252	3,730	3,651	...	...	...	...	...	...	...	...	...
39. „ „ U.S.A.	bales	7,033	6,060	5,246	4,847	6,109	5,670	5,321	6,329	...	...	...	...	...	...	...	...	...
40. „ „ World		25,882	25,209	22,488	22,322	24,352	25,112	24,418	25,389	...	...	...	...	...	...	...	...	...
41. Stks. : World Visible Supplies	Thousand bales	2,738	4,317	6,593	7,682	7,510	6,571	3,983	4,297	4,913	4,321	7,065	6,359	5,725	5,105	4,362	3,875	4,167
42. Price : Mid. American	d. per lb.	10·33	7·46	5·08	5·25	5·54	8·67	6·70	6·65	7·33	6·85	7·30	7·87	7·60	7·31	7·06	6·68	6·89
SUGAR																		
43. Stks. : World visible supplies (d)	Thous. tons	4,047	5,522	6,765	7,018	6,441	5,692	4,166	2,983	4,884	4,173	5,834	6,011	5,312	4,878	4,383	3,752	...
44. Av. Brit. import price, unrefined	sh. per cwt	9·68	8·91	8·10	7·70	7·46	6·98	8·38	6·71	5·52	5·56	8·88	8·47	8·79	8·32	8·50	8·09	7·7

GROUP II.—BI-MONTHLY TABLE

Commodity	Unit of Measurement	1929	1930	1931	1932	1933	1934	1935	1936	1936 July	1936 Aug.	1937 Feb.	Mar	Apr.	May	June	July	Aug.
COPPER																		
1. Production: Belgian Congo	Th. metric tons	11·3	11·4	10·0	4·5	5·6	10·8	12·1	8·5	...	...	...	15·3	17·8	...	16·8	16·8	17·0	17·0
2. (Smelter) Canada	„	6·1	8·5	9·2	8·0	9·9	12·7	14·7	14·2	11·9	14·4	15·3	17·8	16·2	16·8	16·8	17·0	17·0
3. „ Chile	„	25·3	17·3	18·0	8·1	13·1	20·6	21·6	20·4	17·8	19·2	34·5	36·1	37·6	39·7	37·0	40·0	40·0
4. „ N. Rhodesia	„	0·5	0·5	0·8	5·8	8·8	11·7	12·2	11·9	11·3	11·4	17·8	17·5	19·6	19·1	19·4	16·6	17·0
5. „ U.S.A.	„	83·2	60·8	44·8	23·2	18·9	27·3	38·3	55·3	45·7	47·1	68·2	82·7	85·8	79·5	81·4	77·6	82·8
6. „ World	„	157·9	131·5	114·9	77·6	86·6	98·4	115·6	128·5	112·0	118·7	168·3	185·4	195·3	188·7	188·7	172·6	180·3
7. Consumption: World	„	146·8	120·0	103·5	75·5	89·1	100·8	121·2	135·5	133·5	141·5	163·5	191·2	196·7	177·9	173·3	163·8	154·4
8. Stocks: U.K.	„	...	7·8	21·7	37·3	32·8	56·9	88·7	47·0	57·8	54·2	36·3	26·2	22·2	15·9	19·2	19·3	23·8
9. (Refined) Stocks: World	„	423	417	692·7	724·5	634·2	532·6	440·2	320·4	392·3	367·9	297·7	279·8	257·1	264·4	273·8	...	...
10. Price: Std. cash, London	£ per ton	75·48	54	38·31	31·71	32·57	30·32	31·91	38·48	37·25	38·30	59·27	72·45	62·61	61·23	55·77	56·47	57·19
LEAD																		
11. Production: Australia	Th. metric tons	5·0	4	12·7	15·8	17·4	16·9	18·2	16·6	15·9	16·7	17·6	18·4	18·3	20·7	19·4	19·3	...
12. (Smelter) Canada	„	11	11·5	10·5	9·6	9·6	11·9	12·4	13·7	12·8	13·3	14·1	16·0	15·0	15·7	14·6	13·7	...
13. „ Germany	„	8·2	9·2	8·4	7·9	9·7	10·0	10·2	12·1	11·7	10·5	12·3	12·3	14·0	14·0	12·8	14·1	...
14. „ Mexico	„	19·2	19·3	17·3	10·9	10·0	14·0	14·9	17·5	18·3	18·1	17·6	19·4	19·6	18·4	16·3	18·2	...
15. „ Spain	„	11·1	10·1	9·1	8·8	7·3	6·1	5·9	...	...	...	...	...	...	...	...	...	...
16. „ U.S.A.	„	54·1	46·4	42·4	21·1	20·8	24·2	28·4	32·7	33·4	28·2	31·7	37·4	39·8	38·5	38·9	38·5	...
17. „ World	„	145·0	137·2	128·3	95·7	96·1	110·5	117·7	120·6	117·4	110·9	121·9	134·8	139·6	142·2	132·7	139·8	...
18. Stocks: U.K.	„	2·0	8	3·3	20·6	29·7	19·7	7·1	6·2	7·4	7·3	7·1	7·2	7·0	6·7	6·4	6·3	8·1
19. „ U.S.A.	„	49·7	9	7·5	159·4	184·3	210·2	201·6	156·4	206·3	198·0	151·6	142·3	124·3	116·6	105·1	...	...
20. Price: "Soft Foreign" London	£ per ton	23·25	18·05	12·02	11·00	11·68	10·93	14·25	17·60	15·87	16·77	28·33	33·03	26·01	24·00	22·88	23·93	22·60
SPELTER																		
21. Production: Holland	Th. metric tons	2·1	1·8	1·6	1·3	1·5	1·7	1·1	...	17·6	17·8	18·3	20·2	20·0	20·3	20·4	21·5	...
22. (Smelter) Belgium	„	10·5	14	11·2	8·0	11·4	14·6	15·3	...									
23. „ Canada	„	8	9·5	9·0	6·5	7·0	10·3	11·3	...	15·7	14·7	9·5	15·8	15·8	16·2	15·9	15·8	...
24. „ Mexico	„	2	2·5	2·9	2·5	2·2	2·4	2·7	...									
25. „ Germany	„	8·5	8·1	3·8	3·5	4·2	6·1	10·4	11·4	11·5	11·5	12·3	13·5	13·2	13·9	13·0	14·0	...
26. „ Poland	„	14·1	14·6	10·9	7·0	6·9	7·7	7·1	7·7	7·5	7·9	7·5	8·9	9·0	9·3	9·5	10·0	...
27. „ Australia	„	4·4	4·7	4·6	4·5	4·6	4·6	5·7	...	11·5	11·6	9·9	11·4	10·9	11·3	10·8	10·9	...
28. „ U.K.	„	4·9	4·1	1·8	2·3	3·5	4·3	5·4	...									
29. „ U.S.A.	„	47·3	37·7	22·1	15·7	23·2	27·5	31·8	39·8	41·3	39·6	43·7	48·3	47·2	49·9	45·8	44·6	...
30. „ World	„	121·5	116·7	83·4	65·3	82·2	97·7	111·2	124·6	125·9	123·9	113·4	143·2	140·9	145·7	139·4	140·4	...
31. Stocks: U.K.	„	4·6	12·0	21·6	19·2	7·0	10·9	8·2	17·2	13·6	13·9	17·7	18·2	18·4	18·4	20·1	20·8	20·3
32. „ U.S.A.	„	70·1	130·2	117·7	113·2	95·7	108·7	76·1	40·5	80·4	78·2	22·3	16·5	12·6	12·5	12·8	...	...
33. Price: G.O.B., London	£ per ton	24·88	18·84	12·45	13·58	15·68	13·87	14·08	14·90	13·58	13·53	25·12	33·19	26·22	23·09	21·40	22·57	24·1
TIN																		
34. Production: Bolivia	Tons	3,862	3,179	2,562	1,715	1,227	1,719	2,264	2,006	2,129	1,917	1,728	2,288	1,676	1,552	1,874	2,013	...
35. (exports) Dutch E. Indies	„	2,976	2,909	2,290	1,307	1,201	1,557	2,060	2,629	3,343	2,953	2,420	2,924	2,724	3,366	2,940	3,084	...
36. „ China	„	334	356	314	464	592	545	674	748	640	826	832	915	498	570	530	...	...
37. „ Belgian Congo	„	81	72	12	57	185	384	540	626	635	477	211	562	699	533	474	700	...
38. „ British Malaya	„	5,781	5,331	4,576	2,479	2,075	2,838	3,830	5,567	6,407	4,721	5,154	6,610	6,149	5,649	7,899	5,665	...
39. „ Nigeria	„	895	724	602	355	314	416	586	794	591	767	815	1,475	1,040	584	540	571	...
40. „ Siam	„	628	922	1,037	772	860	882	815	1,056	1,266	1,107	1,207	1,377	1,254	1,049	1,248	1,549	...
41. „ World	„	15,582	14,251	12,020	7,930	7,261	9,155	11,710	14,323	15,246	13,968	13,725	17,605	15,408	14,611	16,852	...	...
42. „ Quota of restrg. countries	% of std. quanty.	...	...	67·7	42·8	32·6	45·0	58·8	62·5	f 90·0	f 90·0	100·0	100·0	110·0	110·0	110·0	110·0	110·
43. Consumption: U.K.	Thous. tons	2,518	1,883	1,745	1,542	1,664	1,756	1,786	1,882	1,701	1,833	1,981	2,438	2,337	1,616	2,841	2,723	...
44. „ U.S.A.	„	7,298	6,385	5,297	2,938	4,899	3,633	5,191	6,304	6,651	6,058	7,207	10,450	6,398	6,496	6,324	...	...
45. „ World	„	14,834	13,450	11,283	8,289	10,604	9,807	11,873	13,099	14,247	14,227	15,116	19,349	15,014	14,039	15,075	...	...
46. Stocks: World Visible supply	„	32,449	46,623	59,247	55,803	28,135	17,107	13,541	22,695	15,964	16,772	22,756	23,476	23,813	23,027	22,439	25,042	...
47. „ Ratio to annual cons.	%	18·2	28·9	43·8	58·2	22·9	14·5	9·7	14·6	10·0	10·4	13·6	13·6	13·7	13·1	12·7	14·1	...
48. Price: Std. cash, London	£ per ton	203·9	141·8	118·6	136·0	194·8	230·4	225·7	204·6	186·22	183·88	283·98	283·28	267·43	250·85	249·99	263·70	264·7

CROPS (Season ended in Year shown)

Commodity	1930	1931	1932	1933	1934	1935	1936	1937 (a)
Cotton (thous. bales)								
1. Brazil	564	471	575	438	1,014	1,359	1,718	1,800
2. Egypt	1,697	1,655	1,271	991	1,715	1,511	1,707	1,889
3. India	5,243	5,226	4,007	4,656	5,108	4,858	5,728	6,307
4. U.S.A.	16,066	14,918	18,163	13,914	14,029	10,638	11,727	13,637
5. World	28,474	27,674	29,102	25,345	28,337	25,577	28,299	33,660
Wheat (mill. bushels)								
6. Argentina	163	232	220	241	286	241	141	250
7. Australia	127	214	191	214	177	133	143	134
8. Canada	305	421	321	443	282	276	277	234
9. U.K.	50	42	38	44	62	57	65	53
10. U.S.A.	823	886	937	757	552	526	626	627
11. World	3,465	3,744	3,709	3,744	3,669	3,390	3,421	3,349
Wool (mill. lbs.)								
12. Argentina	353	361	378	388	385	370	365	3
13. Australia	938	912	1,007	1,063	996	1,015	992	1,0
14. S. Africa	309	302	314	330	284	222	251	2
15. N. Zealand	273	271	283	288	301	276	317	3
16. U.K.	112	111	113	119	120	115	109	1
17. U.S.A.	400	435	464	441	460	451	433	4
18. World	3,915	3,847	3,846	3,863	3,745	3,681	3,668	...
Sugar (thous. tons)								
19. Cuba	4,670	3,163	2,689	2,020	2,303	2,570	2,565	2,8
20. Java	3,062	3,121	2,957	2,715	1,483	692	555	6
21. U.K.	319	479	284	373	549	694	549	5
22. World	28,096	29,113	26,780	25,310	25,120	24,791	26,701	27,8

(a) Figures for 1936, and in the case of crops for 1936-37, are provisional. (b) Figures for 1935 are subject to revision. (c) End of year. (d) End of season.
(e) Monthly figures are averages of quarterly returns. (f) Bolivia : 75 per cent.

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