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THE RADICAL'S CHOICE

Which, if any, of the three main British political parties can justly claim to be the most forward looking just now?

United States *versus* United States Steel

Price Leadership: Lords of the Cloister

Profits: A Ten-Year Look

Berlin: Perils of Huffing

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The Radical's Choice

THE swing in the North Derby by-election went distinctly further away from the Conservatives than that at Stockton two weeks ago. If one assumes—for the purpose of rough estimation—that the 2·7 per cent of electors who voted for the small shopkeeper's candidate raided the potential Tory and Liberal vote about equally, the Liberals did approximately as well as at Stockton, the Conservatives about 5 per cent worse, and Labour about 5 per cent less badly. But these changes, though interesting in themselves, are still in one sense marginal. The most intriguing question for the thoughtful observer just now is not how other floating voters seem to be reacting, but whether at the next general election—or earlier, at a by-election, if one occurs in his constituency—he might feel inclined to float himself.

The Economist has always liked to think of itself as belonging to one school of opinion from which floating voters have traditionally come: the school which it calls the genuinely radical school, however much others may dispute its right to that name. In the words of its leading article immediately before the general election of 1955, this paper has always believed that the party which would make the best government for Britain is the one most likely to "foster the reformer's zeal, to be willing to probe down to the roots of every stalk of the national life and to cut and graft wherever an improvement can be seen"; its whole impulse is to favour the party which is the enemy of "passive tranquillity," and which comes nearest to having "nothing timid or tepid, nothing cautious and not too much that is merely judicious" in its policies. It prefers a government that is willing to be audacious in accepting and welcoming and pursuing change. In 1955—despite the antipathy bred by the Conservative party's name—*The Economist* found that the momentum of the ideas that it tries to represent had carried it to the point of supporting the Tories, who seemed at that time to be the party best adjusted to the mid-twentieth century, while their main opponents still looked rather maladjusted to the late nineteenth. In 1959 we repeated this support, though less confidently. It may therefore be interesting to set down an interim judgment on where, looking at all three parties, matters seem to us to stand now.

The best way to judging a Government is by its record. During this Parliament the Conservatives have got their policy for Europe and Africa (though with the Central African Federation still hanging in the storm-laden air) broadly and competently right; this in itself provides them with a pretty clean sheet in foreign affairs, for there are few other foreign issues in which the independent action of a British Government could be immensely effective. In domestic affairs, the Tories also deserve praise for at last attempting to move towards an incomes policy, but criticism for sometimes not pushing it fully home. In social and libertarian matters (despite the Immigration Bill), the Tories also deserve credit for some real advances, particularly the reforms that Mr Butler has introduced while at the Home Office and Mr Powell at the Ministry of Health. The Tories' last party conference also suggested that their local constituency associations, hitherto supposed to be one of the main blots on their liberal escutcheon, are in a healthier state than for some time. But the great demerit has lain in the Tories' failure to expand the economy. The radical's criticisms of the last two and a half budgets are now no longer merely matters of slightly differing emphasis. Temporarily, at least, there is a fundamental difference between his own and the official Tories' whole attitude of mind. One can best see this in the very adjectives that Government spokesmen use. The words that Tory ministers used to defend last week's budget were "sound," "prudent" and "not based on wishful thinking"; the words that the radical wants to see inscribed on this country's banner are "restless and dynamic drive."

In these circumstances there is a real and emerging temptation to say that the country might be well served if after the next election the Conservatives were driven into Opposition for a while. This might be good for the party, too. Presumably Mr Macmillan will retire during the next parliament; the Tories might swiftly recapture their dynamic under a new leader while they were in Opposition, but if Mr Macmillan retired while still Britain's prime minister there might be more danger of his successor (whoever he is to be) coming under constant pressure from the start to show what a conventional stereotype he was. But if one has by now almost talked oneself into the position of wishing the Tories out, what of those whom one would thereby be wishing in?

If the Conservatives were voted out of power at the next election, the Government that would take over from them would be a Labour one. Let it be said straightaway that Labour is now much less of a scarecrow to thoughtful men than at any time for over a decade. This is largely the result of the party's conference at Scarborough in 1960. All through their dreary 1950s, Labour leaders seemed to be the prisoners of the constant retreats they considered they had to make in order to remain leaders; everything they did or said or wrote in their "policy rethinking documents" had to depend on what they thought might happen in votes in so many organs of the party. But at Scarborough they reached the ditch of no retreat; and once they had turned to fight, it quickly became apparent that votes in the different official organs of the party could be safely disregarded or resisted—after all.

Mr Gaitskell is now in virtually complete control of his party's policy, particularly in defence and foreign affairs (precisely because it was in these vital fields that he was first compelled to make his stand). Provided Britain had first got into the common market, there seems no reason to fear that a Gaitskell government's foreign policy would be in any way worse than a Conservative government's one; indeed in some respects it might be actively useful to have Mr Gaitskell, rather than Mr Macmillan, as Britain's prime minister during what are presumably likely to be the Kennedy administration's second four years.

In economic affairs Labour would be unlikely to repeat the Tories' mistake of pumping too little demand into the economy; the danger, of course, is that they might pump in too much. One is also beginning to foster slender hopes that they might be more willing than they have been in the past occasionally to annoy the trade unions, although one does wish that their leaders would be braver about saying this. At any rate if by the time of the next general election the Conservatives have still proved themselves too frightened to do anything really effective to check wage inflation during a dozen years of office, this will not leave them greatly to be preferred to a Labour party which has proved too petrified to say anything derogatory about it during twelve years of opposition. But the remaining main defect of the Labour party unfortunately is an all-important one, especially for radicals. There is still every sign that Labour leaders are instinctively more inclined than the Tories to shelter any vested interest which might be hurt by any change, to regard change as an enemy instead of an ally. This can constantly be seen *de minimis* in Labour's immediately reactionary reaction to very small innovations, such as the new tax on soft drinks; it can be seen more profoundly in Labour's attitude to the whole changing pattern of industry (Labour is instinctively more inclined than the Tories to protect declining industries and areas, at the expense of not actively encouraging expanding ones); it can be seen most disastrously and unimaginatively of all in Labour's crafty and costive reaction to massive historical opportunities such as that of joining the European common market. This issue of the common market may deserve in itself to be the final touchstone in 1963 or 1964; it will be virtually impossible for any thoughtful radical to switch to Labour at the next election if it really has managed to get on the conservative side of the Conservatives over that.

There remains the third alternative: the Liberals, who are likely to fight more than half the constituencies in the country at the next general election, and probably more than three-quarters of the constituencies in which most British-domiciled readers of *The Economist* live. The Liberals base themselves on the tradition which radicals hold as their own: they profess to welcome change, and proclaim a belief in pushing the economy forward past all obstacles at the fastest speed instead of slowing it to the pace necessary to help every lame dog to clamber half-way up on every stile. They also have by far the best name of any party for the mid-twentieth century; there should be millions of forward looking people who thrill to the label "Liberal." But can one always thrill to all the attractions offered to the voters as part and parcel of it?

What the radical cannot thrill to is any Liberal candidate who bases his appeal on advocating, say, further favours to railway season ticket holders who are being heavily subsidised by especially cheap fares on a railway system that is massively in deficit already; or who proclaims to interested parties that he favours giving more money to particular groups at present caught in the pay pause. (Unless he says in the same breath which particular groups he would prefer, in compensation, to see given smaller rises than they are being offered already.) This issue of the pay pause is a test that thoughtful radicals should apply even if—indeed especially if—the people for whose wage claim the candidate speaks up are such worthy-sounding groups as all nurses and all teachers. The most convincing form of honest opposition at the moment is that which prods the Government to push up production, not that which enters into an auction with it to bid up wage and salary costs.

The Liberals may well say indignantly that they support the incomes policy, and that their candidates do not enter into such auctions. If so, that is fine; they pass the test, for it is only where such vestiges of opportunist electioneering might appear—say in any addresses sent out at the time of the coming local government polls—that the radical needs to shy away from them. In broader matters of economic policy he has every incentive to float away from the Conservatives instead—until and unless they drive forward to get economic expansion going again.

United States *versus* United States Steel

President Kennedy's victory over the steel producers should not be the start of a war with the whole business community

President Kennedy has demonstrated the effectiveness of a system of government in which power centres in one man—provided, of course, that he has the courage and conviction to protect what he deems to be the public interest as dramatically as the President of the United States did last week. Mr Selwyn Lloyd's economic policy would be better understood and more acceptable to the average Briton if the Chancellor could defend it as Mr Kennedy did his very similar policy—both aim at stabilising wages and prices. But then Mr Lloyd is unlikely to be given the opportunity offered to the President by the political maladroitness of Mr Roger Blough, head of the United States Steel Corporation which produces over a quarter of the steel made in the country that is responsible for nearly a quarter of the world's output.

In announcing last week that his company was raising its prices by 3½ per cent on the average—a move which was copied at once by all but two of the other leading American steel producers—Mr Blough followed the traditional but, it had seemed until then, archaic businessman's approach to the federal government: that what is done in New York and Pittsburgh need not concern Washington. Earlier this year the attitude of the steel companies had been different; then they had welcomed the Administration's help in bringing the steel workers to the bargaining table to negotiate a new labour contract well in advance of the expiry of the old one and in pressing them to moderate their demands.

But as soon as the contract was signed Mr Blough broke what everyone had presumed, although it had not been stated specifically, was his side of a bargain which had been praised, particularly by the President, for its non-inflationary nature. For the steel industry to increase its prices at this point, without warning and without consultation, was therefore for it to deceive and defy the President. If it acted thus in protest against government interference in its affairs, it has brought upon itself the full weight of that interference to an extent which may have serious implications for the future of all business activity in America.

It was not what the steel companies did but how they did it that was deplorable. There is in fact a case for raising steel prices (discussed on page 246) and with the economy running well below capacity, as it still is, higher prices, even for this basic component of industrial operations, might not indeed have been enough in themselves to set off a new round of inflation. But the companies' disregard of the President's declared policy, after the steel workers had co-operated so fully with it—and had been criticised by other labour groups for doing so—would have ended Mr Kennedy's hope of inducing other trade unions to show similar restraint in the coming negotiations in other industries. Indeed, the resentment engendered by the steel industry's action (fanning again the old charge of not a few Americans that "administered" steel prices, passing on higher wage costs, have been a chief cause of past inflations) may have ended this hope in any case—even though the increases in steel prices have now been very sensibly withdrawn, as a result of the combination of public condemnation and administrative pressure which the President mobilised against them, and of the refusal of a minority of the companies to copy Mr Blough.

Equally, if not more, important, however, the basic difficulty of the steel companies remains. They wanted to push up their prices to push up their profits, so that they could afford to modernise their facilities and improve their competitive position—which are urgent present needs. The difficulty of the steel industry is the basic economic difficulty of the United States today; the problem of an economy which has suddenly slowed down, at least when compared with the expansion going on in other parts of the world. The simplest way to stimulate the economic growth that is needed, and the one which is advocated by the President's liberal friends and advisers, would be to step up government spending, even though this meant a substantial deficit in the Budget. But this would bring the risk—it is strongly argued by those whose views have so far prevailed—of a run on the dollar that would unbalance still further the already shaky international accounts of the United States. The danger of this may well have been lessened now that the President has shown, by dealing so swiftly and sharply with the steel industry, how determined he is to keep inflation under control.

The aberration of the steel industry has strengthened the case of those, both in the government and in Congress, who argue that the President is wrong to put his trust in businessmen and that he should take a more active hand in economic affairs. Maybe he should, and maybe he will have to if the economy does not soon pick up strongly from its present uncertainty. And if he does, he may even find that the effect on the balance of payments is not so calamitous after all; that a real spurt of economic growth is the reassurance which foreign investors need most.

President Kennedy has now silenced the critics who have been accusing him of not being a leader. But he is also a politician and this was an occasion on which his political interests and the national interest seemed to him to match. Part of his anger at the steel industry was inspired by his suspicion that its leaders were attempting to force him off the middle path which he follows both by principle and for political advantage. He is therefore not likely to change his course, whatever the jubilant liberals and the self-satisfied trade unionists may now be hoping. But it is not so sure that he will be able to continue the good relations with the business community for which he has worked so hard, somewhat against his own personal inclination. Last week steel companies momentarily did their best (or worst) to bring back to Washington the antagonism between business and government that has always in the past been associated with a Democrat in the White House. But the President is not vindictive or likely to let victory go to his head and many American businessmen—including some of those in steel, as was clear last week—have a vastly better understanding than Mr Blough has on the necessities of today.

Perils of Huffing

An American attempt to discuss Berlin in its context has had no help from Bonn

If the diplomats are left to build their house of cards in peace, the chances of constructing an agreement on Berlin look just a little better than they have been for a couple of years. Mr Rusk and Lord Home came home from the foreign ministers' meeting at Geneva on March 27th in a mood of optimism (however qualified) which the public record of their talks with Mr Gromyko left distinctly unaccountable. Since then, however, events have followed the mood. The Russians have ceased skylarking in the air corridors to Berlin; they also appear to have accepted the idea of international oversight of the access routes, even if they are still arguing as dourly as ever about how it should be applied. The Americans, for their part, have taken an equally distinct step forward. If the proposals that Mr Rusk had prepared for presentation to the Russian ambassador in Washington, Mr Dobrynin, have been correctly reported, the United States has now given up the idea that the Berlin crisis can be settled in isolation—an idea doggedly and fruitlessly pursued in the five meetings which the American ambassador in Moscow had with Mr Gromyko between January 2nd and March 7th.

Instead, it has been acknowledged that the western interest in keeping Berlin free is inextricably linked to the Russian interest in keeping certain other matters in central Europe the way they have been for the past seventeen years. This does not mean (though some west Germans will take it to mean) that the United States is prepared formally to recognise east Germany, kiss the ground along the Oder-Neisse line, and detach the west German army from its present degree of access to nuclear arms. It does mean, however, that the Americans have realised the need to make some gesture concerning the boundaries and state of armaments in the area if Berlin is to be left to sleep easily at nights. Mr Rusk's task, if his talk with Mr Dobrynin on Monday is followed by others, is to build up the limited selection of gestures available to him into a structure capable of supporting the continued freedom of Berlin.

Heaven knows this is a delicate enough operation, not to be hazarded by the huffing and puffing which, unfortunately, it has been getting from the sidelines. There is some obscurity about the circumstances in which the American proposals (which the Americans thought they had cleared with their principal allies in advance) came to be published in despatches from Bonn last Saturday, April 14th. The west German government claims that they were not given away by officials in Bonn, which may or may not turn on the definition of "officials." The haste with which Dr Adenauer, temporarily back home from his holiday on Lake Como, called a meeting of party leaders on April 13th to discuss Washington's intentions suggests that a good deal of apprehension had built up; and somewhere, apprehension blew a valve.

Whoever did it, it is clear that the result is to make Mr Rusk's task considerably harder. The proposals which the United States had circulated among its allies represented positions towards which Mr Rusk hoped to move in his talks with Mr Dobrynin, in return for appropriate Russian concessions (for instance, the withdrawal of the demand that allied troops get out of Berlin). Having been made public knowledge, the proposals may now be treated by the Russians as starting positions. Mr Dobrynin may have blandly thanked Mr Rusk for his kind offers, and asked how soon they could be put into practice. This was not at all what the Americans intended. The other danger is that, in order to calm the fears raised in west Germany by the disclosure, the Americans may feel obliged to explain that they are not really offering any concessions at all: whereas the real need is to convince the Russians that the concessions, modest as they are, are sufficient to justify Moscow's offering something concrete in return.

In the confusion caused by someone in Bonn on Friday the 13th, it is best to cling on to two essential points. The first is that the American proposals are, in fact, only a limited departure from the total immobility that has gripped western policy since Dr Adenauer's visit to Washington last November. The degree of recognition that would be extended to east Germany amounts to no more than the inclusion of its government in an international body charged with supervising the access routes over its own soil. Since east German officials have long handled all the civil traffic moving to and from Berlin, this hardly seems an intolerable addition.

The only blessing that would be bestowed upon the post-war border between Poland and Germany is that involved in a general east-west undertaking not to violate existing demarcation lines—an undertaking the west Germans have many times given already. The only move towards a limitation of armaments would be an undertaking by Russia and the United States not to let nuclear weapons pass into the control of nations that do not possess them now—and the west Germans claim to be satisfied with their present nuclear relationship with America.

The other point to be kept firmly in sight is that, unless Russian interests are met by some such moves as these, the harassment of Berlin will go inexorably on. The inter-allied arguments of the past year have made it clear that the west German government has no alternative policy for securing Berlin's freedom, unless to sit tight and hope that the worst will not happen is to be called a policy. But the Russians' tolerance of the present status of Berlin is connected with the allies' tolerance of the present state of things east of the Elbe, as one part of a house of cards leans on the other. If disapproving fingers are continually being poked at east Germany, or the Oder-Neisse line, Berlin is made to wobble.

Appointments, Business and Personal notices, and other Classified Advertisements: pages 298 and 299

Tortoise and Hare

French influence in Africa is reviving, freed of the Algerian curse. British policy still carries too much ballast

Britain started, but France has won, the postwar race to acquire merit by dropping colonies. By acknowledging Algeria's claim to independence and, momentously, by turning French guns against recalcitrant Frenchmen, General de Gaulle has both cured Africa of an intolerable ache in its head and cleared the way for a widespread reinforcement of French influence and prestige within the black world. France plodded steadily towards the post; the British hare, a trifle self-satisfied, is still having one of its periodic rests.

Nothing about British policy in Africa was changed on March 18th, when the French and the Algerian nationalists signed a cease-fire agreement at Evian. Yet, since that date, British actions in Africa have seemed worse to Africans and Asians simply because the French have stopped doing far more terrible things in Algeria. With Portugal, Britain can now be regarded as the only major (western) colonial power left. Britain's greatest remaining commitments, like Portugal's, lie in Africa's white-governed south: it is on this target that the wrath of the black man and, indeed, of the entire "anti-colonial" world will now be concentrated.

The effect is likely to be more than the mere laying of part of the blame for oppression in Angola and intrigue in the Congo at Britain's door. Petulant foot-stamping of this kind is generally unjust and best ignored. But its cause is Britain's genuine entanglement elsewhere. The central African federation is still a direct British responsibility; Northern Rhodesia and Nyasaland are colonies. Southern Rhodesia, it seems, is being made into a British colony by the United Nations. And, like it or not, South Africa and South West Africa are still associated with Britain in many minds. Dr Verwoerd has left the Commonwealth, it is true; but the British ambassador to the republic is also the man in charge of the British protectorates of Bechuanaland, Swaziland and Basutoland; and the current South Africa Bill, and the debates on it, have done much to advertise the value the British Government places on South Africa's contribution to the British economy. Reluctance to endanger this asset is understandable, fair enough, but the reasons for it are remembered every time there is a "soft" British vote at the United Nations on South West Africa, or on *apartheid*.

Yet General de Gaulle, no respecter of the United Nations, is getting away with a brand of power-politics no British Prime Minister would dare to contemplate. Since the Evian agreement, all good things have seemed to flow towards France. President Nasser, conscious, perhaps, of his need to woo France away from its understanding with Israel, was one of the first to say that the Algerian cease-fire opens up opportunities for new relations between France and Africa. What gesture is he likely to make towards Britain equivalent to his release of the French diplomats on trial on charges of espionage? President Sekou Touré of Guinea was quick to speak of a rapprochement between his own troubled country and France: and the Guineans were previously thought to be the most radical of them all.

Head of a Commonwealth?

Less surprisingly, President Leopold Senghor of Senegal proposed that new efforts should now be made to refashion the French community as a kind of French Commonwealth. With the support of President Houphouet-Boigny of the Ivory Coast, the proposal was taken up at the meeting of the twelve French African states of the "Brazzaville Group," held late in March at Bangui, capital of the Central African Republic. It was not universally well received, but there was praise from all for General de Gaulle, and the conference decided to set up a common market (it already runs "Air Afrique"; and a flag for the "Afro-Malagasy Union." As a result of this conference there is still strong pressure for an annual meeting of the twelve presidents with President de Gaulle, after the manner of Commonwealth prime ministers. Far from the radical Casablanca group winning new adherents, it is Guinea and Mali, the outspoken members of the group, who seem to be gravitating in some degree back towards France.

One way of looking at the division between the "radicals" and the "reformers" in Africa is to judge their attitudes to the twelve of Bangui. Because of the reliance these countries are forced to place upon France—and because of Algeria—countries like Ghana and, until now, Guinea, Mali and Egypt have found it difficult to work with them. Countries like Nigeria and Sierra Leone have been able to work with the twelve in spite of Algeria. With the Algerian war removed, the whole picture is altered. At first sight, this change seems to be more in the direction of strengthening Franco-African ties than of crossing pan-African barriers; one reason is that the urge to associate with France is just as strong in Abidjan, Dakar and Niamey as it is in France.

This is not necessarily a culmination of what in some African capitals is referred to as the "wicked" policy of assimilation and "neo-colonialism" pursued by the French; it is simply recognition of the fact that most French-speaking African states have not the money, the resources, or the trained manpower to sustain genuine independence. France spends many times as much in Africa as Britain; admittedly much of this goes to French civil servants who repatriate their savings, or to highly-priced French consumer goods. Even so, Niger, for example, would be nowhere without direct French subventions to its budget; it would not necessarily be better off if it insisted on the highest commands in its army being transferred from French officers to Niger men.

This kind of reliance on France is likely to continue as long as unlikely countries like Niger do not join up in larger, more viable federations. Yet the richer French-speaking Africans (currently headed by Francophile presidents) are unwilling to take their poorer compatriots on. The Ivory Coast, Gabon, and Senegal, well-off and pro-French, help to keep " French " Africa French. As for the others, they have seen, from Guinea's shocking experience, what it is like to sell oneself to the Russians and all other comers. Strong feelings against the French presence are, however, expressed by the militant educated young in most French African capitals. French influence will last if these men (the most articulate of whom are still largely Paris-educated) are assimilated in turn ; it may, however, come to a sticky end if pressure from the hungry followers of these new black intellectuals piles up too strongly to control.

Where, in these circumstances, does the British interest lie ? The first priority must be to get out of the embarrassments in central and south Africa. Further, Britain must be prepared to meet calls for larger amounts of aid to Africa: it is not even a close second to France at the moment. Nigeria, one of Britain's best pieces of work in Africa, has launched a six-year plan that will cost £676 million, half to be raised externally. America is providing £80 million ; Britain £5 million, so far. This plan might well be an incentive to Nigeria to look at the advantages of associating with the European common market. The Nigerians are in deep need of whatever they can get from the community's development bank. Tempting " English " Africa into the nexus of the common market must be one of the main aims of British policy now.

The reason is plain: it is no use attempting at this late stage to compete with France for an old-fashioned extension of power and influence throughout Africa ; there can be no wish to do so. Nor is it sensible to look at policy as just a popularity contest before the panel of Africans. Rather, working within the common market and with whatever African associates decide to join, the aim must be to broaden the base of the French-speaking African economies and to promote the kind of unity that would enable them to approach a more real independence. This would work in the best interests of the Commonwealth Africans by getting them inside tariff barriers which would be damaging to them if they were outside. Britain's aim must be to break down divisions. It is time for the hare to wake up.

Expatriatism Is Not Enough

The old escape to the tropics and a life of masterful ease is all but closed to anybody lacking specialised training

Much play has lately been made with the need to give young people in Britain an ideal to live up to such as has already been given, in popular estimation, to young Americans by the Peace Corps. Sometimes the recruits proposed are of the Peace Corps type; sometimes most definitely not. To judge from some recent letters to newspapers it remains fixed in the minds of many earnest Englishmen that loose ends can still be tidily tucked away, misfits fitted and misanthropes made philanthropes by being packed off, unqualified, unprepared and often uneager, to the " black countries " of the tropics (where Rhodes, a squeaky-voiced intellectual, was made into a Man). To them, the obvious candidates for the underdeveloped countries are jobless young delinquents and anti-nuclear demonstrators.

It is all in vain. The new countries are no longer the hunting grounds of either outrageous maladjustment or earnest do-gooding. They do, indeed, need people from Britain—as is made clear by a report* recently published by Oversea Service, a non-profit-making body (originally run with the help of a Government grant, but now financed by business houses' contributions and private donations) which is working energetically in this field. But they rightly resent the imputation that anyone's cast-offs are good enough for them.

* An Inquiry into Recruitment in the United Kingdom of Personnel for Posts in Developing Countries. Oversea Service: London, January, 1962.

The report from Oversea Service reveals, not unexpectedly, that the leading need in the new countries (and it is a desperate one) is for technical expertise of a high order—and this is a commodity in as small a surplus in Britain as anywhere else. The largest number of jobs on offer are in education, followed closely by science and technology, medicine, agriculture and, quite a long way down, management and administration. As far as it can be estimated, the number of vacancies waiting to be filled by highly qualified people approaches 9,000 at any one time: and this would be actual demand which, being dictated partly by financial possibility, is clearly less than the real need.

The real need is not being met from Britain, and it is a terribly difficult task to enable it to be. Most people who would like to go to an overseas country feel that way because the market for their generalised skills is overcrowded and not often overpaid in Britain ; but the technically-apt, towards whom most overseas vacancy advertisements are directed, are seldom interested in anything that would remove them from the rewards of the affluent society. Even when they are interested, however, considerations of the shape and continuity of their careers may deter them: most new countries will not, in general, offer career posts to expatriates, since the short contract system is cheaper (especially where single, definite projects are contemplated) ; politically more acceptable (as the process of " indigenisation," which has narrowed managerial opportunities, is now being steadily extended to technical posts also) ; and, in the long run, more useful (in opening to young natives the posts for which they are trained by the contracted expatriates).

Some mitigation of the physical shortage of trained people will no doubt be achieved by the newly-established Council for Technical Education and Training for Overseas Countries, set up by the Department of Technical Co-operation. But the idea still has to be driven home (particularly to British employers) that a period of work overseas is an excellent thing for the minds and purses of developing young Englishmen. Once that attitude is established, the system best suited both to the countries in question and to British employers could follow: willing secondment, for short periods, of trained people. (The joint Anglo-American scheme to second 150 teachers to the East African Territories might be followed elsewhere and in other fields ; doctors specialising in mass tropical diseases, for instance, are needed in West Africa.)

Oversea Service has, in recent years, done much to overcome the reluctance of young people to accept overseas posts. But the degree of public education which is necessary is beyond the scope of a voluntary organisation. Some new step by the Government is now required. The best such step might be the formation of a liaising body which could act as a detailed, rather than a general, clearing house for vacancies and applications as well as information. It could well take over some of the functions of the multitude of recruiting organisations which at present act independently of each other, not always with the greatest efficiency or success. A step further might be the foundation of a Commonwealth Service, with its servants drawn from the whole Commonwealth, which would be an international pool of secondable skill and experience available for tapping by any Commonwealth country: the Department of Technical Co-operation (which has just published, in " Technical Co-operation "—Cmnd. 1698—a useful exposition of its function and purpose) does not fill this bill, since it is intended to be the midwife to, rather than the begetter of, aid schemes.

But even with an ideal broker, marrying mutually compatible candidates and vacancies, there would remain an enormous number of enthusiastic, humane, energetic and skilled young people who could not be directed into any acceptable salaried post. Some, at least, would be willing enough to pursue for a time not particularly rewarding jobs, for their keep alone, for the sake of their immortal souls. They need not all be frustrated: several organisations exist to channel their efforts into places where they will do the most good. Many are teachers: and there has been an overwhelming response from them for vacation posts to do teacher-training in Nigeria, but hardly any—only 13 for 400 posts—have answered the Government's efforts to recruit for overseas education authorities under the pledge given at the Commonwealth Education Conference in 1959.

One of these bodies, Voluntary Service Overseas, specialises in sending unqualified young people, mainly school leavers, to Commonwealth countries where their willingness and toughness alone are valuable: it was founded in 1958 and has so far despatched 322 volunteers to projects in most of the ex-colonial territories. It is now engaged on the training of 100 sixth-formers at Sevenoaks for work overseas from September: most of them are 18 and due to go to universities in 1963, and until then they would rather be doing a useful service (overseas governments want more of them than VSO can provide) than bowing to the cake at Queen Charlotte's Ball. Another is International Voluntary Service, the British branch of *Service Civil International*, which has begun to make use of unqualified volunteers, many in Britain—where last year 30 welfare projects were undertaken, such as the construction of a fresh water supply to remote crofts, or the redecoration of pensioners' homes. Recently discussions have taken place, to seek some sort of co-ordinating mechanism for all their efforts, between representatives of all these organisations, the Department of Technical Education and, catalytically, the Overseas Development Institute (which is jointly financed, in roughly equal proportions by the Ford Foundation and the private contributions of British industry and business, and has found the need for a selective clearing house at the heart of the development problems, which it was set up to study, focus and publicise). Another development, different in kind and tiny as yet, is the " Scheme for Service " planned by some Birmingham students, whereby training communities in this country would prepare for voluntary service at no cost to anyone but themselves.

All this is sensibly far removed from the past. It is indeed the difference between parasitism and symbiosis for, if the old colonial system taught the turbulent young how to govern and how to get the most out of " their " people, these voluntary excursions have the great merits of teaching them a proper humility and how to get the best out of themselves. They deserve support.

British Peace Corps

The following is a representative, not an exhaustive, list of organisations assisting overseas service :

The Department of Technical Co-operation, Carlton House Terrace, London, SW1. (Government department : liaison, information, some recruiting.)

Oversea Service, 2 Eaton Gate, London, SW1. (Voluntary organisation : training, liaison, recruiting.)

International Voluntary Service, 72 Oakley Square, London, NW1. (Voluntary organisation : training, promotion of voluntary welfare schemes.)

Voluntary Service Overseas, The Royal Commonwealth Society, 18 Northumberland Avenue, London, WC2. (Voluntary organisation : training and dispatching volunteers, generally school-leavers aged 18 or 19.)

United Nations Association of Great Britain and Northern Ireland, 25 Charles Street, London, W1. (Voluntary organisation : liaison and dispatch of volunteers.)

Scheme for Service, 156 Oaktree Lane, Birmingham 30. (Voluntary organisation : training and preparation of new graduates in self-supporting volunteer communities.)

Among the many religious bodies which operate schemes for voluntary aid, the World Council of Churches is important ; its British branch is :

British Council of Churches, 10 Eaton Gate, London, SW1.

All the voluntary organisations are urgently in need of money.

NOTES OF THE WEEK

EUROPE

Discord

GENERAL DE GAULLE'S design for the political organisation of a western European group of states has been in circulation for nearly three years. That time has seen a really fairly steady drift towards a general acceptance of his idea of how to do it, for all the cries of "never, never" that have been heard from time to time. Tuesday's meeting of the six foreign ministers in Paris saw a hitch. It would be hasty to assume that the setback is decisive; but it will have repercussions.

For a fortnight before this meeting the statesmen had been busy bridge-building. General de Gaulle had seen Signor Fanfani, who in turn had seen Dr Adenauer. Their talks produced agreement if not about the realities to be pursued, at least about forms of words to be used in pursuing them. But the objections of Belgium and Holland, two relatively small countries interested in western European federation but not in the position of satellites to a Paris-Bonn axis, remained alive. On Tuesday they dug in their heels and the ministers parted for once in open disagreement, leaving the next move in doubt.

If a new element has to be looked for to account for this failure, it is hard not to look for it in Mr Heath's unpublished speech to the ministers of Western European Union a week before. Mr Heath did not complain of the French-German-Italian arrangements; but he did indicate a British interest in being brought into these political talks soon. It must be this that decided the Dutch and Belgians to be positive in their refusal to be hurried into a political treaty. And Mr Spaak's dissent was fortified by dislike of France's attitude to Nato.

CHINA

Let Fifty Flowers

PEKINOLOGY is the murkiest of arts, and it takes something like extra-sensory perception to glean much about Chinese policy from the session of the National People's Congress which ended on Monday. By Wednesday the three-week secret meeting had yielded to public gaze little more than a summary of the speech Mr Chou En-lai made at its beginning. For what this limited evidence is worth, it confirms that food shortage has obliged China's leaders to change their order of economic priorities radically. Mr Chou said that the cutting down of capital investment would go on this year, and that inventories would be reduced. He explained that industrial workers who came from the farms would be persuaded to go back to them; and he mentioned light and heavy industry in that order (which is the kind of clue that Pekinologists have to fall back on). Since it has now been admitted that the hardships of the past three years have not been due solely to bad weather, but also to the inflexibility of the planners, Mr Chou also promised a return to the policy of letting a hundred flowers, that is, different points of view, "blossom and contend together."

This looks like at least a partial victory for the faction in Peking which wants to slow down the pace of industrialisation, turn some resources back to agriculture, and keep people happy with more food and consumer goods; and thus, by extension, a victory for Mr Khrushchev, who has the same ideas. The arrival in Peking on April 13th of Mr Patolichev, the Russian trade minister, at the head of a delegation presumably charged with repairing the battered economic relationship between the two countries, suggests that Mr Khrushchev is willing to exchange olive branches.

But there is no evidence that China is ready to capitulate unconditionally in its differences with Russia. The Chinese, unlike Mr Khrushchev, still insist on being publicly beastly to Mr Kennedy (Mr Chou spoke of his "peace tricks") and sweet to the Albanians: on the day the Russian trade team got to Peking, a delegation of the Albanian Society for the Promotion of the Army and Defence was being told by its hosts that Albania was a "glorious giant" of the socialist camp.

UN AND RHODESIA

Four and Six

LORD HOME and Messrs Butler, Maudling and Sandys formed an impressive quartet in close harmony—the Colonial Secretary seeming a little low-keyed—during last week's talks with the six United Nations emissaries to London. The occasion had its odd side. The Government contends that it will not allow UN recommendations to influence its colonial policies (the Foreign Secretary restated this flatly in the Lords on April 5th), and that in any case it cannot interfere in Southern Rhodesia's internal affairs. To put up four Cabinet ministers to inform Mr Jha and his colleagues of these simple doctrines may seem rather excessive—or rather intelligent.

The envoys from the Assembly's special committee on decolonisation matched their hosts with contrapuntal courtesy. They were conscious of the importance of the experiment in collective UN diplomacy that their mission represents, and behaved accordingly. They were more concerned to emphasise British responsibilities than to trespass on them. They argued that Britain shares with its fellow members of the UN a common interest in averting the serious danger that is liable to arise from the imposition in the colony of a new constitution that the African majority rejects. They dwelt on British democratic patterns. They noted that, at least by convention, the Government takes no initiatives in Salisbury politics; but they expressed a general belief that British influence there was strong enough to bring about the revision of a constitution which, they pointed out, had required endorsement in London in order to take effect. (The very existence of the Rhodesian federal government was, it appears, passed over in discreet silence on both sides.) They appealed to their hosts to ponder these matters.

But last week's London consultations were by no means the end of the UN season for Southern Rhodesia. A draft resolution still before the committee of seventeen calls for the abrogation of the colony's 1961 constitution and its emergence as an independent African state within a year. The committee may ask the General Assembly to consider Southern Rhodesia either at its regular session, beginning in September, or during June, when the assembly will be resuming its meetings in another connection. What course is actually taken in committee or assembly will largely depend on whether the Government, after due pondering, contrives to modify the position it has just restated so firmly.

BUDGET DEBATE

Four Voices

FOUR further speeches from the Treasury front bench last week did not throw very much more light on the Government's economic policy, but they did reveal something about the *mélange* of ministerial influences which have helped to form it. The most firmly anti-reflationary speech came from the President of the Board of Trade:

> A rise in output generated by expanding exports leads to higher productivity and lower unit costs. These in turn encourage further exports. . . . On the other hand, a growth which depends wholly on an artificial stimulus to home demand . . . and which is not accompanied by a rise in exports, contributes nothing to the sound growth of the economy. It only creates inflation. . . .

Most people may feel a little puzzled at this idea that if two motor cars are passing

down the same production line, one in response to an "artificial" stimulus to demand and the other to a different sort of stimulus, the former will somehow have a different effect on unit costs to the first. But it is an idea that is deeply embedded in one section of the present Government's economic thinking just now.

On the opposite—or more expansionist—side of the Government's battle line, stood Sir Edward Boyle, the Financial Secretary to the Treasury. Sir Edward is still hoping that automatic factors will "bring about a considerable rate of expansion during the next twelve months"; if not, he said, the Chancellor could always "stimulate the home economy" by using the indirect tax regulator or "he can also relax the present degree of restraint of monetary policy as well." But Sir Edward did not really dissent when Mr Ginsburg complained that the Chancellor's similar prognostications of expansion pressing on last July had proved "utter nonsense" in the event. Advocates of growth would probably not have so very much to complain about if the rest of the Government's economic thinking did manage to get back on the Boyle.

Mr Barber, the Economic Secretary to the Treasury, played straight down the middle of the official line. Mr Selwyn Lloyd himself, in his second appearance, leant perhaps a little more Boyle-wards. "I will watch the situation carefully and will not hesitate to relax if need be, if that is wanted and it is adjudged right." One's guess and hope is that later this year, out of pure boredom if for no other reason, the Government may in fact edge into a more re-expansionary policy; and there is nothing in the present state of the economy to suggest that the growth of exports will be in any way less rapid after domestic re-expansion has started than before it. But the best comment on this budget came from Mr Roy Jenkins (Labour), who compared it to Lord Amory's "excessively cautious" budget of 1958:

> I have no doubt at all that between 1958 and 1959 we lost a year [although] we could have expanded more safely in 1958 than in 1959.

For 1958 and 1959, read 1962 and 1963?

PARLIAMENT

Whose Happy Easter?

PARLIAMENT has adjourned this week for the Easter recess with the Government's legislative programme reasonably well advanced. Bills which have already received the royal assent include the Immigration Bill, the Army Bill, the Criminal Justice Bill, the Export Credits Bill, and the Education Bill. Constitutional legislation affecting Southern Rhodesia, Tanganyika, and the West Indies has also reached the statute book. The South Africa Bill is through the Commons and since it is due to come into operation on May 31 will presumably by then have received the royal asset. The Road Traffic Bill has been through the Lords and is waiting for its committee stage in the Commons. The Transport Bill should have passed from the Commons to the Lords by Easter. The Scottish Housing Bill is in the Lords, and the Scottish Licensing Bill has had its second reading in the Commons having been through all stages in the Lords. The Sea Fish Bill is half through its report stage in the Commons and the Health Visitors Bill is also there waiting for report. The Pipelines Bill has been held up in the Lords. The Tories think it gives too sweeping powers of compulsory purchase, and the Labour peers think it does not go far enough. The Weights and Measures Bill has never appeared at all.

This fairly rapid progress has been due partly to the wise Government decision not to overload the legislative programme as heavily as in the last session, and partly to the equally wise decision of the Opposition not to carry out their threat of all-out obstruction to Government measures. The use of the guillotine on the Transport Bill has also helped, and did not lead to the Labour explosion which had been prophesied. Credit should also go to Mr Macleod, who is proving a more efficient Leader of the House than has so far been generally recognised. In Parliament, as distinct from in the country, things have gone better for the Government in the second than in the first part of the session. The revolt of the right over Northern Rhodesia's constitution proved to be a fiasco, and so far the common market negotiations have produced only a mildly worded warning motion. The real battle there is presumably still to come. Mr Macmillan has had his usual ups and downs; and Mr Butler, by becoming responsible for Central Africa, has had a very definite up. The session has also been good for Mr Gaitskell, who has continued to keep his left wing in check. For Mr Grimond—with his volume of parliamentary support increased from six to seven—this pre-Easter quarter has naturally been the happiest time of all.

FRANCE

Expedient Bullets?

GENERAL DE GAULLE must now, or soon, make the difficult decision what to do about General Jouhaud. The rebel leader was very properly condemned to death on Friday, April 13th, for his part in the murderous and treasonable campaigns of the Secret Army; but the date may prove to have been unlucky for more than him if the French President, pondering whether or not to exercise his prerogative of mercy, decides wrongly. Here is a prisoner who can be said to have earned the firing squad if any honest man ever did. But the French President has to decide whether or not it is expedient that this one man should die for the sake of the country.

In favour of his death it can be urged that the French government has never shown itself sufficiently ready to discipline its mutineers. This leniency has been one of the factors causing many Frenchmen to think it both safe and respectable to conspire. Furthermore, General Jouhaud has admitted his responsibility for the assassinations carried out under his command: unless he is shot it will be difficult to execute the actual perpetrators of the crimes. The Algerian nationalists may well need some reassurance that the French are doing all they can to stamp out the Secret Army and implement the Evian agreements. A bloody stroke might convince the Europeans of Algeria that they have nothing to gain by continuing their struggle.

But it might also make them afraid to stop. It might furnish them with a martyr. Above all, France and Algeria now need reconciliation, and an exemplary act of mercy might do something to produce the climate of calm and reassurance without which reconciliation is impossible. If, on grounds of expediency, General de Gaulle does decide to be merciful (and it is strangely distasteful, as well as difficult, to envisage him in the role of a Robespierre) he can take comfort from various subordinate considerations. His Algerian-born prisoner was, after all, acting from a misguided patriotism. To execute a Secret Army terrorist would be out of tune at a time when so many Arab nationalist terrorists are being released. General Jouhaud is himself the subordinate of the real culprit, General Salan, who may never be captured. Capital punishment is a dangerous weapon in politics, and as ineffective as a deterrent to this sort of violent crime as to any other.

SYRIA

Once More with Feeling

OUT of the cooler and back to the presidential chair, Dr Kudsi has Syria's fate on his hands again. During his three weeks' detention by the mixed-up military men he countered their pleas for his comeback by insisting that it be constitutional. And this, by a near shave, it is. The deputies who elected him have resigned in a heap, entrusting him to form a government; new elections, it is thought, should follow in a few months' time.

Dr Kudsi reappears with a slightly leftward bearing. To judge by his broadcast to the nation on April 14th, he is going to tackle the abuses that, according to the professions of the military, impelled them to throw the politicians out on March 28th. Corruption is one; another, the misapplication of the confused agrarian laws. He promises a new constitution, a referendum on Arab unity, and elections to be fought on real issues in contrast to the passionless polling of last December, when persons, not policies, were voted for. The Syrians, in brief, are being asked to go back on their tracks to the time when they broke from Egypt and then pace them out again. No doubt they will do so with feeling if given the chance. The dominant internal issues of land reform and nationalisation should really be put to the country, although it would be wrong to couple them in a doctrinaire left-right contest. Land reform is vital to Syria; nationalisation is a good deal less than vital. What is more difficult to envisage is this voting on Arab unity; the more Arab unity is talked of, the further it gets from the ground. As a subject of referendum it has acquired new facets since the Homs conference of the army factions on April 1st sought a plain poll on union with Egypt. The last word, Dr Kudsi's, is that Syria will seek only such unity as will guarantee its "dignity and entity and ensure . . . its power of attraction for other Arab countries."

APPRENTICES

Too Little, Too Late

AN inquiry carried out by the Engineering Employers' Federation revealed that the number of craft apprentices employed in engineering has risen by only 3 per cent, to some 75,000, since 1958. This is disgraceful. It might be encouraging to note that there are more junior than senior apprentices, were it not for the wastage rate which shows that many of the boys will never finish their time. (This wastage rate opens up many questions. What incentives are being given? How much care is taken to see that the right boys are taken on as apprentices? What is being done to counter the feeling of some trainees that they are simply wasting their time?) Slightly less discouraging is the increase of nearly 20 per cent in the number of "technician apprentices" training for more highly skilled work, from whom some educational qualifications are demanded. But this increase brings the total number of such young technicians up to a mere 7,178 young men: and only 379 firms (out of the federation's 4,500 members) employ people in this grade at all. Ten fewer firms had training schools in the works to give instruction to their apprentices. Girl apprentices were employed by only 39 of the federation's firms, so that a mere 119 girls were receiving apprentice training—although women make up a growing proportion of the industry's labour force. It must have taken some guts for the federation's leaders to publish such a condemnation of their own members.

For Britain as a whole the record may not be quite as dreadful. Some firms outside the federation are known to do better than most of their federated rivals. In some of the most go-ahead industries trainees cannot be classified as apprentices, since the old trades for which the five-year training period is demanded have no relevance to the newest technologies: girls training for useful skilled jobs such as draughtswomen, typists, comptometer operators and so on are outside the survey. And it is encouraging to see that 70 per cent of apprentices were being released during working hours for study outside the plant. (But the federation did not even ask about full-time release for study.)

The truth of the matter is that the hidebound five-year apprenticeship "sitting by Nelly" is totally out of date. No doubt trade union restrictions bear a lot of the blame for this, but by no means all; if employers were to approach the unions with entirely new plans, they might meet a warmer welcome than they seem to expect. The unions in the building industry, for example, have welcomed the idea of shortening the period from five to four years. But firms are still afraid that the money they spend on training apprentices will in the long run only benefit other firms who do no training, but spend the money on poaching skilled labour from their rivals. This attitude has become particularly prevalent in the less prosperous regions, from which so many skilled young people have in the past found their way to London or to Birmingham; the result of the attitude is that declining areas are likely in future to decline faster still. The case for government action to promote the training of many more young workers is proved—and urgent.

NUCLEAR DISARMERS

Interests of State

THE Court of Appeal, having dismissed the appeal of the members of the Committee of 100 against the sentences of imprisonment passed on them for their demonstration at Wethersfield airfield in December, is clearly correct to allow a further appeal to the House of Lords on the ground that the case involves a point of law of general public importance. The Official Secrets Act of 1911 declares it to be an offence "if any person for any purpose prejudicial to the safety or interests of the State . . . enters any prohibited place within the meaning of the act." This was the section under which the accused were convicted.

Wethersfield airfield is obviously a "prohibited" place within the meaning of the act and there was no dispute that the accused intended to enter the airfield and obstruct aircraft which they suspected of carrying nuclear weapons. The defence put forward three main arguments. First, it was said that the operation of the act was confined to those engaged in spying. The act contains no express words to this effect and the court held that they could not be implied. The second and more important submission was that it had to be shown that the persons entering the prohibited place did so with an intent to prejudice the safety and interests of the State. Under common law the intent and the act must both concur to constitute the crime—but this has not always been applied to statutory offences. The court held that a guilty intent could be treated as essential only if the statute expressly required it. In the past a body of judicial opinion has taken the opposite view, holding that a guilty intent is required for a statutory offence unless expressly excluded. The court's decision gives

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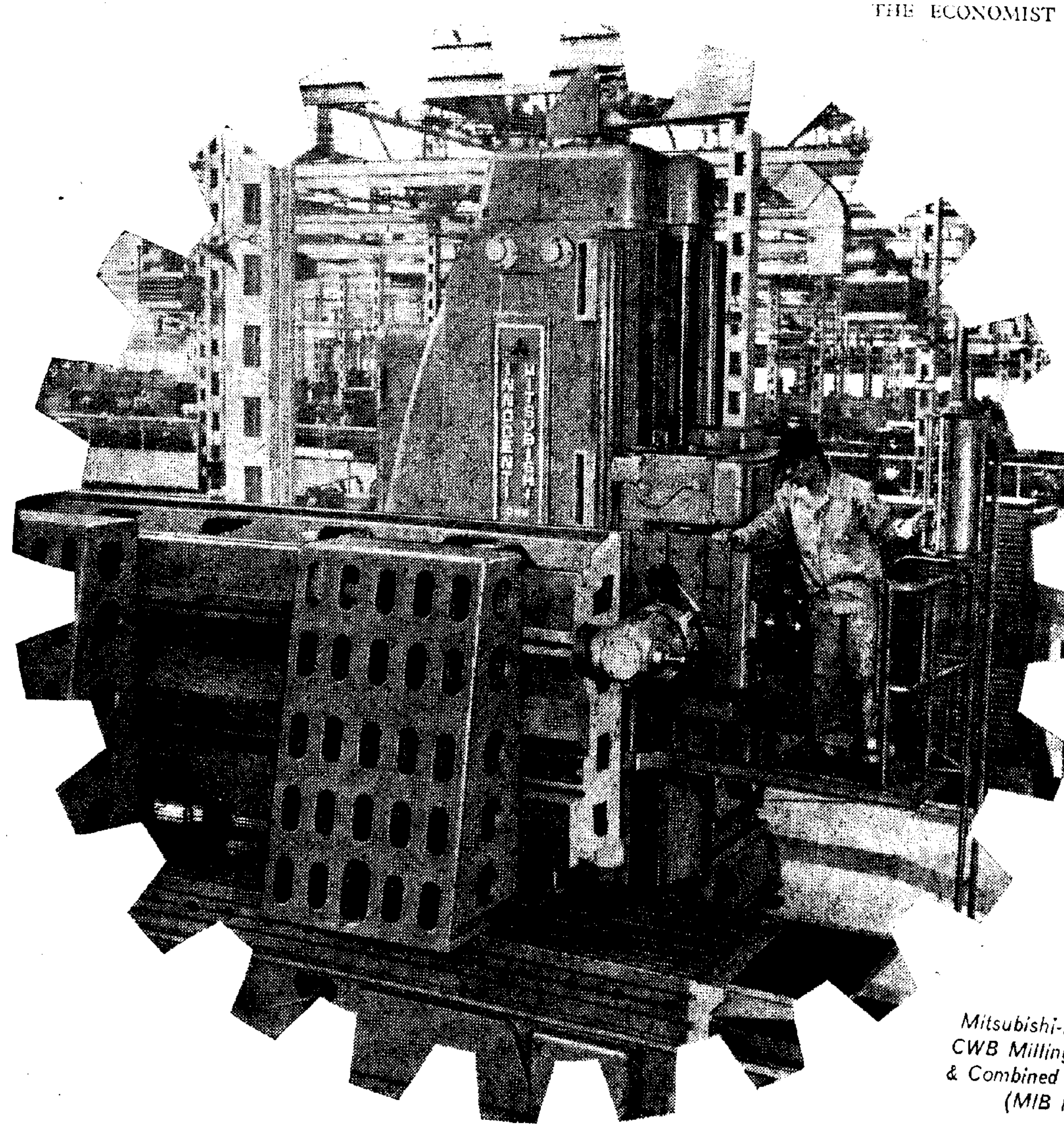
The Economist

APRIL 19, 1862

IMMOBILITY OF LABOUR

One of the chief difficulties in the way of rectifying many of our social mischiefs and anomalies arises from the want of pliability and flexibility—the deficient faculty of accommodation to new circumstances—which belongs to a low state of intelligence and education. . . . Many years ago there was great distress in Buckinghamshire owing to the superabundance of labour. At the same time there was considerable embarrassment in Lancashire owing to the deficiency of labour. Work-people were a positive burden to the one county, and a positive want in the other. The wages of a family were ten shillings a week near Aylesbury; they were thirty shillings a week near Manchester. The parish authorities in the South and the manufacturers in the North were about equally willing to pay the expenses of removal for some hundreds of actual or prospective paupers. Yet nothing was found more difficult in practice than to negotiate and effect the transfer. The labourers were boorish and untrained. They did not know how to realise the new life proposed to them, nor how to *adapt* themselves to it when they had entered on it. They dreaded a journey of 200 miles as if it were exile to the antipodes. They shrank from the idea of a new occupation, new neighbours, an unknown climate, and unknown surrounds. They went, indeed, but they went after much persuasion and in small numbers; and many of them returned after a short sojourn, from simple inability to accommodate themselves to work and food and a way of life to which they had never been accustomed. Something of the same incapacity and inertia is operating now to prevent that equalisation of wages and population in several districts which would be a common gain to all. In spite of national schools, in spite of cheap newspapers, in spite of penetrating railways, in spite of spreading habits of locomotion, the wages of a Dorsetshire labourer are still nine shillings a week, while those of a Yorkshire or Lancashire artisan are fifteen and twenty; yet labourers do not flow from one place to the other as they should do; and in busy and prosperous times, manufacturers entertain more sanguine hopes of being able to arrest the stream of German emigration as it crosses the country to America, than of attracting their own ill-paid and redundant fellow-citizens to a distance of twelve hours from their old homes.



"purpose" in the act a very narrow interpretation. It limits it to the physical act which was the purpose of entry and excludes the intent with which the act was to be performed.

The third argument by the defence was that it had to be shown that the purpose for which entry was to be effected was in fact prejudicial to the safety or interests of the state. On this point the court held that these matters pertain to the prerogative of the crown—and once evidence has been given on behalf of the crown saying that the safety of the state has been prejudiced, such evidence cannot be challenged. On the face of it, all this makes the Official Secrets Act into a pretty sweeping measure affecting the liberty of the subject; there are clearly vital questions here which it is right that the House of Lords should consider.

Divided Battalions

THE Aldermaston-London march is an Easter rite; for some marchers it even has a Christian significance. It also happens to be one of the few remaining occasions on which the nuclear disarmament sects can make common cause. Three major divisions are currently visible among those who will be thronging into central London this weekend: (1) Canon Collins and the bulk of the Campaign for Nuclear Disarmament still hold firmly aloof from the civil disobedience of Lord Russell and the Committee of 100. The persistent (and commendable) multilateralist tendencies of the CND have not exactly endeared it to a number of zealots; they merely find it convenient to proselytise among the big battalions. (2) Certain activists are now moving towards industrial action against the bomb; this is already rousing trade union hackles. Another group has just launched an independent committee to put up candidates at by-elections and general elections. Their jump on the hustings will not please the Canon (who had meant to leave the issue to CND's annual conference). Nor will it please the cannier heads who have seen that the electoral test merely reveals CND's weakness: the last example was a poll of 500 for the Independent Labour Party (and unilateralist) candidate at the Bridgeton by-election last November, where a staunch Gaitskellite walked away with an old ILP seat.

(3) The frankly neutralist element is increasingly showing its colours. Placards in a London demonstration last weekend declared: "For a neutral Britain." If this segment—or the "fight by-elections" segment—has its way, sympathisers like Mr Frank Cousins are likely to find themselves on the spot. So far they have been noticeably reluctant to admit whether their antipathy to the bomb extends to Nato as an institution. This Easter's marchers have plenty to mull over. A movement that sprouts breakaway shoots in such conflicting profusion, but all claiming to be in full sympathy with its aims, could do with a weekend's introspection.

JUGOSLAVIA

Djilas Again

AFTER fifteen months at liberty, Mr Milovan Djilas finds himself in prison again. He was arrested, without explanation, on April 7th; five days later an official spokesman stated that he had broken the conditions under which he had been released on parole in January, 1961, because he had "provided material for articles published abroad which served an anti-Jugoslav campaign." The reference is understood to be to Mr Djilas's latest book, "Conversations with Stalin," which he had sent to the United States for publication. Mr Jovanovich, Mr Djilas's American publisher, flew to Belgrade last week with an offer to stop the publication of the book if Mr Djilas were set at liberty. But the Jugoslav government has refused to bargain over Mr Djilas's release.

"Conversations with Stalin" describes, from the inside, the background to Jugoslav-Soviet relations during the later stages of the war and up to 1948. According to Mr Jovanovich, it is a contribution more to history than to politics, and there is nothing in it to harm the present Jugoslav government. This claim may well be true, although without a knowledge of the whole book one obviously cannot judge whether or not Mr Djilas has broken his promise not to engage in any political activity contrary to the law or injurious to the state. What in fact the Jugoslav authorities really seem to object to is that Mr Djilas should have insisted, contrary to their express wishes, on publishing in a foreign country a book based on material gained when he was a senior member of the government.

Clearly, however, what are really important in this case are not so much the details of what Mr Djilas wrote or promised, but the personalities and emotions involved. If Mr Djilas were a prudent man, he would not now be back in prison; but he is above all a political animal and an individualist who apparently finds it as necessary to stick his neck out as to eat and sleep. On the other hand, the extraordinary course of his relations with the present Jugoslav leaders—from their closest friend and colleague to their bitterest critic—makes it peculiarly difficult for them to deal with him objectively. Mr Djilas in fact can either get away with a great deal, or with nothing at all; at the moment, it seems to be the latter. These considerations help to explain the latest twist in the Djilas affair; they do not necessarily suggest it is being handled either wisely or judiciously.

WEST INDIES

Bleak Busta

JAMAICA, Cuba's offshore island, will march to independence on August 6th fully committed to retaining the Queen as head of state and guarding the beaches against communism. Sir Alexander Bustamante's government has also promised a defence treaty with the United States. "Busta" was voted in by the hearts of Jamaica's many desperate poor on April 11th; his more thoughtful cousin, Mr Norman Manley, lost the election as he lost last year's referendum on keeping the West Indies federation going. Mr Manley's appeal was to the thinkers and the planners: but they have not been able to bring Jamaica far enough out of its poverty. Relieved of financial involvement with the even poorer other islands of the West Indies, Sir Alexander has now to find ways of raising his people's standard of living and reducing Jamaica's dependence on outside economic assistance. These would constitute the only effective barricades against some form of Castroism.

Similar problems face the other British West Indian Islands; and they are likely to be made easier to solve if some new kind of unity can be forged. Two conferences in London in May are to decide on independence for Trinidad and a possible separate federation of the remaining "little eight"; a more attractive idea is attaching the small islands to the unitary state of Trinidad. Many of these small islands are saved from being ruled by county councils only by the water that separates them. Mistakes have been made because of hasty decisions on the West Indies taken by past Colonial Secretaries; Mr Maudling would do well to go for a good solution rather than an early one. Whatever happens, Britain will be called on to give more aid to all the islands; the Immigration Bill presents the West Indians with an argument in favour of this. Mr Maudling hopes to salvage some kind of common services organisation. He might also usefully point out to the islanders the advantages of looking to a much wider future association in the Caribbean, linked at least as closely to North America as to Britain.

(Continued on page 237)

Europe's Missing Link

While the problem of the Commonwealth and common market continues to excite debate in London, in Brussels the deputy heads of the seven negotiating teams have been calmly (before the storm ?) drafting a report on the progress of the negotiations so far. The report, which was submitted to the ministers on April 14th, charts the ground, and the areas of agreement and disagreement, covered so far. It does not present complete solutions to the ministers ; these will have to be fought out between the delegations in the phase of hard bargaining that lies ahead. All the same, through the technical obscurities it is possible to make out the shadowy outline of what will emerge when the real bargaining gets going.

Since November, when the negotiators got down to business, the Commonwealth problem has been gradually broken up into five main sections :

(1) The impact of the common tariff on exports of **manufactures** from **developed Commonwealth countries** (Canada, Australia, New Zealand) has been studied by a working party which began work in November. These exports are minute in scale, a mere 1 per cent of British imports from the Commonwealth, and it seems likely that no specific reductions in the common tariff will be made to help them. The hope is that tariff bargaining between Europe and the United States will give the Commonwealth exporters better opportunities in these two major markets.

(2) The same working party has been studying a second problem, which is called **the zero tariff** list. On most raw materials, which make up 40 per cent of Britain's imports from the Commonwealth, the common market tariff will be zero. But there are certain products, of great interest to Commonwealth exporters, where the Six have agreed to impose a tariff on imports from outside their market. On 24 raw materials (including woodpulp, newsprint, aluminium and a long list of non-ferrous metals) and a range of processed foods, Mr Heath has therefore asked for the common tariff to be reduced to zero.

The Six will not find it easy to satisfy this request in full. Most of the disputed items were in their own "List G," a list of tariffs only settled within the common market after a long negotiation. On aluminium, to take one important example, the French support their case for a continuing measure of protection by pointing out that in Britain, where there is none, the industry has largely fallen into American and Canadian hands. Is there to be virtually no European aluminium industry at all, they ask ?

The British, on the other hand, argue forcibly that their entry to the community will not merely affect Commonwealth interests, but will change the balance of European interests. The present community, which satisfies 75 per cent of its home consumption of aluminium from imports, fixed the tariff at 10 per cent. Is not a lower tariff more appropriate to an enlarged community, which satisfies a mere 55 per cent of its own needs ? Eventually a compromise seems likely on the "zero list," with some tariffs reduced, and some removed, and low-tariff or tariff-free quotas granted to the Commonwealth where the common tariff remains *high*.

(3) Serious discussion on a third matter, exports of **manufactures** from **Asian countries,** did not get going until February, partly because the British were still clinging to the possibility of association for major Asian countries, like India and Pakistan. Once they agreed (on February 6th) to give up this idea, the way was opened to discussion of other solutions for Asian manufactures. Here again the indications are that the Six will not be prepared to waive the common tariff permanently for the benefit of Asian manufactures, but they do recognise that a way has to be found of giving the new nations growing export outlets for their manufactures. Since the new Japans can push their exports across a low tariff barrier with relative ease, the removal of quota restrictions matters most to them.

A solution may thus be found on the lines of the recent textile agreement reached in February under the auspices of the General Agreement on Tariffs and Trade. This solution, however, raises what may be called the problem of the "link": The aims of the Geneva agreement (expansion of quotas over a five-year period and ultimate removal of all restrictions) are excellent, but the detailed provisions for carrying it out still leave uncertainties which worry Commonwealth exporters. What kind of guarantees are to be given to the Commonwealth countries in Asia that, as they lose their privileged position in the British market, they can be certain of equivalent opportunities in western markets generally ? Can tariff-free quotas provide an escape mechanism if imports from Asia fall below a certain level ? What institutional machinery can be devised ?

(4) **Temperate agriculture** poses the same problem of the "link" between preferential and worldwide arrangements. The Six accept that the Commonwealth may keep some transitional advantages in the British market, but hold that in the long run the problem must be solved by worldwide arrangements. This position may have to be accepted by the British negotiators, but they point out that the transitional arrangements need to last until the worldwide ones are effective. The Six accept this, but point out that Commonwealth countries must not be given a veto over the passage *from* the preferential set-up to the worldwide one. Again, an institutional mechanism has to be devised which safeguards both sides.

Temperate agriculture also poses a host of complex technical and economic problems. Australia, like the Six, favours a world wheat agreement which would stabilise wheat prices at a fairly high level. Canada thinks the idea wholly impractical. The Six believe that a world agreement on beef is also possible. New Zealanders doubt whether perishable commodities of this kind can be dealt with in the same way. For butter a combination of methods may have to be adopted—an element of deficiency payment in Europe (as in Britain) plus a world agreement on prices and quantities sold.

(5) The most obvious part of the bargain may be the last to be put down on paper. The Six seem likely to accept **association** for the **African** members of the **Commonwealth, the West Indies** and some small territories in the **Pacific,** but this cannot be finally settled until the Six themselves have agreed on the form their existing association with Africa is to take. A meeting in Brussels on April 10th and 11th between ministers from the Six and their sixteen African associates made some progress. Another meeting of ministers is to be held in June.

Here again a problem of political trust arises where the Commonwealth is concerned. The British, knowing that some Commonwealth countries, like Ghana, are opposed to association at present, and that others are still bewildered by the rush to independence and the swiftly changing African scene, would like the door to association to be left open for some three years. Some of the Six have doubts about this delay. Last week the British government consulted in London with the High Commissioners from four African Commonwealth countries.

To sum up, the work of the negotiators so far suggests that the terms the Commonwealth gets will be very much a compromise. Inevitably the negotiations will not provide permanent guarantees for every Commonwealth product going far beyond the short-term guarantees Britain gives the Commonwealth at present. Who can tell how much lamb Europeans will be eating in 1975 ? Much will have to be taken on trust. And as the problems of the "link" between preferential and worldwide arrangements suggest, the devising of institutional machinery which safeguards both sides is at the heart of the negotiations.

DOCTORS' PAY

Merit Awards?

The Pilkington commission on doctors' pay, which reported in February, 1960, spawned three further working parties on its proposals relating to general practitioners. The first was concerned with the distribution among individual doctors of the extra money that the Pilkington commission recommended should be available to the "central pool" from which family doctors as a body are paid. It had done its job by August, 1960: but it proposed that from the pool the sum of £1 million should be reserved each year so that further, more deliberate, consideration should be given "of making the best possible general medical service available to the public."

This consideration has been given in the last eighteen months by another working party. It has proposed that a quarter of the reserved £1 million should be set aside for payments to doctors who attend postgraduate courses while in general practice. They will be eligible to receive a sum of £60 in a five-year period. The remaining £750,000 will be used to increase the loading of capitation fees for a certain number of a doctor's patients. In addition to a flat capitation fee, now 19s. 6d., for each patient on a doctor's list up to a prescribed maximum, there is a loading, now 14s., for every patient after the first 500 (400 in the case of a single-handed doctor) and up to the 1,700th (1,600th). In future this loading will be 15s. 6d. for patients between the 1,000th and 1,500th, thus further encouraging doctors to keep their lists to a size that should enable them to look after their patients more effectively.

But, as the Pilkington commission recognised, the loading payments, together with a limit on the size of a list, reduce the spread of general practitioners' incomes and thereby discourage good general practice. It therefore recommended that £500,000 should be made available, outside the central pool, for giving merit awards to family doctors, just as they are already given to consultants. A third working party has been duly engaged on working out an acceptable scheme for making these awards; it proposes that they should be made by a selection committee, appointed by the Minister of Health and consisting mainly of general practitioners, and assisted by recommendations from local assessors drawn from various branches of the medical profession. This last suggestion is an improvement on the system by which consultants are recommended: at present, this seems to be exclusively in the hands of other consultants but could with advantage use the advice of general practitioners. Meanwhile it is still uncertain whether general practitioners as a whole will accept a scheme that will give a few of their colleagues £500 or more a year in addition to their other earnings, while giving nothing extra to most of themselves. But if they turn the scheme down they will have to watch the £500,000 reverting each year to the Exchequer, as it has done since the Pilkington commission reported.

MR WOLRIGE-GORDON

All in the Family

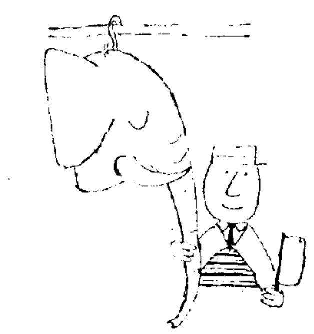
The dispute between Mr Patrick Wolrige-Gordon, Lord Boothby's successor as Tory MP for East Aberdeenshire, and the lairds of his constituency association is as muddled and bitter as any family row—which, in a real sense, it is. Mr Wolrige-Gordon says his critics want him to give up the seat because of his leanings towards Moral Rearmament and his prospective marriage to the daughter of an MRA official. ("I put my trust in Almighty God, in Aberdeenshire and in Anne.") If these are their real grounds the local Tories have no leg to stand on. They say, however, that Mr Wolrige-Gordon has "shortcomings" as a member, in particular a "lack of local knowledge," and they assert that his MRA interests have made him neglect his parliamentary duties. These are always difficult matters to judge, but it is obviously preferable (and normal practice) to give a member the benefit of the doubt unless the neglect is incontrovertibly glaring. Several MPs have involved themselves with MRA without laying themselves open to this particular charge—although prolonged absences on MRA business in 1955-59 helped to precipitate the final breach between Mr John McGovern and his constituency Labour party at Glasgow Shettleston.

What should be making Scottish Tories sit up and look at their image is the ingrown, eighteenth-century atmosphere that has pervaded East Aberdeenshire politics since Lord Boothby departed. Mr Wolrige-Gordon, then aged 23, was given the seat in 1958 after his grandmother, Dame Flora MacLeod of MacLeod, had vigorously exhorted the local association to recognise his prime ministerial qualities. Major David Gordon, the president of the association who has been spokesman for the critics, describes himself as "a family friend." It was in this role, apparently, that he took the initiative last March in order to save Mr Wolrige-Gordon "the unnecessary expense of setting up a home" in a constituency where there was a clannish movement to throw him out. It now emerges that one of the local branches (at Ellon) which first expressed disquiet at the member's activities has as its chairman Captain Robert Wolrige-Gordon, the member's eldest brother. This glimpse of Aberdeenshire politicking would have rejoiced the heart of Sir Lewis Namier.

FOOD RESOURCES

Wild Animal Farm

Overcrowded humans may take what reassurance they can from Mr Colin Clark's recent estimate to the Royal Statistical Society that, by using the best methods known in agricultural laboratories, one person's minimum requirements of food can be satisfied by the continuous cultivation of a mere 25 square yards. It makes neo-Malthusianism look a bit silly. But long before these standards of productivity (and consumption) are imposed on the human race the biologists should have come up with the answers to two crucial questions which could alter all calculations even more for the better. First, is the extension of west European and north American methods the best way to tackle Asian and African problems? Second, how close are we to the development of entirely new forms of food—drawn from tropical plant life, new animal types and the seas? From another speaker at the society's symposium, Dr N. W. Pirie of the Rothamsted Experimental Station, came the most spirited of biological analyses. Telling students in underdeveloped countries to stop worrying about nuclear physics and get down to ergometric research on the hand hoe, Dr Pirie saw possibilities in every swamp and mango grove.



His best bets ranged from the extraction of leaf protein in bulk (with the development of multipurpose plants giving commercial and nutritious products) to the domestication of the promising forms of wild animals and an efficient system of farming the sea. The idea of eating the hippopotamus has its admirers; its meat productivity is enormous, but breeding and ranching it might be expensive as it competes with other land animals for its food. The wholly aquatic manatee—"readily eaten in Guiana"—may therefore be a better prospect. Dr Pirie found it humiliating that man's total fish catch is only four or five times higher than that of Peruvian sea birds. He was not happy at the protein-converting efficiency of carnivorous fish: the breeding of a sea carp could be the answer. There is plenty of food for thought here, not only for governments but for food technologists.

HOME REPORT

Members of the editorial staff and local correspondents report on life and happenings in and around Britain

Introducing Teesbrough

FROM OUR SPECIAL CORRESPONDENT

On Tees-side the Local Government Commission has had its biggest natural opportunity for innovation, so far, outside the special review areas. In plumping for a single county borough, embracing both Middlesbrough and Stockton and most of the neighbouring built-up areas of the eight other local authorities in the region, the commission has bravely struck out for rationalisation.

Its arguments in its draft proposals are interesting. It is not at all apologetic at creating the eighth largest town in England (below Bristol and above Leicester) at one blow. It believes that a population of 390,000 is, in fact, an inducement to what it calls "bold and imaginative planning." This size has raised some eyebrows, but one's guess is that this will prove to be the minimum population capable of sustaining an effective cultural life in the provinces; it is likely to prove a far livelier place than the controlled environments for 100,000 people or less that are now fashionable among amateur planners.

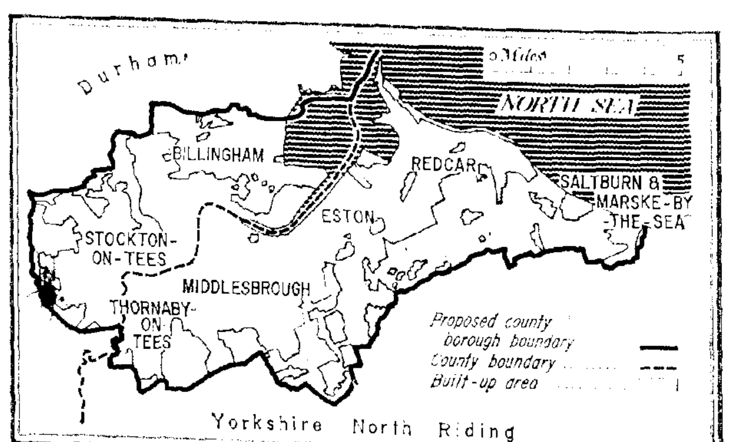
The commission is not particularly worried, either, that Teesbrough (or whatever it will be called) is still a fairly scattered region of 42,000 acres, with the steel and chemical industries holding large reserve areas of land for future expansion and with estuarine land being steadily reclaimed. It has simply acknowledged the "underlying unity" of Tees-side, even to the point of including the seaside towns of Redcar and Saltburn as growing suburban dormitory areas.

Tees-side shows up clearly as a major area of postwar development, and despite its present rate of unemployment of over double the national average it is likely to go on growing apace. Between the last two censuses the population in the existing ten authorities rose by 50,000 (14 per cent). The commission, after recommending the "continuous county" experiment for Tyneside, feels that Tees-side is still not big enough (or inflexible enough) for this two-tier solution. It has come out for a single-tier merger chiefly on the ground that the present impetus of expansion makes it all the more necessary to get the new development "right first time."

The need for this organic unity seems to have ruled out the main alternative, which would have been to put responsibility into two hands: Stockton north of the river and Middlesbrough south of it. This was the way the local authorities actually lined up in their evidence, and it is the way that established loyalties (Stockton has been a borough since the thirteenth century) were most likely to coalesce peaceably. But in the longer view two strong authorities dividing the region between them is not the best way to secure a reasonable coordination of planning and services.

At present there is a degree of cooperation between the existing authorities on the police, fire, ambulance and civil defence services, but the commission remarks that the effectiveness of this is limited by rival imperialisms. Once Tees-side's redevelopment of old housing areas really gets under way (and there is an immense backlog) the need for integrated planning should become obvious.

The local opposition, taking its stand on very recognisable identities, will need to be out-argued on the point of administrative efficiency if the new arrangement is ever to take root. But the chief sufferer, at least in resources, may turn out to be the North Riding of Yorkshire; it is conceivable that the commission can find grounds for extending the North Riding's sway elsewhere, possibly at the expense of the heavily-populated and burdened West Riding authority.



Pope and Presbyter

FROM A CORRESPONDENT IN GLASGOW

Next Thursday 40 Roman Catholic priests and laymen will hold informal talks at Dowanhill Convent, Glasgow, with 50 Church of Scotland ministers and elders and 10 Scottish Episcopalians. The convent is a foundation of the teaching sisters of Notre Dame and the nuns will provide tea and cakes while the theological discussion goes on. It will be the fourth such meeting on church relations to be held within the year, but the first to be constitutionally endorsed by the Presbyterians. The earlier gatherings took place secretly, and once the word leaked out these became highly controversial, just as contention continues to surround last month's get-together in Rome between the Pope and the Moderator of the General Assembly of the Church of Scotland, the Rt Rev Dr A. C. Craig.

The Moderator, a former secretary of the British Council of Churches, has devoted his life to the cause of healing interdenominational relations. In Roman Catholic eyes he may not be quite such a heretic as John Knox, but he is still one of the separated Christian brethren. All of Scotland's 1,300,000 kirk communicants are in the same boat, and their return to the Roman fold is hardly imminent. Even after the last prolonged negotiations with the Church of England, the kirk would have nothing to do with the bishops-of-a-sort that were the Anglican price for unity.

The Scots as a race still affect to be great theologians, even in an age when ever fewer of them actually attend church. The non-believers among them also acutely distrust the political implications of popes and prelates. It is true that a good many churchmen approve of seeking an understanding (however unofficially) with Catholicism. But some do not and others never will. It is revolutionary that the talks are taking place at all.

Those not bred in places like Clydeside, Ulster and Liverpool cannot properly scale the emotional heights of religious animosity that have become synonymous with the Battle of Boyne Water. "Are you a Billy or a Dan?" runs the classic childhood challenge in working-class Glasgow (and, in effect, on the football terracings when Rangers play Celtic). The social effects of these divisions can spread surprisingly widely and damagingly.

Dr Craig's "courtesy visit" to the Pope last month has certainly added a new dimension. It had its beginnings last year at the General Assembly in Edinburgh, but was finally accomplished only after some dubious ecclesiastical wangling which became necessary to overcome both Roman and Presbyterian protocol. The summit had to be contrived to make it look as though Dr Craig was not desperately seeking an audience with the Pope (which was, in fact, the case). Yet it was the Pope who saved the day by bending Vatican rules and then receiving the Moderator warmly.

The Dowanhill Convent talks are again at Catholic instigation, this time by the Cistercian Abbot of Nunraw whose abbey lies close to Knox's birthplace at Haddington. The abbot, a jolly little (Southern) Irishman, is president of the Scottish Council of Religious Superiors which comprises the heads of the Scottish committees of the various orders. He was careful to forward Thursday's invitation formally through the Presbytery of Glasgow.

Pope John (left) and Moderator Craig

Many people in the presbytery, otherwise willing to slacken off some of the old prejudice, do not know what to think of it all. What confuses the issue for them is not so much the enthusiasm within the Church of Scotland for improved Christian relations, but the enormous zeal with which some ministers and elders pursue it. The less-dedicated often feel this "reformist" lobby is willing to yield too much of the kirk's hard-won traditions (as with the bishops-in-presbytery plan).

Protest rallies on no-surrender lines are being organised already by Catholicism's more bitter opponents, and in May the General Assembly will inevitably be urged to hold to the faith. There are a number on either side who believe privately that the Dowanhill affair is all hog-wash, and they are certainly right if anyone expects a decisive step towards unity to emerge from it. But given luck and the right follow-through the talks could provide a basis of mutual respect on which the two systems can slowly begin to live peaceably together in what has been intolerant Scotland. This is badly needed.

Expansion Bristol Fashion

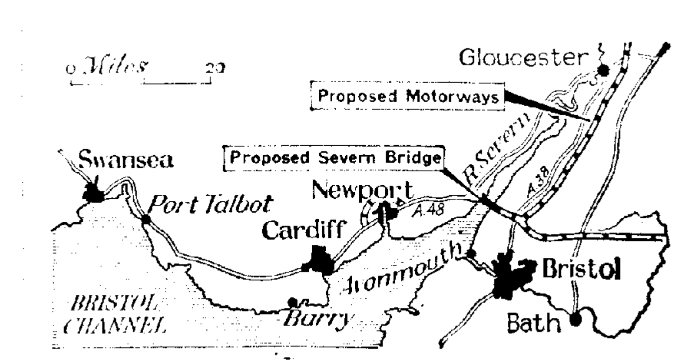
FROM A CORRESPONDENT IN BRISTOL

The Rochdale committee, which is expected to report later this year on the dock facilities in the main ports, has a difficult dilemma to resolve at Bristol. The city's port at Avonmouth is booming: it is the seventh in the country in terms of the value of its combined imports and exports. It is thinking of expansion as new road communications and the prospect of entry into the common market bring more trade its way. But across the Severn estuary in south Wales existing dock facilities are languishing.

Future planning in the region cannot ignore the steady social and economic merging of the industrial complex around Bristol with the sprawling semi-conurbation of south Wales. Daily, more hands reach out across the water. An independent television company, serving Wales and the West, both reflects and encourages the merger, the speed of which will soon increase with the building of the Severn Bridge.

There are sound economic arguments for a recommendation by the Rochdale committee to link Bristol with a south Wales port. Today Bristol (the only major port to be controlled by the local corporation) is the busiest of the six that line a 70-mile stretch of the Bristol Channel. Its problem is that it is almost too busy to cater for more ships. Last month a peacetime record of 858,000 tons of cargo passed through the port. The south Wales ports, now handling together only a few million tons of coal a year, lament empty berths.

A century ago Swansea, Port Talbot, Barry, Cardiff and Newport were together exporting up to 40 million tons of coal a year. But Bristol was well behind the other main ports in providing facilities for the great steamship companies which were riding high on exports. Only in the 1870s were docks built for oceangoing ships at Avonmouth and Portishead.



The new docks brought prosperity to Bristol. But the results of the delay still remain. The exporters stuck to their old ports, and today exports through Bristol account for only about 134,000 tons of the 7½ million tons of cargo handled each year.

Business in the Bristol region will be further stimulated by the Imperial Chemical Industries' scheme to build a £100 million petro-chemical plant at Severnside. Work has already started on the project, which will be extended over a 1,000-acre site in the course of 10 years. The city also expects to benefit from the new London to south Wales and the Birmingham to Bristol motorways which will attract more traffic to Avonmouth. The chance to pick up trade improves with every revelation of restrictive practices and communications bottlenecks around London. Since the original city docks chiefly handle continental and coast traffic any increase in trade with Europe should equally benefit Bristol.

The Bristol port authorities are already spending £1 million a year on improvements. A £5 million project to increase petroleum, grain and general cargo handling facilities at Avonmouth is already half completed. The improvements in the oil basin will enable oil companies, through the use of a common-user pipeline, to draw their fuel from any of the berths.

The corporation has bought 600 acres of land in the Portbury area, on the Somerset bank of the Avon between Portishead and Avonmouth, for new dock development. Test boreholes have been sunk, and hydrographic tests are being carried out by the Department of Scientific and Industrial Research at Wallingford.

There is undoubtedly pressure within Bristol to build at Portbury in order to attract exporters and shipping companies in the hope of reducing the gulf between imports and exports. But Bristol has no reason to worry about this particular imbalance as long as the goods it handles are so diverse. A working association between Bristol and perhaps Newport would avoid unnecessary capital expenditure; it would also give Wales a shot in the arm. This rationalisation should look more acceptable when the new Severn crossing and its linking motorways are actually in being.

LETTERS

Pre-Pilkington

SIR—Dr Ralphs, in the letter which you published in your issue of April 7th, confuses, like a number of other people, the specific functions of the proposed educational television service with the general educational responsibilities incumbent on the public broadcasting services.

Those who think the opportunity should now be taken to reserve some of the limited air space available in the United Kingdom for systematic use in the service of education recognise that certain educational tasks can never be adequately fulfilled by the general services. The most striking example of the type of activity which no general service can undertake is the broadcasting between, say, 8 o'clock and 10 o'clock on four evenings a week of sustained courses in such subjects as public administration, languages or philosophy.

I have in recent weeks looked fairly closely at the educational situation in the United States. Although in many respects this is dissimilar from ours, there is the same urgent need for a substantial widening of educational opportunities. The staffing difficulties in universities and technical colleges on both sides of the Atlantic are so serious as to make such a widening impossible except by the help of television. Having begun with similar doubts and reservations as those now current here, educationists in the United States have, in the last five or six years, largely been converted ; and the Federal administration is now committed to legislation which will extend widely the educational use of the medium.

I hope it will not be long before educationists in this country also overcome their natural hesitation and explore with an open mind the possibilities of using television more widely in common with other means of extending educational facilities. They can do this without in any way abandoning their belief in the general educational functions of the BBC and Independent Television.

It is with a view to exploring these possibilities that the proposed Institute for Educational Television is being set up. I might add that it will not be the object of this new body to duplicate the admirable work of other organisations in this field but only to supplement what they are already doing.—Yours faithfully, BESSBOROUGH
London, W1

Drumbeat in Fife

SIR—I read with no little interest and some amazement your Special Correspondent's report on the current industrial situation in the County of Fife in your issue of April 7th. A pithy digest, of sorts, was prepared which does little to present anything resembling the real nature of the problem in the heavy industrial sector of Fife.

I am amazed to note the conclusions so easily arrived at, and the gross misstatements which are no doubt added to lend colour to an otherwise drab account. For example, the description of the "traditional hard-drinking, bingo-haunted, communist-voting mining population of the industrial districts." The incidence of drinking and bingo can be no greater than that of any other similar district, and is possibly less than most. Does your special correspondent have any basis for a sweeping generalisation of this nature? A little inquiry would have revealed that the area could claim an enviable reputation for social progress in public health, housing and social services of all types, of civic pride, of well-established retail co-operative trading societies, of a wide range of cultural associations, and a generally high level of thrift and well-doing as a community. A bare reference would also serve to show that a section of the industrial area returned a Communist member to Parliament 17 years ago, and that since then the Communist party's parliamentary candidature has had a history of poor "also-rans" and, indeed, lost deposits. Why, please, the gratuitous reference to a potential industrialist's meeting with "workpeople with very decided ideas on how things should be run"?

I could forgive your correspondent for listing the county council house property as 30,000 units for 13,000 houses owned, and am ready to pardon him for describing a Labour party member as the "Conservative" Convener of the County. These blunders will be counted petty by comparison with the studied attempt to denigrate the industrial potential of Central West Fife, and its working population. The information and detail supplied by the article is a desperately poor attempt to depict anything resembling the real situation, and is completely unworthy of a journal with the standing and reputation of *The Economist*.—Yours faithfully,

J. MCWILLIAM
Convenor of the County Council
Crossgates, Fife

Walls of Fame

SIR—Your Special Correspondent's recital (March 10th) of the fate of certain controversial plaques on historic sites in London omits the most shameful outrage of all. This was the nocturnal smash-and-grab robbery of the plaque outside the Criterion Hotel in Piccadilly, which commemorated the historic meeting at the former Long Bar of that hotel between young Stamford and Dr Watson which led to the introduction of Watson to Sherlock Holmes. The cost of the plaque—£60, not £30, I recall as organiser of the belated tribute to the memory of one of England's greatest sons—was contributed by members of the Baritsu Chapter of the Baker-Street Irregulars in Tokyo and was formally unveiled in 1953. (Devoted members of the Baritsu chapter included the former Prime Minister Yoshida, the late Count Makino and the chief of the Tokyo metropolitan police force.)

The plaque was ravished from the wall on the early morning of Derby Day 1956 by two or three men, who drove off in a car in the general direction of the Café Royal. No clue to the fate of the plaque or the identity of the criminals was ever discovered. Indeed, there is not the slightest doubt in my own mind—after two fruitless personal calls on leave at Scotland Yard and Savile Row station—that the contemporary Lestrades and Gregsons took only the most perfunctory interest in the blasphemous crime.

The plaque, it must be admitted, was not popular with the Piccadilly police, because it frequently caused pedestrian congestion at the busy corner while visitors took photographs. Spiritually and historically, the city is the poorer for its loss.—Yours faithfully,
Hongkong RICHARD HUGHES

AID's Progress

SIR—Iran respects the new philosophy guiding America's foreign aid programme (your issue of April 7th, page 35) which emphasises the "self-help" principle calling for basic reforms. Indeed, Iran is already embarked on long-range reform programmes impinging on its social and economic life.

Sharing, as it does, a 1,500-mile common frontier with the Soviet Union, Iran recognises only too well that its salvation as a viable nation—and perhaps that of the entire Middle East—lies irrevocably in its ability to provide its people with a decent standard of living.

To bring about conditions of economic and social well-being for Iran's 20 million people, the government—with the fullest support of the Shah—is launching in September a massive Five-Year Economic Development Plan at an estimated cost of $2,500 million. The plan, largely self-financed together with foreign investment, encompasses extensive land reform, industrial and mining development and diversification, road-building, expanded education and improved public health facilities, among other goals. This programme is expected to raise Iran's national income about 6 per cent annually.

Iran is helping itself in the fight against communism, but needs help from other free nations fighting the same fight. This is a two-way street.—Faithfully yours,

M. RAZMJOO
Press attaché
Imperial Iranian Embassy, London

The Insatiable Revolution

The French Revolution: *From its Origins to 1793.*

By Georges Lefebvre. Translated from the French by Elizabeth Moss Evanson.

Columbia University Press. London: *Routledge.* 384 pages. 35s.

GEORGES LEFEBVRE, Professor Emeritus of the History of the French Revolution in the University of Paris, died in 1959, twenty years after the publication of "Quatre-Vingt-Neuf," his contribution to the sesquicentennial celebration of the Revolution, which the Vichy Government tried to suppress by destroying every copy it could seize: an unwitting testimonial to his integrity by reactionaries foolish enough to think that the old regime could be resurrected if its death were not discussed. Not that Lefebvre was one of those too numerous French historians who have won academic notoriety by publicising their political prejudices. Possibly the translation of Bishop Stubbs's "Constitutional History of England" may have had a sedative effect. Till the age of fifty he devoted his abilities to teaching, and to those researches into the pre-revolutionary life of the peasantry on which he based his studies of rural psychology in the Revolution, and of that phenomenon of crowd psychology which he described in his "The Great Fear of 1789."

Fortunately, as the efficiency of the Vichy Government was much less comprehensive than its folly, a few copies of "Quatre-Vingt-Neuf" survived; and in 1947 a translation by Robert Palmer was published by Princeton University Press and called "The Coming of the French Revolution." Its argument, that the Revolution was preceded by a second Fronde, which continued in aristocratic conspiracies, becomes the main thread of his discussion in this volume of the revolutionary years 1789-93. It is not a novel thesis: incendiary denunciations of plots against the "People" were frequent during the Revolution and made useful republican propaganda long after Waterloo. But Lefebvre has analysed the evidence, arranged it cogently and put it into its historical context. Resentment against Richelieu's ruthlessness and Mazarin's subtlety had persisted, bitter and barely concealed, even under the Grand Monarch. Concessions by the Regent Orleans were enlarged and exploited under Louis XV; and the attempts of Louis XVI's ministers to repair the rusty machinery of central government evoked provincial revolts led by nobles in 1788-89. A few talked, vaguely if sincerely, of imposing an English type of constitutional monarchy on Louis; but most of the noblesse would have been more at home in the Wars of the Roses than among the great English peers who quietly controlled the Georges.

Open aristocratic resistance before the Estates-General met at Versailles in May, 1789, became conspiracy afterwards—nullifying Louis's somewhat nebulous good intentions and inflaming the tempers of all who mistrusted king and nobles alike. Lefebvre does not justify all the actions of middle-class deputies or sansculottes; but he justifies the suspicions that prompted them. Nourished by the hostility of "The Privileged" to the formation of a National Assembly, and by their subsequent frustration of the lukewarm efforts of Louis to co-operate with the reformers, suspicion infected both revolutionaries and counter-revolutionaries: the court-conspirators mistrusted the king, and he misled Lafayette and Mirabeau, whose mutual dislike undermined what may have been the last chance of saving the monarchy. Louis's flight to Varennes certainly destroyed it, for he discredited Lafayette by deceiving him. From then on charges of royalism, counter-revolutionary plotting, and collaboration with the enemy on the frontiers were hurled across the Assembly and repeated venomously in speeches, songs, and pamphlets in the streets. Feverish fears incited the invaders of the Tuileries on the *journées* of June and August, 1792, and turned to bloodthirsty panic in the September massacres, of which Lefebvre says "the collective mentality that made them possible resulted from circumstances and not from the will of any particular individual." The "circumstances" included reports of treachery at Verdun, which had just surrendered to Brunswick, and rumours that a merciless royalist rising was to take place as soon as "patriots" had left for the front.

Lefebvre's narrative is undramatic and uncensorious. He is equally fair to the Montagnards and the Girondins, to Danton and Dumouriez—and to Robespierre, whose personality is emerging as this volume ends with the execution of the king and the break with England. The translator and her publishers deserve the gratitude of all British and American students of the Revolution, though this edition is not flawless: dates at the beginning need scrutiny and there are a few phrases that arouse curiosity about their French originals.

The next volume will presumably open with Robespierre's efforts to purify the Revolution and close with Napoleon's to end it. Neither succeeded—nor, for that matter, has General de Gaulle: the Revolution continues to devour its children.

How to Shop

Your Money's Worth

By Elizabeth Gundrey.

Penguin. 272 pages. 7s. 6d.

MISS GUNDREY served the ideal apprenticeship for a book of this kind: women's magazines, the *News Chronicle's* woman's page and then editorship of the British Standards Institution's *Shopper's Guide*. Five years of testing consumer goods and handling complaints about them has given her encyclopaedic knowledge of one-upmanship in the distributive trades. The stupidity, greed and occasional dishonesty of manufacturers, shopkeepers and their advertising agents have lost their power to shock her. Her illusions, her anger and her indignation have all been spent: what remains is a detached and worldly-wise compassion for Eve's foolish children on a shopping spree.

For them, and for all natural-born suckers, Miss Gundrey has written what amounts to two books. Social historians of future generations will value the first section for the way it pinpoints the inferior status of the consumer in mid-century Britain; it is the best survey of its kind that has yet appeared. This is Moloney territory, where the high cost of litigation inhibits shoppers from exercising their considerable legal rights and the law will not permit more powerful organisations to go to court on their behalf. Miss Gundrey does not paint the pot blacker than it actually is: her purpose is to put shoppers on their guard against everything from hire purchase charges to telly advertisements (she does not much like the advertising fraternity) and sharp practices, but she also gives credit where it is due.

The second part of the book is simply a shopper's vade-mecum in the course of which Miss Gundrey takes the opportunity to de-bunk a number of household gods, the prefabricated "dream kitchen" among them. But it would be unfair to create the impression that she has set out primarily to criticise and shock; she has not. Miss Gundrey has kept admirable control of her temper when describing conditions that leave much to get shocked and angry about. Whether readers can keep theirs is a different matter altogether.

The Least Understood . . .

President James Buchanan:
A Biography

By P. S. Klein.

Pennsylvania State University Press. 524 pages. $7.50.

JAMES BUCHANAN became President after nearly half a century in the public life of the United States, and "with more advance training than any man who has ever held that post." But his administration ended on the eve of "the Great Rebellion," the war between the States, and he felt his whole life had been a failure. It is odd that, as the author of this overdue biography says, Buchanan's life should have been so little studied by scholars; but the omission is nobly repaired by this volume. It is detailed, documented, annotated, illustrated, indexed in the best traditions of American scholarship; and its vast bibliography and *apparatus criticus* are a monument to the long study of Buchanan which Professor Klein has made since his student days. His style is not so distinguished as his scholarship; but the best tribute to the latter is that it carries us on, through occasional passages both bleak and purple, at a smart canter of sustained interest.

Even in the palmy days of the United States, when it was the hope of liberals everywhere, not every one of its public servants could boast such amusing experiences as Buchanan's mission to Russia. Perhaps the family's well-known tolerance of alcohol helped. James himself

> would dispose of two or three [bottles of wine] at a sitting, beginning with a stiff jorum of cognac and finishing off with a couple of glasses of old rye. . . . There was no headache, no faltering steps, no flushed cheek. . . . All was as cool, as calm and as cautious as in the beginning.

Very few American or British public servants could live up to that in their dealings with anybody, let alone Russians.

Buchanan was a Southerner in origin and sentiment but no extremist. He planned to appeal to the North for justice to the South; and only if that were denied would he "be with them" (the Southerners). When President he warned all his Southern visitors that "the South ought not to assume any sympathy for secession from the Administration." He was an example of a politician hoist by his own beliefs. He had long upheld the separation of powers, long defended the judiciary and legislature from encroachments (or possibilities thereof) by the executive. So when he became Chief Executive, he found himself unable to nip the impending rebellion in the bud by extreme executive action, without swallowing all he had worked for. Thus Professor Klein is probably right in saying that Buchanan is "the least understood" of Presidents. No one, till now, even wanted to study this "Judas," as he was termed by the North; no one saw his tasks as hopeless; no one gave the man credit for his works, his sense of justice and his respect for the rule of law.

Buchanan was not a strong man; otherwise he might have reinforced the Federal forts in the South—which it took Lincoln a month to do. Buchanan had time enough, without the will. Machiavelli said: to be a good man, but weak, in a world of evil-disposed men, is to be undone. The moral of Buchanan's life is as old as the politics of ancient Greece: it is not enough in political leaders to be good, just or even right; they must be strong and able, possibly even corrupt, enough to get the right and good things done. The weaker the leaders, the greater their failures. This scholarly biography is surprisingly topical.

Impious Emperor

Napoleon and the Pope

By E. E. Y. Hales.

Eyre and Spottiswoode. 222 pages. 21s.

SOME two years ago Mr Hales wrote "Revolution and Papacy," a useful outline history of the relations between the popes and the states of Europe at the end of the eighteenth century and the beginning of the nineteenth. He has followed it up with the work under review, which adds nothing of importance to his earlier sketch of Napoleon's stormy love-hate affair with Pius VII. Indeed, in certain respects it is clearly less adequate than was "Revolution and Papacy." There is no index, and for bibliography the reader is referred to the earlier book. And Mr Hales has sprinkled his book with small but disturbing inaccuracies. He gives the wrong date for the feast of St Napoleon, and so misses half its significance. He has Napoleon landing at Fréjus on his return to France in 1815 instead of at Antibes. The most famous of the epigrams attributed to Talleyrand ("pire qu'un crime, une faute") is given, amazingly, to his master.

In form, "Napoleon and the Pope" is commendably brief, but it is written in a style that is at times strikingly like that of Lord Beaverbrook's employees. Nor is the thought much superior to theirs. Throughout, the complex issues in this most famous of quarrels are reduced to the simplest possible terms, and expressed, wherever possible, through personalia. Even at this level, the author is not altogether successful. We are told a great deal (no doubt on good authority) about Pius's inmost reflections, but no shaft of insight or grace of writing enables us to know that singularly attractive figure more than superficially. Mr Hales, for example, missed a great opportunity by failing to tell us what it meant to be a Benedictine in the eighteenth century; to tell us how the Rule was observed, how it moulded the future Pope's character, and what difference, if any, it made to his conception of the papacy's functions. The Emperor, shown almost solely as he appeared to the variously imperceptive members of the Curia (and only the papalist members at that—no explanation is given of the behaviour of the "red" cardinals beyond a suggestion that they were mere hirelings) seems wilful and crass beyond belief. It is not necessary to applaud Napoleon's ecclesiastical views to hold that he was not so blind as he is here painted.

The fact is that, as in "Revolution and Papacy," Mr Hales has relied too much on papalist documents. This is not intended as an insinuation that he has neglected, for example, the correspondence of Napoleon. He merely seems to be more at home—much more at home—with Vatican papers than with Parisian ones. The result is that he never gets the measure of the Emperor. He fails, for example, to note the astounding virtuosity of Napoleon's ideological performances. The upstart was capable of saying, more gaullist than the general, "I identify myself with all French history, from Clovis to the Committee of Public Safety." One day, he would be the restorer of the monarchical system; the next, the incarnation of the Revolution. In the case of the papacy, he presented himself consistently as the heir of Charlemagne—that is, as a Roman Emperor, the pope's true sovereign.

Napoleon did not, of course, more than half-believe in his various poses. But they were useful to him, and he flung himself into them with the enthusiasm of a brilliant actor. To make them seem authentic he drew on his considerable historical knowledge. It is this that makes his quarrel with Pius so interesting. The papacy and the papal states lay across his path. Being what he was, he was not content to exterminate them (he would have been unwise to try, as he well knew), but tried to fit them into his system. As they proved recalcitrant, he launched a campaign designed either to bully or charm the pope into acquiescence, into being no more to Napoleon than the pre-Hildebrandine popes had been to the Holy Roman Emperors. In short, the ghost of caesaro-papism, laid since (at latest) the failure of the conciliar movement in the fifteenth century, walked again. The resultant debate sharpened the papacy's definition of its position and claims, just as it exacerbated the passions of the other side. It was a clash of principles—a clash that explains the perennial fascination of the drama, a clash that Mr Hales wholly fails to do justice to. Indeed, it is hard to feel that he ever tried. Why did he write this book?

Joyce's Dublin

Twice Round the Black Church

By Austin Clarke.

Routledge. 178 pages. 25s.

THE Black Church is a gloomy and fortress-like building on the north side of Dublin, roughly equidistant from the King's Inns and the Blessington basin. (It must be made clear at once that this is a book about Dublin by the dean of Irish poets and that it is a delightful addition to the Dublin legend). Fortress-like the church should be, because it is supposed to have been designed by a Protestant Archbishop of Dublin in the 1820s against the day when Dan O'Connell would lead his hordes to the massacre of heretics. *Ad majorem Dei gloriam* Mr Clarke might (but does not) add because he, too, was at Belvedere to learn from the Jesuits.

He was some years after James Joyce. Father Conmee does not still walk through the Georgian streets. Lord Dudley no longer drives in vice-regal procession. But the city is still Joyce's Dublin. It is no wonder that when the author called on the Master in Paris the talk should have been of "the ancient Liberties of Dublin, of Tenter's Fields now brick, of changing

shops and repainted, or auctioned, public-houses. . . ."

The theme, too, has not changed: the book is another testimony to the love-hatred between the Jesuit discipline and the Irish mind. Some day this must be examined by someone fit to do so, not by an American PhD. Perhaps Mr Clarke himself. . . .? Here again there is the recollection of uneasy confessions and impossible scruples: "the murmur of classes and chalk squealing on the blackboard until teeth cringed, the faces of boys that I had hated and Jesuits in black soutanes. . . ."

But Mr Clarke did not leave Dublin. He recalls what has happened more lately and notes with distaste the increasing *bon dieuserie* of the capital. And yet he dwells in almost loving detail on the Dublin custom of visiting seven churches on Holy Thursday, a custom whose discontinuance in recent years has caused some suspicion that a queer crowd got into the Vatican after the war.

This, it will be seen, is a book about Dublin; and it can hold its place in high company. It enriches the continuing love-affair between Dubliners and their city. *Wien, Wien, nur du allein. . . .*

Defenders of Duties

Her Majesty's Customs and Excise

By James Crombie.

Allen & Unwin (New Whitehall Series, No. 10). 224 pages. 30s.

WHILE Mr Gladstone once described the two forms in which the revenue is raised, direct and indirect taxation, as two sisters, equally repulsive to many but to him attractive, there has always, so far as a wider public is concerned, been a certain glamour attached to the Customs Service. This romantic aspect must not be confused with anything so unambivalent as friendship: indeed to this day, in many coastal districts, a deeply rooted suspicion of the Customs is still part of the local folklore.

This study by Sir James Crombie, the chairman of the Board of Customs and Excise, by appealing to the schoolboy within every reader, thereby capitalises his latent interest in the department and from the literary standpoint does full justice to the traditions of an organisation that is proud to have included within its ranks Chaucer, Burns, Congreve, Defoe, Addison, Prynne, Adam Smith and Tom Paine. Sir James describes Customs procedures and the administrative rationale meticulously, and, as he does so, the smell of the sea rises, pungent and unmistakable; but herein lies a fault. Times have changed: air travel is of growing significance both for passengers and freight, and yet the author devotes but two paragraphs to comment on Customs arrangements at airports. This fault could be of more than formal significance. The ability of a piece of governmental machinery to evolve in order to meet changing conditions is of supreme importance, and it is not unfair to say that we need convincing on the score of the department's up-to-dateness and adaptability.

The reader is certainly indebted to Sir James for a lucid description of the Customs and Excise organisation, for an exposé of the taxes which it administers and for an illuminating account of its expenses in operation—2d. per £ collected, including the Custom House cat, which costs the taxpayer some £15 per annum. At the same time, Sir James has put forward an essentially establishment view, and the work is consequently deficient as far as self-criticism or a forward look is concerned. The treatment of purchase tax is particularly disappointing: there is no serious discussion of anomalies, let alone mention of Mr Gerald Nabarro. Indeed, Sir James's dismissal of any form of sales tax is made after only a most cursory examination of the problem. As for the future, some thoughts about the problems of the Customs and Excise in the common market would at this stage have been more than topically welcome. Clearly, much midnight oil has yet to be burned at King's Beam House.

Collected James

The Complete Tales of Henry James:

Volume I, 1864-1868. 430 pages.

Volume II, 1868-1872. 446 pages.

Edited and introduced by Leon Edel.

Hart-Davis. 35s. each volume.

THE publishers are to be congratulated on this enterprise: a new edition of the *nouvelles* of Henry James, all 112 of them to be printed, in the order in which he wrote them, over the next three years. In his general introduction to the whole series Dr Edel describes James's theory of the short story, a theory that enabled him to call "The Turn of the Screw" (53,000 words) a tale and "The Reverberator" (58,000 words) a short novel. It was a question of organic form and nothing to do with an arbitrary word count. It is because many of his tales were so long that in former collections editors have tended to pick the shortest.

This new, complete, edition is therefore extremely welcome. The first volume contains the tales written during the American civil war and its aftermath. As might be expected, says the editor, "they are pervaded by the national gloom, and they reflect a personal melancholy as well." In the tales of the second volume James "embarked on his study of human types and human behaviour." The volume also reflects, in "Travelling Companions," "A Passionate Pilgrim" and "At Isella," his discovery of Europe. The reader's pleasure in this well-produced edition is certainly enhanced by the way in which Dr Edel, briefly but sensitively, relates the tales to James's life and his development as a writer.

Fifty-First State?

The American Invasion

By Francis Williams.

Anthony Blond. 158 pages. 18s.

MR WILLIAMS, about to become a Labour life peer, has been editor of the *Daily Herald*, a hard worker in the cause of Anglo-American understanding, and a free-lance journalist on the politico-intellectual side of radio and TV. The blurb on his latest book tells us that he has drawn on "the labours of a team of research workers" to support "his own intimate knowledge of what is going on on both sides of the Atlantic" in the compiling of "this comprehensive intelligence report on the progress" of the American invasion of British business and the British people's way of life.

Sir Winston Churchill on a famous occasion said the two peoples ought to get "much more mixed up together." Mr Williams does not like the way it has been happening. He throws the late Senator McCarthy (dead, disowned and disgraced) in Americans' teeth today. He contrasts "the American way of life" with Britain's former, sterner, better, and less materialistic because less affluent way of life, now threatened by "the American invasion." His researchers state that "well over £1,000 million of American capital is now invested in British industry," increasing by £150 million a year, without pointing out that this is under $2\frac{1}{2}$ per cent of the capital value of that industry; or that it is under 2 per cent of what is invested in all the capital of British business, including commerce and finance and insurance, and private limited companies as well as public. Nor do they bring vision into perspective by pointing out that British businesses invest on an average £250 million a year abroad, some of it in the United States. Nor do they assess the problems of American owners of British subsidiaries—like Ford and Hoover at the present time—who cannot just repatriate everything from Britain and concentrate somewhere else (as the author seems to think can be done, to the danger of the United Kingdom). That is why the American Administration is so concerned at the rate of setting-up of subsidiaries abroad by American firms and why they are going to tax them differentially.

Mr Williams and his team have produced, for these and many other reasons, a misleading book. But it is also a sad book. Some people make swans out of their geese. Mr Williams has made a vulture out of an eagle. Even the Russians nowadays lament some of the outward and visible signs of what Mr Williams lumps together as the "American invasion" in social and cultural habits; and certainly the Americans are not in the way of taking over Russia. If this is what Mr Williams can do to his old partner in "my love affair with America," heaven help anyone he takes a dislike to.

Minor but Exuberant

Thomas Nashe: *A Critical Introduction.*
By G R. Hibbard.
Routledge. 273 pages. 35s.

GRUB STREET may have been a typically eighteenth-century phenomenon; but in Elizabethan London, too, there were plenty of minor writers engaged in pamphleteering, patching up plays, adapting foreign fiction for the English market—quill-driving as hard as they could in pursuit of bread and butter, or cakes and ale. Thomas Nashe had vigour, humour and invention enough to lift him high above the rank and file of these professionals; yet "he is, and always has been, a minor writer." These words conclude a most acute comment:—

> Instead of his eye being fixed on a topic, it is fixed on himself writing about that topic, on the kind of figure he is cutting in the public eye, on the effect he is making.

In this book, the first full-length study of Nashe, each work is examined in turn, with copious quotations, so that the reader can sample the ingenuities and the rumbustious forcefulness of the prose, and appreciate how readily this university wit turned his hand to this, that and the other. Early in his London career, he railed against Martin Marprelate; years later, he engaged in a vehement campaign against Gabriel Harvey. He lamented the miseries of authorship in "Pierce Penilesse," turned dramatist, made a bid for patronage with "Christ's Tears over Jerusalem," produced in "The Unfortunate Traveller" (well analysed by Mr Hibbard) an entertaining hotch-potch of adventure and satire, and, having established a literary personality for himself, exploited it brilliantly in a discourse in praise of Yarmouth and the red herring, "Nashe's Lenten Stuffe." But even if, enticed by this introduction, we explore his pamphlets and are entertained by his Falstaffian exuberance, we shall recognise that his one indisputable claim to immortality is the great dirge, *Adieu, farewell earth's bliss*, with its unforgettable verse:—

> Beauty is but a flower
> Which wrinkles will devour,
> Brightness falls from the air,
> Queens have died young and fair,
> Dust hath closed Helen's eye.
> I am sick, I must die:
> Lord, have mercy on us.

Paperback Selection

Paperback publishing is now in its spring flush. From Penguin come, among others, four George Orwells, Professor Galbraith's "The Affluent Society" and "The Complete Plain Words" by Sir Ernest Gowers—the plain man's ready guide to a better use of English. Out of print for some time, "Hereditary Genius" by Francis Galton, with its family trees of great names, has been reissued by Collins Fontana Library. This edition, which appears fifty years after Galton's death, has an introduction by Professor Darlington, who assesses the importance of Galton's work in the light of modern knowledge.

Below is a guide to some of the paperbacks received by this journal in recent weeks:

Arts and Archaeology:

METHOD AND THEORY IN AMERICAN ARCHAEOLOGY. By G. R. Willey and P. Phillips. 270 pages. 10s. 6d. *University of Chicago Press.*

WHAT HAPPENS IN LITERATURE. By E. W. Rosenheim, Jr. 173 pages. 8s. 6d. LEARNING TO LISTEN. By G. W. Cooper. 175 pages. 10s. 6d. LEARNING TO LOOK. By J. Taylor. 162 pages. 15s. *University of Chicago Press.* All three are textbooks for the University of Chicago's one-year course in Humanities, an introduction to music, art and literature.

THE LANGUAGE OF MUSIC. By D. Cooke. 303 pages. 7s. 6d. *Oxford University Press.*

ART AND TECHNICS. By L. Mumford. 168 pages. 9s. *Columbia University Press.*

THE TESTIMONY OF THE SPADE. By G. Bibby. 478 pages. 10s. 6d. *Collins Fontana Library.*

History:

A STUDY OF HISTORY, Vols. 1, 2 & 3. By A. J. Toynbee. 508, 460, 557 pages. 15s. each. OPERATION SEA LION. By R. Wheatley. 209 pages. 6s. 6d. THE JEFFERSON IMAGE IN THE AMERICAN MIND. By M. D. Peterson. 558 pages. 16s. (Galaxy). ANDREW JACKSON—SYMBOL FOR AN AGE. By J. W. Ward. 286 pages + 8 plates. 10s. 6d. (Galaxy). *Oxford University Press.*

THE STORY OF ANCIENT HISTORY. By J. T. Shotwell. 405 pages. 14s. *Columbia University Press.*

THE COLONIAL CRAFTSMAN. By C. Bridenbaugh. 224 pages. 12s. 6d. *University of Chicago Press.*

Literature and Literary Criticism:

SEBASTOPOL. By L. Tolstoi. 229 pages. 12s. 6d. *University of Michigan Press.* London: *Cresset Press.*

UNDER THE GREENWOOD TREE. By T. Hardy. 204 pages. 3s. FAR FROM THE MADDING CROWD. By T. Hardy. 445 pages. 4s. 6d. *Macmillan.*

PROSPERO'S CELL. By L. Durrell. 142 pages. 6s. *Faber.*

RIMBAUD. Introduced and edited by O. Bernard. 384 pages. 7s. 6d. THE PENGUIN BOOK OF LATIN VERSE. Introduced and edited by F. Brittain. 445 pages. 7s. 6d. THE NEW POETRY. Selected and introduced by A. Alvarez. 189 pages. 3s. 6d. PENGUIN MODERN POETS, 1. L. Durrell, E. Jennings, R. S. Thomas. 119 pages. 2s. 6d. PENGUIN MODERN POETS, 2. K. Amis, D. Moraes, P. Porter. 127 pages. 2s. 6d. COMING UP FOR AIR. By G. Orwell. 232 pages. 3s. 6d. KEEP THE ASPIDISTRA FLYING. By G. Orwell. 264 pages. 3s. 6d. THE DIVINE COMEDY. Vol. III. Dante. Trans. by D. L. Sayers and B. Reynolds. 400 pages. 5s. (Classic). MISTER JOHNSON. By J. Cary. 251 pages. 3s. 6d. (Modern Classics). *Penguin.*

IN THE INTERLUDE, POEMS 1945-1960. B. Pasternak. Translated by H. Kamen. 157 pages. 6s. SWIFT: AN INTRODUCTION. By R. Quintana. 212 pages. 6s. *Oxford University Press.*

SHAKESPEARE'S AUDIENCE. By A. Harbage. 210 pages. 11s. COMEDY AND CONSCIENCE AFTER THE RESTORATION. By J. W. Krutch. 313 pages. 13s. MOTIVE AND METHOD IN THE CANTOS OF EZRA POUND. Edited by L. Leary. 126 pages. 8s. ANCILLA TO CLASSICAL READING. By M. Hadas. 408 pages. 14s. *Columbia University Press.*

SARTRE. By M. Cranston. 125 pages. 5s. MELVILLE. By A. R. Humphreys. 126 pages. 5s. E. M. FORSTER. By K. W. Gransden. 128 pages. 5s. STEINBECK. By F. W. Watt. 125 pages. 5s. *Oliver & Boyd* (Writers and Critics).

Philosophy and Sociology:

EXPERIENCE AND PREDICTION. By H. Reichenbach. 418 pages. 15s. *University of Chicago Press.*

ARISTOTLE. By W. Jaeger. 481 pages. 7s. 6d. ETHICAL STUDIES. By F. H. Bradley. 360 pages. 7s. 6d. *Oxford University Press.*

THE STUDY OF SOCIOLOGY. By H. Spencer. 411 pages. 21s. THE FATE OF MAN IN THE MODERN WORLD. By N. Berdyaev. 131 pages. 12s. 6d. *University of Michigan Press.* London: *Cresset Press.*

ACADEMIC FREEDOM IN THE AGE OF THE COLLEGE. By R. Hofstadter. 286 pages. 13s. ACADEMIC FREEDOM IN THE AGE OF THE UNIVERSITY. By W. P. Metzger. 240 pages. 11s. PLAINVILLE, U.S.A. By J. West. 256 pages. 11s. AN ESSAY ON NATURE. By F. J. E. Woodbridge. 348 pages. 13s. *Columbia University Press.*

THE MANAGERIAL REVOLUTION. By J. Burnham. 256 pages. 4s. (Pelican). THE ROAD TO WIGAN PIER. By G. Orwell. 204 pages. 3s. A PROPOS OF LADY CHATTERLEY'S LOVER AND OTHER ESSAYS. By D. H. Lawrence. 156 pages. 2s. 6d. DIAGNOSIS OF MAN. By K. Walker. 259 pages. 5s. (Pelican). *Penguin.*

Politics and Economics:

THE AFFLUENT SOCIETY. By J. K. Galbraith. 298 pages. 5s. (Pelican). THE ECONOMIC HISTORY OF WORLD POPULATION. By C. Cipolla. 126 pages. 3s. 6d. (Pelican). HOMAGE TO CATALONIA. By G. Orwell. 221 pages 3s. *Penguin.*

THE RUSSIAN REVOLUTION. By N. Berdyaev. 91 pages. 12s. 6d. TERRORISM AND COMMUNISM. By L. Trotsky. 191 pages. 12s. 6d. THE RUSSIAN REVOLUTION *and* LENINISM OR MARXISM? By R. Luxemburg. 109 pages. 10s. 6d. *University of Michigan Press.* London: *Cresset Press.*

GOVERNMENT AND SCIENCE. By D. K. Price. 212 pages. 10s. 6d. (Galaxy). THE MODERN DEMOCRATIC STATE. By A. D. Lindsay. 286 pages. 10s. 6d. (Galaxy). *Oxford University Press.*

CONSTITUTIONAL GOVERNMENT IN THE UNITED STATES. By W. Wilson. 238 pages. 11s. *Columbia University Press.*

Science, Anthropology and Evolution:

HEREDITARY GENIUS. By F. Galton. 446 pages. 8s. 6d. *Collins Fontana Library.*

CONTINUITY AND CHANGE IN AFRICAN CULTURES. Edited by W. R. Bascom and M. J. Herskovits. 319 pages. 15s. *University of Chicago Press*

THE LOST WORLD OF THE KALAHARI. By L. Van der Post. 253 pages. 3s. 6d. *Penguin.*

Miscellaneous:

THE LAST ATTACHMENT. The story of Byron and Teresa Guiccioli. By Iris Origo. 573 pages. 9s. 6d. *Collins Fontana Library.*

CHILDHOOD AND ADOLESCENCE. By J. A. Hadfield. 286 pages. 5s. (Pelican). THE COMPLETE PLAIN WORDS. By E. Gowers. 272 pages. 3s. 6d. (Pelican). THE BUILDINGS OF ENGLAND: SURREY. By I. Nairn and N. Pevsner. 501 pages. 21s. *Penguin.*

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AMERICAN SURVEY

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Easter Breather

WASHINGTON, DC

THERE are times when President Kennedy's relations with Congress seem like those of an unusually brisk mahout to an exceptionally lethargic elephant. But this is not new in American political experience. Tapping the presidential desk, Mr Truman is said to have prophesied about his successor: "He will sit here, saying 'Do this' and 'Do that' and nothing will happen." It is not known if General Eisenhower passed on the warning. What disapproving people with short memories look upon as the sluggish and selfish Eighty-Seventh Congress is sometimes said to show more appetite for trifles, such as its own toy underground railway and its proposed new $40-million parking garage, than for the splendid array of solid legislative dishes that Mr Kennedy has set before it in its second session. These add up to almost forty courses. They include expanded trade abroad and accelerated economic growth at home; medical care for the elderly, respectfully designated as senior citizens, and better education for youth; more voting elbow-room for Negroes; and more physical elbow-room for everyone through parks and highways.

Congress now rises from the groaning board for its Easter breather. It has been in session for three months of this year. In that time it has passed one new measure, the Manpower Retraining Act, and has rejected the proposed Department of Urban Affairs. Its chronic sluggishness arises from an internal obstruction, the cumbrous system of committees. President Kennedy has tried to ease the blockage, but failed. This year, in addition, Congress is as cross-eyed as the Scottish housewife who, in the old Gaelic saying, had one eye on the pot and the other up the lum. In theory its members ought to be thinking only about great national questions. But most of them cannot help thinking about their own prospects in the elections that will be held in November. It is greatly to the credit of Congress that, even in an election year, it usually works up enough steam after Easter to make respectable inroads on its backlog of work. Generally its members also manage to resist the temptation to cut the session short, to get out of Washington and spread across the land in order to mend their fences at home.

The United States is a vast country rich in local peculiarities which make it difficult sometimes to see the wood for the thick undergrowth. There are political strata, rather than chains of command, and the national committees of the two great parties repose on successive layers of organisation at state, county and city levels. Each layer has its independent set of problems and motives related to local conditions. Politics at the local level has a patronage, or loaves-and-fishes, aspect that is of great importance. Last year, when a Republican captured the City Hall of Louisville for the first time in twenty-eight years, the political booty was said to include 3,000 jobs in local government.

This year's elections, and the preliminary primaries and state conventions for choosing candidates, are taking place against a background of vast changes, occurring or pending. There are still states whose two Senators and all of whose members in the House of Representatives always belong to the same party. Nevertheless, one-party states are on the decline in the South, at the same time as the Negro vote is becoming increasingly important in the northern cities. In view of the Supreme Court's recent decision, it is now possible that the present over-representation of rural areas will be rectified and that the cities will come into their own.

Yet most members of Congress woo local voters rather than study trends. Mr Dirksen, the Republican leader in the Senate, has campaigned in Illinois for re-election this year by inveighing against high state taxes and bad state roads and the iniquitous licensing of rowing-boats, rather than by discussing foreign policy on which he is quite knowledgeable. Jet aircraft and six-lane motorways notwithstanding, Washington is alien territory for many people and Congressmen are spokesmen for their districts. It is said that no Representative in his right mind will vote on a major issue in opposition to how his district feels about it.

This year the trick seems to be to find out first of all what the major issues are. In voting on the trade expansion Bill, a Congressman from a district that makes bicycles will naturally not sell bicycles short. But there has so far been less furore than was anticipated about cuts in tariffs. The extreme right-wing might have supplied an issue but it seems sickly. Some Democrats, and also some Republicans, thought that Mr Roger Blough had made it possible for discomfited Republicans to be nailed to a cross of steel, as alleged accomplices of wealthy malefactors and economic royalists. But this now seems less likely, even though the six-dollar drama of steel raised all sorts of questions of public policy that may not be answered easily. The steel companies beat a hasty retreat when it became clear where public sentiment lay and, luckily for the Republicans, it is a long time to November.

THE Democrats—despite the many upsetting things that could happen between now and then—are looking forward to the election with high hopes and full treasure-chests. They are well aware of Mr Kennedy's great popularity, which recently proved able to raise three-quarters of a million dollars for the party's funds in a single brief tour. They expect the President's popularity to rub off on his party in November. They point out that the religious issue, which certainly cost them votes in 1960, is very unlikely to do so again—unless through the loss of the votes of some Roman Catholics who are disgruntled because the President refuses to give federal financial aid to Catholic schools.

Of the 100 seats in the Senate, 37 are being fought for this year. The Democrats think that they might win 5, or perhaps 7, of the 16 of these that are held by the Republicans and that they might not lose more than 4 of their own 21. In the House of Representatives the Democrats have 262 seats, the Republicans 174, and there is one vacancy. The Democrats hope to win some seats in California and to regain, in the middle west, some of the 16 Representatives that they lost in 1960 because, they say, of the religious issue. There are 35 state Governorships at stake this year. Of these, the Democrats hold 21; it is predicted that they may lose as many as 9. Their problem is that every state which is regarded as usually voting for the Democratic party and some that are traditionally Republican have Democratic Governors, so that in this sphere the Democrats are believed to have "nowhere to go but down."

Only once in a century, and that in 1934, the year of the congressional elections that followed Mr Roosevelt's first presidential victory, has a party in power added to the number of its seats in the House of Representatives in an off-year when the Presidency is not at issue. But, according to one interpretation of figures produced by the Gallup poll, this could happen in 1962. The poll indicates that, if the elections were held now, the Democrats would get 61 per cent of the votes and the Republicans would get 39 per cent. This is said to mean that the Democrats are capable of adding 25 or more seats to the 262 that they now have in the House.

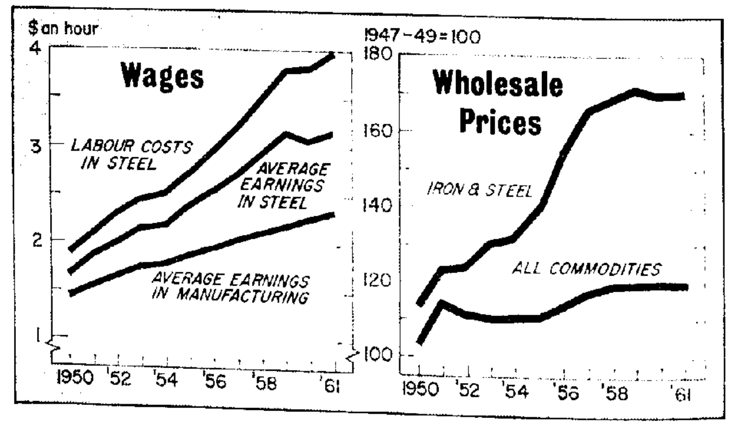
The Republicans meanwhile are suffering from a number of irritations. Mr Kennedy is as popular as only film-stars are supposed to have a right to be. The "radical right" has succeeded in siphoning off much-needed funds from the Republican party to its own purposes, while its antics may well have cost the Republicans the votes of some moderates as well as donations from the eccentric. But, like Job counting his boils, the Republicans are fearful that they may be suffering from a still deeper malaise. They have been in control of Congress for only four out of thirty years and in that period have had only one President, who at the start at least was a much better soldier than he was a Republican. Is it possible that they may be shrinking and ossifying? Can America be becoming a Democracy rather than a Republic?

Again like Job, the Republicans tend to wonder a trifle resentfully what they have done to deserve this. They find contradictory answers. Some say that they must modernise themselves and strive to capture the cities, even if it means supporting medical care for the aged provided by the government. Others, like Senator Goldwater, reply sternly that this is sheer me-tooism and that the right road lies in just the opposite direction—a philosophy that has earned for Mr Goldwater the comment that even his watch goes tock-tick instead of tick-tock. But more moderate, or perhaps just more realistic, Republicans like Mr Nelson Rockefeller, and even the crisis-prone Mr Nixon, are inclined to walk more warily, if only because they are both deep in gubernatorial campaigns and attach importance to the state Governorships that Republicans could acquire this year by playing their cards right.

Steel's Sad Story

THE leading steel companies, all of which have rescinded their across-the-board rise of $6 in the average price of steel (about $160 a ton), must be regretting that they allowed themselves to be stampeded into following the giant United States Steel Corporation up a road about which many of them had doubts from the beginning. Quite apart from the damage which such an affront to the President and the public was bound to do to the industry's reputation (this aspect is discussed on page 223) there was never any certainty that a general increase in prices could be maintained or, if it was, that it would bring the higher profits which it was supposed to provide. Mr Blough, the head of US Steel, admitted that there would be difficulties unless the few companies which had stood their ground, companies which control about 30 per cent of the country's steel capacity, followed his example quickly. They did not and on Friday the 13th, with the Administration's pressure against the increase gathering force, the Bethlehem Steel Corporation led the industry back to price stability, three days after it had broken away. The final push came from the Secretary of Defence when, as he had said he would do, he awarded a big military contract to one of the companies which had not raised its prices.

The resistance to the rise was led by the Inland company, whose officials are close to the Administration; but it, like other holdouts, is also doing better than the big companies. They have long been concerned about the squeeze on their profits, declining for years and particularly in recent months, at least in the case of US Steel. Steel prices have not gone up since 1958, although there have been several additions to labour costs since then; the proposed rise of 3.5 per cent was only a "partial adjustment" to catch up with increases of 6 per cent or more in costs of all kinds, without allowing for the new labour contract which had just been signed. Steel companies would have liked to put their prices up last autumn but felt that demand was not strong enough then; it is surprising that they thought it was now. What had been expected, and what is still likely to come as the pace of the recovery quickens, was a series of selective price increases for those steel products which were in short supply and which could stand up to competition from imports and from other materials.



The Administration does not accept the statistics with which the steel companies justify their need for higher prices. Nor is it sure about their contention that there was no illegal conspiracy involved in the simultaneous decision to raise prices. President Kennedy is said to be prepared to forgive and try to forget, now that the increases are withdrawn, but the Department of Justice has not yet given up its investigation of possible violations of the anti-trust laws (with particular reference to US Steel). Even if the Administration's hounds are called off, a whole pack of congressional committees is determined to carry on with a hunt which seems bound to have voting appeal next November. An effort is being made, however, to divert them with a long-term, non-partisan study of the industry as a whole.

Unhappy Christmas

THIS week is the final date after which President Kennedy said that the United States would be forced to resume nuclear testing, if no workable treaty providing for adequate inspection of suspect explosions were in sight at Geneva. There is no prospect of such a treaty and military necessity, the need to ensure the free world's deterrent strength, is thus forcing Mr Kennedy, reluctantly, to authorise new tests, probably before Mr Macmillan arrives in Washington at the end of next week, even though this will inevitably mean a new round of Russian tests. Indeed, it is partly because they are sure that a new round of Russian tests is already in the making, whatever the Americans do, that Mr Kennedy's advisers are so anxious that the United States should carry out its own series.

For each test not only proves or disproves a scientific theory but also opens the door to a new theory which must be proved or disproved in its turn. American scientists were able to collect much information about the recent series of Russian tests from seismic records and acoustic and electro-magnetic observations, and later from radioactive phenomena, and to draw conclusions not all of which were merely speculative. But the scientists only know that there were "over forty" Russian tests. They have reason to believe that they missed some, either of small weapons or in caves which muffled the reverberations, and this is only one of the glaring omissions in their analyses. This is their answer to those people who think that the United States need not conduct its own tests, since it can follow the Russian ones so closely. More important, from what they did discover, the scientists are convinced that the American military position, compared with the Russian, must have deteriorated perceptibly in the 3½ years since tests were last held by the United States—although they do not think that it is inferior to the Russian one yet.

The President has promised that the tests will be as few and as small as possible, certainly fewer and smaller than were the Russian ones, and that every effort will be made to minimise radio-active fall-out. There is apparently some desire in the Department of Defence to increase the number planned, in order to try weapons which other authorities feel do not really need to be tested. About thirty tests are expected in the next two or three months: low-level ones of developed weapons, perhaps including some under water, will be held in the 600 by 800 mile rectangle which has already been closed off around the British-owned Christmas Island in mid-Pacific; later, high-level tests of anti-missile defences will be held over the American Johnston Island, a little further north, and these will affect some of the trans-Pacific air routes as well as the out-lying parts of Hawaii. This at least is what the rumours say. There is also interest in the effect of high-level explosions on communications and guidance systems. Everything has now been prepared on the spot by Joint Task Force 8, with 11,800 members.

Reluctant Guinea-pig

In a number of states urban voters are already acting on the Supreme Court's decision last month that they may ask the federal courts for relief from the rural bias in their State Legislatures; this arises because many states have not redrawn the boundaries of electoral districts for many years. And in Alabama the courts have actually delivered an ultimatum—the first order to a State Legislature to modernise the method by which its members are chosen. On April 14th a three-judge federal court declared that both the State House of Representatives and the State Senate must be redistricted before new legislators are elected in November; it set a tentative deadline of July 16th. Unless a special session of the State Legislature is convened and draws up a satisfactory plan, the court will submit its own scheme and put it into effect—or so it says.

In some ways Alabama is a very suitable guinea-pig for this tremendous political revolution. It has not redistricted since 1901 although under the State Constitution this is supposed to be done every ten years, with each new census. As a result the 40 per cent of Alabamians who live in the five most populous counties elect only 16 per cent of the members of the State House of Representatives and 13 per cent of those in the State Senate. At the other end of the scale, the 16 per cent of Alabamians who live in the thirty smallest counties elect over a third of each house. Moreover, rural distrust of the cities is so acute that, when Alabama found that it must give up one of its nine congressional seats, the first instinct of the Legislature was to rob its metropolis—Birmingham—of its voice in Congress. The big cities are the centre of such leanings to Republicanism as exist in the one-party South. This is the opposite of the situation in the North, where, on balance, electoral justice for the cities and suburbs would probably benefit the Democrats. In the South a bigger voice for the cities would almost certainly help the Negroes.

Even progressive Alabamians have, however, some cause for sinking hearts at any further complication of this year's elections. When the Governor vetoed the plan to make Birmingham the victim on the altar of the Census, a unique and elaborate substitute was adopted. All Democratic candidates for Congress will stand as usual in the present nine districts in the primary elections on May 1st in which the Democrats choose their candidates; on May 29th the nine victors will all run against each other; the one to come in last will be eliminated. But candidates for the State Legislature are also to be chosen next month in the Democratic primary, which is tantamount to election in Alabama. If the court's order is obeyed all this will be to do over again. But the long, squalid and indecisive fight over congressional redistricting does not give much hope that the legislators will cut their own political throats with alacrity.

Flowers to Order

FROM A SPECIAL CORRESPONDENT

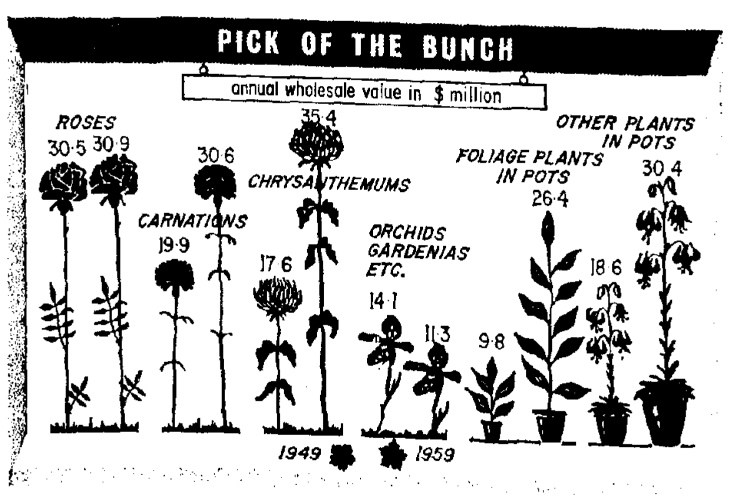
Easter, like Christmas and Mother's Day (which the florists dreamed up in 1914), is always a great day for giving and receiving flowers, but instead of the traditional Easter lilies these may now be chrysanthemums or even the poinsettias usually associated with Christmas. A great revolution is taking place in the methods used by commercial growers, thanks to the discoveries of scientists at the Department of Agriculture who are led by Dr Emsweller. It is child's play now to water, spray and fertilise flowers by push-button and cyclical methods of lighting have made it possible to raise chrysanthemums successfully all the year round; as a result their sales have shot up. Poinsettias are so sensitive to electric light that ninety seconds of it during the dark hours will affect their blooming. Probably azaleas, rhododendrons and camellias can also be made to bloom to order. In addition, the size of plants can be regulated by two new chemicals (one of which, phosfon-D, is already on the market) so that lilliputian Easter lilies and dwarf hydrangeas are possible. In other doses these same chemicals have exactly the opposite effect on small plants, turning them into giants.

The backbone of the florist's business still consists, however, of four old favourites—roses, carnations, chrysanthemums and gladioli. But the popularity of foliage plants is shooting up; one grower in Florida ships as many as 30,000 philodendrons a week. On the other hand, corsages are only a wistful memory to most florists; the day has vanished when every pretty Miss expected gardenias from her admirers and her mother and grandmother wore orchids. The fashion seems unlikely to revive, short of a press photograph of Mrs Kennedy with a corsage of violets.

California produces more flowers and seeds than any other state, followed by New York and Florida, but some of the most exotic contributions come from Hawaii. San Francisco is the shipping centre for western flowers destined for eastern markets and one airline handles nearly 600,000 pounds a month; the charge to carry 100 pounds across the country is $20. Southern growers are more fortunate because they can reach the profitable markets in northern cities by rail or road. One interesting sight in North Carolina is the bulb fields on the flat coastal plain; these were started fifty years ago by Dutch settlers. There, as in most parts of the country, polyethylene plastic is used instead of glass for hothouses.

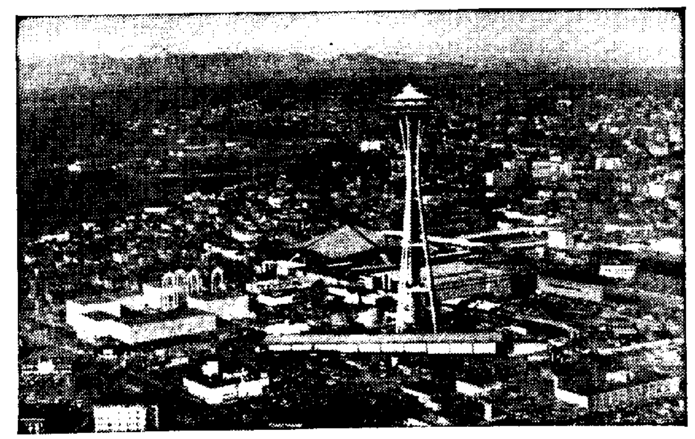
Most flowers move through the hands of wholesale florists who operate on consignment and often charge 25 per cent. But when the big chains of supermarkets and variety stores started to sell flowers, they often went direct to the source. This cutting out of the wholesaler means cheaper flowers for the public but it has its disadvantages for the growers. The chains prefer to sell flowers at the end of the week, when people's minds turn to brightening their houses, and, in spite of the march of science, the ordinary grower cannot guarantee that his crop will bloom only on Friday and Saturday. Good weather may also bring it on too soon for some important holiday or other occasion.

Flowers are cheaper and more abundant than they were fifteen years ago and the Society of American Florists asserts that the industry is worth a billion dollars a year. The Florists' Telegraph



World Going West

FROM A CORRESPONDENT IN THE PACIFIC NORTH-WEST



On Saturday President Kennedy will open the first World's Fair in the United States for over twenty years, and the first anywhere in the space age, in the far northwestern corner of the United States, beyond the Rocky Mountains, at Seattle in the State of Washington, on the shores of Puget Sound. In the next six months more than 10 million visitors, 50,000 a day, from all parts of the world, are expected to attend the greatest public display ever undertaken in the region known more than a century ago as the Oregon Country. In addition to the Seattle Fair, Victoria, British Columbia, just over the Canadian border, is celebrating the centenary of its establishment as a trading post and to the south Oregon and California hope to draw millions of holiday makers to their out-of-door playgrounds on the way to or from Seattle.

The most spectacular symbols of the Fair are a 600-foot-high, cream and orange Space Needle, supporting a revolving sky restaurant, the tallest building west of the Mississippi River, and a monorail railway with two trains carrying 124 passengers each, at 75 cents a time, on an elevated track from the business centre of Seattle to the fair grounds about a mile away, in 90 seconds. This monorail is being billed as "a preview of the mass transit system of the future" and the promotors hope that visitors will insist on their home towns building something similar. The Space Needle sets the theme of the fair, Century 21, and that of the federal government's exhibit, "the role of science in modern civilisation," was suggested by President Kennedy when he signed the authorising Bill.

This House of Science cost $9 million and covers seven acres. It contains working models of biological functions and of the newest technical discoveries and visitors, including children, will be able to try their hands at simple scientific experiments. It is designed to communicate to those who see it what science is capable of doing. Great Britain's contribution to the Fair will cover more than 10,000 square feet following a scheme created in England, with the parts being sent to Seattle mainly by ship. Research and development in space exploration, atomic power, medicine and aviation are featured and the displays include such British products as the latest Jaguar car and a working model of the Selwood orbital engine. The result is supposed to be "the major event of the year in the overseas projection of British achievement." Altogether over forty national governments and those of many American states have invested some $80 million in displays, most of them new and most of them dealing with space in some way.

The Boeing Spacearium, sponsored by the industrial giant of the Pacific Northwest, the Boeing Aircraft Company, will take visitors on a simulated journey to Mars, Jupiter, Venus and other heavenly way-stations by means of a three dimensional film that embraces the audience with the 160-degree arc of its screen. In the Washington State Coliseum, which rises eleven storeys under a huge hyperbolic-paraboloid roof sheathed in aluminium visitors will go up in a "bubbleator" to a floating city where they will take a look at life in the twenty-first century.

But science will not be the whole show. Paintings and sculptures, insured for over $20 million, have been collected from many museums and include works by Titian, Rembrandt, Goya, Monet, Renoir, Braque, Rouault and a group of contemporary American artists, with Mark Tobey, Seattle's pride, among them. A unique exhibit, the most extensive of its kind in history, will be that of American Indian Art from the surrounding region. It is here, in the Thunderbird country, from Seattle northwards, that American Indians achieved their most brilliant self-expression in carving and costumes.

The world's performing arts will be well represented throughout the Fair's six months' run. There will be, of course, a Gayway with the strip-tease and other entertainments without which a fair would not be a fair. At a higher cultural level the Old Vic company will appear during British week, from May 27th to June 2nd, and the D'Oyly Carte company towards the end of September. Other representative national groups of dancers or actors will come from Ceylon, Sweden, Norway, the Ukraine, the Philippines, Japan, France, Korea, Mexico, China, India and Rumania. These performances will be staged in a 3,000-seat Opera House, an 800-seat Playhouse, a 5,500-seat Arena and a 12,000-seat open-air stadium.

They are all permanent structures as are other of the Fair's buildings which are later to become Seattle's new civic centre. They are clustered in a 74-acre area around the Space Needle and the monorail terminal. The entrance fee will be $2 for adults, $1 for children, with extra charges only for the Space Needle ($1), the art display (50 cents) and presumably the various performances. Naturally the paint is not yet dry on the twenty-first century.

Delivery Association, which is the clearing-house for out-of-town and overseas orders, alone handles about 8.5 million orders annually. But fresh flowers in the house are still a luxury—a far more expensive one than in Britain—and average Americans cannot afford them except on special occasions. Popular demand needs constant prodding to satisfy the 25,000 or so florists and the 12,000 or so large commercial growers.

A new competitor is the imitation flower made of polyethylene plastic; the boom in these which started about ten years ago still seems to be in full swing. Though they are not seen so often now in elegant drawing-rooms, the importers seem to be quite happy; (at least 80 per cent of these flowers come from abroad and have to pay a duty of 35 per cent). They are now invading the garden as well as the house. One firm does nothing but rent a temporary garden of seasonably appropriate plastic flowers to hostesses who lack green thumbs. These blooms have an unfortunate tendency to fade in sunlight, but this is no problem since they are gone by the next morning. Now, however, the French have produced a geranium which is guaranteed to be sunfast and this may win a share of the window-box trade at a retail price five times that of the antiquated geranium that grows. Florists do not all agree on the effect of "phony" flowers on their trade. Some claim that the imitations do good since they make people more conscious of flowers. Other florists concede that the plastic blooms are a real danger. But to be on the safe side most wholesale and retail florists stock them.

Locking the Defence Door

SENATOR MCCLELLAN, who put trade union abuses in the dock a few years ago, is now focusing his attention upon businessmen and specifically upon the excessive profits which, it is said, have been made by defence contractors in the lush space and missile fields. These so-called profits arise in large part because of the widespread system of subcontracting which has grown up, partly for technical reasons, partly because the government has been anxious to give smaller firms their fair share of the work. It is said that prime contractors now retain only about half of the value of the contracts awarded to them in the first instance and much of their profit comes from what are in effect fees for managing subcontracts.

As an example the investigators picked the Nike guided missile which is to defend American cities from air attack, on which $2.5 billion has been spent since 1946. The prime contract went to the Western Electric Company, which provided most of the electronic gear, but over 40 per cent of the work was subcontracted to the Douglas Aircraft Company, which produced the airframe and designed other components; in its turn it subcontracted the work further. For example, the Consolidated Western Steel Company produced launcher-loaders which cost $146 million, plus $9 million in profit; according to the investigators, Douglas then added $10 million of profit for itself and Western Electric another $9.8 million, so that total profits on the operation came to $29.5 million, or about 20 per cent of the original $146 million. It is also said that Douglas took $45.5 million in profits on $598 million of contracts, although it farmed out all but $104 million.

Douglas hotly disputes these figures, although such "profit-pyramiding" is a perfectly legal part of defence contracting and accepted commercial practice. The company claims—although it failed to convince Mr McClellan—that many items should be deducted from its supposed profits: costs of interest, special depreciation allowances, advertising and charitable contributions. It insists that profits cannot be assigned accurately to individual projects and that it earned only 3.2 per cent before taxes on the Nike programme as a whole.

The subcommittee wants to discover whether the government could not save money by placing subcontracts directly. One witness testified that this had been proposed as early as 1954, but Western Electric refused to accept the responsibility for the whole job if it could not choose its own producers. However, Senator McClellan is late in locking this door. Mr McNamara, the able and energetic Secretary of Defence, is already bringing costs under control. "Cost plus fixed fee" contracts are losing favour and incentive payments for good work are being introduced. Direct subcontracting is being undertaken and non-profit organisations may act as "systems managers." Business, however, is left with a black eye at a time when it can ill afford it.

Seamen on Ice

FROM A CORRESPONDENT IN SAN FRANCISCO

THE strike of three maritime trade unions against twelve shipping companies on the west coast has almost been lost to sight in the rushing wake of President Kennedy's victorious engagement with the steel industry. Indeed, had the government not secured a Taft-Hartley injunction which suspends the five-week-old trial of strength for eighty days, the maritime strike might have continued to go unnoticed except in Hawaii and the District of Columbia. Hawaii is affected because the islands are dependent upon ocean shipping from the mainland to satisfy most of their needs. Although no real hardships had been caused up to the time when the injunction was issued, the strike might have brought great discomfort if it had continued. Washington was also concerned because of the risk that the dispute might hamper the government's attempt to keep the economy on a stable, non-inflationary keel. This risk was considered great enough to warrant the direct intervention of the Secretary of Labour, Mr Goldberg, and of the Under Secretary, Mr Wirtz. But neither was able to achieve a settlement.

One of the major difficulties confronting the would-be mediators was that the reasons for the strike were not clear. Ostensibly, the major cause was the failure of three unions (representing the sailors, the cooks and stewards, and the firemen, oilers and wipers) and the Pacific Maritime Association to agree on the amount of a wage increase. But there seem to be other equally important issues which are hidden from view. The shipping companies claim that the original increase of 11.8 per cent in wages and welfare benefits which they offered—a figure very close to that which the maritime unions on the east coast had accepted—had been agreed to by the unions in principle, although only informally, during the five months of negotiations which preceded the strike. The employers maintain that it was not until the negotiations had been almost completed that additional increases were demanded.

Before the strike was called there were indeed rumours that two of the three groups, the sailors and the cooks, were willing to accept the association's offer. The push for the strike appears to have come from the smaller firemen's union, whose new and vigorous president took office only recently, after a revolt of the members against his predecessor. In such circumstances militancy is almost required of a new leader, especially since pressures have been building up inside the union from the lower-paid wipers and oilers who feel that their interests have been sacrificed to those of the more highly skilled. In the past, however, it has been the more numerous sailors who have determined the general strategy; the present curious reversal of parts has caused great speculation along the waterfront, in the companies' headquarters and in Washington.

In contrast the ship operators seem less divided than usual and better prepared for a long strike. There are few signs of the rifts which normally separate the lines receiving government subsidies from one like the Matson Navigation Company which receives none. (Matson, alone among the large operators in the association,

gets no subsidy; this is because its passenger service to and from Hawaii has no competition from any foreign carrier. Thus while the other lines can pass any wage increases on to the government, Matson must pay the bill for them itself.)

All the companies fear that if they exceed the wage increase given on the east coast they will face new demands from the other trade unions which agreed to accept a rise of 11.8 per cent. In addition, the subsidised lines believe that it might be difficult to justify a larger increase than this to Congress. Paradoxically, however, the east coast settlement may be one of the anchors which keep the three unions from changing their position. No trade union likes taking just what others have already won and, besides, there is an old, bitter rivalry between the west coast unions and the National Maritime Union, which represents many of the maritime workers on the east coast.

As if this were not enough to complicate the negotiations, the issue of size of crews is also involved. The west coast docks are now being mechanised as the result of an agreement with the longshoremen, who will receive millions of dollars of compensating benefits. Naturally the ship operators are anxious to carry out a similar programme of modernisation on board their vessels. But they are likely to meet with much greater resistance. During the days when the strike was still on, the beached crews made no secret of their anxieties. Their employers insist that the number of sea-going jobs must be reduced if the lines are to compete with foreign ships. The men fear that if their unions refuse to accept smaller manning tables, west-coast cargoes will be diverted into east coast ships or foreign ones. That anxious talk will continue at sea during the 80-day period of the injunction and may prove to be the most serious obstacle to ending the strike satisfactorily.

In the meantime the shipping companies are trying to take advantage of the impasse to build up support for some form of compulsory arbitration in maritime disputes. But even if such legislation were to be passed by Congress, which seems unlikely, it could not be put into effect before the injunction expires. Both the association and the trade unions opposed the government's request for an injunction since, in their views, it only postpones the strike. Twice before injunctions have been granted in maritime strikes; both times these broke out again as soon as the 80-day period was over. The seamen and the ship-owners may prove more impervious to pressure from the Administration than was the steel industry. If so, the west-coast waterfront will once more become a desert—just as the Hawaiian tourist season reaches its peak and the pineapple and sugar crops are being harvested.

Crime Capital?

IN the last two years the streets of the District of Columbia have become more dangerous at night although where other crimes are concerned the capital is a law-abiding place. In 1959 there were 497 street robberies with violence; last year there were 1,012. Nearly half of these attacks were committed by youths, most of them Negro boys of 16 or 17. The big majority of serious crimes in Washington—over 80 per cent—are committed by Negroes, although they make up only 54 per cent of the population. The natural reaction, particularly on the part of the Southerners who dominate the congressional committees which really run the District, is to call for more police, more dog teams and harsher penalties.

But this time there are a few signs that Congress is beginning to realise that this is not enough. Recently it authorised two new judgeships for the Juvenile Court which, with only one judge at present, has a back-log of some 2,000 cases. This represents a notable victory over the obstructive southern forces which do not believe in "softness" toward young criminals and which preferred to let Washington do without the needed judges rather than run the risk that a Negro might be appointed to the court. Congress has also just done away with a very doubtful distinction which the District has enjoyed—that of being the only place in the country with a mandatory death penalty for certain kinds of murder. Now the District Commissioners are asking for $148,000 to carry out a study of juvenile crime in Washington, which the federal government thinks is needed.

Last month Senator Dodd, the chairman of the Senate sub-committee on juvenile delinquency, told Congress that it must deal with the problem of violent crime in the capital from two angles: by strengthening the police and by attacking its causes. One of the most obvious of these is that one out of every ten young people of 16 and 17 is neither at school nor in a job. To prevent these idle hands from turning to crime will require better schools and more probation officers and social workers; it also means keeping young people in school where possible, training them in skills and finding them jobs. But a solution will not come easily. The labour market in Washington, a city devoted to government, consists on the one hand of jobs in the civil service, for which many boys and girls who have dropped out of school early are not qualified, and on the other of work in shops and services. And most of the openings in shops are reserved for whites in this semi-southern city.

Senator Dodd suggests that Congress should pass a Fair Employment Act to end this racial discrimination which is so out of place in the national capital. This step is not likely to be taken until Washington is allowed to govern itself. But until Negroes feel that they are given equal treatment racial resentment will continue to inspire and condone acts of violence. Not long ago a bus driver was beaten and robbed by a gang of young toughs while his passengers sat passively by; none aided the police to find the criminals. The bus driver was white; his passengers and his attackers were all Negro.

SHORTER NOTES

European exporters of small motor cars will welcome the news that the Ford Motor Company is not to manufacture its Cardinal—a long-rumoured rival to the Volkswagen—in the United States. It would have been the smallest American-made car. The decision seems to have been taken because, apart from the Volkswagen, the small foreign cars are not thriving even in the present flourishing market in the United States. Even the demand for the larger domestic compacts is declining; those which are doing best are the bigger and more elaborate models. But on their home ground European manufacturers cannot count on being spared. So far plans to produce the Ford Cardinal in Britain and Germany have not been scrapped and the General Motors Corporation has just announced that its German subsidiary, Adam Opel, A.G., is to bring out a tiny car, the Kadett, later in the year.

* * *

Congress evidently feels that the Peace Corps, which sends volunteers to help in under-developed countries, has proved itself. The legislators have approved its expansion from its present 2,400 members to nearly 10,000 by the autumn of 1963 and have authorised an increase in its funds from $30 million to $64 million. This money still has to be appropriated.

* * *

Correction: In a note in *The Economist* last week on the teachers' strike in New York the membership of the United Federation of Teachers (UFT) was given as 80,000. This is the membership of its parent union, the American Federation of Teachers (AFT), which has branches in cities all over the country.

THE WORLD OVERSEAS

The Pompidou Succession

FROM OUR PARIS CORRESPONDENT

It all looked like a real government crisis. The President of the Republic called party leaders to the Elysée Palace. The prospective prime minister, M. Pompidou, consulted potential members of his cabinet. Nostalgic parliamentary tipsters were almost tempted to calculate whether the new government would have a majority in the Chamber. But, in fact, the crisis was far from typical. M. Debré's government had not been defeated in the Chamber nor was M. Pompidou's brought in after an electoral victory. On the contrary, the change of prime minister followed the decision not to hold a general election. General de Gaulle came to the conclusion that M. Debré had outlived his usefulness and that the prime minister's subordination to the president must now be emphasised. The choice of M. Pompidou—the trusted former *chef de cabinet*, who had never sat in parliament—was perfectly logical. Once this decision had been taken it was possible to indulge in the niceties of the parliamentary game of cabinet making; the result was announced on April 15th.

In practice, however, there was not much scope for the game. None of the key portfolios—finance, defence, foreign or Algerian affairs—changed hands. This is partly attributable to the general's dislike of new faces and partly to the proximity of the next reshuffle. It is generally expected in Paris that once the Algerian problem is out of the way M. Joxe, whom many had thought to be the best choice for premier, will be rewarded for his services with the job of minister of foreign affairs. The present head of the Quai d'Orsay, M. Couve de Murville, is an *inspecteur des finances* and could, therefore, be shifted to the ministry of finance. Either for this or other reasons, only minor posts could be offered to console the faithful or tempt the reluctant.

The neo-gaullist members of the UNR (Union for the New Republic) were badly in need of consolation last week. Many of their deputies complained that to put off the election for a year faced them with the prospect of an electoral slaughter. All of them deplored the fact that gratitude was not a political virtue. M. Debré was a leader of the party; M. Pompidou, though a faithful gaullist, is not even a member. Whimpers could be heard in the disciplined ranks of the general's parliamentary supporters. M. Pompidou appeased them with portfolios; there are eleven UNR ministers in his team compared with nine in M. Debré's cabinet.

The other parties presented a slightly more difficult problem. The Radicals were not tempted by the bait of ministerial office and the adroit M. Edgar Faure had, therefore, to decline the ministry of education. The Christian Democrats of the MRP could not bring themselves to resist the call of ministerial duty, but their decision was not reached without heart-searching. The left wing of the movement, trying to prove that Catholic and progressive are not contradictory terms, argued that the party should not reinforce the government just when the whole system was moving towards more personal rule. But these arguments did not prevail with the party which has managed to stay almost permanently in office ever since it was formed after the war. It now has five ministerial posts instead of the three it had in the Debré cabinet, and M. Pflimlin, the unromantic hero of the surrender of May, 1958, has come back as minister of state for co-operation with the French Community (substantially in Africa).

Party politicians are merely a dressing for the dish of presidential government. But they behave, with their eyes fixed on the electoral map, as if little had changed since 1958. When the gaullist constitution was then introduced learned lawyers emphasised the twin-headed nature of its executive and forecast conflicts between president and premier. Less legally-minded commentators replied that the prime minister would simply be the president's servant, and that the whole system had been devised to give General de Gaulle the maximum of power with the minimum of answerability to parliament. This diagnosis is now amply confirmed by events. The only possible constitutional clash would be between the president and a hostile parliament. The manner of M. Pompidou's appointment, the use of "rule by referendum," these and similar conventions of the constitution—if Dicey's terms can be applied to the gaullist system—are designed to give the president the upper hand if such a conflict should arise.

Liberals in Paris seek comfort in the belief that General de Gaulle is not a man to abuse the powers at his disposal. They are, nevertheless, perturbed by the Pompidou succession. When the goodwill of the ruler is the major safeguard of freedom precedents have to be carefully watched.

Kenya's "Collision Government"

FROM OUR CORRESPONDENT IN NAIROBI

Appropriately, the week after the Kenya delegates in London approved Mr Maudling's framework for a constitution, Nairobi has had its traffic reorganised into what is cheerfully called "the rotary system." In the spacious African tradition, this city has several streets in which it was (until now) possible to turn a wagon team of oxen round. This week Nairobi is filled with barricades and pointing policemen, with drivers crawling bewilderedly round once familiar streets and the more reckless souls moving at their old pace and risking a dozen collisions from all directions. Blocking the main highway is a large "parking area," so cordoned off that it is impossible to enter at any point. This is, officially, progress. Most Kenyans feel the same way about the results of the London conference.

As soon as they landed in Kenya, the rival party leaders, conveniently forgetting that they were now joint ministers of state for constitutional affairs, set off in opposite directions. Each claimed that nearly everything had gone his own way in London. But it is clear that Mr Maudling intends to send Kenya off in the direction neither of federalism (the goal of the Kenya African Democratic Union) nor of an orthodox unitary state, which the Kenya African National Union wants. It seems possible, however, that the colonial secretary has left a side-street unblocked down which Mr Kenyatta and Kanu may hope to seek their original route. Having secured its primary objective of getting into government without conceding anything very tangible, Kanu will almost certainly use the general election at the end of this year as a referendum for toning down (Kadu would say repudiating) the parts of the agreement that it dislikes as "too regional."

Although it was a considerable achievement to persuade fourteen politicians of such differing views to become ministers in the new coalition, many Kenyans have already nicknamed it the "collision government." Their cynicism has been encouraged by Mr Masinde Muliro, probably the ablest Kadu minister in the last government, who at first accepted his old portfolio of commerce and industry and then, within the week, asked for permission to resign in order to build up his minority party's flagging strength for the next election. If most leading politicians spend the rest of the year putting party before national government the climb out of the present trough will not be swift.

Yet there are some with energy and dedication. Mr Tom Mboya has briskly set about his difficult new job as minister of labour. He seems little perturbed to find himself in that dangerous zone Mr Nyerere inhabited for so long, where frequent praise from European journalists becomes a heavy liability. Each Kanu minister is blessed with a Kadu parliamentary secretary, and vice versa, in the hope that this will breed real co-operation. Several senior officials even hope that this year will see a merging of the two parties, with a joint renunciation of "extremist" wings. But any belief that Kanu would shuck off its vice-president, Mr Oginga Odinga, and his associates merely shows a poor appreciation of where power lies. Mr Kenyatta knows better. Asked what part this impish apologist for communism would play now that Mr Maudling would not have him as minister of finance, Mr Kenyatta said, "he will become the leading personality in our party."

There are many likely points of collision between the two halves of this national government. The most obvious is still the land question. The Kadu map for six regions confines the two main Kanu tribes, the Kikuyu and the Luo, to the smallest areas, and attempts to take away from Kikuyu influence the neighbouring Embu, Meru and Kamba tribes. Encouraged by the rest of Kadu, the 60,000 Masai are calling fiercely for the "return" to their tribe of the bulk of the Highlands. The Boundaries Commission will have a hard task soon deciding into what area the landless Kikuyu should be allowed to flow, but they will surely recognise the suicidal nature of the Kadu plan for bottling up the Kikuyu. Officials of the Land Settlement Board, while calculating that there is alongside the present Kikuyu borders only enough purchasable land for 2,000 families, are hesitant about letting Kikuyu farmers leapfrog into the middle of the Highlands, "because of this regionalism business." Yet a decision must be made soon, and it must be based on the realities of population pressures. There is need, too, for swift agreement on what part the politicians want a future provincial administration to take. So far no official has canvassed their views. The Institute of Administration, which gives expensive six-months' courses to African district officers, is almost a caricature of British public school ideas about leadership, complete with bugles, mountain climbing, and mess nights.

Who, again, will be able to help the economy recover and lead Kenya back towards full employment? As always, eyes and palms are turned towards Britain, which is already giving Kenya £16 million this year in grants and loans. The Christian Council of Kenya, which has called for higher taxes on "the affluent few," was emotionally attacked by three English-language newspapers. The rational objection is that higher taxation would more speedily drive away the despondent groups of Europeans who have been leaving at the rate of 240 a month. A better scheme would be for Kenya to start a national fund, something that Tanganyika left until independence. But Kenya needs its stimulation now. Such a voluntary fund could not be said to be driving Europeans away; yet it would serve better than taxation to show the British taxpayer that Kenyans are prepared to pay towards their own recovery.

The situation would be desperate—rather than just critical—if the coalition government had not been formed. There should also be relief that Kanu, representing two-thirds of the voters, has shouldered the larger burden in facing this crisis: it has secured all the most important available ministries—finance, economic development, education, labour, health and land resettlement. On the other hand, the governor, Sir Patrick Renison, has departed on indefinite leave and will be away during the crucial months when the constitutional details are to be negotiated. The fact that he shipped his car to England before the London talks began has encouraged some to think that the governor will not return at all. Perhaps it has been recognised in London that he could not avoid a collision with the new minister of state whom he referred to one improvident day that is only yesterday in many memories as "the leader to darkness and death." If Kanu and Mr Kenyatta cannot lead Kenya elsewhere today, no governor and no loan from Britain will suffice.

Spain's Eroding Interregnum

FROM OUR SPECIAL CORRESPONDENT

"Franco has shot himself!" a Madrileño told his wife.
"*Thank God! Who is succeeding him?*"
"Franco."
"*Thank God!*"

Liberals, socialists, and admirers of the Caudillo alike tell this little story, which sums up the problem of the Spanish succession and the ambivalent feelings of many articulate Spaniards toward the regime. It is the general's brilliance as a politician, not popularity, that has kept him in power all these years. His most determined opponents have, of course, been exiled, imprisoned or buried; and the majority of his fellow-countrymen—weary of strife, wary of politics—have been fully occupied trying to make ends meet.

But the Caudillo's regime has never been a monolith: it is a mobile, the survival of which has depended on his skill in offsetting one component with another—in balancing Church and Falange, Falange and monarchists, general and general, faction and faction. Within the Falange a delicate equilibrium has been maintained between traditionalist, corporative and *jonsista* (Catholic trade union) tendencies. Within the Church, *Opus Dei* has been cultivated as a counterweight to the Jesuits and other traditional influences, and Catholic Action fraternities have been allowed sufficient scope to preoccupy *Opus Dei*. The leverage of Don Juan's supporters has been weakened periodically by shrewdly-timed gestures in favour of Don Jaime (his brother), Don Juan Carlos (his son), Don Alfonso (Jaime's son) and the Carlist Don Xavier. Fiefs and fringe benefits have been carefully apportioned among the generals.

Who other than General Franco could keep this precarious contraption in being—and hold in check not only the groups that support the regime, but its opponents as well? No sane Spaniard wants a second round of the civil war, and even the Caudillo's critics are in no hurry to see the mobile upset until they form a clearer idea of what is likely to replace it. In theory, Spain is a kingdom to which the Bourbon monarchy will be restored one day. But the Council of the Realm, whose nominal purpose is to assist the Caudillo in making arrangements for the restoration, has little prestige and less authority; and whereas the ultra-reactionary Carlists are allowed to propagate their cause, the statements of the principal Bourbon pretender, Don Juan, are censored and his more outspoken supporters are apt to be harassed and fined, though they are rarely put in prison. Don Juan's brother Jaime, the eldest surviving son of Alfonso XIII, disqualified himself in the eyes of most monarchists by contracting a morganatic marriage, and in July, 1945, signed a renunciation of his claim to the throne. In August, 1961, however, he appeared to be reasserting his rights and urged the Caudillo to allow the Spanish people "to choose in peace and freedom the political regime they wish to govern them."

Obviously, the moment all doubts about the succession are removed, and detailed arrangements made for the transfer of power, General Franco will cease to be indispensable. He has every incentive to prolong the uncertainty. When the unexpected—a shooting accident—occurred last Christmas Eve and General Franco had to undergo an operation, he hurriedly and imprecisely authorised three of his generals (the minister of the interior, the minister for the army, and the chief of the general staff) to act as his political executors. Civil members of the government and of the Council of the Realm were not informed until after the brief crisis was over. This fact, and reports of disagreement between the three officers on procedural matters (though all were in favour of offering the throne, sooner or later, to Don Juan), disturbed Churchmen, falangists, monarchists and republicans alike, and set off a flurry of discreet lobbying, manoeuvring, pamphleteering and claim-staking during the next few weeks.

Early in March sources close to the Caudillo let it be known that he, too, somewhat shaken by his accident, now considered it advisable to strip the constitutional question of all ambiguity. Shortly afterwards the Vatican jogged his arm with a statement on preparations for the marriage of Don Juan Carlos which referred to the young man as "Prince of Asturias." As this title is reserved for the eldest son of the reigning monarch, the Church was clearly putting on record its support for the prince's father, Don Juan. The crucial phrase was omitted from Spanish press and radio reports of the Vatican statement, which was front-page news in all but the falangist papers; but informed sources suggest that General Franco may shortly follow Rome's example.

Although a few Catholic papers have recently published articles favouring early restoration of the monarchy, it is not yet clear whether Spain's ecclesiastical hierarchy intends to mobilise its powerful information media on Don Juan's behalf. Certainly, one should not expect the Church suddenly to break with General Franco. Similarly, although the balance of sympathy among Spain's senior officers has tilted in recent months in Don Juan's favour, the army remains loyal to the Caudillo. Its key officers—

Living with Pétanque

FROM OUR CORRESPONDENT IN SOUTH-WEST FRANCE

"I'M sorry," said the man at the door. "I've broken your bathroom window with my little pig."

Spring had come. And spring in southern France brings not only blossom, tom-cats and a new edition of the Guide Michelin, but *pétanque*. Saturday and Sunday afternoons and seven evenings a week are punctuated by an insistent metallic clicking, as of woodpeckers attacking street-lamps; an eager citizenry, tense one minute, cheering and laughing the next, assembles beneath the plane-trees in every congenial square. The season continues until the first chill of winter, and on at least two Sundays every self-respecting town and village plays host to *boulistes* from the rest of its district. Then even sedate avenues and sacrosanct public gardens resound with the whizz and thump of shot and shell. Small steel cannonballs, weighing just under two pounds, rain out of the sky; but nobody minds, there are prizes galore, and the losers are consoled with a bottle of *mousseux*.

The more formal French bowls game, whose centre is Lyons (it is called *la boule lyonnaise*, or *la longue* for short), requires a smooth surface and a clearly marked pitch: it has much in common with English bowls. *Pétanque*, which dominates Mediterranean and south-west France, can be played on any firm surface: a patch of gravel and a tree-root or two add variety and hilarity. Teams are usually of three players, each of whom has two bowls. In startling contrast to English bowls, a player may "shoot" an opponent's bowl out of the way by hurling his own bowl at it. Occasionally, tactics may dictate that the jack (*cochonnet*, "little pig") be shot out of the way on to a more favourable patch of ground. The jack is small, light and volatile; fortunately, it is made of wood, so casualties are few, but overhanging lamps are frequently smashed by players who toss bowls into the air in order to avoid a rough patch or a barrage of their opponents' bowls.

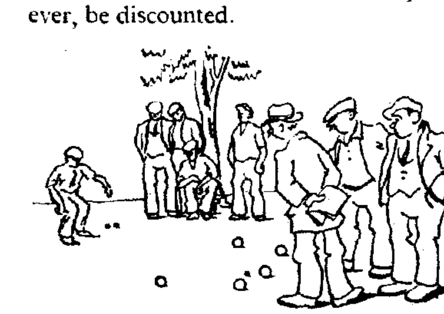
The intellectuals of *pétanque* have traced its origins to a game played by the Greeks four centuries before Christ, and credit Greek sailors with introducing it at Marseilles. Hippocrates is alleged to have declared it the most beneficial of sports, and Galen to have praised its effects on the legs and kidneys.

Two French kings—Charles IV and Charles V—tried to ban the game in the fourteenth century because it diverted their subjects from archery and other pastimes of military value. Rabelais informs us that Gargantua was a player, and in the sixteenth century the faculty of medicine at Montpellier recommended the game as conferring immunity from "all rheumatisms and similar ills." In 1697 the Paris clergy was forbidden to play "bowls and games of chance" in public, but authorised to do so in the privacy of monasteries and presbyteries; by that time the click of bowls was already as often heard, in some cloisters, as the drone of prayer. On October 22, 1870, the Prefect of Marseilles castigated the "bad citizens" who played bowls instead of participating in military exercises: "*Laissons dormir les boules quand les boulets déchirent le sol sacré de la patrie. . . .*"

Today some 200,000 Frenchmen play *la boule lyonnaise* and about 500,000 are addicted to *pétanque*. The latter total is increasing at a rate of about 10 per cent a year. A highly esoteric newspaper, *La France Bouliste*, is devoted to bowls, and more than one earnest foreigner has been seen studying it in the belief that he has discovered a new political movement.

Moralists claim for *pétanque* the sort of virtues that used to be claimed for cricket. It keeps youths off the streets and their elders away from TV screens; it does not lend itself to commercialisation and is rarely an excuse for gambling (though Sunday morning games generally decide which team shall pay for the apéritif). Most important, it is a cohesive social influence of a kind England could do with; a social cross-section of any small town can be seen on its *boulodrome*.

Pétanque will establish a foothold in England in July during Harrogate's annual French week. The town has invited two French teams to demonstrate the game and spend a few days coaching such local talent as may emerge. The visitors will also try their hand at English bowls. Rumours that negotiations between Britain and the EEC may be held up pending the outcome of this confrontation should, however, be discounted.



General Barroso, minister for the army; General Galeras, commander-in-chief North Africa; General García Valiño, captain-general of the Madrid region; General Menendez, captain-general of the Burgos region; General Alonso Vega, minister of the interior; and General Muñoz Grandes, chief of the general staff—have all been won for the monarchy and Don Juan, but they are far from clear about the kind of monarchy they want. General Barroso, for example, favours a "strong" regime in which the army will play an important part, while General Menendez is a comparatively liberal monarchist. General García Valiño was once a Carlist sympathiser and thought the Caudillo too "soft" (he recently considered it politic to stress his "complete loyalty" to General Franco). It is on such doubts and divisions that the present regime has hitherto thrived.

But as anticipation of Don Juan's accession takes root in the army and Church and permeates the levels of society, impatience with the Caudillo's interregnum grows. Don Juan, in his early fifties, is after all old enough to dispense with a regent. The log-jam could break if the European Economic Community were to turn down Spain's application for association on political grounds. Spanish expectations of the benefits to be derived from association with, and ultimately membership of, the Community are soaring to such heights (and the consequences of exclusion are being depicted, even in the press, in such gloomy terms) that the shock, disappointment and humiliation of rejection could impel the army leaders and ecclesiastical hierarchy jointly to request General Franco to make way for a more widely acceptable regime headed, or presided over, by Don Juan. This is the kind of scenario most moderate critics of the Caudillo seem to favour.

Finland's Forty Days

FROM A CORRESPONDENT IN HELSINKI

It took more than forty days, and talks involving over a hundred members of parliament and trade union leaders, to reach a compromise on Finland's long-awaited majority government. The new cabinet was finally born on April 13th; it is the 47th in Finland's 44 years of independence. At its head is Mr Ahti Karjalainen, a member of the Agrarian party, who at 39 is the country's youngest-ever prime minister. Mr Karjalainen, widely regarded as the "crown prince" of President Kekkonen, has been minister of trade and foreign minister in past cabinets, and took a leading part in the negotiations that led to Finland's association with the European Free Trade Association last year.

The new cabinet includes five members of the Agrarian party (which with 53 seats is the leading group in the 200-member Diet elected in February); three Conservatives, of whom only one is actually a member of the party's parliamentary group; two representatives apiece of the Swedish People's party and of the Finnish People's party; and—most interesting of all—three representatives of the main trade union federation, SAK. Although only eight of the 15 ministers are members of the Diet, the political groups taking part in the Coalition have a majority of 113 votes to 87.

February's election had led many people to expect the formation of a cabinet drawn entirely from the parliamentary parties. But at an early stage of the negotiations after the resignation of the Agrarian minority government on March 1st, the Agrarians made it clear that SAK, which represents the majority of the divided Finnish trade union movement, must be represented in the new cabinet; since President Kekkonen himself comes from the Agrarians' ranks, this wish was virtually law. The unexpressed reason lay in Finland's relations with the Soviet Union, which made it desirable to include some Socialists to balance the Conservatives.

Most Finns are relieved to have a majority government, except for the Social Democrats, who are still not thought of as suitable partners in a coalition, and the Communists, who see the ghost of fascism behind the three Conservatives. But it should be added that the solution of Friday, April 13th, could have been reached a month earlier. There had been plenty of time to plan the programme of the new cabinet, and the distribution of portfolios, after the parliamentary election in the first week of February. Thus the opportunity for a month's creative work by the coalition was lost, and the forty days of discussions and back-stairs bargaining did nothing to facilitate future co-operation within the cabinet. Neither the new foreign minister, Professor Merikoski, who led the first search for a coalition, nor Mr Karjalainen was able to find his way alone in the jungle of party give-and-take. President Kekkonen's help had to be called upon to make those involved realise that coalition means compromise.

Several things require the new government to buckle down. The prospect for Finland's exports is less bright than it has been in the recent boom years. The budget of 1962 is balanced only by recourse to large loans. A general scheme of health insurance is one of many projects demanding capital outlays. The new cabinet's programme also promises to study the possibility of achieving the Finnish worker's dream of a 40-hour week without jeopardising the economy. Moreover, before very long Finland must decide what to do about the common market.

Quite possibly the Finnish Communists will protest about the shape of the new government and find support in the Russian press. But Mr Khrushchev must know that the cabinet has been formed with President Kekkonen's blessing and according to his wishes—which means that it conforms with his determination to preserve Finland's neutrality and its good relations with the Soviet Union.

Tougher Thoughts in India

FROM A CORRESPONDENT LATELY IN THE HIMALAYAS

In a nuclear age the idea of a revival of Kipling's nineteenth-century "Great Game" over India's northern frontier, with China replacing Russia as the poacher on Indian soil, may sound far-fetched. But India's policymakers have begun to stop being inhibited about inheriting problems that date from the days of British rule. The Chinese threat is now seen as real. Few people in India believe that China's rulers actually contemplate an invasion of their country; but many have come to think that Peking must be prevented from continuing to make dangerous assumptions about Indian vulnerability and docility.

India, it is argued, may be forced at some point to react with considerable strength against Peking's pinpricks, to stop the Chinese from deluding themselves into the belief that their southern neighbour is a "soft option." It is clearly one of Mr Nehru's main anxieties that he may be forced into over-reacting, on a scale that would amount to a deterrent-type operation. This anxiety was revealed in the curt language of his last note to Peking in March, in which he gave warning that India will take all the necessary steps to protect its territorial integrity, and said bluntly that Chinese troops must withdraw from Indian soil. It is instructive to compare this message with the much milder tone prevailing in his long seven-year correspondence on the frontier question with Mr Chou En-lai.

It is in Nepal that India now faces the most potentially disturbing threat of all those that China's actions have ranged along the Himalayas. East of Nepal the Chinese have laid claim to parts of Sikkim and Bhutan and raided across the Indian border in the North East Frontier Agency. West and north of it they have established themselves in the Ladakh area of Kashmir solidly enough to build a military road across the territory they have

occupied. But in Nepal the Indian government has got itself into a weak position politically as well as militarily; and Nepal directly flanks the great central Gangetic plain. Along this most crucial sector of India's northern frontier it has no forward line of military outposts up on the Himalayan ranges, and if it cannot count on Nepal as a dependable "buffer" the great plain lies open to an immediate threat from the north.

India's present trouble with Nepal is largely the result of past unwillingness to think objectively about strategic problems, or to shape a policy that leaves no doubt about capacities and intentions. While India has lost influence in Katmandu, Chinese influence and pressure there are subtly increasing. The Chinese are playing a shrewd game, having evidently learnt something from the mistake they made in handling the Tibetans too roughly. Memories are reviving of the period four years ago when parts of eastern Nepal were under the effective control of local communists.

Mr Nehru is, of course, right in regarding the autocratic regime that King Mahendra re-established at the end of 1960 as inherently unstable. But he must soon realise that the king will not put his house in order in the democratic way that Indians would like simply to please them and make them feel more secure. The king says that he intends to institute "*panchayat* democracy," with elective representation at the village level, but he remains unresponsive to Mr Nehru's hints that something more substantially representative would be better still. If the Indian government hoped that the recent wave of border raiding directed by the Nepal Congress leaders in exile from their Calcutta headquarters would spur King Mahendra on to revive democratic processes, this hope has proved false. It now seems clear that the raiding must be stopped before the king can be brought to adopt a more conciliatory attitude. Much hope has been pinned on his visit to Delhi this week.

Two other new factors may have great influence in shaping India's new defence policy. The first is the general and genuine Indian anger at foreign reaction to the occupation of Goa. This has gone very deep. From Mr Nehru downwards Indians feel that precious few people in the outside world understand their case over Goa; and it is now often said in Delhi that India would run into similar heavy criticism if it got really tough with China. This is irrational; but Indians do feel badly misunderstood.

The second factor is the political advance of Mr Krishna Menon, with the accompanying development of large and potentially powerful armed forces. Mr Menon remains something of an enigma; but he has already produced an interesting variation of the historical link between soldiers and the political left. He has buckled down to the job of defence minister with intriguing zest. The possibilities of an Indian arms industry seem particularly close to his heart.

Ministers and senior officers are cagey about the deployment and potential of the army; but there is no doubt that the things the soldiers want to do with it include seeing the Chinese off Indian soil in Kashmir, stiffening the Nepalese army and strongly and permanently garrisoning Sikkim and Bhutan.

Despite this tougher attitude it remains true that not many people in Delhi have been prepared to admit that Chinese aims and strategy are unambiguous in intention if devious in execution. Yet the Chinese objectives are plain enough. They are to embarrass and harass India politically, economically and militarily, in order to block any democratic challenge to the communist system.

Komsomol Fashions

A plain leather jacket was, for years, almost the uniform of a young Russian communist. Girls belonging to the Komsomol wore no frills and used neither powder nor lipstick. Until quite recently, communist youth papers were taking the lead in the campaign against the *stilyagi*, the Russian teddy-boys. But the campaign is now dying down and *Komsomolskaya Pravda* itself is taking an interest in fashion, as shown in the article, published some weeks ago under the significant title: "It's pretty, but you will not buy it."

The article was inspired by a letter from a reader, A. Aleksandrova. This young lady had seen a smart ski-ing suit at a fashion show and was assured that she would soon be able to get it in the shops. But now, although the winter was drawing to an end, the smart suit was still not to be seen.

The writer adds that there have been similar complaints about other kinds of clothing. When, she complains, will our fashion people stop working just "for show"? To answer this question, the communist youth paper asked the help of a woman designer in the All-Union Fashion House.

A. Levashova, the designer, begins her explanation, tongue in cheek, by recalling the praise lavished by French papers on the Soviet fashion show in Paris. A French communist journalist tried to explain this success by the fact that, while western houses of *haute couture* work for the privileged few, Soviet designers work for the masses. That is how it ought to be, argues Mrs Levashova and then goes on to explain why Soviet reality does not quite correspond to this lofty ideal.

In practice, the snags occur when a model is worked out and approved for production. The dressmaking workshops cannot find the materials they want. They depend for these materials on textile manufacturers, but the managers of such factories are mainly concerned with yardage and plan fulfilment. Changes in pattern and quality are simply a nuisance for managers obsessed with quantitative targets. Hence, while they can be got to produce just enough new stuff to allow for shows, they confine their bulk output to long runs of old-fashioned mostly drab materials. "Veteran fabrics, resembling their predecessors like twins" pile up in the Soviet shops, while customers ask in vain for something brighter and more modern.

Another complaint is that production is not sufficiently co-ordinated. In a Soviet shop you will find dresses, skirts, coats and all, yet nothing seems to go together. It is like "the table of a bad housewife: there are lots of dishes, but you don't feel like eating." Mrs Levashova understands that all this cannot be changed overnight, but she pleads for reforms. In particular, she suggests that the Gosplan and the ministry of trade should include fashion councils to advise on patterns and proportions in textiles, clothing and footwear.

A Soviet Dior for the millions is not for tomorrow. The trend, however, is significant. Consumers, particularly the young, are becoming fashion-conscious. And the once puritan Komsomol backs this demand for a brighter appearance.

THE BUSINESS WORLD

Lords of the Cloister

On the same day last week that the chairman of one of America's largest companies was practising price leadership and getting slapped down for it, the chairman of one of Britain's largest companies was advocating price leadership as "the right lines on which we should work," and arguing that "our rulers, if they were properly instructed, would see how much better such a system is than either the cloister or the jungle." Lord Chandos, talking to Scottish engineers and shipbuilders, had defined his terms with a characteristic, cynical urbanity. The cloister he defined as "combinations of manufacturers, price-fixing associations, cartels and so forth, causing an arthritic condition in industry." The jungle was what the Monopolies Commission and the Restrictive Practices Court were designed to promote: "cut-throat competition, which will leave behind it many corpses—and not only the corpses of employers but of employed—on the field of battle." Lord Chandos had little doubt that in practice both these alternative patterns of business behaviour would lead one day to "very much the same end product. . . . bigger and better monopolies."

What was his definition of price leadership? A company, he said, becomes recognised as the price leader in a single commodity or a single product. Its competitors do not contract never to sell below this company's prices; but—so long as "it is generally understood that . . . these prices give no more than an adequate return on the capital"—it is understood that its prices will be followed. In such a system of "self-discipline" it is "equally understood that if for reasons of immediate gain the smaller competitors start cutting prices, in order to gain more of the big man's business, they must face the consequences of a price war, which will lose them a great deal of money and possibly lose their existence." And although in price leadership thus defined no formal understanding is needed to encourage this self-discipline, "you must have co-operation in compiling statistics" on the shares held of the market for the product concerned, so that each manufacturer can be satisfied that he is not being outsmarted by his comrades in the ranks (or even by the leader?).

This cold-blooded definition of price leadership and what it is designed to do may go rather farther than any American industry used to admit. (The term, once admissible in American companies' rationalisation of how they behaved, has dropped out of their vocabulary since the anti-trust authorities began to argue that competition may be restrained without any collusion at all, and that mere "conscious parallelism" may be a crime.) Lord Chandos links his conception more bluntly with implicit market-sharing than some other exponents of price leadership might like. With or without this specific connotation, however, there is not much doubt that over quite a wide range of business in Britain, and most other western capitalist economies, what Lord Chandos thinks desirable does obtain: price leadership, be it firm or loose, is customary.

It is often argued, indeed, to be an inevitable corollary of "competition among the few," between the sizeable business units into which highly-capitalised industries are "naturally" organised. (Most industries consider themselves highly-capitalised and believe they are getting more so.) Where demand for any product is pretty inelastic to price, but without too much loyalty to particular makes, a cut in price will have to be followed by all one's competitors but won't much increase total sales: so internecine price competition will leave each maker's share of the market much as it was, but leave all with lower margins. Better trust the price leader (Americans sometimes use the phrase "reference marketer," which is not yet illegal) to move when costs or the opportunity of tapping new levels of demand, in his judgment, justify a move up or down in price. Trust the leader; fall in behind. By temperament and convention as much as commercial rationalisation, many British businessmen always do.

Price leadership, it will be noted, need not fall foul of the Restrictive Practices Court: no agreement need be involved, beyond perhaps one to exchange information. It can be much less formal, indeed, than the "open price agreements" to exchange information about prices, without obligation, that have replaced price-fixing agreements in many trades since the Restrictive Practices Court began to outlaw them. Abolition of resale price maintenance, in final sales to the consumer, might strengthen the countervailing power of any retailers or wholesalers who were inclined to buck a price leadership system: but it extends perhaps more widely in intermediate sales to business. Only American anti-trust legislation has ever tried to tackle price leadership, and so far without great success. It is certainly difficult to imagine national or supra-national departments in the European common market trying—and while Britain's entry into the common market may begin with a sharpening of price competition between national industries, it is perfectly possible that this, in various types of industry, will eventually be checked and replaced by some assertion of price leadership from the biggest units. Moreover, it is perhaps only fair to add that in some really heavily-capitalised industries where it is prevalent (though not all those in which the arguments for it are advanced) it might be difficult to suggest what kind of pricing, if this leadership were outlawed, should replace it.

Lord Chandos can reasonably draw a distinction between the long-term commercial policies of the modern corporation, run by salaried managers, and the "get-rich-quick" mentality of the enterpreneur, seeking immediate gain, who is taken as the noble savage of the perfectly competitive jungle. In the same way, recently, Mr Paul Chambers could point to the simplifying assumptions implicit in theories of competition as ultimate economic virtue—"we cannot insert into the calculations the reality of imperfect and unequal knowledge." And it is true that some moral homilies about the business behaviour of the twentieth-century corporation continue to be delivered in terms that were somewhat idealistic even as a rationale of an 18th-century produce market.

But these lords of British industry—flushed out of the cloister, but too civilised to choose the jungle?—should perhaps also consider the corollary of their realism. No theory of "imperfect competition" or of "industrial self-discipline" yet evolved has been able to suggest that this kind of real behaviour in a real world can be relied upon to bring about that rightness of price, that optimum efficiency, that ideal allocation of resources that the theories of perfect competition were so sure would arise from unreal behaviour in an unreal world. Remove the simplifying assumptions, and one removes any automatic acceptance of business behaviour too. Lord Chandos would probably say that went years ago, anyway. But its removal positively invites the intervention of society into the sphere of decisions that many of his fellow-businessmen, less ruthlessly realist, still consider their own prerogative. If the businessman is not going through the motions that should, doctrinally at least, ensure the rightness of the resultant of whatever he and his fellows decide, other people may feel they could take the decisions better. (Whether they could or not is beside the point, but that they should try will be increasingly believed.) It may be symbolic that President Kennedy did not react to US Steel's decision about prices last week by arguing that it was taken in an uncompetitive way. He said the decision was wrong. And changed it.

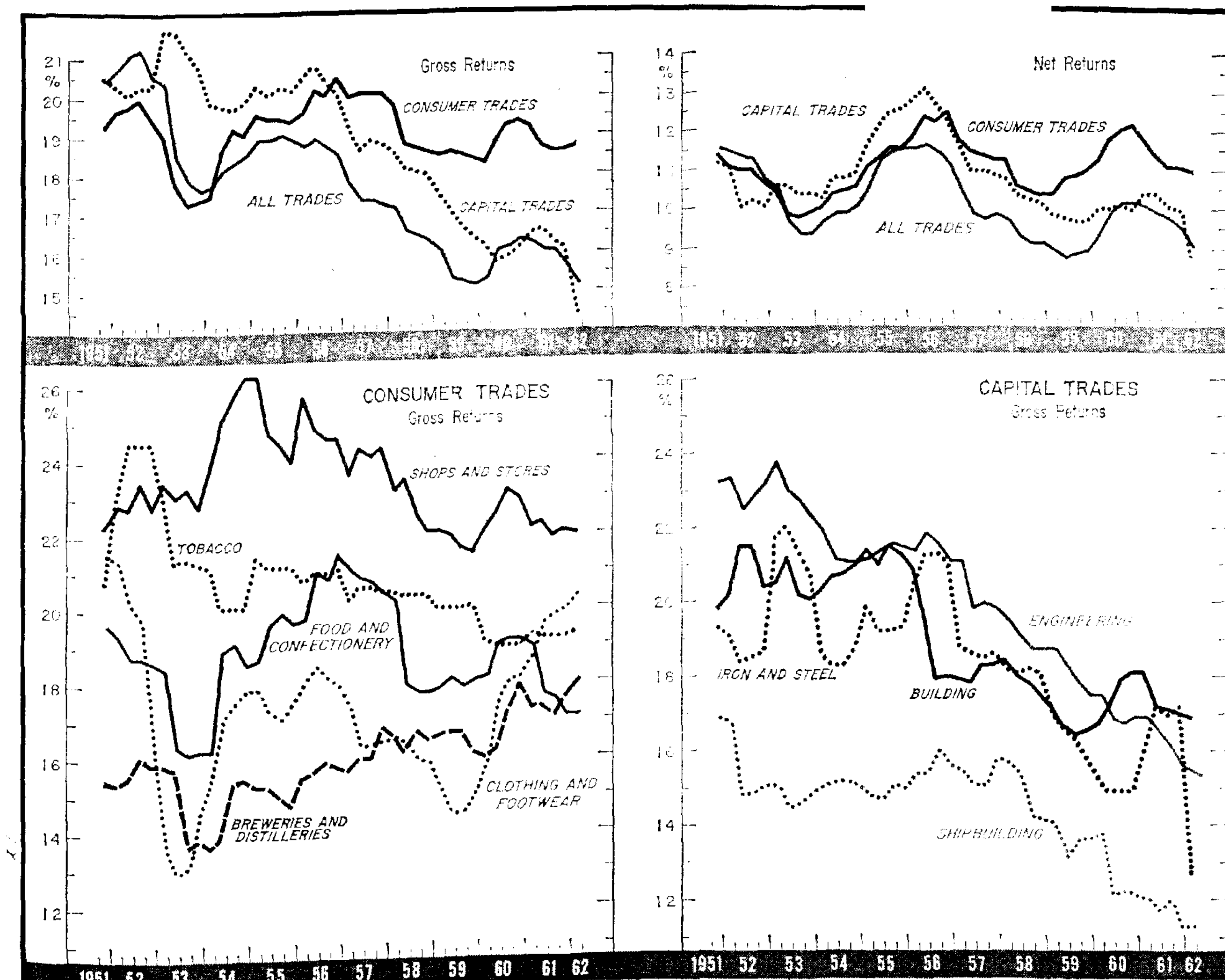
Profits: A Ten-Year Look

One most useful weapon in the armoury of investment analysis is the return earned by a company on the capital it employs. Inter-company comparisons of such rates provide the investor with an important statistical test of the quality of management. Among companies that produce similar products, a declining trend in the rate of return earned by one company and a rising trend for another provide an obvious investment inference. The test is not infallible: but such comparisons help to limit the area of choice in investment.

Comparisons of this kind begin with industries rather than companies. The accompanying charts, based on some delving into the quarterly analysis of profit and loss accounts and balance sheets prepared in this office over the last decade, provide inter-industry comparisons. They show moving averages of the returns on capital employed, plotted by the quarters in which the relevant accounts were published. Accordingly the latest figures in the chart reflect the average experience of companies which published their reports in the year from April 1, 1961, to March 31, 1962—since accounts appear roughly three months after the end of the financial year to which they refer, the latest figures can be said to reflect the combined experience of companies in 1961. Figures in the table are based simply on the accounts published in the first quarter of this year; it is intended to publish such a table with each quarterly analysis of profits and the charts will be brought up to date annually.

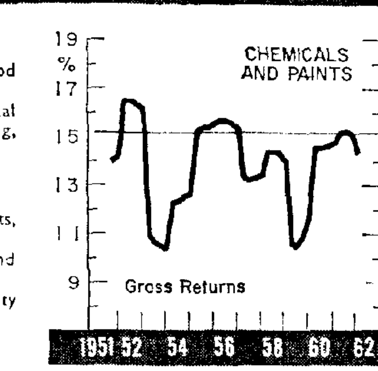
The charts are not merely economic history: they have relevance to private investment decisions now and even to broader planning decisions about investment in future. Returns both before and after tax (gross and net) have been declining in the last decade, net returns less steeply than gross returns because of the reduction in the standard rate of income tax. The decline in gross returns from 20.4 per cent to 15.1 per cent has been broken twice only—around 1954, reflecting the inflationary profits of the early fifties, and around 1960, reflecting a year of genuine economic expansion in 1959. A decade of steady capital accumulation at rising current prices would inevitably have reduced the average rate of return on capital employed, even if the real rate of profit had been maintained. But it is also true that lower profits have become the rule on new investment; inflation has been pushing up costs while competition now has an increasing influence in keeping selling prices down.

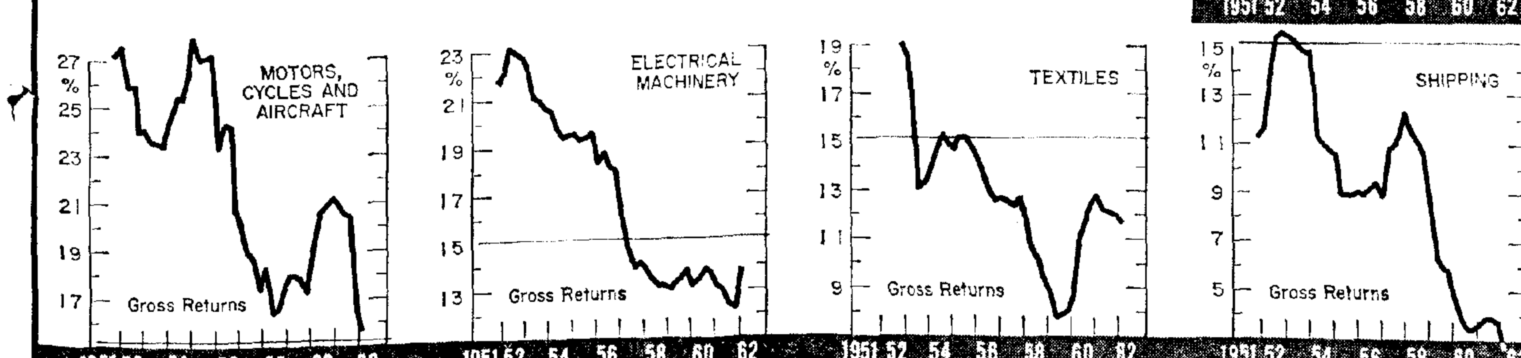
This is the general pattern. But the trades closely in touch with the consumer show up more favourably than the capital goods producers. The charts reflect the cyclical nature of the capital goods industries, and the motor industry too; but the steep fall in the rate of return on capital invested in the capital goods groups, compared with three or four years ago, has occurred despite a high level of activities in most of these industries. Shipbuilding, to nobody's surprise, is in a persistent earnings decline with the rate falling in ten years from 16.8 per cent to 11.2 per cent; and the sudden drop in the steel industry's earnings last year from 17.1 per cent to 12.8 per cent shows the frightening impact of reduced rates of operation after a period of extensive investment. The ten-year fall in engineering earnings from 23.2 per cent to 15.2 per cent is quite as disturbing as the failure of investment in electrical manufacturing to earn an adequate keep. Shareholders who have so often been asked to contribute new money to the electrical manufacturing industry in the last decade cannot fail to be disturbed by and dissatisfied with a current rate of 13.8 per cent, against 21.8 per cent ten years earlier. The earnings record of these industries does not suggest that they have adequately adjusted their organisation and policies to the pressure of international competition.



RETURNS ON CAPITAL EMPLOYED

Capital Trades include: Building, Engineering, Iron and Steel, Shipbuilding.
Consumer Trades include: Breweries, Distilleries and Wine, Clothing and Footwear, Food and Confectionery, Shops and Stores, Tobacco.
All Trades include: Those in capital and consumer trades plus Chemicals and Paint, Electrical Manufacturing, Motors, Cycles and Aircraft, Newspapers and Printing, Paper and Packaging, Miscellaneous Manufacturing, Shipping, Textiles and Other Miscellaneous.
Gross return=gross profit/net assets. **Net return**=net equity earnings/net equity assets.
Gross profit=profit after all charges except tax and minority interests.
Net assets=net fixed assets, trade investments, intangible assets, net current assets, *less* loan capital.
Net equity earnings=gross profit, as defined above, *less* tax, minority interests and preference dividends.
Net equity assets=net assets, as defined above, *less* future tax reserves, minority interests and preference capital.





In the consumer trades, clothing and footwear appear in recent years to have made more positive responses to the forces of competition than textiles. In footwear particularly, rationalisation has been widely and radically applied. The same is true of the brewers which have achieved steadily rising returns. Food and confectionery and shops and stores show a good rise in the late 1950s, but their returns have been falling more recently. Competition between retailers is beginning to bite severely, and already the charts pose the question whether thin growth yields on many food and supermarket stocks are entirely justified today.

Past performance is of some help to the investor by showing the industries in which genuine growth is proceeding. The charts also serve a further purpose—as a yardstick against which the performance of individual companies can be measured. If the investor uses the definitions of " assets " and " profits " set out on the preceding page and fits the mid-point of the company's accounting year to the mid-point of the notional accounting year for the industry, a reasonably synchronised comparison emerges. If this shows that the company is doing consistently worse than the industrial average, solid reasons will be needed to justify buying the share. If the company has performed better than the industrial average, it is no time to sell. There are statistical hazards in such comparisons, particularly when companies have revalued their assets; but the danger is less sharp when a company that has revalued is set against the industry averages (which automatically take in the revaluation) than when it is compared directly with another company which has not revalued.

The charts provide a long-term guide while the latest quarterly analysis surveys near-contemporary events. Neither provides an unequivocal assurance to the investing public about the money that British industry is making after a decade of active investment. Compared with a year ago, the gross return earned on the capital employed by the 371 companies reporting in the first quarter of this year (and referring roughly to a trading year that ended in September) fell from 16.5 per cent to 14.3 per cent. This reflected a fall of nearly 2½ per cent in trading profits, from £601½ million to just under £587 million, and a rise in total net assets from £3,175 million to £3,493 million. Net current assets were practically unchanged as the rise in stock and debtors was balanced by increases in creditors and bank overdrafts, but net fixed assets went up from £1,885 million to £2,173 million. The fall in trading profits worked its way through an increase in depreciation to a decline of 6½ per cent in profits before tax; and, as tax was proportionately higher, net equity earnings fell by just over 9 per cent, slightly reducing the dividend cover. Expressed as gross percentages on the end-year issued ordinary capital, equity earnings fell from 43½ per cent to 35¾ per cent and dividend payments from 17¾ per cent to 16½ per cent. Earlier comments on the monthly totals of reported profits have shown that the latest fall in profits and gross returns is due largely to the experience of the steelmakers in the year to end-September; their trading profits fell by 17¼ per cent and the gross return on assets employed slumped from 17.5 to 11.6 per cent. The biggest increase was reported by the entertainment group, reflecting the experience of Granada; but statistically this was not an important group and the most cheering results came from the brewers.

The latest results and the longer-term charts strengthen the belief that in competitive trading conditions investors cannot blindly follow equities in general or a particular stock market index. Nor in the atmosphere of a restrictive budget can they really expect any rise in equity prices to be strongly based. The task is increasingly to find the company whose management record is better than the rest. These charts and statistics, we hope, will give the investor some help in this search.

The New Statistics

In the first quarter of a new year the opportunity has been taken to revise the analysis of profits and balance sheets made in this office since 1949. A self-balancing method has been retained but the manner in which the collated statistics are presented has been altered. Several important accounting sub-totals and ratios are now shown; these include total income, profits before tax, net equity earnings, dividend cover, net fixed assets, net current assets and net total assets. The order in which the items appear in the combined profit and loss accounts and balance sheets has been altered so as to give prominence to the new sub-totals.

Some items have now been combined. Other current income has been merged with investment income; administrative charges, contingencies and provisions and pensions have been amalgamated into a new item, " other charges "; and profits retained by subsidiaries, parent company reserves and the difference in the parent company's carry forward have been added together to form another new item, " retained earnings." The new form excludes non-recurring credits from " net equity earnings," as in the past. On the asset side of the balance sheet, " net balances due to parent company " have been incorporated with " debtors " and on the liabilities side " net balances due to subsidiaries " and " other provisions " are now both included in " other current liabilities." " Total net assets " consist of net fixed assets, net current assets, trade investments and intangible assets.

A separate table, which will be published with each quarterly analysis, has been prepared to show changes in trading profits and in the gross and net returns earned on the capital employed for the individual industrial groups. The " gross return " is the ratio of profit before tax to " total net assets " *less* loan capital; the " net return " is the ratio of " net equity earnings " to net assets attributable to ordinary shareholders. The latter is defined as " total net assets " *less* loan capital, reserve for future income tax, minority interests and preference capital.

In the new grouping, rubber and tea plantation companies and finance companies engaged in hire purchase are excluded. " Property " and " entertainment " companies now form two new groups; " entertainment " includes hotels, restaurants, holiday camps, television contractors, cinemas, theatres and dog and horse racing. Printing and newspaper companies are shown in a separate group from paper making companies. " Other textiles " have been merged with " silk and rayon." The " miscellaneous manufacturing " group and " other companies " have been replaced by two new miscellaneous groups, split broadly between manufacturing and distribution. The slight element of discontinuity between the old and new series can be bridged by deleting the rubber and tea plantation statistics from the old series.

PROFITS AND RETURNS

371 companies, reporting January-March 1962	Change in trading profit	Gross return on net assets		Net return on net equity assets	
		Previous year	Latest year	Previous year	Latest year
	%	%	%	%	%
Breweries, etc.	+16·0	13·1	14·0	8·1	8·2
Building	+11·3	15·6	17·1	8·7	10·3
Paper & packaging	− 9·6	19·2	16·1	12·0	9·6
Chemicals & paint	− 7·7	14·4	10·9	11·1	7·9
Clothing & footwear	+ 6·2	19·7	19·7	11·5	11·0
Electrical manufacturing	...	14·9	12·0	9·6	7·6
Engineering	+ 5·7	17·6	15·8	9·4	7·9
Entertainment	+72·2	3·4	4·6	2·2	3·2
Property	+29·2	8·2	8·8	3·3	3·7
Food & confectionery	+ 6·4	14·7	14·3	8·3	7·6
Iron & steel	−17·2	17·5	11·6	12·8	8·5
Motors, etc.	...	19·9	17·3	11·4	8·9
Newspapers & printing	+ 3·9	21·8	18·4	13·3	9·5
Oil	+ 9·1	18·1	19·8	10·7	10·8
Shipbuilding	+ 3·8	16·5	17·4	9·4	9·6
Shipping	−17·2	2·5	...	2·4	...
Shops & stores	+ 2·7	25·3	24·9	14·3	13·8
Cotton	− 6·3	15·1	13·6	8·5	7·6
Silk, rayon & other textiles	−13·1	10·7	8·3	6·4	4·2
Wool	...	14·4	13·8	8·3	7·6
Tobacco	+ 7·8	19·4	19·5	10·9	10·8
Miscellaneous manufacturing	...	17·5	15·2	9·7	8·4
Miscellaneous others	− 7·4	11·2	8·2	6·9	4·0
All groups	− 2·4	16·5	14·3	10·3	8·5

BUSINESS NOTES

IN THE MARKETS

Budget Reappraised

Once the initial feeling of relief that the speculative gains tax was not really tough had evaporated, investors appraised the implication of the budget more soberly, accepting that on balance it might in the short-term be more comforting to gilt-edged stocks than to equities. Just before the budget buyers of equities had been looking for signs of revival and expansion. Mr Selwyn Lloyd did not provide them, and equity prices tended to slip back. The fall was not steep and indeed prices rallied briefly this week. A neutral budget leaves equities in much the same uncertain state as they have been for months. There is the reasonable expectation of expansion at some time within the next twelve months, and therefore equities around their current levels may at some points look cheap; but the budget postpones the date when signs of revival are likely to appear. Profits, moreover, are still under pressure and the longer term trends as depicted in the returns British industry is earning on its invested funds, as examined in an earlier article, are not assuring. Equally, however, with the prospect of an upturn in the economy still beckoning there is no point in selling at what many people believe is the ground floor of the equity market. Until there are definite indications of expansion, equity prices will presumably continue to fluctuate between narrow limits; and if the investor decides to buy now he has to be prepared to hold.

The outlook for the gilt-edged market is more reassuring and prices of the longer-dated and undated stocks have begun to move up again on a moderate amount of buying from institutional as well as private investors. Restraint in the economy, reinforced for a time by the tough budget accounting, is good for gilt-edged so long as sterling remains strong. The Chancellor has again declared that he does not expect to be looking for new money through the bond market, and funding sales seem unlikely to press heavily on prices. Toughness in the budget measures may give the authorities a further opportunity for relaxation in interest rates and bank credit. Not surprisingly, talk about another reduction in Bank rate began within a few days of the budget statement. The authorities, however, are pulling hard on the official brake to check the downward slide in money market rates and at last Friday's Treasury bill tender the market raised its bid by only 2d. to £98 18s. 4d.—the pressure on the current low bill offers is very heavy—and the bill rate fell by 8d. to £4 6s. 8.54d. per cent. Gilt-edged stocks, in fact, provide a suitable repository for funds which are waiting for more decisive signs of recovery.

Steel Grey Shadows

A Wall Street Correspondent cables:

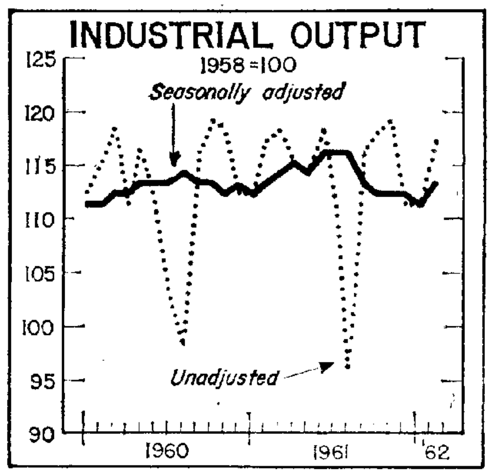
While Washington appears to be rejoicing over the rollback in steel prices there is no flag-waving on Wall Street. Steel rather than general economic trends has become the major influence with private and institutional investors, who now regard rising profits and a boom in capital investment as uncertain. They are taking the view that the administration's success in forcing the steel industry to rescind the price increase represents an indirect form of price control and they fear that its application elsewhere would lead to a revision in price/earnings ratios of common stocks that would make them less attractive than they are now. Steel shares were particularly hard hit and US Steel fell to its lowest point for three years, reflecting the fear that it will be the specific target of the administration's wrath and the more general feeling that the entire industry is likely to suffer from a sustained pinch on earnings.

Washington could help by accelerating its efforts to stimulate corporate spending but in the present atmosphere of uncertainty the response of business men might be only half-hearted. This is not to say that the rollback in steel prices was a mistake; but it has certainly come as a blow to investors' confidence, which in any event had been growing weaker. Business, in fact, appears to have shaken off its lethargy and the economic indicators show a generally satisfactory resumption of growth. Normally that could be counted upon to encourage investors but the contretemps in steel has created new doubts—temporarily at least. It would be most unusual for the stock market to enter into a period of prolonged decline so early in the business recovery and the chances are that the big improvements in profits, including those earned by the steel industry, will prevent a serious fall. Nevertheless, confidence has been impaired and though many equities are now selling at prices that the analysts consider to be attractive, there is no demand for them. Some big institutions do not rule out the possibility of a stock market decline that could lead to a lower level of business activity. Such thinking can be traced directly to the steel battle and if it were to be translated into action it could lead to widespread selling. For the moment however the institutions are staying on the side lines, waiting to see whether Washington will make some gestures to bolster business and investors' confidence; until the outlook is clearer it looks as if the stock market will see-saw.

THE ECONOMY

Output Turns Up

Perhaps one of the two points by which the production index for February is reported to have risen over January should be discounted: last month the January figure was officially held to have been especially affected by bad weather. But there seems clearly to have been some upturn in industrial activity. The seasonally corrected index for all industries was put at 113 for February, against 111 for January, while the seasonally corrected index for manufacturing rose from 110 to 113. There have been no new amendments to the indices for the last few months; so output from December to January now looks to have been at about the same level as in the three months before.



Output in both the motor and the steel industries was already known to have risen more than seasonally in February, and the increase in automotive production will have influenced the business of some engineering suppliers. But there have been few reports of higher output in other consumer durables industries; and engineering output is reported to have fallen again in February. Some of the "soft" consumer goods trades may be responding to the continued rise in retail trade. It is not easy to trace the pattern of this industrial improvement and one cannot place too much reliance on one month's figures. There was nothing in the statistics of engineering orders to justify special optimism about exports. Home orders rose, but orders from abroad remained at about the same level as they have been for twelve months.

GOLD

Two Prices in New York

THE central bankers managed to discuss their new gold plan at their monthly meeting in Basle a fortnight ago without any new leak—it is said that there was quite an inquisition over the last one—but the perspective of the plan is now reasonably clear. It is essentially an extension of earlier and informal agreements on gold, first between the American authorities and the Bank of England to feed gold to London over the "gold bridge," and secondly between Continental central banks to hold off the London market when it was under pressure. The next step, which is the essence of the new plan, was an attempt by the United States to maintain the counter-speculative mechanism of the gold bridge but to tap European gold reserves, as well as its own, to feed it. As early as November 11th last a report from New York in these columns could say: "It seems that the United States has been promised help at least on a temporary basis to keep the price of gold in London stable with no immediate diminution in the United States gold stock."

The Europeans, it seems, have committed themselves to the extent of $250 million, and the scheme is ready for use whenever it is needed. Officials strenuously deny that there is any question of a gold guarantee. The European central banks that sold gold in the London market would add the accruing dollars to their reserves in the normal way; plainly the scheme would have no point if these accruing dollars were quickly converted into gold in New York. But it is now certain that the scheme does involve the dropping of the ¼ per cent commission charged by the New York Federal Reserve for gold transactions. Indeed the commission has already been dropped for certain central banks—presumably those that are in the pool. Thus there are now two official buying prices for official funds in New York, $35 an ounce for the favoured and $35.08¾ on the regular basis; and one wonders whether the United States authorities will be able to maintain this differentiation, even though it can perfectly well be justified. One by-product is that there are now also two "shipping parities" in the London market—the old $35.17-20, and, for central banks that need to pay only transfer costs from New York and no commission, around $35.08-10. The present London price, in a quiet but by no means dormant market, is well within this lower range.

The question mark that remains over the scheme is how it can be expected to cope with a real crisis of confidence on the basis of the present potential fund of $250 million—and without any change in European central banks' gold holding policies, some of which are tightly prescribed by statute. Of all the many essays in pragmatic financial co-operation that have emerged in the last eighteen months this one is perhaps the least convincing. Its main worth is perhaps as a gesture, and that is not to be underestimated. As Dr Per Jacobsson observed in a speech of characteristic optimism to the UN Economic and Social Council earlier this month, the exchange markets have been helpfully calmed by "a growing feeling that in monetary matters there is a greater measure of international co-operation and that sufficient resources are available to overcome difficulties that may emerge." This is true. But bankers must not, from Basle, overestimate the strength of a Maginot Line.

AIR SAFETY

Doubts and Fears

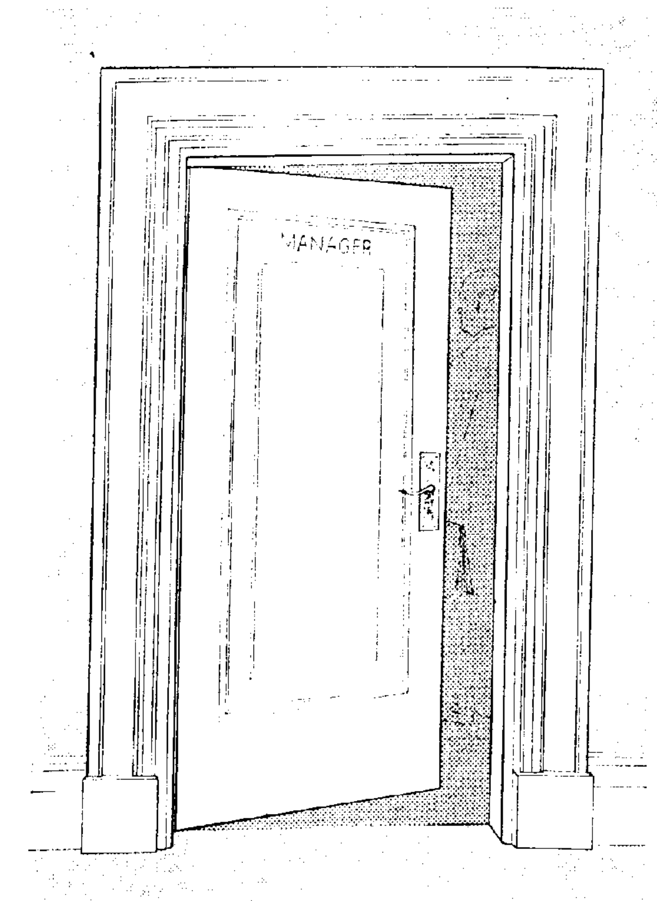
THE Ministry of Aviation is hyper-sensitive to criticism about its rules for air safety—and rightly so. A run of six major air crashes in little more than a month, some involving British aircraft, shocked public opinion last autumn and prompted some questions about the adequacy of the Ministry's arrangements, which it thought fit to answer at length this week in a White Paper describing what is being done already and what improvements are planned for the future. This is not a wholly satisfactory document, for accidents occur most frequently in places where the writ of Her Majesty's Government does not run; and reassuring as it is to learn of the measures taken by the Ministry to modernise airports and improve air traffic control, there is little it can do to see that pilots get the same facilities once they cross the coast.

Present standards of aircraft building are high; so are the standards for testing them. Accidents caused by the structural failure of an aircraft, which were common a few years ago, are rare today. Air crashes now seem to be due most often to errors of judgment; a pilot does something during take-off or landing that he should not have done, or he flies off course into a mountain. Flying would be a great deal safer if some-one could suggest why such errors are made by sober, experienced men acutely alive to the consequences of a small slip in judgment. There are four possible explanations, that the pilots themselves are not up to standard, that their aircraft are too difficult to fly, that their instruments are at fault, or, in the case of charter flights, that the pilot does not know the route. This last criticism the Ministry has answered obliquely by tightening up its check on the airlines themselves.

. . . and Cures

SOBERLY the Ministry spells out its misgivings about some of the arrangements in this country for crew training. This was a courageous thing to do, since nothing can prevent the impression from gaining ground that some pilots are only barely up to scratch. Air crews are examined and licensed, and their proficiency checked at stated intervals. The majority used to come from the RAF, but the numbers who do have been dropping off at a startling rate—from 340 in 1958 to 33 in 1960. For the first time, therefore, the airlines are having to recruit air crews fresh from flying school with no previous flying experience.

Only two schools, the new and government-supported College of Air Training, and Airwork Services Training owned by British United Airways, are judged good enough to be allowed to train professional pilots. And among aspiring crew members who sit for the Ministry's examinations for professional licences or for special instrument ratings to add to their licences, only one in three pass at the first attempt. This, says the Ministry, could be a sign that the



standards are high, but "it also argues that too many candidates are either inadequately prepared or are of inadequate calibre." In future, no one will be allowed to sit for any of these examinations until he has undergone a government-approved course of instruction.

What about making the actual job of piloting less hazardous? People who have watched a mature pilot battling with a big jet wallowing close to the ground to land it on a rain-swept, badly-lighted runway at night may ponder whether it is reasonable to demand such a high standard of skill and judgment from anyone. In this country, early marks of Comet were allowed to go into service which were far from easy to handle during take-off, and several accidents followed. The Ministry says less than one would like about this aspect of safety, and less, too, about the weak point in every modern aircraft, its flying instruments. The Ministry is looking now into take-off and landing accidents; it claims to have pioneered a new, less confusing altimeter, but this could be described as leading from behind.

SPANISH SHARES

Watching Bulls

Spain is emerging from its chrysalis of economic torpor; foreign investors, who are still kicking themselves for missing the first signs of Italy's industrial risorgimento, have been anxious to get in early here. From Monday of this week, following a ministerial decree of March 15th, these investors are free to repatriate their capital gains, and their dividends. The only remaining restriction is that foreign investors may not acquire more than 50 per cent of the capital of any Spanish company. Kleinwort, Benson, the British member of the European investment banking group "Sogefina," has already placed privately part of the capital of "Inespa," a Spanish investment trust. Through an agreement with Banco Urquijo of Madrid, the managers of the trust, just under half of the capital of 200 million pesetas (£1.2 million) has been acquired by "Sogefina." Interest has been strong and Kleinworts hopes to be able to place more shares in the near future. The 1,000 pesetas shares at their present price of 1,120 pesetas yield 3.5 per cent.

The freeing of foreign investment had been expected for some time and many European investors had been anticipating it: the Union Bank of Switzerland has started a unit trust for Spanish shares. In the last two years the Spanish share index has risen by 27 per cent and yields on bank shares, the most popular section of the market, are no more than 2¼ per cent. The banks are indeed a major element in the Madrid stock exchange, and hold all the equity of many important companies for which there is no public quotation. There are some 870 shares registered, but 90 per cent of the turnover is in 50 or so large companies. Turnover in shares in 1960 was 3 billion pesetas—apparently less than one thirtieth of the turnover in Milan, a market which is itself very narrow and subject to wide price fluctuations.

At the moment many Spanish companies rely for expansion on finance from the banks or their own retained earnings, but as the pace of economic development quickens they may be forced on to the stock market. New banking reforms may limit the amount of equity investment that the banks may take in any one company. Information on Spanish companies is sketchy; published accounts have not yet reached the standard of the rest of continental Europe, let alone that of Britain. This is one reason why foreign investors are inclined to take their participations through banks or outright investment trusts.

ROTHSCHILDS

Sons and Brothers

De Rothschild Freres of rue Lafitte, Paris, is taking a limited financial interest in N. M. Rothschild and Sons of New Court, London. Despite the close informal connections between the two houses, the businesses have for the past fifty years and more been entirely separate. Originally the five family banking houses in London, Paris, Frankfurt, Vienna and Naples were in full partnership. In 1909, in a commercial world that was clearly losing its earlier internationalism, this link was severed. By then the Naples and Frankfurt branches had ceased to exist; the Vienna house was wound up by the Nazis in 1939. The London and Paris houses continued to work closely together, but Rothschild & Sons gradually became more distinctly English in its practice while Rothschild Frères became more distinctly French—acting as a true *banque d'affaires* with permanent interests through a wide range of industry and trade, not to say politics. The new link may have been given its historical logic by the approach of the common market and the new drawing together of the financial communities.

Because London is considered the obvious financial centre for the common market it has been considered appropriate for the French houses to take a stake in the London house rather than the other way round. The link is still a limited one. It is being formed through a new corporate partner, Second Continuation Ltd., with a fully paid capital of £1 million. Of this, the French Rothschild family, including the partners of de Rothschild Frères, will hold £600,000. The remainder will be split evenly between Rothschild Investment Trust and other Rothschild interests in Britain. The stock exchange got quite excited about this "first opportunity to get a stake in Rothschilds as a bank," and shares of the Trust shot up from 25s. to over 32s.—above their break-up value. Investors are expecting a lot from investment of 10 per cent of their equity in a 20 per cent stake in a corporate partner that itself shares its interest in Rothschild (in undisclosed proportions) with one other corporate partner and five individual ones.

FINANCIAL CO-OPERATION

Nordic Basle

The itch for co-operation in international finance is spreading. Last month the central banks of five Scandinavian countries—Denmark, Norway, Sweden, Finland and Iceland—agreed to the creation of a mutual assistance pool of short-term credits on much the same lines as the wider Basle operation that provided support for sterling in 1961—an operation in which Sweden, the only one of these countries whose currency is formally convertible, itself participated. Under this new Northern credit pact, each central bank may borrow, by a swap transaction, credits to a maximum equivalent to 100 million Swedish kroner from each of its partners in the pact for a period of one year. Iceland's contribution and borrowing ability is limited to Sw. kr. 10 million with each partner. This means in effect that if, say Norway, runs into payments difficulties it can raise credits among its neighbouring central banks equivalent to Sw. kr. 310 million. Iceland could raise Sw. kr. 40 million. If one of the central banks asked to provide a credit finds it cannot do so because of difficulties of its own, then the remaining central banks will be expected to make up the difference.

There are, however, limitations on the scope of the scheme. No bank will be obliged to have credits totalling more than Sw. kr. 200 million (one tenth that for Iceland) outstanding at any one time. This puts an effective limit on the resources available to the pact in any one year of Sw. kr. 520 million or $100 million. A bank may only ask for help after it has made "reasonable" use of its own foreign exchange reserves and after it has made drawings on the International Monetary Fund equivalent to its gold subscription and first credit tranche of 25 per cent of its quota. On this basis, as the table shows, the resources of the pact compare very favourably with these initial and almost automatic drawing rights at the Fund. Credits under the pact carry what is in effect an exchange guarantee; when the year is up the borrower must repay, in the borrowed currency, "an amount equivalent to the gold content of that currency when the transaction was entered into." In global terms the scheme provides only a modest increase to international liquidity, but for the Scandinavians it adds a very useful third line to their currency defences.

NORDIC LINES OF DEFENCE
($ million)

	Reserves January 31, 1962	IMF "automatic" drawing rights	Credit Pact maximum drawings
Denmark ...	235	54	60
Finland	343	18	60
Norway.....	247	50	60
Sweden.....	676	67	60
Iceland	27	6	8

MACHINE TOOLS

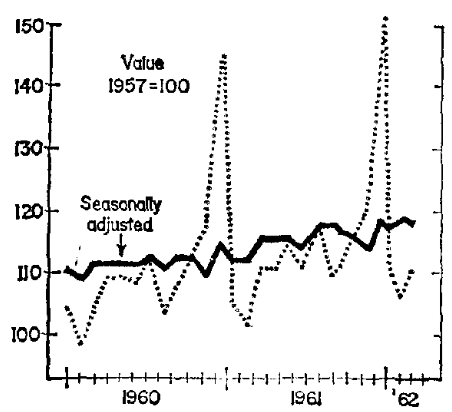
Orders Down

ORDERS for machine tools from both home and export markets were lower in January than in the last quarter of 1961. The drop of about eight per cent in the total covered a fall of 11 per cent in home orders but one of only three per cent in those from export markets. Though this fall in home demand ended the period of relative stability that the industry had recently been experiencing, it is perhaps hardly unexpected when industrial production had been drifting downwards, and capital expenditure by private industry is expected to fall. The change in export orders is probably too small to be significant.

The fall in orders meant that, though deliveries in January were about six per cent below the level of the preceding quarter, the value of orders on hand fell slightly from the December level. Compared with a year before, however, orders on hand from the home market were the same, but export orders were 31 per cent higher. The industry still has about 10 months' production on its order books; though it may not have quite so hopeful an outlook as last summer, it should still maintain a high level of output for this year at least.

RETAIL SALES

Retail trade may have been a little less buoyant in March than in the first two months of this year. The Board of Trade provisionally estimates that the value of sales, seasonally adjusted, was 117–118 (1957=100) and since prices had probably risen a little, this suggests a slight decline from the February level of 118. But " little change " would be a safer conclusion ; the Board of Trade is once again cautious about its seasonal correction which this time, because of the effect of the changing date of Easter, is " particularly difficult to assess with great confidence."



NATIONAL STOCK EXCHANGE

Adding to London?

THE recent suggestion by the chairman of the London Stock Exchange, Lord Ritchie, that there should be a National Stock Exchange has been taken a step further with the setting up of a committee to consider the possibility of merging the various stock exchanges in this country. The committee will hold its first meeting soon after Easter and will consist of six representatives of the London Stock Exchange, four representatives of the Associated Stock Exchanges (which have members in the 21 large cities and towns which have their own exchanges) and the chairman of the Provincial Brokers' Exchange (whose members trade in smaller towns without exchanges). In a speech to representatives of all the provincial exchanges at the end of February, Lord Ritchie did not underestimate the technical difficulties that would have to be overcome before a " willing merger " could be achieved. But he emphasised that he considered such a move necessary.

His speech came soon after the first advertisements from Merrill Lynch appeared in the national press and clearly Lord Ritchie is aware of the challenge (modest though it is at the moment) offered by this and other American broking firms. At present Merrill Lynch's business in this country is confined largely to the buying and selling of dollar securities for its customers ; but in time this business could be widened to cover British securities and through the establishment of branch offices in the provinces. Merrill Lynch already has branches on the continent and there seems little doubt that before long members of the London Stock Exchange will follow its example. Until the present discussions on the merger of the exchanges are completed it is unlikely however that London brokers will be allowed to open branch offices in the provinces.

Even if they were allowed to do so it is doubtful whether many would be prepared to go, as the total business in the provinces is small compared with that transacted in London and is mainly of a local nature. Fears have been expressed particularly in the provinces that the result of any merger would simply be additional business for the London jobbers. But it is unlikely that the London Stock Exchange will argue that dealings in local stocks should be channelled through London even if there is a National Stock Exchange, though it might well take a different view about dealings between provincial stock exchanges in stocks in which the dealing price is effectively made in London. This is only one of a number of important questions which will have to be settled. Members' qualifications, advertising, compensation funds and listing requirements are others on which the various exchanges will have strong and sometimes conflicting views. Clearly there will have to be accommodations on all sides. Meanwhile stockbrokers in Scotland are discussing the possibility of creating a Scottish Stock Exchange even though they are prepared to take part in the London talks. One concession already made in London can be seen at the foot of the first series of prestige advertisements to be put out by the London Stock Exchange: attention is drawn, though in small print, to the existence of the other exchanges.

AIRCRAFT INDUSTRY

Shapes for the 1960s

COMING events cast long shadows across the aircraft industry. Dismissal notices to 3,000 Rolls-Royce workers are a sign that the government is serious in its plans to reduce the industry's size. The wooden mock-up of a small jet airliner shown by the Douglas Aircraft Company in America is a sign that the British Aircraft Corporation's 111 jet may not have the market all its own way. The relative absence of excitement accompanying the wheeling-out of the same company's big VC 10 jet (contrast this with the ballyhoo a few months back for de Havilland's Trident) is a sign that no one expects this machine to make much impact on world markets ; if the government and BAC between them recover their investment in the VC 10 there will be grateful sighs all round. BAC's profit on its first year of trading was a bare £1.6 million on £75 million worth of sales, too small to allow for slips. But the longest shadow is being cast by the smallest aircraft ; when the Bristol 188 (Bristol is now part of the British Aircraft Corporation) was delivered to the Ministry of Aviation last week, one era in flying was ended and another begun.

This is a steel research aircraft, four years late and not built to any particularly imaginative design. It is, however, one of the very few machines in this world built or being built to fly at three times the speed of sound. This speed has come to stand for one of the milestones in aviation. Just as 500 mph marks the point where aerodynamics oblige the designer to change over from propellors to jets, so Mach 3, or approximately 2,000 mph, has come to symbolise the point where skin friction and surface temperatures of 350° C oblige him to forgo the traditional light alloys and move on to the steel-and-titanium aircraft.

Strong Francs and Weak Francs

The pattern of European external payments is changing in important ways. The six countries of the common market are still in strong surplus with the rest of the world. But the size of the basic surplus is expected to fall significantly this year from the high level of $3 billion and more reached in 1959, 1960 and 1961. The most chronic creditor, Germany, at last seems in sight of reasonable balance—though now, under official guidance, its short-term interest rates are creeping up again. Our special correspondent who reported on the changing views at the Bundesbank three weeks ago turns this week to the unfamiliar problems of chronic surplus in France and the equally unfamiliar problems of yawning deficit in Switzerland. No movement of citizens is reported to be streaming out of Geneva to put its money in private banks in Annecy ; but otherwise there is much in Europe's present payments conjuncture that seems like Alice in franc-land.

FRANCE, like Italy, expects little reduction in its basic surplus this year, and neither of these countries yet looks on its surplus or the level of its reserves as starkly excessive—for in neither do the financial officials who are concerned with these matters take the present political stability for granted. France expects a further basic surplus of $600-$800 million this year, of which about half may be taken in an increase in reserves to $3½ billion (" which won't hurt anyone ") and the remainder disposed of in further prepayments of external debt. A further $58.7 million is to be paid to the United States this month ; but France is now running out of debt to prepay. The French authorities are fully in sympathy with the United States pleas, strongly expressed in the Paris meetings of the influential " Working Party Three " of OECD, for a larger outflow of long-term capital: but they do not quite see how to promote it. Restrictions on portfolio investment overseas were lifted earlier this year with the abolition of the *devise titre*—with little effect. Applications for direct investment are dealt with liberally ; but they are few. And, to the embarrassment of the authorities in Paris as well as Washington, French firms are borrowing in New York rather than American firms in Paris. M. Rueff in particular has ideas of how to get French long-term interest rates down ; but the authorities have taken only cautious steps here, encouraging the banks to put more money into industry through medium-term credits in the framework of the same total liquidity ratio.

If the private capital market in France fails to provide an offset to the French external surplus, the authorities realise that they, like their counterparts in Germany, will be under pressure to provide the offset in public exports of capital—which invariably involve political difficulties. But the Bank of France has no intention of bypassing this problem by shifting surplus foreign exchange into the hands of the commercial banks. Because they strongly dislike hot money, the French authorities still do not allow their commercial banks to take up short-term investments in foreign money markets against francs. The Paris banks can and do deal actively in foreign currencies, and the pool of Euro-dollars and other external deposits in Paris is $800-$900 million ; but the foreign deposits cannot be converted into francs.

This continuing fence between Paris and outside money markets, combined with a particular conjuncture of commercial operations, has meant that while the dollar is almost constantly at its floor against the franc in spot markets, the forward dollar is at a premium. The French authorities were somewhat surprised, therefore, when the Americans proposed that they should be granted a credit in francs equivalent to $50 million (actually on a mutual basis —the Bank of France has been given the same unwanted addition to its reserve of dollars) for exchange operations on the line of those successfully conducted in other centres, where the objective has been to strengthen the dollar in the forward market, to cheapen swaps. In Paris this was unnecessary and (because of the tight controls on short-term capital flows) irrelevant ; while in the spot market the Americans' 245 million new francs would be a drop in the ocean compared with the amounts the French authorities have needed to keep the dollar from falling through the floor. The upshot is that the Federal Reserve's franc facility has not been used ; it is essentially symbolic ; and it is not certain that it will be renewed when it falls due in June.

IN Switzerland, meanwhile, the earlier American official purchases of forward dollars have now been unwound in the wake of the sharp weakening of the Swiss franc. These forward purchases, which reached $150 million, were fully approved by the Swiss National Bank as a useful measure to encourage holders not to repatriate their dollar funds and thus unload still more dollars on its reserves. As the market tide has turned, the Americans have been able to liquidate their commitments and also repay their short-term credit of 200 million Swiss francs; the purchases of Swiss francs for dollars that this has involved have worked precisely in line with the need of the moment and must have kept down the amount of support purchases needed from the Swiss authorities themselves. These reached only small proportions (probably around $20 million) and the authorities intervened in small doses at an ascending scale of rates, from 4.3410 to 4.3480, indicating that their intention was to check any secondary speculative repercussions rather than provide a continuing floor under the Swiss franc at this rate—which is still well above the parity of 4.37. The formal lower limit of the Swiss franc is only 4.45—though paradoxically, while the Swiss have had the widest theoretical margin of fluctuation for their currency, the effective range at 4.31½-4.34 has until recently been among the narrowest.

The size of the Swiss commercial deficit, of 600 million francs on current account in 1961, with another billion francs flowing out in foreign capital issues, could carry the Swiss franc down into this unaccustomed range in the months ahead—provided world politics and world finance remain sufficiently at peace to hold back any new inflow of flight money. But it is not the external problem that worries the Swiss—the authorities there have long been conscious of having too much rather than too little liquidity. The real concern, which is voiced with strange uniformity by a wide section of the business community, is with what is happening inside Switzerland. The rise of 4 per cent in the cost of living in the past year, equivalent to the whole increase in five preceding years ; the continued boom in Swiss shares, which in some cases reduces yields to sums smaller than is needed to pay the annual property tax that some cantons levy at fractions of one per cent ; the equally soaring price of real estate, which has made the *Bahnhofstrasse* dearer than Wall Street and lakeside villas the most sought after in Europe ; above all, the growing proportion of foreign workers, now one in four of wage and salary earners in Switzerland—these are daily topics of complaint, and they are seen as signs of a deep-seated malaise. " We Swiss are growing soft. Look round in Zurich. Custom built Lancias and Europe's most expensive shop windows. All the dirty and tedious jobs are being left to foreigners. It is an old danger—we must remember the Romans." All this from a well-heeled private banker who does not ride in a Volkswagen and no doubt has a modest country place in the Ticino. He also arrives at his desk at eight in the morning. There have been deficit countries that created more convincing alarm.

COMPANY AFFAIRS
Comments on pages 292 and 293 on :
BBritish Motor — Bowater Paper
Sears Holdings — Gallaher
Mercantile Credit — Hudson's Bay

STOCK PRICES AND YIELDS
Stock prices, yields and security indices on pages 294 and 295

PROFITS
The analysis of profits and balance sheet for the January–March quarter on pages 296 and 297

Possibly because of their experience in building the Bristol 188, designers in this country have an almost unreasoning dislike for the steel aeroplane, although designers in the United States are seriously considering whether this will not be the right machine for supersonic civil flying. Now that the 188 is about to start its flying programme, it will provide some factual evidence to show whether British designers are right in their belief that they and the French should co-operate on a light alloy supersonic aircraft, or merely wrong-headed. The commercial future of the British aircraft industry hangs to a large extent on what can be learnt from the 188.

INVESTING IN CANADA

Britain Earns Least

British investors were late in discovering the Canadian postwar boom; they were not noticeably discriminating; and they were hit by special influences such as switches in the Canadian government's defence programme. In this major field, Britain's postwar investment has yielded disappointing results; and experience here can clearly not be any general guide to Britain's experience in overseas investment elsewhere. In an article in the current issue of *Moorgate and Wall Street* (published by Philip Hill and Harriman Ripley) Dr John H. Dunning of Southampton offers specific investigations of British experience in Canada that are interesting and useful. Dr Dunning calculates that over the five-year period 1955-56 to 1959-60, average net profits earned by British companies were only 4.9 per cent of net worth. For manufacturing the ratio was 6.8 per cent and for mining investment there was a net loss. Dr Dunning finds that these earnings are lower than those of Canadian companies and lower still than those of American companies in Canada. He sensibly points out that profit is not the only consideration in overseas investment: interestingly, he finds that 40 per cent of British companies thought they had increased their exports to Canada as a result of having subsidiaries there and only 16 per cent thought that exports had been reduced thereby.

Dr Dunning then goes on to ask: "Why is it that British firms in Britain earn lower profits than American or Canadian com-

PROFIT RATIOS IN CANADA*

	UK firms Dr Dunning's 1955/60	Canadian firms Financial Post analysis 1955/60	Canadian firms Canadian Bank of Commerce 1957/59
		Per cent	
Manufacturing :—			
Iron & steel prods.	7·3	9·0	11·8
Pulp & paper.....	7·4	10·9	8·1
Textiles & clothing	8·6	5·4	9·5
Foods & beverages	8·0	9·0	12·1
Chemicals	5·9	12·8	11·0
Non-ferrous metals	5·1		10·9
Other manufacturing industries ...	2·1		12·0
Total manufacturing	6·8	9·6	10·4
Oil and minerals ...	−0·5	9·3†	5·9
All 'goods industries'	4·9	9·4	8·6

* Net worth divided by net profit. † Petroleum only.

panies, British firms in the US earn less than American companies, British firms in Canada earn less than Canadian or US companies and British firms in Australia earn less than Australian and US companies?" To this staircase of a question, Dr Dunning returns an equivocal answer:

> To argue from these facts that American, or firms of other nationality, are always more efficient than British firms may be unwarranted without further evidence.

Unwarranted or not, Dr Dunning adds:

> but it may well be that the failure of UK subsidiaries overseas to earn at least average profits is no small reflection of the competitive ability (or lack of ability) of the parent companies themselves.

It may well be. But research is one thing and inferences are another.

GAS TURBINE CARS

Rover's Hopes

Rover is the only car manufacturer in Britain that is definitely attempting to develop a gas turbine car; and, as befits a relatively small firm, it is trying to make this

Out of Hours

British bankers are becoming increasingly aware that many potential new customers see a bank door only when it is closed. Reform of the Victorian pattern of bank hours is being closely considered; and there is no easy answer. Banks on the continent certainly open their doors earlier and close them later than their British counterparts: but, as British tourists have discovered, they close for a long lunch, do not open on Saturday, and enjoy a liberal sprinkling of public holidays. Over the whole year, all of them, except the German banks, offer their customers fewer hours of banking than do the British. English and Scottish bankers cannot draw too much comfort from the comparison; for their continental counterparts are not really out for popular banking; that they leave largely to the post offices and the "giro" banks.

Britain's bankers are pressed by their customers to extend their service and by their staff to resist. While the banks maintain uniform hours across the country there seems no rational way out. There might be if each branch tailored its hours to the needs of the community it serves. For example, branches in English country towns might follow the continental and Scottish banks and close during lunch. Branches in the West End of London might stay open late on Thursdays with the big stores. Suburban branches might stay open on Friday evenings to facilitate payment of wages by cheque. Most of the banks' potential new customers live in industrial and residential suburbs of cities. To cater for their needs, branches in such areas ought to open at 8.30 in the morning and extend their hours on Fridays to say 7 in the evening (as many trustee savings banks do). Banking during the extended hours might be restricted to a limited counter service, worked on a shift system by the cashiers, to take deposits, cash cheques, and pay bills. At the moment perhaps the only branches that seem to serve adequately the community in which they exist are those in the City of London—and by Act of Parliament these are forced (like the rest) to open on Saturdays, which presents a tremendous and costly handicap to getting and keeping staff, particularly girls. Over the rest of the country the banks could also get a useful saving from Saturday closing—but they could justify it only by major, and flexible, extensions on weekdays.

BANKING HOURS IN EUROPE*

	Open	Lunch break (hours)	Close	Saturday	Public holidays	Total hours open in year
Amsterdam	9·00	2	3·30	shut	8 days	1,134
Brussels	9·00	1½	3·30	shut	9 days	1,265
Frankfurt	8·30	1½	4·00	shut	14 days	1,577
Milan	8·30	2¼	4·00	shut	12 days	1,302
Paris	9·00	2	4·00	shut	12 days	1,240
EEC-average	8·50	shut	3·45	shut	11 days	1,304
London	10·00	open	3·00	9–11·30	6 days	1,400

Table compiled by Manufacturers Hanover Trust Company. *Excluding Luxemburg.

a self-supporting exercise by selling the gas turbines that it has developed for industrial uses. Its latest prototype, sent off for exhibition in New York this week, is a design that could be put into production, with a handsome four-seater saloon body. The cost would, it guesses, be 25 per cent more than that of a conventional car of the same size; and with design problems and the handicap of unfamiliar servicing techniques to be overcome, Rover is cautious about starting production. But it sees good chances that costs will fall and performance improve—good enough for it to feel that a decision to start production is a matter of when rather than whether.

Rover reckons that it can save cost by designing for cheaper materials or simpler production techniques, and it hopes that the price of the expensive heat-resisting alloys it has to use for the turbine may fall. Where its present car uses a stationary block-type heat exchanger—like a car radiator—to transfer waste heat from the exhaust gases to the ingoing air, it is considering a change to the rotating type of heat exchanger used by Chrysler. This can be made from cheaper materials than the stainless steel sheet Rover uses for its present heat exchanger (though BMC is experimenting with mild steel for a similar unit). And by going over to a radial turbine—in effect, a centrifugal compressor running backwards—for the turbine that drives the compressor, it will be able to cast both units—using the bronze age lost-wax technique.

Even on the most optimistic assumptions, however, a gas turbine is unlikely to be as cheap as a piston engine. It will have to be sold at some premium over conventional cars, on the appeal of novelty and smooth performance. A specialist manufacturer like Rover may be better placed to exploit such a car than a bigger firm, which would find it more difficult to fit any small-volume production line into its factory. Indeed, the gas turbine may never be more than the power unit of luxury or sports cars and heavy lorries.

SILVER

In the Groove

To the disappointment of some over eager speculators, silver has not run wild in its first four months of freedom. If it continues to maintain the degree of stability it has exhibited over the past month, in which the London and New York spot markets have been virtually stuck in a groove at about 84½d. and 101½ cents an ounce respectively, silver will soon earn a reputation for being the best behaved commodity enjoying unfettered freedom. In fact, the less exuberant market for silver might hinder the passage of legislation for rounding off the first step taken by the United States at the end of November to set silver free.

Silver miners in the United States have obviously gained from the Treasury's suspension of silver sales at 91⅜ cents an ounce delivered to customers. But only when the Silver Purchase Act of 1934 and subsequent silver legislation is repealed will they lose their right to sell their silver to the Treasury at 90½ cents. They will not therefore be so keen to see that side of President Kennedy's silver policy enacted. Since no immediate point of principle is at stake, the Administration might not therefore force matters, though this means that existing restrictions on dealings in silver will remain for the time being.

In London the premium on forward supplies of silver has recently vanished for the first time since the scramble for silver began in 1960. Forward silver normally stood at a discount because the mines usually chose to offer supplies for forward delivery and buyers preferred to deal for cash. When speculation reached its zenith, buyers wanted forward silver to postpone the need to finance their purchases. Since their demands could not be met from the usual sources, dealers bought spot silver and sold it forward adding their carrying charges to the price.

According to Samuel Montagu's annual bullion review, forward purchases of silver last year reached 50 million ounces. But forward silver is a very subdued market today. Though arrivals of Chinese silver have not been resumed, in view of China's continuing purchases of grain which cannot be financed by cuts in other imports, further deliveries are likely. Oversize stocks held by silver users, as yet unliquidated holdings of speculators and other miscellaneous sources of silver appear to ensure adequate supplies for this year. Save for the unexpected, silver looks set for a comparatively quiet year.

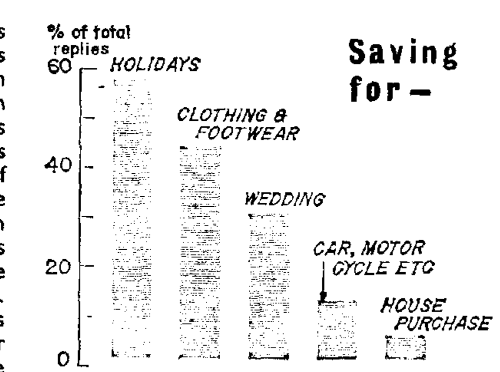
PLASTIC PIPES

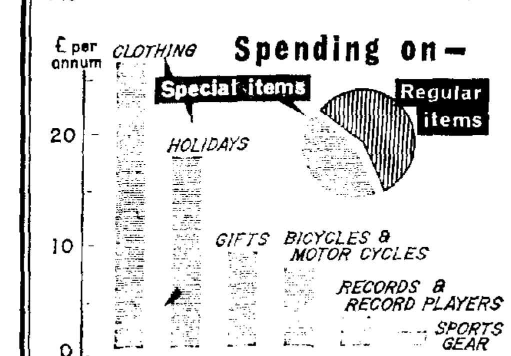
Joining Them

The biggest makers of cast iron rainwater and soil pipes, Allied Ironfounders, has announced that it is producing a range of soil pipes in polyvinyl chloride and plans to introduce a range of rainwater goods later on in the year. They will sell at about 5 per cent below the price of the cast iron pipes. With an eye on the continent, the pipes are being made in metric dimensions. This should not be taken as an admission that cast iron will shortly be superseded; Allied Ironfounders feels that an architect building for posterity will

Thrifty Teenagers

Not all teenagers are spendthrifts. This fact is established in the Savings Banks Institute's survey of teenage spending in 1960. Their study covered only a selection of teenagers who use Trustee Savings Banks in north west England so the results are limited compared with those of Dr Mark Abrams's survey in 1959. The teenagers in this new survey saved on average £29 a year against Dr Abrams's estimate of £14. Out of weekly take-home pay of £6 12s. 10d. for men and £5 12s. 9d. for girls, contributions to home expenses were 58s. and 52s. respectively (Dr Abrams estimated 35s. and 25s.). Average





spending was 58s. 8d. a week (Dr Abrams 64s.) but of this 24s. 4d. was spent on the "special items" shown in the chart alongside which were paid for partly through savings. Dr Abrams's average teenager spends 2s. 3d. a week more on clothes but 2s. 2d. less on holidays. The "regular items" total of 34s. 4d. a week includes cigarettes and tobacco 3s. 10d. (Dr Abrams 6s. 10d.) meals out 3s. 2d. (5s. 10d.) cinema admissions 2s. 9d. (1s. 7d.) and alcoholic drinks 2s. 5d. (3s. 10d.).

still use cast iron. However, other manufacturers of these pipes in conventional materials are also turning to manufacture in plastic, usually through subsidiaries: Universal Asbestos owns half of Allied Structural Plastics, and Burn Brothers is behind AB Plastics. In this way, the existing producers hedge against future competition.

It has not been an easy task to persuade builders, architects and public authorities to accept plastic where they were accustomed to something more substantial, and this task is by no means complete. Unfamiliar materials must be proved and early failures are, rightly, given quite disproportionate weight. The pipes have obvious advantages in lightness and do not need to be painted, but they have not been tested at length and will meanwhile be regarded with caution.

The first company in the field was La Brecque, followed in 1959 by Marley Tile and Osma. In 1961 three companies (Yorkshire Imperial Metal, Associated Builders' Merchants and Allied Structural Plastics) introduced ranges which included injection-moulded fittings—a technique which is better suited to mass production methods than the hot-forming methods previously used. The companies more recently entering the field have the advantage of possessing selling organisations which are already established in the building trade —indeed, which already sell virtually the same goods. The business for which pvc rainwater and soil pipes are competing amounts to about £6 million a year; it is hoped that sales will be running at an annual rate of £1 million by the end of 1962. So far, the market for plastic rainwater goods has been limited by lack of experience with the new products and the builders' traditional unwillingness to gain it by learning a new technique. But the high cost of tooling up to make the wide range of fittings needed has saved the market from overcrowding. This will not last if the competitive pressures so familiar in the plastics fabricating industry continue to be felt.

COCOA

Unsettled Season

The tail-end of an extraordinary cocoa season might still have some surprises in store, but the only big doubt still unresolved is the size of Brazil's temporao crop—will it be 1.5 million bags or 400,000? The main season in West Africa has been scarcely less predictable; everything pointed to a sharp fall in production in the opening months, but near record output resulted. Producers appeared to be in danger of holding a large surplus of cocoa at the end of the season, but they have disposed of most of it with surprising ease. After all the gyrations, the price of cocoa (about £164 a ton) is back where it started at the beginning of the season and its problems are just as far from solution.

Gill and Duffus estimate that production this season, based on a prediction of 1.1 million bags for Brazil's unharvested temporao crop, will reach the record level of 1,172,000 tons. If consumption rose by 10 per cent this year as it did in 1961, there would still be a surplus of some 70,000 tons to add to the surpluses of the previous three seasons. Warehouse stocks in consuming countries have risen to levels unprecedented since the war. Consumption is now far higher and manufacturers have never had the opportunity since the war of bringing their stocks up to what they consider a satisfactory level. Therefore what has gone before need not be considered injurious though it has produced what growers consider uncomfortably low prices. It is what lies ahead that gives cause for concern.

Had crops fallen this season, the record out-turn of 1960-61 might have been considered as something of a freak. It is not considered a freak now and there seems every chance of higher crops in the future from Brazil, whose output has been disappointing, and in West Africa. The rise in cocoa grindings reported so far this year has been well below expectations. The first three months of the year are not as important as in the fourth quarter though, because most chocolate is eaten in the northern hemisphere, they are more important than the summer season. Grindings rose most sharply in Britain, but the sweet tax, partially offset by reduced import duties on cocoa will not help matters.

This season, the five main producing countries have formed themselves into an alliance to devise means of checking the downward trend in cocoa prices. This is the sort of news that in earlier seasons might have had a strong market impact, but it has been largely robbed of its influence by familiarity. The projected international cocoa scheme is marching forward at a pace that suggests it cannot arrive before the start of the new season, so that the alliance might become an effective interim force. The major change in marketing this season has been the transfer of Ghana's selling activities from London to Accra; which has caused a loss of business to some London dealers but no great hardship. Nigeria also sells in Lagos now but its selling agency in London appears to have done most of the business.

SHORTER NOTES

Tramp shipping freight rates rose slightly in March; the index was 1.7 points higher than in February at 96.9 This has not, however, been reflected in any improvement in the market for ships; in its quarterly report Harley Mullion records a continued fall in prices. A standard war-built steamer has fallen in price from £125,000 at the end of last year to £95,000 now.

* * *

Railway freight revenue in the first 12 weeks of this year was £3,990,000 lower than in the same period of 1961. Mineral traffic was over 20 per cent down and merchandise fell about eight per cent. Passenger traffic, by contrast, rose by over two per cent because of higher fares. Total revenue was 1.6 per cent lower at £150 million.

* * *

The Stock Exchange Council has now confirmed the alteration to its rules proposed last month. It has made some amendments to its original proposals, the most important of which gives one-man firms until March, 1967, instead of March, 1963, to change their status.

LONDON CLOSING EXCHANGE RATES AND GOLD PRICE

Demand for sterling continues strong, and the authorities have taken in more dollars for the reserves. Markets became quieter with the approach of the Easter holiday. The gold price has been stable at $35.08.

	Effective Limits April 17	Market Rates: Spot April 11	April 12	April 13	April 14	April 16	April 17
United States $	2·78–2·82*	2·81⅜–½	2·81 5/16–7/16	2·81 7/16–9/16	2·81 7/16–9/16	2·81 7/16–9/16	2·81½–⅝
Canadian $	...	2·95 7/16–9/16	2·95¼–⅜	2·95 7/16–9/16	2·95½–⅝	2·95½–⅝	2·95 9/16–11/16
French Fr.	13·622–14·027	13·78½–¾	13·78⅝–⅞	13·79–79¼	13·79⅛–⅜	13·79⅛–⅜	13·79⅜–⅝
Swiss Fr.	11·94–12·54⅞	12·23–23¼	12·22⅝–⅞	12·21⅞–22⅛	12·21⅞–22⅛	12·21⅝–⅞	12·22⅜–⅝
Belgian Fr.	137·96–142·05	140·05–10	140·05–10	140·15–20	140·15–20	140·17½–22½	140·17½–22½
Dutch Gld.	9·98¾–10·28½	10·12⅞–13⅛	10·12⅞–13⅛	10·13⅛–⅜	10·13¼–½	10·13⅜–⅝	10·13⅜–⅝
W. Ger. D-Mk.	11·037–11·365	11·25¼–½	11·25⅛–⅜	11·25⅛–⅜	11·25⅛–⅜	11·25½–¾	11·25⅞–26⅛
Portug. Esc.	...	80·15–25	80·15–25	80·15–25	80·15–25	80·15–25	80·15–25
Italian Lire	1725–1775	1746–46½	1746–46½	1746½–47	1746½–47	1747–47½	1747–47½
Swedish Kr.	14·27½–14·70	14·48⅜–⅝	14·47⅞–48⅛	14·47¾–48	14·47⅞–48⅛	14·47½–¾	14·48¼–½
Danish Kr.	19·06½–19·62	19·38⅞–39⅛	19·38⅞–39⅛	19·39¾–40	19·39¾–40	19·40¼–½	19·39⅝–⅞
Norwegian Kr.	19·71–20·30½	20·04⅜–⅝	20·04½–¾	20·04⅞–05⅛	20·04⅞–05⅛	20·05¼–½	20·05¼–½
	* Official Limits	**One Month Forward Rates**					
United States $		9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm
Canadian $		9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm	9/16–7/16c. pm
French Fr.		1¾–1¼c. pm	1¾–1¼c. pm	1¾–1¼c. pm	1¾–1¼c. pm	1¾–1¼c. pm	1¾–1¼c. pm
Swiss Fr.		2½–2c. pm	2¾–2¼c. pm	2¾–2¼c. pm	2¾–2¼c. pm	2⅞–2⅜c. pm	3–2½c. pm
Belgian Fr.		37–27c. pm	37–27c. pm	35–25c. pm	35–25c. pm	35–25c. pm	35–25c. pm
Dutch Gld.		1¼–¾c. pm	1⅞–⅞c. pm	1⅜–⅞c. pm	1⅜–⅞c. pm	1⅜–1⅞c. pm	1⅜–⅞c. pm
W. German D-Mk.		2½–2pf. pm	2½–2pf. pm	2½–2pf. pm	2½–2pf. pm	2½–2pf. pm	2¾–2¼pf. pm
		Three Months Forward Rates					
United States $		1⅜–1¼c. pm	1⅜–1¼c. pm	1 7/16–1 5/16c. pm	1 7/16–1 3/16c. pm	1⅜–1¼c. pm	1⅜–1¼c. pm
Canadian $		1⅜–1¼c. pm	1⅜–1¼c. pm	1⅜–1¼c. pm	1 7/16–1 5/16c. pm	1⅜–1¼c. pm	1⅜–1¼c. pm
Swiss Fr.		7–6½c. pm	7⅛–6⅝c. pm	7⅛–6⅝c. pm	7⅛–6⅝c. pm	7¼–6¾c. pm	7¼–6¾c. pm
W. German D-Mk.		6½–6pf. pm	6¾–6¼pf. pm	6¾–6¼pf. pm	6¾–6¼c. pm	6⅝–6⅛pf. pm	6⅝–6⅛pf. pm
		Gold Price at Fixing					
Price (s. d. per fine oz.)		249/4¼	249/4	249/3¾	...	249/3	249/2
" ($ " " ")		35·08	35·08	35·08	...	35·08	35·08

COMPANY MEETINGS

PROVIDENT LIFE
ASSOCIATION OF LONDON LIMITED

MR J. R. DAVY'S STATEMENT

The annual general meeting of Provident Life Association of London Limited will be held on May 9th in London.

The following statement on the directors' report and accounts for 1961 has been issued by the Chairman, **Mr J. R. Davy, JP**:

I am pleased to report that the Company's record of satisfactory and consistent progress continued during the year 1961 and that a number of new landmarks were passed. Before summarising the results, I would first call attention to the increase in the rate of Bonus—perhaps the most gratifying achievement of the year. The declaration for 1961 of a Bonus of £3 per cent upon With Profit Policies in the Participating Fund is an outstanding result and exceeds by 10s. per cent the highest rate previously declared by the Company. This renders our With Profits Policies even more attractive and competitive and should result in a further rapid expansion of new business of this class.

CONTINUING PROGRESS

The Company once again achieved a record total of New Business both as regards Sums Assured and Annual Premium Income. The new Premium Income at £524,388 showed a substantial improvement on the high total for the preceding year. New Sums Assured at £20,566,163 exceeded a total of £20 millions for the first time. It is a remarkable indication of our rapid progress of recent years that as recently as 1953 our total new Sums Assured were *only about £9 millions*—showing that our new business has more than doubled *in only eight years*.

A substantial contribution to the new Annual Premium Income has been made by Deferred Annuities issued during the year. A year ago I predicted a further increase in this class of business, which mainly consists of policies issued in connection with pension schemes and arrangements of various types, and I am glad to report that we are satisfied with the rate of increase which has been achieved. The combination of attractive rates of premium, exceptionally flexible contracts and our increased staff of specialist Pensions Inspectors has enabled us to give a service which has been welcomed by employers and which should *continue to give rise to further* improvement in business in this field.

INCOME AND OUTGO

Largely as a result of the high rate of new business now being achieved, the income of the Assurance Funds continues to expand satisfactorily. The premiums received during the year exceeded £2¼ millions and, in addition, single premiums for Annuities amounted to over £½ million.

The other main item of income is, of course, the interest and dividends upon the Company's investments, which in 1961 totalled £1,458,095, an increase of over £90,000 upon the total for the preceding year, and resulted in a gross interest yield on the Assurance Funds of £5 1s. 5d. per cent. Bearing in mind the effect upon the Company's interest yield of the low rates of interest charged upon mortgages granted in connection with policies issued under our special House Purchase Scheme in earlier years, this is a satisfactory rate which should increase steadily as older loans are replaced by new mortgages at the higher rates at present being charged. In this connection, I would again point out that, in considering the interest yield upon our funds, it must be borne in mind that the premiums charged under the special House Purchase Scheme contain an allowance for the effect of these mortgage obligations upon the Company's investment policy.

Payments to Policyholders during the year totalled £1,963,746 and showed some contraction compared with the total for the preceding year. This decline, however, conceals contrary movements in the various headings under which such payments are made. Death claims at £205,141 showed a reduction of £140,000 as compared with 1960. The high total for that year was largely due to certain special claims to which I drew attention a year ago, and the figure for 1961 reflected a continuance of our favourable mortality experience and yielded a satisfactory mortality profit. Maturity payments also were below the level of recent years, but the amount paid under the heading of "Surrenders" increased sharply to a total of £426,337, an increase of £116,000 over the preceding year. An analysis of this increase shows that about half of it was due to the growth in the Company's Assurance and Pensions business in the last few years, whilst the balance was due to an unusual number of substantial refunds on withdrawals from service in respect of Pensions Policies.

Commission and expenses were substantially higher than the previous year. The growth of these two items is watched with considerable care and, although we are, of course, not immune from the effect of inflationary increases, improve efficiency and the use of modern office equipment are enabling us to absorb the additional work involved in the rapid expansion of our business without appreciable increases in staff. Accordingly, I am able, largely as a result of the various measures to which I have just referred, to report that the greater part of the increase in expenses in 1961 is due either to the cost of our increased new business or to direct costs incurred in connection with the re-organisation of our capital and obtaining a quotation on the London Stock Exchange.

ANNUAL VALUATION

It will be seen from the usual summary of the results of the annual Actuarial Valuation which appears in the Directors' Report that the ordinary new Surplus for 1961 was £460,193. This figure shows a gratifying increase upon the corresponding total of £403,272 for 1960 and is again a record for the Company. Acting on the advice of the Actuary, the Directors, as I have already mentioned, have been able to declare a Bonus for the year 1961 at the high rate of £3 per £100 of Policy—well in excess of the rate of 50s. per cent paid for many years before 1939 and again achieved a few years ago, and therefore an all-time record for the Company.

In dealing with the valuation results, I would mention certain changes in the rates of interest assumed in the valuation of Single Premium Annuities. I have previously referred to the interest basis (3½ per cent) adopted in valuing these contracts up to 1960. The Actuary now reports that, in the light of the higher rate of interest earned and the terms upon which new moneys can be invested, he regards such a basis as unduly stringent and advises that a valuation rate of 4½ *per cent* for these contracts would be more in line with current conditions and the Directors decided to adopt this course. It is a remarkable commentary on the change which has taken place in the last few years that, when the previous rate of 3½ per cent was adopted, it allowed a smaller margin compared with the yield on new investments than does the rate of 4½ per cent now adopted. The whole of the surplus released by this change has been used to strengthen other reserves of the Company, £350,000 being added to the Life Assurance Contingency Fund and the balance of £130,000 (in addition to the usual amount of £25,000 from the ordinary surplus) being applied to writing down investments.

ASSETS

During 1961 the total of assets passed the £30 millions mark and by the end of the year exceeded £31 millions, an increase for the year of £2,059,713. As will be seen from the summary of the Company's investments given in the Balance Sheet, the increase in mortgages on house property within the United Kingdom (which now exceed £24 millions) absorbed the whole of the increase in the Company's funds. They were all granted in connection with the Company's special House Purchase Scheme which I have already mentioned. The total number of individual advances is now nearly 17,000 secured upon houses being acquired by the Company's Policyholders—in almost all cases for personal occupation. It has always been the Company's policy to seek business of this class amongst persons requiring medium sized houses and, as a result, the average amount of the new advances granted during the year was only £2,098. Advances of this type form an excellent security upon which losses are very small, as will be evident from the fact that at the end of the year the proportion of cases where there was any interest due and unpaid was less than 2½ per cent of the total. Of these cases, the great majority were not more than three months in arrear, whilst the cases in arrear for more than six months represented no more than one-fifth of 1 per cent of the total. We regard such a result as a remarkable testimony to our borrowers and to the social value of the Company's special House Purchase Scheme, which is specially designed to assist those who have only small capital resources.

Turning to the Stock Exchange securities, the Balance Sheet shows some reduction in our holdings of fixed interest securities, whilst our holdings of ordinary stocks and shares rose by £230,000 as a result of further selective purchases, mainly during the early part of 1961. In recent months, however, we have felt, in common with other institutional investors, that the attractions of the high rates of interest obtainable upon gilt-edged and other fixed interest securities were such that we have preferred to invest in this class of security.

DIVIDEND

After meeting the special expenses connected with the re-organisation of our capital and the obtaining of a Stock Exchange quotation and crediting the first of ten special Income Tax rebates, the Profit and Loss Account shows a balance of profit for the year of £122,057 (1960, £116.558). The Directors have decided to recommend the payment of a Final Dividend upon the Company's Ordinary Shares 'A' and 'B' of 4½d. This distribution, with the Interim Dividend of 4½d. already paid, makes a total of 9d. (15 per cent) for the year and represents a distribution of the same total amount as was distributed for 1960.

CONCLUSION

I am very pleased to report that Major Philip Profumo, who is a grandson of the Company's Founder and first Managing Director, has accepted the cordial invitation of your Directors to join the Board of this Company. He was appointed as from April 5, 1962, and the next Annual General Meeting will be asked to confirm this appointment.

Finally, I wish to thank on my own behalf and for my colleagues on the Board our Managing Director and General Manager, Mr R. J. W. Crabbe, FIA, for the invaluable contribution which his leadership has made to the successes achieved in 1961 and to express our appreciation of the keen and loyal service given to the Company alike by Management and Executive and by our Staff throughout the country and at Head Office.

A. REYROLLE AND COMPANY LIMITED

RECORD ORDERS RECEIVED

MR H. H. MULLENS'S STATEMENT

The Sixty-first Annual General Meeting of A. Reyrolle and Company Limited will be held on May 11th at Hebburn, Co. Durham.

The following is an extract from the statement by the Chairman, **Mr H. H. Mullens, BSc, MIEE,** circulated with the report and accounts for the year ended December 31, 1961:

TRADING

Last time I addressed you, I referred to signs of an improvement in the order book after a period of a serious shortage of work. This improvement has continued with the result that the orders received for 1961 were a record. Competition, particularly overseas, has not abated, and this expansion of our business undoubtedly owes much to new designs developed in recent years. Some of these designs are to general specifications agreed between the manufacturers and the Area Electricity Boards and the Central Electricity Generating Board. Close collaboration of this kind with our main customers in the home market is most welcome and will, we hope, lead to more standardisation and thus to economies in production. These new designs are being readily accepted in our markets abroad.

During the year, substantial orders were received from the Central Electricity Generating Board for 275,000 volt and 132,000 volt switchgear and also for air-break medium voltage circuit-breakers to control auxiliary equipment in their power stations. Orders from the Area Electricity Boards for medium sizes of switchgear continued at a high level, there being a particularly strong demand for our 33,000 volt metalclad switchgear, for which we increased our manufacturing capacity a year ago. We also received important orders for extra high voltage and other switchgear from both the Scottish Boards and the Northern Ireland Electricity Authorities.

The demand for industrial switchgear from the steel, chemical and motor industries was substantial, and here again our new designs contributed to our success in the face of much competition. There was a welcome revival of business from the Divisions of the National Coal Board.

Orders from abroad were also at a high level, and those secured in South Africa established a new record. The Australian, Indian and Far Eastern markets again made substantial contributions to our export business.

THE RESULTS

As 1961 was a year of great activity for your Company, better results had been anticipated. Unfortunately the effect of short time working in 1960 spread over into 1961 and final output figures for the year were not up to the expected target. We had the burden of certain business taken at low margins as part of our policy to provide work for our employees, and direct and indirect costs continued to rise. Adjustments to selling prices to cover such rising costs do not begin to be reflected in our accounts for several months.

The trading profit shows a reduction of 7½% from £2,199,123 to £2,028,583, but this is partly offset by an increase in the income from interest and dividends. After providing £1,383,508 for tax compared with £1,322,896 in 1960, the resultant net profit is £1,381,129 compared with £1,560,306 in the previous year. The Board have allocated £450,000 to general reserve and £400,000 to fixed assets replacement reserve, and recommend a final dividend of 6½%. This, together with the interim dividend of 3¼% paid on October 7, 1961, makes a total distribution for the year of 9¾%.

Last year I referred to the increase in our liquid funds. Since then a large part of these funds has been absorbed in stores and work in progress and invested in additional facilities. Outstanding capital commitments are higher than last year. Our investments in additional plant are long term projects, and an immediate return in the form of increased trading profit cannot be expected. This applies particularly to heavy capital expenditure on research and development which we undertake in order to keep abreast of new techniques which are a pronounced feature of the electrical industry.

Your Company exports a substantial portion of its output in the face of severe world wide competition. The return on this business is not as good as we would like, and we feel that the Government who exhort manufacturers to increase the volume of exports in the national interest should provide practical encouragement. Far from doing so, recent increases in profits tax and rates create additional burdens and hinder a company like yours from ploughing back sufficient profits to finance the sums needed for research and development. If Government policy remains unchanged, there is a chance of the British electrical industry lagging behind that of other countries and becoming technically uncompetitive.

SUBSIDIARY AND ASSOCIATED COMPANIES

Your Company had owned about 25% of the equity capital of Nalder Bros. & Thompson Limited for some years, and during 1961 arranged to purchase all the preference and ordinary shares not already owned by the Company. The completion of this transaction resulted in Nalder's becoming a wholly owned subsidiary. This firm specialises in the development and manufacture of indicating and measuring instruments primarily for the electrical industry, including Reyrolle switchgear.

The Bushing Company Limited, with works adjacent to our own at Hebburn, have an increasing demand for their high quality products. To cope with this growth of their business, they are embarking upon an expansion programme to provide more development facilities and manufacturing capacity.

Our income from investments in associated companies has again increased, but future revenue from these sources will mainly depend upon the results achieved by the heavy plant section of the electrical industry.

To support increased sales in South Africa, it has been decided to extend our manufacturing capacity in Johannesburg. The present manufacture in the factory is in the lower voltage range and new designs are now being introduced from our Hebburn works. There is a considerable demand on the Johannesburg factory for a mining switch unit designed and developed by the local engineering staff.

Last year I referred to the arrangements made in Australia with O. J. Nilsen (Australia) Ltd., to set up a jointly owned manufacturing unit in Melbourne. This venture is proceeding well with the enthusiastic co-operation and help of our Australian associates. A number of orders have already been accepted by Reyrolle Nilsen (Australia) Pty. Ltd. and the first locally assembled switchboards will be delivered to customers in 1962.

THE FUTURE

The signs are encouraging. In the home market, the plans for future development which have been outlined by Sir Christopher Hinton, Chairman of the Central Electricity Generating Board, indicate an increasing demand for main transmission switchgear at voltages up to 400,000. It seems probable that the Area Electricity Boards will, in addition to their normal system development, have to undertake a programme of reinforcement to the lower voltage systems to avoid a repetition of the experiences of last winter.

Our future prosperity in this field, and more particularly in export markets, depends upon our ability to meet the trend of rising costs and still remain competitive. In addition to national wage and salary awards there are recurring instances either in regard to labour or materials which add to the direct and indirect costs. We are very near the limit of cost concessions which can be accepted without jeopardising the future.

New assembly shops are being erected at the Hebburn Works, and in spite of some hindrance from the severe weather during the winter, it is anticipated that they will be completed before the autumn. We have embarked upon a larger programme than usual for the purchase of machine tools to add to our machining capacity.

The continuing increase in the voltage and power to be dealt with by large switchgear now visualised will require more expenditure on research and development. Some of the plant necessary for proving tests will be extremely costly and it is hoped that collaboration may be possible so that some of the major costs can be shared. If such an arrangement can be achieved there will be substantial saving with benefit to customers.

THE BRADFORD DYERS' ASSOCIATION LIMITED

IMPROVED OVERSEAS RESULTS

HEALTHY BALANCE SHEET

MR JAMES EWING'S REVIEW

In his statement accompanying the accounts, **Mr James Ewing,** the Chairman, said *(inter alia)*:

ACCOUNTS

It will be seen from the Consolidated Profit and Loss Account that, whilst trading profits of the Association's Branches and Subsidiary Companies in this country have declined, those of the Overseas Subsidiary Companies have improved. The total trading profit of £664,665 compares with £766,251 in the previous year.

Depreciation amounting to £437,380 has been written off Property, Plant and Equipment, whilst £28,595 has been allocated to Buildings and Plant Replacement Reserve; corresponding figures for 1960 were £429,209 and £32,553. This depreciation charge ensures that full provision is made for wastage of the Group's Buildings, Plant and Machinery, whilst the allocation to Reserve takes into account the high cost of replacement of capital assets.

The net amount provided for United Kingdom taxation on profits of the Group for the year is £21,783, after having taken credit for Double Taxation Relief.

After deducting minority interests and taking account of the adjustments in Reserves of Subsidiary Companies, there remains a net profit of £184,578 dealt with in the Accounts of the Holding Company, against the corresponding figure of £246,964 in 1960.

Including the balance of profit brought forward from last year, and after crediting £35,000 in respect of over-provision for taxation in previous years, the total available amounts to £392,302.

DIVIDENDS AND BONUS

The year's dividend on the Preference Stock, less tax, is £78,070 which, together with the proposed dividend on the Ordinary Stock of 6 per cent less tax, requiring £124,516, makes a total amount of £202,586, and there remains a balance carried forward by the Holding Company of £189,716.

In addition your Board has decided to recommend a Capital Bonus payment of 2 per cent, not subject to tax, to Ordinary Stockholders. This special payment will require a further sum of £67,764, and is being paid out of the surplus so far realised on the sale of shares in Beida Dyers SAE, Egypt.

In the past ten years the gross profits of the Association have aggregated £13,305,622; the charge for Depreciation and Replacement Reserve has amounted to £6,068,325 and today the net book value of the Property, Plant and Equipment stands at the conservative figure of £5,563,635. During the ten years UK taxation has absorbed £3,322,167 and the net profits attributable to BDA shareholdings have been £3,307,663; Preference and Ordinary Dividends have amounted to £2,105,901 (net) and the amounts retained in the business over the same period aggregate £1,201,762. Since the Bonus issue of Stock in 1954, the average Dividend paid on the Ordinary Stock has been 6½ per cent augmented in the last two years by tax free Capital distributions of 2 per cent.

The trading results of our Dyeing, Printing and Finishing Branches in the United Kingdom, taken as a whole, show no improvement on the results of the previous year but are better than those for the year 1959. On the other hand, our Overseas Subsidiary Companies have shown improved results. Our turnover and yardage in both Home Branches and Overseas Subsidiary Companies have been well maintained, which is an indication that, despite the serious fall in total yardage available, our Branches have held their own against the fiercest competition.

ANNUAL GENERAL MEETING

At the sixty-fourth Annual General Meeting of The Bradford Dyers' Association Limited held on April 17th, the Chairman said: Ladies and Gentlemen, a summary of the trading results for the year ended December 31, 1961, accompanied the printed accounts circulated to you on March 19, 1962. I am glad to tell you that the sterling turnover of the United Kingdom Branches for the year 1961 was slightly higher than in 1960 and during the first three months of 1962 it has increased by 6 per cent compared with the first quarter of 1961.

Our Overseas Subsidiary Companies have also maintained their volume and turnover during the first quarter of their financial year and their outlook is reassuring. Mr Naylor, a Joint Managing Director, is at present abroad visiting our interests in Australia, Tasmania, USA and Canada, and his reports are encouraging. In Australia, in particular, where the textile industry during the past two years has been in the depths of a serious slump, trade is now recovering and we believe that before long Davies, Coop & Co. Ltd., Melbourne, in which we have a substantial interest, will return to the dividend paying class.

AMPLE FUNDS

The Consolidated Balance Sheet as at December 31, 1961, presents a healthy appearance with a very substantial cash position of over £2 million. The Company has ample funds to cover the cost of its re-equipment programme and is thus in a strong position to face the future and to overcome whatever difficulties and uncertainties may arise.

This does not include the outstanding claims arising out of the Egyptianisation of our former assets in Egypt. Our certified claim against the British Foreign Compensation Commission for the Egyptianised property amounts to £1,774,470, against which we have received distributions to date aggregating £448,455, leaving a balance outstanding of £1,326,015 which, bearing in mind repeated promises made by members of HM Government, it is reasonable to hope will in time be honoured. There is a further amount of £E535,222, appropriated from our Bank Account by the Egyptian Tax Administration in respect of an unjustifiable tax assessment, against which we have appealed, and we are competently advised that there is a good chance of the appeal being settled in our favour.

DYEING & FINISHING SECTION

I personally had hoped for a substantial improvement in the profitability of the Dyeing & Finishing Section of the United Kingdom industry as a result of the Government sponsored Reorganisation Scheme. There has not yet been time for the industry to obtain the full benefits of concentration. As already stated, I do not consider that sufficient plant was scrapped, and this was probably due to the fact that the full significance of the continuing growth in volume of imports (mainly from Asian countries) of finished goods and garments was not grasped by dyers and finishers when they were determining whether to take advantage of compensation offered under the Scheme. Additional plants have been scrapped since the closure of the official Scheme, and if this trend could be accelerated, even if it means voluntary co-operative schemes, it would soon have a beneficial effect upon the profitability of the Dyeing & Finishing Section.

I am not one of those who take a gloomy view of the future of the Finishing Section, despite its recent vicissitudes. But if it is to make progress, there is need for closer integration in the industry, probably organised vertically rather than horizontally. This will be all the more necessary if, as seems likely, the United Kingdom enters the European Common Market, as the textile industry will then have to compete with Continental vertical companies.

BULK LIQUID TRANSPORT LIMITED

As announced in the press recently, a satisfactory cash offer has been received from Mounton Holdings Limited (a subsidiary of United Transport Limited) for the whole of the share capital of Bulk Liquid Transport Limited. The Bradford Dyers' Association Limited and Cawood Holdings Limited have accepted the offer and have disposed of all their interests in Bulk Liquid Transport Limited.

DIRECTORATE AND HIGHER MANAGEMENT

In June last the Board appointed Messrs J. G. Evans, T. L. Leckie, T. S. Naylor and H. H. B. Priestley Joint Managing Directors in succession to the Management Committee. All these gentlemen have had long experience in our industry.

Mr P. A. Holt, who does not seek re-election to the Board, retires as from this date, having reached pension age. Mr Holt joined the BDA as a works chemist in 1920, became a Branch Director in 1933, was appointed to the Central Board in 1939, and in 1946 was appointed a Joint Managing Director. In 1958 he became a Vice-Chairman of the Company. I am sure we all wish him a happy retirement.

Mr A. V. Symons has been elected Vice-Chairman of the Board.

CHAIRMAN'S RETIREMENT

I have intimated to my colleagues that I do not wish to be re-elected to the Board and, after 52 years' service with the Association, I also retire as from today. I have been Chairman of the Association since January 1, 1946, and I was also a Joint Managing Director from that date until December, 1958, when I relinquished my executive duties. Since then my main duties, in addition to those of Chairman of the Board, have been the negotiations in connection with our claims that arose from the Suez incident, and the initiation, on behalf of the Piece Dyeing & Finishing Section, of the Government sponsored redundancy scheme which was completed last year.

As regards the choice of my successor in the Chair, Mr A. V. Symons will be nominated by the Board for that position and I feel sure that with his experience as a former Chairman of a large textile manufacturing and merchanting company, he is eminently suited to fill the office in the difficult days that lie ahead. The Board have asked me to continue as a Consultant for three years, and I was very pleased to accede to their wishes.

THANKS TO STAFF AND WORKPEOPLE

On behalf of myself and the Board I express our thanks to our staff and workpeople, including those working for our subsidiary and associated companies both at home and abroad, for their efforts and wholehearted co-operation in the past year.

The Report and Accounts and the new Articles of Association were adopted.

POLLARD

BALL & ROLLER BEARING COMPANY LIMITED

Major expansion programme nearing completion

The annual general meeting of Pollard Ball and Roller Bearing Company Limited will be held on May 10th in London. In his statement which accompanied the 1961 Report and Accounts, the Chairman, **Mr. John King,** said:

The Group accounts for 1961 show that there was a gross profit for the year of £546,642 before providing for taxation. The provision for taxation amounts to £235,383 (44 per cent) leaving net earnings of £311,259 and with the amount brought forward the balance of profit available for distribution is £460,200. The proposed final ordinary dividend of 15 per cent less tax amounts to £113,385.

At the time of the Rights Issue in September, last year, I stated that the indications then were that the profit for the full year to December 31, 1961, would show a satisfactory increase. However, in the last three months of 1961 turnover was affected by the setting back of scheduled deliveries to certain major customers in the motor industry and, at the same time, competition became keener and prices tended to fall. Notwithstanding these adverse trading conditions, turnover for the year exceeded that for 1960, but not by a margin sufficient to offset increased expenses and a depreciation charge heavier by some £88,000 due to recent substantial additions to plant and machinery.

The expansion of the past two years, which will be completed during the current year, has been of a major character designed not only to enlarge the productive capacity of the business, but also to make it more self-supporting and to extend the scope and range of our production.

OVERSEAS SALES AGAIN EXPANDED: Our sales abroad have again expanded. Every effort is being made to develop overseas markets, and, with this end in view, we have formed and taken a controlling interest in the Pollard Ball and Roller Bearing Corporation of New York.

Canadian Pollard Bearings has again experienced a disappointing year, resulting in a small loss.

Our French Subsidiary, Pollard Roulements S.A., had a very satisfactory year and made its first direct contribution to the profit of the group. It is now well established and should continue to grow and flourish. The success of this venture has strengthened your Board's view that it should prove advantageous in the event of the United Kingdom joining the Common Market.

Whitehouse Industries Ltd. has had a record year in the sale of "Philidas" Self-Locking Nuts and is responsible for an increased share of the group profit. The manufacture of high tensile steel bolts will add to our range and turnover this year. As in the case of our ball and roller bearing companies, Whitehouse Industries is using some of the most up-to-date machine tools and techniques in the industry.

It has already been announced that the offer which your Company made for R. & J. Dick Ltd. has been successful and we anticipate that it will be an additional source of profit this year.

THE CURRENT YEAR: The present rate of intake of new orders and the current order book are at a high level and it is expected that the increased capacity arising from your Company's recent major expansion programme will come into full use during the current year. It cannot be anticipated that the full benefits from this programme will be seen before 1963, but given reasonably stable conditions of trade, we expect to be able to achieve some improvement in 1962.

I end this statement with a sincere tribute and an expression of thanks to our staff and workpeople. The happy relationship we have always enjoyed continues and has been invaluable during the past year.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY

A SPLENDID YEAR FOR NEW BUSINESS

SUMMARY OF MR KENNETH MOORE'S STATEMENT

The one hundred and thirty-second annual general meeting of the National Mutual Life Assurance Society was held on April 17th at the head office of the Society, 5 Bow Churchyard, London, E.C.4. **Mr Kenneth A. E. Moore, FCA,** the chairman, presided.

In his statement, which had already been circulated to the members of the Society together with the annual report and accounts for 1961, Mr Kenneth Moore said that the move to a thoroughly modern head office building had proved an unqualified success and had enabled the staff to cope successfully with the busiest year in the history of the Society.

NEW LIFE ASSURANCE

The net new business for 1961 had, at approximately £6,800,000, been roughly double the average of recent years. There had been special lines of business available during the year which had helped the Society to reach such a high level of new contracts.

In addition the opportunity had been taken to improve the balance of the Society's annuity portfolio. The unusually large sum of £3,000,000 had been received as consideration for new immediate annuities.

EXPENSES

In spite of the absolute increase in expenses due to the growth in new business and the setting up of an organisation adequate to cope with increased business, it was satisfactory to report that the adjusted expense ratio had again shown a modest decrease to 15.8 per cent.

RATE OF INTEREST

The gross rate of interest earned on the Life Assurance Fund (i.e. excluding the Capital Redemption Fund) amounted to £6 0s. 3d. per cent, which was a slight improvement on the previous year. The net rate of interest, however showed a satisfactory increase to £5 2s. 9d. per cent—a rise of 5s 5d. per cent over the previous year.

INVESTMENT EXPERIENCE

The year 1961 was a difficult one for investors but the Society's portfolio had appreciated by more than £1,000,000. Inasmuch as this appreciation had been achieved at the expense of a possible improvement in yield it had been thought appropriate to transfer £250,000 to the Life Assurance Fund. The balance had been transferred to the Investment Reserve bringing it to a total of £2,089,000 against ordinary shares of a market value of £9,573,000. This was in addition to the Reserve Fund of £1,000,000 carried on the liabilities side of the balance sheet.

PROSPECTS

In conclusion Mr Moore referred to the policies which the Society had designed recently to be of special attraction to the younger section of the public and to executives for pension purposes. In this and other respects the Society is thoroughly well equipped to move with the times.

The report and accounts were unanimously adopted.

THE BRITISH WAGON COMPANY LIMITED

MR R. A. DYSON'S REVIEW

The 93rd Annual General Meeting of The British Wagon Company Limited was held on April 13th in Rotherham.

The profit of the Group for 1961 before taxation was £322,461 (1960 £429,432).

The following is an extract from the Statement of the Chairman, **Mr R. A. Dyson:** Last September I expressed some uncertainty about the outcome of the remainder of the year. The profits for the first six months compared very closely with those of the corresponding period of the previous year. The second half of 1961 was burdened with increased money costs following the rise in Bank rate to 7 per cent. In addition, partly due to the general tightening of credit, the sale of motor vehicles declined still further which not only reduced business, but also made the sale of repossessed vehicles more difficult and costly, even though over the last two years the proportion of new vehicles financed has been running at a very satisfactory level.

Later in the year Bank Rate was reduced to 6 per cent, but this occurred too late to have any really beneficial effect in 1961. The further reduction in March, 1962, is most welcome. Business during the first two months has been running well below the corresponding period of 1961, although the seasonal improvement is now beginning to have effect. The hire-purchase balances outstanding have increased by 8 per cent and the Deferred Income is up to £3,148,000, an increase of about 10 per cent. This is some encouragement for our prospects in 1962.

In view of the fall in profits and the uncertainties of 1962, your Directors feel that a final dividend of 5 per cent should be paid, compared with 7½ per cent last year.

A major problem facing Finance Houses a few years ago was the uncontrolled competition in commissions for the introduction of business. It is clearly in the interests of the public, the motor trade and ourselves that we keep our charges as reasonable as possible. In these circumstances the adoption by Finance Houses Association in 1957 of a standard Code of dealers' commission was a valuable achievement.

It is therefore deplorable that one of the largest Finance Houses has decided in the face of opposition from all the other members of the Association to launch a scheme of increased commission. Rather than risk the break up of the Association, it was reluctantly decided to suspend the Code so that the Association could carry out its other valuable functions. A material increase in the cost of commissions must follow.

In conclusion, although this year has been even more difficult than the previous one I am hopeful that during 1962 your Company should be able to halt the recent trend of diminishing profits, provided that the outside influences over which management has no control do not become unduly pronounced.

The Report and Accounts were adopted.

ZANDPAN GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

DEVELOPMENT PROGRAMME OUTLINED

The seventh annual general meeting of Zandpan Gold Mining Company Limited will be held on May 21st in Johannesburg.

The following is an extract from the circulated review of the chairman, **Mr B. L. Bernstein:**

Operations at the mine during the period under review were concentrated on the completion of No. 1 shaft, which reached its final depth of 7,428 feet in November 1961. The installation of all steelwork in the shaft, including that on stations and loading points, was completed during March 1962, and the shaft has now been commissioned. In the early part of June 1961, Vaal reef was intersected in the shaft at a depth of 6,852 feet below the collar. The results of sampling were reported at the time and are set out in the technical advisers' report.

In my review last year I told shareholders that, because of faulting disclosed during the period of sinking operations, no development would be undertaken until the shaft had been equipped and that development would then be advanced simultaneously on several horizons. During the past year further structural information obtained has confirmed that as a result of block faulting, reef in the immediate vicinity of the shaft is confined to a relatively small block of ground. It has also confirmed the necessity for advancing crosscuts from several stations between the upper 6,660 feet level and the lower 7,250 feet level in order to enter blocks of ground which surround the shaft but are separated from one another by major faulting.

The initial development programme has, as its primary aim, the exploration of as comprehensive an area as possible within a radius of about 2,500 feet from No. 1 shaft. At present development, including station crosscutting and orepass raising, is in progress on the 6,950 feet, 7,100 feet and 7,250 feet levels. The rate of development will be built up as rapidly as possible, and a limited amount of development on reef is anticipated in the second quarter of this year.

It is estimated that the balance of capital funds available will be sufficient to finance development operations for a period of approximately a year from now. However, in order to bring the mine to initial production it will be necessary to raise further capital to sink a second shaft and erect a reduction plant.

Operations at the mine are, in the interest of economy, still under the control of the manager of the Hartebeestfontein mine.

BANCA COMMERCIALE ITALIANA

HEAD OFFICE—MILAN

London Representative Office : 21, Birchin Lane, E.C.3.

BALANCE SHEET AS AT DECEMBER 31st, 1961

LIABILITIES		
Capital Stock	L.	20,000,000,000
Reserve Fund	,,	6,500,000,000
Undivided Profits	,,	2,101,195
Deposits	,,	1,314,376,926,823
Cheques Outstanding	,,	38,847,900,283
Liability on Acceptances	,,	8,725,145,022
Liability on Letters of Credit	,,	29,943,943,238
Liability on Guarantees	,,	116,688,307,156
Other Liabilities	,,	18,854,657,296
Bills for Collection	,,	38,233,525,200
Unearned Discount, Interest, etc.	,,	2,649,205,888
Profits Brought Forward	,,	26,319,353
Net Profit 1961	,,	2,374,813,536
	L.	1,597,222,844,990
Depositors of Securities	,,	784,043,100,990
	L.	2,381,265,945,980

ASSETS			
Cash on Hand		L.	48,923,111,607
At Central Bank		,,	72,737,160,682
Government Securities and Securities guaranteed by the State		,,	195,652,133,229
Securities :			
Shares	L. 1,524,727,007		
Bonds	,, 6,704,086,354		
		,,	8,228,813,361
Contango Loans		,,	8,963,916,691
Participations in Affiliated Foreign Banks		,,	154,646,925
Participation in "Mediobanca—Banca di Credito Finanziario"		,,	1,805,430,000
Participation in "Credito Fondiario Sardo"		,,	830,000,000
Other Loans and Current Accounts		,,	820,620,196,362
Bills discounted		,,	280,279,703,716
Due from Shareholders in Capital Account		,,	3,510,000,000
Customers' Liability for Acceptances		,,	8,725,145,022
Customers' Liability for Letters of Credit		,,	29,943,943,238
Customers' Liability for Guarantees		,,	116,688,307,156
Bank Buildings and Other Real Estate		,,	160,337,000
Furniture and Fixtures		,,	1
		L.	1,597,222,844,990
Securities on Deposit		,,	784,043,100,990
		L.	2,381,265,945,980

CREDITO ITALIANO

Joint Stock Company

REGISTERED OFFICE : GENOA. HEAD OFFICE : MILAN

CAPITAL : Lit.15,000,000,000 ; Paid-up, Lit.12,350,000,000

RESERVE FUND : Lit.4,500,000,000

BALANCE SHEET AS AT 31st DECEMBER, 1961

LIABILITIES		
Capital (30,000,000 shares of Lit.500 each)	Lit.	15,000,000,000
Reserve Fund	,,	3,700,000,000
Deposit and Saving Accounts	,,	268,945,222,953
Current Accounts	,,	742,271,884,859
Bills for Collection	,,	38,673,451,297
Acceptances and Endorsements	,,	3,968,003,992
Guarantees and Confirmed Credits	,,	88,092,060,572
Cheques Outstanding	,,	41,072,766,411
Sundry Accounts	,,	8,552,810,103
Rebates in favour of 1962	,,	2,183,692,894
Profits brought forward from previous years	,,	36,162,575
Net profit for the year	,,	1,849,315,155
	Lit.	1,214,345,370,811

ASSETS		
Shareholders Liabilities for uncalled Capital	Lit.	2,650,000,000
Cash	,,	44,306,467,417
Funds with the Bank of Issue	,,	125,379,846,691
Government Securities and Debentures	,,	172,391,182,577
Sundry Investments	,,	7,769,829,140
Bills Receivable	,,	252,726,289,467
Contango Loans	,,	20,745,084,575
Advances to Customers and Balances with Correspondents	,,	490,469,756,453
Liabilities of Customers for Acceptances and Endorsements	,,	3,968,003,992
Liabilities of Customers for Guarantees and Confirmed Credits	,,	88,092,060,572
Shares in other Banks	,,	3,145,495,926
Freehold Bank Premises	,,	2,701,354,000
Furniture and Equipment	,,	1
	Lit.	1,214,345,370,811

CROSS ACCOUNT

Depositors of Securities :		
As Collateral	Lit. 2,438,429,600	
For Safe Custody	,, 781,820,576,278	
		,, 784,259,005,878
		Lit. 1,998,604,376,689

CROSS ACCOUNT

Securities deposited :		
As Collateral	Lit. 2,438,429,600	
For Safe Custody	,, 781,820,576,278	
		,, 784,259,005,878
		Lit. 1,998,604,376,689

The Ordinary Shareholders' Meeting, held in Genoa on the 12th April, 1962, approved the Balance Sheet as at 31st December, 1961. The dividend for the financial year 1961 has been fixed at 10 per cent, namely Lit.50 for each share of nominal Lire 500 fully paid up and Lire 32.50 for each share partially paid in the proportion of eight-tenths. The sum of Lire 800,000,000 was placed to Reserves.

J. BIBBY & SONS

SALES MAINTAINED

The forty-eighth annual general meeting of J. Bibby & Sons, Ltd., was held on April 13th at Liverpool, **Mr H. P. Bibby, JP**, chairman, presiding.

The following are extracts from his circulated statement for the year 1961:

The Group profit before taxation was £849,227 compared with £932,712 for 1960. The net profit after taxation was £440,930 compared with £553,769. The charge for taxation was higher in 1961 because in 1960 an amount of £44,847 was brought back in respect of tax over-provided in previous years. Group sales remained the same at £38,000,000.

The directors have recommended a final dividend of 4½ per cent, making 7 per cent, the same as for last year.

THE YEAR'S TRADING

Although our sales of animal feeds have been maintained at the same level as last year, competition remains very keen and margins are still low. The rate of increase in the national consumption of animal feeds is now very small and there is still over-capacity in the industry: the competitive situation will therefore remain exacting but we are continually striving to increase both our efficiency and the value we give to the farmer. We have extended the scope of our advisory department, which is of great service to customers and continuous work is being done in our research department to improve the nutritional quality of our feeds. These two departments are making an important contribution to our sales effort. Steps have also been taken to improve the presentation and marketing of our products.

The likely entry of the United Kingdom into the Common Market is stimulating all branches of agriculture to make greater efforts to improve efficiency and in the poultry industry in particular important changes are taking place. Egg production for example is following broiler production in becoming more and more a 'factory' operation and there seems little doubt that this tendency will increase.

NEW DEVELOPMENTS

During the year we invested heavily in the London area in our new instant mashed potato product Quip and we hope soon to see some return on that expenditure. In the TV age the launch of a new brand is an expensive affair and this promotion drained away some of our grocery trade profit. Another interesting new development was the launch of our low-foaming detergent Pat, a product specially designed for fully-automatic washing machines. Pat is a unique product in this country.

There can be no doubt that British farming, as indeed all industry, is confronted with a period of change and we must adopt a positive attitude to what seems inevitable. The Common Market is a challenge and an opportunity to improve our standard of life. There will no doubt be considerable transitional difficulties in entering a broader economic community but also considerable long term opportunities for farming and industry as a whole.

The report and accounts were adopted.

KAYSER BONDOR LIMITED

LARGER TURNOVER AT HOME

The Thirty-fourth Annual General Meeting of Kayser Bondor Limited will be held on May 25, 1962, at 24, Albemarle Street, London, W.1.

The following is an extract from the statement by the Chairman, **Mr Michael Colefax**, which was circulated with the report and accounts for the year ended December 31, 1961, and which commenced with a tribute to the late chairman, Mr John Goodenday who served the Company devotedly for more than 30 years:

The turnover of the Group in the United Kingdom has increased by 7½ per cent, an improvement which was partly offset by slightly lower figures in Australia and South Africa. Both the Parent Company and the Group profits have increased, a reduction in those of the South African subsidiary having been more than offset by an increase in Australia.

HOSIERY

There is a continuing change in fashion in favour of seamfree hosiery, which is now estimated to account for 55 per cent of domestic hosiery consumption, and this trend is even more pronounced overseas. Our domestic full fashioned hosiery sales have fallen in each of the last five years and it is therefore gratifying to be able to report that, for the first time in that period, total hosiery sales in 1961 showed a slight, but welcome, increase and with the sizeable seamfree production now at our disposal the Hosiery Division's profits showed a satisfactory increase. Increasing seamfree production should ensure the maintenance of our domestic hosiery turnover during the current financial year.

In the United States, where the demand for seamfree hosiery developed several years earlier than in the United Kingdom full fashioned sales continue to account for more than 30 per cent of the total sales and, allowing for climatic differences, there is every reason to believe that the eventual percentage here will be higher than in the States.

Underwear: Turnover in garments increased by 10 per cent, but the profitability of the Underwear Division did not keep pace with the improvement in sales. This shortfall was due in part to a reduction in profit margins and in part to production difficulties which should be eliminated during the current year.

DEVELOPMENTS

In the autumn we announced the acquisition of the business of Wovenair, a leading manufacturer of housecoats and dressing gowns. The new company which was formed to operate this business took over the lease of a factory at Port Glasgow, which is large enough to handle an anticipated increase in the output of Wovenair products, now marketed by the Kayser Bondor sales organisation.

At the close of the year there were 97 Kayser Bondor Hosiery Boutiques in leading stores throughout the United Kingdom and in addition there were 32 Kayser Bondor Underwear Boutiques, handling exclusively Kayser and Bondor lingerie, brassieres and corsetry. This development is equally beneficial to the retailers concerned and to your Company. The employment of Kayser Bondor trained personnel results in a specialised sales force which achieves increased turnover and which ensures the proper marketing of our range. We look forward to the opening of more Boutiques during 1962.

As has been announced, since the close of the financial year arrangements have been made to purchase the issued share capital of the Mayfair Manufacturing Company Limited, a company engaged in the manufacture of lingerie, which has been a major supplier to Marks & Spencer Limited for more than thirty years. The company will continue to be operated as a separate entity.

OVERSEAS ACTIVITIES

Europe: New developments have also taken place on the Continent. A sales company has been established in Western Germany which started to trade last autumn and which, in addition to marketing Kayser hosiery produced there, is importing garments produced in the United Kingdom.

Since the end of 1961 we have acquired a half interest in Etablissements Grimonprez S.A., our existing concessionaires in France, the name of which has been changed to Kayser Bondor France S.A.

Australia: In an endeavour to stabilise prices the Australian Government introduced various deflationary measures in 1960 and 1961, including a relaxation of import restrictions which resulted in a large increase of imports of cheap textiles. These measures led to a rise in unemployment and a reduction in spending power and their combined effect was probably more serious in the textile industry than in any other form of industrial activity. The performance of the Australian subsidiary in materially increasing its profits against this background, and despite a 2 per cent fall in turnover, is particularly praiseworthy. The purchase of part of the business of Lincoln Mills (Australia) Limited should increase the turnover of the Australian subsidiary by at least 15 per cent in a full year.

South Africa: Sales of the South African subsidiary fell by just over 5 per cent and profits are materially lower than those of the previous year. The Company is building up its seamfree hosiery and underwear business and should improve its profits this year.

Accounts: The profit for the year before providing for taxation amounts to £696,952, compared with £609,865, and the profit after taxation amounts to £392,217 against £364,109. Your Board recommends a final ordinary dividend of 12½ per cent, less tax.

THE FUTURE

Despite the effects of the prolonged spell of cold weather, sales in the United Kingdom for the first quarter of 1962 (excluding those of new acquisitions) have been maintained. It will therefore be disappointing if the Group's turnover does not show an improvement for the full year. Little contribution to profits can be expected in 1962 from the new acquisitions, as it is necessary to effect some reorganisation in the course of integrating these units with the group. Competition and increasing costs continue to reduce profit margins but the Group should continue to prosper.

F. W. BERK & CO. LIMITED

A CHALLENGING YEAR

The seventy-first Annual General Meeting of F. W. Berk Limited will be held on May 10th in London, **Mr C. H. Tanner**, the chairman, presiding.

The following is an extract from his circulated statement:

Nineteen-hundred-and-sixty-one was a challenging year. Group Sales were just under £11,000,000. St. Albans Sand & Gravel Company Limited had a turnover of £1,184,000.

The Group profit of £287,899, after providing £329,574 for taxation, is approximately 14 per cent lower than 1960.

Profits before tax from our general chemical activities have dropped by 29 per cent. The main reason for this fall in profitability is rising costs and falling margins. Profits from the sand and gravel side do, however, show an increase commensurate with improved turnover and, at £160,000 before tax, are in excess of the forecast made at the time of the acquisition.

It is rather difficult on this occasion to pick out sections for special mention, though most of them have operated satisfactorily in the circumstances prevailing. Coating Division and Industrial Dryer Department have been markedly successful and our general exports in 1961 show an encouraging increase accounting for nearly 11 per cent of our total turnover.

All our Associated Companies have done well, particularly Abbey Chemicals Ltd., the constant expansion of which is most gratifying. It is worthy of comment that, although the Associated Companies are contributing to published profits, they are, in the aggregate, retaining about half of their earnings to provide for the furtherance of the individual businesses.

During the year under review, we have acquired the whole of the share capital of Greensplat China Clays Ltd., which adds another facet to our mineral winning and processing operations. St. Albans Sand & Gravel Co. Ltd. have acquired a fifty per cent interest in two Companies producing ready mixed concrete in Trinidad.

Apart from our determination to expand the output and sales of our existing organisation, we are constantly looking for businesses to acquire or in which to invest, where such additions would increase the scope of any section of our operations, and also benefit the earning power of your company.

I believe the probable advent of the Common Market will provide your Group with additional opportunities, both in the export and import fields, and every endeavour is being made to take advantage of them.

The current year is proceeding satisfactorily, and provided general business conditions remain stable, I expect the sales volume to be maintained against a background of severe competition.

I should mention that your Directors have decided to put increased emphasis on Research and Development, and Publicity, both of which are essential but costly. Improvements have also been made in our Pension Scheme, particularly for long service staff and hourly paid workers. In spite of the foregoing, I anticipate some recovery in the Group Profit for 1962.

Your Directors recommend the payment of a final dividend of 5½d. per share, less income tax, which will make a total of 8½d. per share, less income tax, for the year 1961.

LEGAL AND GENERAL ASSURANCE SOCIETY LIMITED

YEAR OF FURTHER PROGRESS

The one hundred and twenty-fifth Annual General Meeting of Legal and General Assurance Society Limited will be held on May 9th at Aldwych House, Aldwych, London.

The following is an extract from the circulated statement by **The Rt. Hon. Viscount Harcourt, KCMG, OBE, DL**, the chairman:

The report and accounts for 1961, the second year of the Society's current triennium, show a further year of satisfactory progress.

THE SOCIETY'S NEW HEAD OFFICE

We shall very shortly be moving our head office in London to our fine new building, Temple Court, 11, Queen Victoria Street, close to the centre of the City of London. I am only sorry that, due to a delay beyond our control, it will not be ready in time for this year's annual general meeting.

This move will be an historic event for the Society, whose head office has been near the junction of Fleet Street and Chancery Lane for a century and a quarter, and will undoubtedly lead to greater efficiency in the conduct of our business.

LIFE ASSURANCE AND ANNUITY FUND

New life sums assured, net of re-assurances with other offices, amounted in 1961 to £285,000,736, an increase of £13,493,811 (or 5 per cent) over the previous year's figure. This increase is smaller than we have experienced recently, but we have for some time thought that there must be a slowing down in the rate of growth in the new life assurance business transacted by the Society. In recent years this has included exceptional increments arising from the reorganisation of pension business and the installation of special schemes for contracting-out of the graduated part of the national insurance scheme. We could not expect these increments to continue on the same scale indefinitely and I think we can be pleased with the progress we have made.

PENSION BUSINESS

Last year I referred to the special efforts we were making to assist our pension scheme policyholders, who so wished, to contract-out of the graduated part of the new national scheme in good time. These efforts were successful, and you will be interested to know that, in all, about 2,450 employers who have schemes with the Society have completed the formalities for the contracting-out of some 285,000 employees.

I am also glad to report the completion of most of the work of recasting large numbers of schemes which had to be undertaken as a result of the Finance Act, 1956, although some time will still be required to complete all the details and the necessary documents.

The success of our efforts is shown by the year's increase of about £3,000,000 in the premium income for pension business alone.

RATE OF INTEREST

The gross rate of interest earned during 1961 on the life assurance and annuity fund, omitting the amount invested in the purchase of reversionary interests was £6 0s. 8d. per cent, compared with £5 17s. 5d. per cent in the previous year. After deduction of income tax, the net rate of interest in 1961 was £5 13s. 5d. per cent, showing an increase of 4s. 7d. per cent over the previous year's figure of £5 8s. 10d.

FIRE AND ACCIDENT BUSINESS

I am pleased to report an excellent year for the Society's fire and accident departments, resulting in a record underwriting surplus of £682,412. In the fire insurance account claims amounted to 40.8 per cent of the premium income and there was an underwriting surplus of £359,240. In the accident insurance account claims were 50.5 per cent of the premium income and there was a surplus of £323,172.

Fire business in the United Kingdom was exceptionally profitable. Compared with the previous year, we did not experience such serious individual losses by fire and there was fortunately in this year no repetition of the heavy losses by flooding.

Accident business in this country was also profitable, the outstanding feature being a welcome improvement in the motor section. We can only hope that the increase in premium rates recently introduced will prove adequate to ensure a reasonable margin of profit to underwriters, but what we would most like to feel is that our experience last year provides some evidence of an overall improvement in road safety.

MARINE ACCOUNT

The figures for 1961 are almost doubled due to the inclusion, for the first time, of those for the British Commonwealth Insurance Company Limited.

ASSETS

The Society's total assets increased during 1961 by 10 per cent, and at December 31, 1961, stood at £488,377,378 compared with £441,970,625 a year previously.

The life department balance-sheet shows investment assets represented as to £187,594,904 by Stock Exchange investments, as to £125,954,731 by mortgages and other loans, and as to £122,709,929 by freehold and leasehold properties.

PROFIT AND LOSS ACCOUNT

To the balance of £1,813,596 brought forward from last year there has been added £621,901 in interest and dividends as well as the underwriting surplus from our fire and accident business which, as already mentioned, amounts to £682,412.

Finally, I would like to pay a tribute to the able management of the many and varied aspects of the Society's business by Mr P. Cahill, our general manager, and all his colleagues on the management and staff. Without their enthusiasm and skill I should not be able to present to you this favourable review of progress.

CITY CENTRE PROPERTIES

LIMITED

Summary of the Report, Accounts and Mr Jack Cotton's Statement for the FIFTEEN MONTHS ended 24th June, 1961.

Resumed Annual General Meeting—16th April, 1962.

The Accounts combine the revenue of City Centre Properties Limited for a period of 15 months with that of City & Central Investments Limited for a period of 12 months.

	15 months ended 24th June, 1961
Gross Income of Group	**£6,418,895**
Net Income (after Taxation)	**£982,956**
Dividends Paid (after Taxation)	**£604,586**
Issued Capital: 18,898,042 Ordinary Shares of 5s. each	**£4,724,511**

Dividend paid at the rate of 25½ per cent. per annum.

An issue of £18,939,830 Convertible Loan Stock 1965/70 was made during the period with conversion rights as follows:—

Conversion During the month of December in	Rates of Conversion One fully paid Ordinary Share of 5s. for each
1962	**60s.** Loan Stock
1963	**62s.** Loan Stock
1964	**64s.** Loan Stock

Interest at 5 per cent. per annum is payable on the Loan Stock up to and during the period available for conversion and 6 per cent. per annum thereafter.

The Group owns properties in 268 cities and towns throughout the United Kingdom.

THE FUTURE

The cumulative results of the Group's enterprise throughout the world become increasingly apparent and dividends have grown uninterruptedly in the past years. The aim is to increase the revenue of the Group and to provide security of income by development of first-class commercial properties throughout the world.

At the Annual General Meeting the Chairman stated that the accounting date would be changed from 24th June to 25th March and that the next accounts would be for the 9 months to 25th March, 1962. These accounts were expected to be available in September and the Annual General Meeting held in October, 1962.

The Chairman stated that the Gross Income of the Group for:—

Year ending 25th March, 1951, was	**£124,791**
Year ending 25th March, 1956, was	**£687,700**
15 Months ending 24th June, 1961, was	**£6,418,895**

The rate of growth of the Gross Income of the Group each year is considerable.

THE SCOTTISH UNION AND NATIONAL INSURANCE COMPANY

SUBSTANTIAL INCREASE IN LIFE BUSINESS

CONTINUED EXPANSION IN ACCIDENT BUSINESS

MR PATRICK J. OLIPHANT'S REVIEW

The following is a summary of the statement by the Chairman, **Mr Patrick J. Oliphant, WS,** circulated with the Report and Accounts of the Scottish Union and National Insurance Company for the year 1961:

During the year the premium income again rose substantially, the increase amounting to approximately £550,000.

The new sums assured in the Life Department totalled £12,394,034 and immediate and deferred annuities granted amounted to £1,661,372 per annum, both figures being substantially higher than those for last year. A material proportion of the new business was in respect of staff pension and life assurance schemes. The annual premiums under new Life business amounted to more than £600,000, an increase of 20 per cent over the previous year's figure.

Valuations of the Life and Annuity business are now made annually and at December 31, 1961, the very satisfactory surplus of assets over liabilities of £1,178,265 was disclosed. The stringent bases on which the liabilities are calculated and the substantial surplus in the account gives cause for considerable satisfaction and augurs well for the future prospects of the participating policy holders. The satisfactory yields on the investments and the steady improvement in the mortality rates experienced have made it possible to effect substantial reductions in the premium rates for non-participating life policies.

Fire premium income at £5,300,678 showed an increase over the previous year. Home business and business in overseas territories with the exception of the USA and Canada expanded satisfactorily. In North America there has been a selective restriction of the business written. Fire waste in the United Kingdom continued at a very high level in 1961 although there was some reduction compared with 1960. Whilst Canadian losses showed a welcome reduction, Fire losses were heavy in other overseas territories and in addition hurricanes in the USA took a severe toll. The Fire Account showed a loss of £83,253.

There was a substantial increase of £364,916 in the premium income of the Accident Department which totalled £4,267,478. Unfortunately the claims experience deteriorated due largely to unexpectedly heavy claims in the miscellaneous section of the home account on which in the past profits have been regularly made. There was, however, a substantial improvement in the experience in the USA and Canada. The unexpired risk reserve is on the unusually strong basis of 50 per cent of the premiums and after providing for this the final result was an underwriting loss of £275,358.

In the Marine Department premiums decreased slightly to £1,844,140 whilst claims paid increased by £199,413 to £1,470,755. The increase in claims was a general market experience and was largely due to the adverse results in the USA and to the series of major casualties which occurred in the latter part of 1960 and in the first half of 1961. It was considered prudent to make no transfer to the Profit and Loss Account and the marine underwriting fund now stands at £1,915,922.

In the Profit and Loss Account interest, dividends and rents totalled £536,203. There were transfers to the Account of £58,882 being Shareholders' profits from the 1961 life valuation and of £10,000 from the Capital Redemption Account. Transfers of £83,253 and £275,358 respectively were made to the Fire and Accident Accounts. The net profit for the year was £118,729 and after charging £183,750 for the year's dividends (increased from 20 per cent to 25 per cent) a balance of £858,929 was carried forward.

Mr Oliphant concluded his statement by thanking the members of the Boards and the Agents at home and overseas for their wholehearted support and co-operation during the year.

He also paid tribute to the General Manager and Executive, Managers and Staff at home and overseas for their excellent work and loyalty and to the Norwich Union Societies for the very valuable co-operation and assistance so freely given.

NORTHWESTERN RUBBER COMPANY

(Manufacturers of Reclaimed Rubber)

The Annual General Meeting of The Northwestern Rubber Company Limited was held on April 16th in Liverpool.

Mr J. Riddell, OBE (Chairman), presided and, in the course of his remarks, said: The year 1961 must be regarded with considerable disappointment. Sales were maintained and reached a new record, but the trading profit fell from £91,895 to £68,334.

This fall can be attributed to the increasing but still highly variable percentage of synthetic rubber in scrap tyres resulting in reductions in refining rates made necessary if quality is to be maintained, difficulty in plant installation and the full effect of wage increases granted in 1960.

The Directors have given considerable thought to the final dividend and having regard to the prospects for the coming year have decided to recommend maintenance of the dividend.

Demand for our product remains buoyant and output is again rising. The results for the first month of 1962 show a reasonable improvement over 1961, but the directors are by no means satisfied with the profitability.

Northwestern have entered as equal partners with H. Muehlstein & Co., of New York in a joint company to deal in the re-processing and colouring of plastic materials. Our incursion into the plastics field and certain further capital projects we have under contemplation which offer substantial labour savings in relation to the sum involved make it desirable that further permanent capital should be raised, probably by means of a Rights Issue.

A resolution to increase the authorised capital was presented at the meeting and duly sanctioned.

The report was adopted.

NORTHGATE EXPLORATION LIMITED

RESULTS HIGHLY ENCOURAGING

The Forty-Second Annual General Meeting of Northgate Exploration Limited was held on April 3rd in Toronto, Canada. The following is an extract from a review by **Mr Patrick J. Hughes,** the President.

We have been saddened by the loss of our general manager, Mr Walter Maybank. For the time being, or until a successor is found for Mr Maybank, General Engineering Company, Limited, will act as managers for the Tynagh project.

We are all very enthused over the progress which has been made to date on the Tynagh property. Our drilling programme has continued with success. At present a staff and work force of some sixty people is pressing forward our exploration programme at Tynagh. Results have been highly encouraging.

At the moment we must beg the question of when production will begin for much more work and many more facts are needed before we can set a date.

LONDON STOCK EXCHANGE HISTORY

I would like to make a short comment regarding Northgate's relationship to the London, England, Stock Exchange. Some confusion has arisen over activities in London and we feel that these have incorrectly caused some prejudice towards our company.

Under a regulation of the London Stock Exchange, regulation 161B, member brokers are allowed to trade occasionally, on a private basis between themselves, shares of issues which are not listed on the exchange. During the last part of 1961, when great interest was centred on our work at Tynagh, this trading in the company's shares reached the point where there was substantial trading by some London brokers in one day. Since this activity was not within the meaning suggested by regulation 161B, the London Stock Exchange cautioned its brokers against further trading and suspended regulation 161B with respect to Northgate. This action took place without notification to or consultation with our company. Northgate has never been listed on the London Exchange and we have found that a good deal of documentation and expense would be involved to obtain listing.

While the company, as a convenience to our English shareholders, would like to see all possible trading facilities open to them, we feel that application for trading privileges on the London Exchange would not be justified at the present.

HIGHLIGHTS

The highlights of our progress to date are:

Your company has made the most important new base metal discovery in the British Isles in the past 100 years;

In the short space of four months we have advanced a major exploration programme with great speed;

Indications are that we should be able to move quickly from our present period of exploration;

Finally, I would like to pay tribute to the Irish Government and its officials for its wise legislation, help and collaboration.

THREE NEW DIRECTORS

Mr Hughes then announced the appointment of three new directors, Mr Robert M. Hamilton, Dr Duncan R. Derry and Mr Warren Armstrong.

Mr Hamilton, President of General Engineering Company Limited, Industrial Engineers, Toronto. He organised the firm with his brother in 1933, and has since been responsible for the design, construction and operation of a wide variety of mining and industrial plants throughout Canada, the United States and abroad. He is a director of Canadian Arsenals Ltd. and Canadian Vickers Ltd.

Dr Derry, Consulting Geologist to Northgate. He is a former Vice-President (Exploration) of Rio Tinto Mining Co. of Canada and was Chief Geologist for Ventures Limited.

Mr Armstrong, a graduate of Osgoode Hall, Toronto, was in private law practice in Toronto for many years. For the past two years he has been Secretary of the National Energy Board in Ottawa.

TYPHOO TEA (HOLDINGS)

A MOST SATISFACTORY YEAR

The thirteenth annual general meeting of Typhoo Tea (Holdings) Limited was held on April 16th in Birmingham, **Mr J. R. Hugh Sumner, CBE, DL, JP** (the chairman), presiding.

The following is an extract from his circulated statement:

Last year, in my statement, I referred to the fact that the then current Tea prices were higher than they were in 1960 and might adversely affect profits for the year ended December 31, 1961. I am therefore happy to report that the Group Profit for the year amounted to £2,869,820 as compared with £2,584,935 last year; this profit is subject to a charge of £1,535,780 for Taxation which is equivalent to 10s. 9d. in the £.

Your Board recommends a Dividend of 30 per cent less Tax, as before.

Turning to the Balance Sheet, your attention is drawn to the conservative figure of Fixed Assets. You may be assured that the insurable value is many times more than the Book Value.

Current Assets amount to £7,787,838 in excess of Current Liabilities, a fact which no doubt will be appreciated.

The year 1961 proved to be most satisfactory from a sales angle and I am more than happy to report that once again there was an increase over the previous year.

As far as 1962 is concerned, we must bear in mind the possibility of fluctuating prices in the Tea Markets of the World and the intense competition throughout the food industry, but we can, however, assure you that there will be no relaxing of effort to further the interests of your company.

The report was adopted.

Copy for the insertion of Company Meeting reports must reach this office not later than Wednesday of each week and should be addressed to:

The Company Meetings Department,
The Economist,
22 Ryder Street, S.W.1.

COMPANY AFFAIRS

The improvement in equity prices before and immediately after the Budget was not maintained and shares fell at the end of last week. Despite a few gains this week The Economist *indicator fell by 7.8 points to 354.9 by Tuesday's close. The limelight has been taken by the gilt-edged market and stocks have made some good gains with hopes of an early cut in Bank rate outweighing fears of the impact of the speculative gains tax on switching transactions. Insurance and brewery shares have again been prominent and property shares have been in demand. Motor shares fell back sharply on the BMC interim statement but they staged a recovery this week.*

BMC Punctures the Boom

THE interim statement from the British Motor Corporation comes as a rude shock. After the optimistic tone of Mr Harriman's statement last November, when he spoke of his "firm confidence in the future of . . . the British Motor Corporation," nobody expected to hear that the company's earnings in the first 32 weeks of the financial year from July 31, 1961, had suffered a "severe setback compared to the same period last year." But "the general outlook, coupled with purchase tax reductions and the availability of the dividend equalisation reserve" were thought by the directors to justify an unchanged interim dividend of 7½ per cent. Does this statement mean that earnings were not sufficient to cover this payment?

The fall in profit is all the more disturbing as BMC made nine per cent more vehicles than in the same period a year before, which covered the winter of 1960-61 when the company was for some time making only a small number of cars. Its share of the home market, moreover, rose steadily from last August to a new record in January—nearly double Ford's sales. Price increases introduced last October had been designed to improve margins, especially on the "Minis," on which margins had been described by the directors as inadequate in July. Now the interim statement repeats what was said then: lower margins resulted from sales of a higher proportion of lower-priced vehicles. But it adds a second reason: increased sales in competitive export markets—a reminder that exports are generally less profitable than domestic sales. All this suggests that prospects for better profits in the motor industry are much less good than the rise in production had suggested.

There are, however, some special factors that may have depressed BMC's profits. The introduction of the revised versions of its bigger models and the more expensive versions of the "Minis" seems to have disrupted output more than might have been expected. Production has been higher since mid-January and will rise still more in the summer and thus profits should be higher in the last 20 weeks of the year. But they seem unlikely to cover much of the heavy capital commitments—£52 million in the three years from last July. And in the longer term, the low profitability of a period when the company was operating at about 75 per cent of capacity hardly bodes well for a company that is unlikely to be able to average a much higher rate of working than this when its new plants are complete. Higher prices may be the only solution to BMC's problems; perhaps the growth in sales is being gained by under-pricing. The yield of 6.4 per cent offered by the 5s. shares at 15s. 10½d. is not too high.

Bowater Paper

THE £1 shares of Bowater Paper have been depressed for some months with buyers holding off ahead of the results which it had already been indicated would show a fall in profits. This week the shares have had a brighter look for the results were certainly no worse than expected; they gained 9d. to 43s. to yield just under 6½ per cent on the dividend which has been maintained at 13¾ per cent. Total sales in 1961 rose by 4½ per cent from £142 million to £148½ million, but trading profits fell by 7 per cent from £23.5 million to £21.9 million. A maintained dividend does not reflect any immediate improvement in the prospects of the paper industry in this country. The directors say that the trading difficulties have continued into 1962 and that any prediction for the future will be impossible until certain problems peculiar to Britain's economy, not least a decision about the common market, have been resolved. However, they feel "on balance" that it would be right to maintain the dividend at this time. Their decision was no doubt helped by a sharply lower tax charge, but nevertheless the dividend is now covered only 1.3 times.

Last year overseas activities accounted for 78 per cent, against 70 per cent, of the group's trading profits and one bright spot is the continued progress made by the North American subsidiary whose accounts, covering the Tennessee operations as well as the Canadian, are expressed in Canadian dollars. Its trading profits rose from $41.7 million to $43.8 million and the dividend paid to the parent company has been raised from 38 to 40 cents, to absorb $6.4 million against $5.7 million. As a result of the fall in the value of the Canadian dollar in terms of sterling, however, the further improvement in dollar earnings is not reflected in the group's trading surplus as expressed in sterling. The whole of the reduction in trading profits and the fall in sales in the second half of 1961 is attributed to the United Kingdom where the Bowater companies faced a marked fall in demand and a sharp drop in profit margins.

Six months ended	June 30, 1960 £000's	Dec. 31, 1960 £000's	June 30, 1961 £000's	Dec. 31, 1961 £000's
Sales	65,403	76,597	75,617	72,883
Trading surplus	10,998	12,496	11,051	10,816
Depreciation	3,560	4,258	4,327	4,268
Taxation	2,509	3,294	2,420	1,983
Net profit of parent	2,809	2,835	2,202	2,593
	%	%	%	%
Trading Profit/sales	*16·8*	*16·3*	*14·6*	*14·3*

A year ago the shares stood at 60s. and in 1960 they nearly touched 80s. and buyers at the current depressed level are likely with patience to show a useful profit. While the immediate outlook particularly in this country remains clouded and margins both on sales and capital employed have fallen sharply it should not be forgotten that in recent years the group has invested heavily in furthering its policy of diversification of products and expansion within the paper industry. This is reflected in a further sharp rise in the charge for depreciation, but many of these developments in America and Australia as well as in Europe and this country have yet to make a full contribution to the earnings of the group.

Sears Holdings

IT has become the custom of Sears Holdings effectively to raise the ordinary dividend and to forecast a further increase while maintaining the rate at 25 per cent. Despite the dividend pause this tradition has been maintained with the dividend, as forecast, kept at 25 per cent on the capital as increased by last year's one for five scrip issue (which in fact represents an increase from the equivalent of 20⅚ per cent); this is accompanied by a forecast of 25 per cent for the current year on the capital after the proposed one for six scrip issue. The trading results for 1961 are very much as expected, following the forecast at the time of the Saxone, Lilley and Skinner take-over that British Shoe's profits would show only a small increase in profits. But it is one of the merits of an industrial holding company that if profits in one particular section are less buoyant this is often compensated by a better showing elsewhere. And the table shows that the engineering division reported a 10 per cent increase in gross profits and accounted for most of the increase from £10.2 million to £10.7 million in the group's profit before tax. This bears out the confidence expressed by Mr Clore

in his statement a year ago on the growth prospects of this section of the business—particularly of Bentley Engineering, the hosiery knitting machinery group.

Years to December 31	1960 £'000	1961 £'000
Group trading profit	11,783	12,431
Depreciation	1,366	1,511
Profit before tax	*10,206*	*10,718*
Tax	5,200	5,518
Net profits	*4,790*	*4,902*
Ordinary dividend	*1,964*	*2,357*
Ordinary dividend (per cent)	*20⅚*	*25*
Subsidiaries' gross profits:—		
British Shoe	5,669	5,833
Sears Engineering	3,915	4,311

For the current year however the main improvement in earnings is again likely to come from British Shoe which has consolidated its dominance in the British shoe industry by acquiring Saxone, Lilley and Skinner. This should bring in around £2 million in additional trading profits and it offers the prospect of economies through the rationalisation of the businesses. There is now however a large minority interest in British Shoe and investors can now choose between a direct stake in British Shoe (in which the 5s. shares at 23s. 3d. yield 3.2 per cent on the forecast of a 15 per cent dividend) or in the group as a whole through the 5s. "A" shares of Sears Holdings (which at 40s. 10½d. offer a prospective dividend yield of 3.6 per cent). Both shares have a high growth rating merited by their past record. The yield gap between the shares reflects the more rapid growth in the shoe companies' earnings in the past and some uncertainty whether the engineering companies will be able to continue to make good any fall in profits from Furness Shipbuilding.

Gallaher

SINCE the report on lung cancer tobacco consumption has fallen, though by how much it is too early to judge. But cigarette sales are down and there has been a further switch to tipped brands. In framing his budget, the Chancellor reckoned on a slight increase in the yield of the tobacco tax but he added that he had taken account of the possibility that the yield might be lower. The Chancellor will be lucky this year if tobacco consumption remains unchanged, but dealers in tobacco shares were pleased that he had not imposed any special discriminatory tax on cigarettes and marked share prices up. Gallaher, like the other tobacco manufacturers, must expect the going to be tougher this year, but its recent success in the tipped market with "Nelson" should help.

Now that it controls Wix, Gallaher is responsible for nearly 40 per cent of cigarette sales in this country and its directors are fully alive to the fact that it will be increasingly difficult to add to this share of the market. The acquisition of Wix, however, could easily add over £2 million to the group's profit this year and it gives Gallaher a direct interest in coupon trading. The acquisition came too late to have any effect upon the group's results for 1961; no dividend was paid by Wix and Gallaher in respect of that year and the shares issued by Gallaher in acquiring the company do not rank for the latest final dividend. As forecast then the ordinary dividend has been maintained at 20 per cent, following a rise in trading profits from £11,743,000 to £13,661,000 and in net profits from £5,828,000 to £6,344,000. This means that the dividend is covered just over twice as the directors indicated at the time of the acquisition in December. In all, investors in Gallaher, whose shares now yield 6½ per cent at 31s. 3d., cannot expect the same rate of growth as occurred over the last decade; equally, this should reduce the calls made on the stock market for new money though there may be still some past debts to be funded. But investors should not underrate the ability of Gallaher's management to reframe its policies in the light of a changing and less buoyant market. On a short term view the present dividend looks safe and it could go higher if coupon trading and sales of tipped cigarettes continue to do reasonably well.

Hudson's Bay

IT was clear from the preliminary results that the impact of a full year's trading from Henry Morgan on the results of Hudson's Bay had been considerable. Thus a 19 per cent increase in the group's retail turnover from £88 million to £105 million comes down to an increase of 3.6 per cent when Morgan's sales are included for both years. However, no similar comparison is made in the case of profits, which rose from £5.2 million to £6.1 million before tax. The directors say that Morgan's sales increased "satisfactorily" but that profits were affected by the cost of improving and expanding stores and by higher operating costs; and it seems clear that Morgan's failed to make good the 13 per cent fall in profits in the previous year. The group's stores generally held their own against increased competition, reporting a modest advance both in sales and profits.

Among the group's other interests fur sales reached a new peak but lower prices for the company's own raw furs partially offset the good returns from the three auction houses. Wholesale sales were slightly up but the directors say that because of keen competition in tobacco products profits were kept to "marginal levels." But the most important event of the year was probably the receipt of a maiden dividend from Hudson's Bay Oil and Gas in which it has a 22.6 per cent interest. This boosted Hudson's Bay income by £286,000. Net income of HBOG rose from 6 cents to 39 cents per share. The directors say that the growth in demand for both oil and natural gas has continued into the current year. Hudson's Bay's holdings stands in the balance sheet at £3.6 million against a market value of about £26 million.

The maiden dividend from HBOG coincided with a clear indication that the distribution from land sales is not likely to continue much longer. After the present distribution the balance in the Land Account will be sufficient only to provide for distributions at the present rate of 2½ per cent for a further three years. These distributions are tax free and for a number of years they have provided a useful sweetener to the dividend. It now remains to be seen whether increased profits from the retail side and a bigger income from HBOG will enable the company to raise the dividend from 12 per cent to at least the present effective dividend rate of just over 16 per cent. As the ordinary dividend alone is covered over three times this is quite possible, and at the current price of 88s. 9d. the £1 ordinary shares yield just over 3½ per cent on the total trading and land payments.

Hire Purchase Débâcle

THE number of hire purchase company chairmen that are having to eat their words is still growing. Last year Sir Mark Turner, chairman of **Mercantile Credit,** softened the blow of a cut in the final dividend from 7½ to 2½ per cent, by saying "the back of the problem has been broken." And Sir Mark reiterated this point when he said at the general meeting in January that though there were still difficulties he felt that in the provision made this year the directors had broken the back of them. Now the interim is cut further to 2 per cent and because of new uncertainties the board "wish to state that the interim dividend should not be taken as any indication of the total distribution for the year." In the previous week the chairman of **Lombard Banking,** Mr E. G. Spater, was far from shaken in reporting a halving in the group's gross profits. "I am confident," he said, "that in all the circumstances members will not be displeased with the profits disclosed." Shareholders in the hire purchase finance companies have been treated rather roughly by some of the industry's spokesmen, who could have been more frank in revealing the full plight of the industry and the companies within it.

The Economist Indicator (1953=100)

1962	Indicator	Yield %	1962 High	1962 Low
Mar. 14	356·7	4·97	364·4 (Jan. 17)	346·3 (Mar. 28)
,, 21	347·9	5·08		
,, 28	346·3	5·12		
Apr. 4	355·3	5·03		
,, 11	362·7	4·94		
,, 17	354·9	5·08		

Financial Times Indices

1962	Index †	Ord. Yield	2½% Consols Yield	Bargains Marked
April 11	305·3	5·15	6·23	15,227
,, 12	300·9	5·22	6·24	15,475
,, 13	298·6	5·27	6·18	13,580
,, 16	298·3	5·27	6·15	16,209
,, 17	298·2	5·27	6·12	14,588

High, 310·2 (Jan. 19.) Low, 291·4 (April 2).
† July 1, 1935=100.

STOCK PRICES

Prices, 1962 High	Prices, 1962 Low	BRITISH FUNDS AND GUARANTEED STOCKS	Price April 11, 1962	Price, April 17, 1962	Net Red. Yield April 17, 1962§	Gross Red. Yield, April 17, 1962
					£ s. d.	£ s. d.
93 13/16	90 11/32	Savings Bonds 3% 1955-65	93 7/16	93 13/16	3 15 5	5 0 11 l
97 13/16	96 1/32	Exchequer 3% 1962-63	97 5/16	97 25/32	3 9 2	4 19 11 l
100 15/16	100 9/32	Treasury 5½% 1962	100 15/32	100 15/32	2 15 7	4 12 9 l
96 1/16	93 3/16	Exchequer 2½% 1963-64	95⅝	96 1/16	3 11 0	4 10 2 l
99⅞	98½	Conversion 4½% 1963	99 5/16	99⅝	2 13 8	5 1 8
99 1/16	97 1/16	Conversion 4½% 1964	98 17/32	98¾	3 8 10	5 2 9
100⅛	98 3/32	Exchequer 5½% 1966	99 27/32	100 3/32	3 5 8	5 9 3
83¾	82⅝	Funding 3% 1959-69	83 1/16*	83½	4 12 7	5 18 5 l
89⅞	87¾	Funding 4% 1960-90	88*	88⅝*	3 12 7	5 10 l
80¼	78 15/16	Savings Bonds 3% 1960-70	80⅛	80¼	4 15 2	6 2 2 l
87½	85	Savings Bonds 2½% 1964-67	86 1/16*	86 11/16*	4 10 1	5 10 11 l
71 11/16	70 7/16	Savings Bonds 3% 1965-75	71½	71⅝	4 15 5	6 4 5 l
85 11/16	83 5/16	Funding 3% 1966-68	85⅜	85 11/16	4 11 1	5 17 7 l
86¼	84⅞	Conversion 3½% 1969	85 15/16	86 1/16	4 11 7	6 1 10
96⅞	92¼	Victory 4% 1920-76	96⅜	96⅞	2 19 7	4 12 0 t
92 5/16	90 9/16	Conversion 5% 1971	92 3/16	92 5/16	4 3 7	6 5 11
99⅛	97¼	Conversion 6% 1972	98⅛	98⅝	3 18 6	6 6 8
93 1/16	92¼	Conversion 5¼% 1974	92 15/16	93 1/16	4 1 2	6 5 9
71 11/16	69⅝	Treasury 3½% 1977-80	71 7/16	71 11/16	4 10 1	6 4 9 l
70 7/16	68 5/16	Treasury 3½% 1979-81	70 3/16	70 7/16	4 10 6	6 4 11 l
92 1/16	90 3/16	Funding 5½% 1982-84	91⅞	92 1/16	4 10 9	6 5 11 l
57⅛	54	Redemption 3% 1986-96	56¾	57⅛	4 4 3	5 19 0 l
85⅜	82⅝	Treasury 5% 1986-89	83¾*	84 1/16	4 0 7	6 4 5 l
61 7/16	56 15/16	Funding 3½% 1999-2004	60 13/16	61 7/16	4 2 0	6 2 5 l
88 15/16	84⅛	Treasury 5½% 2008-12	87 15/16	88 15/16	3 17 9	6 5 3 l
63 5/16	58¼	Consols 4% ....after Feb. 1957	62 7/16	63 5/16	3 18 0	6 8 5
56⅞	52 1/16	War Loan 3½% ....after 1952	55⅞	56⅞	3 16 6	6 6 0 f
55½	52 5/16	Conv. 3½% ....after Apr. 1961	54 5/16	55½	3 17 5	6 6 6 f
47¾	44⅞	Treasury 3% ....after Apr. 1966	46⅞	47½	3 17 6	6 6 8 f
40¾	38⅛	Consols 2½%	40⅛	40¾	3 15 3	6 3 0 f
40½	38 1/16	Treasury 2½% ....after Apr. 1975	39⅝	40¼	3 16 3	6 4 7 f
91 11/16	89 15/16	British Electric 4½% 1967-69	91½	91 11/16	4 3 4	6 1 4 l
75¾	74⅜	British Electric 3% 1968-73	74 13/16	74 15/16	4 16 5	6 4 1 l
70⅛	69	British Electric 3% 1974-77	69⅜	69⅝	4 14 6	6 3 10 l
80 13/16	79 1/16	British Electric 4¼% 1974-79	79¾	79⅝	4 6 0	6 4 4 l
72 1/16	70⅜	British Electric 3½% 1976-79	70⅞*	71 1/16*	4 10 9	6 4 4 l
83½	82¾	British Gas 4% 1969-72	83⅜	83¾	4 9 11	6 5 4 l
81⅞	80 7/16	British Gas 3½% 1969-71	81 7/16	81 7/16	4 12 8	6 3 9 l
57⅞	53 13/16	British Gas 3% 1990-95	56¾*	57¼*	4 5 1	5 19 5 l
75¼	74⅜	British Transport 3% 1968-73	74 13/16	74 15/16	4 16 5	6 4 1 l
78 15/16	77⅜	British Transport 4% 1972-77	78⅞	78⅞	4 8 0	6 5 4 l
60	56½	British Transport 3% 1978-88	59⅝	60	4 9 8	6 3 4 l

Prices, 1962 High	Prices, 1962 Low	DOMINION AND CORPORATION STOCKS	Price, April 11, 1962	Price, April 17, 1962	Red. Yield, April 17, 1962
					£ s. d.
81⅞	79½	Australia 3½% 1965-69	81¾	81⅞	6 9 0 l
98¾	96	Australia 6% 1974-76	96¼	96¼	6 7 0 l
66	56	Ceylon 4% 1973-75	56	56	9 17 0 l
96¾	94¼	New Zealand 6% 1976-80	95¾	95¾	6 8 0 l
75¼	63	Rhodesia and Nyasaland 6% 1978-81	64	65	10 3 0 l
86¼	82	South Africa 3½% 1965-67	86	86¼	6 14 0 l
58¼	49	Southern Rhodesia 4½% 1987-92	49	49	9 7 0 l
81⅝	77¾	Agricultural Mortgage 5% 1959-89	80¼	81⅝	6 9 0 l
88⅞	86	Birmingham 4¼% 1967-70	88½	88⅞	6 2 0 l
91	88¾	Bristol 5% 1971-73	90½	91	6 5 0 l
90⅜	88	Corporation of London 5¼% 1976-79	90	90⅜	6 6 0 l
46⅛	43	L.C.C. 3% ....after 1920	45⅝	46	6 10 0 f
86⅛	84	L.C.C. 5% 1980-83	85⅛	85⅜	6 5 0 l
89¼	87	Middlesex 5¼% 1980	88¼	88¾	6 6 0 l

Prices, 1962 High	Prices, 1962 Low	Last Two Dividends (a)	(b) (c)	ORDINARY STOCKS	Price, Apr. 11, 1962	Price, Apr. 17, 1962	Yield, Apr. 17, 1962	Cover
		%	%	**BANKS, DISCOUNT & HP**				
104/-	86/-	6½ a	6½ b	Barclays £1	100/-	99/-	2·63	...
102/6	93/-	8 a	8 b	District £1	101/-	102/-	3·14	...
72/6	58/6	4·3 a	5·1 b	Lloyds £1	69/9	69/-	2·72	...
24/6	20/3	7 a	8 b	Martins 5/-	23/10½	23/7½	3·17	...
101/-	86/9	7½ a	7½ b	Midland £1	98/6	99/6	3·02**	...
102/-	89/-	7 a	7 b	Nat. Provincial £1	100/-	99/3	2·82	...
103/-	84/-	6⅔ a	6⅔ b	Westminster 'B' £1	101/6	101/6	2·62	...
43/3	40/10½	4 a	8 b	Australia & N.Z. ..£1 p.p.	42/-	42/6	5·65	...
40/3	37/1½	3½ a	5 b	Bk. Lond. & S. Amer. .£1	39/3‖	39/3‖	4·25	...
£25 7/16	£22 15/16	$2·05c	$2·05c	Bank of Montreal $10	£23 1/16	£23⅛	3·10	...
32½	27¼	8 c	9 c	Bank of New S. Wales £20	31¼	32¼	4·43g	...
38/9	34/9	5 a	5 b	Barclays D.C.O. £1	36/6	36/9	5·44	...
58/6	53/3	7½ a	7½ b	Chartered £1	55/-	55/3	5·43	...
£19¼	£17¼	5/- a	10/- b	Hongk'g. & Shang. $25	£18	£17¾	4·23	...
57/6	52/3	7½ a	9 b	Nat. Com. Bk. Scot. .10/-	56/6	57/6	2·87	...
£29 7/16	£26 15/16	$2·37½c	$2·50c	Royal Bk. Canada $10	£27 7/16	£27⅝	3·18	...
43/6	37/6	10 b	5 a	Standard Bank £1	39/3	38/6	7·79	...
197/6	157/6	22½ c	7½ a	Hambros ....£1 f.p.	180/-	197/6	2·28	...
98/6	81/10½	2½ a	5 b	Schroders £1	98/6	97/-	1·55	...
59/3	53/-	6¼ a	6¼ b	Union Discount £1	58/9	57/6	4·35	...
14/1½	11/4½	18 c	Nil c	Bowmaker 5/-	12/1½	11/4½	...	...
14/3	11/3	5 a	5 b	Lombard Banking 5/-	12/1½	11/9	4·44	1
16/4½	10/10½	2½ b	2 a	Mercantile Credit 5/-	11/10½	10/10½	3·45	...
44/1½	32/-	22½ b	4 a	United Domins. Tst. ..5/-	34/-	32/-	4·14	¾
				BREWERIES, Etc.				
16/-	13/3	...	7 b	Bass, M. & B. 5/-	15/4½	16/1½	3·41**	2
41/9	37/4½	8½ b	6 a	Distillers 10/-	41/6	41/9	3·47	2
21/-	17/6	4 a	8 b	Flowers 5/-	19/6	20/3	2·96	2
51/6	47/-	8 a	14 b	Guinness 10/-	48/6	49/6	4·44	1½
15/7½	12/7½	...	8 b	Ind Coope, T.A. 5/-	13/6	13/9	4·36**	1½
16/1½	13/-	5 a	7½ b	United Breweries 5/-	15/7½	16/1½	3·88	...
27/6	23/8¼	6 a	12 b	Watney Mann 5/-	27/6	27/6	3·27	2
39/-	31/9	9 a	21 b	Whitbread 'A' 5/-	38/3	39/-	3·85	1¼
				BUILDING, PAINT, Etc.				
56/9	50/7½	5½ b	3 a	Associated Portland £1	55/3	52/4½	3·18	2½
26/9	21/9	7¼ b	4 a	British Plaster Bd. ..10/-	26/1½	26/3	4·76	2¼
17/10½	14/10½	10 b	5 b	Richard Costain 5/-	16/7½	16/9	4·78	2¾
12/3	10/6	10 a	12½ b	Crittall Mfg. 5/-	12/3	12/1½	6·96**	2
12/6	10/-	14 b	6 a	International Paints ..4/-	10/3	10/-	8·00	1½
71/3	57/-	25 c	25 c	Rugby Portland 5/-	71/3*	70/6	1·77	3½
24/6	19/7½	11½ b	5 a	Wall Paper Defd. 5/-	21/10½*	23/6	3·55	2¼
				CHEMICAL				
25/7½	20/9	6 a	14 b	Albright & Wilson ..5/-	25/7½	25/1½	3·98	2
19/3	16/3	4 a	7½ b	Borax Defd. 5/-	18/10½	18/6	3·11	2½
43/3	34/-	4 a	7½ b	Fisons £1	40/6	39/6	5·53	1½
58/-	53/3	6¼ a	7½ b	I C I £1	56/7½	55/6	4·95	1
17/3	12/6	5 a	5 b	Monsanto 5/-	13/9	13/-	3·85	1½
				DRAPERY & STORES				
35/3	26/10½	8 b	4 a	Boots Pure Drug 5/-	34/-	33/6	1·79	2¼
33/9	28/10½	17½ a	5 b	Montague Burton ..10/-	31/6	31/3	3·13	2¼
59/6	53/6	13½ b	5⅝ a	Debenhams 10/-	58/6*	57/3	3·35	1½
60/3	54/4½	25 b	12½ a	G.U.S. 'A' 5/-	58/-	60/3	3·11	2
40/3	34/9	16½ b	13½ a	House of Fraser 5/-	38/4½	36/9	4·08	1¼
16/6	13/6	5 a	7½ b	Lewis's Invest. Tst. ..4/-	16/6	16/4½	3·05	2
100/6	90/-	32½ b	15 a	Marks & Spencer 'A'.5/-	99/-	96/9	2·45	1½
50/10½	46/-	20 b	10 a	United Drapery 5/-	50/1½	51/-	2·94	1¾
53/-	45/9	105½ a	25 b	Woolworth 5/-	49/3	47/3	3·79	1¼
				OIL				
38/-	32/3	†6·94b	†2·78a	British Petroleum £1	36/3	35/-	9·07	2¼
35/9	30/6	†6⅔ b	†2½ a	Burmah Oil £1	34/-	32/-	9·56	1¼
£14 5/16	£12 5/16	11¼ a	15 b	Royal Dutch ....20 fl	£13⅝	£13 11/16	3·78	2¾
32/-	27/-	†10 a	†15 b	Shell Transport 5/-	30/6	30/3	6·75	2½
28/-	20/6	...	...	Ultramar 10/-	21/-	23/3	... d	...

NEW YORK PRICES AND INDICES

	Apr. 11 $	Apr. 16 $		Apr. 11 $	Apr. 16 $		Apr. 11 $	Apr. 16 $
Atch. Topeka	26⅝	26½	Boeing	48⅜	46⅞	Int. Harvester	53¼	53⅞
Can. Pacific	24½	24¼	Celanese	40¼	39⅞	Inter. Nickel	78	77¼
Pennsylvania	15⅞	15⅝	Chrysler	52½	52⅜	Inter. Paper	35⅝	35⅜
Union Pacific	32⅜	32¾	Col. Palmolive	47	46½*	Kennecott	78	78
Amer. Electric	70⅜	70	Crown Zeller.	55	54	Monsanto	45⅜	44⅝
Am. Tel. & Tel.	128⅜	126⅞	Distillers Seag.	46¼	46¼	Nat. Distillers	30	29¼
Cons. Edison	79½	79⅝	Douglas	26¼	26⅝	Pan-American	21⅛	21
Int. Tel. & Tel.	50¾	49⅜	Dow Chemical	57¼	56	Procter Gamble	84¾	83½*
South'n. Nat. Gas	46⅜	45⅝	Du Pont	239½	235½	Radio Corpn.	58	56⅜
United Corpn.	8¼	8	East. Kodak	110¼	109⅝	Sears Roebuck	82⅜	80⅞
Western Union	36⅜	37¼	Ford Motor	96¼	97¾	Shell Oil	37¾	37
Alcoa	63⅛	63⅝	Gen. Electric	73¼	74⅛	Socony-Mobil	54⅜	53½
Aluminium	26	25¾	General Foods	84⅝	84⅜	Stand. Oil Ind.	51⅜	51¼
Amer. Can.	46	45¾*	General Motors	55¼	54¾	Stand. Oil N.J.	53¼	53⅛
Am. Smelting	62	60½	Goodyear	43¾	42¾	Union Carbide	110⅜	108½
Am. Viscose	54¼	53¾	Gulf Oil	42¼	42½	U.S. Steel	68½	63¼
Anaconda	45⅞	45⅝	Heinz	55	56	West. Electric	35¼	34⅜
Beth. Steel	42⅛	40	Int. Bus. Mach.	516	512½	Woolworth	80⅞	78½

Standard and Poor's Indices (1941-43=10)

1962	425 Industrials	Yield %	25 Rails	Yield %	50 Utilities	Yield %	Govt. Bonds	Yield %
March 14	74·93	2·86	34·43	4·82	64·79	3·12	88·70	4·01
" 21	74·42	2·88	33·35	4·83	64·95	3·11	88·80	4·00
" 28	73·93	2·90	33·35	4·81	64·45	3·13	89·01	3·98
April 4	72·14	2·97	32·44	4·97	64·06	3·15	88·75	3·99
" 11	72·01	2·98	32·55	4·95	64·25	3·15	90·06	3·88

425 Industrials:—High, 75·22 (Jan. 3). Low, 71·13 (April 16).

FOREIGN AND OVERSEAS STOCKS

FRANCE	Apr. 11 Frcs.	Apr. 16 Frcs.	GERMANY	Apr. 11 %	Apr. 16 %	HOLLAND	Apr. 11 %	Apr. 16 %
Air Liquide	1,350	1,415	A.E.G.	493½	491½	A.K.U.	361¶	366
Banque de Paris	604	595	Bad'che Anilin	454	470	Bijenkorf	1,100	1,102
Citroen	234	224	Bayer	563	576	Heinekens	525½	533
C. F. Petrole	316·1	304	Commerzbank	550	555	Interunie (Fl.50)	Fl.207	Fl.205·5
Cie. G. d'Elect.	1,439	1,427	Deutsche Bank	635	633	K. N. Hoogoven	763½	764½
Machines Bull	797	781	Hoechst Farb.	502½	510	Kon. Zout-Ket.	1,000	1,038
Pechiney	295	283	Kundenkredit	502	500	Philips	915¾	904½
Printemps	720	723	Lowenbrau	1,210	1,212	Robeco (Fl.50)	Fl.237·5	Fl.236
Rhone-Poulenc	539	526	Mannesmann	235½	237	Rotterdam Bk.	395	385½
S.I.M.	399	407	Siemens	652¶	655	Thomassen & D.	680	694
Saint-Gobain	437	430	Thyssen-Huette	200	200¼	Valeurop	Fl. 81·6	Fl. 80·4
Usinor	250	255	Volkswagen	671	676	Zwanenberg	1,010½	1,022
Index	110·9	110·9	Herstatt Index	107·64	108·47	Index	369·85	370·00
Dec. 30, 1960=100.			Dec. 31, 1959=100.			1953=100.		
ITALY	Lire	Lire	**BELGIUM**	Frcs.	Frcs.	**SWEDEN**	Kr.	Kr.
Ass. Generali	154,250	150,520	Arbed	29,750	30,000	Asea	229	230
Breda	6,078	5,995	Bqe. Nat. de Bel.	10,425	10,275	Elektrolux	125	124
Edison	4,981	4,790	Bque. Soc. Gen.	3,410	3,460	Ericsson B.Kr.35	135	135
Fiat	3,017	2,996	Cockerill-Oug.	3,065	3,100	Separator B.	305	301
Finsider	1,530	1,510	Esperance Long	6,510	6,560	Skand. Banken	207	207
La Centrale	15,380	14,200	Hoboken	20,425	19,950	Sv. Cellulosa	207	204
Montecatini	3,886	3,830	Innovation	6,900	7,040	Sv. Handelsbank	204	203
Motta	35,900	34,000	Photo Gevaert	3,575	3,625	Tandstk.B Kr.50	177	176
Olivetti	10,860	10,510	Sidro	1,120	1,102	Index	175·52	174·52
Pirelli S.p.A.	11,850*	11,698	Soc. Generale	14,700	14,750	Dec. 29, 1956=100.		
Rinascente	820	778	Sofina	8,520	8,460	**NORWAY**	%	%
Snia Viscosa	7,710	7,425	Un. Miniere 1/10	1,280	1,320	Bergens Priv'bk.	247½	245
						Borregaard	227½	246¼
Index	712·27	695·02	Index	410·7	408·8	Norsk Hydro	312½	306¼
1950=100.			May 9, 1940=100.					

* Ex dividend. † Tax free. ‡ Assumed average life 7¼ years. § The net redemption yields allow for tax at 7s. 9d. in £. ‖ Ex capitalisation. ¶ Ex rights. ‡‡ Ex all. (a) Interim dividend. (b) Final dividend. (c) Year's dividend. (d) Capital distribution of 1s. 0d. per share. (f) Flat yield. (g) Equivalent to 7·2 sterling. (h) After Rhodesian tax. (l) To latest date. Japanese prices supplied by Daiwa Securities, Tokyo.

AND YIELDS

LONDON : NEW YORK : FRANCE
GERMANY : HOLLAND : ITALY
BELGIUM : SWEDEN : NORWAY

Prices, 1962 High	Prices, 1962 Low	Last Two Dividends (a)	(b) (c)	ORDINARY STOCKS	Price, Apr. 11, 1962	Price, Apr. 17, 1962	Yield, Apr. 17, 1962	Cover
		%	%	**ELECTRICAL & RADIO**				
32/5	26/9	5 a	5 b	A.E.I. £1	29/9	28/3	7·08	1
12/6	11/-	...	15 c	Brit. Electronic Inds..5/-	12/4½	11/9	6·38	¼
63/9	56/4½	4 a	9½ b	B.I.C.C. £1	61/6*	61/-*	4·43	2
14/8¼	12/7½	5 a	7½ b	Crompton Parkinson .5/-	13/9¾	13/9	4·55	2½
85/-	76/-	23⅓ c	3⅓ a	Decca Record 10/-	82/-	80/9	2·89	1¾
45/6	42/-	12½ b	5 a	E.M.I. 10/-	44/-	43/-	4·07	2
52/6	41/3	8 b	5 a	Elliott-Automation ...5/-	52/1½	50/6	1·29	2
27/9	22/-	3 a	5 b	English Electric £1	24/3	22/6	7·11	1½
30/3	25/9	7 b	3 a	General Electric £1	28/6	29/3	6·84	¾
59/3	48/6	4⅜ a	8⅛ b	C. A. Parsons £1	58/9	48/6	5·15	2¼
47/9	43/6	3¼ a	6½ b	A. Reyrolle £1	45/3*	43/6	4·48	2½
76/-	63/6	25 c	25 c	Thorn Electrical 5/-	75/-	75/6	1·66	3
				ENGINEERING				
23/9	20/3	9 c	Nil a	Babcock & Wilcox £1	22/6	23/-	...	1
34/6	27/3	7 b	3·2 a	John Brown £1	34/6	34/6	5·91	2¾
6/-	4/3	9 b	3 a	Cammell Laird 5/-	4/6	4/10½	12·31	1
26/6	22/-	10 a	20 b	Internat. Combust. ..5/-	23/3	22/9	6·59	1¼
5/6	3/4½	...	...	Rich'ds'ns. Westg'th. 10/-	3/6	3/7½	...	...
38/4½	32/-	2½ a	9½ b	Swan Hunter £1	35/9	36/7½*	6·55	2¼
13/9	10/6	5 c	5 a	John Thompson 5/-	13/9	13/-	1·92	...
32/9	30/4½	†2½ a	†6¼ b	Coventry Gauge 10/-	32/6	32/6	4·40	2¾
73/7½	60/7½	†2½ a	†6 b	Alfred Herbert £1	70/4½	67/10½	4·09	2
47/6	39/6	12½ b	5 a	Allied Ironfounders ...£1	46/6	43/6	8·05	1½
96/3	90/9	10 b	5 a	Averys £1	96/-	96/3	3·12	2½
20/3	16/6	4 a	7⅔ b	B.S.A. 10/-	19/9	18/10½	6·18	2¼
11/3	9/9	8½ b	4½ a	George Cohen 5/-	11/3	11/1½	5·84	1¾
33/-	28/3	17½ b	10 a	Davy-Ashmore 5/-	29/9	28/3	4·87	2¼
81/10½	74/10½	11 b	5 a	Guest Keen £1	78/7½	78/7½	4·07	3½
21/-	19/6	12 b	4 a	Head Wrightson 5/-	20/-	19/6	4·10	2½
85/6	80/6	7 b	5 a	Metal Box £1	84/-	83/6	2·87	2¼
17/3	14/9	10 b	4 a	Ransome & Marles ...5/-	16/3	16/4½	4·27	3
46/6	44/6	7 b	3 a	Renold Chains £1	46/3	46/4½	4·31	2
64/10½	55/10½	7 a	7 b	Tube Investments £1	63/7½	61/9	4·53	3
31/1½	26/10½	7½ b	2½ a	Vickers £1	28/3	27/3	7·34	1¾
71/6	60/-	10 b	3¾ a	Ward (Thos. W.) £1	71/6	68/-	4·04	3
20/6	18/-	22½ b	5 a	Woodall-Duckham ...5/-	18/6	18/6	5·68**	2¾
				FOOD & TOBACCO				
23/9	19/9	10 c	10 c	Allied Suppliers 10/-	23/-	23/-	4·35	2¼
12/4½	10/2¼	12½ b	10 a	Assoc. British Foods ..1/-	11/-	10/4½	2·17	2
61/3	56/3	8 b	4 a	Bovril £1	57/3	57/4½	4·18	2½
12/1½	11/4½	†1·7a	†3·9b	Brooke Bond 'B' 5/-	12/-	11/10½	3·85	3½
15/9	13/1½	10 b	2½ a	International Tea 5/-	13/9	14/4½	4·35	1½
78/3	72/9	10⅚ b	5 a	J. Lyons 'A' £1	76/10½	77/10½	4·07	1¼
34/-	30/-	5 a	9 b	Ranks Hovis 10/-	33/6	34/-	4·12	...
13/9	10/10½	7½ b	2½ a	Spillers 5/-	13/9	13/3	3·77	2
50/9	47/1½	11 a	1 b	Tate & Lyle £1	49/-	47/7½	5·04	2¼
18/-	15/3	9 b	5 a	Unigate 5/-	17/10½	17/9	3·94	2
63/9	53/3	†22½ c	†5⅚ a	Brit. Amer. Tobac. ..10/-	57/9*	54/9	6·71	3
41/3	29/1½	5 a	15 b	Gallaher 10/-	31/6	31/6	6·35	2
63/9	47/9	7½ a	14 b	Imperial Tobacco £1	51/-	49/6	9·09	1¾
				INSURANCE				
8⅝	6 9/16	†22·7a	†25 b	Britannic 5/-	8 9/16‖	8⅞	2·19	...
68/-	55/3	20 a	25 b	Commercial Union ..5/-	60/9	56/3	4·00	...
35 15/16	33½	†41·17c	†62·74c	Equity & Law Life ...8/6	34⅜	33 15/16	1·28	...
107/3	84/6	10 a	20 b	General Accident 5/-	103/9	107/3	1·40	...
59/9	46/9	...	...	Guardian 5/-	57/3	58/6	2·28**	...
47¾	38½	80 a	110 b	Legal & General 5/-	47⅝	46 11/16	1·02	...
170/-	142/9	11½ b	8½ a	Northern & Empl. £1	165/-	167/9	2·38	...
12 11/16	10⅝	†20 a	†70 b	Pearl 5/-	12 5/16*	12 11/32	3·06	...
28 3/16	24 9/16	†208⅓ c	†208⅓ c	Prudential 'A' 4/-	27⅝	28 3/16	2·41	...
47/10½	41/10½	...	...	Royal 5/-	45/4½*	42/6*	3·53	...
117/9	103/9	11¼ b	7½ a	Royal Exchange £1	117/3	117/9	3·18	...
				MOTORS & AIRCRAFT				
18/3	15/6	12½ b	7½ a	British Motor 5/-	17/7½	15/9¾	6·32	¾
85/3	80/4½	20 c	20 c	Jaguar Cars 'A' 5/-	85/3	84/1½	1·19	8
41/6	31/6	11 c	5 a	Rolls-Royce £1	33/6	32/3	6·82	2¼
6/8¼	5/9	12 c	4 c	Rootes Motors 'A' ...4/-	6/8¼	6/4½	2·51	...
78/6	68/3	5 a	11 b	A.C.V. £1	70/-	69/3	4·62	2
92/3	76/9	20 c	20 c	Leyland Motors £1	90/3	90/7½	4·41	2
15/11¼	14/-	12½ c	8 a	Bristol Aeroplane ..10/-	14/4½	14/-	8·93	2¼
24/8¼	20/3	15 c	5 a	Hawker Siddeley £1	21/7½	20/3	10·47**	1¼
36/9	26/9	†5½ b	†4 a	Dowty Group 10/-	31/10½	30/9	5·04	2¼
34/4½	28/1½	5 a	15⅚ b	Dunlop Rubber 10/-	33/6	34/4½	4·61	2
75/3	63/9	11¼ b	2½ a	Joseph Lucas £1	74/10½	75/3	3·65	2¼
22/-	16/9	30 c	Nil a	Pressed Steel 5/-	20/3	18/9	...	1¼
37/7½	34/4½	12½ c	5 a	Triplex Holdings ...10/-	37/6	37/6	3·33	2¼
				MINES				
150/-	136/3	40 a	50 b	Anglo-American 10/-	145/6	146/10½	6·13	1½
64/3	53/3	6¼ b	18¾ b	Consolid. Gold Fields.£1	54/-	53/3	9·38	2½
96/3	81/10½	15 a	20 b	General Mining £1	82/6	82/6	8·48	2
60/6	47/7½	40·8a	122·5b	Union Corporation ..2/6	48/9*	47/7½	8·57	3
18/-	16/9	40 a	40 b	Daggafontein 5/-	17/9	18/4½	21·77	1½
94/4½	83/1½	70 a	100 b	Free State Geduld ...5/-	83/9	84/4½	10·07	1½
47/6	39/6	25 b	25 a	Hartebeestfontein ..10/-	39/6	39/10½	12·54	1½
56/6	50/6	50 a	60 b	President Brand 5/-	54/-	53/1½	10·35	1½
128/9	117/6	90 a	120 b	Western Holdings ...5/-	121/-*	121/10½*	8·62	1¼
[illegible]	15/10½	6 a	5 b	Winkelhaak 10/-	16/3	15/10½	6·93	8½
[illegible]	44/9	13⅓ a	36⅔ b	Chartered 15/-	45/6	44/9	16·76	1½
56/6	47/-	60 b	20 a	Rhod. Anglo-Amer. 10/-	49/6	48/9	16·41h	1¾
37/4½	28/6	...	...	Rhod. Selection Tst. ..£1	29/3	28/9	12·52**h	...
21/9	17/6	15 a	17½ b	Tanganyika Cons. ...10/-	17/6	17/9	18·31	1¼
57/-	48/-	13¾ b	3¾ a	Consolidated Zinc £1	52/6	52/3	6·70	1¾
153/1½	135/-	100 a	180 b	De Beers Defd. Reg. .5/-	145/-	146/3	9·57	1¾
$151½	$134	$1·50 c	$1·60 c	Internat. Nickel ...n.p.v.	$138	$137	2·07	...
18/9	16/4½	7½ a	30 b	London Tin 4/-	17/7½	17/9	8·45	1¼
43/9	36/-	20 c	27½ c	Rio Tinto 10/-	39/6	37/6	7·33	1½
35/-	25/9	52½ c	25 a	Tronoh 5/-	30/6	29/9	8·82	1
				PAPER & NEWSPAPERS				
12/10½	11/7½	10 b	5 a	Daily Mirror 5/-	11/9	11/7½	6·45	1¼
73/-	62/6	8 b	4 a	W. H. Smith & Son 'A'.£1	73/-	67/9	3·54	2
24/9	21/3	...	10 a	Thomson Org'n. 5/-	22/3	21/9	5·52**	2
47/3	42/9	5 a	8¾ b	Bowater Paper £1	43/3	43/1½	6·38	...
45/-	35/7½	16 c	5 a	Albert E. Reed £1	38/-	36/-	8·89	1½
43/9	37/-	8½ b	4 a	Spicers £1	43/3	42/6	5·88	1¾
55/-	48/-	10 b	4 a	Wiggins Teape £1	52/6	51/3	5·46	2

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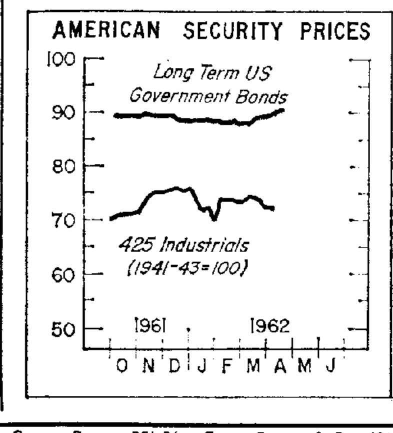
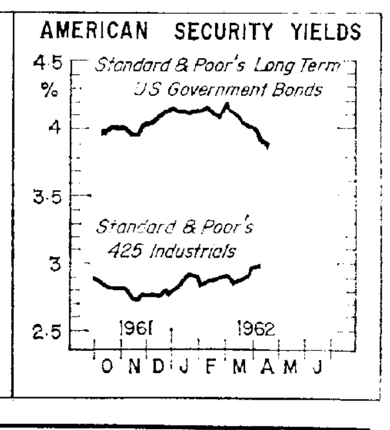
		%	%	**MISCELLANEOUS**				
27/9	21/9	20 b	10 a	Assoc. British Picture.5/-	25/-	25/3	5·94	2¾
33/3	29/-	40 b	20 a	Assoc. Television 'A' .5/-	30/7½	29/-	10·34	1¾
52/1½	46/6	14 b	16 a	Beecham Group 5/-	50/2¼	50/4½	2·97	1¾
39/4½	32/7½	6⅔ b	3⅓ a	British Match £1	38/6	36/7½	5·46	2
16/3	13/6	4 a	6⅔ b	British Oxygen 5/-	15/9	14/10½	3·59	1¾
9/10½	8/4½	3 a	7 b	British Ropes 5/-	9/10½	8/4½	5·97	2¼
60/6	55/6	7½ a	15 b	De La Rue 10/-	60/-	59/9	3·77	2
51/6	39/6	7½ a	12½ b	Gestetner 'A' 5/-	46/-	51/6	1·94	3¼
55/9	50/3	15 c	7½ a	Glaxo 10/-	50/3*	50/7½*	2·96	3¼
48/-	43/-	3 a	12 b	Harrisons & Cr. Defd..£1	45/9	48/-	6·25	2½
41/3	32/4½	5 a	20 b	Hoover 'A' 5/-	37/3	36/3	3·45	1¾
22/3	17/-	5 a	12½ b	Ilford 5/-	20/9	20/4½	4·29	1¼
122/6	107/3	4⅙ a	7 1/12 b	I.C.T. £1	117/6	115/-	1·96	2½
48/6	41/6	12½ c	12½ c	National Canning £1	48/1½	47/9	5·24	...
40/-	35/10½	10 b	6 a	Powell Duffryn 10/-	40/-	39/9	4·03	2¼
39/9	32/4½	5 a	17½ b	Radio Rentals 5/-	39/-	38/10½	2·89	2¾
38/-	29/6	7½ a	15 b	Rank Organisation ...5/-	34/-	33/10½	3·32	...
38/-	31/10½	16½ b	7½ a	Schweppes 5/-	34/6	33/4½	3·60	1¾
41/-	36/7½	25 c	25 c	Sears 'A' 5/-	40/-	41/-	3·05	2¼
28/7½	24/-	8½ a	11½ b	Thomas Tilling 4/-	27/10½	28/4½	2·82	2
58/-	51/6	4 a	8 b	Turner & Newall £1	55/10½	56/4½	4·26	2
47/3	40/6	9·47a	15·32b	Unilever 5/-	41/6*	40/6*	3·06	3
11⅝	10⅝	8 a	13 b	Unilever N.V. ....12 fl.	10 29/32	10⅝	2·34	3
18/9	15/6	5 a	10 b	United Glass 5/-	16/-	16/-	4·69	...
33/3	27/10½	†10⅚ b	†4⅙ a	United Molasses 10/-	28/9	28/-	8·75	1
				SHIPPING				
32/3	24/9	13½ b	6½ a	Brit. & Com'wealth. 10/-	25/7½	25/7½	7·80	2
18/-	15/7½	8 c	6 c	Cunard £1	16/4½	16/6	...	...
17/10½	16/9	7 c	Nil a	France Fenwick £1	17/3	17/1½	8·18	½
31/6	21/-	10 c	10 c	Furness Withy £1	24/9	23/6	8·51	1
9/7½	6/9	17½ c	Nil a	London & Overseas..5/-	6/10½	6/9	...	...
31/-	17/9	3 a	3 b	P & O Defd. £1	18/6	18/1½	6·62	...
12/1½	8/7½	2½ c	2½ c	Reardon Smith 10/-	9/1½	9/4½	2·67	...
12/9	9/9	8 c	5 c	Royal Mail £1	10/3	9/10½	10·13	...
				STEEL				
48/4½	38/-	6 a	10 b	Colvilles £1	39/3	38/9	8·26	2½
27/3	22/6	3½ a	6½ b	Dorman Long £1	23/3	23/-	8·70	2¼
34/-	29/4½	3½ a	7½ b	Lancashire Steel £1	31/1½	31/4½	7·01	3
21/4½	15/3	4 a	6 b	South Durham £1	16/3	15/3	13·11	1¼
31/3	27/-	5 a	5 b	Steel Co. of Wales £1	31/3	29/9	6·72	2
36/10½	32/3	5 a	10 b	Stewarts & Lloyds £1	35/1½	33/9	8·89	2
50/4½	42/10½	6 a	9 b	John Summers £1	50/1½	50/9	5·91	2
42/4½	34/10½	4·8 a	7½ b	United Steel £1	36/3	35/-	7·03	1½
41/-	30/9	6¼ a	8¾ b	Whitehead £1	36/-	37/3	8·05	2
				TEXTILES				
28/7½	25/7½	7½ b	5 a	English Sewing Cotton £1	27/7½	27/9	9·01	1½
26/1½	20/7½	10 b	5 a	Fine Spinners £1	24/10½	26/-	11·54	2
50/9	42/-	7½ a	17½ b	Lancashire Cotton £1	45/10½	45/-	11·11	1¼
41/6	37/10½	5⅚ b	3¾ a	Courtaulds £1	41/7½‡‡	40/10½	6·12**	...
6/10½	5/4½	4 a	9⅓ b	Illingworth Morris ...4/-	5/4½	5/6	9·70	1¾
79/-	74/6	8 a	13 b	West Riding Worsted £1	79/-	79/-	5·32	2½
30/6	28/6	2½ a	7½ b	Woolcombers £1	30/-	30/3	6·61	1¼
17/3	14/1½	6 c	6 c	Bradford Dyers £1	16/4½	16/-	7·50	1
13/3	10/6	13¾ b	7½ a	Calico Printers 5/-	10/10½	10/9	9·30**	3¼
45/3	39/10½	...	3¾ a	Coats, Patons & B. £1	45/-	44/-	5·68**	2
10/9	9/3	3 a	10 b	Jute Industries 10/-	10/-	10/-	13·00	2¼
25/9	22/6	10 c	10 c	Tootal £1	25/1½	25/9	7·77	1¼
				TRUSTS, LAND & PROPERTY				
81/3	67/-	12½ a	25 b	Alliance Trust 5/-	81/3	79/3	2·37	1¼
59/6	52/-	37½ b	12½ a	B.E.T. 'A' Defd. 5/-	58/9	59/6	4·20	1½
17/9	15/3	10 c	10 c	Cable & Wireless 5/-	17/9	17/1½	2·92	1½
62/7½	54/3	31⅔ c	10 a	City Centre Props. ...5/-	61/3	62/7½	2·02**	...
81/3	76/6	7½ b	3½ a	City Lond. Real Prop. £1	79/9	80/-	2·75	1
95/-	78/9	7·04a	9·04b	Hudson's Bay £1	92/6	89/-	3·61	3
40/3	30/-	4 b	2 a	Land Securities 10/-	37/-	40/3	1·49	1
37/4½	31/6	12 1/12 c	6⅔ a	Lond. Cnty. Freehld. 10/-	32/6	35/-	3·46	1
				TEA & RUBBER				
45/3	39/6	†25 b	†2½ a	Cons. Tea & Lands £1	45/-	45/3	19·85	1
33/9	30/9	†11 b	†3 a	Jokai (Assam) £1	33/6	33/9	13·54	2½
8/6	7/6	...	...	Nuwara Eliya £1	8/3	8/-	...	...
5/9¾	4/10½	29⅙ b	12½ a	Highlands & Lowlands 2/-	5/7½	5/6	15·15	1½
5/3	4/9	35 b	7½ a	London Asiatic 2/-	5/3	5/3	16·19	2
76/9	69/-	37½ b	10 a	United Sua Betong £1	72/3	71/10½	13·22	1½





** Yields based on assumed dividends:—Bass, Mitchells & B., 11%. Calico Printers, 20%. City Centre Props., 25⅓%. Coats, Patons & B., 12½%. Courtaulds, 12½%. Crittall Mfg., 16⅞%. Guardian, 26⅔%. Hawker Siddeley, 10·6%. Ind Coope, T.A., 12% on merger terms. Midland Bank, 15%. Rhodesian Selection Trust, 18%. Royal Insurance, 30%. Thomson Organisation, 24%. Woodall-Duckham, 21%.

Industrial Profits and Assets

The tables below continue the analysis of company balance sheets and profit and loss accounts which was introduced in *The Economist* of January 22, 1949; the figures are discussed on an earlier page in this issue.

Comparative analysis of 371 profit and loss accounts published January - March, 1962 (£'000)

Industry	Breweries, Distilleries and Wine		Building		Paper and Packaging		Chemicals and Paint		Clothing and Footwear		Electrical Manufacturing		Engineering		Entertainment	
No. of Companies	(16)		(21)		(7)		(8)		(20)		(14)		(56)		(12)	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Gross trading profit	14,837	17,212	11,116	12,368	8,499	7,686	13,043	12,035	10,457	11,105	36,406	36,180	31,801	33,602	6,061	10,438
Investment and other income	1,538	1,731	111	140	276	353	681	574	121	196	148	132	947	828	143	229
Total income	**16,375**	**18,943**	**11,227**	**12,508**	**8,775**	**8,039**	**13,724**	**12,609**	**10,578**	**11,301**	**36,554**	**36,312**	**32,748**	**34,430**	**6,204**	**10,667**
Depreciation	1,846	2,273	2,602	3,032	1,106	1,217	4,067	4,631	1,305	1,456	12,534	14,930	6,926	7,832	676	845
Directors' emoluments	447	489	545	633	264	260	430	449	637	616	598	634	1,607	1,713	162	181
Other charges	265	324	806	280	89	54	53	82	151	200	1,063	995	1,018	1,376	110	131
Loan interest	1,056	1,050	224	273	133	133	682	677	216	220	1,767	2,194	674	653	79	89
Profit before tax	**12,761**	**14,807**	**7,050**	**8,290**	**7,183**	**6,375**	**8,492**	**6,770**	**8,269**	**8,809**	**20,592**	**17,559**	**22,523**	**22,856**	**5,177**	**9,421**
Income tax	4,920	5,639	2,869	2,900	2,730	2,349	2,765	2,214	3,276	3,428	6,996	5,783	9,511	9,514	2,124	3,889
Profits tax	1,395	1,961	768	1,002	777	831	453	398	967	1,224	1,889	1,839	2,474	3,090	607	1,305
Minority interests	81	116	82	82	46	45	983	857	4	7	128	73	70	82	47	43
Preference dividends	388	475	173	184	138	138	137	137	211	213	154	156	284	306	82	81
Net equity earnings	**5,977**	**6,616**	**3,158**	**4,122**	**3,492**	**3,012**	**4,154**	**3,164**	**3,811**	**3,937**	**11,425**	**9,708**	**10,184**	**9,864**	**2,317**	**4,103**
Less Ordinary dividends	2,862	3,091	1,707	2,038	1,324	1,229	1,489	1,357	1,683	1,720	4,924	4,362	4,209	4,554	1,304	2,022
Plus Non-recurring credits	119	219	60	399	305	90	57	17	184	236	496	269	881	1,238	155	53
Retained earnings	**3,234**	**3,744**	**1,511**	**2,483**	**2,473**	**1,873**	**2,722**	**1,824**	**2,312**	**2,453**	**6,997**	**5,615**	**6,856**	**6,548**	**1,168**	**2,134**
Dividend Cover	2·1	2·1	1·9	2·0	2·6	2·5	2·8	2·3	2·3	2·3	2·3	2·2	2·4	2·2	1·8	2·0

Industry	Property		Food and Confectionery		Iron and Steel		Motors, Cycles and Aircraft		Newspapers and Printing		Oil		Shipbuilding		Shipping	
No. of Companies	(15)		(16)		(19)		(25)		(8)		(1)		(1)		(3)	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Gross trading profit	3,634	4,694	22,050	23,462	169,093	140,000	14,165	14,367	4,797	4,984	154	168	372	386	20,264	16,772
Investment and other income	215	231	342	378	4,211	4,381	91	49	239	298	...	3	18	37	1,258	1,238
Total income	**3,849**	**4,925**	**22,392**	**23,840**	**173,304**	**144,381**	**14,256**	**14,416**	**5,036**	**5,282**	**154**	**171**	**390**	**423**	**21,522**	**18,010**
Depreciation	244	204	4,667	5,227	36,360	39,236	1,930	2,074	764	869	25	25	49	51	12,706	14,731
Directors' emoluments	106	116	474	488	1,345	1,356	860	810	256	279	7	5	26	26	199	185
Other charges	417	422	2,124	2,076	5,222	6,599	451	605	35	218	1	...	18	17	2,156	[illegible]
Loan interest	801	1,050	202	273	9,614	10,257	282	299	27	28	...	...	...	...	1,141	[illegible]
Profit before tax	**2,281**	**3,133**	**14,925**	**15,776**	**120,763**	**86,933**	**10,733**	**10,628**	**3,954**	**3,888**	**121**	**141**	**297**	**329**	**5,320**	**67**
Income tax	1,082	1,389	6,062	6,367	38,418	24,879	4,150	4,240	1,530	1,606	50	55	115	126	685	...
Profits tax	272	429	1,631	2,088	10,679	8,035	1,176	1,455	406	520	8	19	31	42	...	...
Minority interests	41	63	195	220	484	269	14	12	115	73	...	...	...	...	848	191
Preference dividends	91	93	322	354	1,263	1,266	107	107	72	72	...	...	5	5	110	110
Net equity earnings	**795**	**1,159**	**6,715**	**6,747**	**69,919**	**52,484**	**5,286**	**4,814**	**1,831**	**1,617**	**63**	**67**	**146**	**156**	**3,677**	**Dr. 234**
Less Ordinary dividends	848	1,333	3,540	3,587	17,765	17,706	1,908	1,990	669	790	31	33	77	77	2,104	1,203
Plus Non-recurring credits	443	838	324	225	1,207	1,666	175	184	115	27	...	...	...	5	1,101	1,219
Retained earnings	**390**	**664**	**3,499**	**3,385**	**53,361**	**36,444**	**3,553**	**3,008**	**1,277**	**854**	**32**	**34**	**69**	**84**	**2,674**	**Dr. 218**
Dividend Cover	...	...	1·9	1·9	3·9	3·0	2·8	2·4	2·7	2·0	2·0	2·0	1·9	2·0	1·7	...

Industry	Shops and Stores		Cotton		Silk, Rayon and other Textiles		Wool		Tobacco		Miscellaneous Manufacturing		Miscellaneous—Others		TOTALS ALL GROUPS	
No. of Companies	(9)		(11)		(17)		(17)		(2)		(49)		(24)		371 Companies	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Gross trading profit	44,027	45,200	8,073	7,565	7,410	6,440	8,619	8,678	96,825	104,354	63,953	63,766	5,828	5,396	601,484	586,858
Investment and other income	594	530	512	521	328	363	280	256	11,191	11,757	2,445	2,577	271	274	25,960	27,076
Total income	**44,621**	**45,730**	**8,585**	**8,086**	**7,738**	**6,803**	**8,899**	**8,934**	**108,016**	**116,111**	**66,398**	**66,343**	**6,099**	**5,670**	**627,444**	**613,934**
Depreciation	3,024	3,271	1,219	1,330	1,988	2,104	1,542	1,699	9,398	9,503	14,392	16,274	1,283	1,533	120,653	134,247
Directors' emoluments	696	703	301	291	549	576	568	598	684	670	1,611	1,648	497	515	12,869	[illegible]
Other charges	647	416	135	94	75	130	166	163	4,678	4,671	1,618	1,476	127	214	21,425	[illegible]
Loan interest	286	344	79	68	59	67	56	67	2,756	2,720	1,056	1,095	157	162	21,347	[illegible]
Profit before tax	**39,968**	**40,996**	**6,851**	**6,303**	**5,067**	**3,926**	**6,567**	**6,407**	**90,500**	**98,547**	**47,721**	**45,850**	**4,035**	**3,246**	**451,150**	**421,057**
Income tax	16,277	16,262	2,540	2,209	1,879	1,556	2,590	2,486	36,870	39,143	19,253	17,299	1,500	1,366	168,192	154,699
Profits tax	4,791	6,004	763	823	558	519	732	858	5,298	7,080	4,277	4,978	282	346	40,234	44,846
Minority interests	283	286	2	1	47	30	91	91	3,964	4,406	991	989	16	30	8,532	7,966
Preference dividends	305	391	59	59	302	302	216	214	880	880	462	452	130	130	5,891	6,128
Net equity earnings	**18,312**	**18,053**	**3,487**	**3,211**	**2,281**	**1,519**	**2,938**	**2,758**	**43,488**	**47,038**	**22,738**	**22,132**	**2,107**	**1,374**	**228,301**	**207,421**
Less Ordinary dividends	12,452	12,502	2,089	2,084	1,109	1,073	1,657	1,652	18,578	18,974	10,448	10,978	1,068	1,170	93,845	95,525
Plus Non-recurring credits	400	760	130	31	192	395	277	196	...	...	1,473	753	223	638	8,317	9,458
Retained earnings	**6,260**	**6,311**	**1,528**	**1,158**	**1,364**	**841**	**1,558**	**1,302**	**24,910**	**28,064**	**13,763**	**11,907**	**1,262**	**842**	**142,773**	**121,354**
Dividend Cover	1·5	1·4	1·7	1·5	2·1	1·4	1·8	1·7	2·3	2·5	2·2	2·0	2·0	1·2	2·4	2·2

Comparative analysis of 371 balance sheets published January - March, 1962 (£'000)

Industry	Breweries, Distilleries and Wine		Building		Paper and Packaging		Chemicals and Paint		Clothing and Footwear		Electrical Manufacturing		Engineering		Entertainment	
No. of Companies	(16)		(21)		(7)		(8)		(20)		(14)		(56)		(12)	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Fixed assets	114,203	125,487	45,010	51,797	30,631	33,144	68,728	73,808	37,389	42,914	157,186	180,360	103,927	121,081	17,550	22,142
Less depreciation	20,530	22,562	17,817	20,345	10,329	11,470	15,971	19,210	10,861	11,881	70,111	79,929	44,953	51,499	3,618	4,936
Net fixed assets	**93,673**	**102,925**	**27,193**	**31,452**	**20,302**	**21,674**	**52,757**	**54,598**	**26,528**	**31,033**	**87,075**	**100,431**	**58,974**	**69,582**	**13,932**	**17,206**
Trade investments	748	3,263	3,836	4,960	196	396	1,068	1,168	289	280	7,924	8,431	3,387	4,536	929	1,848
Intangible assets	13,187	14,634	1,642	2,133	334	332	69	27	1,752	2,798	843	1,182	5,710	6,558	897	125
Stocks	18,929	23,124	15,258	18,051	8,907	10,105	13,454	14,231	18,680	20,376	92,745	100,434	75,872	90,601	592	1,013
Debtors	8,140	10,069	18,477	20,932	8,430	8,315	13,808	15,784	7,536	8,637	70,676	80,033	49,425	57,013	3,026	3,777
Gilt-edged	1,740	928	1	1	51	...	415	1,407	379	370	...	...	391	441	466	432
Cash	8,606	6,204	3,805	2,063	7,818	8,152	5,586	3,946	5,193	4,630	14,186	8,498	13,739	11,922	4,454	5,596
Other investments	1,229	1,154	479	97	691	826	1,321	46	160	163	7	7	1,981	1,639	299	507
Creditors	10,411	12,190	12,496	14,517	3,358	3,562	8,180	8,325	6,697	7,478	52,688	63,535	38,938	44,611	3,454	3,310
Other current liabilities	13,206	14,762	5,390	5,992	3,345	3,970	6,393	6,323	5,779	6,855	15,614	13,245	15,740	17,510	3,357	4,717
Bank overdrafts and loans	1,354	4,096	3,685	6,171	430	406	1,022	1,157	928	4,018	31,616	30,906	13,194	20,992	1,581	481
Net current assets	**13,673**	**10,431**	**16,449**	**14,464**	**18,764**	**19,460**	**18,989**	**19,609**	**18,544**	**15,825**	**77,696**	**81,286**	**73,536**	**78,503**	**445**	**2,817**
Total net assets	**121,281**	**131,253**	**49,120**	**53,009**	**39,596**	**41,862**	**72,883**	**75,402**	**47,113**	**49,936**	**173,538**	**191,330**	**141,607**	**159,179**	**16,203**	**21,996**
Financed by :—																
Reserve for future income tax	5,373	6,154	3,355	3,385	3,291	3,279	4,053	3,989	3,271	3,449	10,221	9,882	10,013	10,339	2,053	4,015
Capital reserves	24,631	25,964	5,781	6,184	878	882	4,025	4,110	6,796	5,956	21,283	23,923	16,347	21,807	2,189	2,207
Revenue reserves	20,491	24,934	11,745	14,043	16,942	18,552	16,245	17,737	13,957	15,540	42,092	42,233	43,778	47,986	3,609	4,269
Minority interests	4,026	4,068	702	608	957	956	13,090	13,219	112	190	4,290	4,099	1,056	1,296	306	832
Loan capital	23,696	25,680	3,923	4,502	2,244	2,226	13,709	13,378	5,058	5,144	35,112	45,294	13,881	14,132	1,147	1,567
Preference capital	14,412	14,647	4,757	4,657	3,900	3,899	4,672	4,671	5,449	5,484	4,791	4,900	8,335	9,047	2,155	2,655
Ordinary capital	28,652	29,806	18,857	19,630	11,384	12,068	17,089	18,298	12,470	14,173	55,749	60,999	48,197	54,572	4,744	6,451
Scrip Issues made during year	1,075	478	3,185	304	3,090	653	135	646	232	1,693	2,901	645	4,544	3,076	208	1,656

Industry	Property		Food and Confectionery		Iron and Steel		Motors, Cycles and Aircraft		Newspapers and Printing		Oil		Shipbuilding		Shipping	
No. of Companies	(15)		(16)		(19)		(25)		(8)		(1)		(1)		(3)	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Fixed assets	49,443	57,375	95,621	104,424	942,853	1,128,009	43,024	49,167	16,624	19,664	884	900	1,410	1,464	311,910	331,459
Less depreciation	1,821	1,871	28,123	31,971	246,201	280,399	16,412	18,607	7,041	8,495	232	258	861	907	112,536	119,010
Net fixed assets	**47,622**	**55,504**	**67,498**	**72,453**	**696,652**	**847,610**	**26,612**	**30,560**	**9,583**	**11,169**	**652**	**642**	**549**	**557**	**199,374**	**212,449**
Trade investments	950	2,086	1,788	2,290	18,939	20,199	440	821	569	637	...	...	...	434	4,527	5,358
Intangible assets	3,062	3,052	14,988	15,643	393	313	416	481	781	835	...	...	...	...	...	...
Stocks	1,435	1,392	41,093	43,291	192,593	207,026	39,930	48,123	3,115	3,697	1	1	1,136	1,117	3,098	3,179
Debtors	2,682	3,667	19,199	21,878	151,226	142,607	20,573	21,899	5,161	5,578	44	38	619	323	20,387	19,997
Gilt-edged	315	320	206	184	3,494	4,213	5	5	493	392	...	...	...	...	24,290	14,988
Cash	1,968	2,300	9,671	11,014	27,985	36,346	5,689	5,856	2,286	2,773	70	140	440	173	8,613	8,250
Other investments	175	442	756	688	5,974	4,353	49	37	1,837	1,893	...	...	502	313	3,021	3,017
Creditors	3,166	3,935	18,608	20,925	117,623	119,876	22,310	26,244	2,200	2,611	20	18	429	458	20,163	22,980
Other current liabilities	2,471	3,866	13,227	14,280	81,481	95,843	7,316	7,579	1,652	2,280	77	90	1,015	569	14,403	15,340
Bank overdrafts and loans	6,889	3,599	8,741	9,340	27,263	34,818	5,327	6,509	143	142	...	...	...	...	698	1,406
Net current assets	**Dr. 5,951**	**Dr. 3,279**	**30,349**	**32,510**	**154,905**	**144,008**	**31,293**	**35,588**	**8,897**	**9,300**	**18**	**71**	**1,253**	**899**	**24,145**	**9,705**
Total net assets	**45,683**	**57,363**	**114,623**	**122,896**	**870,889**	**1,102,130**	**58,761**	**67,450**	**19,830**	**21,941**	**670**	**713**	**1,802**	**1,890**	**228,046**	**227,512**
Financed by :—																
Reserve for future income tax	577	737	8,046	8,764	97,055	89,005	4,266	4,199	1,635	1,861	83	92	114	118	31,197	32,220
Capital reserves	9,314	13,539	17,755	20,265	136,777	167,072	5,916	7,996	1,611	2,066	113	113	215	215	74,809	75,315
Revenue reserves	1,724	1,967	28,058	31,274	202,342	204,047	22,719	25,463	7,209	6,494	170	204	773	857	47,409	46,098
Minority interests	447	473	2,889	3,027	5,481	5,693	358	351	401	426	...	...	...	...	22,928	14,558
Loan capital	17,732	21,851	13,047	12,915	182,226	265,097	4,846	5,976	740	769	...	...	...	...	16,079	23,697
Preference capital	2,731	2,731	9,585	9,932	37,947	37,947	2,822	2,829	1,833	1,833	...	...	140	140	3,597	3,597
Ordinary capital	13,158	16,065	35,243	36,719	209,061	243,269	17,834	20,636	6,401	8,492	304	304	560	560	32,027	32,027
Scrip Issues made during year	1,896	408	1,383	1,094	9,143	11,250	77	250	1,060	1,554	...	...	...	...	...	...

Industry	Shops and Stores		Cotton		Silk, Rayon and other Textiles		Wool		Tobacco		Miscellaneous Manufacturing		Miscellaneous—Others		TOTALS ALL GROUPS	
No. of Companies	(9)		(11)		(17)		(17)		(2)		(49)		(24)		371 Companies	
Year	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest	Previous	Latest
Fixed assets	134,077	146,739	26,081	30,037	39,378	41,653	31,240	33,424	174,889	186,293	254,513	298,178	32,184	38,233	2,728,755	3,117,752
Less depreciation	16,346	18,983	10,025	11,458	17,791	19,224	10,992	12,005	69,492	73,804	103,149	116,176	8,306	9,807	843,518	944,807
Net fixed assets	**117,731**	**127,756**	**16,056**	**18,579**	**21,587**	**22,429**	**20,248**	**21,419**	**105,397**	**112,489**	**151,364**	**182,002**	**23,878**	**28,426**	**1,885,237**	**2,172,945**
Trade investments	92	12	488	515	2,072	2,141	849	966	31,088	41,106	14,212	7,708	2,072	2,700	96,463	111,855
Intangible assets	14,595	14,784	152	385	285	626	154	163	9,816	10,733	3,634	3,724	354	781	73,064	79,309
Stocks	31,960	33,451	17,805	18,470	18,218	18,264	27,578	29,444	377,415	397,290	84,672	96,988	13,681	13,817	1,098,167	1,193,485
Debtors	6,236	6,405	7,982	8,985	12,941	12,970	12,438	13,223	94,696	102,732	61,413	67,241	14,857	15,307	609,972	647,410
Gilt-edged	4,395	4,457	10	10	1,625	1,173	2,590	1,433	...	...	13,967	12,965	258	491	55,091	44,210
Cash	32,270	33,308	10,338	9,183	5,125	4,464	3,047	2,947	70,466	79,576	36,448	32,139	2,575	2,186	280,378	281,666
Other investments	656	672	3,015	3,199	180	181	131	244	6,064	7,889	2,006	1,834	632	532	31,165	29,733
Creditors	16,378	16,995	3,517	4,587	6,621	6,848	7,173	7,411	75,133	83,998	42,866	47,532	12,238	12,226	484,667	534,172
Other current liabilities	27,291	30,551	4,650	5,907	3,917	4,178	5,027	4,888	48,607	47,972	29,213	30,301	3,026	3,316	312,197	340,334
Bank overdrafts and loans	268	449	286	691	3,293	2,103	8,014	9,774	33,817	44,394	4,944	5,631	4,292	5,719	157,785	192,802
Net current assets	**31,580**	**30,298**	**30,697**	**28,662**	**24,258**	**23,923**	**25,570**	**25,218**	**391,084**	**411,123**	**121,483**	**127,703**	**12,447**	**11,072**	**1,120,124**	**1,129,196**
Total net assets	**163,998**	**172,850**	**47,393**	**48,141**	**48,202**	**49,119**	**46,821**	**47,766**	**537,385**	**575,451**	**290,693**	**321,137**	**38,751**	**42,979**	**3,174,888**	**3,493,305**
Financed by :—																
Reserve for future income tax	16,407	16,796	2,398	2,151	1,721	1,444	2,581	2,514	13,527	15,123	17,710	15,898	1,571	1,444	240,518	236,858
Capital reserves	29,561	22,189	1,591	1,692	3,583	3,704	3,771	2,718	72,110	83,820	30,402	31,624	3,666	4,750	473,124	528,111
Revenue reserves	30,426	36,496	23,591	23,676	16,276	16,602	16,197	16,852	220,505	243,410	94,262	103,743	14,045	14,593	894,565	957,070
Minority interests	5,491	5,498	27	30	497	505	2,345	2,352	30,415	33,222	8,027	8,736	260	375	104,105	100,514
Loan capital	6,113	8,409	1,907	1,860	1,066	1,563	1,246	1,197	69,853	68,901	18,025	19,317	2,590	3,251	434,240	546,726
Preference capital	8,241	11,214	1,921	1,921	9,072	9,072	5,351	5,501	23,358	23,358	12,379	12,366	3,697	3,934	171,145	176,335
Ordinary capital	67,759	72,248	15,958	16,811	15,987	16,229	15,330	16,632	107,617	107,617	109,888	129,453	12,922	14,632	857,191	947,691
Scrip Issues made during year	20,250	7,469	2,027	729	1,696	215	413	1,400	...	...	23,295	120	944	47	77,554	33,687

APPOINTMENTS

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, PARIS

seeks staff members for

DIRECTORATE FOR SCIENTIFIC AFFAIRS

Nationals of Member countries only are eligible.

Tax-free salary according to qualifications and experience, allowances and Provident Fund.

Functions

1. Review of science policies in Member countries and also of national policies affecting the needs, education and utilisation of scientific and technical personnel.
2. Studies on investments in scientific research, technology and education in relation to economic growth in advanced and developing countries.

Qualifications

Honours degree in economics or social sciences and/or qualifications in natural sciences or engineering. Excellent knowledge of English and/or French and willingness to travel.

Experience: Administration of or research into problems of science policy and scientific and technological education (1).

Research in economics, preferably with relevance to investments in science, technology and education (2).

Send candidatures in French or English, before May 14, 1962, to Personnel Division, O.E.C.D., 2 rue André Pascal, Paris, XVIe.

NUFFIELD COLLEGE OXFORD

STUDENTSHIPS

Applications are invited from men or women graduates who wish to undertake research in economics; politics; sociology; recent economic and social history and political history; industrial relations; African studies; public and social administration; international and public law, or any other branch of the social studies.

Further particulars and the necessary forms are obtainable from the Warden. Applications should reach him by May 15, 1962.

THE UNIVERSITY OF SHEFFIELD

Applications are invited for a post of ASSISTANT LECTURER in STATISTICS to begin duties on October 1, 1962. Initial salary according to qualifications and experience on the scale £800 x £50—£950, with F.S.S.U. provision and family allowance. A grant towards removal expenses will be made. Further particulars may be obtained from the Registrar, to whom applications (four copies) should be sent by May 5, 1962.

NORTH WESTERN GAS BOARD
HEAD OFFICE—MANCHESTER

ASSISTANT ECONOMIST

Applications are invited for the above pensionable appointment in the Statistics Department, at a commencing salary within the range £770-£1,015 per annum according to qualifications and experience.

Candidates must be graduates (or about to graduate this summer) and should preferably be not more than 27 years of age. Preference will be given to Honours graduates in Economics with some knowledge of Accountancy.

The Assistant Economist will be concerned with cost and price studies within the business and with the analysis of economic trends, as they affect the gas industry. The work offers ample scope for initiative in the application of the economist's approach to the solution of business problems.

Detailed applications, giving the names of two referees, should be sent to the Secretary, North Western Gas Board, Bridgewater House, 60 Whitworth Street, Manchester, 1, within 14 days.

HEINZ 57

MATHEMATICIAN

A qualified mathematician is required to work with our Industrial Engineers on a number of interesting projects which require mathematical or statistical techniques.

Candidates should preferably have a degree in mathematics or anticipate graduating in mathematics in the Summer of this year.

Full details of duties will be discussed during interviews, together with conditions of employment but, initially, applicants should please forward a brief summary of personal history to:

The Personnel Officer,
H. J. Heinz Co. Ltd.,
Waxlow Road,
Harlesden, N.W.10.

COUNTY COUNCIL OF ESSEX

COUNTY PLANNING DEPARTMENT

Applications invited for following vacancies:

SENIOR PLANNING ASSISTANTS
A.P.T. III/IV (£960-£1,310)

Vacancies exist in the Research and Survey Sections in Area Planning Offices at Romford and Wanstead.

Candidates should possess an appropriate University Degree and be prepared to study for the Final Examination of the Town Planning Institute. *They should have had experience of research and survey work with a local planning authority.*

Five-day week, assistance towards costs of removal, day release and financial assistance for study purposes. Superannuation *medical* examination.

Applications, stating age, qualifications, experience, present and previous appointments and salaries, together with names of two referees, should reach the County Planning Adviser, Broomfield Place, Broomfield, Chelmsford, Essex, by April 25, 1962.

CITY OF LEEDS

LEEDS COLLEGE OF COMMERCE

Applications are invited for the following posts, duties to begin on September 1, 1962.

SENIOR LECTURER in MANAGEMENT STUDIES with specific reference to one of these aspects: Sociological, Production, Economic, Business Policy.
LECTURER in MANAGEMENT STUDIES with special reference to PERSONNEL MANAGEMENT.
LECTURER in MANAGEMENT STUDIES.
LECTURER in ACCOUNTANCY, with special reference to MANAGEMENT ACCOUNTING.

Salaries in accordance with the Burnham Technical Scales, i.e.:

For Senior Lecturers: £1,800 x £50 x £2,000.
For Lecturers: £1,600 x £40—£1,800.

Appointments may in all cases be made above the minimum of the scale.

Further particulars and application *forms may be obtained from* the Principal, Leeds College of Commerce, 43, Woodhouse Lane, Leeds 2.

GEORGE TAYLOR,
Chief Education Officer.

Education Department,
LEEDS 1.

UNIVERSITY OF EDINBURGH

DEPARTMENT OF ECONOMIC HISTORY

Applications are invited for the post of LECTURER or ASSISTANT LECTURER in *the Department of Economic History.* Preference will be given to candidates whose main interest is in Economic History since 1750. Salary scales—Lecturer: £1,050 x £50 to £1,250: Bar: £1,300 x £50 to £1,400 x £75 to £1,850 per annum: Assistant Lecturer: £800 x £50 to £950 per annum. Placement on the scales will be according to qualifications and experience. The posts are subject to superannuation, and family allowance is payable where applicable.

The successful candidate will be expected to take up duty on October 1, 1962.

Further particulars may be obtained from the undersigned, with whom applications (six copies), giving the names of two referees, should be lodged not later than May 4, 1962.

CHARLES H. STEWART,
Secretary to the University

April, 1962.

MAKERERE UNIVERSITY COLLEGE, EAST AFRICA

EAST AFRICAN INSTITUTE OF SOCIAL RESEARCH
APPLIED RESEARCH UNIT

Applications are invited for the following Research Fellowships:

(A) (i) HISTORIAN (Senior Fellow)—documentary study of the history of land consolidation measures in Central Province, Kenya (Kikuyuland).
(ii) ECONOMIST (Junior Fellow)—study of the problems of game utilisation in Tanganyika.
(B) (i) SOCIOLOGIST *(Senior or Junior* Fellow)—socio-economic study of the teaching profession in Uganda.
(ii) SOCIOLOGIST (Senior or Junior Fellow)—study of the problem of wastage in the Uganda secondary school system.

Tenure: Posts (A), 15 months in East Africa (at the end of which a preliminary report will be required) followed by one month's leave. Posts (B), two years in East Africa *followed by* three months' leave and three months' study leave, but terms of service may be varied to include writing up period in East Africa. Salaries determined by qualifications and experience in scales: Senior Research Fellow £1,350 — £1,851 p.a., Junior Research Fellow *£1,098 — £1,251 p.a.* Passages on appointment and termination for appointee and family (up to five adult passages). F.S.S.U. Child Allowance £50 p.a. *per child (maximum £150* p.a.). Rent £45 — £84 p.a., including basic furniture. Detailed applications (six copies), naming three referees, by May 10, 1962, to Secretary, Inter-University Council for Higher Education Overseas, 29 Woburn Square, London, W.C.1, from whom further particulars *may be obtained.*

Stockbrokers want man 28-42 to run Investment Department dealing with institutions. Hard work, initiative, accuracy, speed are needed. Graduate now employed in financial journalism preferred. We are fully prepared to provide terms required by a suitable applicant. Box No. 1617.

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Replies to Box 1615.

ROYAL COLLEGE OF ADVANCED TECHNOLOGY, SALFORD

DEPARTMENT OF LIBERAL STUDIES

Applications are invited from suitably qualified persons for the post of Head of Department, at a salary within the range £2,410 rising *to £2,600 per annum.*

The Department provides courses in Liberal Studies (including English, foreign languages and social *sciences) for all full-time students* of the College and also offers part-time evening courses in Russian and German for scientists and technologists engaged in industry. Extensive developments are taking place in the Department as well as in the College as a whole.

Candidates should possess good academic qualifications. Research experience is desirable; teaching experience, though desirable, is not essential.

Further particulars and application forms are obtainable from the Secretary, Royal College of Advanced Technology, Salford 5, Lancs., to whom applications should be returned by May 15, 1962. Please quote reference LB/1.

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ECONOMIST

The Plastics Group of The Distillers *Company Limited invite* applications from women holding honours degrees in Economics, who are also competent in shorthand and *typing, for a new post* involving both economic studies and secretarial work.

The *person appointed will be based* in London, and will work in the Market Development Department, in which a wide range of economic and market research studies is undertaken: these relate to the Group's activities as large-scale manufacturers of raw materials *for the plastics industry.*

Write: STAFF MANAGER,
THE DISTILLERS COMPANY LIMITED,
21/22 BOLTON STREET, LONDON, W.1.

Quote Reference: 240 L.C.

UNIVERSITY OF NEW ENGLAND

ARMIDALE, NEW SOUTH WALES

SENIOR LECTURER OR LECTURER IN ECONOMICS

Applications are invited for the position of Senior Lecturer or Lecturer in Economics.

Commencing salary will be determined according to qualifications and experience within the ranges: Senior Lecturer, £A2,550 x 95—£A3,000; Lecturer £A1,730 x 105—£A2,435. *Cost of living allowances* are payable. Provision is made for superannuation, travel, removal expenses, assistance in buying or building a house, and research grants.

In the case of a Lectureship in Economics applicants must indicate whether they seek a permanent position or a short-term appointment for a period of three years. In the latter case superannuation will not be available but the usual allowance for fares and removal expenses will be paid, a maximum sum of £A400 will be provided to assist in return travel and removal expenses at the end of three years, and the *Lecturer appointed on a short-term basis may* apply to have his position made permanent at the end of one year's service.

Further *information and conditions of appointment* may be obtained from the undersigned* with whom applications (two copies) together with a recent photograph, close on *May* 14, 1962. For the benefit of overseas applicants, further information and conditions of appointment may also be obtained from the Secretary, *Association of Universities* of the British Commonwealth, Marlborough House, Pall Mall, London, S.W.1, with whom two copies of the application *must be lodged, an additional copy* being forwarded direct to the Registrar.

*L. C. LAMBLE,
Registrar.

Armidale, N.S.W., Australia.

The Reed Paper Group is a world-wide partnership of Companies producing pulp, paper, packaging and plastics.

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(Reference PO/GP)

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Write quoting the appropriate reference to: Group Personnel Officer, Albert E. Reed & Co. Ltd., Group Office Building, Larkfield, Near Maidstone, Kent.

THE UNIVERSITY OF LEEDS

DEPARTMENT OF MATHEMATICS

Applications are invited for appointment as Lecturer or Assistant Lecturer in STATISTICS at a salary on the scale £1,050 x £50 — £1,400 x £75 — £1,850 (efficiency bar at £1,550) a year for a Lecturer, or within the range £800 — £950 a year for an Assistant Lecturer, according to age, qualifications and experience. Duties to commence by October 1, 1962. Applications (four copies) stating date of birth, qualifications and experience, together with the names of three referees, should reach The Registrar, The University, Leeds, 2 (from whom further particulars may be obtained) not later than May 14, 1962. Applicants from overseas may apply in the first instance by cable, naming three referees, preferably in the British Isles.

UNIVERSITY OF EDINBURGH

DEPARTMENT OF POLITICAL ECONOMY

ASSISTANT LECTURESHIP

Applications are invited for the post of Assistant Lecturer in Economics in the above Department. Salary Scale £800 x £50 to £950 per annum with superannuation benefit and family allowance where applicable. Tenure is normally for three years. The successful candidate will be expected to take up duty on October 1, 1962.

Further particulars may be obtained from the undersigned, with whom applications (six copies), giving the names of two referees, should be lodged not later than May 5, 1962.

CHARLES H. STEWART,
Secretary to the University.

March, 1962.

PROPERTY

CITY OF HALIFAX NOVA SCOTIA, CANADA

Call for Development Proposals Central Redevelopment Area

Halifax, the Capital City of Nova Scotia, together with its fast-growing Metropolitan area, has a population of approximately 200,000. It is an important administrative, cultural, commercial, and industrial centre and one of Canada's major ports open the year round.

The City Corporation, with the assistance of the Government of Canada represented by Central Mortgage and Housing Corporation, has acquired and cleared 13.9 acres of land in the Central Business area of the City as a first step in a Phased Redevelopment Programme.

The City is offering the cleared area for residential and commercial development by private enterprise. Plans, development conditions, and proposal forms may be obtained on application to the undersigned on payment of a certified cheque or Bank Draft for $50 (Canadian funds) payable to the City of Halifax to be refunded on submission of proposals.

Development Proposals will be received by the undersigned at the City Hall, Halifax, Nova Scotia, Canada, up to 3 p.m. Atlantic Standard Time, October 31, 1962.

P. F. C. BYARS, City Manager.

City Hall, Halifax,
Nova Scotia, Canada.

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DEPARTMENT OF ENGINEERING

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The 1962-63 Post-Graduate Course in Theory of Structures and Strength of Materials will be held in the Department of Engineering, Cambridge University, beginning on October 9, 1962, and finishing in June, 1963.

The latest advances made in the understanding of the behaviour of metallic structures under static, repeated or fatigue loading will be the principal subject of the course, with particular emphasis on welding as a method of fabrication. No attempt will be made to teach conventional methods of design, but present-day practice and possible future developments will form the subject of critical study.

The object of the course is not to train research workers, but to help engineers to apply the latest advances in knowledge. The course will include lectures, colloquia and laboratory work, and each student will be encouraged to make a detailed study of some problem of particular interest to him.

The course is open to university graduates with industrial experience, and to others with suitable equivalent qualifications and of sufficient experience to obtain full benefit from a post-graduate course.

Further details and forms of application for admission may be obtained from the Secretary, Cambridge University Engineering Laboratory, Trumpington Street, Cambridge. The completed forms of application should be returned to the Secretary not later than May 31, 1962.

UNIVERSITY OF LONDON. A lecture entitled "Economic Development and Growth: Agricultural Aspects," will be delivered by Professor J. R. Raeburn (Aberdeen) at 5 p.m. on April 30th, at the London School of Economics and Political Science, Houghton Street, Aldwych, W.C.2. ADMISSION FREE, WITHOUT TICKET.

JAMES HENDERSON,
Academic Registrar.

BRITISH Industry and the Common Market. The first practical management convention on the Common Market will take place at the Piccadilly Hotel, London, from May 2-3. If Britain enters the Common Market next year no company will escape the impact. To give management an opportunity for a full discussion of the relevant facts and the practical experience of companies already operating in the Community, the British Institute of Management invites registrations for this convention. Inquiries to: The Conference Secretary, The British Institute of Management, 80, Fetter Lane, London, E.C.4.

DIRECTORS needing able office staff (m. and f.)—Consult Stella Fisher Bureau, 436, Strand, W.C.2. TEMple Bar 6644.

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OTTOMAN BANK

NOTICE IS HEREBY GIVEN that in accordance with Article 29 of the Statutes, the ANNUAL GENERAL MEETING of Shareholders will be held on Wednesday, May 9, 1962, at Winchester House, Old Broad Street, E.C.2, at 12.30 p.m., to receive a Report from the Committee with the Accounts for the year ended December 31, 1961; to propose a Dividend; and to elect members of the Committee.

By Article 27 of the Statutes the General Meeting is composed of holders, whether in person or by proxy or both together, of at least thirty shares, who, to be entitled to take part in the Meeting, must deposit their shares and, as may be necessary, their proxies, at the Head Office of the Company in Istanbul or at any of the various branches or agencies abroad (in London at 18-22 Abchurch Lane, E.C.4; and in Paris at 7 rue Meyerbeer, 9eme) at least ten days before the date fixed for the Meeting.

J. VASSALL ADAMS,
Secretary to the Committee.

BRISTOL COLLEGE OF SCIENCE AND TECHNOLOGY

Ashley Down **Bristol 7**

PROBLEMS OF BUSINESS FORECASTING

An introductory course for those concerned with marketing and production planning will be held at the College from

11 a.m. on FRIDAY, MAY 25th to 1 p.m. on SATURDAY, MAY 26th.
Fee £2 10s.

Lectures

The interpretation and uses of economic statistics—
two lectures by W. A. H. Godley,
Economic Section, H.M. Treasury.

Techniques of business forecasting—
F. A. Friday, Electrical & Musical Industries Limited.

The allocation of costs in a multi-product firm—
Gordon Mills, Department of Economics, University of Bristol.

Linear programming as a guide to policy making—
J. Parry Lewis, Department of Economics, University of Manchester.

Applications for places should be made to the Organiser of Post-graduate Courses, from whom further details may be obtained.

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SOME PRINCIPAL OVERSEAS SUBSCRIPTION AGENTS: AUSTRALIA: John Hinton & Co., 50 Miller Street, Sydney, New South Wales. BELGIUM: W. H. Smith & Son, 71 Boulevard Adolphe Max, Brussels. BRAZIL: [illegible]

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The Economist

APRIL 28, 1962

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Published weekly every Saturday, fifty-two times a year in London, England.

In The Economist this Week April 28, 1962

INTERNATIONAL

The Tangledbombs Tale

In Washington, Mr Macmillan and Mr Kennedy are meeting just as the American *nuclear tests have started*. But the real nuclear problem of the moment may well be the Bomb's place in the western alliance (p. 319). It begins to look as if Britain will have to make some nuclear concession to France, if France is to allow this country to enter the common market (p. 325).

In Geneva, the Disarmament Twist continues, with variations but little sign of an ending (p. 320).

One thread of a silver lining is the low (though, at the moment, rising) level of fall-out from last autumn's Russian tests (p. 325).

Cwthmesses

Mr Butler's impending visit to the Central African Federation will be more important than any earlier tour by a British minister (p. 346).

The Cobbold Commission is expected to report on the Malaysian project in the next six weeks; meanwhile internal and external pressures for and against the project ebb and flow (p. 353).

The Canadian elections in June will turn essentially on Mr Diefenbaker's position in the hearts of his countrymen (p. 350).

Generals' Posts

In General Qasim's fourth year the Iraqi revolution has lost its zeal but not its direction (p. 345).

Tough and gentle generals quarrel in Argentina: the bone is constitutionalism, now largely chewed to bits (p. 329).

UNhappy

Debts are high, money is short, and member-governments slow to help the Secretariat (p. 354).

Much against its *will, the UN has had to watch the* Siamese twins, Ruanda and Urundi, separate themselves and prepare for strife and probable bankruptcy (p. 329).

Reich, Right and Rights

Germany's lunatic fringe, with its Nazi hankerings, is not a serious threat at present, but it repays watching (p. 349).

West Germany deserves credit for its labours to expiate the wrongs the Third Reich did to the Jews (p. 333).

New copyright arrangements are needed if Verdi, and others, are to be protected from posthumous protectors (p. 353).

Soviet Silences

Official youth in Russia is still ostensibly sedate (p. 326); Russia and China still seem slightly less than just good friends (p. 330); Mr Khrushchev has left the foreign policy limelight at the Supreme Soviet, for once, to Mr Gromyko (p. 326).

State of the States

The United States Treasury *is experimenting with two new techniques*—Operation Stretch and Operation Nudge—in a valiant attempt to hold the line for the dollar (p. 366).

There is no real alarm about the American economy but no one is much impressed by *its recent advance* (p. 357).

HOME

Critics' Choices?

Mr Lloyd's capital gains tax is cunningly devised to produce the minimum revenue for the maximum inconvenience; for good measure its author has riddled it with inconsistencies (p. 365).

Ice-cream manufacturers are wondering how to pass the new sweets tax on to the consumer (p. 380).

The Attorney General bumbled through his performance over the possible return to Britain of Messrs Burgess and Maclean—*but there may* have been sound reasons for his dim showing (p. 326).

Doctors: *merit awards reviewed* (p. 333).

Curtain Up

Two big battles have been joined at the trade unions' annual conferences, over Europe and the government's development council; but the unions are unlikely to consider their real problem this year (p. 321).

Unemployment figures went up in April (p. 370).

A new approach to freight aircraft should encourage the unhappy manufacturers (p. 376), of whom one of the most famous has recently died (p. 380).

Some glimmerings of sense appeared amid the froth at last week-end's conference of Young Socialists (p. 326).

Dress Rehearsal

Fruit may be fresher for British housewives as a result of a new plan by importers (p. 335).

Britain's National Theatre is a step nearer to bricks and mortar (p. 338).

Some young Tory lawyers comment sensibly on the early stages of the administration of justice (p. 330).

Spring Zephyrs have wafted in from Fords (p. 380).

Cobalt is being seen around in mufti (p. 375).

In the Limelight

The necessary expansion of education in Britain is hampered not only by lack of money: more flexibility—and more ruthlessness—are also needed (p. 323).

An uncontroversial budget in Ireland reflects the government's shaky parliamentary majority (p. 336).

The loss of spectators by association football will not be cured by the latest report on those who stay away (p 332).

Pakistani immigrants face a nasty racket at the airports (p. 329).

Detailed contents on page 319

Budd progress rides the rails

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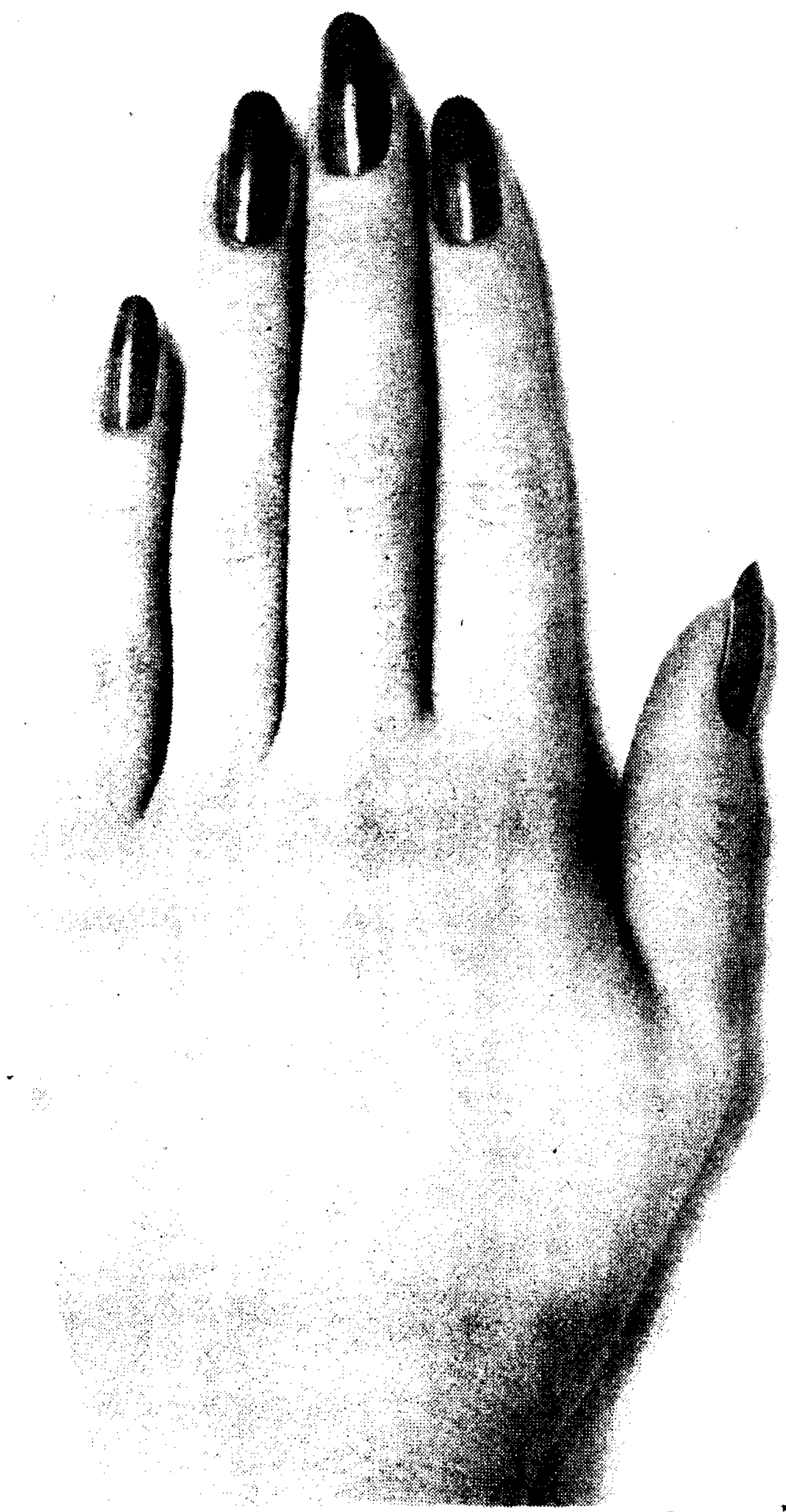

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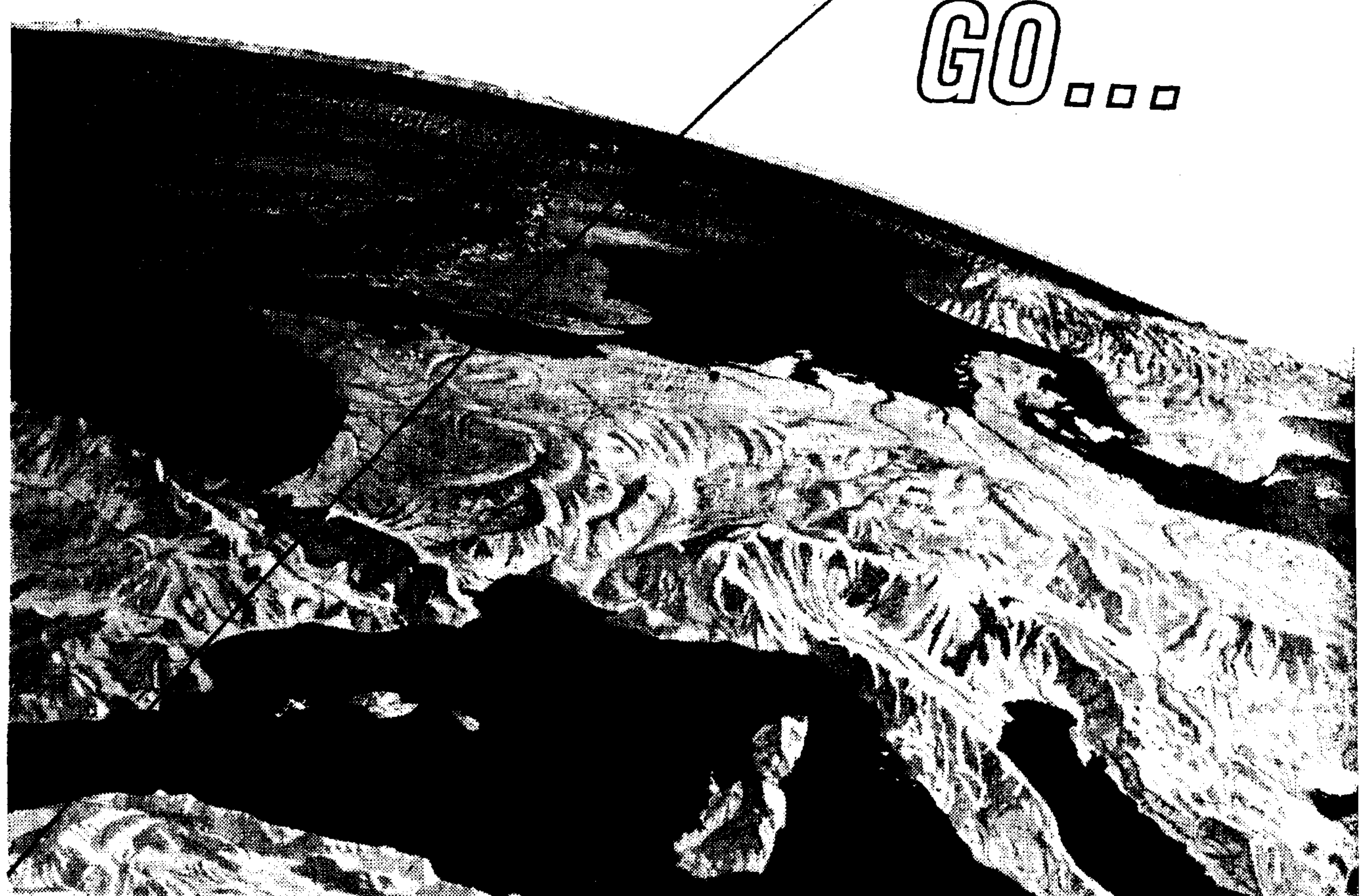

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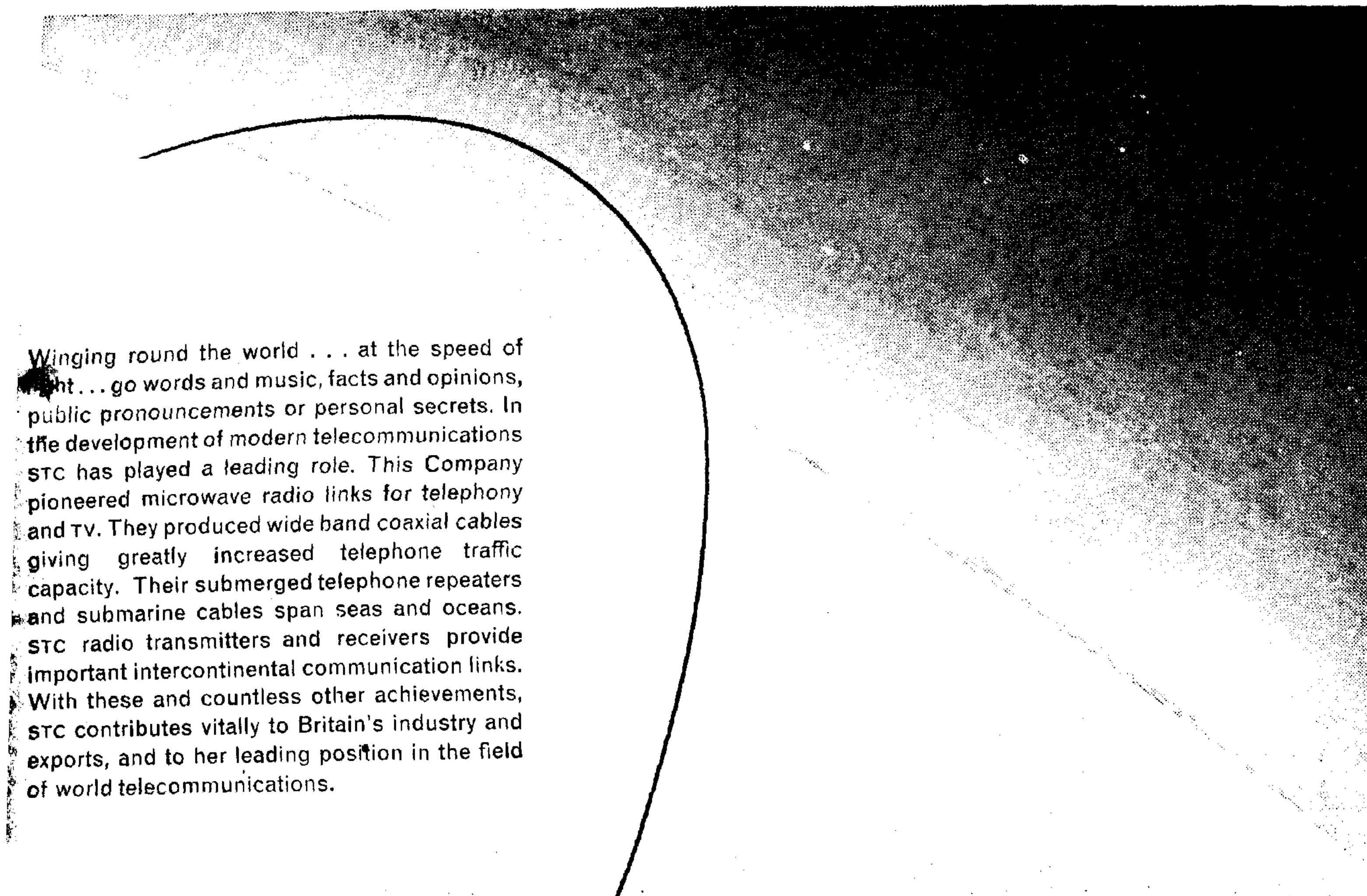

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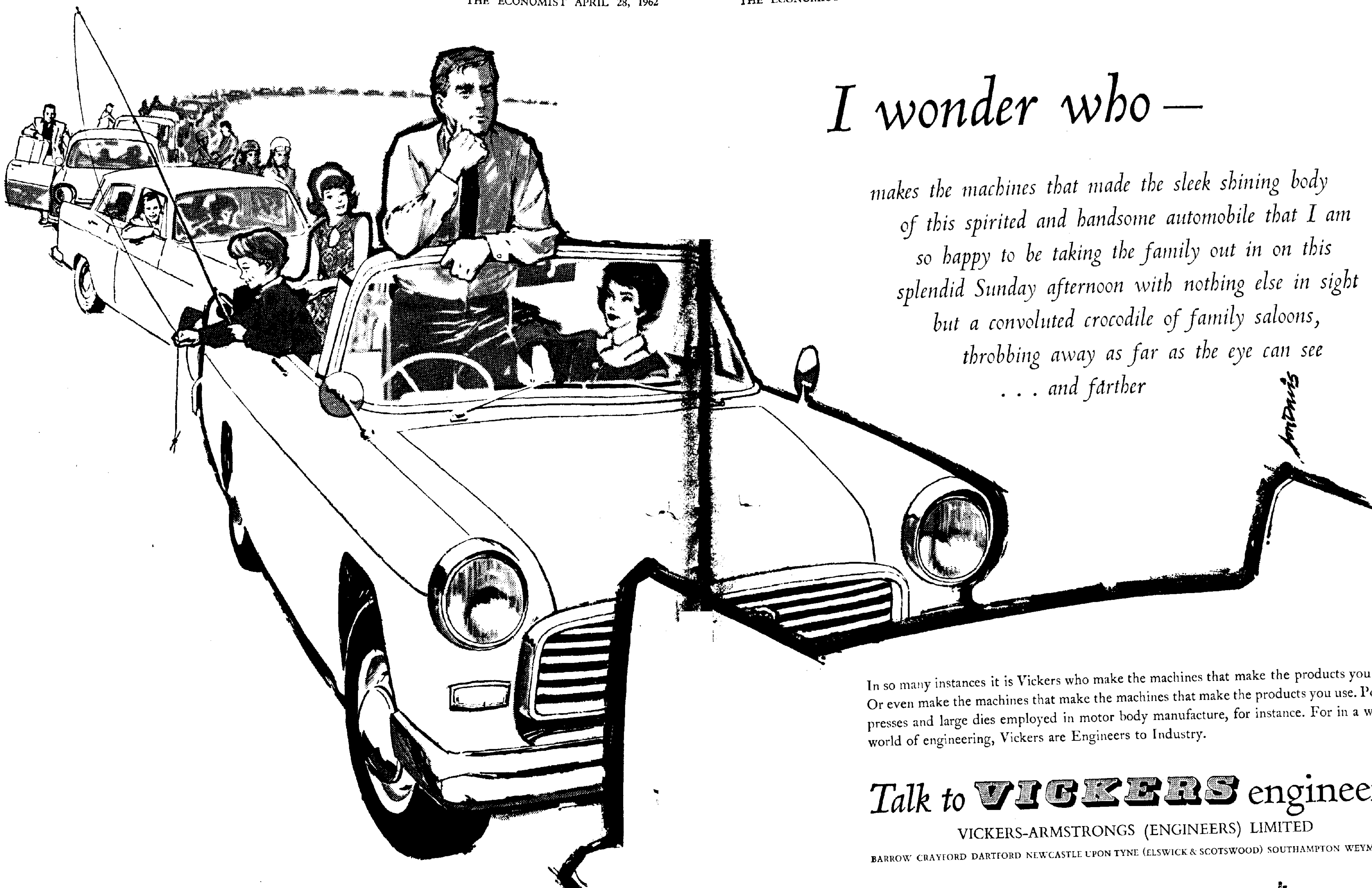

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H-Test for Britain

MR MACMILLAN, sitting in the White House this weekend, will have one ear bent to his host and the other cocked to the noises that his host is causing around Christmas Island. He may wonder whether he should have made a bigger effort to persuade President Kennedy to put off the latest round of nuclear tests. The answer, on balance, is that he should not—not only because Mr Kennedy's decision to set the tests going again was pretty well inescapable, but also because there is another problem involving nuclear weapons that has an even more urgent claim on the two men's attention.

The decision to resume explosions in the atmosphere boils down to a choice between the medical dangers of having more tests and the military dangers of not having them. On the whole, as a note on page 325 suggests, the amount of fall-out produced by the Russian tests last autumn (and therefore the amount produced by the present much smaller series of American tests) seems likely to come well below the generally accepted danger level.

Had Mr Kennedy refrained from testing, on the other hand, the danger was that the Russians might have seized the chance to get in one more round of their own by surprise, and thus gain a lead in one or two potentially decisive kinds of weapon. The American tests that began this week will doubtless bring another Russian series in reply, not to mention some megaton displays of mutual indignation. But the net military effect will be to leave the balance of power more or less as it is now ; and the remarkably temperate tone of Mr Gromyko's remarks to the Supreme Soviet on Tuesday about Berlin suggests that the forces of moderation are still in command and even the indignation may be relatively short-lived.

If this is so—if the renewal of tests brings a few weeks of ritual recrimination, but nothing worse—the really important nuclear question of the moment is not the general east-west balance of strength ; it is the disposition of atomic arms within the western alliance. This is a question chiefly for the British, since it involves the two strands of foreign policy that Britain is currently trying to weave into one. One strand is the attempt to join the European community. The other—which has markedly different origins from the first, and often seems to conflict with it—is the attempt to calm some of the tensions of the cold war, and in particular to limit the risks entailed in letting atomic arms be spread too widely.

What Britain does with its own nuclear arm in the next year or two may affect both these aims materially. There will be Europeans who think the British entry into Europe less than wholehearted so long as this important part of the British anatomy is kept outside. Nothing looks likely to stop General de Gaulle going ahead with a French nuclear force ; how many others will follow, and how soon ? It may become clear that the further proliferation of nuclear weapons cannot effectively be stopped unless Britain becomes prepared to renounce its nuclear isolationism. The issue may begin to crystallise very soon, perhaps even in the summer's common market negotiations and the argument about western Europe's political organisation that may accompany them.

Just what form a British renunciation might take would depend on various things. It might range from a total scrapping of British atomic weapons to their merging in a combined force (it might be under the joint command of France and Britain). The precise form would depend on whether most Europeans could be persuaded to rely entirely on the United States for their nuclear protection (as distinct from wanting something in their own hands as well), in which case one might even fulfil the hopes so many people have of actually cutting the number of nuclear powers. It would also depend on what Britain got in return for its sacrifice. Whatever the details, the aim ought to be to emphasise Britain's unity with Europe, not its separateness from it; and, within this context, to keep the control of nuclear arms—especially those in the sensitive area of central Europe—in as few hands as possible. This may be the best opportunity of weaving together the two main objectives of current British policy.

Questions for Geneva

Most parts of the disarmament problem are painfully clear —but a few are now hopelessly indistinct

ONCE upon a time—last year, in fact—it used to be assumed that a ban on nuclear tests would be a very apt pilot project to lead the way toward general disarmament. In particular, it was argued that the comparatively limited amount of international inspection that a test ban involved would be a dose that Russia might be got to swallow, in spite of the Soviet distaste for inspection of any sort; and that, if the test ban scheme worked reasonably smoothly for a while, it would not only improve mutual confidence in general terms, but also take the edge off the more pathological Soviet fears about foreign bodies. But that was last year. This year, from the beginning of the Geneva disarmament conference that opened on March 14th, it was pretty generally believed that although progress in the field of general disarmament might be glacier-slow, the most rigidly deadlocked sector of all was that of a nuclear test ban; and Wednesday's explosion off Christmas Island has given the key another turn in the lock.

Once upon a time—and indeed, up to a couple of weeks ago—it was continually argued that there could be no hope of achieving disarmament if it was made conditional upon the settlement of political issues. In particular, it was a recurrent Soviet theme that the West must not try to link disarmament with a German settlement. But that was last month. On April 12th Mr Khrushchev, in his letter to Mr Macmillan, appeared to link the two issues himself. He said that Russia would not be able to permit foreign inspectors to set foot on its territory unless confidence was improved by the West accepting the German peace treaty that he had proposed.

OTHER instances could be cited of the strange way in which the kaleidoscope of the disarmament problem—or, rather, of the whole complex of interlinked problems that here come together—continues to change under the eyes of a frustrated world. This constant change is responsible for much of the cynicism that now surrounds the subject. It is easy for many people to get the impression that the whole process of negotiation is a meaningless dance in which, whenever one party advances, the other retreats, there being a tacit understanding that the two will never get close enough to bring the thing to an end. (This kind of diplomatic dance used to be commonly called a minuet; today, perhaps, a twist.)

It is not quite so simple or so meaningless as that. Nor does the surface movement necessarily imply any change in the fundamentals, which have in fact remained strikingly constant. Admittedly, both western and Soviet disarmament proposals have regularly been marked by a common preference for terms that would give one side a distinct advantage over the other. But this is little more than the normal business of bargaining. No negotiator likes to enter upon a prolonged haggle without something to discard. A more disquieting cause for cynicism is the reluctance that has been shown—habitually by the Russians, and not seldom by western negotiators—to examine the other side's proposals carefully, or even to ask elementary questions about them.

One of the encouraging features of the present Geneva talks is that there has been a good deal of asking of questions. True, the Russians have remained unenthusiastic about either asking or answering them. On the other hand, they managed to set the pace from the opening day by tabling at once a full draft of a general disarmament treaty. Although the Americans had arrived at Geneva with a detailed and comprehensive programme, essentially the same as the one that they had made public in September at the time of Mr Kennedy's address to the United Nations Assembly, it was not couched in the form of a draft treaty. The Russians were thus in a position to argue that the conference should concentrate on their draft alone, since it was the only one available. The uncommitted participants resisted this demand, but at the same time privately urged the Americans to get their programme into treaty form, so that the two could be discussed in parallel. On April 18th the United States delegation duly tabled a draft which, although not fully in treaty form, largely remedied this situation; and it is to be hoped that this move will get the conference moving a little more purposefully out of the procedural wrangling that it had got itself into.

The American plan, in its latest form, goes a long way to meet previous Soviet objections. It spells out in more detail than before American acceptance of the goal of disarmament on just as sweeping a scale as Russia has proposed. (Strictly speaking, despite the now universal commitment to what is termed "general and complete" disarmament, nobody is proposing that it shall be truly complete, and nobody has yet tried to define very clearly the scale of the forces that would be retained for "domestic security" and international peace-keeping.) The new American terms are still somewhat vague about the problem of ensuring that, in a disarmed world, the direction of the international peace-keeping forces should be both effective and impartial; but they are more realistic on this score than the Soviet proposals. As for inspection, the American draft now includes one of the most hopeful suggestions recently made for breaking the deadlock—the "Sohn zone" idea of progressively extending inspection from one or two initial "sample" areas as confidence builds up.

The problem of inspection remains, however, one of the unchanged fundamentals. In the part of the latest Geneva talks devoted to a test ban, Mr Gromyko made it bluntly clear that even an occasional entry into a very limited part of Soviet territory by a handful of inspectors drawn exclusively from uncommitted countries was unacceptable to his government. In the Soviet draft treaty, it is laid down that "inspection" will be concentrated on watching the destruction of arms, and the withdrawal or disbanding of forces, whose existence has been voluntarily notified by each government; and this does not eliminate the risks of clandestine retention or production.

Some hopes are being pinned on Article 14 of the Soviet draft, which allows for international "control of compliance" with a provision limiting the movement of warships and aircraft. This is at least a breach in the outwardly rigid Soviet rejection of any "control over armaments" as opposed to mere supervision of the "bonfires" on which declared arms would be destroyed. So too, it may be noted, is the Rapacki Plan, which would require inspection of the forces retained in the central European area it covers. It would seem that "control over armaments," which is intolerable "espionage" on Soviet soil, becomes quite respectable on the Polish side of the border. This may be a pointer to some more questions that still need to be asked at Geneva.

Unions in Conference

Three main issues will be faced—or avoided—at this year's crop of trade union conferences in Britain's seaside pavilions

LAST weekend the season for trade union conferences was declared open. From now on throughout the summer, the gnarled veterans and the new generation of gradually smoother executive men who run the constituent unions of the Trades Union Congress will be exposed to the breezy enthusiasms of that inner ring of militants who, because amateur trade union politics are their spare time hobby, can help to decree the decisions made in the name of apathetic millions. Mandates imposed and moods established at these jamborees will, in September, determine the voting of the Labour party's giant partner. The issues to be considered are of more than average importance; but the most important issue of all will barely be discussed.

This year the unions will be sinking their teeth deep into two topics of concern as much to their own members as for the whole future of Britain. They will vote whether to oppose Britain's entry into the European common market; and they will decide whether to play ball with the Government in the National Economic Development Council. For the past few years the bone of contention in the wordy and bitter conflicts within the unions has been the Bomb. Whatever government may be in power the unions may bark, but it is now recognised that they cannot in the end painfully bite anyone over defence (Mr Gaitskell learned that after Scarborough, when he turned and fought again). But the Labour party has not properly made up its mind either about Europe or about Ned; and the signs are that its leadership will let its policies, or at least its image, on these two issues once again be influenced far too much by the desperate accident of the particular wording of the motions that individual big trade unions consider themselves mandated to oppose or to approve.

Most of the TUC's elder statesmen are remarkably forward-looking men on both issues; a majority of them, in their hearts, would like to see Britain in Europe and are eager to keep the unions in Ned. The last Trades Union Congress came down with the vaguest of reservations in favour of negotiations with the European community; it also left its general council's hands free to collaborate in a national planning body. But that was before the debate in the country on both these subjects had got seriously under way: it was not until July, when the unions' conference season was more than half over, that the Government announced its intention to open the Brussels negotiations or started to talk really seriously about Ned. And even last year it was clear that opposition within the Labour movement to joining Europe would come from an awkward alliance: the extreme left wing xenophobes can hope for support not merely from the extreme right wing which dislikes the idea (in the words of one of them at Blackpool) of "seeing Eyetalians in the pits," but also from some normally moderate Labour intellectuals who have cooked up abstruse anti-European theories of their own, and from a much larger group of left-of-centre democrats who feel uneasy at the mere mention of the names of Dr Adenauer and General de Gaulle.

The result is that those trade unionists who, for whatever reason, want to weaken the position of Mr Gaitskell can find in the European issue yet another means of embarrassing him. A fine example of the tactics that might be followed by them was given by Mr Frank Cousins this weekend. Mr Cousins has no delegate conference to face this year (the Transport and General Workers hold theirs once every two years); but up he bobbed at the Scottish Trades Union Congress. Without saying whether he himself is in favour of Europe or against it, he urged the Labour party's leadership to commit itself ("When you get a political issue, you are entitled to look for some guidance to the political party"). There is not much doubt that Mr Cousins's advice is right; but Labour's leaders are at present less inclined to see this than to see (all too clearly) the tactical reasons that have led him to give it. What Mr Cousins wants is that Mr Gaitskell should declare himself in favour of joining Europe, so that he (Mr Cousins) can then lead the assault on Mr Gaitskell for doing so. Under these circumstances Mr Gaitskell (and, still more, his executive) is likely to feel under an instinctive temptation not to put himself in any such position. His usual way out will be to hatch up some abstrusely fence-sitting composite motion which—even if (as seems probable) it is eventually passed—will give away far more hostages to the Cousinsites than a forward-looking Labour party should do.

The debate over Ned cannot be quite as dangerous for

Labour, although it will probably give some nasty moments to the trade union leaders who are already seated on the council. Admittedly they are in possession of the field, which is more than half the battle. And it is less than likely that any one of them (well, at least any two of them) would wish to follow the advice of those left-wingers who have in effect urged them to hamstring the council from within. The danger is that the union conferences (two of which, the draughtsmen and the clerical workers, have already urged that the TUC representatives should withdraw from Ned) will try to saddle their representatives on the council with absurd restrictions.

Moreover, there is a real issue here for the future of trades unionism in Britain. One of the most vocal opponents of the development council, the left-wing Mr Clive Jenkins of the supervisory staffs union, recently argued that it "cuts away at the very basis of trade union organisation in the United Kingdom." He is bang right. Even those unions that enjoy undisputed supremacy in their own industry—say the transport workers in the docks or the steel workers—have regularly shown themselves quite unable to collaborate in any coherent way with other unions on wage-fixing or any other subject of major importance. The most adamant "socialists" within the movement are bitterly opposed to any diminution of the autonomy of individual unions (perhaps because they realise that the mild reformists would then be able to prove that they are the majority). The idea of co-operation, not just with other unions, but with the employers and the government as well, could stand the present unco-ordinated system on its head. This is part of the background to the mounting opposition to Ned. On the other hand, those—and they are an increasing band—who would like to see the TUC become a far more purposeful body, co-ordinating and directing (subject to general consent) the policies of its constituent bodies, could find that the need to act together in Ned will give them the impetus for which they have been waiting.

For there can be no doubt that many trade unionists are worried about the disarray in which their movement finds itself at present. This winter the Government has faced—and, where it has faced, beaten—the unions over the pay pause. The TUC general council frankly admitted, at what must have been one of its most agonising meetings, that it could do nothing to organise resistance among its members. Last autumn it seemed inconceivable that the spring would arrive before a major official strike. But what has happened ?

There have been ineffective work-to-rule campaigns by public service unions. Some white-collar organisations have shown a new willingness to consider joining up with their manual brothers in the TUC. A new white-collar federation of teachers, local government officers and others has been mooted, but not effectively formed. There has been the usual crop of unofficial strikes, and two symbolical one-day stoppages by around two million engineering workers. But, save in those nationalised industries where employers have run away before any real strike threat appeared, all these actions have proved singularly ineffective.

The supreme absurdity is that the strike ballot organised by the Confederation of Shipbuilding and Engineering Unions is not yet concluded, with the pause almost a month past. In the eyes of some, an engineering strike by the 39 unions was to have been the culmination of a campaign that would prove the power of the unions. But the executive of the confederation has tied itself hand and foot. It has hitherto refused to talk to the employers until the ballot is concluded, but it is perfectly clear that, whatever the result, the employers cannot give all that is being asked. If the necessary two-thirds of the members voted in favour of a strike, the executive could hardly not call one ; but if there is no majority for a strike, they would have no counter to bargain with the employers. Now there are rumours that the voting will, in fact, be against a strike: next week the executive of the confederation will meet again to seek an escape from this mess. Such being the disarray of the unions' shock troops, it is small wonder that some employers in less tightly organised industries are beginning to lose all faith in the power of the official union leaders—either to start an official strike, or to stop an unofficial one.

This dilemma of vanishing power is realised by just a few top people in the trade union movement. The indefatigable Mr Bryn Roberts of the National Union of Public Employees has been pegging away for years at the argument that the central power of the TUC needs to be strengthened ; now he can claim support from such eminences as Mr Jack Cooper, the new general secretary of the general and municipal workers, Mr Ray Gunter of the transport salaried staffs (and of the Labour party executive), and Mr Harry Weaver, new general secretary of the building trade workers. There is not much doubt that Mr George Woodcock, general secretary of the TUC, thinks the same way. But it is a fair bet that this summer's union conferences, whose decisions could conceivably affect the future of Britain's two great economic experiments, will barely consider the need for self-reform. The flight back to reality has not started yet.

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THE MEANS OF AFFLUENCE

¶ The prodigious advance of the productive arts since 1851 may not be very apparent to those who do not know much either of the state of those arts eleven years ago, or of their state now. But every one who remembers the old Exhibition at all will be able to say that the things now collected are much more numerous and much more splendid than those then collected. Machinery especially, which was rather impressive last time, will be much more impressive now. The things made in our present civilisation are less wonderful than the means of making them. The greatness and the littleness of material civilisation never perhaps *both* present themselves to the mind so fully as in looking at varied and wonderful machines. Can anything seem more clever, more convenient, more creditable to human skill, than those half-living things ? says the practical man. Can anything be more absurd than to employ so much ingenuity in contriving tools for doing so little, for making useless luxuries more accessible, petty comforts more comfortable, things which rational men do not want more attainable by and more suitable to irrational people who do want them ? So says the dissatisfied moralist. But real philosophy is rather on the side of the eulogist than of the objector. Whatever may be thought as to the precise wisdom or as to the extreme rationality of many wants in our artificial and elaborate civilisation, it is certain that a vast system of industry and labour is occupied in the supply of those wants. The dinner may not be what an ascetic moralist can consistently approve, yet still the cook lives by it. The immense apparatus of productive industry by which the complicated wants of civilisation are supplied, is much more interesting than those wants themselves, or than the realised products which minister to them. In the improvement of these arts, we, in fact, witness an improvement in the productive happiness of millions.

Where Education Pinches

The growing points of British education are being cramped by lack of professional flexibility and of willingness to concentrate on essentials, as well as by lack of money

Quite suddenly it has become fashionable in the last few years to talk about the crisis in British education. This is not because things are getting worse but because they are actually getting better: British education is at the stage where enough people are wearing patent leather shoes to be able to say, very loudly, where they pinch. Unfortunately, it is sometimes difficult for the voice of the consuming public (or its parents) to make itself heard clearly enough above that of some established and very articulate producer interests. The important point, for educationists and politicians, is to get the priorities right in the expansion and the reforms that are under way and, still more, in those that will have to be bulldozed through in the mid-1960s.

What this should entail in the upheaval of some traditional attitudes is still far from being generally understood. Treasury ministers will have to stop purring over what they regard as the largesse they have handed out to the universities when they have still not done enough to keep up with the expansion of the sixth forms. Junior university lecturers must not jib at salary differentials favouring colleges of advanced technology when the biggest potential growing point is plainly in technical institutions. Teachers must learn not to pooh-pooh mechanical aids or drastic reappraisals of curricula if these devices mean that basic education can be sustained (and sometimes improved) while crash programmes are mounted elsewhere. And ratepayers will probably have to stump up for the schools a still larger proportion of their increasing incomes. This is what crash programmes involve. When the horrified outcries of comfortable and self-satisfied men resound through the length and breadth of the country, expansion will really be beginning.

The most important bottleneck now staring everyone full in the face is that at 17-plus (i.e. at the entrance to higher education). Safely after the Commons debate on the universities, the arguments underlying the still-unpublished financial recommendations put to the Treasury by the University Grants Committee have now been outlined in Cmnd 1691. In England and Wales the percentage of 17-year-olds staying on in school has risen from 8.5 in 1956 to 10.9 in 1960. But still only 6 per cent of boys and 2 per cent of girls can hope to enter a British university (in Scotland, which seems to retain a slight historical advantage, the figures are some 8 per cent and 3 per cent respectively). Current expansion plans will do no more than keep the proportion of entrants constant while the "bulge" passes through ; they will not provide for the rapidly increasing "trend" towards staying on in the sixth forms. The University Grants Committee reports that failure rates in the universities actually fell in the later 1950s: so much for those who argued that letting in more students would mean letting in worse ones.

While Treasury grants for universities rose dramatically (recurrent grants by 72 per cent and non-recurrent by 143 per cent) between 1956-57 and 1960-61, it is a salutary comment on past neglect that, by the UGC's reckoning, half of the capital needs of the next ten years will be simply to make good for obsolescent buildings. The entrance bottleneck may be partially relieved by an overspill of brighter candidates into technical colleges and teacher-training colleges. But even in the teacher-training colleges (where places are, belatedly, being doubled) the pinch is already evident. Sir Ronald Gould told the National Union of Teachers last weekend that 500 suitable candidates for teacher training were turned away in 1961 (after years of little or no selection) and that 2,000 might be unable to get in this year.

Even if the Robbins committee gives a strong twist to the Treasury tap it should be obvious that future building will have to be concentrated on the essentials: lecture rooms, laboratories and libraries. The UGC bewails the fact that the proportion of students living in college or in halls of residence has remained at little more than a quarter, with the remainder in lodgings or at home. But this is precisely where, in the short run, savings should be insisted on (in particular, by locating new institutions for student commuters—for example, second universities in the suburbs of big cities). It is still better to be a Scot (49 per cent of whom live at home during the term) and have a university place, than bow to the English tradition and have none.

It is ironic that just when university entrance standards are rising (so that candidates for particular faculties may need high marks in three GCE "A" level subjects) there should come the first stirrings of academic recognition for a more rounded education. Two culprits are responsible for over-specialisation in the sixth forms. The first is the universities' own requirements ; the second is the compulsive competitiveness to ensure a place by hitting very high marks in the candidates' "special subjects" at "A" level GCE. The universities' Committee of Vice-Chancellors and Principals has now given its blessing to a broadening of university entrance requirements to include a paper on the use of English, a general paper and (with some inexplicable hesitancy) a foreign language paper. This is admirable, in both an educational and a severely practical sense, and so is the approval in principle given by all the universities except (let the names be broadcast) Cambridge, London and Reading. But there should be no illusions that, for as long as the shortage of places exists, these requirements will mean anything other than more cramming—from which the medium-to-bright sixth formers (capable of a good second-class degree) will suffer most.

The chief hope that meaning, and continuity, will be given to a reformed sixth-form curriculum rests in the aspirations of the new universities (like Sussex) to break out of the old faculty mould themselves. Here Sussex promises to outstrip Keele, the pioneer in this field. There are signs that the new foundations will attract the more versatile type of undergraduate and teacher away from Redbrick ; the real test will be whether they can actually rattle Oxford and Cambridge into moving with the times.

In the schools themselves the Ministry of Education is putting its shoulder behind curricular reform. Its research projects (initially dealing with science and mathematics) may even please the dons if they help to produce students who have tackled their subjects in twentieth-century terms. The nonsensical subject of Euclidean geometry looks doomed at last, but the new knowledge will almost certainly claim even more school periods than it took up. Can new teaching methods make up the difference elsewhere—for example, in giving scientists (and historians) their necessary foreign language in less time and with fewer tears ?

This type of reform tramples on innumerable sensitivities ; if it is to materialise it will need professional support and enthusiasm. The schools inspectorate should welcome the chance to labour in this field, as a final release from the Victorian inhibitions of payment by results. Plainly, there will have to be a stepping up in the rewards for teachers' refresher and re-training courses (in vacations), both to achieve a general mastery of new methods and to encourage a greater flexibility in the profession, for example, to fill science and mathematics posts below grammar school level.

In physical terms, the Minister of Education has two priorities to tackle. The first is to get the teachers needed to cope with the expanding secondary schools, with the next primary " bulge " and with oversize classes generally. (In Essex, a county where the school population has risen rapidly because of commuter immigration, one-third of the junior classes and two-thirds of the senior ones are oversize ; other blackspots are in older towns like Middlesbrough and West Bromwich.) Television and similar aids may help, but the real need is to increase the opportunities for teacher-training ; the new day colleges—now offering 1,700 places—look like a sound step in attracting older aspirants. At the heart of the problem is the ruinous wastage of qualified women teachers in primary schools: last year 17,000 women joined the profession, but 15,000 left—the great majority of them to get married or to have children after a year or two of service, not to get other paid employment. This should finally establish the point that the teacher shortage is not really caused by supposedly low pay at the bottom of the basic salary scale ; the best way to bump up salaries in future will be to give an even more visible incentive to long-term teachers, and to married women who return when their families grow up, by a sizeable salary step after five years' total service. If drastic measures have to be taken to staff the new further educational institutions, the least harmful way to do it would be to raise the compulsory school entrance age to six or seven —not to cut back insensibly by cramping opportunities for educational advances at sixth form level.

The second priority (which has been depressed in the scale as new school building has tried to keep up with the population drift into the south-east) is to replace the high proportion of old, all-age schools in places like Lancashire and County Durham. Sir David Eccles seems anxious to start this—in time ; if his Ministry's new computer reveals the true extent of the problem to public opinion it will be a real investment.

Expansion, reform and redevelopment have all to be paid for. Parental answers to opinion polls are adamant on improvements, but hazy on how they should be financed (except in condemning fees). In the past decade the proportion of the gross national product devoted to education has risen from 3 per cent to over $4\frac{1}{2}$ per cent. A further increase of this order is urged by most educationists, and is, indeed, roughly in line with a number of official pronouncements about 1970. A proportion of this may, and certainly ought, to be squeezed from the rates if the semblance of local control of the schools is to be maintained ; but the great bulk will have to come from the general taxpayer. The growing predominance of the Government as the chief paymaster raises its own problems for institutions, professional unions and local authorities. But it is a predominance that could and should induce the central government to play an increasingly bolder part in determining priorities and the ways they should be implemented. Political parties that claim radical support for educational advance have a duty to spell out fully what it implies.

NOTES OF THE WEEK

EUROPE AND COMMONWEALTH

Many Cooks

With what is by now his characteristic timing in common market matters, the Prime Minister informed the House of Commons of the plans for a conference of Commonwealth prime ministers on April 19th, the day before the Easter recess. Once again he has scored a tactical success. In the next three months, crucial for the negotiations, the Government will be able to disarm critics by pointing out that the green table has been prepared for the Commonwealth. Yet the date fixed, September 10th, allows time for the outlines of an agreement with the Europeans to be worked out first. The danger of a premature and time-wasting conference which would have nothing but feelings and hypotheses to work on has been avoided. Only in one respect—that of time —has Mr Heath lost some freedom of action. He now has more reason than ever to get over the hump of the Brussels negotiations before September.

Mr Menzies, who has his own political problems, has been careful not to commit himself to come in September. Possibly *Mr Diefenbaker might have preferred to* have the meeting before his elections in June. But even the Canadian government, though pressing loudly for a Commonwealth summit before there is a common market decision, has never publicly committed itself to a particular time. And the other Commonwealth governments apparently see sense in meeting after the pattern in Brussels has become clear, but before the final decision is made in London.

Almost certainly the conference will see some vigorous argument. But it has become apparent in the last few weeks that even the old dominions are by no means unqualified anti-common marketeers. Thus, New Zealand has been balancing the big problems posed by British membership against the equally big problems that might arise if Britain stays out. Would an isolated Britain be forced to rely even more than at present on the cheap food policy advocated so persistently by Mr Douglas Jay ? That would not suit New Zealand's book. What implications for British politics—and hence for the future character of the Commonwealth—would follow from a decision to stay out? Lord Beaverbrook's idea of Empire is not New Zealand's. That rough diamond, Mr McEwen, Australia's minister of trade, made it plain during his trip to Europe that Australia has cards of its own to play on both sides of the Brussels game. While the Australians want continued preferences against California on products like canned fruit, they want higher prices—on the lines proposed by France—on wheat. The Commonwealth prime ministers will evidently need the help of the finance or trade ministers and experts who are to attend with them.

More Haste, Less Speed?

Perhaps the Government's carefully calculated European timetable—a climax in Brussels in early summer, followed by the Commonwealth conference, followed by debate and decision in the House of Commons in the autumn—can be seriously upset only by a serious bout of obstruction by the French. But just this possibility is raised by the failure of the Six to agree on their plans for political co-operation. The Dutch and Belgians rejected the latest variant on the French proposals on April 17th, adamantly refusing to sign any treaty until the British were in the European communities. The gesture from Benelux to this country could prove a case of more haste, less speed, for some of the French predict, in private at any rate, that their government will retaliate by blocking the negotiations for British entry to the common market by which the Benelux countries set such store.

The odd thing about last week's breakdown is that it occurred just when all the major powers involved, including Britain, seemed near an understanding. Mr Heath's suggestion to the Council of Western European Union (on April 10th) that Britain should be brought into the political talks was as close to the position accepted by the French at the meeting of the Six as it was to that of the Benelux countries. At a press conference after the WEU meeting Mr Heath suggested that Britain should be consulted after the Six had reached broad agreement on their political plans, but before they had got them signed and sealed. This was accepted by the French, but it was not enough for the Dutch and Belgians, who went on to refuse to sign any kind of political treaty until Britain was in.

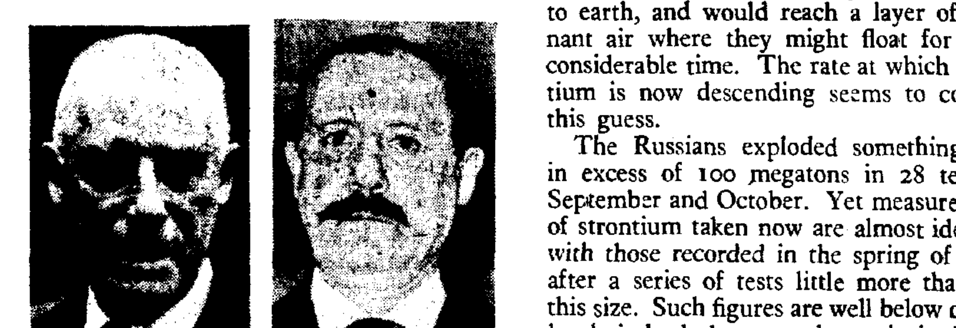
A mutual blockade, with the French obstructing Britain's entry to the common market and the Benelux countries obstructing the political plans, will do no one any good. The stand by Belgium and Holland makes sense only if they would be willing to relax it in return for French co-operation in the negotiations about British entry to the common market. It cannot be taken as quite certain that that co-operation will be obtainable at all. M. Spaak's brusque rejection of the political plans for Europe is reported to be due, in part, to General de Gaulle's own rejection of American proposals for joint control of nuclear weapons within Nato. This theory leads to what may prove a key piece in the puzzle (discussed on page 319): will some kind of gesture to France, in nuclear matters, be required to get this country into the common market?

FRANCE

Then There Was One

General Salan's capture on April 20th is a notable success for the French government, to whom his long impunity had been a reproach and a source of ridicule. His arrest, following so soon on that of General Jouhaud, does show that the necessary stamping-out of the Secret Army has been taken seriously in hand. Added confirmation may be seen in the appointment as commander-in-chief of the conspicuously loyal General Fourquet (not to be confused with M. Fouchet, the High commissioner, who is strenuously attempting to rally European Algerian opinion to the cause of peace and common sense). The orders issued to the new all-Moslem security force, to shoot Secret Army men on sight, and the massive preparations for mopping-up in Oran, tell the same story. It is time. With little more than two months to go to the referendum, the French have strong reasons for hastening to bring order before the inevitable transfer of power.

In a gesture that looks like bravado, the last of the fugitive generals, General Gardy,



Before and after : General Salan

has announced that he is to replace General Salan as the Secret Army's chief. He is likely to have even less control than had his predecessor (now reported from Paris to be busy disclaiming all influence). Murder remains the order of the day in Algiers and Oran, but there is substance in the reports of a split between the advocates of insane terror and the " moderate " advocates of " psychological warfare." If General Salan's disappearance can thus affect the Secret Army itself, its effect on sympathisers may easily be imagined. The courage and cohesion of desperation seem to be cracking.

Lastly, the arrest seems to have come at a good moment for Mr ben Khedda and most of his colleagues in the provisional government. Mr ben Bella's release from prison was welcomed suitably ; but since then he has shown himself to be somewhat out of touch with the relatively moderate temper of his colleagues. A report that he wanted to send " a hundred thousand Algerians " to reconquer Israel was promptly denounced as false by Mr Yazid, the minister of information ; but stories that, because the French were ineffective, he wanted to lead the Army of National Liberation into Algeria to destroy the Secret Army were nearer the mark. Such action would also have destroyed the Evian agreements: fortunately for the moderates in the provisional government, who negotiated the peace with the French, the capture of General Salan deprives Mr ben Bella's militancy of some of its point.

FALL-OUT

Strontium in Springtime

With the sun comes the strontium. The radioactive strontium created by last autumn's marathon Russian nuclear tests was not expected to reach this country until the spring, and it is now coming down in significant quantities that should reach their peak some time next month. The pattern is much as predicted. Scientists guessed that the two biggest bombs tested, of 30 and 60 megatons, might blast some of their fission debris so high that these fragments would escape the wind and air currents that normally carry fall-out down to earth, and would reach a layer of stagnant air where they might float for some considerable time. The rate at which strontium is now descending seems to confirm this guess.

The Russians exploded something well in excess of 100 megatons in 28 tests in September and October. Yet measurements of strontium taken now are almost identical with those recorded in the spring of 1959, after a series of tests little more than half this size. Such figures are well below danger level, indeed they are almost insignificant. In which case, why does the Government not disclose them ? Can it believe the public's memory is so short that it forgets the scare of six months ago with its warnings about strontium in springtime ? The Atomic Energy Authority takes detailed, continuous measurements of fall-out, and although the really crucial measurements—of strontium in the bones of young children —need several weeks of painstaking chemical analysis, there can surely be no objection to publishing preliminary estimates, particularly if they are as reassuring as reports suggest. One can only conclude that, just now, the desire prevails to avoid the whole subject as too sensitive.

SOVIET UNION

Frozen in April

For once Mr Khrushchev has not stolen the limelight. At this week's session of Russia's newly elected Supreme Soviet (parliament) he left it to Mr Gromyko to deliver on Tuesday the major speech on foreign policy, balancing the hopes of a Berlin settlement with the prospect of further competition in nuclear bangs. Mr Khrushchev contented himself with introducing the plan to draft a new constitution, and being chosen as chairman of the commission that will do the drafting. In keeping with parliamentary practice, he also handed in the resignation of his government to the new Soviet and, after his own unsurprising re-election, presented the deputies with a new team.

But not really new. The government has scarcely altered. More conspicuous than any changes was their absence in cases where change had been expected. Mrs Ekaterina Furtseva, for instance, has clearly been in disfavour of late. She has been removed from that crucial body, the party presidium, and has not even been elected a deputy to the Supreme Soviet. Yet she keeps her job as Minister of Culture. Marshal Voroshilov's survival, if less important, is also strange. Six months ago, at the party congress, he was violently attacked for both his anti-party activities and his participation in Stalin's crimes. He nevertheless keeps his honorary post in the presidium of the Supreme Soviet. The aged marshal may owe his survival to memories of his past glories, but there seems to have been a general agreement among the Russian leaders to leave the pattern unchanged, at least for the moment.

Soviet society will not be changed by a stroke of a constitutional pen. Stalin's constitution, approved in December, 1936, was remarkably democratic on paper, but this did not prevent the crimes so vehemently condemned by the party congress last October. That congress heralded changes in Russia, but efforts have since been made to slow down the pace of reform. Some of the international questions then outstanding have not yet received an answer. The Sino-Soviet argument has waned a little but not vanished. The Russian leaders cannot make up their minds how relations with the West are going—a little better over Berlin, perhaps, but worse over Christmas Island. The internal stalemate is probably connected with these international question marks. Mr Khrushchev may have chosen not to occupy the centre of the stage until the script is sorted out.

Quiet Young Men

Where is the radicalism of Soviet youth? Not, if the eye and the ear are any guide, in the Young Communist League, which held its congress last week. The Komsomol now groups 19.4 million young Soviet citizens. Yet, during the five days of proceedings there was no real debate, no lively controversy, no outward sign of ferment arising from the public denunciation of Stalin or any other source. An explanation can be sought for this apparently uncritical mood in the way such meetings are organised. Those of the 3,862 delegates who climbed the rostrum were mainly local secretaries, the younger members of the party establishment, well aware that Mr Khrushchev now wanted to keep in check the reformist movement he himself had helped to set in motion.

The Komsomol is a part of the Soviet establishment. Mr S. P. Pavlov, its first secretary and the main speaker at this meeting, has his foot on a fairly high rung in the party ladder. His two predecessors—A. N. Shelepin and V. Ye. Semichasny—are now exalted dignitaries. Thus it was idle to expect anything but an innocuous report, garnished with quotations from Khrushchev, from Mr Pavlov. But debates were equally respectful of authority. Postmortems, and the embarrassments of last autumn's party congress of the seniors, were avoided. Passion was not even expressed when the new educational reform came under discussion, for all that it puts the school-leaving age at 15, and "matric for all" was one of the most popular slogans of the Komsomol.

If this disciplined gathering revealed traces of the restlessness among ordinary young members, they were faint and indirect. Mr Pavlov felt compelled to attack the prevailing literary fashion of showing the seamy side of Soviet life. He took to task novelists who "violently emphasise the so-called complexity of life, the complexity of man. The young hero is shown as a chequered blanket. It is, apparently, a man's characteristic to be contradictory." This outburst against the dialectical conception of man comes oddly from an official exponent of Marxism. Its violence suggests that not all is so quiet on the youth front, after all. Two celebrated alumni of the Komsomol—Major Gagarin and Major Titov—sat in the hall. But if young Russians can conquer space, they have yet to storm the bastilles of the Communist establishment.

BURGESS-MACLEAN

Shoo?

Sir Reginald Manningham-Buller is not generally criticised for being excessively cunning. It is therefore possible that his own peculiar explanation of his peculiar action in the latest chapter of the saga of Messrs Burgess and Maclean is in fact the correct one. He told Parliament that the advance issue of a warrant was the only way in which he could ensure that these espionage suspects could be promptly arrested if they came here in transit; that he knew that, because "a great many people have to be informed at all the ports and airports" about any warrant, the press would be likely to get hold of the story anyway; and that he therefore decided to "reduce the area of speculation" (the phrase has a wonderfully meaningless bureaucratic ring about it) by announcing his intentions himself, in blithe disregard of the fact that this would obviously warn off either of the two men from coming here at all.

Nevertheless, whether by accident or design, the end-result of this Easter ragtime story has not necessarily been disadvantageous to this country. As Burgess and Maclean have decided to make the Soviet Union their bed, they might as well lie in it as in Brixton gaol. If either flaunted himself again within British jurisdiction, prosecution would have to follow. But in the eyes of simple people the prosecutable element about their flight eleven years ago (the fact that, as civil servants, they were and are obviously under suspicion of having offended against the Official Secrets Act) might not always be easily distinguished from the alleged political emigrant element in it. It is not in the West's interests to wax policemanly about the odd communist sympathiser who scuttles off voluntarily to the East, when for each such emigrant there will be more than ninety and nine communist-oppressed refugees who want to flee in the opposite direction. In all these cloak and dagger stories, no outsider can see more than one hundredth part of the iceberg; dogmatic comment about last week's apparent official gaucheries would therefore be absurd. But one can think of several reasons, not all of them unrespectable, why the Attorney General might, after all, have been right to play the gawky scarecrow rather than the efficient apprehender.

YOUNG SOCIALISTS

Trotsky and Points Left

The Young Socialists had their allotted Easter fling at their annual conference at the St Pancras town hall last weekend. Three hundred and sixty delegates "representing" 25,000 members enthusiastically passed resolutions lambasting the party leadership. The delegates passed a comprehensive resolution advocating Britain's renunciation of all nuclear weapons, withdrawal from military alliances, and the withdrawal of all British troops from overseas. They went on to demand that Mr Gaitskell should withdraw his comments supporting American nuclear tests or resign the party leadership. A motion supporting official policy on defence was swept aside, and one calling on the party to organise protest meetings against Polaris bases and German troop training grounds passed by an overwhelming majority. With defence out of the way, the delegates proceeded to reject a resolution supporting Britain's entry into the common market by a huge majority, substituting one more to their taste which called on the party to take the lead "in organising the working class in the struggle for a socialist United Europe." The delegates went on to pass a motion calling for the unconditional diplomatic recognition of the German Democratic Republic. The party's policy statement "Signpost for the Sixties" was then buried in contumely, and with no sense of inconsistency the delegates passed a resolution calling on party members to sink their "marginal differences" in favour of party unity.

All this need not be taken too seriously. These are the sorts of resolutions one expects Young Socialists to pass, and the appearance of Mr George Brown at the conference (himself once a stalwart in the Labour League of Youth) shows what metamorphoses time can effect. More significant was the stand that the conference took against Trotskyite infiltration. Trotskyites have been the bane of the Young Socialists since their foundation. Last year they more or less wrecked the conference, but this year they had apparently split into two rival factions and were too busy fighting among themselves to spare so much time for the conference itself. Allegations were, however, made that some delegates had been threatened with violence if they failed to toe the revolutionary line. This incensed most delegates and in a secret session they passed a resolution requesting the national executive to investigate one group which has been accused of Trotskyite affiliations. Party elders will doubtless be comforted by this faint glimmering of sanity among the socialist leaders of the future; they can also hopefully point out that the anti-Gaitskell majorities were not as large or perhaps even quite as sharp as last year.

Growing-up?

IMMIGRANTS

Held to Ransom

The Pakistani High Commission has stepped in to try to stop an appalling racket operated by a small group of taxi drivers at London airport. The taximen seized on the more gullible Pakistani immigrants and drove them direct to their destinations in the Midlands and North, claiming payment (with an undisguised element of ransom) from the passengers' relatives and friends once they got there. In some cases where payment was refused the immigrants seem to have been dumped in the countryside "to teach them a lesson." or even taken back to London to be hawked round bidders for cheap labour there. The traffic has thrived on the fact that some of the Pakistanis have no money of their own on arrival; they therefore feel that they need a form of transport which will land them right at the door of some contact in this country who may agree to pay for their fare. Although the airlines warn them on the plane, it is then too late to do anything for people in this plight. A good deal of the Sunday newspaper revelations about "slavery" have plainly been sensationalised: but their reporting helped to drive home the nasty truth that, at the height of the traffic, an average of 15-20 Pakistanis on each flight of 80 passengers were being taken advantage of in some way.

The High Commission has stationed officials at London airport since just before Easter to guide the immigrants and keep a watch on the taximen. It says it has known of the trouble for the past six months. The officials' presence may be needed for some time. Pakistani coach operators (charging £1 a head for the run to Birmingham, compared with £25 or more asked by some taxi drivers) have complained that when they attempted to enter the airport buildings in the past they were hounded out by some of the spivs. It is certainly desirable that licensed and reliable coach operators should be encouraged to enter this business; where there are sizeable Pakistani communities, as in Birmingham and Bradford, a standard service at reasonably cheap rates can be maintained. But there is also a case for running official guidance bureaux, possibly staffed by the voluntary services, at the main ports of entry to give necessary advice on the intricacies of British geography and public transport. And cannot something more be done at ports of departure to ensure that intending immigrants have a minimum of sterling in their pockets to see them to their destinations and be given general instructions about the cheapest way to get there?

RUANDA AND URUNDI

UNreconciled

Sure of a civil war, almost certain of bankruptcy, and against the will of the United Nations, Ruanda and Urundi will triumphantly proclaim themselves separate independent states on July 1st. Economics and the UN antipathy to balkanisation both dictate that the Belgian-administered trust territories be made one. But local politics say no. After ten days of trying in Addis Ababa, a mere thousand miles from the Ruanda-Urundi border, the UN special conciliation commission admitted on April 20th that conciliation was not on. A joint council of economic union and a common coffee board were agreed on by the Ruanda and Urundi delegations; that was all. Stubbornly, the UN men told the delegates that the UN remains convinced that the best possible future lies in political unification.

If it were possible, this would be true. But is it possible? In Ruanda the short Hutu, who make up 80 per cent of the population, have overthrown their old overlords, the tall Tutsi; a close understanding between the departing Belgians and the new republican, Hutu, government has been established. But the former Tutsi monarch, Kigeri V, still roams the radical African and Asian capitals, basking in the warmth of having been opposed by Belgium. Fifty thousand refugees have fled across the borders to the Congo and Uganda.

Urundi, on the other hand, is still a monarchy; Hutu and Tutsi political divisions are comparatively blurred, and the politicians are not at all fond of the Belgians. There has been no revolution, but Urundi's first prime minister was assassinated last October barely a month after he had taken office. Two-thirds of Ruanda-Urundi's main crop, Arabica coffee, is grown in Urundi, where lies the main port, Usumbura (on Lake Tanganyika). Urundi leaders lean towards the radicals of Tanganyika and the Lumumbists of the Congo; if the territory joined Tanganyika (or an east African federation) this might help solve its economic problems. Both territories suffer from a rapidly-growing surplus of population; Ruanda-Urundi is the most densely-populated region in central Africa. Both, too, are to be governed by men only a little more experienced in the arts of politics than the Congolese were two years ago.

ARGENTINA

Rough Riding

Every day now in Argentina sees a new political convulsion as the service chiefs force their orders through a stalling constitutional machine. Last Saturday the military leaders who last month deposed President Frondizi were themselves faced with open rebellion from a gentler military faction who thought that President Guido was now getting too rough a ride. Tanks rolled into Buenos Aires, supported by columns of soldiers, a shooting war was just averted and the gentle ones won the day. But only a day it was. On Monday the navy, with a show of marines, came down on the side of the roughnecks, and President Guido surrendered all but a shred of free will. Since then the tough soldiers and sailors have had things mostly their way.

The dispute among the military was not on a matter of substance. All were agreed that the Peronists must be politically outlawed, but they differed on how this be done. The tough ones had called for the annulment of the March 18th elections which had given the Peronists twenty-two provincial governorships and forty-five of the 198 seats in Congress. The gentler ones supported Dr Guido in seeking the same result by more constitutional means. His surrender seems to be in instalments. On Monday he formally cancelled the provincial elections and put the provinces under the federal government's control. But the fate of the Peronists elected to the chamber of deputies he may still try to leave to an engineered vote in the chamber. Not that getting a vote out of congress is an easy thing. On Tuesday the sulky deputies, meeting in extraordinary session, would not even pass a bill endorsing his succession as president. The prospect is of nothing but hurdles for this sadly roughridden upholder of constitutionalism.

CHINA AND RUSSIA

Mountain and Mouse

SOME trade is better than none at all: but the Sino-Soviet trade agreement for 1962, concluded in Peking on April 20th, hardly seems to justify the fulsome phrases used by the signatories. The signing, said a communiqué, would further enhance the "great, unbreakable and everlasting friendship" between the Chinese and Soviet peoples; and the Soviet ambassador, Mr Chervonenko, declared that imperialist attempts to find fissures in Sino-Soviet relations were doomed to failure. These mountainous claims cloak what may be a mouse of an agreement. Russia is to take Chinese ores and textiles, and send back rolled metals, oil and chemicals, lorries and machinery. Neither quantities nor values have been disclosed.

There is no sign that Sino-Soviet trade will do more this year than maintain last year's meagre level; there has been a sharp decline since 1960, that is, since political relations between the two countries began to deteriorate seriously. Last week's uninformative communiqué made no reference to the agreement of April, 1961, under which China is making good its deficiency on the repayment of Soviet loans by instalments, and without interest, over five years. Soviet exports to China now seem to be running at a level that roughly corresponds in value to imports from China less the instalments on Soviet loans. This is enough to keep the twin hearts beating, but not enough to enable the poorer partner to put on weight.

The signing of the protocol does, however, coincide with a few cracks in the ice of Sino-Soviet contention. Mr Patolichev, the Soviet foreign trade minister, went to Peking for the occasion. It is something to have got an agreement at all; at the end of last year a Chinese trade delegation came home empty-handed after a frustrating stay in Moscow. The presence of a Soviet scientific delegation in China for joint work on the Amur river valley project, on both sides of the Sino-Soviet border also suggests that things may be a little better. But a real thaw probably presupposes a purge of those Chinese leaders, headed by President Liu Shao-chi, who have asserted Peking's ideological independence at the expense of Soviet aid.

LEGAL REFORM

Scales of Justice

THE latest Bow Group pamphlet, *Scales of Justice* (Conservative Political Centre: 2s. 6d.), written by a group of young practising lawyers, is something of a legal dog's dinner. In general, it is a very respectable dog. The system of lay justices is supported because, in a phrase worthy of the Young Conservatives, "it has the supreme merit that it works." No criticism is made of the controversial method of appointing justices except for the somewhat curious complaint that not enough justices are appointed from those over the age of sixty. The most valuable suggestion here is that training courses should be provided for newly appointed justices, and also refresher courses every three years. The report also sensibly suggests that the remnants of justices' civil jurisdiction—principally matrimonial and bastardy jurisdiction—should be transferred to the county courts when this can be afforded (radicals would give this reform a higher priority than this). Committal proceedings come in for some well justified criticism, but instead of recommending the radical step of abolishing them altogether and leaving the question of whether to indict to the police, the report merely recommends simplification of the procedure.

The authors of the report are rightly concerned about the delays in trying accused persons. In 1956 30 per cent of those accused had to wait from 8-16 weeks for a trial; and 9 per cent more than 16 weeks. About a third of the accused were detained in custody and of these 10 per cent were acquitted. The radical reform, which the report shies away from, would be a system of crown courts such as those at Liverpool and Manchester, sitting permanently and spread throughout the country. Instead of this, the authors, hypnotised by the need of barristers and judges for "long holidays", suggest that new regional criminal courts should be grafted on to the present assize system (which the radical would like to sweep away root and branch). Some sensible suggestions are made for reforming appeals procedure. There is still in England no properly constituted Court of Criminal Appeal, only an *ad hoc* gathering of puisne judges which for the occasion styles itself an appellate court. The report (surely rightly) argues that criminal appeal work should be discharged by those members of the Court of Appeal who have direct experience of such work. The new court of criminal appeal should also have the power to order a re-trial. At present many guilty prisoners are able to escape condign punishment because of technical errors in the court of first instance. The report also recommends that defendants in criminal cases should have a *prima facie* right to costs and that victims of crimes of violence should be compensated by the state.

In motoring law, the report urges abolition of that legal monstrosity of an offence "causing death by dangerous driving," an offence constituted not by the quality of the driving but by its consequences. It also suggests that "recklessness" should be a necessary ingredient in the offence of dangerous driving, but unfortunately cannot make up its mind whether this should be wilful or merely very foolish conduct. It thinks that parking should be lawful unless expressly prohibited.

FOOTBALL ATTENDANCES

After the Ball

Ebbing fervour?

Although crowds of 130,000 have turned up at Hampden Park, Glasgow, on the last two Saturdays (to see an international match and a cup final), routine league football in Britain has seen its less-fervent followers drifting steadily away. Seasonal attendances at Football League games seem (at a guess) to have fallen by 11 million in a decade—which suggests that perhaps 250,000 spectators have turned to other pursuits. At an outlay of £6,000, a firm of market researchers has revealed to the league that British week-enders are certainly not what they once were, thanks to the family saloon, the telly, the garden and do-it-yourself. Most of these distractions from muddy terraces under a weeping sky did not exist for the great bulk of the spectating millions in the heyday of the game just before and just after the war; and nothing the league can do can change them.

The consultants have thrown in complaints of bad teamwork, bad play and bad sportsmanship on the part of too many of the league teams; have rightly attacked the outmodedly Spartan accommodation and facilities at the grounds; and have added a gratuitous attack on the magnanimity of British wives (who are portrayed as selfish harpies determined to deprive their menfolk of enjoyment) and on inflated press treatment of transfers and squabbles.

As another sign of a strange itch for not enjoying publicity, the report sponsors the Luddite proposal that less football should be shown on television. Much of this seems considerably less than useful.

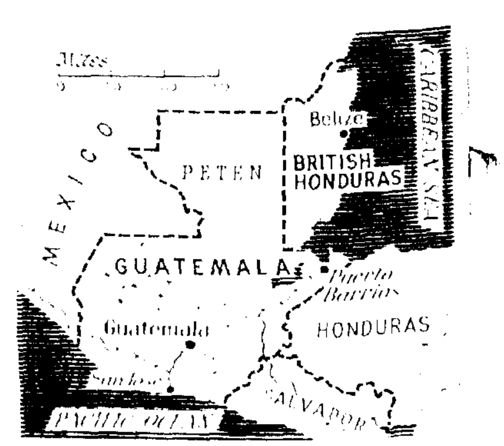
Advice on how to stop the rot has come from many sources: the league itself wants to relegate and promote four teams in each division every year, but the extra clubs that might be relegated may object. It has not so far shown signs of streamlining the cumbersome divisions themselves, although it has hinted that any club having to apply twice for re-election to the fourth division will be retired forthwith—which might help some of the better non-league clubs on to the ladder. It is also suggested that all international matches should be played either on the same day of the week or in mid-week, since these are thought to drain supporters from league games. This last would almost certainly be a step in the wrong direction. The only way to make football an economic industry is likely to be to try to attract larger individual crowds to a smaller number of really star games (which will eventually involve a smaller super-league, probably thereafter a European league, perhaps also more international tournaments). To try to cut down star games (or television) in order to shelter continued fulltime professionalism at the Accrington Stanley level will be self-defeating.

BRITISH HONDURAS

Odd Man In?

Some day British Honduras, plodding to independence, will have to shake down more comfortably in its central American frame. Last week's talks at Puerto Rico between Britain and Guatemala, arising from Guatemala's claim to this hurricane-swept British colony, could point to some ways of doing so. The claim *qua* claim was left in the air (the best place for it); but some quite down-to-earth proposals that might help to reduce present tensions were agreed.

These were for a joint committee to promote economic development in Guatemala and British Honduras, and for possibly bringing British Honduras into central America's plans for a common market. The need to improve roads and ports was particularly stressed. This is an important factor. Guatemala's territorial claim is juridical fantasy, but it does spring from a real annoyance. British Honduras bars Guatemala's whole northern



province of Peten from the Atlantic, and the province's splendid forests are in consequence barely exploited. Given better communications a great new industry could thrive there, and British Honduran woodmen, their own forests largely worked out, might play a part in it.

Guatemala's President Ydígoras may not like the Puerto Rico proposals. They could well seem an anticlimax to all the passion he has spent on territorial claims. In recent months he has pitched these even higher, the better to draw attention away from his shaky internal position. To tone them down cannot be easy. The idea that British Honduras might at length join a regional common market may nevertheless appeal to him. For he tends to see economic union as a step to political fusion; although this is not a logic to which all his neighbours subscribe.

GERMANY AND ISRAEL

Expiation

West Germany deserves credit for the effort it has made to recompense the Jews. Five million Jews were exterminated by Hitler. Millions more suffered imprisonment and persecution, had their property confiscated and were forced to leave their homes. Today's Germans cannot turn back the clock. But they have, at least, accepted responsibility for doing what they can to compensate those who remain.

The bulk of west Germany's £280 million reparations to the state of Israel has now been paid. Just over £1,000 million of compensation has already been paid to individual Jews who suffered persecution, and there is about as much again to come. This does not include over £100 million that has been paid to Jews who lost property in Germany; another £160 million of property claims should be settled in the next few years.

A small chapter in this massive effort is recorded in a new book on the Jewish Trust Corporation in Germany.* This small trust, set up as a British company in 1947, but operating in Germany, had the task of acquiring former Jewish property seized by the Nazis, or at present in other hands, which no Jewish owner now claims. The trust, together with its sister bodies in the French and American zones, has taken over some £30 million of former Jewish property in Germany since the war and has spent the money on helping individual Jews who had a hard deal from the normal process of compensation. The money has built schools, and homes for elderly Jews, in and outside Germany. The restitution courts in west Germany have sometimes been slow; some Jews have got less than they should have, or have got it too late. But an effort of expiation has been made.

* Reclaiming the Nazi Loot. C. I. Kapralik. The Jewish Trust Corporation, London.

DEVELOPMENT

Distant 5 per Cent

Probably few people in this country have heard of the United Nations "development decade" at all: the resolution inaugurating it, which was passed unanimously by the General Assembly in December, got little attention in the British press. Partly to make the resolution known, the United Nations Association held a conference at Cambridge from April 13th to 15th, in collaboration with the Overseas Development Institute. But the conference had also a more ambitious purpose, to consider how to make the resolution come true in practice.

The central recommendation of the resolution was that the under-developed countries should be helped to attain by 1970 an annual rate of growth of their national incomes of not less than 5 per cent; and this objective was the main subject of discussion. Mr Malcolm Adiseshiah (Unesco) laid stress on the "missing factor" that accounted for the fact that Japan, among other examples, increased its agricultural production by 20 per cent between 1950 and 1960, while the "classical factors" of land, labour and capital investment remained more or less static. The missing factor, said Mr Adiseshiah, was education. Mr Andrew Shonfield (Chatham House) was concerned with reducing the power of orthodox economists to impede economic progress in the name of their theories; and Dr Paul-Marc Henry of the UN Special Fund argued that the UN was the best clearing house for economic aid.

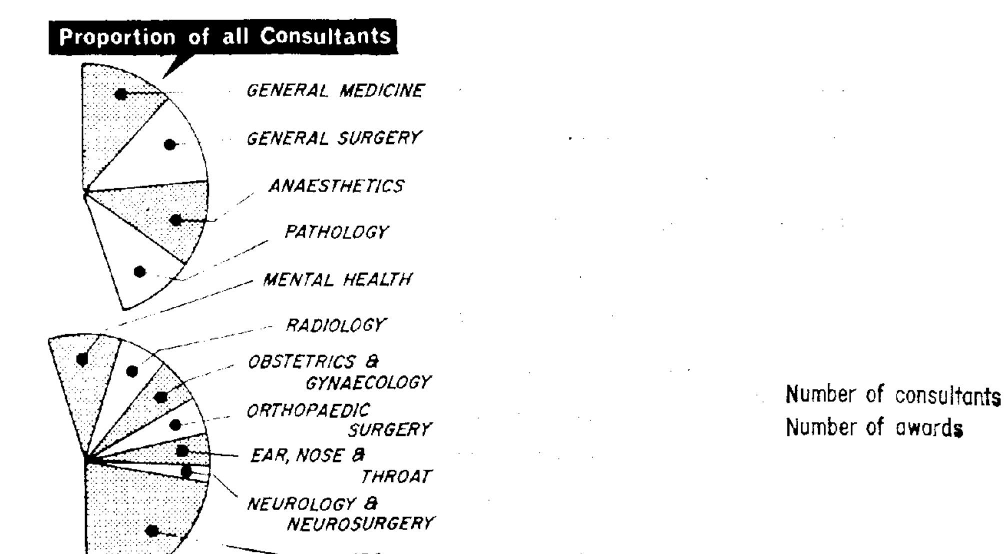
Professor James Meade pleaded for "uneconomic" loans and trade policies designed to help the recipients to service them without bankruptcy. He was particularly hard on those who argue that Britain's balance of payments difficulties should put a brake on assistance to poorer nations. Certainly the British, as well as the more generous Americans and French, will have to do much more—and do it more effectively—if that 5 per cent is to come within sight.

DOCTORS

Which Specialty Pays?

If the proposals for merit awards to general practitioners are adopted, roughly one family doctor in twenty-four will receive one. GPs have been comparing this unfavourably with the number of consultants who receive awards—roughly one in three. In fact, however, the chances of a consultant receiving an award depend very much, as the accompanying chart shows, on which specialty he has taken up. At the end of last year in England and Wales, 7,627 consultants were receiving 2,558 awards, over a thousand of them worth, for whole-time health service work, £750, and 90 of them £4,000. But, as against this average of an award for one-third of consultants, over a half of both general physicians and surgeons receive awards and nearly two-thirds of neurologists and neurosurgeons. On the other hand, the chances of either an anaesthetist or a psychiatrist receiving an award are much lower than the average—one in seven. Between them these two specialties account for about 20 per cent of all consultants, but they received only between 8 and 9 per cent of the awards. Indeed, for nearly a half of all consultants the chances of receiving an award are more like one in six than one in three.

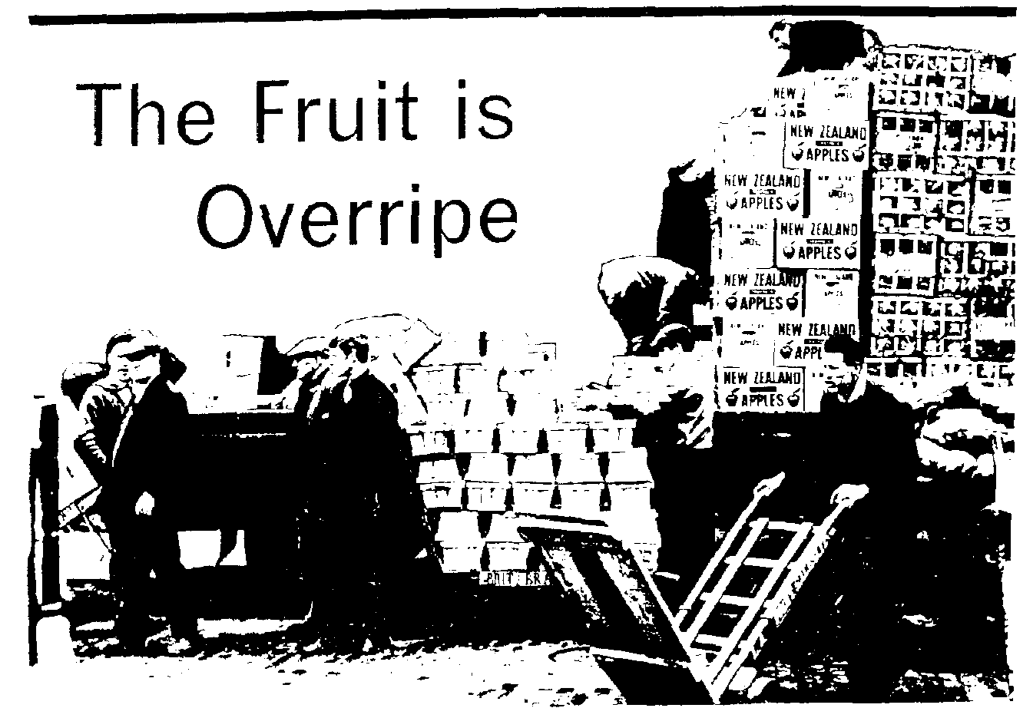
It would defeat the whole purpose of awards for merit were they to be allocated on a basis of fair shares. But does the present allocation really represent the distribution of merit among the different specialties? Or does it, at least in part, reflect the composition of the selection committee, with its membership almost exclusively drawn from fellows, including the presidents, of the three royal colleges of physicians, surgeons, and obstetricians and gynaecologists?



HOME REPORT

Members of the editorial staff and local correspondents report on life and happenings in and around Britain

The Fruit is Overripe



FROM OUR SPECIAL CORRESPONDENT

COMMON market or no common market, Britain is the world's biggest importer of fruit and vegetables. Unfortunately (as any visitor to the Royal Opera House on a warm summer's night can tell) the importing is performed in conditions of maximum physical squalor. The more efficient fruit and vegetable traders are delighted that, at long last, Covent Garden market is to be removed and reorganised (even though this process will arouse squeals of rage if any tender toes are too heavily trampled on). And now it is encouraging to learn that the importers are finally making a serious effort to get rid of some of the grosser inefficiencies that attend their business before the central markets are reached.

The Fruit Traffic Organisation (it includes vegetable traffic, too, but sensibly concertinas its name) arose out of a survey conducted in 1959 for the London fruit and vegetable traders' federation. The survey showed that almost half of Britain's imports pass through the ports, terminals and markets of the capital. Two-thirds of this produce reached the markets through the Port of London, and one-third by rail and road after having been landed elsewhere: almost all of this did the final few miles by road. But the space on the roads for this unorganised traffic, and the space available in the docks to unload it, was quite inadequate. An extreme but not uncommon case is that of an importer who recently sent a lorry to the docks to pick up a consignment on a Monday morning, and finally received the load on the Wednesday afternoon. During the interval the lorry was unavailable for other work, and its driver was raking in overtime money.

Inspired by continental examples and spurred on by the impending reorganisation of Covent Garden market, the new body has enrolled some 50 importing firms—less than half the businesses in London, but with over half the trade. The organisation has acquired temporary headquarters under the fostering wing of the official Horticultural Marketing Council, and, as general manager, a recently retired brigadier whose last job was organising military movements in Cyprus. It is to be financed by a contribution from each member of 1/5 of a penny per package: once it has got under way the idea is that each year a sort of "divi" should be declared on these payments, whereby the members would get back a certain percentage of their subscription.

The organisation's aim is to reduce costs, including the heavy cost of produce banged about or left to go bad, by co-ordinating the activities of importers both among themselves and with those of shippers, carriers, stevedoring companies and port authorities. It could also investigate ways of improving handling methods, perhaps negotiate on rates for handling, and eventually co-operate with foreign exporters on subjects such as packaging, invoicing and the rest (exporters in New Zealand and Israel have already shown a benevolent interest).

NO doubt, however, the very first job will be the hardest. At present there is not even any effective mechanism for letting importers know when their consignments are ready to be picked up by their own transport. Trucks are simply sent to meet the boat or train on which goods are expected: they spend much of their time physically reserving a place in a queue of other lorries. This system reaches a peak of wastefulness when an importer gets delivery earlier than he had expected and before he has space free in his own warehouse: then the lorry is used as a moveable warehouse until the goods are wanted. The stevedoring companies and the railways, too, complain that goods often pile up in their docks and terminals awaiting the consignees' lorries. If (say) tomatoes are selling slowly the traders may postpone taking delivery for as long as possible—thus blocking the terminal facilities and preventing themselves from getting out the oranges that could (and must) be sold right away.

At this early stage the organisation will have to go carefully. Since the essence of competition in the importing business is to have the right quantity of goods at the right time to get a decent price for all of it, the FTO must preserve the deepest secrecy about some of the information for which it will be a clearing-house. And it cannot afford to antagonise either the hauliers or the stevedoring concerns by running its own transport or its own sorting accommodation.

The most controversial part of its work lies in its powers to investigate the economies that might be made through the use of "alternative ports and stations outside the London area." Costs in London are already well above those for other ports: and there has in recent years been a trend to bring in cargoes through several ports away from the Thames. But much Commonwealth produce arrives in general cargo liners that must come to London; and the difficulty about bringing in vegetables from the continent to such ports as Shoreham is that, as yet, there is no guarantee that labour will always be available to unload it. And there is a growing tendency for grapes from Spain or lemons from Italy to travel by train in one rail-car from terminal to terminal, which may limit the organisation's scope for action at the conventional ports. Obviously not all fruit traffic can be taken away from London, but the power to recommend even a partial move would give the FTO a strong bargaining counter against rising charges.

The hottest argument in the docks will remain untouched for the time being. The FTO has no desire to get mixed up in arguments about whether importers should be allowed to use their own labour to get produce out of the docks when the registered dockers are on strike. Sensibly enough, the organisers are concerned to keep friendly with the Transport and General Workers Union. On the prospect for a reduction in tariffs on continental food, too, the importers (who usually handle large quantities of British produce as well) remain unmoved. One leading importer has even found that increased demand on the continent in recent years has cut down the price advantage of most of the European vegetables that are eaten in Britain. So perhaps the consumer's best prescription for a cheaper apple a day lies with the importers themselves, to succeed in this first serious attempt to improve their service.

Mr Lemass's One Worry

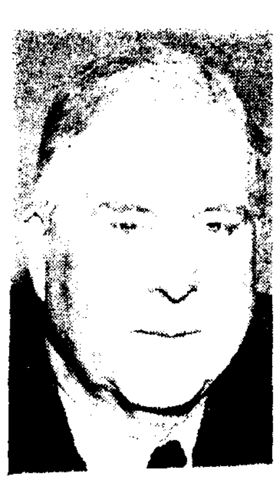
FROM OUR CORRESPONDENT IN DUBLIN

In spite of gloomy ministerial prophecies earlier in the year, the Irish budget turned out to be a tame affair. The taxes on beer, spirits and cigarettes were increased by small amounts which leave prices still well below British levels. On the other hand, entertainment tax was abolished and old age and other pensions were raised. Grants to agriculture were increased while tax allowances on new industrial plant and building were doubled. Loans are to be made available for industrial re-equipment.

The growing preoccupation with the common market was further suggested by the announcement that continental methods of sale, purchase and turnover taxes were now under study. These methods were examined by the commission which has just finished its inquiry into income taxation. The commission was deeply divided in its recommendations; but it is clear that the revenue should benefit from these forms of indirect taxation since the number of income-tax payers in Ireland is exceptionally small.

Nobody, therefore, has been greatly hit or greatly benefited by the budget. Whatever was going went to the farmers and to the pensioners. There are, of course, quite a lot of pensioners; and the farmers have made a good deal of play lately with the fact that agricultural prices are still much what they were nine years ago. The budget debate was a reminder of what almost everybody had forgotten, that Mr Lemass's government has no effective parliamentary majority at all.

This situation, however, has existed on several occasions in the past; and there is no reason why it should not continue now for some time to come. When Mr Lemass decides to go to the country, he will have no lack of comforting statistics. The volume of national production is estimated to have increased by 4½ per cent in 1961, which suggests a cumulative increase of almost 15 per cent in the three years 1959-61, compared with only 8 per cent in the nine years 1950-58. In the last three years industrial production has increased by 27 per cent. In the same period, imports and exports have been establishing new records.



Finance minister Ryan

There have been two causes for anxiety. It has happened all too often since the war that a burst of expansion has turned into balance of payments difficulties. Growth in 1961 was accompanied by large-scale wage increases which, on past experience, suggested heavy trade deficits this year. The figures for the first quarter of the year, however, show a further increase in both exports and imports. Imports have indeed gone up by a greater amount but the gap has widened by only £1 million. If this relationship can be maintained, there will be nothing to worry about.

The second, and much deeper and more important, problem is the comparative stagnation of agriculture. Politically, this is dangerous to the government because farm prices have remained much the same since 1953 while urban wages and salaries (and local rates) have steadily increased. Economically, it is impossible to expect continued progress while the major exporting industry remains in the doldrums.

The present government has always paid a great deal more attention to industrial development than to what happens on the farms, but it cannot afford to do so much longer. The department of agriculture has at long last announced the formation of study groups, which include representatives of producers and processers, to consider EEC policies affecting the main categories of agricultural produce: cereals, milk and milk products, meat, poultry and eggs, fruit and vegetables.

This is a step in the right direction; but it remains to be seen how long a step it will be. The department's reputation for energy has not been impressive in the past. Fingers should be kept crossed until preparations for the common market are as convincing in agriculture as they begin to be in industry.

Arrested Juggernaut?

With anything up to seven million cars on the roads on sunny Easter Monday it was virtually inevitable that the provisional number of deaths for the day should have risen to 21, compared with 12 on Easter Monday last year. Despite a good deal of premature congratulation on drivers' better manners (possibly intended to have a psychological effect after reiteration on radio and the telly), the total number of deaths in the five days of the holiday period reached 74—and for the fall of 12 compared with 1961 the chilly and discouraging weather of last week seems to have been primarily responsible. Even so, such improvement as there was is mildly hopeful, particularly in the context of long-term figures on road safety.

Last year, for the first time since the fuel restrictions of Suez year, the number of people killed on British roads fell minutely, from 6,970 to 6,908, instead of rising remorselessly. At the same time, the registration of vehicles increased by 8 per cent, and there is therefore some room for what Mr Marples, in his doomy way, has called "guarded optimism." It really does look as if the exhortations against carelessness, together with mild improvements to antique carriageways, have had some effect. The danger now may be that optimism goes too far, supported by official calculations that show Britain to be more safety-minded than almost any European country and better off, in absolute as well as comparative terms, than it was thirty years ago (see table).

Mr Marples's Easter message declared roundly that, in the end, the only way for a driver to keep his head while all around him are putting theirs through windscreens is to drive defensively, as if every corner concealed, in the words of a famous motoring journalist, "a steep hill with a steamroller, out of control, driven by a drunk." Most drivers only drive like this for a few shaking minutes after they have just missed the steamroller; nor is that surprising, since most tuition does not concentrate on the increasingly frequent need in Britain for evasive or emergency action. This is one of the points made by the Royal Society for the Prevention of Accidents, which has just launched a national road training year campaign in the hope of adding something to the distinctly mediocre skills of the average British motorist.

Perhaps it is because of that mediocrity that the latest "safety" innovation, the Panda crossing, has not been a wild success with its users: with its pulsating coloured lights and its black-and-white chevrons and

INDICES OF POPULATION, MOTOR VEHICLE REGISTRATIONS AND ROAD DEATHS
(1926 = 100)

	Population	Motor vehicles	Road deaths	Road deaths per 10,000 vehicles
1931	102	129	137	30·4
1941	107	141	187	37·8
1951	111	255	107	12·8
1961	117	569	141	7·1

yellow-and-white stripes, it is altogether too complicated to be absorbed in a short time by a man whose available stock of skill is already being extended by avoiding turning taxis. Ordinary pedestrian-controlled lights, as installed at Slough, would be less confusing, if no more successful in keeping pedestrians from under the wheels. And there are some simple rules which might be enforced to ease the pressure on drivers' skills—such as the almost universal (elsewhere) rule of "give way to traffic on your right." Another improvement would be the provision of more advanced training for drivers, particularly in keeping control in emergencies—mainly skidding; loss of control is the largest single cause of accidents listed by the Ministry of Transport.

National Stage

It really looks, at last, as though London will one day have a National Theatre. The project has been bedevilled since its inception by all possible bogies: shortages of cash, artistic disagreements (and now and then artistic pique). Last month the Royal Shakespeare Theatre at Stratford-on-Avon withdrew from the partnership that was to provide the artistic impulse for the new endeavour, leaving the Old Vic and Sadler's Wells opera on their own. But now the Joint Council of the National Theatre has announced its plans for two new buildings in the shadow of the Shell building south of Waterloo Bridge, and the London County Council has agreed to provide the sites.

On one site a new opera house will be erected: Sadler's Wells will occupy this, and its old site in farthest Islington will be sold. The other site will have an amphitheatre auditorium, while the present Old Vic auditorium down the road will house plays needing to be presented behind a proscenium. Eventually a proscenium theatre should be built alongside the amphitheatre, to replace the existing Old Vic. The Arts Council is to recommend to the Government whether or not to go ahead with all this (and it seems exceedingly unlikely that it will say no): finally, then, the Government will release the £1 million voted in 1949 to build a national theatre—a sum which, in those happy, far-off days, might just have been enough for the job. The LCC will put up a further £1.3 million in capital: some of the LCC's idealists believe that they have in effect blackmailed the Government into spending its share by voting their own rather larger one.

The one advantage of waiting so long may turn out to be that all the parties have actually thought about the longer-term question of continuing subsidies for the theatre. The LCC seems to be thinking in terms of around £55,000 a year for the theatre and £45,000 for the opera house; the Government should be giving £300,000 a year between the two. (At present Sadler's Wells gets some £275,000 a year from the Government and £45,000 from the LCC, while the Old Vic gets £40,000 from the Government.) This should allow the new institutions to make a few experiments free from the demands of conventional commercialism. The real danger is that the National Theatre Board (itself appointed by the Chancellor of the Exchequer in consultation with the LCC) will not be able to get a good—and brave—enough man for the job of artistic director.

Finally, this project increases yet further the proportion of Government subsidies to the arts that are spent in London rather than in the provinces (which are far more in need of such a boost). Tours by companies from the new Sadler's Wells and from both the new national stages are no substitute for artistic centres in the main regional capitals. Only the artistic performance of the national theatre will show whether the Government has been wise to let itself be persuaded to put so many golden eggs in one central basket.

BOOKS

Men, Machines and America

American and British Technology in the 19th Century

By H. J. Habakkuk.

Cambridge University Press. 222 pages. 32s. 6d.

About once every generation during the last century or more, it has become fashionable for British men of business to discover how much more ready American industry is than British to install machines to save labour. The productivity teams of the early nineteen-fifties, who organised this into a form of modern industrial pilgrimage, were only following a path of inquiry that groups of technicians had trodden a century before, and drawing comparisons that individual observers such as Cobden had drawn in the eighteen-thirties. These modern teams' reporting of the higher degree of mechanisation in the United States—and hence its higher labour productivity—could often be more quantitatively precise than that of their nineteenth-century counterparts. But their reasoning about the causes of it was seldom, on the whole, as perspicacious.

Few of the early nineteenth-century observers of American mechanisation were in any doubt about the cause. Businessmen bought more labour-saving machines than on the British side of the Atlantic, it was taken for granted, because labour was scarcer, more expensive, more worth saving. This is a plausible and simple argument, so much so that many sophisticated analysts have always shied away from it; and certainly it has too often been put without qualification and without enough care in tracing the convolute consequences of a relative scarcity of this one factor of production. Few economic historians have examined the thesis closely. Professor Habakkuk is one of the first ever to think the whole argument through, and to examine some of the points where it may and may not fit the record.

Fundamentally, the argument begins from the fact that from the beginnings of American industry, employers had to pay wages comparable to the rewards of independent agriculture in a country where land was abundant and men were scarce. Britain had had a scarcity of labour, though no abundance of land, in the eighteenth century, and this had partly stimulated the technical innovations of its classic industrial revolution. But from the turn of the century, its "population explosion" was beginning; with the release of manpower from the Napoleonic Wars, some movement of labour from the land into industry, and Irish immigration, employers had a very elastic supply of unskilled labour at subsistence wages (while improvements in agricultural productivity, per acre instead of per man as in America, tended to keep down the cost of subsistence). Skilled labour was possibly even scarcer than in the United States; but that tended to stimulate more economical organisation and the division of labour, rather than mechanisation *per se*.

The American industrialist, with a more

expensive and less elastic labour supply, had a greater inducement to mechanise. It is true that if wages, the prices of machines, and the prices of the products made had all risen in step, the adoption of more labour-saving methods would not have helped him. But in practice the prices of machines and of products rose more slowly. America was not a closed economy; the levels of its protective tariffs, which remained unchanged over long periods, set ceilings to the prices of products and of machines (which, after 1843, could legally be imported from countries where the labour involved in making them was markedly cheaper).

American businessmen were readier to scrap the machines they had sooner (and made them lighter and less robust: they were more bothered than British businessmen about obsolescence, and the growing costs of labour-intensive maintenance. Imperfections in their localised markets gave American manufacturers high profits up to a certain point; made the marginal cost of getting extra labour much higher than the average; prevented the migration of local finance from areas where it was cheap to those where it was extremely dear; and gave the manufacturer less scope for putting his profits into forms of investment other than his own business. Yet the total market was expanding faster; the sustained growth in demand for American manufactures "warranted a rate of investment, in relation to the supply of factors as a whole, which was more rapid than in England."

Professor Habakkuk is concerned in this essay to examine *a priori* whether and how this generally plausible argument could have been true; broadly, he thinks it could. He then sets the various ways in which factor endowment could have influenced the composition and rate of American investment against the salient facts of labour and capital supply, during the period, in America and Britain; and finds them broadly congruent with the thesis, without assessing the relative importance of the different influences it exerted. A concluding chapter looks briefly at the comparative industrial circumstances and technological performance of the two countries in the later nineteenth century. During this period he feels that the faster growth in America (and other industrial economies), and the difficulties of readjusting the complex industrial structure that Britain had developed, outweighed though they may not have invalidated the ideological contrasts some historians draw between confident dynamism in the one economy and complacency shot through with incipient doubts in the other.

Neither of these theses—the response to a scarcity of labour, and "the penalty of taking the lead"—is new. But what is here, in this lucid and sinewy discussion, is a closer and more critical examination of them, illumined with a more confident reference to the technological record, than we have had before. And, in passing, it indicates many promising byroads for more detailed inquiry by other economic historians.

A Writer in Society

Maxim Gorky: *Romantic Realist and Conservative Revolutionary.*

By Richard Hare.

Oxford University Press. 163 pages. 21s.

"Undoubtedly the most significant representative of proletarian art." Lenin's judgment on Gorky is the despair of those who still retain any inclination for exact thinking. What is proletarian art? Gorky was not proletarian in social origin, but middle class; nor can his outcasts and vagabonds be described as proletarians. However, in the sense that Gorky in the long run, in spite of frequent disagreements with them, did more than any other writer to help the bolsheviks to win, consolidate and retain power, Lenin's view may be right. The story of Gorky's part in the rise of bolshevism is still largely untold, and Mr Hare's essay does little to fill the gap. It is, of course, the case that the vital correspondence relating to the formative period of bolshevism has not been published and according to the Marx-Lenin Institute has not yet even been located. But even on available information Mr Hare's sketch of this side of Gorky is very inadequate. For example, Mr Hare says that Gorky's fund-raising tour of the United States in 1906 failed to raise any funds. In fact quite a substantial sum was raised for the Russian social democratic movement as a whole, which was quite unscrupulously handed over to the sole use of the bolshevik faction. The matter remained the subject of acrimonious dispute for some years.

Aside from its treatment of Gorky's political activity, this little volume must be welcomed for two reasons. The last study of Gorky in English appeared in 1932. In Soviet criticism his work has been so much overlaid with hero-worship that a sober reassessment of his literary stature was much needed. This is what Mr Hare has done in a sympathetic and clear study. He sees him as a "journalist of genius"—a judgment with which few who have read his autobiographical volumes and his reminiscences of his contemporaries (especially of Chekhov) will disagree. On Gorky the artist Mr Hare is rightly more reserved. His talent lay in acute observation rather than in literary perfection. "Rugged, strained and patchy" it "fell far below the artistic genius" of Tolstoy, Turgenev and Dostoevsky — and, it may be added, Chekhov, as Gorky himself freely admitted. The novelty of his subjects, the force of his descriptive power and the intensity of his feeling rightly won him an immense reputation at an early age. But he had neither the intellectual force of Tolstoy nor the human charity of Chekhov to produce work to which the description "great" can be applied.

Mr Hare has also tackled the problem of Gorky's moral position as a writer in relation to the new society, of much of which he disapproved. As a good biographer should, Mr Hare has put the case for Gorky as fairly as it can be put, but it is not a very strong case. Since in the last years of his life both his doctor and his secretary were NKVD agents, and since Stalin accused others of murdering him, it is a reasonable guess that Gorky was murdered on Stalin's instructions. If so, he was one of the many silent victims who in the end paid with their lives for belated resistance to horror which they had for many years condoned. But was it worth it? In 1917 Gorky, then in Russia, opposed the bolshevik *coup d'état* only soon to become reconciled to it. Then, after a period of voluntary exile, he returned to Russia once again to be feted and hero-worshipped in exchange for writings glorifying the regime in all its works—including (in 1934) a volume devoted to the Baltic-White Sea Canal, built by the unfortunate inmates of the vast concentration camps. We know today what value to attach to claims that the inmates saw their fate as a well merited penance for opposing socialism. One has an uncomfortable feeling that Gorky knew it in 1934—after all, seeing through government cant was the main virtue of his pre-revolutionary writings.

It is only fair to recall that Gorky worked hard behind the scenes to save many individuals from the tyranny of the regime which he was outwardly supporting. But what of his integrity as an artist? Mr Hare shows how much this was endangered by the fatal attraction of his native Russia for a simple-minded, lonely and somewhat disorientated exile in strange Western Europe. Herein lay his tragedy.

A Trimmer in the Terror

Bertrand Barère: *A Reluctant Terrorist*

By Leo Gershoy.

Princeton University Press. London: *Oxford University Press.* 470 pages. 68s.

A sub-title suggesting an uncertain starter from Baroness d'Orczy's stable, or a nervous rogue in Georgette Heyer's, does less than justice to Bertrand Barère. He was not, in the melodramatic sense, a terrorist: he disliked heads on pikes and would have strongly disapproved of the pétroleurs of 1870 or the plastic-bomb patriots of 1962. He was, temperamentally, a "politique": he distrusted extremists of left or right and was prepared to remove them ruthlessly in the name of moderation. His actions were, therefore, sometimes unpredictable, and pronounced treacherous by those who suffered from them.

Born into the lesser nobility on his mother's and the privileged legal hierarchy on his father's side, Bertrand Barère de Vieuzac read law and practised in Toulouse, a traditional stronghold of resistance to the crown's recurrent attempts to override provincial Estates and Parlements. In fact, Barère enters history as a minor "frondeur": his reputation as advocate and pamphleteer grew rapidly during the aristocratic revolt of 1788 and ensured his election to the

Estates General at Versailles in May, 1789. His political progress was, in a sense, an epitome of the Revolution itself, but his personal story seems, at times, to illustrate the evolutionary law of survival by adaptability. A constitutional monarchist, like most "liberal" deputies in '89, he was in '93 the spokesman of the Convention that tried and condemned the king. Louis's flight to Varennes in June '91 had disillusioned Barère; but he still believed in limited monarchy as a bulwark against the mob-rule which he and his associates, Robespierre included, feared. But the royal family's collaboration with the invasion of '92 converted Barère to republicanism and eventually convinced him that the king's execution was essential to the safety of the nation. For this was a principle on which, at any rate before Brumaire, he never compromised. It explains the part he played in the proscription of the Girondins, the trial of Danton, and the overthrow of Robespierre: the factious incompetence of the Girondins, the corruption of Danton's patriotism, and the persecution-mania of "The Incorruptible" endangered the Government and unity of the Republic.

Barère always claimed to have risked his own survival for that of Revolutionary France. His enemies after Thermidor, many of them with records much bloodier than his, accused him of saving himself by sacrificing his friends; they consigned his constructive work to oblivion and, with the later assistance of the majority of nineteenth century French and English historians, have immortalised him as a cold-blooded careerist, who composed pseudo-legal excuses for the cruelties of the Revolutionary Tribunal. Indeed, his contribution to the superhuman achievements of the Committee of Public Safety in the critical year 1793-94 only recently received recognition in Robert Palmer's "Twelve who Ruled" (*Princeton University Press*).

Full justice to that contribution is done by Professor Leo Gershoy in this excellently produced and generously documented biography. It is not his fault that the last hundred pages are as much of an anticlimax to the reader as the four decades they record were to the unfortunate Barère, whose prolonged efforts (interrupted by dismal periods of exile) to re-establish himself in public service under Napoleon and the restored Bourbons were ignored or contemptuously rewarded with hack-work handed out as charity. Nor is it the biographer's fault that the personal qualities that attracted some lifelong friends, as well as the sacrificial devotion of three women, are not particularly noticeable. His personal records (apart from those industriously compiled by the police) are scanty. Barère's memoirs, published soon after his death in 1841, are an apologia rather than an autobiography. They were mercilessly reviewed by Macaulay, to whom it did not occur that Barère was, in Whig terminology, a "trimmer." That is what Professor Gershoy calls him. It is not necessarily an uncomplimentary political label; but it reads rather like a grim pun sneered in the shadow of the guillotine.

Face Lift

The Whig Supremacy, 1714-60

By Basil Williams. 2nd edition revised by C. H. Stuart.

Oxford University Press. 534 pages. 42s.

MR STUART'S revision of this standard work incorporates the revaluations of the twenty-three years since the first edition. Namierism makes predictable inroads; but the penetration has been slight. The big guns are still hammering away at the ruins of George III's England, and the hero of Dettingen is still almost unscathed. We now know that ministerial solidarity was less developed than Professor Williams thought, and that he exaggerated the personal indispensability of Newcastle and the use of the secret service funds in the manipulation of politics. Walpole is even less of a Peelite than he used to be, and the dropping of the veto appears to be more an indication of ministerial capacity to control members than a proof of the ability of Parliament to pass what legislation it liked—not something to surprise us in this age of Cabinet rule. Professor Williams too easily attached virtues to great men of action. Mr Stuart is more sceptical. Frederick II of Prussia and Charles Emmanuel of Sardinia come down a peg, and appear more as clever politicians than as great patriots.

But little is called in question beyond that narrow field of politics in which Namier, like his beloved Newcastle, found his natural home. The author's fifty pages on social history are virtually untouched—though the production of one iron foundry has fallen, and the sources for the prices of provisions have eluded the reviser at one point. It is a pity that the hand that revised the bibliography has not made good Williams's omission of the acutest book about what life was like for the great bulk of Englishmen in the eighteenth century—Dorothy George's "England in Transition."

Mr Stuart has sensibly limited himself to adding and correcting and eschewed rewriting. He could not have been more careful: the rate of fire of the Prussian infantry has dropped from five rounds a minute to not more than four, and the exact position of Commodore Martin's watch as he timed the expiry of his ultimatum to poor Don Carlos is now in doubt—indeed, far from laying it on the table or holding it in his hand, Martin may not, in fact, have done either. The "baseness" of Governor Drake in leaving the male inhabitants of Calcutta to the Black Hole is reduced to a charge of feebleness; his previous bravery is now taken into account. This "tiresome investigator" (as Churchill might call Mr Stuart) casts doubts on the authority for "wry-necked Dick" Boscawen's splendid rejoinder to his pilot at Quiberon.

Small matters perhaps: but these proofs of the searching qualities of Mr Stuart's eye increase one's faith in the reliability of the great mass of the work that remains untouched. It is old-fashioned history, pre the age of the Common Man, but it will go on doing sterling service until the eighteenth century finds its Halévy. A successful piece of Oxford restoration, in fact.

Pre-Colonial Africa

Black Mother. *Africa: The Years of Trial.* By Basil Davidson.

Gollancz. 269 pages. 25s.

IN attempting to explain the nature of the European-African connection in pre-colonial times, the author has selected three areas: the old Congo kingdoms, the city-states of Guinea Coast and some "strong societies" of the Guinea Coast. The selection is somewhat narrow since all these areas were fatally stricken by the abomination of mass slavery, and thus were a special case rather than a general rule. Mr Davidson devotes a substantial part of his book to this problem rather than to the African states themselves, though they are a subject of absorbing interest. However, we should be grateful for what we are given; it is informed and very readable. Books dealing with African history are all too rare in the current avalanche of indifferent and heavily-loaded Africanist literature.

It is nevertheless a pity that while trying to trace the outlines of Afro-European relations, the author omitted from his selection a very considerable area and a very long period—almost ten centuries—when these relations developed organically, if not always harmoniously, and were untainted by mutual hatred and contempt. The Mauretanian and Numidian kingdoms, the Meroitic civilisations of the Sudan, "Agisymba, where the rhinoceros foregather," the Pentapolis of Cyrenaica were centres of an Afro-European "koiné." Its extent and significance are barely scratched by modern historians and archaeologists, the late Stephane Gsell standing out in this field like a solitary beacon. Almost certainly North African civilisations between the third century BC and the seventh AD crossed the barrier to the Sahara. To take but one example, how else can the riddle of Fezzan be explained? It is possible, too, that the Severi Emperors of Rome were Africans of Libyan or Berber extraction and almost certain that they had a strong admixture of Negro blood in their veins.

Mr Davidson maintains that slavery has distorted the relations between the white and the black races, and he quotes a wealth of shocking evidence to support his contention. But the principal villains were not the slave traders and owners and their corrupted African partners. The vilification of "the Blacks" could flourish only on European ignorance of Africa; this was the result of the Moslem barrier, which separated Europe from Africa during the centuries when there was no technological disparity between the two. The history of Africa beyond the Sahara requires no impassioned pleading today: it is a fact.

Five Centuries of Malaya

A History of Malaya

By J. Kennedy.

Macmillan. 319 pages. 30s.

PROFESSOR KENNEDY has attempted with success the compression of five and a half centuries of Malayan history into one volume of 300 pages. The result is a clearly defined picture within the imposed limits, though in such an abridgement there must perforce be omissions of important matter and the inclusion of matters of lesser importance with some distortion and faulty emphasis.

The "pre-European" history of the Malay peninsula is shrouded in uncertainty, and contemporary sources like the "Sejarah Melayu," which claims to be history, have about the same relevance to the truth as do the Arthurian legends in this island. Malayan history inclines to long lists of princes with recurring Moslem names and high-sounding titles whose deeds—or misdeeds—stand out against the background of an empty treasury and an oppressed peasantry.

Mr Kennedy succeeds in bringing alive the history of fifteenth century Malacca and its "Empire" in the context of eastern and southern Asia. He emphasises the revolutionary impact of the Portuguese and the Dutch in the sixteenth and seventeenth centuries, and reminds us of the other formative pressure bearing upon the peninsula and its adjacent islands from the Javanese, the Achinese, the Bugis and the Siamese, and of the large shadow of Imperial China waxing and waning in the background. For the significant study here is really one of all south-east Asia—an area with a unity of its own between China and the Moghul Empire.

When the British stepped on to the stage at the end of the eighteenth century, the future course of Malayan history was decided for the next century and a half, and the quantity of historical material increased enormously. Then your short history has to become scientifically selective, and it is here that Professor Kennedy is open to the criticism that in dealing with social and economic developments in the past century and with the recent political and constitutional changes, he has allowed too many details to obtrude at the expense of emphasis upon the fundamental things.

The central fact of modern Malayan history is the immigration into the peninsula of great numbers of economically tough Chinese, posing the problem of how to preserve the economically softer indigenous peoples and to amalgamate the two elements into one Malayan nation. Raffles encouraged Chinese settlement in Singapore, whereas the British administrators in the Malay States a few years later looked upon themselves as trustees for the indigenous Malays against exploitation in an age of rapid economic expansion. One of the many means of protection was the creation of Malay Reservations, where interests of any kind in land could not be owned by non-Malays. Professor Kennedy mentions these reservations twice and implies that they were so extensive as to diminish seriously the amount of land available for development and for the settling of the Chinese in new villages as part of the recent anti-Communist Campaign. In fact these areas were not extensive enough to embarrass development and without them a rather feckless peasantry would have lost their lands to foreign moneylenders and speculators.

When speaking of the growth of population and the development of towns, public health and education, Professor Kennedy tends to substitute statistics for analysis. Thus, when discussing education he fails to point out that before independence the protecting power appeared to be interested in primary education for its Malay citizens only. The Chinese were always willing to pay for educating their children and they were allowed to do so—a false economy. So long as overt sedition was not taught in Chinese schools they were not interfered with, and the opportunity of educating the Chinese half of the population to become true Malayan citizens was never seized. This was most significant, because once the people of the Peninsula began to turn to politics the policy of trusteeship for the Malays—right though it may have been—was not enough.

But, despite a few misprints and some errors of detail—for instance, Perlis is ruled by a rajah, not a sultan—this book is valuable, for there is a scarcity of short and readable histories of Malaya.

OTHER BOOKS

THE LIFE OF SAMUEL JOHNSON, LL.D. By Sir John Hawkins. Edited and abridged by Bertram H. Davis. *Cape.* 371 pages. 42s.

This is a good abridgment of the much abused biography by the discursive Hawkins, on whom Mr Davis is an authority. (His "Johnson before Boswell," an assessment of Hawkins as a Johnsonian biographer, was reviewed in *The Economist* of September 24, 1960.) The editor has excised or abridged those parts of Hawkins's 300 pages of digressions which serve no real purpose as background, to the book's great benefit. It is now a handy, readable document, essential for all Johnsonians—if over-priced for the poor scholar.

ORDEAL BY HUNGER.—*The Story of the Donner Party.* By G. R. Stewart. *Eyre & Spottiswoode.* 414 pages 25s.

In our review of the new edition of this book, which appeared in our issue of March 31st, we did less than justice to the author, Mr George Stewart. It is he who has added to his original edition the contemporary accounts, appendices and notes. Professor Cunliffe has written the historical foreword to the English edition.

INDUSTRIAL MATERIALS IN CANADIAN-AMERICAN RELATIONS By Bernard Goodman. *Wayne State University Press, Detroit* (1961). 244 pages. $7.00.

This is a useful compendium of information about the changing requirements of the United States for industrial materials and of the role which Canada is playing—and is likely to play in future—in meeting these requirements. Modestly described as "grist for the theoreticians' mill," it is of considerable interest in itself as an admirably clear and comprehensive appraisal of significant trends in the demand and supply for each of the main forest and mineral products that enter American-Canadian trade. The author deplores the lack of adequate data on changes in costs and prices, but comparative cost considerations are inherent in his analysis. He also takes into account the impact of American protectionism, expressed in quotas and administrative controls as well as in tariffs, and gives due emphasis to the importance of policy decisions by international concerns and cartels. Economic, security and political factors favour Canada as a source of materials for America. The trading partnership is so close that it suggests the emergence of a "continental" economy, within which the needs of an industrial giant are met increasingly from the natural resources of its northern neighbour; a relationship that raises many questions about the proper national and international management of these resources and the role of "resource booms" in Canada's general economic development.

LABOR PROBLEMS AND PROCESSES. By L. Reed Tripp. *Harper*, New York. London: *Hamish Hamilton.* 528 pages. 48s.

An introduction (meant for American college students but also of use to the British reader) to the American labour scene, it ranges over the history and present organisation of trade unions, wage policy, collective bargaining, labour legislation and unemployment.

GRANTS, LOANS AND LOCAL CURRENCIES. By Robert E. Asher. *Brookings Institution*, Washington. London: *Faber.* 154 pages, 11s.

This skilled and timely monograph analyses the advantages and disadvantages of using grants or loans to speed international development and casts real light on the problem of the hoards of local currencies that have been built up in undeveloped countries as a result of American gifts. Mr Asher does not believe that it is realistic to substitute loans for grants in all cases and argues strongly that the proliferating institutions that now provide aid to the underdeveloped countries must co-ordinate their efforts, in the interests of both lenders and borrowers.

NUCLEAR POWER TODAY AND TOMORROW. By Kenneth Jay. *Methuen.* 270 pages. 25s.

Kenneth Jay is probably the best living writer on atomic energy; his outstanding characteristics are the limpid simplicity with which he describes abstruse technicalities and the subsequent candour with which he explains what prevents some of the cleverest ideas from working as they ought. Although (and perhaps in spite of) he is one of the Atomic Energy Authority's official authors, it is not the dutiful pæan of praise that might have been expected. According to a foreword written by Sir Roger Makins, chairman of the AEA, Mr Jay has "been given latitude to express his own opinions," and the outcome is the best and most impartial survey at present available of the present state of the nuclear art.

THE WORLD ROLE OF UNIVERSITIES. By Edward W. Weidner. *McGraw-Hill.* 378 pages. $6.95.

The author, of Michigan State University, describes and assesses the exchange programmes of American universities, covering students and teaching staff. He also discusses the technical assistance programmes in the same context and provides an extensive bibliography.

LETTERS

Milk . . .

SIR—Your comments about the retail price of milk in Britain and in selected continental countries (April 14th) are neither fair nor accurate.

To talk about "the board's present monopoly price" is incorrect both in form and in substance. You can hardly be unaware of the fact that the retail price of milk is controlled by the Government and that this has been the case for the last twenty years.

There is no need for "heavy" but only for adequate adjustments before comparing retail prices of milk in difference countries, but the figures quoted by you fall short of this essential requirement.

For Austria, you quote a figure of 36.1d. per gallon, which is the shop price of milk of 3.2 per cent fat content sold loose. The current shop price of bottled milk of 3.6 per cent fat in ½ litre (about 1 pint) bottles is 43.6d. per gallon. There is no home delivery. In addition, there is a subsidy of 7.2d. per gallon on all milk sold ex farm "in order not to endanger the existing structure of wages and prices and thereby the stability of the whole economy." In terms of the United Kingdom, this would be equivalent to a subsidy of £72 million. For France (apparently you mean Paris) you quote a figure of 48.3d. per gallon which refers to milk of 3 per cent fat content, sold loose ex shops; the corresponding shop price for 3.7 per cent milk in ½ litre bottles is 63.3d. per gallon, or almost exactly the same as the United Kingdom price for milk delivered to the doorstep. For Italy (apparently you mean Rome), the "almost exactly comparable price" is not 56.3d. per gallon; there is no reason to equate milk of 3.5 per cent fat in 1 litre bottles from shops with milk of 3.7 per cent fat content in ½ litre bottles delivered; the comparable Italian shop price is 58.4d. per gallon, but in Rome provision is made for delivery to the doorstep for an extra charge which brings the cost up to 70.9d. per gallon, compared with 64d. in the United Kingdom.

In virtually all countries except the United Kingdom, the price of milk in bottles varies with the size of the container which constitutes an important service element, as evidenced by local complaints in this country whenever milk is not available in half pint containers which are usually entirely unobtainable abroad. In addition, bottle deposits are invariably charged abroad but not in this country.

Far from proving that liquid milk in this country is more expensive than abroad (which would not be unreasonable, considering how much cheaper butter and cheese are in the United Kingdom than almost anywhere on the Continent), your comparisons prove only the need for a comprehensive and objective study of the available evidence such as the Milk Marketing Board, in co-operation with the marketing organisations of most western European countries, is at the moment preparing.—Yours faithfully,

E. STRAUSS
Senior Marketing Officer,
Milk Marketing Board
Thames Ditton, Surrey

. . . and Potatoes

SIR—Some of the statements which you make, and the conclusions which you appear to draw, in your note on the potato shortage (April 14th) are liable to give a distorted picture of the Potato Marketing Board's responsibilities and I hope you will allow me to put the record straight.

The board bases its allocation of quota acreage on its assessment of likely plantings and yields and not primarily on an estimate of consumption which changes very little from year to year. It would be very easy to allow every producer to plant as many acres as he wished but unfortunately the farmer is not "guaranteed a price of about £13 a ton (at 9 tons an acre)" as you indicate. The Government guarantee is limited to the quantity of maincrop potatoes sold for human consumption, which is of the order of 3½ million tons a year. If farmers produce more than this, after allowing for seed and waste, the board has to take up the surplus and dispose of it as best it can and it is scarcely in anybody's interest that the surplus should be increased by the production from acres planted in excess of the quota; for the chief effect of such excess is to increase still further the costs which the board incurs (and therefore potato producers in general). The excess acreage contribution is intended to help in meeting this additional cost. There is no question of the Board "making money out of such contributions," as you suggest.

Most of the additional contribution for which the board is seeking authority is to enable it, in agreement with the government, to set up a market support fund which the board can draw to cover the cost of surplus buying. To the extent that the new system will allow the board to pay a higher price than it can at present for potatoes which do not otherwise find a market it will help to counteract the depressing effect on prices which a surplus can produce. This should be an encouragement to farmers and the extra contribution which is necessary to operate the system is unlikely to be a deterrent. In any case it can have had no effect, as you imply, on the acreage planted in the spring of last year since no announcement of the proposed amendments was made until well after the crop had been planted. The reduced acreage, from which the present shortage partly results, was due to the exceptionally bad weather at planting time and the depressed prices received in two successive years of heavy surplus.—Yours faithfully,

A. J. D. C. LOCH
General Manager,
London, SW1 Potato Marketing Board

[We have had our whack at both these marketing boards in recent weeks, and willingly give them space for their reply. But this does not mean that our view of the "comprehensivity and objectivity" of the figures in the first letter (though there are some valid points in this one), still less of the remarkable mode of economic reasoning in the second letter (which requires some re-reading), coincides with those of Mr Strauss or Mr Loch.]

Algerian Quicksand

SIR—I wish Mr Gillie, in his letter published by you on April 14th, were right about the crucifixion-amputation atrocity. But in *A Scattering of Dust* Mr Greer reports instances of it in both Oranie and the Constantinois, and on page 83 he tells how he discovered the bodies of two Moslem youths he had known who had been treated in this way. The purpose of this atrocity was, I am told, to add religious to physical dread in the minds of wavering Moslems, since the Koran prescribed this treatment for "enemies of Allah and those who corrupt the earth" (Sura v, 33).

I cannot agree with Mr Gillie that most Frenchmen were unaware of what was happening. Letters (often amazingly indiscreet) from the troops, and conversation with returned conscripts and vacationing *pieds noirs* (one met them, eager to impart their "inside information," in every spa and resort), played an important part in informing the public. Even conformist papers reported that General Massu had tested certain methods of torture on himself. Had "most Frenchmen" been unaware of—or unconvinced by—reports of torture, M. Malraux would not have deemed it necessary to declare at his fatuous press conference in June, 1958, that torture had ceased to be employed in Algeria since General de Gaulle's visit a few weeks earlier.

In my experience, in 1957-58, typical reactions to torture reports were (*i*) "That is the only language Arabs understand"; and (*ii*) "After all, other nations commit atrocities, don't they? Remember what the British did in Kenya, the Americans in Korea, the Russians in Hungary. . . ." Admittedly, I was in contact chiefly with conservatives and right-wingers, but they, rather than liberals, were the typical Frenchmen of those years.—Yours faithfully,

YOUR REVIEWER

Thwarted Exports

SIR—*Twice* I have tried to order a suit of clothes from a London tailor, but have received no reply to my letter from a large English firm from whom I purchased in 1955 on a tour of England. Perhaps there is some export policy I do not know.—Yours faithfully,

FREDERIC B. BAXTER
West Bend, Wisconsin, USA

THE WORLD OVERSEAS

Caliph of Baghdad

FROM OUR SPECIAL CORRESPONDENT

As the Arabian night falls over the clay-coloured sprawl that is modern Baghdad, what might be the court of the Caliph Harun al-Rashid explodes into a glittering carnival of coloured light. This is the ministry of defence where the prime minister, General Qasim, lives, works and occasionally sleeps; and the place of honour, as always, is held by the smiling face of the Faithful Leader, outsize and illuminated. During the day the voice, too, is familiar as excerpts from past speeches are broadcast in bursts like a machine-gun firing blanks. Few decisions—even on such matters as how wide a road should be—are made without his consent. But as a form of public relations this campaign has gone crazily off the rails. Since General Qasim, as Sole Leader, has pledged himself solely responsible, the failures, inefficiencies and misdemeanours of government bounce like rocks on his head; the shrewdness and ability that are his have become twisted into a circle of self-exalting and self-preserving manœuvres.

It is difficult to distinguish true achievements in the turgid currents of swank, disillusion and political back-biting. The revolution of July, 1958, has long ago shed its zeal, but has perhaps kept its goal of greater social justice more steadily in sight than its Egyptian counterpart did. It is salutary to remember amid all the present dismay with General Qasim that the Egyptian revolution, four years after its birth, might, if it had not been for external pressures, have seemed just as meandering. The impediments that slow down Iraqi progress are the general's own unpredictability, the absence of a driving creative force and, perhaps above all, a general feeling of impermanence. At this stage of the revolution many Iraqis who want to end up on the winning side behave as if it were safer to criticise than to create.

General Qasim's success in dividing his opponents, one against the other, has deeply eroded the efficiency of the government machine that should implement the revolutionary programme. Civil servants are kicked up or down stairs on political grounds, and ministries, many of them pockets of one or other underground faction, glare unco-operatively at each other. The five-year economic plan, 1961-65, is a hotch-potch of pre-revolutionary projects with new ideas thrown in, some of them apparently at random, by the various ministries. The ministry of economic planning has an exaggerated title; there is little planning, co-ordination or fervour. Without any legislative body or any central authority but the prime minister himself, complaints and suggestions trail away in the air; public servants are working at too far a remove from any source of power. There is little encouragement, in the way of salaries or spirit, for good men to enter the public service.

Yet, through a bog of dissatisfaction, economic development is struggling ahead at roughly the rate of its pre-revolutionary peak in 1957, with the emphasis now bent towards construction and industry. Construction is not basically of the Mussolini post-office type, but has not altogether escaped the disease; the prime nonsense, and pride of the regime's heart, is the new "army canal" a mile or two from Baghdad. This, which cost, with the roads on either side, £10 million, is designed eventually to irrigate the gardens of the people who may one day be drawn to settle on its banks. The idea of expanding Baghdad eastward as well as north and south is sound enough; but building the canal now reflects a queer order of priorities. Two huge monuments honour the revolution, the more handsome paying specific homage to the "unknown soldier"—which provoked some curiosity since, as far as is known, no soldier lost his life in the revolution. The slums of Baghdad are being demolished for wider and better streets and for small, attractive parks; the slums that still remain are gradually having water and electricity brought to them. There are several low-cost housing projects, but perhaps more is being done to encourage middle-class house ownership—and to build houses for army families. Demolition in the slummier quarters is way ahead of reconstruction; General Qasim hands out gifts to the poor with the pomp and publicity of Lady Bountiful with her soup.

The revolution can chalk up two major achievements: the number of children getting education has shot up (with some schools running four shifts a day) and land reform has at least been started. So far about 2½ million dunams (something over half a million acres) of land have been distributed out of the 14 million dunams of government and expropriated land that is presently available. Nothing about land reform goes smoothly. The regime has inherited the immense technical problems of the previous government; since drainage has not kept pace with irrigation, both new and old lands have run hopelessly to waste through the excessive salination caused by flooding. In addition, Iraq's state system of irrigation brought water only to the estates, not to the individual farms. This has made the fair distribution of water to the new smallholdings almost impossible and, with the ministries quarrelling, the attempts to implant co-operatives have had little success.

Except for the major irrigation projects, development spending outside Baghdad comes down with a bump. About half the development and ordinary budgets are being spent in Baghdad—which holds a seventh of the Iraqi population. Communications with Basra are being improved, but Mosul, that unhappy town in the north, is left to its own destructive devices. The aftermath of the bloody fighting at Mosul in 1959 is a long sequence of private revenge and reprisal. Nowhere is the bitterness between General Qasim's divided opponents, communist and nationalist, stronger than there.

This cleavage is the key to General Qasim's survival. With discontent as general as it is, and with the army baffled, and perhaps made mutinous, by its failure to end or even contain the Kurdish revolt, the organisation of a counter-revolution is not thought too serious a problem. What comes next is the rub. No one faction feels sure enough of its ability to stay in control. The March coup in Syria is pointed to as an example of what happens when a group acts first and thinks afterwards; in Iraq it would be lives that were lost in the process and not, as in Syria, face and dignity.

All major political parties are banned in Iraq; the underground activity is constant, intense and involved. There are three main factions, probably roughly equal in strength: communists, nationalists and a middle group, less concerned than the others with secret plotting, of independents, some Istiqlal members and the remnants of the National Democratic party. The communists, as in other countries, are the best organised and the most homogeneous; the nationalists the largest numerically, the most active and much less unified than the communists. Because they stand strongest against communism, the nationalists are called right-wing; because they have a record of violence, at Mosul and for their attempt on General Qasim's life, they are also called "national socialist" in the European sense. But the strongest current among the nationalists is the Ba'ath party, with its wavering, and sometimes converging, principles of socialism and Arab unity; the other, less cohesive, factions tend to stress unity rather than socialism. Leaning far back from reality, groups of nationalists toss around polemics about the terms on which they would, or would not, consider some form of unity with the United Arab Republic. On questions much more immediate, such as the conditions under which they might negotiate with the Kurdish revolutionaries, they tend to be silent and undecided.

On General Qasim's tactical see-saw, the communists are now perceptibly rising as the nationalists slip down. Several Ba'athist leaders have recently been imprisoned for greeting the Algerian leaders with a display of party slogans. General Qasim, forced to walk under the Ba'athist banners, was badly put out; but prison sentences, as indeed most Iraqi security measures, are taken fairly lightly, and few prisoners stay long inside. The Ba'athists have been encouraged by events in Syria and by the new slogan of Nasserism without Nasser. They, more than other parties, have adherents in key points in the armed services and they, again more than others, tend to let action overtake thought. However unenthusiastic the communists are about General Qasim's way of running things, his foreign and Arab policy pleases them well enough. It seems unlikely that they themselves would precipitate a change; as they watch the Ba'athists, their thoughts may be rather on the regime after next. But this may be some way off. General Qasim's leadership of Iraq is autocratic, erratic and far from popular, but he is, at least, the Caliph that's known.

Mr Butler's Rhodesia

FROM A CORRESPONDENT IN SALISBURY

On the eve of what will certainly be the last general election to be fought within the present constitutional framework, under a franchise so loaded against the blacks that only a minority of whites will defend it, the Federation of Rhodesia and Nyasaland is stricken with a strange political apathy. After the strident invective of recent months the electorate is emotionally fatigued and even Sir Roy Welensky's own supporters are no longer prepared to follow him uncritically in his bitter denunciations of the British Government. The result of the election will settle nothing and satisfy no one—except possibly the man who called it. With 41 United Federal party candidates already returned unopposed, Sir Roy is virtually assured of at least fifty seats in the new assembly.

He himself has campaigned with greater vigour than any of his cabinet colleagues; his personal popularity among Europeans is unimpaired, and he still draws large audiences to hear him identify all African nationalism with the ambitions of extremist leaders. He even bearded the lion in his den when he addressed a meeting in Nyasaland recently, but Dr Banda never stirred; he slumbered on, dreaming, perhaps, of juicier fare to come. On the whole, the UFP campaign and Sir Roy's own appearances have had a defensive air which has been particularly apparent in his hostile response to well-directed questions. In private the prime minister is a genial and friendly man: on the platform at Blantyre his evasions and truculence made a different impression.

The conflicting reasons given for holding the election at all have only served to increase the general apathy. Most people felt that Sir Roy already had a mandate to negotiate with Britain about the future of the federation, and parliament still had nearly two years to run. Matters were not improved when he told a startled audience in Southern Rhodesia that if he had known earlier of the creation of the Central Africa office in Mr Butler's charge he would not have gone to the country. The next day Mr Julian Greenfield, the minister of law, who cannot have read his newspaper that morning, announced in Salisbury that in any case an election would have been held in July.

Neither statement was convincing. In the face of an effective boycott by all the opposition parties and, of course, the African nationalists, the election's only interest lay in Northern Rhodesia, where the newly formed Rhodesia Republican party under a Lusaka lawyer, Mr Colin Cunningham, has contested nine seats. This disparate group of right-wing extremists has found no support except on the lunatic fringe. The fact that the candidate whom they put up to oppose Sir Roy at his constituency at Broken Hill interrupted his campaign to take three weeks' leave gives the measure of their political weight. The UFP is in no danger except from the confusion within its own ranks, which is considerable. If the party had a coherent policy for saving the federation it did not emerge during the present campaign.

Mr Butler's impending arrival in the federation will therefore have a greater significance than any previous visit by a British minister. He will stay a fortnight and travel to all three territories. It will be essentially a federal visit and presumably he will have in mind the consequences that would follow far-reaching changes in the federal structure. It is now widely accepted among the Europeans that these must come; recent months have brought a growing realisation that any future association must be inspired from below—from the territories themselves—and not imposed from above. The advantages of preserving the economic ties are practical and manifest, but in the current heady atmosphere of African nationalism they will require a most skilful advocacy. For the first time the problem is being openly discussed in the press, with a welcome absence of passion. Under the terms of the federal constitution the constitutional review conference must be held not later than October of this year, but the two Rhodesias are unlikely to have their territorial elections before then, so there will probably be a further period of waiting.

In the past month the two Rhodesias have come under close and hostile scrutiny at the United Nations. Mr Joshua Nkomo, the president of the Zimbabwe African People's Union, returned to Salisbury greatly heartened by the support and publicity he received in New York. The party is in an ebullient mood and little disposed to toy with Sir Edgar Whitehead's policy of partnership or to participate in the October elections. This may turn out to be a tactical mistake, at least in the short run. Although 17,000 Africans assembled to greet Mr Nkomo at Harare township the day after he returned, Zapu still cannot claim a mass following in Southern Rhodesia and their propaganda success at the United Nations may be short-lived; it will certainly not deter Sir Edgar Whitehead from pursuing his chosen part of partnership in defiance of all vocal African opinion. But partnership presupposes a desire for partnership.

In Northern Rhodesia the situation is simpler but hardly brighter. Mr Kenneth Kaunda has also made his impact at the UN, but

Mr Kaunda: time for tears?

back home he will find that endemic tribal rivalries are now further bedevilled by the mounting hostility between the two African groups—his own United National Independence party and Mr Nkumbula's African National Congress. No doubt blame should be apportioned on both sides, but it is high time that Mr Kaunda shed a few tears for the murderous activities of the unrestrained young thugs who make up too large a proportion of Unip membership. Mr Butler, after he has been and seen and listened, will need all his wisdom to find a solution. It is a sad thought that for the Federation of Rhodesia and Nyasaland even the judgment of Solomon would not satisfy the litigants.

Germany's Lunatic Right

FROM OUR BONN CORRESPONDENT

JUDGMENTS like that of Mr A. J. P. Taylor's, that "nothing is normal in German history except violent oscillations," come hauntingly to mind as one opens the report of the federal minister of the interior on extreme right-wing and anti-semitic tendencies in west Germany in 1961. Should Mr Taylor be right, in which direction, and with what force, is the pendulum swinging now? The minister of the interior admits the need—born of "terrible experience"—"not to let right-wing radicalism in the federal republic out of sight a single day. For even though the unteachable old National Socialists are gradually dying out there are always some young visionaries or fanatics ready to take their place." Yet he is clearly satisfied that, at least in 1961, the wild men of the Right were few and far between, at loggerheads among themselves, short of money and largely unheeded by the electorate during a year remarkable for such disputatious events as the Eichmann trial, the erection of the Berlin wall and a general election.

The minister's report is based mainly upon evidence provided by the Office for the Defence of the Constitution, whose headquarters are at Cologne and whose agents in the year under review, as in previous years, found most to watch in Berlin, Lower Saxony and North Rhine-Westphalia. It estimates that over the last two years the right-wing organisations and publishers—some 90 in all—have lost roughly a third of their supporters.

On December 31, 1961, membership of the extreme right-wing parties had fallen to 12,300 from the 17,200 counted in 1959, and that of similarly minded youth organisations from 2,300 to 2,100. (Some 4.5 million young west Germans, the report points out, in comparison, were enrolled in democratic associations.) Convictions of "nationalists" for actively disturbing the peace fell from more than 200 in 1960 to 79 in 1961. Of the perpetrators, 44.8 per cent were over 35 years old, 42.5 per cent between 35 and 21, and 12.7 per cent between 20 and 16. That there were a considerable number of "ultras" (as the east German communists like to dub them), who had not yet shown their colours, is suggested by the estimate that the 46 newspapers and periodicals run by the extreme Right increased their combined circulation from 130,000 in 1959 to 160,000 in 1961. But the minister dismisses them as negligible in relation to the publications of the democratic press, which, omitting the popular illustrated weeklies, together have a distribution of some 29 million.

So much for the official figures. They bear out probably most resident foreigners' individual assessment—partly reasoned, partly sensed—of the continuing influence of ideas that erupted into the excesses of the Nazi era. But they will certainly not be accepted by the east German regime. From his watchtower in Berlin the pace-setter of east German propaganda, Herr Albert Norden, takes a special pride and pleasure in exposing the "Fascists" running the Federal Republic—his latest particular interest being in the re-emergence of journalists whose conformist writings of the nineteen-thirties can be reproduced in blush-making facsimile for all to read again. Herr Norden and his own conformist writers of the nineteen-sixties would not give the benefit of the doubt to any dubiously converted former Nazi now taking part in the public life of west Germany. They see there a steadily developing neo-Nazi or Fascist conspiracy to begin again in due course where Hitler was compelled to leave off. The picture they draw of west Germany is too distorted to be convincing. Yet the danger of a return to "German normality" in Mr Taylor's melancholy sense of the term—the possibility of another violent national oscillation—is not ruled out in the report of the Bonn minister of the interior. "An increase of internal political tension and a deterioration in economic conditions," it is remarked, "could lead to political radicalisation. We have learnt from terrible experience that on such a seedbed forces grow that could devour the legal state."

MISCELLANEOUS as they are, the right-wing radical groups that proselytise, overtly but raggedly, in west Germany today have much in common. Resentful misfits and congenital malcontents make up their membership. These imagine some vague kind of personal fulfilment in a "restored German Reich," where they would belong to an "élite" and be absolved from the worry of having to think and fend for themselves in a complex world. For many, "loyalty to the Reich" is a substitute for supernatural religion. It would be a neutral Reich, in which neither capitalism nor communism would prevail but "our own brand of German socialism." Much is left deliberately obscure, including the position of minorities and the whereabouts of the Reich frontiers. It is, in the lump, the perilous stuff out of which mass hysteria, dictatorship, persecution and war could be raised.

Although Herr Erhard has lately been sounding the alarm, there are no convincing reasons for supposing that the health of the west German economy is going to deteriorate dangerously in the foreseeable future. Existing resources, plans for making the most of them on the market and elsewhere, and shrewd manipulation of west Germany's "social market economy," seem safely to preclude a catastrophe with dire political consequences. But other constituents of the seedbed of discontent feared by the minister of the interior are at hand. On too many occasions, for example, the Bonn government has put itself into the position of seeming to tolerate corruption in the civil services. And the continuing division of Germany, which has been accompanied by spectacular somersaults in allied policy, tends to swell the number of those who resent the government's deep commitment to the west. A good deal of cynicism has been engendered by German rearmament, and not a little bewilderment by the readiness of some western politicians and publicists to lecture the Federal Republic for undemocratic practices, while seeming to turn a strangely blind eye on the shortcomings of the authoritarian east German Democratic Republic.

Since danger threatens the west German state—as it does all more or less democratic states—both from the extreme Right and the extreme Left, torpor and complacency in the middle are the real enemy. A child's prayer for the night published recently in *Simplicissimus* nicely caricatures current cosy preoccupations in the midst of political perils:

Dear Lord,
Please, please turn me
Into a television set.
For I want my parents
To rejoice likewise in me.

An Alternative to Dief?

FROM OUR OTTAWA CORRESPONDENT

AFTER months of turning up the heat under Canada's political pressure cooker until the pressure was almost explosive, on April 17th Mr John Diefenbaker put the cooker under the cold tap and removed the lid. He announced that the general election would be held as expected on June 18th. Parliament will adjourn as soon as it has finished some essential business, and it will be dissolved *in absentia* whenever Mr Diefenbaker can make another trek to the Governor-General, Mr George Vanier in Quebec city.

The announcement followed a long succession of what T. E. Eliot once described in a higher connection as "only hints and guesses, hints followed by guesses." Mr Diefenbaker had drawn out the suspense to the bitter end, teasing his own party members as much as the opposition. When at last he accepted the final curtain he recalled another Eliot quotation: "This is the way the world ends, not with a bang but a whimper." He claimed that his intention to call an election in September had been overborne by parliamentary obstruction from the opposition. It was like a striptease girl saying she would never have removed more than her stockings if only the audience had not whistled so much.

The opposition has been whistling wildly for weeks past and the orderly conduct of parliamentary business has been impossible. But if any striptease artist ever invited wolf-calls, Mr Diefenbaker incited the opposition to be obstructive and encouraged his own followers to join in the same disorderly game. In the past the Canadian parliament reached its nadir in the mismanaged pipeline debate of 1956 when a bungled attempt at closure, attempted by Mr St Laurent, Mr C. D. Howe and the Liberals' leader in the Commons, Mr Walter Harris, provoked the opposition to every form of obstruction known to the order book. Mr Diefenbaker never tires of throwing this unhappy incident in the teeth of Mr Pearson and the new generation of Liberals. Indeed, his many recent electioneering speeches suggest that he is prepared to campaign for a third time, as he did in 1957 and 1958, on the arrogant disregard for the rights of parliament by a past generation of Liberals. How this is to be reconciled with the charge of Liberal obstruction in the late parliament is a problem that may worry the logical and the sophisticated, but Mr Diefenbaker obviously has no fear that it will worry the electorate at large.

To judge from current comments heard from the public, and reflected in many editorial columns, parliament has sunk even lower in popular esteem than it did in 1956. The great difference is that, while it was a Liberal government that was generally held responsible for the 1956 débâcle, Mr Diefenbaker obviously thinks he can pin the present blame on the opposition. No close observer of the Ottawa scene, not even intelligent conservative back-benchers, accept this judgment. But many of them, especially among the Conservative members, think that Mr Diefenbaker has manoeuvred his opponents into a position where he can put the blame on them. The public opinion polls over the last six months have shown Mr Pearson and the Liberals to be ahead of Mr Diefenbaker and the conservatives by four or five per cent. The most recent trend gives no increase to the Conservatives, nor to the New Democratic Party (NDP) led by Mr T. C. Douglas, the bright and entertaining former premier of Saskatchewan. But it does show a slide from the Liberal column into the "undecided" column.

The polls reflect the public bewilderment which will make this the most unpredictable election in Canada since the war, and which fills Mr Diefenbaker with assurance. Through all his ups and downs in the last year, through all the Coyne row last summer and the Fleming fiasco at Christmas, through every shift of the Gallup polls, Mr Diefenbaker has remained supremely confident—some of his enemies have said "psychotically confident"—that as soon as he got back to the hustings he could recapture the vote. In the art of wooing the voters, as all the Liberals recognise, Mr Pearson is no match for the ageing Gypsy Rose Lee. He shows no sign of trying to meet Mr Diefenbaker on this ground, and if he does try he will throw away the election. In the House of Commons Mr Pearson has learnt a vigorous debating technique, coupled with a shrewd ability to keep silent, which has flummoxed Mr Diefenbaker's virtuosity through the last two sessions and has consistently outwitted more ham-handed ministers like Mr Fleming. In contrast to the innocent victim which Mr Pearson was when he first succeeded Mr St Laurent just before the 1958 election, his recent parliamentary performance has been a revelation of how much an intelligent man can still learn in his sixties. Every parliamentary observer marvels at the change. But it has not got across to the electorate at large.

FOR the last two years at least, the evangelical fervour which Mr Diefenbaker evoked in the 1958 electors has been at a discount, as the Gallup polls show. Disillusionment was the general public reaction and disillusionment, far more than any growth of the Liberals' public appeal, has tipped the polls to the Liberal side. Mr Pearson has obviously been aware of this in the two basic policies he has followed. One was to recreate a liberal image of the Liberal party. The other was to present a responsible opposition. He had to try to give disillusioned voters an acceptable and sensible alternative to Mr Diefenbaker.

No other course would really have been possible, given the contrasting characters of Mr Diefenbaker and Mr Pearson and the "delayed resentment" (as Mr Douglas calls it) against the former Liberal regime to which Mr Pearson is the reluctant heir. But the result is to leave Mr Pearson and the Liberals as relatively colourless challengers to Mr Diefenbaker's spell-binding oratory. Mr Douglas, the NDP leader, who is a very colourful character in his own right, is beginning to look like the Duke of Plaza Toro: "celebrated, cultivated and underrated." It is not that he leads his troops from behind but that his troops are showing a tendency to disappear into the wild blue yonder somewhere in his rear.

More and more therefore the election campaign shapes up as a test of the enduring quality of Mr Diefenbaker's highly individual appeal. Without question or argument it has palled in the last four years upon those who have been over-exposed, including the loyal legions who have sat behind him. But the loyal legions and many other less partisan observers believe that millions of voters who have not been similarly immunised may still be susceptible to the appeal which was so successful both five and four years ago. If it does work in the same way, it is difficult to see any possible opposition tactics to beat it. The question is whether it will work again or whether disillusionment is now too deep.

Verdi's Purgatorial Term

FROM A CORRESPONDENT IN ROME

There is something about copyright that resembles purgatory ; an artist is kept there after death for his own good, though how long he should stay there to obtain the best effect is constantly debated. Conflicting interests and outlooks press to have him out, or else more securely in ; and the method of estimating the proper length of time is apt to be as devious as trying to fix the effective length of an indulgence—unless of course the artist is Portuguese, when his time under protection, by Portuguese law, is simple perpetuity.

For all its intricacies, the question of the duration of copyright has been the subject of public controversy in Italy for some months now. The arguments will all be loudly raised again in May, when the committee of experts of the Berne Union—the international agreement on copyright—meet in Rome to continue studying suggestions put forward by the Italian government's delegates for a longer period than the 50 years of protection laid down as the minimum by the Berne convention. The supporters of prolongation claim to be defending the artist—or his works—from the growing commercial interests, such as recording companies, publishers of cheap editions, and the cinema, that are thought likely to pounce on his work and misuse it as soon as it becomes public property. The exponents, in Italy at least, of stopping at 50 years claim to be trying to protect the artist against exploitation by commercial interests in the name of copyright itself. Both sides assert that their conflicting positions are in line with international opinion.

At the moment the principles of copyright are being publicly debated in Italy because they are immediately relevant to the works of Verdi. The fiftieth anniversary of the composer's death fell in 1951, and since then his operas have been constantly on the verge of emerging from copyright, only to be kept inside by a series of prolongations approved by parliament. The exclusive rights for Italy are held by the Milan publishing house of Ricordi, which also holds most of the Verdi manuscripts. The condition of the scores, as published by Ricordi, has caused growing concern because of the number of changes introduced from edition to edition with no indication whether they can be taken as following the master's wishes, or indeed that changes have been introduced at all.

The last request for prolongation came before the Italian parliament at the end of this year. It was apparent from the discussion there and in the press that Verdi had become a touchstone of the issues involved in copyright.

Probably the strength and informed nature of the attack on further prolongation surprised official opinion ; they may even have given Ricordi some anxious moments. But the deterrent effect does not, so far, seem great ; the pull towards a longer period of copyright seems still to be strong. It is expected that the Italian representatives at next month's meeting here will propose an extension of copyright to 65 years instead of 50. This will take the form of a protocol to the Berne convention, to be underwritten by those countries favouring extension. (At the moment apart from Italy, they are Brazil, Lebanon, Spain and the Holy See.) According to the report of the Berne Union's permanent committee, after a meeting last autumn in Madrid, 22 countries declared themselves opposed to extension, seven did not reject the possibility, and five were in favour. It is difficult to see how this can be interpreted in any other way than that international opinion is predominantly for stopping at fifty years.

Ideally the Ricordi monopoly over Verdi in Italy, and the question whether copyright in general should be extended, ought to be separate matters. For two reasons they are not. First, prolongation being so obviously in the commercial interests of Ricordi, there is not much doubt felt that so influential a business house, with ramifications running deep into the musical life of Italy, would be using its influence to the hilt for prolongation. (The only other well-known works directly affected by prolongation at the moment are those of Carducci, who died about the same time.) The second is that the state of the published scores has been fully revealed to the Italian public and to international opinion by the researches of the Australian conductor, Mr Denis Vaughan, who has been able to show effectively how far the incrustation of changes has gone. He has demonstrated, for instance, that for every page of the score of "Falstaff" there are 66 changes from the composer's known intentions, with no editorial explanation of how they came about.

The malpractices of a monopoly were a natural theme for the left wing in the parliamentary discussions. In a striking attack from the Socialist side, they were alleged to go a good deal wider than inaccurate scores. But the opposition to further prolongation was not limited to the Left. Senator Russo, for the Christian Democrats, joined in the attack, which led to the government's proposal (a five years' extension) being reduced to one year. Senator Russo demolished the opinions procured officially from certain leading musicians with the frank statement that musicians could not give calm and dispassionate opinions on the matter, "being tied to questions of interest with certain stated firms." The government agreed to make this extension the last on the understanding that in the meantime the copyright situation would be reviewed. A possible complication, introduced by the fact that a part of the Verdi royalties go, according to the composer's wishes, to a home for old musicians, is to be settled by new legislation.

The combination of official encouragement for a longer period of copyright and the cautionary case of the Verdi scores served to illustrate a crucial point—that copyright must also afford protection for the artist's work against the copyright-holders. Unless this is established, discussion of a longer or shorter duration can have little meaning, looking either like pure theory or a protection of interests rather than of works of art. In Italy, however, the government's powers to protect works of art against modification are stronger than the Berne convention requires. A reasonable corollary to an Italian proposal in May to extend the period of copyright would be a proposal for strengthening international practice against modifications, bringing it up to the level of the Italian legislation. This would naturally have to be preceded by the strict application at home of this law. Such a move would reassure public opinion that in the Italian official position it is art that really matters. And Verdi, even if he remains longer in copyright, will no longer be suffering the purgatory presumably experienced by dead artists at every little change or inaccuracy in their printed works.

Malaysian Malaise

FROM OUR CORRESPONDENT IN THE FAR EAST

It is generally believed that Singapore's prime minister, Mr Lee Kuan-yew, had intended to include Peking and Moscow in his impending world tour, but that the Tunku Abdul Rahman, the Malayan premier, frowned on these far-left wanderings. Certainly, as a tough and able realist, Mr Lee would place far more importance at this moment on the Tunku's approval than on peony bouquets in Peking and caviare and vodka in Moscow. All considerations for Mr Lee are subordinated to Malaysia—which means, in effect, to the Tunku.

He will now content himself, while awaiting the Cobbold commission's laboured findings on the attitude of Sarawak and North Borneo towards Malaysia, with calls on General Ne Win, Mr Nehru, President Nasser, President Tito and Mr Macmillan. Officially, his tour is designed, modestly enough, to "widen his political education," but he will undoubtedly do what he can to muster neutralist support for Malaysia.

The Cobbold commission, which was appointed at the end of last year by the Colonial Office, has made heavy going in the sultry air of North Borneo. Misgivings and opposition mounted as the commission extended its earnest inquiries among a welter of newly-formed political "parties," which argued that independence and self-government for the territories should come before federation, and which clung jealously to native rights. If most responsible interests accept grudgingly that Malaysian federation was ultimately unavoidable, they still argue strongly against unseemly haste. "Hustling us, just for the sake of political expediency in Singapore, is neither decent nor wise," as the new English-language edition of the *Borneo Times* put it. Articulate elements in the Borneo territories are not greatly agitated by the communist menace which the Tunku and Mr Lee anxiously proclaim.

It is now expected that the Cobbold commission will issue its report in another six weeks, no doubt recommending that local adjustments be made in the proposed federation to allay misgivings. The doubters in Borneo want to retain local migration laws, the local taxation system and so on. But the crux of the problem is that, while North Borneo and Sarawak want to wait, Mr Lee can hardly afford to do so and the Tunku refuses.

An interesting recent development has been the growing restraint of the far leftist Barisan Socialis opposition in Singapore since its leader, Mr Lim Chin-siong, boldly took the line—now quietly dropped—that it would be preferable for Singapore to merge with Indonesia rather than with Malaya. Whether this is just a pause or a considered shift in policy remains to be seen. Strikes, anyway, have fallen off sharply after last year's widespread industrial unrest—which was the worst since the violence of 1955. The prime minister cracked down sharply on the strikers, and the Tunku angrily promised to "close the Johore-island causeway" if Singapore voted against merger with Malaysia. But there has also been speculation that the Barisan Socialis might prefer to show their strength after the merger has taken place.

The revival by the Philippines of historical, if not legendary, territorial claims to North Borneo has precipitated a new and unexpected complication. Launched initially as a newspaper stunt, the campaign appealed to the nationalist instincts of the Philippines' new vice-president and foreign secretary, Mr Emmanuel Pelaez. With the support of the Sultan of Sulu, who claims sovereignty over North Borneo, Mr Pelaez won the blessing of the House of Representatives for action to "recover" the territory. The new president, Mr Macapagal, had not taken the issue seriously but he has now become the captive advocate of Sulu nationalism and cannot afford to withhold his nominal support.

Indonesia, which already regards the Malaysia project with a sour and jaundiced eye, will certainly jump in with rival claims to North Borneo if the Philippine case gains support. It is assumed, however, that combined American and British pressure will manage quietly to smother the Filipinos' inconvenient campaign. Mr Lee's proselytising tour will bring him back to Singapore just ahead of the expected time of release of the Cobbold report. Significantly, the Tunku has suggested to the Foreign Correspondents' Association in Singapore that he might be able to deliver a speech to members at a luncheon on May 27th. That will be the anniversary of his surprise announcement at a similar lunch last year of the project for Malaysia.

UN versus IOU

FROM A CORRESPONDENT AT THE UNITED NATIONS

THE United Nations is well placed just now to test the theory about the road to hell being paved with good intentions. While governments make qualified pledges to buy UN bonds sometime, UN bills are falling due now and past debts remain to be paid. Declarations by governments of their intent to purchase bonds continue to flow into the organisation's headquarters. Without counting the United States, the tally had risen to $63.6 million by April 12th, Italy having announced its intention to take up nearly $9 million worth. Japan and Kuwait have yet to be heard from, and Brazil, Venezuela and Iceland are nibbling at the bait.

And yet only $6 million worth of bonds have actually been bought and paid for (by Scandinavian countries), and the proceeds from these have already been spent. Meanwhile, expenses of approximately $21 million monthly are still being incurred, with no immediate prospect that costs in either the Congo or the Middle East can be reduced.

The Sixteenth Assembly did not provide for assessments on member states to cover emergency costs beyond June 30, 1962. Apparently it was expected that enough money from the sale of bonds would come in by that date to defray expenses until the Assembly can consider assessments again next October. No doubt it was also hoped that the International Court would have given its blessing to assessments for emergency costs before the Assembly had to grasp that financial nettle again. In other years, the Assembly has authorised the Secretary-General to obtain short-term loans from governments at going rates of interest. It did not do so this year because such loans would have looked odd beside the twenty-five-year bonds at 2 per cent interest.

The UN's working capital fund was exhausted some time ago. Cash for emergency costs is being borrowed at present from the Special Fund (the "pump-priming" fund for economic development). This is legitimate, as the fund has money lying idle which has been subscribed for future projects; but repayment will have to be made fairly soon.

OFFICIALS are not indulging in day-dreams about being "forgiven" debts to governments supplying troops and services to UN peace-keeping operations. Experience with the UN Emergency Force in Gaza and Sinai has taught them that all nations involved will send bills for extra pay for troops, for materials supplied, and for wear and tear on equipment. Although Britain, Russia and the United States all wrote off the cost of the original airlift of troops and supplies to the Congo when that crisis first arose, they cannot be counted on to wipe out similar debts incurred since then. Up to the beginning of this year the UN owed the United States $31 million for such items as transport and aircraft parts.

This debt to the United States is not making it any easier to gain support in Washington for an American purchase of UN bonds. The House of Representatives being notably less internationalist than the Senate, it is not at all certain that the House will accept the compromise bill already passed overwhelmingly by the Senate.

It was estimated in December that the UN would be $170 million in debt by July 1st. As the secretariat's estimates of emergency costs are usually cautiously high, the figure may prove somewhat lower when that date arrives. However, the fourth quarter of 1962 will be the time when the organisation expects its cash deficit for all operating expenses to reach its peak.

If the United States finally adopts the plan of buying bonds worth $25 million, and matching purchases by other nations up to $75 million more, the UN must sell $75 million elsewhere in order to obtain the full amount from the Americans. Even then the total would fall $25 million short of the goal of $200 million.

There are other parliaments which must vote on their governments' good intentions. Parliaments are not famous for speed in such matters, so that the secretariat is left in doubt not only whether, but when, it may expect (actually) to get some money. Although the Assembly resolution on the bond issue permits him to, the Secretary-General does not wish to offer bonds to "non-profit institutions or associations" until all governments have had ample opportunity to subscribe the full amount required.

AMERICAN SURVEY

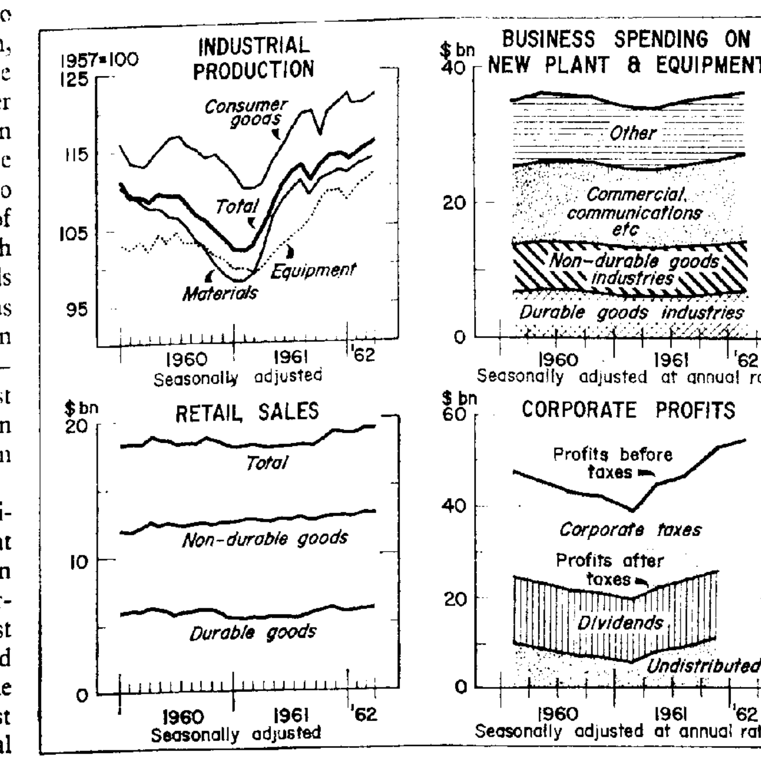
AMERICAN SURVEY is prepared partly in the United States, partly in London. Those items which are written in the United States carry an indication to that effect; all others are the work of the editorial staff in London.

Economic Moodiness

NEW YORK

With the spring, activity has quickened in almost every section of the American economy. But businessmen are still suffering from the winter's discontent and everywhere the prevailing sentiment is a mixture of disappointment that things are not a good deal better and anxiety about the prospects for future improvement. The Administration's officials have toned down their earlier forecasts and are expressing concern about the slow rate of economic growth and the persistence of unemployment. Similarly Wall Street, where share prices are well below the peaks reached last December, reflects widespread doubts about the vigour and duration of the new rise in economic activity. The business community is the most disaffected; sales and profits, although rising, are not up to its earlier optimistic projections and hopes for a boom have been dimmed by Mr Kennedy's determination to maintain price stability. Even retail merchants, whose sales registered a big improvement in recent weeks, partly because of the late Easter, are not convinced that demand will be maintained and are reluctant to add to their stocks. Consumers are more cheery, but they seem far from embarking on a spending spree.

The state of the economy is admittedly not all it could be but it does not seem to justify the querulous uneasiness now so much in evidence. In March the economy advanced at a faster than seasonal pace, with the Federal Reserve Board's index of industrial production reaching a new peak and personal income running at an annual rate of over $435 billion, as against $407 billion a year earlier. The number of new houses started, after declining for four straight months, shot up to an annual rate of 1.4 million, indicating that it was the abnormally severe winter weather and not a falling-off in demand which had been the trouble. Automobile sales also picked up, to an annual rate of over 7 million, and sales of both durable and non-durable goods hit new peaks. The advance has been maintained in April; in fact, with a few exceptions—steel production being the most notable—the expansion in economic activity has been accelerated and broadened.



But discontent among businessmen is so deep-seated that it has not been dispelled even by the substantial rise in corporate profits during the first quarter of this year. Nor did the gross national product come up to expectations in the first quarter; at an estimated annual rate of $549 billion it increased less than 2 per cent over the fourth quarter of 1961, which had also been disappointing. Businessmen have been lacking in confidence ever since the "soaring sixties" failed to materialise, although they have gone on hoping for a miracle. But after the economy stalled last September and paused again in January, they became cautious and apprehensive. They are willing to admit that today activity compares extremely favourably with the levels of a year ago, when the country was just emerging from recession; but they point out that the gains since last summer have been painstakingly slow and hardly merit a new wave of enthusiasm.

Business economists think that the lag in new orders for machinery and the modest increase in corporate expenditures on new plant support the view that industry is plagued by an excess of productive facilities. The need to modernise plant in order to increase efficiency and lower costs is conceded, yet corporations are committing themselves to new outlays at a much slower rate than in previous periods of expansion. The Administration still looks for a substantial increase in business spending on plant and equipment, particularly if Congress approves the President's proposal for a tax credit for capital improvements. This was designed specifically to encourage corporate investment and to lay the base for sustained growth. The survey made by the Commerce Department and the Securities and Exchange Commission in the first two months of this year reported that businessmen would spend 8 per cent more on capital investment in 1962 than in 1961 and a survey just released by the McGraw Hill experts shows a rise of 11 per cent; normally corporations spend more in an upturn than they planned to do originally, so that a greater rise is still a possibility. But usually such additions have been made in a bullish atmosphere, under the threat of higher prices; corporations feel under no compulsion to add to their commitments with the prospect of stable prices confirmed by the steel industry's rash attempt to raise them and by the President's bold reaction to this attempt.

Mr Kennedy and his economic advisers, however, want to see the dust settle over the steel dispute and to repair the damage, real and imaginary, to business confidence. In fact, capital investment by corporations has been responsible for a declining proportion of the gross national product since

1957 and the Administration is determined to reverse this trend. It is proffering one olive branch in its proposal for tax credits; it is offering another in the form of liberalised depreciation rules to allow new equipment to be written off faster by a long list of industries, including steel; and it is working on a comprehensive tax reform Bill, to be presented to Congress in 1963, which, according to Mr Walter Heller, chairman of the President's Council of Economic Advisers, will probably involve reductions in present rates of taxation. Business has been somewhat lukewarm towards the tax credit but, if it is combined with faster write-offs, it should spur corporate investment and a reduction in tax rates, whether corporate, individual or both, would almost certainly have a stimulating effect.

But the leisurely progress of the economy and the conflict with the steel industry are prodding the Administration to make greater efforts. In March Mr Kennedy asked for an additional $600 million for public works as a means of coping with unemployment and now some officials are talking of a much more expensive programme, even though it would mean a deficit in the coming fiscal year. A balanced Budget, which has been given priority because of the fear that a deficit would tend to weaken the international position of the dollar, is no longer regarded as sacrosanct. On the contrary the Administration is now taking the position that a sluggish economy hand-in-hand with a balanced Budget may be more of a risk to the dollar than a growing economy accompanied by a deficit. In part, Washington is accepting the inevitable, because the slowing down of the advance in the first quarter of this year has brought a short-fall in tax revenues. But Mr Heller's announcement that a tax cut is being considered was evidently timed to give a psychological lift before taxes are actually reduced. The unorthodox idea of cutting taxes before expenditures have been held down makes it clear that the Administration is seeking fresh ways of ensuring faster long-term growth.

A little more nudging by the Administration now, followed by a tax reduction later, may well provide the stimulus which both businessmen and consumers need. Rises and falls in the business cycle, however, rarely conform to past patterns and it is already obvious that the present expansion has its own individual characteristics. The rise began with an unusually big pool of unemployed and an exceptionally large amount of excess capacity. As a consequence, there has been no excessive demand for goods and none of the upward trend in prices which generates more demand temporarily. Businessmen find it difficult to adjust to a recovery that is not accompanied by inflationary fever. Indeed, the very lack of price pressure tends to make the expansion appear feeble if not actually spurious.

But in fact the economy is not about to lose its forward momentum. Some sectors may be lagging but the widespread perturbation about the slow rate of growth obscures the fact that not a single significant area is declining or is likely to decline. And, despite the hesitancy during the winter months, industry is nibbling away at unused capacity and unemployment; as this process continues business will be forced to increase its investment in new plant. By and large, corporations have the funds available for greater investment and the Administration intends to make credit available to both consumers and corporations. Government spending—at the local as well as the federal level—is increasing and, with consumers following suit, business is bound to begin adding to its stocks and its profits. In a sense the economy is better served by a slow advance. Although this means some deterioration in confidence, it avoids the concentration of activity in one sector or another that has proved so injurious and unstabilising in the past.

Moods, after all, are changeable. At worst, the current dissatisfaction could delay expansion but it is unlikely to prevent it. Sentiment will probably brighten as the fresh rise in activity continues to make itself felt and as President Kennedy smoothes the ruffled feathers of the business community. If dramatic surprises—and unsettling disputes—can be avoided, the economy may be pressing close to the limits of productive capacity sooner than either Wall Street or Washington now expect.

Republicans Steel Themselves

The Republicans, or at least the conservatives who lead the party in Congress and who therefore dominate the headlines, think that at last they have an issue which will enable their party to win next November's election. That no unbiased observer agrees with them does not seem to worry them—although it should since, as members of the minority party, Republican candidates cannot do without the support of independent voters. The issue has been found in an unexpected place: the President's struggle with the steel industry in which he forced it to capitulate; it is this apparently overwhelming victory which has given the Republicans what they hope is their chance.

When the United States Steel Corporation increased its prices Republican leaders refrained from comment, except for reactionaries like Senator Goldwater who believe in tarring themselves with big business's brush. But when the President mobilised all the arms of government for his succesful *blitzkrieg* againt the steel companies, the Republican leaders, after a long pause for reflection, launched a united attack against

> a series of government actions that imperilled basic American rights, went far beyond the law, and were more characteristic of a police state than a free government.

The exaggerated language of this statement weakened a case which is not without its appeal. For many people who felt with the President that the steel companies had acted not only unwisely but also deceitfully were concerned, nevertheless, at the future implications of his massive use of the powers of the executive. In this group are certainly many trade unionists, workers—and with reason—that the President may deal as severely with any attempt to increase wages.

It is on such fears, and on the widespread American aversion to interference from Washington and to "big government," that the Republicans are playing; they will contend that the only way to keep the Democratic President under control is the constitutional one of checks and balances—to elect a Republian Congress. But the Democratic leaders have taken up this challenge with joy, declaring that the Republican condemnation of the President's fight against an inflationary price rise shows

> once again that the Republican party puts the selfish and narrow interests of the few ahead of the welfare of the average American family.

There is little doubt that most voters will find this argument more acceptable and easier to understand than the Republican one. Once again it looks as if the Grand Old Party had managed to get itself on the unpopular side of an election issue.

Caught in the Networks

FROM A CORRESPONDENT IN CHICAGO

The Federal Communications Commission's fact-finding inquiry into television programmes available in Chicago has ended where it began, as an attack on the three national networks which distribute programmes all across the country. While no corporation is allowed by law to own more than five stations—each of the networks owns one in Chicago where there are four commercial stations in all—the networks have large numbers of affiliates which contract to carry a certain number of their shows. The proceedings in Chicago, which are likely to be followed by hearings in other cities, are a sequel to an investigation of national programming held in Washington early this year; this grew out of the declaration by Mr Newton Minow, the chairman of the FCC, that network television is a "vast wasteland."

Last month when scores of critical citizens had the floor in Chicago, Mr Minow's home town, the consensus was that absentee network owners—greedy to make programmes cheaply and sell commercials dearly—dictated what the viewer should see, leaving scant chance for the local managers to serve the needs of the local community. But this month, when the managers of the network-owned stations had their innings, they argued that they put on as many local programmes as the market would bear, that they had all (or nearly all) the "autonomy" that they needed and that in any case presenting shows which originated locally was not the only way to meet a community's needs and interests.

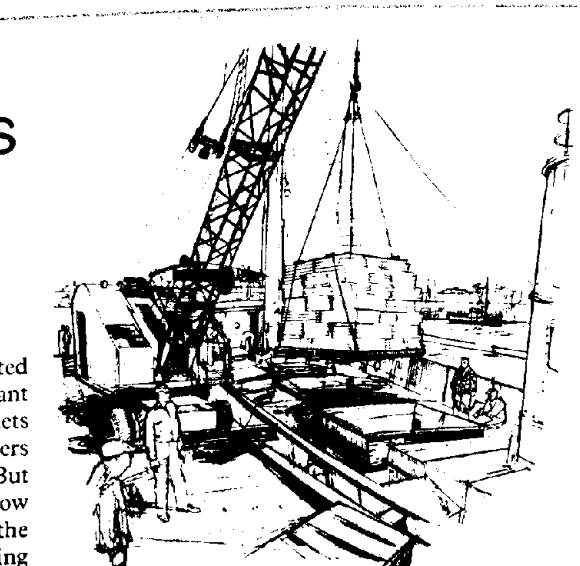
One instance in which a network overruled its manager in Chicago involved keeping a programme off the air rather than putting it on. This was the showing of a film, "Chicago—Portrait of a City," produced by Mr Dennis Mitchell for the British Broadcasting Corporation, in partnership with the ABC (American Broadcasting Company) station in Chicago. Officials of the network thought that it gave Chicago a "black eye" (indeed, its realism offended some British viewers), although the resident manager fought in vain to show it. But otherwise there was no evidence of revolt in the ranks.

Although each resident manager cited instances in which he had rejected network programmes in order to put on Chicago shows, the Commissioner who presided over the hearings, Mr Robert E. Lee who, despite his name, is a Wisconsin Republican, closed the inquiry with the observation that, as a practical matter, the head offices in New York require the captive stations to carry substantially the entire network schedule. He had already disturbed the networks by demanding any records since 1958 which might throw light on the question of absentee control. Mr Lee, who will report to the full seven-member commission in the middle of May, feels that the FCC "should clear the air" on this question of local autonomy. In other words, the resident managers may well have thrust upon them the discretion which they contended that they had enjoyed all along.

Once again, as at the time of the scandals over the granting of licences during the Eisenhower Administration, it is apparent that there is no more confusing or vague body of administrative law than that of the FCC. In theory the agency's powers relate only to individual stations, not to networks, which did not exist when regulation was first authorised. In practice, the FCC does control many aspects of the operations of the networks, although it does not licence them. It is impossible, after all, to regulate the station cart without regulating the network horse, whether the station is owned by a network or merely affiliated to one of them. Legislation to give the commission statutory power to regulate the networks has been introduced in the current Congress. Even the FCC rule which permits one corporation to own up to five stations may now be in jeopardy if multiple ownership is deemed incompatible with local responsibility.

Fishermen's End

FROM A SPECIAL CORRESPONDENT



Most people think of the United States as an economic giant which dominates the world markets and even during a recession suffers only the mildest discomfort. But several important industries are now facing stiff competition. One of the hardest hit is New England's fishing industry, notably in the quaint old town of Gloucester, Massachusetts. Men fished out of Gloucester as early as 1602 and by 1700 the city was a flourishing port. Since then the fishing industry has been carried on without interruption, reaching a peak in the years following the second world war. Since 1950, however, the number of vessels of five tons or over operating out of Gloucester has droppd from 196 to 129. Even more significant, the total yearly catch has dropped by almost four million pounds and its value by nearly $3 million.

In an effort to cut costs fishermen have put off buying new vessels or repairing old ones: the average Gloucester fishing boat is well over 20 years old. They have also reduced crews to increase the share of money each man takes home with him after each trip. Another reason for the smaller crews is the reluctance of young men to become fishermen. Men of Sicilian descent, who used to take to the sea as soon as they came of age, now find less demanding and more secure employment elsewhere.

Gloucester specialises in "ground-fish," such as cod, halibut, haddock, redfish and flounder. These can also be caught in Japanese, Canadian and Danish waters and therein lies the rub. Now that fish can be quick-frozen foreign fishermen can easily ship their catch to the American market where it competes successfully with Gloucester fish; not only are workers in foreign plants paid less than American workers, but foreign frozen fish is also often of better quality. Boats from Nova Scotia and Iceland, for instance, can get their catch to the freezer in a matter of hours, while a Gloucester trawler may have to go as far as 400 miles to the Grand Banks and then has to keep its catch in the hold for more than a week before reaching shore.

About 70 per cent of the fish eaten in the United States is imported; most of it comes in raw because the tariff is much higher on cooked than on uncooked fish. The picture shows massive slabs of frozen fish from abroad being unloaded at Gloucester, where it is cooked and packed as "fish sticks," to be sold all over the country. In general tariffs have been restricted to cooked fish because it is felt that if they were imposed on raw fish prices would rise, the supply would become more uncertain and retaliation would be invited.

When President Kennedy was the Senator from Massachusetts he introduced various Bills to provide tariff and other forms of protection for the New England fishermen. One of those which became law allocates 30 per cent of the money collected from the tariff to research to help the domestic fishing industry. But the fishermen are sceptical. One from Gloucester states the problem: "The government might find something good in all those laboratories but, when they do, there won't be any fishermen left to use it." Thus the Gloucester fishing industry seems doomed to extinction and with it an era when gaily-coloured fishing boats, and not pleasure craft and freighters, filled Gloucester's harbour and when the atmosphere was pervaded, not by factory odours, but by the unforgettable smell of drying codfish.

In theory, the FCC does not censor programmes. The standard set by law for them is that they should serve the "public interest, convenience and necessity." The Chicago hearings, although novel in form, were ostensibly no more than a "forum for civic leaders" and an opportunity to discover how the stations met community needs and how they determined those needs. According to most of the witnesses, these were served best by the independent station belonging to the *Chicago Tribune* (WGN) and by a non-profit-making educational station (WTTW), which is supported by contributions and suffers from a weak signal. Although the FCC does not use a blue pencil and lacks the Lord Chamberlain's powers, it does possess an ultimate sanction. Its power to revoke a licence or to refuse to renew one is a club in the cupboard which the industry never forgets, though so far no television station has ever lost its licence.

But the dilemma remains: Is television to be primarily an educational and "cultural" medium or one for entertainment? If the former, this would represent a triumph of mind over popularity ratings because the educational station has the smallest audience and often, by any criterion, the dullest fare. And even the manager of the *Chicago Tribune's* station, thankful though he was for praise, complained that the public often ignored "culture" and that commercial sponsors were even less interested in it. The criticisms last month fell into two general categories: that "cultural" and "educational" programmes were scarce and that special interests, such as Negroes and religious groups, were ignored, ill-served or given poor viewing hours. (Even the Japanese-American Citizens League came forward to protest that the reshowing of war films libelled the Japanese.) But the spokesman for the *Tribune's* station said that with a limited number of hours a day it was impossible to please everybody in so large a city as Chicago.

Although the hearings which have just been held had nothing to do with the renewal of licences, those of the three network stations are, in fact, up for renewal. It is clear that a new pattern of pressure is being exerted, not only on stations in Chicago but, as the FCC repeats its road show elsewhere, on the entire industry. Mr Lee carefully disavowed any intention of prejudging the renewal of licences in Chicago; this will be considered at formal hearings later in Washington. But it would be a naïve television executive who did not catch his message.

Washington's Own Wall

Some of the most flagrant racial discrimination in the country flourishes in the District of Columbia, right under the nose of the federal government. The capital's racially integrated schools provide a good example of colour-blindness but housing is a very different story. Last year the Administration had to intervene, and with only indifferent success, to secure suitable flats for representatives of the new African countries. Now the Civil Rights Commission, in two days of open hearings, has turned the spotlight on the near-ghetto conditions in which native Negroes live in the only major city in the country where they are in a majority and one where Congress, which still governs the city, has not lifted even a protesting finger.

The figures speak for themselves. Negroes provide about a quarter of the population of the whole metropolitan area but in the central city, the District itself, they account for 54 per cent while in the surrounding suburbs, where they were once numerous, they make up only 6 per cent. This is the prevailing metropolitan pattern but it is harsher in Washington than elsewhere because the capital is embedded in two southern states, Virginia and Maryland. Even inside the District of Columbia racial segregation prevails in housing and Negroes testified to the difficulty of obtaining mortgage money if they wished to move into a white area. To pin down responsibility for this situation is not easy. Those who are interested could not do better than to read Mr Davis McEntire's definitive book* which considers the problem in the national setting. But briefly, covenants restricting the sale of houses to minority groups—chiefly Negroes and Jews—are still in use although legally they cannot be enforced; local officials, builders, lending agencies, and estate agents all help to retain racial segregation, partly because of their own prejudices or out of respect for those of other whites, partly out of fear that if Negroes are introduced into desirable white developments, values will come tumbling down. Even where prejudice is absent, the properties available to Negroes are usually not as credit-worthy as those available to whites. In all this the federal government is a silent partner because it advances money and insures mortgages on segregated housing.

On the President's desk there has been lying for months an order to end this scandal, but it has been withheld in the interests of securing co-operation from Congress on other issues. If, however, the District of Columbia had legislation outlawing discrimination in housing the federal agencies could help to enforce it; just recently they have decided to make the builders and developers who use federal credit respect the laws of the seventeen states and the many cities which prohibit discrimination in housing. Unfortunately it is far from certain that the District has the power to adopt such legislation and all too certain that Congress will refuse to do so. Moreover, the fact must be faced that the capital will never solve this problem satisfactorily until Virginia and Maryland help to pull down the wall which imprisons Negroes in the centre of Washington.

Paying for Democracy

The President's Commission on Campaign Costs, appointed last October, met its deadline of April 30th with twelve days to spare and its report is equally businesslike and practical. It is also unanimous, even though the nine members, all men with experience of raising political funds, either in practice or in theory, came from both parties. That they could agree is not so surprising as it might seem, for it has become obvious to politicians that something must be done about a situation in which it cost $20 million to choose a President and Vice President in 1960, half again as much as in 1956, and somewhere around $170 million to run all the federal, state and local election campaigns in that year.

From the commission's point of view, perhaps the most serious aspect of this is that the total outlays for the 1960 election campaigns were only $28,300,000, as reported under the law. From this the commission deduces, as many others have already done, that the present limits on spending by interstate political committees—not more than $3 million each—and on contributions by individuals—$5,000 each—are meaningless. Last year the Senate approved a measure which would raise these ceilings, but the commission recommends that they be abolished altogether, with an effective system being set up to make it clear where the money comes from and where it goes to in election campaigns. This, the commission feels, would increase public confidence in political activity and would counteract the widespread feeling that it is inevitably dirty. To increase public participation in such activity, the commission proposes that contributions to party funds, however small, should be deductible, in part, from tax payments. If more people subscribe to political parties, this will not only spread the cost of campaigning but will also lessen the dependence of candidates

* Residence and Race. By Davis McEntire. *University of California Press. London: Oxford University Press.* 431 pages. 48s.

on the large contributions which must always carry with them the suspicion that they have post-election promises attached.

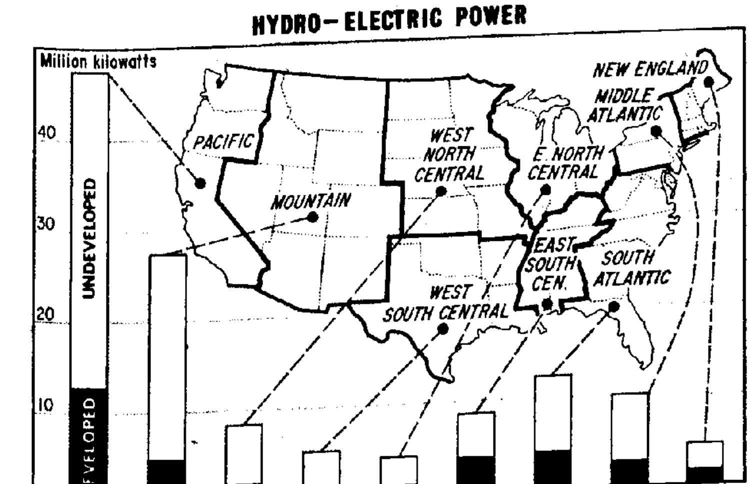
The commission does not, for the present, endorse the suggestion that the government should subsidise election costs in some way, although it recognises that this may be necessary if its proposals do not achieve their objectives. The commission does, however, want the government to pay the expenses of an incoming Administration between the time a new President is elected and when he takes office; between November, 1960, and January, 1961, President Kennedy cost the Democratic party $360,000. The commission also recommends that television and wireless stations should again be permitted, as they were in 1960, to give free time on the air to the major candidates without being obliged to do the same for all the minor ones; this would relieve the parties of substantial outlays. Another way of encouraging wider political interest would be for the costs of non-partisan undertakings, such as getting voters to register, to be tax deductible, even when handled by the business corporations and trade unions which are forbidden, and should continue to be forbidden, to take part in partisan campaigns. The commission's report deals with federal elections, but it hopes that the states will take similar steps to reduce the costs of, and increase contributions to, their own local campaigns.

Electricity without Fireworks?

When the Kennedy Administration came into office it was announced with a flourish that the Eisenhower policy of partnership with private firms in the development and distribution of electricity was a thing of the past. Indeed, the new Secretary of the Interior, Mr Udall, so frightened the private companies with his talk of a federally-constructed national grid—to begin, probably, with a link between the federally-owned dams in the Pacific Northwest and southern California—that they hastily drew up an $8 billion scheme for building transmission lines themselves.

It created a sensation, therefore, in February when Mr Udall revealed that he had agreed to let private firms build some of the transmission lines and connections needed to carry electricity from the federal dams being built for the Upper Colorado Storage

HYDRO-ELECTRIC POWER



Source: Federal Power Commission

Project to users in five states: Colorado, Utah, New Mexico, Wyoming and Arizona. The municipal electricity authorities and co-operatives felt that they had been sold down the river. Even Mr Seaton, Mr Eisenhower's last Secretary of the Interior, had come down in the end on the side of a wholly federal system of transmission lines. Last year Congress appropriated about $13 million to make a start on the $178 million job. Now private firms are to build $27 million worth of the lines, although the backbone of the system will still be federal.

Mr Udall's explanation is that this modest private participation will save the tax-payer about $77 million by the time the dams are paid for in 2042. Moreover, he argues that co-operation between the federal government and the private companies will provide the consumer with a more reliable, more extensive and cheaper system of transmission. But he denies that the step represents a return to the Eisenhower policy of partnership. He points out that the Administration was "bargaining from strength": it could afford to reject the companies' first proposals and demand more favourable terms from them because it had the authority and money to build the whole system itself. There is no intention, either, of allowing private enterprise to cream off the most remunerative projects, leaving the taxpayer to finance those which are uneconomic at present or too large for private firms. Mr Udall has christened his approach "competitive co-operation" and is convinced that the goal of cheap, abundant electricity will best be served by a friendly race between the public and private sectors. There is room for both. In the next twenty years investment in electric power is certain to double, if not to triple.

Stamping Out Hunger

Since last June food coupons have been used in eight American communities, not to restrict consumption but to enlarge it. This has been a pilot programme to determine whether there is not a better way of relieving hunger amid plenty than by simply handing out surpluses of lard, flour, dried milk and rice. About 6 million Americans are now receiving such hand-outs, at a cost of some $250 million a year, but they add up to neither a very balanced nor a very tempting diet. The 146,000 certified needy now receiving food-stamps do better. With the money which they would normally spend on food they buy coupons—or stamps—worth nearly twice as much in the shops. The average family spent $63 for each $100 worth of food which it received. The coupons can be used for any food—apart from a few imported items—but for nothing else.

Special studies have just been completed which show that the participating families used nearly all their "bonus" coupons and that 80 per cent of the increase in their purchases of food consisted of meat, eggs, fruit and vegetables, milk and fish. In Detroit, one of the pilot communities and one with much unemployment, food-stamp families bought about a pound more meat a week for each person. The shopkeepers (who dislike outright donations of surplus foods, for obvious reasons) also benefited; their sales rose about 8 per cent with small shops doing better than big ones. Moreover, the cost of administration, at about 5 per cent of the total, is not considered to be excessive. One of the reasons why the Eisenhower Administration declined to revive food stamps—which were first used, not altogether successfully, by Roosevelt—was their supposed costliness of administration; another was that they do not make as direct an attack upon surpluses as outright donations of such commodities; a third was the risk of abuse. So far, however, only 11 of the 4,000 participating shopkeepers have been suspended because of trading in the stamps or accepting them for tobacco or other non-foods.

The programme is now to be expanded, but still only on an experimental basis, to about 500,000 people; this will cost less than $50 million a year. Even if the plan became nation-wide, it is not likely that more than 4 million people would take part. As a way of eliminating farm surpluses and sustaining farm income the food stamps are not to be compared with Food-for-Peace, which last year allocated 60 billion pounds of food to 64 million hungry foreigners. But the stamps—which allow hungry Americans to share in their country's abundance—are becoming popular in Congress; over a hundred Representatives would like to have their districts included in the scheme. In skilful hands it may become a Democratic asset in the coming congressional elections.

THE BUSINESS WORLD

Hard Look at the Gains Tax

When Finance Bills become pellucid, the ancient spring-time rite of using them as a kind of Easter hare pie for the pleasure of the honourable band of Somerset House knockers will disappear. The bill, these worthies declare, is the thing—not the glosses that Chancellor, Economic Secretary, or the Inland Revenue, seek to put on it. This year they have, for the first time, a 12-page White Paper entitled "Taxation of Short-Term Gains" to help them to absorb the inner meaning of Chapter II of the bill, headed "Charge on Gains from Acquisition and Disposal of Assets" (no saver here about short-term) with its modest assembly (by number) of six clauses and a side array of fifteen pages of miscellaneous rules. What are to be taxed are gains made by residents in this country from dealings in assets that are not within reach of the Revenue as profits of a trade. These assets are principally land, securities, commodities and "currency of any description." The bill taxes such gains on land held for three years or less and on other chargeable assets held for six months or less. What the White Paper describes as taxation of short-term gains can at any time be made to apply to long-term gains by inserting ten years for three years and changing six months to five years.

Mr Lloyd has produced a capital gains tax without intending it, and perhaps even without knowing it. He has missed the chance of framing a capital gains tax that could logically accompany reforms in corporate and personal taxation. The motto has been the maximum of bother for the minimum of revenue. Few of these elaborate rules will affect anybody with sufficient sense to stroll around them; they merely ensure the taxing of unavoidable short-term gains at the highest marginal rates of income tax and surtax. Why bother with artificial transactions within the length of one's wife's arms or get into the complications that govern donor and donee of "chargeable assets" when by holding them a day longer than the limit no one is liable for this tax or any other? This will be the costliest exercise to collect an exiguous revenue in the history of our tax administration. It is an effort that ought to have been put to better purpose, and Mr Lloyd is wholly to blame for burdening Somerset House with it. His successors, we can be sure, will build on his bad foundation a bad capital gains tax.

He is also to blame for allowing the Inland Revenue to attempt another dangerous (and tendentiously presented) foray into the remaining preserves of personal liberty. The White Paper says:

> Persons who act on behalf of others (such as banks, estate agents, solicitors and stockbrokers) will be under an obligation to state, in reply to Revenue enquiries, whether they have acted on behalf of a named person in acquiring or disposing of a chargeable asset or assets, and to give details, including dates of transactions and prices.

This is by no means what the bill says:

> Where it appears . . . that a person is or may be chargeable to tax . . . they may by notice in writing *served on any person* require him within . . . not less than twenty-eight days . . . ,
>
> (*a*) to state whether he has acted on behalf of the first-mentioned person in connection with *any acquisition or disposal* of assets by that person;
>
> (*b*) if so, to furnish information in his possession with respect to the acquisition or disposal . . . relevant to the question whether the first-mentioned person is chargeable . . . or to the computation of the gain or loss . . . accruing to that person. . . .

The simple method of direct question to the taxpayer—"State who are your agents"—would at least be better than this. Instead, there is to be a fishing enquiry starting with "any person" and then narrowed to those who are in fact agents to tell all, under penalty. This seems to ride roughshod over a client's professional privilege in his relations with his banker, solicitor or accountant. Section 414 of the Income Tax Act 1952 provides protection for such advisers; no such safeguards have been put into the Finance Bill.

These are gains which are being treated as akin to trading profits or earned incomes under Schedule D, with provisions for charging them under a new Case VII. Why, in that logical arrangement, is there to be no earned income relief for personal gains? They provide, say the Revenue in effect, a means of additional income. We have never been able to bring them satisfactorily within the net of trading profits; but we are taking special steps to do so now. But we are not prepared to recognise them as earned income. Mr Lloyd can presumably explain the equity of that.

For at least one class of transaction, a "bear operation" opened after April 10th, the gains tax will be not limited to a time-limit of six months as a "bull" purchase will be. The "bear" is vulgarly regarded as a raffish or mysterious freak, and his influence on steadying a market that threatens to get out of hand is something that only his professional brothers can readily appreciate. If there is merit in taxing gains made from short-term purchases, there is no doubt merit in taxing gains made from short-term sales. But what merit is there in a clause which, according to the White Paper, brings about this result:

> Since in the case of a "bear" transaction the disposal *precedes* the acquisition, the transaction is a chargeable transaction however long the interval between disposal and acquisition.

Even the authors' italics fail to make the logic of this argument clear. In one voice, the knockers shout "Why?"

They are also shouting about the odd treatment that the different forms of life offices are likely to get. If a gain forms part of a profit of trade, it would be taxed under Case I. That is the reason why the proprietary life companies will not be liable to gains tax on their short-term switching profits—they are "trading," though their profits figures are worked out in a distinctly special way. But the mutual offices, non-proprietary and representing a joint venture by the policy holders, are not profit making bodies in the usual sense and for them the Inland Revenue intends no escape from the gains tax—presumably on the ground that they cannot be got at otherwise. The gilt-edged jobbers have made their views known on this and other aspects of the gains tax in a letter to the Government transmitted through the Governor of the Bank.

There are any number of small points that could be taken on this small tax. The treatment of bonus issues, rights and options is sensible, as the Chancellor had already shown. How trustees will react to the liability to pay (unless they hold for another person absolutely entitled against them, when the beneficiary pays) is not easy to see. There could be a conflict, perhaps, between doing the best for the fund and not getting involved in the gains tax. These are irritating points for those who have been encouraging the cloth-cap investor by way of unit trusts, who on a first reading of the bill might be caught under the rules about disposal from a block of securities. The "one house" rule is qualified by a pernicketty limitation of the garden grounds—an acre and no more, unless the commissioners see fit. But, to the universal relief, the United Kingdom Atomic Energy Authority is free to dabble in short-term gains with no liability to tax.

One comes back to asking what all this elaboration is about—what contribution it makes to equity between taxpayers, what openings it leaves for avoidance, what constructive purpose it brings to a modern fiscal system whose primary aims should be to collect the greatest revenue with the least deterrence to earnings and enterprise. This is not, in its present form, a tax that deserves serious fiscal attention; the danger is that this nuisance will eventually become a bad capital gains tax when a reasonable one was needed.

Experiment in Forward Exchange

FROM A CORRESPONDENT IN WASHINGTON

A CENTRAL element in the Administration's strategy for the dollar is that a satisfactory balance in America's basic international accounts is not likely to be achieved before the end of 1963. The Treasury's recent ventures into the gold markets and the foreign exchange markets—Operation Stretch—are intended to ensure that the deficit over the next eighteen months can be financed without leading to a speculative run on the dollar and without forcing the need for a seven per cent discount rate. The aim is to prevent the deficit in the basic accounts being aggravated by excessive outflows of US short-term capital, and to prevent the drain on US gold reserves being worsened by repatriation of foreign-owned dollar balances from New York.

The Treasury has sought to show the markets that it is in control, even with net outflows that may range from \$2-\$4 billion before the accounts are brought into balance. It is not unlikely that US gold reserves will fall below \$15 billion and perhaps even approach \$14 billion, before the corner on the basic accounts is turned. The US authorities have worked extensively with the European central bankers in developing new measures to protect the system from excessive and destabilising flows of short-term capital. The European authorities, already surfeited with reserves, have themselves not welcomed the complications for domestic monetary management resulting from large inflows of short-term capital. Britain differs from Continental countries on both counts: its reserves are far from comfortable, and it is not, as one of the world's two great international money markets, embarrassed to the same extent by inflows by foreign funds, though as Thursday's Bank reduction again shows it does not solicit them.

Recent quotations on the forward dollar in the foreign exchange market and on gold in the London market indicate that the first round in Operation Stretch has gone to the US Treasury. About a year ago it acquired a stock of D-marks from the proceeds of a repayment of German debts; since then the American authorities have arranged short-term credits in Swiss francs, Italian lire, and French francs. They have operated in the exchange markets for three of these currencies, the mark, the Swiss franc, the Italian lira; and also in the Dutch guilder. The Treasury has apparently set up a special account to deal in foreign exchange, in addition to reactivating its Exchange Stabilisation Fund for the same purpose. At the same time, the fund's role as a limited buffer between the weekly reported changes in US gold stocks and US gold sales to foreigners, has been expanded considerably. To supplement these limited financial resources, the Federal Reserve System is now dealing in foreign exchange on its own account.

Policy guidance has originated within the Treasury, and various official statements suggest that this will remain so even if the commitments of the Federal Reserve should grow to exceed those of the Treasury. All the official foreign exchange operations of the last twelve months—those of the Treasury, of its Stabilisation Fund, and of the Federal Reserve System—are being undertaken by the Federal Reserve Bank of New York as fiscal agent. This bank has long participated in the New York exchange market as the agent of foreign central banks, so that its trading desk has developed a technical expertise; what is new is its intervention on instructions from Washington. Most such intervention has been in the New York market, not so much to develop a better market—the New York market in some of the continental currencies is relatively thin—but rather as a matter of convenience. But when the dollar is under pressure, the trading desk works both London and New York hours; operations in Europe are channelled through the respective central banks.

The new American operations differ in an important way from the regular operations of European exchange funds. These are primarily in the spot markets, to keep the home

currency within its prescribed limit against the dollar. The American authorities can thus rely on this task being performed for them, and the European funds are willing to acquire dollars in their support operations because the United States in turn guarantees to convert these dollars into gold at a fixed price. The US authorities have therefore concentrated in their own operations on the largely uncontrolled (and more easily influenced) forward exchange market, in order to make a direct impact on interest arbitrage. These operations are partly a response to the outflow of around \$2 billion of short-term funds in each of the last two years.

The continued outflow of short-term funds reflects the limitations of Operation Nudge, the attempt to keep credit plentiful for domestic business reasons while tilting the structure of interest rates so that short-term rates, which have a more direct impact internationally, are relatively high and long-term rates are relatively low. While the relatively high short-term rates in New York may have deterred some shifts of funds to foreign money markets, it has clearly not prevented a large increase in commercial credits extended to foreigners. With financing through bankers' acceptances available at 3 per cent or less and, more important, freely available, foreigners have found New York an attractive centre in which to borrow. About \$1 billion of the outflow of US short-term funds, in both 1960 and 1961, was connected with the credits extended by US banks to foreigners. These bank credits have been granted mainly to borrowers outside Europe and the main financial centres—though European banks have played an active intermediary part in other dollar credits through the Euro-dollar market. The biggest borrowers have been the Japanese. These credits have thus helped finance US exports, so that their true impact in increasing the payments deficit has been smaller than their gross amount.

The limitations in the success of Operation Nudge are partly to be made good, in the Treasury conception, through Operation Stretch, operating on the cost of exchange cover itself. The Treasury's basic aim in its forward exchange operations has been to reduce the cost of exchanging European currencies for dollars in conjunction with the accompanying forward swap to undo the transaction: it has sought to prevent the discount on the forward dollar from moving beyond the "natural" level set by the interest parity. Where foreign commercial banks and other foreign private parties have been likely to transfer funds from the United States to their own country, the Treasury has participated with foreign central banks in making swap facilities look attractive. By persuading private operators to keep part of their funds in dollars for at least the length of the forward contract, the Treasury has protected its gold reserves from the demands for conversion that might occur if private foreign funds were repatriated and official foreign reserves increased. There have been no operations in sterling, for, in contrast with 1960, the market discount on forward sterling has itself been broadly sufficient to offset the gross interest differential in London's favour.

IN its annual report for 1961, the Swiss National Bank recalls that the sharp weakening of the forward dollar early in 1961 made covered interest arbitrage from Switzerland to the United States unprofitable. The high discount on the forward dollar also made it unprofitable for commercial operators who were awaiting dollar receipts to secure forward cover in the normal way, and they found it cheaper to cover in the spot market by selling dollars to the Swiss National Bank—which was as anxious as the American authorities to stop this movement but is forbidden by law to operate in the forward market. It therefore welcomed, and co-operated with, the United States' purchases of forward dollars, which totalled \$150 million. The Treasury loan in Switzerland provided part of the francs (equivalent to \$46 million) to make delivery on the forward commitment, but this appears not to have been necessary on a sizeable amount. In practice the American commitments were comfortably unwound in the wake of the weakening of the Swiss franc early this year.

While the US authorities have held various foreign currencies accumulated through advance debt repayments and borrowing abroad, these holdings have not been strictly necessary for their "short" sales in the forward market: their main purpose is appearance. The funds have not been used significantly for spot operations; thus in France, where the dollar's weakness is wholly in the spot market and, because

ABC of Forward Exchange

A forward exchange operation is a contract to exchange one currency for another at a future date at a rate of exchange fixed now. These markets are relatively thin and they are more volatile than spot markets.

Uses (1) *Commercial*—importers and exporters want to fix their receipts and obligations in their own currency.

(2) *Interest arbitrage*—operators who shift funds for maximum interest do not ordinarily want to take an exchange risk and they therefore secure forward cover in the same way as traders.

(3) *Speculation*—some operators do want to take an exchange view; one simple form of bear operation is to sell a currency forward.

Rates, usually expressed as premium or discount on the spot rate, are a resultant of these three influences. In the absence of speculation, normal processes of interest arbitrage will ordinarily bring the forward margin to its "interest parity."

If sterling in New York three months forward is 2.79 while the spot rate is 2.81, this represents an annual rate of discount (premium on the dollar) of 2.85 per cent ($2 \div 2.81 \times 4$). This means that if interest on funds invested in London for three months exceeds that available in New York by this figure or more, a transfer of funds on a covered basis will still be worth while: and the effect of arbitrage on both the forward exchange margin and (normally to a smaller extent) on the interest rates themselves will, in a speculatively neutral situation, bring the forward discount to its interest parity.

If the forward discount is smaller than this, sterling or other European currencies are said to be at an *intrinsic premium* and the dollar at an intrinsic discount. This will encourage not only the transfer, on a covered basis, of funds from New York to Europe for direct interest arbitrage, but also transfers in the same direction by cost-conscious *traders*. Thus European exporters who expect to receive dollars and American importers who expect to need European currencies find it too expensive to secure cover in the forward market: they do better by borrowing dollars in New York and selling them spot at the markedly better rate. Conversely, European importers who expect to need dollars and American exporters who will be receiving European currencies find it cheaper to buy dollars forward, at their large discount, and keep their funds in Europe meanwhile.

of tight French controls on transfers of short-term funds, the forward dollar is actually at a premium, the Federal Reserve has found no use for its credit in francs. In Italy the forward dollar is also at a premium, but this has been partly induced by American operations, which the Italian authorities welcome because they prefer Italian banks to secure forward cover in the market rather than take advantage of the official cost-free swap facilities.

Besides operating on the straight arbitrage calculation, the Treasury has sought to prevent bearish expectations from becoming self-justifying and cumulative. This was particularly important in its first major series of operations in Germany a year ago. As interest rates in Germany were then rather higher than those in the United States, the forward mark should ordinarily have been at a discount against the forward dollar. From March to July the speculative pressure was so intense that the price of forward marks against dollars was well below the lower limit for the spot dollar of 3.97. With forward marks so expensive, traders as well as financial operators found it profitable to keep funds in Germany. These transfers of funds to Germany, it should be noted, were prompted not by a speculative view but on straight considerations of cost. The large premium on the forward mark, itself a result of speculation, turned the "leads and lags" further against the United States, perhaps by as much as $300 million.

To check adverse "indirect arbitrage" by traders it has broadly been necessary to push the price of the forward mark back inside the support limit on the spot rate. But to reverse the flow of funds in direct interest arbitrage, the US authorities would have had to operate on a much bigger scale, buying forward dollars until the rate went to a premium on the spot rate. This would clearly have brought the danger of adverse psychological repercussions, based on the Treasury's huge forward commitment; and it would have made speculation against the dollar completely costless. In the balance the Treasury limited its forward operations to keeping the forward rate under control; the discount in Germany on an annual basis was reduced from 3 1/2 to 1 1/2 per cent in April and May, 1961, though it widened temporarily to 2 1/2 per cent in mid-1961. By then total US forward commitments had reached 1 billion marks, $250 million.

As their forward contracts have matured, the American authorities have had the option of making delivery by using foreign currencies already held or by buying these currencies in the spot market. Intervention has not been unprofitable, since the mark and Swiss franc have been more expensive in the forward market (where the US authorities were sellers) than in the spot market (where the US authorities were buyers). On the basis of partial and probably doctored figures available in the quarterly reports of the Exchange Stabilisation Fund, it appears that the German and Swiss operators (and for that matter, American operators as well) who chose to go short on forward dollars in a speculative flyer may have lost several million dollars to the US Treasury in the second and third quarters of 1961.

The decline in the discount on the forward dollar is partly traceable to this first costly experience in trying the mettle of the US authorities—but only partly. Quite plainly the US authorities have been greatly helped by the simultaneous shift in the underlying balance of payments in Germany and Switzerland. Their operations have been successful in snuffing out speculation when it was already on the wane; and in keeping down movements of short-term funds that were quickly shown to have been unjustifiable. But this very success is in part a function of the American authorities' limited aims, as seen in their caution and their careful timing. This important experiment does not bear out the views of those who look to forward exchange intervention as a panacea and a substitute for other measures; it does show that an active official policy on forward exchange has a very useful part to play alongside them.

BUSINESS NOTES

BANK RATE

Logic of the Budget

The further reduction in Bank rate on Thursday by 1/2 per cent to 4 1/2 per cent can no longer be described as a reduction from a crisis level or even from an especially high one. Five per cent in recent years has been about the norm: and Thursday's reduction brings Bank rate below the level of last July. This move can indeed be seen as the first step of active official stimulation of the economy. One may still feel that it would have been wiser to relax first on fiscal policy and use interest rates as an effective cover for the balance of payments. But this route has quite plainly been rejected, and the logic of Mr Lloyd's stiff budgeting clearly calls for the relaxation on the monetary side for which the Bank of England and the City have long been pressing. The one surprise is perhaps that Bank rate was reduced below 5 per cent before any release of the banks' special deposits. This regulator, like the tax regulator, has so far moved only upward. Since the Bank

GILT-EDGED NET PRICES

	April 26, 1961	August 4, 1961	April 19, 1962	April 26, 1962
Treasury 5 1/2% 1962	101 1/4	99 11/32	100 15/32	100 9/16
Conversion 4 1/2% 1964 ..	98 1/32	94 7/8	98 7/8	99 1/8
Savings 3% Bonds 1960-70	78 27/32	74 15/16	79 7/8	80 5/32
Conversion 5 1/4% 1974 ..	93 5/8	87 23/32	91 1/4	91 1/2
Funding 5 1/2% 1982-84 ..	95 3/8	87 7/8	90 11/16	90 7/8
Treasury 5 1/2% 2008-12 .	90 3/8	82 1/4	88 3/8	89 1/4
War Loan 3 1/2%	57	49 27/32	55 7/16	55 29/32

of England has not been disturbed by the mild increase in bank advances this year, following the unexpectedly large fall in July-December last, a gesture to reduce special deposits from their present 3 per cent should certainly take precedence over any new cut in Bank rate.

At 4 1/2 per cent this is still high by international standards. But the bank lending rates that it governs are not, and even money market rates in London are now no longer very far above Continental rates. In Holland and Germany, as recorded below, the course of rates has now turned upward. This may be seen to be in line with the new pattern that is emerging in European payments—but Britain is hardly a surplus country yet. Foreign funds have continued to flow to Britain since the March reductions in Bank rate, though the pace has slackened. Bank rate at 4 1/2 per cent should certainly begin to act as a brake. But to say that the reductions in Bank rate have been specifically designed to discourage the inflow is not quite the right emphasis: rather, the strength of sterling has permitted, and the condition of the domestic economy has not ruled out, reductions in interest rates that the Bank is glad to make as a matter of principle.

Rates on bank advances again came down correspondingly, to 1/2-1 1/2 per cent over Bank rate; but the blue chip borrowers paying 5 per cent have now hit their minimum. While the reduction may be passed on by some hire-purchase companies, especially on large unit business, the building societies had the prescience to make their usual announcement that mortgage rates would be unaffected by a Bank rate reduction the day before the reduction took place. In the gilt-edged market, short bonds had anticipated the change earlier in the week, and actually dropped back a shade on Thursday. But demand at the long end of the market was encouraged and prices edged up further.

IN THE MARKETS

Equities Jump Ahead

Anticipation of the reduction in Bank rate helped to push up equity prices as well as gilt-edged stocks and in the week to Wednesday's close *The Economist* indicator had risen by 3.6 points to 359.4. Apart from property issues and brewery shares rated as take-over possibilities, there was no great thrust in the equity market before Thursday. The further easing of monetary policy has a more direct impact on fixed interest securities than equities; but it has inspired the market as a whole with a little more confidence and equities rose strongly on Thursday afternoon. But investors must still weigh the disinflationary impact of the budget and, in the international scene, the effect of the latest setback on Wall Street. And definite signs of an expansion in the economy and of an upturn in profits have yet to appear.

A rise in equity prices would not be strongly based unless it were supported by institutional buying and as yet there is no sign that the life offices have changed their attitude towards equity investment. They appear to be largely content to wait for the new issues to come along and their caution is directly reflected in the current popularity of convertible loan stocks. The latest of these has come from the Rank Organisation, which is offering £5 1/4 million of a 6 1/4 per cent stock, 1977-82, at 99 and convertible into ordinary shares at prices equivalent to 33s. in 1963, 34s. 2d. in 1964 and 36s. in 1965. As the ordinary shares already stand at 34s. 6d. its success seems assured. So, too, given the current popularity of property shares, does the rights issue on bonus terms by Land Securities Investment Trust; it is raising just over £4 1/2 million by offering stockholders one 10s. ordinary share at par for every three they hold, with the promise of a maintained dividend on the increased capital. With the shares quoted at 47s. the rights are worth nearly 9s. per share. The £4 1/2 million rights issue proposed by Rugby Portland Cement is also on bonus terms, being in line with the directors' policy of making periodic scrip issues or rights issues on favourable terms without reducing the rate of dividend; shareholders are offered one new share at 45s. 6d. for every four they hold and as the existing shares are quoted at 71s. the rights are worth about 5s. per share.

Setback on Wall Street

A correspondent cables:

Neither excellent corporate earnings in the first quarter of this year nor other signs that the economy is expanding have done anything to reassure Wall Street. On Wednesday, for instance, US Steel announced an unchanged dividend and this should have helped to steady the market; but in fact prices suffered a sharp fall and US Steel in very active trading conditions fell to a new low. The Dow Jones industrial average lost more than nine points to close at 683.69, its low point for the year so far. Investors appear to feel that the price stability enforced by Washington is detrimental to profits and equities and they seem unlikely to regain confidence until there are more positive signs that the administration is prepared to improve the lot of business.

If the decline on Wall Street continues it could have an effect on business expectations and confidence. Since the end of the war the stock market has had a surprisingly good record in forecasting the major cyclical turning points in the economy, but even the theorists do not believe that the current decline in equity prices presages an early halt to the expansion in business. The stock market has usually anticipated the swings in the economic cycle by about six months, and with expansion seemingly assured for a longer period than this it would be strange if the stock market fails to make some recovery. But any rally will probably be modest for, in the absence of inflation, equities have lost a good deal of their appeal. This week's selling came in part from Europe and brokers suspect that American investors with foreign accounts were largely responsible. Institutional investors, on the other hand, have not been big sellers in recent weeks and, as they have accumulated funds, they may step in to buy at any time; the belief is, however, that they will wait for selling by small investors to rise to a climax before adding to their equity holdings again.

THE EXCHANGES

Sterling Softens

Business in the foreign exchange markets over Easter is invariably confused and restricted by the different national holidays and the complications for value dates two days ahead. As the underlying tone of the exchange market remains calm, turnover has been relatively small. Sterling dropped slightly to $2.8130 in anticipation of the Bank rate reduction, and after the change it fell to $2.8110: at this point some support from the control was detected in the market. The weaker tone in sterling is also attributable to commercial influences and the normal swing from the highly favourable first quarter of the year to the more or less seasonally neutral second quarter.

The exchange markets were distinctly surprised by Tuesday's increase in the Dutch Bank rate, but the international repercussions are not expected to be large: since the Dutch commercial banks burned their fingers in foreign money markets with the appreciation of the guilder in March, 1961, they have understandably been markedly more hesitant to place funds abroad, at least without forward exchange cover. And while the guilder has now hardened against the dollar in the spot market, from 3.60 to 3.59 1/4, the premium on the forward guilder has narrowed—this is the normal conjuncture of movements in response to a Bank rate increase—so that there may be no net effect on the margin on covered interest arbitrage against New York, which the United States authorities through sporadic intervention have been trying to turn in their favour.

The United States Treasury lost a further $75 million of gold in the week to April 18th, bringing the loss since January 1st to $355 million. Most of these sales are believed to have gone to Britain, and this year rather more than of late may have stayed there. In 1961, when the Federal Reserve showed sales of $300 million of gold to Britain, Britain's own holdings of gold metal, as published by the International Monetary Fund, fell by $500 million. The difference of $800 million was presumably some measure of the re-sale of US gold through the London market.

OVERSEAS TRADE

Turn of the Tide?

British exports to the overseas sterling area recovered sharply in March. In the first quarter of 1962 the steady deterioration that occurred throughout 1961 appears to have been halted. Total British exports were only slightly higher than in the final quarter of 1961, but the seasonally adjusted figures suggest that December might have been the low point for exports to sterling area countries which increased in each of the first three months of this year; Australia accounted for half the recovery.

Exports to the common market countries rose by a further 1 per cent between the last quarter of 1961 and the first quarter of this year. They are now 16 per cent higher than a year earlier. Exports to both France and west Germany are advancing strongly; exports to France are 24 per cent higher. But the American market is not proving quite up to expectations. Exports to the United States in the first three months of this year were unchanged at the fourth quarter's level, following the strong recovery towards the end of the last year from the earlier setback.

Imports also continued to expand in the first quarter of 1962. The rise of 1½ per cent between the last two quarters was caused partly by increases in imports of foods and animal feeding stuffs which rose by 3½ per cent; imports of industrial materials declined by a similar amount. Higher prices for foods and animal feeding stuffs helped to swell the value of these imports in the first quarter, but this was offset by a fall in the prices of industrial materials. Imports of fuels and finished manufactures also rose in the first quarter. The Board of Trade believes that the increase in finished manufactures was temporary and does not yet imply an upturn in the trend.

Britain's Falling Share

THE Board of Trade has filled some gaps in published statistics of world trade and has shaken them down into a seasonally adjusted quarterly series. Like all recent statistics of this kidney they make enlightening, but not very encouraging, reading for Britain. Imports by all countries (including Britain, whose imports contracted in 1961) continued to rise last year, while Britain's exports stood still. Britain's exports were kept down because imports of British goods by the rest of the sterling area, particularly Australia, New Zealand and India, fell sharply. Lower prices for primary commodities provided an acceptable explanation of this decline, but the new provisional estimates show that even the primary producers, taken as a whole, increased their total imports last year. Thus Britain's poor performance was again attributable to a decline in its share.

WORLD TRADE*
($ billion)

Quarterly averages	Exports by Industrial countries	Exports by Primary producers	Imports into Industrial countries	Imports into Primary producers
1957.....	16·9	7·81	18·0	9·03
1958.....	16·1	7·41	16·8	8·49
1959.....	17·2	7·82	18·3	8·31
1960 :—				
1st qtr.	19·5	8·12	20·2	8·90
2nd ,,	19·4	8·49	20·2	9·29
3rd ,,	19·7	8·21	20·5	9·18
4th ,,	20·3	8·12	21·0	9·45
1961 :—				
1st qtr.	20·6	8·14	21·1	9·30
2nd ,,	20·4	8·55	21·3	9·24
3rd ,,	21·1	8·50†	21·8	9·20†
4th ,,	21·3	8·20†	23·0	9·30†

* Seasonally adjusted. † Provisional.

Despite lower prices for commodities in 1960 and 1961, the value of exports by primary producers continued to rise in these years, as a result of an increase in their volume. However, the seasonally adjusted quarterly figures of exports by primary producers still bear clear marks of the fluctuations in the general level of commodity prices. In the second quarter of 1961, when prices recovered, exports by primary producers reached a peak; but the subsequent setback at the end of the year caused a significant fall in these countries' exports in the last three months of the year.

Neither Australia nor India suffered any appreciable fall in their total earnings in 1960 or 1961, but their imports were reduced from the high level of previous years. And where imports have been cut back the impact has been largely on Britain. Thus, in the first nine months of 1961, Australia's imports fell by 5 per cent; Britain's exports to Australia declined by 12 per cent in this period while west Germany's fell by only 2 per cent.

Exports from industrial countries to primary producers show a clearer trend than imports by primary producers from all sources. If these provisional estimates prove accurate, there has been a continuous increase since the second quarter of 1961. Trade between industrialised countries continued its remarkably steady expansion of about $200-$300 million every quarter.

THE LABOUR MARKET

Unemployed or Unemployable?

UNEMPLOYMENT in mid-April was higher, allowing for seasonal variations, than it had been for just over two years. The end of 1959 had been in no sense a peak in these figures, after several months of boom; but after about a year of stable and then slipping output the number of people wholly unemployed is now up to about the levels to which it had then fallen—from much higher figures in the spring of 1959. The actual total of people wholly or temporarily unemployed last month was still two per cent of the estimated total of employees in Britain, much the same proportion as at the end of 1959. It was higher than this in 1958 and early 1959, but much lower, down to 1.2 per cent, in the middle of last year. At that time, a survey carried out by the Ministry of Labour suggests, only about a third of the people on the books could easily have been placed if the jobs had been available. About a half, through age, disability or "lack of enthusiasm for work" were effectively unemployable.

The statistics of vacancies notified to Labour exchanges display the expected broadly inverse pattern to those of total unemployment. Allowing again for seasonal variations, these are down to the levels of mid-1959, but considerably higher than during most of 1958 and well into 1959. From about the middle of 1960 until early last autumn there were more jobs on offer in Britain than people wholly unemployed. But now there are about nine people out of work, leaving out those temporarily stopped, for every five vacant jobs.

HOLLAND

Turn of the Screw

Money rates in Europe are no longer moving uniformly downwards. Following the recent upturn in money market rates in Germany, the Dutch authorities have this week raised their official discount rate. An Amsterdam correspondent cables:

THE raising of the Dutch bank rate on Tuesday from 3½ to 4 per cent, the first change for two and a half years, is designed to reinforce the restrictive credit policy that the Netherlands Bank has been carrying out for the past year or so to restrain domestic demand. The main objective is internal rather than external. The commercial banks may admittedly now repatriate some of their funds at present held in London and New York, but at the same time the Dutch authorities are re-opening the Amsterdam capital market to foreign borrowers to a limited extent.

While the 5 per cent revaluation of the guilder in March, 1961, helped to reduce the 1960 balance of payments surplus of £131 million on current account to £73 million in 1961, and an outflow of capital has led to a net fall in reserves, the internal economy is as strained as ever. The trend towards over-spending is still in evidence and may be intensified by a series of recent wage increases. At the same time the demands of industry for bank credit have led the commercial banks to grant loans in excess of the agreed rate of expansion embodied in a gentlemen's agreement between the Netherlands Bank and the commercial banks—originally 1 per cent a month and since January of ½ per cent a month. The banks have had to deposit around 125 million guilders, equivalent to their overlending, with the Netherlands Bank in the form of non-interest-bearing deposits. Last week the Netherlands Bank also increased the percentage of the special deposits the banks must lodge with it from 6 to 8 per cent.

Permits for the issue of foreign guilder loans will amount to 150 million guilders (£15 million) to be spread over the next six months. The granting of such permits was suspended in the middle of last year after 580 million guilders of foreign guilder bonds had been placed in the Amsterdam market. It is expected that the main borrowers will be Belgian and Scandinavian concerns. The amount is lower than in 1961, the central bank has said, because of "less favourable prospects" for the Netherlands balance of payments.

TRANSPORT

Nationalised Manufacture?

WHEN the tidying-up operation that is the Transport Bill is carried out, railways will be stripped to their essentials, canals and docks will be left by themselves, and the pile of debris that remains will be gathered under the control of a holding company. This will include many bus lines, the British Road Services, shipping companies, travel agents and three companies that make lorries and coaches, Bristol Commercial Vehicles, Eastern Coachworks and Starbodies. These three have caused a quite disproportionate amount of trouble compared with their importance.

Some Conservative MPs are pressing strongly for the three to be sold off, for

reasons which are at best doctrinaire and anyway look curious perched on the commercial intentions of this bill. It is argued that the three will compete with private industry in a way that is intolerable in a nationalised undertaking. Yet, when they were nationalised, they were restricted to selling to the Transport Commission and BRS and were set a maximum quota of their owners' purchases, so that their share of the total commercial vehicle market is now about a half of one per cent. Under the new Bill, the quota would be relaxed, although they would still be limited to the transport organisation as sole customer. But it is questionable whether BRS and the bus companies, which have been giving these captive suppliers about a third of their vehicle business, would have increased this much. Mr Marples has said that there is nothing in the bill to force the sale of the companies, nor is there anything in the bill to prevent it. If a good enough offer were received, it would probably be accepted.

It is hard to see a logical reason why these companies should have been singled out. Most of the companies to be gathered under the new holding company compete with private industry: the receipts of nationalised bus and tram interests, excluding London Transport, comprised nearly a quarter of the national total in 1960. If competing with private interests is to be the criterion, there is no reason why all of the companies in the holding company should not be sold off. Is there some magic about a company which makes money from manufacture rather than a service? Or is it just that some are more profitable than others, and that Tories dislike the existence of any state-owned business that they cannot complain is losing public money?

OIL PRODUCT SALES

Elastic to Taxation?

Even before last year's budget, the rate of increase in consumption of fuel oil in Britain had moderated somewhat, though a mild winter may have been blurring the trend. In 1960 consumption of this oil had been 26 per cent higher than in 1959: from October, 1960, to March, 1961, it was only 16 per cent higher than in the previous winter. From April onwards, with an excise duty of 38s. 6d. a ton later increased to more than £2 a ton, the increase was significantly further eroded: in the remaining nine months of the year, fuel oil consumption was only about 8 per cent higher than in the same months of 1961.

In one of the few petroleum products that can be readily replaced by other fuels, this evidence of price elasticity is not surprising. Paraffin oil used in heating actually showed a fall in consumption of five per cent: part of this can be put down to twopence a gallon and part to lingering distrust of the safety of paraffin heaters is a matter of opinion, though the growth of full central heating is in any case partly reducing demand for occasional heaters such as these. Rather more surprising, the industry is reckoning that last year price elasticity even reared its unfamiliar head in the British gasoline market. For the first time in two years, there was an increase in sales of regular-grade gasolines, which the companies put down to switching by motorists after the 10 per cent surcharge on petrol duty; it was, however, only fractional, while sales of higher-grade gasolines through dealers rose by 12 per cent.

Sales of motor spirit to commercial consumers fell nearly four per cent in a year when road ton-mileage and bus movement of passengers appears to have risen significantly; but sales of derv fuel for diesel-engined road vehicles rose eleven per cent. This was in line with sales of gas and diesel oils in the general fuel market (these fuels are less open to direct substitution than fuel oil). But the biggest increases came in liquid petroleum gases (up 34 per cent) and naphtha for gasmaking (up 24 per cent). These "light distillate feedstocks," plus the petroleum gases, are quite rapidly taking over from gas oil in gasmaking: the use of black oil by the gas industry last year was less than half what it had been in 1958.

MOTORS

Edge of a Boom?

Car production crept up about 2½ per cent in March, to a rate of 26,176 a week. Strikes among some of the manufacturers' suppliers prevented a bigger increase. Ford's output seems to have risen rather more than the total—it was unaffected by strikes and busy raising the production of its new Zephyr-Zodiac range. BMC's production was on average little different from February, though in strike-free weeks it rose about 10 per cent; Rootes was also affected by strikes, which kept down its output. Vauxhall was already making as many cars as it could with its present labour force by February; Standard-Triumph made rather more cars in March.

Home sales seem to have risen about 50 per cent after the budget, compared with a depressed opening to the month and are running at or above the record level reached in March, 1961, when 89,000 cars were sold. This year sales in March were 18 per cent lower, depressed by budget hopes. Despite the big increase recorded, dealers profess themselves disappointed by the situation; they have been expecting too much. If the present rate of sales is maintained, waiting lists for many cars will return by next month.

Exports at 46,201, were much the same as in January and February; though shipments to the United States fell a little, there was a sharp rise in those to Australia, and exports to Europe remained high. Exports of commercial vehicles showed some improvement from the disappointing level of January and February, but they were still 14 per cent below those of March last year. For the first quarter of 1962, the exports showed a fall of 25 per cent, whereas car exports were 66 per cent higher.

BREWING

Whitbread Plucks Flowers

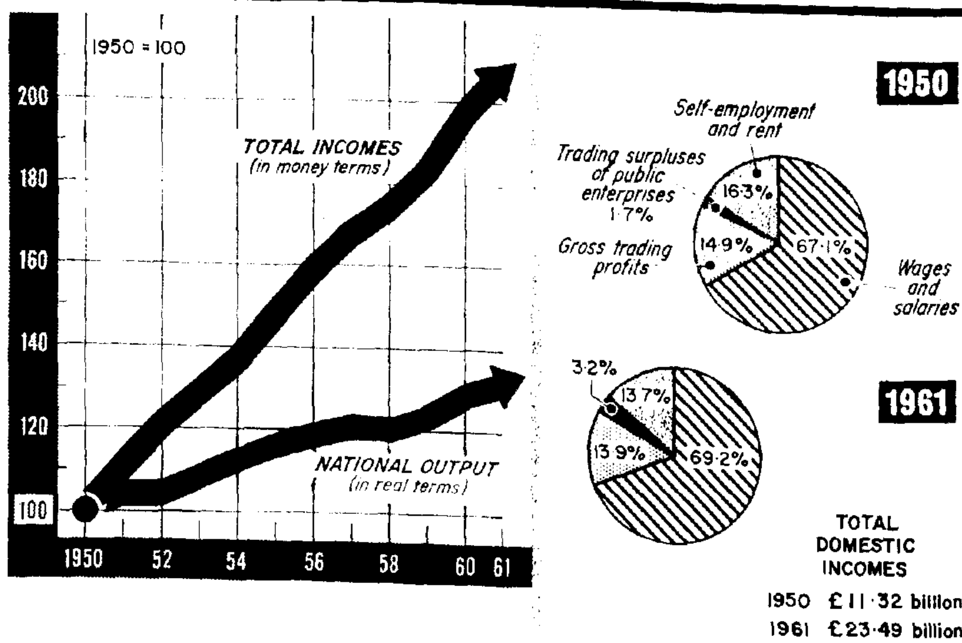
For the third time in less than six months, Whitbread has made a bid for all the ordinary share capital in a brewery in which it already had a minority interest. Tennant Brothers was the first, Norman and Pring the second and the third is the biggest of the three—Flowers of Luton and Stratford-upon-Avon. The three bids do not mean that the Whitbread umbrella is becoming tattered; but they do suggest that Whitbread's minority holdings may not in some cases be strong enough to prevent other brewers from considering the possibility of a bid nor tight enough fully to secure economies in distribution. To preserve the family's control over Whitbread, its directors have sought expansion through a network of minority shareholdings and trade agreements; but their recent actions have shown that they are prepared to go further to protect the interests of Whitbread and its associates. And the bid sent the prices of brewing shares, particularly those considered to be take-over possibilities, up sharply on Thursday.

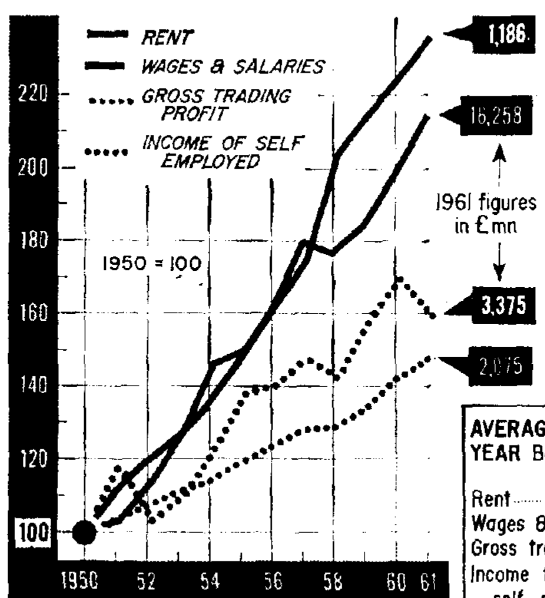
Against the competition of the national brewers Flowers, a medium sized concern, seems to have found the going increasingly hard; it was one of the first, for example, to exploit the market for container draught with its "Keg" bitter, but recently a number of the big brewers have entered this market. Its shares had risen to a high point and the yield offered on them was so low as to suggest that the stock market rated them as a take-over possibility. Its directors saw that the only prospect for expansion lay in a merger and, apparently, it was they who made the first approach. Whitbread, already owning 14 per cent or so of the Flowers equity, welcomed it and both boards strongly recommend shareholders to accept the terms offered—three Whitbread 5s. "A" ordinary shares for every five 5s. ordinary shares in Flowers. With Whitbread "A" shares at 41s. 6d. this imputes a value of about 25s. for Flowers, which stood at 21s. 10½d. on the eve of the bid. As Flowers' directors and their associates and the Whitbread interests hold between them over 30 per cent of the equity, another brewery would find it difficult to counter this bid, which because of the geared voting structure of Whitbread leaves the Whitbread family firmly in control.

The Growth in Incomes

This page illustrates some of the information in the Ministry of Labour's new bulletin which is designed to help arbitrators and wage bargainers.

While the nation's output, in real terms, has gone up by less than a third and productivity per worker by little more than a fifth since 1950, Britain's income, in money terms, has more than doubled. Rent, partially released from the controls which have kept it artificially low, has been the source of the fastest growing income in that period. Growth has been slowest in income from self-employment and, only a little more vigorous in gross trading profits.



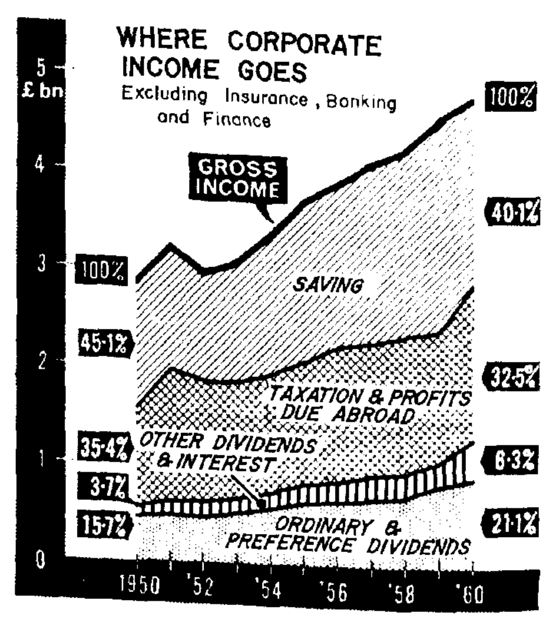


The charts alongside relate to the categories of wages and salaries, etc. as a whole; the chart and tables below to individual rates of pay, including the new index of average salary earnings, which applies to administrative, technical and clerical employees, and the hitherto unpublished information about movements in wage rates in individual industries.

The selection of men's actual earnings includes some industries in which pay is comparatively high, and some in which it is comparatively low; all the figures are averages for skilled and unskilled workers in the categories shown.

AVERAGE % INCREASE A YEAR Between 1950 & 1961

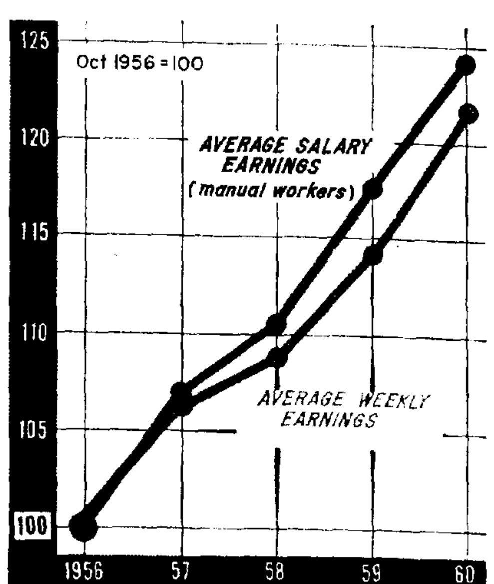
Rent	8·1
Wages & salaries	7·2
Gross trading profits	4·3
Income from self-employment	3·6



WAGE RATES

Weekly rates for all workers: January, 1956 = 100.

	Feb., 1960	Feb., 1961	Feb., 1962
Agriculture, forestry and fishing	120	127	131
Mining and quarrying	118	126	126
Food, drink and tobacco	121	125	130
Chemicals	112	118	119
All metal industries	118	124	125
Textiles	112	120	122
Clothing and footwear	122	124	125
Timber, furniture, etc.	119	124	133
Paper, printing & publishing	121	124	131
Construction	120	123	132
Transport & communications	119	124	127
Distributive trades	121	124	130



WHAT MEN EARN

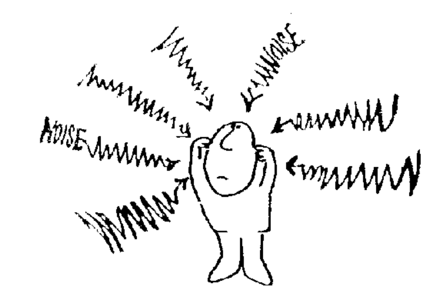
	Manual Workers (Weekly paid): Annual rate, Oct., 1961 (£)	Manual Workers (Weekly paid): % increase from Oct., 1959	Administrative, Technical & Clerical Employees (Monthly & Weekly Paid): Annual rate, Oct., 1961 (£)	Administrative, Technical & Clerical Employees (Monthly & Weekly Paid): % increase from Oct., 1959
Printing, publishing of newspapers & periodicals	1,085	14·3	1,157	13·4
Motor vehicle manufacture	955	1·9	1,064	12·6
Cement	937	16·8	1,223	9·8
Aircraft manufacture & repairing	917	15·0	1,010	11·0
Coal mining	892*	9·3	986	14·5
Mineral oil refining	866	13·6	1,191	16·5
Construction	793	17·1	1,008	12·1
Woollen & worsted	714	11·2	1,179	12·4
Brewing & malting	717	18·1	1,073	11·0
Cotton spinning & doubling	640	12·1	1,075	13·6
Jute	620	8·3	928	5·2

* *Excluding allowances in kind valued at £50 a year.*

NOISE

The Price of Peace

After two years' intensive work, Lord Hailsham's committee on noise has announced that its closing date for evidence will be May 15th. The memorandum just released by the Royal Institute of British Architects is a good example of the difficulties that will face the committee when it gets down to drafting the report that might, at a guess, be on the Minister for Science's desk by the autumn. Noise, like weeds, becomes a nuisance only when it is unwanted, and although the volume of sound can be measured scientifically, the amount of nuisance that it causes cannot. The body can adapt itself to a surprising amount of noise. There is no evidence that it is medically harmful below those ear-splitting levels that actually damage hearing. Yet there is almost universal agreement that



mechanical noise is rapidly coming into the category of a public nuisance. If, the RIBA told the committee, this nuisance is tackled by trying to shut out the noise, it might add a fifth to the cost of all new building that is sound-proofed and air conditioned. The architects therefore pleaded for noise to be tackled at source. "Plant designers appear to have practically no awareness of their responsibility in this respect."

The difficulty facing the committee, most of whose members have technical qualifications and whose chairman is Sir Alan Wilson, is that judgments about noise are subjective, and new noises tend to arouse stronger feelings than the old. Thus the RIBA's memorandum contains no reference to railway noise, or to trains that run in the night; it complains half-heartedly about the noise of road traffic, although there is no reason why manufacturers should not be required to produce quieter engines (if Rolls-Royce can do it, why not BMC?). Its strongest guns are reserved for the newest nuisance, the jet engine and the helicopter. Is this fair? A properly conducted research programme balancing the intensity of noise in built-up areas against its duration might produce interesting results. But nothing can change the fact that the same man who tolerates the racket of a steel mill may be driven berserk by a crying baby, a dripping tap or a love-lorn cat, while his neighbour sleeps through the lot.

BRITISH PETROLEUM

A Third of a Penny

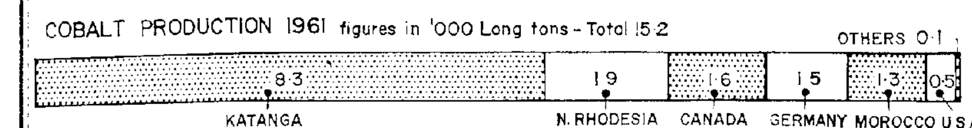
At the time of the one-for-five scrip issue in September, the directors of British Petroleum said that the total dividend for 1961 was unlikely to exceed that of 1960; but the scaling down of the final to allow for the scrip issue would have involved the odd payment of 1s. 4⅓d., tax free, per share and a rounding up of the final to 1s. 5d., tax free, was expected. A final dividend of this amount has duly been declared; this makes the total on the present capital 1s. 11⅓d., tax free, which is one third of one penny more than the equivalent payment in 1960. To free itself of these thirds, BP will obviously have to declare an interim of 7d., tax free, this year. On the assumption of a dividend of 2s., tax free, the £1 shares at 35s. 6d. yield just nearly 9¼ per cent, covered about 2¼ times.

SALES AND PROFITS
(£ million)

Six months ended	June 30, 1960	Dec. 31, 1960	June 30, 1961	Dec. 31, 1961
Gross sales	447·5	489·5	479·0	532·6
Net sales	312·2	334·8	323·7	355·7
Gross profit	62·1	62·7	57·7	59·8
Net income	31·5	30·8	26·3	33·8
Gross profit/net sales %	*19·9*	*18·7*	*17·8*	*16·8*
Net income/net sales %	*10·1*	*9·2*	*8·1*	*9·5*

Because of the government's shareholding BP could not have been expected to ignore the chancellor's request for dividend restraint as Shell, aware of its international obligations, did. But BP's results hardly form an appropriate background for an

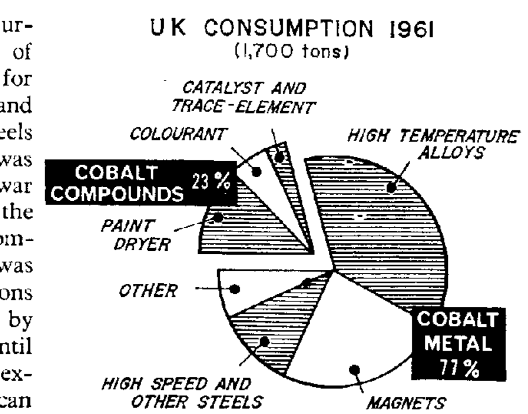
Cobalt in Civvies



Stockpiling of cobalt for military purposes virtually stopped at the end of 1961. Though the use of cobalt for colouring is nearly as old as the hills and its use in magnets and high-speed steels dates back to the first world war, it was strategic stockpiling after the last war which lifted cobalt from the ranks of the very minor metals to a level of comparative importance. Production was raised from 4,500 short tons to 17,500 tons mainly to satisfy contracts placed by American stockpiling authorities; until 1959, civilian consumption had never exceeded 10,000 short tons. The American stockpiling authorities now have 39,000 tons of cobalt surplus to their requirements which they might try to sell, barter or give away. Capacity for producing cobalt will increase this year, particularly in Katanga, which already produces much more than half the world's supplies and which raised its output last year despite political troubles.

Cobalt would have been in trouble: in fact, at the free market price of 12s. a lb (£1,344 a ton) to which it has fallen, compared with 14s. at the beginning of 1960, it seems likely that Rhodesian producers like Rhokana and Chibuluma (in the Rhodesian Selection Trust group) are earning no profit. RST's costs two years ago were said to be 11s. 11d. a lb, delivered USA. But since 1958 cobalt has switched its allegiance decisively from the military back to the civilian camp. In 1958 industry accounted for not much more than half total production, but it now absorbs over 90 per cent of output.

American industry was the first to switch to large-scale use of cobalt. The



replacement of piston engines by jet and turboprop aero-engines caused a sharp expansion in its application, but after the Korean war and the switch from military aircraft to rockets, America's consumption flattened out. The growing use of nickel—about half as expensive as cobalt—also seems to have impeded growth there. But western Europe, which in the late fifties was catching up America in industrial techniques, doubled its consumption of cobalt after 1958, and is now a far more important consumer than the United States.

Cobalt compounds sprayed on grasslands in Australia have saved cows dying of a deficiency in their diets. Mechanisation and new control techniques will increase the need for magnetic materials, and the use of cobalt alloys and steels seems likely to expand. Consumption is therefore thought likely to double again in the next ten years. By comparison with tin, cobalt will not then be really rare or expensive.

increase. Last year the volume of its sales rose from 72.9 million tons to 78.3 million tons and their value, net of custom and excise duties, went up from £647 million to nearly £679½ million; but its gross profits, excluding dividend and other income, fell from £124½ million to £117½ million and, as the accompanying table shows, the pressure on gross margins intensified in the second half of the year.

AIR TRANSPORT

An Important Move

THE bare announcement that Pan American World Airways has ordered two jet freighters from Boeing does not at first glance seem of great importance, but it very well could be. The market for big passenger-carrying jets is temporarily saturated. The next big round of re-equipment may have to wait for the supersonic airliner, which is ten to fifteen years away. Manufacturers' hopes of work during the lull depend on persuading airlines that they need specially-designed freight aircraft; so far the air lines have been conspicuously reluctant to buy them.

Freight is carried today, with one or two exceptions, either in the holds of passenger airliners, or in old pensioners cheaply converted from passenger-carrying to cargo. All the major airlines have an embarrassment of such obsolete aircraft, including Pan American. The fact that this airline, the largest freight carrier this side of the Iron Curtain, has chosen to invest about £6 million (with spares) in two new Boeing jets specially converted for cargo carrying, rather than making over a few more old piston-engined aircraft at a cost of a mere £100,000 apiece, could be a break-through for the manufacturers who have in the past year or so acquired a noticeably lean and hungry look.

Why is Pan American doing it? The simple answer is that new low cargo rates introduced last summer have produced a big enough tonnage of new freight to justify the investment. But a truer explanation might be the fact that a jet, particularly the Boeing 707, is conspicuously cheaper to operate than a piston-engined aircraft, even one standing at nil on the books. Pan American may have discovered that the new

ARCHITECTS

What Sort of Profession?

ARCHITECTS need dual personalities: they have to be both artist and engineer. From this often over-demanding specification stems many of the problems of the profession, discussed in a massive survey of a sample of architect's offices prepared for the Royal Institute of British Architects.* It recommends many drastic changes in the practice of the profession: education should be more technical in nature, and there should be a place in the profession for the technologist; practical training in the architect's office should be better integrated with the school courses, and give the student some idea of the administrative problems of running an office; technicians should be employed to assist architects in preparing plans; fees for small jobs should be higher and those for large and simple ones should be reduced, while the RIBA should more closely control the service its members provide; and attempts should be made to use more direct means than drawings to give an architect's instructions to the builder.

The RIBA has yet to decide whether it accepts all the recommendations of the survey, but it has appointed an officer to study management problems and a research officer to see how practical training can be fitted in with school courses. But the proposals seem no more than is necessary to fit the architect for the complex role he has to fill; lack of technical knowledge among those in charge of building operations—a branch of technology, if a backward one—has been the most pointed recent criticism of the profession. This is repeated by many of the architects interviewed as a fault of the newly trained, who view design as a matter of self-expression and fail to co-ordinate design and construction. All the major technical skills in architecture now are mostly provided by consultants, without apparently satisfying them or the architects. The only solution that the survey can suggest is "bringing back a substantial proportion of the technical design skills into the architectural profession itself." To do so students should have the chance to specialise in the last two years of their courses; but one wonders whether there should not also be an effort to raise the general standard of technical knowledge in the profession—a five-year course should leave time to acquire a sound knowledge of engineering.

For the majority of architects interviewed to suggest that technical assistants should be used shows the strain on the supply of architects, and recognition of the absurdity of having 42 per cent of unqualified people among their architectural staff—who nominally hope to become architects, but nearly half of whom have little chance of getting qualified. However, the technical assistant should not, the survey suggests, be used as a replacement for a qualified architect, as unqualified staff is now, but should have a specific role excluding the design function. And another load could be taken off the architect if the administration of the office was more generally handed over to another non-professional specialist.

Asking architects what they earn for different types of work revealed some surprising variations; where houses brought in only 13s. for every man-hour of work, commercial work earned 42s., industrial 50s. and conversions 39s. At this rate house designing is clearly unprofitable—though it is the standby of the small architectural practice. It is hardly surprising, therefore, that the average gross income of the principals in offices with a turnover of under £2,000 a year (which formed 27 per cent of the sample) was £580, and that of offices in the turnover range £2,000-£4,999 (26 per cent of the sample) was £1,290, which does not compare very favourably with the earnings of assistant architects shown in the table. The median salary of principals in the offices visited was, however, £4,680. The survey therefore suggests that instead of the fee dropping from 10 per cent for jobs costing under £700 to six per cent at £7,000, the rate of fall should be slower and six per cent not be reached until £30,000 to £50,000. The custom-built house looks like becoming still more of a luxury—though this will not be much of a loss architecturally.

WHAT ASSISTANT ARCHITECTS EARN IN PRIVATE PRACTICE

	Median salary, 1961	Per cent increase since 1955
Age 20-29....	£1,000	37
30-34....	£1,200	44
35-39....	£1,300	44
40-44....	£1,450	42
45-54....	£1,400	33

* The Architect and his Office. Royal Institute of British Architects, 1962. 40s. Prepared by M. Austin-Smith, A. Derbyshire, D. Howard, J. Madge and J. Milne. Financed by the Leverhulme Trust.

freight rates do not pay in the old aircraft and more efficient equipment is needed to break even. If this is so, manufacturers can at long last look forward to a new market in freighter aircraft, and the prospect becomes considerably brighter.

SHIPBUILDING

The World's Largest Importer

THERE is one measure by which British shipyards can usually claim to head the league table of world shipbuilding—the volume of work in hand. Unfortunately, this criterion seems to be influenced largely by the fact that we build ships more slowly than foreign yards, and it certainly seldom matches the record of final achievement—i.e., ships launched and completed. According to Lloyd's Register returns for the first quarter of the year, there are 1,359,297 tons gross of merchant ships under construction in Britain, which is 15½ per cent of the world total. Next comes Japan. But this total is the lowest since the end of the war, and 42 per cent less than the postwar peak of 1958; since that time tonnage under construction abroad has declined by only 7 per cent.

In terms of output during the quarter, however, British shipbuilding is shown up in an unflattering light, as the following figures show:—

	Begun	Launched (tons gross)	Completed
Japan	643,665	472,407	529,741
United Kingdom	226,860	177,293	291,216
West Germany .	148,372	218,638	213,511
Sweden	193,194	151,458	177,994

Another illustration of the plight into which the British shipbuilding industry has let itself into over the last few years is the fact that from being the world's largest exporter of ships Britain has now become the world's largest importer. Ships under construction here for export now total only 246,033 tons gross, or 18.1 per cent of the total. Ships being built abroad for British registry total 781,855 tons gross, compared with 571,895 tons for Liberia and 544,262 tons for Norway. Japan, Sweden, Germany, France and the Netherlands all have more export work than Britain.

The export component of the British orderbook is improving, however. According to the Shipbuilding Conference, British yards took orders during the first quarter for a total of 150,000 tons gross, of which 48.4 per cent were for overseas registration, compared with only 7.6 per cent of the 131,000 tons ordered in the same quarter of last year. Total orders booked in the 12 months ended in March amounted to 766,000 tons gross (36.6 per cent for overseas account), compared with 562,000 tons (5.6 for overseas) in the preceding 12 months. Despite the improvement, this intake of new orders is still equivalent to only about one-half of the average annual output capacity; and in the absence of orders from British shipowners work in hand will continue to contract.

RAILWAY ELECTRIFICATION

Reducing Clearances

SERENDIPITY eludes British railways in its technical developments: it is only now, after most of the bridges on the London-Midland line have been rebuilt, that it has been able to persuade the Ministry of Transport that the clearance above the electric conductor wires can be reduced from eleven inches to eight inches. As the clearance between the wire and a moving train has also been reduced, from eight inches to six, the effective saving in space is five inches—which would often have been enough to make the difference between raising a bridge and not.

The only saving that can now be made through this change in London-Midland electrification comes from the possibility of using 25 kV current right through to Euston, instead of switching over to 6.25 kV in London. This will mean rather more work on raising London bridges and tunnels than was planned, as the clearance needed at the lower voltage is only four inches. But it will cut out transformer stations and make the locomotives simpler—building for dual voltages has already proved troublesome. The total saving, therefore, is put at £750,000. But if any new electrification scheme were to be started, the saving would be significant, and make electrification a rather more attractive proposition.

The original eleven-inch clearance had been chosen as the standard used in Europe, where the 25 kV system originated. Most European railways have fewer bridges and bigger clearances, and hence less incentive there to squeeze down the gap. British Railways has therefore, belatedly, done its own tests—complicated by the need to allow for the effect of smoke in the air, for example—which have convinced it that even with very small clearances there is little risk of a "flash-over" of current from the conductor wire.

HIRE PURCHASE

Peace Manœuvres

IT now seems possible that the hire purchase finance houses will in the near future settle their differences over dealers' commissions, and end the regrettable scramble for dealers' loyalties that has been in progress since United Dominions Trust torpedoed the Finance Houses Association's 10 per cent limit on dealers' commissions two months ago. UDT then offered a sliding scale of commissions of up to 20 per cent despite strong objections from other FHA members. Discussions designed to lay the groundwork for a compromise reached the formal stage last Wednesday when the FHA members met for one of their regular meetings and dealers' commissions, at the suggestion of UDT, were on the agenda—for the first time since the limit was abandoned. The meeting produced no concrete proposals—it was not expected to do so—but presumably it cleared the air.

UDT has obviously hinted that it is willing to climb down from its original position—without that there would have been little point in holding formal discussions. The other members may now agree to a new commission limit of 15 per cent, of which part is dependent on bad debt experience. It seems to be impossible to submit UDT to losing face and returning to 10 per cent; and dealers' commissions of 15 per cent are obviously a good deal better than the commissions of between 20 and 30 per cent that some companies are at present paying their dealers. But it is still a lamentable backward step to have intensified competition in this sphere at all, rather than in reducing charges to the public. The episode should not be at an end in the government's mind.

LIFE ASSURANCE

Less Enthusiasm for Equities

LAST year's operations of the life offices so far revealed strongly suggest that the offices were less ready to add to their stake in equities than they had been in 1959 and 1960, though they took up rights issues almost as a matter of course. Most of the offices show a slight reduction in the proportion of total assets at book values held in equities and only a handful have reported slight increases. The Britannic, for example, increased its equity holding from 24.1 to 26.4 per cent of total assets and the Scottish Equitable from 26.9 to 31.5 per cent while the Equity and Law, which had cut its stake from 37.8 to 32.8 per cent in 1960, raised it last year to 34.2 per cent. The National Mutual, which alone shows its securities at market prices, had 39 per cent of its assets in equities at the end of last year, compared with 35.4 per cent the year before.

Two of the leading exponents of equity investment reduced their stake last year. The Scottish Widows' equity shareholding, which reached a peak of 41.4 per cent of total book assets in 1957, fell from 35.3 to 31.6 per cent while the United Kingdom Provident reduced its holding from 36.5 to 35.9 per cent. The life offices, moreover, were most selective in their investments. The Prudential, for instance, restricted its purchases in the first half of 1961, when a short-lived and uneasily based boom took place, to the lowest level "in any six-month period for several years" though ultimately it invested £29 million net in ordinary shares over the year. It sold about £4 million of ordinary shares whose high prices were not "justified by the prospects of the companies concerned" and its end-year stake amounted to 25.7 per cent of total assets, against 24.9 per cent. On the same cautious grounds, the London and Manchester, which in the past has built up its equity portfolio, reduced its holding of ordinary shares from £15 million to £13¼ million, out of total assets of £83¼ million. Over the year as a whole, the leading indices of British ordinary shares fell slightly and gilt-edged prices fell by about 5 per cent; even so most of the offices have reported an increase in inner reserves last year and clearly their cautious attitude towards equity investment has done their policyholders and shareholders no harm.

AIRCRAFT INDUSTRY

Last of the Dynasts

SIR FREDERICK HANDLEY PAGE, who died at Easter, was the last of the aircraft barons who began to build aeroplanes at the start of the century in the same spirit as a man builds a sailing boat today in his garage, and who went on to build companies which they continued to direct until they dropped out one by one in the past few years leaving only Sir Frederick. They were remarkable men who kept an unusually strong family control over their businesses until the scale of aircraft production forced them to seek more and more capital from outside. The price that Sir Frederick paid for retaining this control longer than most was that his company stayed small in an industry that increasingly favoured the giants. His bent was for big aircraft, but it became steadily more obvious that the Handley Page factories lacked the facilities for this kind of production. Their last big order was for the Victor bomber, placed shortly after the war and before the industry began the metamorphosis that led ultimately to the mergers of the 1960s. The company would not get such an order today.

Sir Frederick stayed outside the recent mergers because he was a cooler poker player than his critics were prepared to credit. According to balance sheet values, the company's assets are worth 21s. a share; the shares themselves stood at his death at 11s. but have subsequently risen to 13s. 4½d. It does not have much by way of aircraft orders, so it is unlikely that on the many occasions when mergers were discussed either big group, Hawker Siddeley or the British Aircraft Corporation, were prepared to bid anything approaching 21s. Sir Frederick reasoned that he should not accept any offer that left his shareholders worse off than they would have been had the company been liquidated. The government would dearly like to know whether his successors will continue this policy. Apart from Handley Page, there are few independent aircraft companies left.

NEW FORDS

Faster But Dearer

ZEPHYRS Six and Four, which were announced this week, represent the more utilitarian section of the new big Ford range; the posh end was catered for by the Zodiac announced a fortnight ago. But the prices of these new cars demonstrate pressure on the car makers' costs more than the traditional Ford cheapness; at £929 the Six costs £27 more than the Vauxhall Velox, while the Four, at £847, costs £41 more than the Austin A60—its closest competitor—and the smaller Hillman Super Minx, and £109 more than the Vauxhall Victor. So Ford is relying heavily on the appeal of novelty to sell this car. Both Zephyrs are identical except for the grille, which is divided on the Six though sharing the maw-like appearance of the Four's. The shell is the same as the Zodiac's but for the roof line, with four windows instead of six and two headlamps in place of four. In the back seat the leg room is equal (and inadequate), but the trimming is rather less luxurious—more like a Ford.

Mechanically, the Six is the same as the Zodiac except that the engine develops 98 bhp instead of 109 bhp; the top speed is therefore a little less than the 100 mph achieved by the Zodiac, and the acceleration slightly inferior. The Four has the engine of the Consul 375 that it replaces, modified to develop 68 bhp instead of 59 bhp; it also shares the new four-speed gearbox with the sixes, and its performance is in consequence now comparable to that of its rivals like the A60, where the old Consul was noticeably inferior. Both the Zephyrs are available with the new Borg-Warner automatic transmission for £110 extra, like the Zodiac. This gives a satisfactory performance even on the Four (which has a higher top gear ratio when fitted with it). Ford does not expect to sell many on this car. It charges £16 more than BMC for the same transmission, so it may indeed hardly seem to be trying.

The Zephyrs, naturally enough, share the Zodiac's pleasant handling characteristics. The Four, with its less powerful engine, cannot be provoked into a rear-wheel slide on dry roads even by using maximum throttle, and is therefore a more foolproof car for the unskilled driver. Its ride is rather bouncy, however, over wavy road surfaces; the lighter engine seems to make it smooth out the road less effectively than the sixes. But the Four, like the Six, has power-assisted disc brakes.

ICE-CREAM

Tax on What?

THE week's grace given to ice-cream manufacturers for working out the exact effect of the 15 per cent purchase tax on their prices seems likely to be largely taken up with the usual representations to the tax authorities of the particular problems of individual firms. For retail purposes the big manufacturers deal mostly in standard sizes and shapes packaged in the factory, as opposed to quantities scooped out in the shop, originally the only way in which ice-cream was sold. Bulk ice-cream is sold to caterers, and still, by small manufacturers, to shopkeepers. More significantly, the increasingly popular soft ice-cream can only be handled in this way, for this is made from dry ingredients in a freezer in the shop.

This is one reason why the large makers have been particularly anxious to find out how the inevitable price increases are likely to affect the retailer of family bricks and ice-lollies as against the man whose bulk ingredients, bought wholesale, cost perhaps half as much—and who therefore may have to pay only half as much of tax on a given quantity of ice-cream as he eventually sells it to consumers. Indeed, the retailer here might argue that he buys no ice-cream at all wholesale; how is one to impute a value to what he "manufactures" on the spot? The Customs and Excise Department's old friend "uplift" may now make a new appearance in the ice-cream scoop.

The crux of the matter is that the cost of producing ice-cream is largely in the freezing, whether this be done in the factory or in the shop or restaurant. Ready-moulded ice-cream bears an additional cost of having to be kept frozen hard from the production line onwards to the point of sale. Even if manufacturers decide to go to the expense of altering their equipment so as to make smaller ice-lollies instead of dearer ones, the saving in ingredients, which anyway make up a fairly small proportion of the total cost, would make too little difference to absorb the tax. When it comes to deciding where and where not to add on their extra pennies, the manufacturers are looking primarily at distribution costs.

AIR TRAFFIC

Europe on a Knife-edge

SOME sober words about prospects for Europe's airlines during the next four years have been uttered this month by the *Institut du Transport Aérien*. The trend of air traffic between Britain, the continent and the Middle East, obviously points to expansion: even last year traffic increased by 13 per cent, making a rise of 392 per cent in ten years. Between now and 1965, forecasts the institute, traffic might increase by a steady 14 per cent per annum, giving an increase of 69 per cent over four years. Why then the long faces in the airline business?

Europe's airlines are, with one or two honourable exceptions, generally inefficient. All of them have fallen into the error of increasing their capacity faster than their traffic, although by smaller margins than on the North Atlantic. Last year, for example, capacity inside Europe increased by 19 per cent and outstripped the growth in traffic so that on average only 54 seats out of every 100 were filled. A cost-conscious airline using the most efficient aircraft available might have broken even with these loads. But the costs of most European airlines are high, and even with high fares they need to sell between 65 and 70 per cent of their seats to break even. The institute sees no chance of reaching such figures with the capacity on order unless traffic proves more buoyant than is estimated. By the end of 1965, the airlines' combined capacity seems likely to have increased by 60 per cent. These forecasts of traffic therefore suggest a rise in average load to only about 57 per cent.

TYRES

Gripping Developments

THE new Dunlop C41 tyre, and more particularly the high hysteresis variant of styrene-butadiene rubber that is used for its tread, is one reason why Dunlop is less interested than American companies in the new polydiene synthetic rubbers. The company's research has been concentrated on improving the grip that tyres give, to improve the braking and cornering of cars on the winding and often wet roads of Europe; and this the group has found how to get, cheaply and simply, by varying the composition of oil-extended SBR. The polydienes give long tread life—especially polybutadiene—but they give a less good grip of the road than an ordinary SBR tyre, and are markedly inferior to the new SBRs, which Dunlop calls "high mu" or "road hug" rubbers.

These rubbers have been in production on a small scale for some time past at Fort Dunlop, and were used in the tread of the Elite—the first high hysteresis tyre—and of the Road Speed tyre. They are now in production at International Synthetic Rubber's Hythe plant, and will be used in the treads of all Dunlop tyres; the C41 is being made in sizes that will cover 85 per cent of cars in use (it has been in production since last autumn for Minis and Super Minxes), while the old Gold Seal pattern is retained for the others. The tread pattern of the C41 is the same as that of the Road Speed tyre, and shares its resistance to steering wander on longitudinal ridges. The combination of tread and new rubber gives, Dunlop claims, an increase of 15 per cent in resistance to skidding on a polished asphalt surface—on a rougher surface the gain would be less, but should still be noticeable. The new tyre is also quieter than the old, though producing an odd squelching sound over transverse ridges in the road.

MERCHANT BANKING

Moscow Makes Money

THE Moscow Narodny Bank Ltd. of London reports another forward surge in 1961. Its balance sheet total rose from £55.6 million to £72.1 million—three years earlier it was £8.6 million. The great bulk of the bank's funds comes from correspondents abroad, mainly the central banks of the Soviet block. The funds are lent primarily to finance East-West trade, through advances and discounts to a total of £54.4 million. The Moscow Narodny has also been increasing its activities in the foreign exchange market, and by end-1961 outstanding forward sales and purchases were £22 million either side.

The bank maintains strictly orthodox principles of liquidity: it has £15.9 million in the London money market. It also keeps a careful eye on its capital ratio, and in 1961 made a further call on the Russian banks and trading organisations that are its shareholders, raising the paid up capital to £2 million. This is nearly four times higher than the figure three years ago. But the Russian institutions have seen a good return. Disclosed profits have risen by nearly seven times to £281,585, and Mr A. I. Doubonossov, the vigorous chairman, is paying a dividend of 12 per cent after tax. One wonders whether Soviet bankers manage to get an equivalent return on their domestic operations—on which a little more light may be shed at the international bankers' summer school which takes place this July in Moscow.

SHORTER NOTES

Several stockbrokers have recently asked the Council of the London Stock Exchange for permission to open branch offices abroad. The council is considering these applications and, in the meantime, it is asking members for their views. It is difficult to believe that the council will stand in the way of brokers who wish to extend their services abroad.

★

Despite an increase in the cost of imported food, beverages and tobacco, the index of import prices (base 1954 = 100) has remained at 96 for six months. A rise of 3 points in food prices has been offset by a reduction in prices of basic materials. The index of export prices in March was 113 for the fourth consecutive month. Since August, the terms of trade (the ratio of import to export prices) have remained at the extremely favourable level of 85, compared with an average of 89 in 1960.

★

Production of man-made fibres recovered to 50 million lb in March, bringing output in the first quarter of the year to 147 million lb, compared with 139 million lb in the corresponding period of 1961. Increased exports account for nearly all of this improvement.

★

Net profit of Rea Brothers, the merchant bankers, rose from £88,000 to £114,000 in the year to December 31, 1961. In his annual address Mr Walter Salomon, the chairman, warned shareholders that while the company continues to grow, the current price of the shares indicated expectations that it would be difficult "to live up to." Shareholders in other merchant banks might also heed this warning.

★

Import quotas are to be imposed on refined sugar from May 1st. In the eight months to December 31st imports will be limited to 135,000 tons, equivalent to an annual rate of 200,000 tons. Imports in 1961 were 222,000 tons, compared with 80,000 tons in 1960. The quota is said to be necessary to protect the marketing of supplies of raw sugar imported here under the Commonwealth Sugar Agreement.

COMPANY AFFAIRS
Comments on pages 400, 401 and 402 on:

Dunlop	BICC
Swan Hunter	Cammell Laird
Pressed Steel	Reyrolle
C. A. Parsons	Babcock and Wilcox
Allied Suppliers	Consolidated Zinc
Rio Tinto	Thomas Tilling

STOCK PRICES AND YIELDS
Stock prices, yields and security indices on pages 404 and 405

MONEY AND EXCHANGES
Money market report, exchange rates and public finance on page 403

COMPANY MEETINGS

THE PRUDENTIAL ASSURANCE COMPANY LIMITED

(Incorporated in England)

SIR FRANK MORGAN ON DECIMAL COINAGE

COMPANY'S ROLE IN FINANCING EXPORTS

The Annual General Meeting of the Prudential Assurance Company Limited will be held on May 10, 1962, at 142, Holborn Bars, London, E.C.1.

The following is an extract from the Statement by the Chairman, **Sir Frank Morgan, MC**, on the Report of the Directors and Accounts for the year ended December 31, 1961.

Before reviewing the affairs of the Company during 1961 I will refer to a subject of general interest in which insurance companies, and particularly those transacting industrial assurance, will be very much concerned.

DECIMAL COINAGE

Shareholders will be aware that serious attention is being given to the question of decimal coinage and that a committee under Lord Halsbury is now considering the problem, including the most suitable currency unit if a change is to take place. It is the manner of the change that is of peculiar importance to the business of industrial assurance where there are tens of millions of policies, under a large proportion of which premiums amount to a few pence per week.

Two main types of change have been put forward. The first is to use the present £1 or 10s. and to break this down into new sub-units; for example, to divide 10s. into a hundred cents, each of the value of 1.2 pence. The second type is to build upwards from the penny and to have a new unit of a hundred pence of our present currency, viz. 8s. 4d. Under either of these alternatives the labels given to amounts in the present currency have to be changed to the labels of the new currency. For example, an amount of 17s. 6d., i.e. 210d., in the present currency, would have to be re-labelled 1.75 of a new 10s. unit, or 2.10 of a new 8s. 4d. unit. What is not generally realised is that although the labels have to be altered for either system, many realities are affected if the first is chosen, whereas realities are unaffected under the second. A great many of our everyday transactions for such things as bread, milk, bus fares, postage stamps, newspapers, and industrial assurance premiums, are expressed in pence or in shillings and pence. Under the first system, pence cannot be changed exactly into cents and, therefore, the real prices would have to be altered. For example, under the 10s. unit a fare of 5d. becomes 4 and a fraction cents, and would have to be changed either to 4 cents or to 5 cents. The real price must, therefore, either go up or go down. I have little doubt that in many, if not most, cases it would go up. With an 8s. 4d. unit on the other hand, all such amounts can be expressed exactly in terms of the new currency unit and no changes in real prices are necessary.

Any system under which the penny is abolished inevitably creates a most serious difficulty for industrial assurance business. The policies are long-term contracts and the compulsory alteration of the premium during the existence of the contract produces a major administrative problem not only in accounting changes but in the adjustment of benefits to accord with the change in premium. This adjustment would vary with the time the policy has yet to run and while the effect on a policy nearing the end of its course may be trivial, the effect on a contract just issued could be substantial.

There are, no doubt, arguments on both sides, but I feel there may not be a sufficient public awareness of the importance for the everyday life of the community of the provision of exact equivalents in the new coinage.

BONUS DECLARATIONS

Increased rates of reversionary bonus have been declared for policies issued in this country and in most of the major overseas territories in which we operate.

Final bonuses have been declared in both Life branches at the same rates as last year, and again apply to policies of assurance issued in the United Kingdom up to the end of 1958 which become claims by death or maturity during the current year. The total amount allocated by way of final bonuses since we introduced them six years ago is £19½ millions, a significant addition to the contractual benefits, and as such warmly welcomed by Prudential policyholders.

The increases in bonus have been made possible, partly by some increase of surplus from the usual sources, partly because we have felt able to dispense with transfers to the Investment reserve accounts (a feature to which I shall refer later) and partly by changes in the bases of valuation. In view of the continuing high level of market rates of interest in the United Kingdom and certain territories overseas, the rates of interest used in the valuation have been increased as shown in the Valuation Report of the Chief Actuary. The effect of these changes on the year's figures is that the surplus, though not thereby significantly altered in amount, provides a higher rate of reversionary bonus.

The changes in the bases of valuation also have the effect of releasing reserves and these have been amalgamated with existing additional reserves to provide, *inter alia*, a stabilising fund to facilitate the declaration of equitable bonuses.

The last few years have seen considerable developments in our bonus declarations, in the variety of bonuses declared and in the much higher level of the rates declared. Bonuses are now a more important factor than at any time in the history of the Life branches.

ORDINARY BRANCH

The total new business figures were again a record.

In the United Kingdom the new premium income was £10½ millions, being more than £2½ millions higher than the corresponding figure for 1960. Of this increase about a half was due to group pension business and over one-quarter to immediate annuities. In my Statement last year I remarked on the increased scope for the sale of immediate annuities due to the provisions of the 1956 Finance Act, and I am glad the hopes I then expressed that our improved rates would lead to an increase in this class of business are beginning to be realised.

In the past our "Heritage" family income benefit policies have normally been issued for a basic sum assured combined with a fixed income benefit payable on death for the balance of 20 years from the date of the policy, but to satisfy the growing market for this type of contract we introduced during the year a flexible arrangement whereby a family income benefit could be assured for various terms and amounts to meet the differing needs of our clients. There are already indications that this modern version of a type of policy first introduced in 1931 will prove very popular.

In the Overseas branches the new premium income again exceeded £3 millions but was slightly lower than in the previous year, due in part to economic difficulties in some territories. Record amounts of new premiums were, however, secured in 1961 in South Africa and in the Rhodesias.

PENSION SCHEME BUSINESS

I was able to tell shareholders a year ago that the introduction of the state graduated pension arrangements had resulted in the setting up of many new occupational pension schemes with the Prudential. The figures for the past year must, therefore, be regarded as unusual. The new premium income for this class of business in the United Kingdom was about 60 per cent greater than for the previous year: about one-half of the new business arose under new schemes and the balance represented new entrants and increases in benefit under existing schemes. Among the new schemes were some large ones and, in the absence of some special and unexpected stimulus, we cannot hope that schemes of such magnitude will commonly be available in the market in future. Indeed, I feel that for future pension business we must look increasingly to schemes for small firms. I am very conscious of the opportunity—and indeed the obligation that rests perhaps in a particular degree on our Company—to provide facilities through insurance for the retirement of employees of these smaller firms. This class of business does, however, present problems, not the least being that the complex formalities of the Income Tax Acts, which in the case of large organisations may be no more than an irritation, may well constitute a real deterrent to the smaller employer and his employees.

INDUSTRIAL BRANCH

The new sums assured and new premium income in this Branch exceeded the 1960 figures, which were themselves a record, by a substantial margin. Gratifying though this is, I should mention that some part of the increases in new business arises from the replacement of the particularly large number of endowment assurances which matured last year. A more satisfactory measure of progress is the net increase in premium income and last year's figure was the highest for many years. A large proportion of the wage-earning population still turns to industrial—or home service—assurance to meet its life assurance needs, the appeal to the public being based on the convenience and assistance to thrift provided by the regular visit of the agent.

GENERAL BRANCH

In the General Branch the premium income for 1961, including that of our American subsidiary, exceeded £24 millions, an increase of nearly £2 millions over the previous year.

The over-all gross underwriting profit of £537,000 compares with £770,000 for 1960. Each of our main Accounts, however, produced a profit and in the light of the varying results to be anticipated in this Branch the year's operations can be regarded as satisfactory.

Although national fire wastage in the United Kingdom in 1961 continued at a very high rate, it was slightly below that in 1960 and our Home Fire Account produced an improved result. The profit from our Home Motor Account was, however, less than for last year and this is a class of business which continues to have its special difficulties. Motor premium rates were increased in 1961, but the full effect of the increase will not be felt until the current year. Unfortunately, the high level of accidents and the continuing trend of a rise in the average cost of claims absorb the increase in premiums and the position is one which has to be kept under constant review.

In 1961 we were spared anything in the nature of a catastrophe, such as the floods of 1960, but in 1962 severe damage has occurred in Yorkshire and elsewhere as the result of violent storms. This does not, of course, come within the scope of a review of our 1961 figures, but I mention that once again the value of the protection we provide and the prompt service rendered by our staff have been fully appreciated by our policyholders.

Turning to our operations Overseas, which produced a small underwriting profit, satisfactory results in the Sickness and Accident classes more than compensated for underwriting losses in other classes.

Our Marine insurance business still continues satisfactorily despite difficult underwriting conditions, and we have released into surplus the sum of £60,000, most of which is required to cover taxation.

Gross interest earnings in the General Branch have again increased but the benefit of this on our trading profit has been affected by the increase in the rate of profits tax, and the net trading profit of £858,000, after allowing for taxation, is less than the previous year's record figure of £977,000.

DIVIDENDS

The Directors have given careful consideration to the Chancellor's request for restraint in the payment of dividends as part of Government policy aimed at improving the economic position of the country and securing the stability of sterling, and we have decided that it is proper to observe this request. The aims behind the Government's policy are of special importance to the future of insurance.

In the Life branches the increased surplus available has made possible the increased bonuses to policyholders I have already mentioned and also an increased allocation to A shareholders. The dividend has been maintained at 8s. 4d. per share free of income tax and the sum of £286,458 has been transferred to the Dividend reserve fund. This sum would have been distributed as a further dividend of 11d. per share but for the Chancellor's request. The policyholders' allocation of the distributable surplus in each of the Life branches is now 93.78 per cent.

In the case of the B shares the dividend has been maintained at last year's figure of 1s. 10d. per share free of income tax. There would also have been an increase in this dividend were it not for the Chancellor's request but I feel it right to point out that the increase would have been smaller than of recent years. As I have already mentioned, there was a further increase in the interest earnings on the General Branch funds, but this was partially offset by the increased rate of profits tax. A further minor factor is that following the paying up of the B share capital last year there is a charge of £10,000 for the benefit of the A shares on the profits of the General Branch before apportioning the profits between the A and B shares.

INVESTMENTS

During 1961 our total funds increased by £76 millions. We sold investments amounting to £14 millions and the proceeds of these together with repayments of debentures and mortgages gave us a total of £103 millions for new investments.

This new investment was carried out against the background of the economic uncertainties caused by yet another critical situation in the country's balance of payments. Our view of security markets during the first half of the year was affected by the expectation that the authorities would take special action in order to contain this situation, and in the second half of the year we had the effects of the measures which the Chancellor of the Exchequer did in fact announce in July. We took a cautious view of the short-lived rise in ordinary share prices which reached a peak in May and our ordinary share purchases during the first half of 1961 were lower than in any six month period for several years. We did, however, take some advantage of the lower prices ruling in the latter months of the year.

The purchase of all ordinary shares made during the year amounted to £33 millions. This figure includes U.S.A. stocks of £8 millions and an amount of £9 millions which we have subscribed for rights issues. We have also made sales of ordinary shares where high prices were not in our view justified by the prospects of the companies concerned.

I mentioned last year that we undertook substantial commitments during 1960 for investments in connection with property developments to be subscribed in later years and a number of these obligations were met during 1961. During the year we also entered into further commitments in this field, until the Chancellor of the Exchequer made his request to the insurance companies to restrict the supply of finance for property development.

RISE IN YIELDS

The year 1961 saw the highest level of long-term fixed-interest yields of any year this century. The rise in yields had been almost uninterrupted during 1960 and in the spring of 1961 the rise continued as the market began to anticipate the monetary measures eventually taken by the Chancellor in July. Bank rate which was raised to 7 per cent has since been reduced to 5 per cent and long-term yields have been drifting gently downwards. These developments have meant that the fixed-interest investments made by us during the year were on terms which must by historical standards be regarded as extremely favourable.

In addition to the £33 millions of ordinary shares purchased last year we invested over £7 millions in Commonwealth Government Securities, £18 millions in debentures, £3 millions in preference shares, £19 millions in mortgages and £19 millions in the purchase of freehold and leasehold properties.

The dividend receipts from our United Kingdom ordinary share holdings, apart from new investments, again showed an increase but to a much smaller extent than in 1960. In view of the current level of industrial profits and the restraint at present being exercised in the declaration of dividends, it is likely that 1962 will show little, if any, increase in dividend income over 1961.

As far as our new investments are concerned, although high yields were secured on fixed-interest investments, ordinary share purchases were generally made on somewhat lower initial yields. As a result of all these factors the yields on our funds have not increased in 1961 to the extent that was achieved in 1960. The gross yield on the Ordinary Branch fund increased by 1s. 8d. to £6 11s. 8d. per cent and that on the Industrial Branch fund by 4s. 1d. to £6 19s. 0d. per cent.

As I have mentioned earlier in this Statement, we are not this year making transfers to Investment reserve account in the Revenue accounts of any of the three branches. The practice of making these transfers was initiated in 1950 to make provision for future contingencies in respect of the higher yielding classes of securities. Although we still carry securities of this type in our portfolios and will doubtless purchase others in the future, our overall asset position over the last few years has improved to an extent where we feel it unnecessary to continue the practice for the time being.

AID TO EXPORTERS

In April of last year the Chancellor of the

Exchequer announced material improvements in the insurance facilities granted by the Export Credit Guarantee Department. These permitted, *inter alia*, the lengthening in certain circumstances of the maximum period for repayment beyond the previous limit of five years. As five years is the longest term for which the banks normally grant credit, approaches were made to the insurance offices to provide the longer term finance required. Notwithstanding that such commitments are of too short duration to be wholly suitable as investments for life funds, the need for credit was clearly of such urgent national importance that we, in association with other insurance offices, undertook in certain cases to meet the emerging demand for the longer part of the credits. It soon became evident, however, that the requirements of industry in this connection were likely to be of such a volume as to require the setting up of a special organisation to deal with them. In the event a new company has been formed in the creation of which we took an active part and through which the majority of British Insurance Offices have agreed to make available up to £100 millions of finance for export. Of this sum we, the Prudential, are committed to providing the largest individual share. Interest on all commitments entered into during the first five years of the Company's operations is to be at the rate of 6½ per cent per annum throughout the term of the credit.

With the banks agreeing to meet the requirements up to 5 years (also at a fixed and favourable rate of interest), the appeal by industrialists for finance for export to be made more freely available would appear to have been met generously. It is to be hoped that with this help our manufacturers will succeed in securing greatly increased export orders.

STAFF

The continued progress of the Company is a tribute to the enterprise and loyalty of all grades of the staff at home and overseas and there is genuine pride amongst them not only in the achievements of this vast organisation but also in the efficient insurance service which it renders to the public.

I am glad to take this opportunity of expressing our warm appreciation and thanks to all those who have contributed in their respective ways to the results of the year's work.

INTERNATIONAL NICKEL COMPANY OF CANADA

MR HENRY S. WINGATE LOOKS TO "AN ERA OF PROMISE"

The annual meeting of The International Nickel Company of Canada, Limited, was held on April 18th in Toronto.

Mr Henry S. Wingate (the Chairman) presided and, in the course of his speech, said:

On the same day that our 1961 Annual Report went to press a free world astronaut was rocketed into space. He orbited the earth three times, re-entered the atmosphere and was recovered.

This coincidence has symbolic significance for the shareholders of International Nickel. For the American Mercury Project dramatises, in a way, the new role for nickel created by modern science. The skin of the capsule which carried Colonel Glenn through space was made of a heat-resistant high-nickel alloy. The Atlas rocket that launched the astronaut was sheathed with nickel stainless steel less than 1/25th of an inch thick, and nickel-tubing formed the walls of the thrust chamber in the rocket engines.

The era we are entering will make spectacular and heavy demands for materials to be exposed to extremes of temperatures and stresses. For us it is an era of promise because of the unique qualities present in nickel and in nickel alloys, and of our ability as a Company to assist the industries of the world in solving their rapidly changing materials problems.

Commenting on the effect on the Company of the possible entry into the Common Market of the United Kingdom and other non-member European nations, the Chairman said:

Many important enterprises from other parts of the world are building industrial facilities in Europe, confident that they can share in the opportunities presented and contribute to their development. This forward progress will mean a greater demand for nickel and for the other products which we produce. The economic growth within the Common Market, therefore, in and of itself, will have a direct and beneficial effect upon the business of this Company.

Mr Wingate continued: The outlook for our 1962 business continues to be favourable. North American demand for our nickel is running well ahead of the rate for 1961. For the time being, however, this is offset by lower European demand, with the result that for all areas demand in the first quarter will not reach our record high rate for last year but will be as strong as that for our next best year 1960. As for copper, our total deliveries everywhere should be well above last year.

In summing up the overall effects, I am glad to say that the financial results of all of our operations for the first quarter are likely to show the second highest quarterly earnings we have had in our history.

Finally I bring you special news of present and future importance about our production of nickel in Manitoba. For the first quarter production exceeded the planned capacity of the facilities by 20 per cent. Our ability to lift our Manitoba production from its planned annual capacity of 75,000,000 pounds to an actual output of over 90,000,000 pounds and, if demand requires, to bring our combined Ontario and Manitoba production to 400,000,000 pounds, has now been demonstrated.

The report and accounts were adopted.

THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED

OUTSTANDING INDUSTRIAL BRANCH BONUS

The hundred and first Annual General Meeting of the Royal London Mutual Insurance Society Limited was held on April 24th at the Chartered Insurance Institute, 20, Aldermanbury, London, EC.

Mr E. H. Haynes, FIA, chairman and joint managing director presided, and, in the course of his speech, said:

I would like to refer in detail to the position of each of the Society's Branches.

ORDINARY BRANCH

The premium income in the Ordinary Branch (including consideration for annuities granted) amounted to £5,114,000 an increase of £278,000 over the previous year. The Fund at the end of the year amounted to £46,215,000 an increase of £2,203,000. The rate of interest earned, after deduction of income tax, was £4 19s. 5d. per cent, an increase of 5s. 0d.

The amount paid by way of claims and surrenders during the year was £4,096,000.

The new business results in this Branch in 1961 were frankly a disappointment; we had hoped to celebrate our centenary year with yet another record. In point of fact the new sums assured written fell short of the previous year's figure by £507,000. During the year 21,000 contracts were written assuring £22,595,000.

Interim Bonus will be allowed on with profit policies becoming claims etc. during the current year at the rate of Two Pounds Sixteen Shillings per cent. This high rate of Interim Bonus will apply to each of the years 1961 and 1962.

INDUSTRIAL BRANCH

In the Industrial Branch the premium income for the year amounted to £11,908,000, an increase of £419,000 over the previous year. Claims and surrenders amounted to £7,793,000. The Fund at the end of the year amounted to £109,162,000, an increase during the year of £5,724,000. The rate of interest earned, after deduction of income tax, was £5 19s. 2d. per cent, an increase of 2s. 6d.

The sum assured on new policies issued in this Branch shows a small increase over the figures for the previous year. In 1961 303,000 new contracts were written assuring a total of £26,650,000, an increase of £149,000.

Interim Bonus will be allowed at the rate of Two Pounds Five Shillings per cent in respect of the year 1961. In addition the special bonus on claims and maturities announced a year ago is to be consolidated into the Interim Bonus.

The Interim Bonus rate of 45s. per cent is an improvement on the previous rate of no less than 5s. per cent. In the history of Industrial Assurance this bonus stands out as exceptional and makes the Royal London Industrial Branch policy one of the most attractive propositions on the market today.

GENERAL BRANCH

The premium income for this Branch in 1961 was £1,170,000, an increase of £82,000. This increase in premium income represents by a small margin a record for the Society.

The total income of the Society during 1961 was £27,033,000. The benefits paid to policyholders amounted to £11,889,000, bringing the total payments to policyholders since the inception of the Society to more than £198,000,000.

The total funds at the end of 1961 amounted to £169,791,000, an increase during the year of £7,957,000. This sum represents the savings of our members entrusted to our care during the year and is a measure of the confidence of the public in our Society.

The Report and Accounts were unanimously adopted.

THOMAS TILLING LIMITED

MR. W. LIONEL FRASER

reports profits surpassing all previous records

"We are a Family of Firms
We invest in people
We believe British best is unbeatable
We build for the future"

It is very pleasing to report that 1961 was another record year in the history of the company. Group profits exceeded £4,850,000, with the amount attributable to Thomas Tilling Limited topping £3,650,000. Group turnover has now passed the £65 million mark. These figures have not been achieved by sitting back. The going has been tough. But I do claim that our policy of diversification, soundly applied, has proved itself to be a reliable buttress against the economic instability to which some of our industries were subjected during the latter half of 1961. The beginning of the year gave promise of even higher profits than finally transpired, for by the summer all our larger industrial classifications, except textiles, indicated rises, in some cases sizeable ones. Three main factors retarded this forward march—it is the familiar tale the intensified credit squeeze; increased costs, which had hitherto been absorbed by higher turnover, but which could no longer be offset in the prevailing conditions; and appalling weather which hit the building industry especially towards the end of the year. Nonetheless, before taking into account the profits arising from new acquisitions and additional participations in our present companies, our interests in building supplies and services, engineering and insurance all produced higher results than ever before and more than redressed the balance of others less happily placed. In view of the general malaise in business and the pull on margins and profits, your Directors venture to consider this a really gratifying performance.

Our activities are wide-ranging and substantial and in themselves alone they hold high promise over the years. All the same we still have room for robust, well-directed concerns which can flourish and grow more quickly and on a broader basis than if they were to stay on their own, especially those whose functions lie within the field of our existing interests. Enforced take-overs may well be suitable for others, but as I have said before, they do not conform with our philosophy. We are a Family of Firms and all our companies joined us of their own free will.

We have never deviated from one basic principle—integrity and ability of management—and that principle is uppermost in our thinking when assessing a new candidate. The stark economic facts of our country require a hard-work approach—energetic, productive and ingenious employers as well as energetic, productive and ingenious employees. The key is alert, forward-looking, understanding management which has the courage to be different and does not suppress fresh ideas but reaches out for them. These are times of intensified competition. We cannot merely tread water. In Tillings we are hungry for new ideas and we appreciate those who have them. We invest in people. We build for the future.

What of 1962? Trade in general is not brisk just now, for one reason or another, and of course our own best intentions could be hindered by a lack of national buoyancy if it persists: needless to say, we shall strive ceaselessly to overcome such eventuality. The growth in the country's economy has hitherto disappointed me, but I feel that it is now improving, and beyond this lies the prospect of the stimulus which we anticipate if Britain joins the European Common Market. At this early stage of the year, it is obviously not possible to give a forecast of the profits for 1962, but if present hopes prove to be well-founded, shareholders will again find the results to their satisfaction.

My colleagues and I remain unshakably confident in the further prosperity of Thomas Tilling Limited, as we are in the future of our country. We believe in both because we know that British best is unbeatable.

Above is an extract from the Review by the Chairman, Mr. W. Lionel Fraser. If you would like to receive a copy of the full Review, Report and Accounts please write to:
The Secretary, Thomas Tilling Limited,
19, Crewe House, Curzon Street, London, W.1.

Industries and Companies in which Thomas Tilling holds an interest

The figure beside each industry is the percentage contributed to the 1961 profit before tax attributable to Thomas Tilling Limited as shown by a table in the Annual Report. The figure shown after each Company is the percentage of the equity now owned by Thomas Tilling.

BUILDING SUPPLIES AND SERVICES (25·9%)
Alexandra Building Services Ltd. ... 99%
John H. Ashton Ltd. ... 60%
Thos. Graham & Sons Ltd. ... 75%
Lime-Sand Mortar Ltd. ... 89%
Palmer's Travelling Cradle & Scaffold Co. Ltd. ... 100%
Slater & Co. (Limestone) Ltd. ... 75%

ELECTRICAL WHOLESALING (5·4%)
Newey & Eyre Ltd. ... 100%

ENGINEERING AND ALLIED TRADES (12·6%)
Bagshawe & Co. Ltd. ... 77%
Hobourn Aero Components Ltd. ... 100%
Palmers Reinforced Plastics Ltd. ... 100%
Patchett & Co. Ltd. ... 66%
Universal Fisher Group Ltd. ... 100%

GLASSWARE (15·9%)
James A. Jobling & Co. Ltd. ... 60%
Q.V.F. Ltd. ... 60%
Quickfit & Quartz Ltd. ... 60%

HOSIERY, KNITWEAR AND TEXTILES (nil %)
Mark Dawson & Son Ltd. ... 100%
Timothy Hird & Sons Ltd. ... 60%
Holyrood Knitwear Ltd. ... 100%
Henry Lister & Sons Ltd. ... 75%
Pretty Polly (Holdings) Ltd. ... 100%
Spray & Burgess Ltd. ... 100%

INSURANCE (13·7%)
Cornhill Insurance Co. Ltd. ... 55%

VEHICLE DISTRIBUTION (19·7%)
Cotherhill Wakefield (Garages) Ltd. ... 76%
Mercedes-Benz (Great Britain) Ltd. ... 100%
Stratstone Ltd. ... 100%
V.W. Motors Ltd. ... 100%

OTHER INTERESTS (6·8%)
Heinemann Publishers Ltd. ... 100%
R. Hanson & Son Ltd. ... 86%
Aerosol Packaging Co. Ltd. ... 100%

Thomas Tilling Limited and Subsidiary Companies Ten-year Record—1952 to 1961

Year	Profit: Profit before tax attributable to Thomas Tilling Limited (A)	Funds: Preference Capital	Funds: Ordinary Capital	Funds: Reserves (excluding Tax Reserves)	Funds: Total Funds (B)	Ratios: Profit (A) to Funds (B)	Ratios: 'Earnings' on Ordinary Capital*	Ratios: Gross Rate of Ordinary Dividend*
	Thousands of £s					Percentages		
1952	865	300	4,120	2,559	6,979	12.39	14.1	7½ (6.2)
1953	911	300	4,120	2,710	7,130	12.78	13.6	7½ (6.2)
1954	1,014	300	4,120	2,904	7,324	13.84	16.2	10 (8.3)
1955	1,521	2,500	4,200	3,155	9,855	15.43	22.9	10 (8.3)
1956	1,675	2,500	4,245	3,739	10,484	15.98	24.9	11¼ (9.3)
1957	1,984	2,500	4,593	4,147	11,240	17.65	25.7	13¼ (11.0)
1958	1,831	2,600	4,967	5,132	12,699	14.42	21.7	13¼ (11.0)
1959	2,573	[illegible]	5,464	5,555	13,619	18.89	33.9	17 (15.5)
1960	3,104	5,275	6,208	6,323	17,806	17.43	39.4	20
1961	3,681	5,535	7,140	10,448	23,123	15.92	41.9	20

NOTE: *The 'Earnings' percentages and the dividend rates which are shown in brackets take account of the one for ten capitalisation issues made in May, 1959, and May, 1960, and are thus properly comparable with subsequent rates.

THOMAS TILLING LIMITED—A FAMILY OF FIRMS

LONDON AND MANCHESTER ASSURANCE COMPANY LIMITED

VALUE OF HOME SERVICE INSURANCE

INCREASED DEMAND FOR ENDOWMENT SHARE PURCHASE PLAN

SUBSTANTIAL INCREASES IN RATES OF INTEREST EARNED

The ninety-third Annual General Meeting of London and Manchester Assurance Company Limited, will be held on 9th May, 1962, at 50, Finsbury Square, London, E.C.2.

The following is the statement by the Chairman, Mr Lewis G. Whyte, FFA, circulated with the report and accounts for the year ended December 31, 1961:

I wish on your behalf to tender thanks to Lord Grantchester for the work he has done for the company during the eight years he served as Chairman. During that time the company has become better known, its reputation has grown, its financial strength has improved, its business has expanded, and the foundations have been laid for further growth and prosperity in years to come.

On succeeding to the Chair I would first like to thank the executive directors for their hard work and skilled advice: Mr Mann, our Managing Director; Mr Wilson, our Actuary; Mr Reed, whose chief responsibility is with the field staff; and Mr Browne, our Secretary. It was with pleasure that the directors co-opted Mr Browne to the Board at the beginning of the current year. We also extend a warm welcome to Mr Denys Oppé. He has a wide experience of investment and industrial matters and will prove to be a valued colleague.

No company can be greater than the men and women who work for it, and I would like to begin rather than end my Statement by thanking all members of the staff for their loyal and efficient work during the year. As the Report indicates, it has been a successful year, but expansion brings its problems and the challenge has been well met.

In nearly all the important aspects of the company's business it has been another record year but, as is also the case with many other companies, when records become the custom, they lose some of their significance. Records should not be an end in themselves. We believe the primary approach should be to give increasingly good value, better personal service, to offer contracts which meet the needs of the times, and to present them fairly and vigorously to our potential policyholders. In such ways the continued progress of the company should be assured.

ORDINARY BRANCH

The following table shows the premium income, the new sums assured and the rate of bonus declared for the last five years:

	Premium Income ('000s)	*New Sums Assured* ('000s)	*Rate of Bonus*
	£	£	%
1961 ...	4,001	12,723	52s.
1960 ...	3,678	9,967	50s.
1959 ...	3,380	7,795	48s.*
1958 ...	3,198	6,180	45s.
1957 ...	2,991	5,649	42s.

*Plus a special bonus equal to 25% of bonuses already declared.

The business written by our field staff has shown a satisfactory increase; the rate of increase from business transacted through insurance brokers, especially in respect of the company's special schemes, has accelerated in recent years. The Endowment Share Purchase Plan is meeting with an increasing demand, and the sums assured arising from this business have more than doubled during the year under review. We have also had a satisfactory increase in the business written under our special non-profit rates for sums assured of £5,000 and over. Both these classes of business are additional to what is obtained directly by our field staff and in no way diminish their scope. There is ample room for business derived from these two separate parts of our organisation to expand side by side in a complementary manner.

It is interesting to note that the total new sums assured under all policies within our Ordinary Branch have doubled during the last three years. This rate of expansion is, in the main, responsible for the increase in the expense ratio over this period. For the year under review it was 17.18 per cent compared with 16.18 per cent a year ago, taking into account in both instances the contribution to the Staff's Pension Fund. While it is too much to expect expansion to continue at this rate, your directors look forward to a satisfactory growth of business in the foreseeable future.

INDUSTRIAL BRANCH

The following table shows premium income and new sums assured in this branch during the past five years, together with the total cost of reversionary bonuses allocated to policyholders. Growth of business has continued at a steady rate. The figures for reversionary bonuses demonstrate as clearly as possible the increasing value which our policyholders obtain in this branch.

	Premium Income ('000s)	*New Sums Assured* ('000s)	*Cost of Bonuses* ('000s)
	£	£	£
1961 ...	4,551	8,463	1,424
1960 ...	4,355	7,657	1,235
1959 ...	4,143	7,289	1,057*
1958 ...	3,977	6,886	731
1957 ...	3,825	6,526	580

*Plus a special non-recurring bonus costing £1,028,700.

The expense ratio was 30.53 per cent compared with 30.66 per cent for the previous year, including in both cases the contribution to the Staff's Pension Fund. A substantial proportion of the expenses arises from the policyholder's home, without collection, mainly weekly, at the policyholder's home, without

tion of the expenses arises from the provision for frequent collection, mainly weekly, at the policyholder's home, without which it is doubtful whether the vast regular savings through Home Service Insurance would ever be made. This is the form of home service which the policyholder greatly values and is prepared to pay for, as well as for the benefit of life assurance cover and the ultimate financial reward. The bulk of new policies issued continues to be of the endowment type, and all policies in the Industrial Branch share in the profits of that branch.

CLAIMS

You will notice that claims in the Ordinary Branch have increased by £481,000 and in the Industrial Branch by £714,000. In both branches this arises mainly from claims by maturity and for the following two reasons. The first is the relatively large amount of fifteen-year endowment assurance business written in the immediate post-war years and the second is the growing amount of bonus attaching to claims.

FIRE AND GENERAL BRANCH

The premium income of the Fire and General Branch was £455,462 against £428,721 for the previous year. The amount carried to Profit and Loss Account is £7,909 compared with £13,312 for the previous year. Although this branch may appear relatively small compared with other branches, it is nevertheless an important part of our business. Last year some 21,000 new policies were issued, and we look upon this business as a useful extra service which we can give to many of our life assurance policyholders in both branches. All the business is reinsured with the County Fire Office, and I would like on behalf of the Board to thank their directors and staff for the efficient and kindly help given to our own staff during the year.

INVESTMENT TRUST RETIREMENT ANNUITIES

This fund has now grown to £2,379,000 and the benefits to policyholders augur well, especially for those who took out their policies in the early years of this contract's existence. The price of Investment-Trust-Units (upon which the single premium deferred annuity is based) is now some 2.8 times the price ruling when the policy was first introduced in January, 1957. Owing to the necessity of building up reserves and to the lower yield currently available on the units, the fund has shown only a very small surplus and it may be some time before the question can arise of distributing any profit.

PROFIT AND LOSS ACCOUNT AND DIVIDEND

The sum transferred to the Profit and Loss Account from the Ordinary Branch is £111,000, compared with £102,400 in the previous year. In the Industrial Branch the sum is £158,250, compared with £137,200 in the previous year. In both cases these sums represent one-ninth of the cost of bonuses allocated to policyholders, thus preserving the 10-90 per cent proportion which is now the company's normal practice. In accordance with the Chancellor of the Exchequer's request for dividend restraint, your directors recommend the payment of a final dividend of 1s. 8.25d. per share, free of tax, making a total of 2s. 8.25d. per share, free of tax, for the year, the same as for the previous year. You will notice that the balance of Profit and Loss Account has increased over the year by £30,131. In normal circumstances your directors would have been able to recommend a moderate increase in the rate of dividend.

INVESTMENTS

Substantial changes have been made in the investment portfolio during the course of the year. They have brought about a reduction in the investment in ordinary stocks and shares and an increase in mortgages on property and on shares and also in debenture stocks and preference stocks. The main reasons for these changes arose from an objective assessment of the value of many securities, especially at times when the ordinary share market was particularly strong. Although your directors are satisfied on the long-term merits of your company's ordinary share portfolio (the market value of which is substantially in excess of the Balance Sheet value), they felt that in quite a number of cases prices had reached levels where the future was being assessed too optimistically and insufficient allowance was being made for possible adversities. They felt also that prices of long-dated British Government stocks and guaranteed stocks had, in the latter half of the year, fallen to attractive levels and a considerable re-arrangement of the portfolio of these stocks was made, which has resulted in increasing the average term and also the yield.

The aggregate value of the Stock Exchange investments shows a satisfactory margin over the value shown in the Balance Sheet and this margin is significantly higher than the comparable figure for the previous year. The average rate of interest earned on the funds has increased from £6 7s. 3d. per cent to £6 15s. 8d. per cent in the Ordinary Branch and from £6 7s. 5d. per cent to £6 15s. 11d. per cent in the Industrial Branch. Notwithstanding the substantial increase in the rates of interest earned last year, your directors are reasonably confident that these rates can at least be maintained during the current year, provided always that no severe and unexpected misfortunes occur.

COMPUTER

The Insurance Industry is becoming more appreciative of the great potential value of electronic computers, and your company continues to occupy a leading position in this new development. During the past year we have made increasing use of our Pegasus computer and the actuarial valuations for both Life Branches, which used to necessitate considerable overtime work by the staff, are now carried out on it.

We have extensive scope for Automatic Data Processing in our accounting systems, which have to deal with 750,000 individual premium payments per annum in respect of Ordinary Branch and Fire and General Branch policies and to cater for nearly two million Industrial Branch policies, the premiums for which are payable weekly. The transfer of these systems to the computer is progressing well and part has already been completed.

CAPITAL

I refer now to the Resolution which will be put before you at the forthcoming Annual General Meeting, to increase the authorised capital of the company from £500,000 to £1,050,000. If this Resolution is passed, it is the directors' intention to offer to shareholders on May 11, 1962, 2,173,565 shares of 5s. each at a price of 5s. per share in the proportion of eleven new shares for every ten shares held. In the case of shareholders who do not take up their entitlement, and in cases of fractional entitlement, the shares will be sold in the market and the shareholders concerned paid the appropriate amount in cash.

The purpose of this issue is solely to bring the issued capital of the company to over £1 million and thus bring its shares within the wider range section of the Trustee Investments Act, 1961. I think you will agree that this proposal is to the general advantage of the company. As was indicated in the preliminary announcement, the increase in capital will affect the Profit and Loss Account and the sum distributed as dividend only to the extent of the extra interest earned on the proprietors' fund brought about by the increased capital.

Your directors hope that these proposals will meet with your approval.

GEORGE

AND CO.

WORK DONE IN 1961

The Annual General Meeting of George Wimpey and Co. Limited will be held on May 16th in London.

The following is an extract from **Sir Godfrey Mitchell's** statement:

The year 1961 proved to be the busiest year in your Company's history. The value of works carried out by us for clients exceeded £90,000,000, but rising costs of labour and materials created unforeseen burdens which imposed on us a year of quite unprecedented strain.

ACCOUNTS

The Accounts show that the group profits, before taxation, amounted to £3,209,217 as compared with £3,137,207 in 1960, whilst the profit after taxation was £1,777,217 as against £1,854,207 in 1960.

	1961 £	1960 £
Profit before taxation	3,209,217	3,137,207
LESS taxation	1,432,000	1,283,000
Profit after taxation	1,777,217	1,854,207
Retained in business	1,477,857	1,554,847
Dividends (net)	299,360	299,360
Issued Share Capital	5,545,000	3,545,000
Revenue Reserves	8,361,260	8,883,403
Capital and Reserves	13,906,260	12,428,403

CIVIL ENGINEERING AND INDUSTRIAL DEVELOPMENT

We were again active on a large number of important projects.

Among those completed during the year were the wide flange beam mill for South Durham Steel & Iron Co. Ltd., our comprehensive work for Barrow Steelworks Limited and site preparation works for the Park Gate Iron & Steel Company Limited at Rotherham.

Several contracts with the British Transport Commission were completed and work continues on others. Our contract for an oxygen plant in South Wales for British Oxygen Company Limited was extended to include the construction of a hydrogen and nitrogen plant.

We obtained further contracts at London Airport and the major project at Severnside for Imperial Chemical Industries Limited progressed most successfully.

A 4½-mile dual carriageway on the A.1 was completed and a start made on our £6 million contract for a section of the M.2 motorway in Kent. Our contract for 4½ miles of roadworks and bridges on the Torryburn By-Pass, Fife, is well advanced.

Work continues on the Loch Awe hydro-electric scheme and on our Tunnelling contract for the National Coal Board at Parkside Colliery.

Our contract with Steetley Magnesite Company Limited for the construction of a jetty and off-shore pumping station at Hartlepool is approaching completion and work continues on a large settling tank for the same client.

HOUSES AND FLATS

We again built a very substantial number of dwellings for local authorities throughout the country.

Among the many high flats schemes were three 20-storey blocks for the City of Glasgow; five 14-storey blocks for the City of Liverpool; the comprehensive redevelopment scheme for the City of Sheffield and fourteen 12-storey blocks for the City of Leeds. We also undertook several schemes embodying 12-storey flats for the City of Manchester and a mixed development of 455 dwellings including 16-storey blocks at Preston. A project featuring 9 and 15-storey flats in the City of Edinburgh was completed and work continues for the City of Bristol.

In all, we completed during the year over 14,000 houses and flats; of these 8,014 were for local authorities, of which 6,357 were built in No-Fines concrete. Between 1948 and 1961 we received contracts from local authorities for some 138,000 dwellings, of which 120,850 were constructed in No-Fines concrete.

In 1961 we built and sold some 6,000 houses and flats for private purchasers on 157 sites throughout the country.

OTHER BUILDING

The construction of the Queen Elizabeth II Grandstand at Ascot Race Course, including the demolition of the old stand, was completed in less than ten months.

Other substantial building contracts included a new office block and laboratories at Harrogate for Imperial Chemical Industries Limited, warehouse extensions for Grattan Warehouses Ltd., extensions to the Papyrus paper board mill at Tadcaster; a new machine shop and office block for Hepworth & Grandage Ltd., and several bakeries for leading groups of companies.

To the schools and hospitals programmes we are contributing the new Billingham Campus School and a Student Nurses Home and teaching block at Peterborough.

CITY DEVELOPMENT

On the construction of offices and shops in London and the provinces, progress has been disappointing owing to delays in obtaining planning approvals and other complications inherent in this type of work. We are, however, pressing on as hard as we can to completion and letting, so that the ultimate aim of addition to our income may be achieved as soon as possible.

You may have seen comments in the Press and elsewhere about the Wimpey interests in this type of property development. The main business of your Company is in civil engineering and building on a normal contract basis, but in recent years substantial additional work has been obtained by entering into closer association with parties interested in the development of office and shop properties. If the developments are successful, net equity income will arise and the Wimpey share will add to the Company's income over the years succeeding the terminations of the developments. There are many uncertainties and it would be most undesirable to forecast the income involved, but it is emphasised that this income cannot be estimated simply from the cost of the project. The income arises from the excess, if any, of rent received over the interest on the cost.

You will recollect that, in my report for 1960, I made the Shareholders aware of the extent to which we are interested in this field by quoting the approximate total of £33 mil-

WIMPEY

LIMITED

EXCEEDED £90,000,000

lion as representing the site values and estimated cost of the buildings for the projects in which we are financially interested.

It would appear that many have the impression that, immediately after initial acquisition of a promising site, a very appreciable profit accrues to the purchaser. This, of course, is absurd, and entirely ignores all the costs and other related factors. As an indication of what is involved, on the average a period of anything from five to six years elapses between the initial acquisition and the year when a developer can expect to receive the first normal full year's net income from a project. From one to two years can be taken up in satisfying Planning Authorities, the Fine Art Commission, Local and Traffic Authorities, before it is clear to proceed with development; thereafter large projects can absorb the best part of a year in such matters as demolition, excavation, piling and foundation work, followed by up to two years for building; some further time elapses before the building is let and re-financed, and only after all these operations have been disposed of can net equity income available for distribution arise.

Our target in these matters is a share of the ultimate net equity income arising from these developments, so that after the intervals indicated above they will be reflected by dividends receivable by our Group from the Property Investment Companies concerned, and these are set out in the Profit and Loss Account.

MECHANICAL, ELECTRICAL AND CHEMICAL ENGINEERING

Our mechanical and electrical engineering division continues to carry out many design, procurement, and construction contracts for leading industrialists at home and abroad.

Substantial progress has been made on the Fibres factory for Imperial Chemical Industries Limited at Kilroot, Northern Ireland, and on the petrochemicals plant at Carrington for Shell Chemical Company Limited. At Grangemouth, we completed the extension of the polyethylene plant for Union Carbide Limited and a methanol plant for Chemical Construction (G.B.) Limited and British Hydro-carbon Chemicals Ltd.

Our two major projects at the Kent Oil Refinery for British Petroleum Company Limited are well advanced.

Work continues on the erection of mechanical plant and equipment at the new Spencer steel works near Newport for Richard Thomas & Baldwins Limited in conjunction with United Engineering & Foundry Company of Pittsburg and also on our sub-contract for Davey & United Engineering Company Limited for similar work.

Work continues at the Shell Stanlow Refinery including the construction of a micro-crystalline wax plant. The design and construction of a coal handling plant at Richborough Power Station is in progress.

OPENCAST COAL

Our production during the year continued on a similar scale to that of the previous year, but will run down in 1962 if further contracts are not secured.

WIMPEY ASPHALT

A considerable tonnage of asphalt and coated macadam was manufactured and laid for many local authorities and we started our surfacing contract for 18 miles of the M.6 Motorway in Staffordshire.

Our limestone quarries in Lancashire and Derbyshire were active and we acquired a sand and gravel company in Kent. The Margam Slag Company Limited, owned jointly with the Steel Company of Wales Limited, was in production throughout the year. Our mastic asphalt section continues to increase its activities.

OVERSEAS

Union Carbide Limited awarded us a contract for the design, procurement and erection of a polyethylene plant in Sweden being built in conjunction with their Swedish associates, Stockholms Superfosfat Fabric A.B. The £3 million polyethylene plant in Australia, which we constructed for them, was completed and the various contracts awarded us by C.S.R.C.-Dow Pty. Ltd., at Altona, Australia, are also virtually finished.

Our other operations in Australia continue to expand and we are developing building estates in Sydney, Melbourne and Canberra.

In Canada, we again undertook a large volume of building and civil engineering work.

Recently, an agreement was signed between the Government of Peru and an international consortium formed by English Electric Company Limited, Siemens-Schuckertwerke A.G. of Erlangen, Germany, and ourselves. This agreement covers the construction of Peru's largest power station at an estimated cost of £30 million. Also in Peru, work on our major contract for the development of Salaverry harbour continues.

We won a contract for constructing a causeway and slipway at Bahrein for Messrs Yusuf Bin Ahmed Kanoo and our harbour and marine work continues at Das Island for British Petroleum Co. Ltd. Elsewhere in the Arabian Gulf we completed additional berthing islands for Basra Petroleum Company at Fao and, in conjunction with Kuwait Bechtel Corporation, we continued to work for the Kuwait Oil Co. Ltd.

The hydro-electric scheme in Brazil for Central Electrica de Furnas, S.A., is making good progress.

Off the shores of Trinidad, we continued the construction of marine oil-drilling platforms and are engaged on shore facilities and refinery work. In Nigeria we completed a bitumen plant and also formed a company with the Conder Engineering Co. Ltd. similar to one already formed in Australia for the manufacture and sale of Conder Steel buildings.

Following the completion of our £6 million oil storage scheme for N.A.T.O. in Malta, we are linked with Royal Netherlands Harbour Works Company Ltd. in a contract valued at nearly £2 million, awarded by Bailey (Malta) Limited for alterations to the Naval Dockyard.

Millspaugh Wimpey Limited, owned jointly with Millspaugh Ltd., obtained a contract valued at over £3 million for a complete pulp and paper mill in Yugoslavia.

CENTRAL LABORATORY

Many authorities in Great Britain and abroad entrusted us with site investigations, a particular feature being marine investigations involving the collection of hydrographical and meteorological data and geophysical explorations.

Equipment was developed for drilling and grouting large steel tubes into the rocky seabed in the construction of dolphins for a tanker berth for Abu Dhabi Marine Areas Ltd., in the Arabian Gulf.

Our hydraulics laboratory constructed and operated models for a number of leading consulting engineers.

STAFF AND WORKPEOPLE

I know you would wish me to record our warm appreciation of the efforts of our staff and workpeople throughout the world. Their loyalty, hard work and enthusiasm during the year have been beyond praise.

As to the current year, since our industry depends, above all, on general confidence in the country's economic future and this confidence is an intangible very hard to gauge, I have never found it more difficult to attempt to assess the prospects. But our operations and resources cover such a wide field that I expect we shall secure a full share of whatever work is available.

BICC

SIR WILLIAM McFADZEAN'S STATEMENT

The following are extracts from the circulated statement of the Chairman, **Sir William McFadzean, CA, Companion IEE,** on the 1961 Accounts.

TRADING RESULTS

1961 was a year of great activity in the BICC Group and also one of considerable achievement.

The recovery in overall profit rate on sales to 4.3% from 4.0% in 1960 is certainly welcome, but the present returns are still inadequate having regard to the vast sums we must spend on research, development, new plant, and the like, and the onerous technical commitments our progressive Group must undertake.

SOME DETAILS OF GROUP ACTIVITIES

Power Cables.—Production has been at a record level, and the good load factor in the Parent Company, W. T. Glover & Co., Ltd., and Scottish Cables Ltd, has permitted very efficient use of the plant.

At our Erith Works we received the largest cable contract ever placed by the Central Electricity Generating Board, for the supply and installation of 132,000 volt oil-filled feeders from Lessness (Belvedere) to Wimbledon, value £1,750,000.

Scottish Cables received the South of Scotland Electricity Board's 1962 annual contract for the supply of underground cable worth over £1,500,000.

Important overseas orders included one from the Central Electricity Board of Malaya for 132,000 volt oil-filled cable and lower voltage cables, with a total value, including overhead transmission line, of some £330,000; one from Hongkong for 66,000 volt oil-filled cables, value £435,000; and another from the Karachi Electricity Supply Corporation for the supply and installation of 66,000 volt oil-filled cables, value £100,000.

Submarine Power Cables.—In the face of intense international competition we were proud to receive the contract, value £2,700,000, from the New Zealand Electricity Department for the supply and laying of three 25½-mile lengths of single core 250,000 volt d.c. cables to provide a power link between the North and South Islands. These cables will be laid by British Insulated Callender's Construction Co. Ltd.

Metals.—The BICC Group's consumption of aluminium has further increased and we continue to be the largest individual purchaser of copper in the world, our 1961 figure reaching the record level of 250,000 tons.

Output at British Copper Refineries Ltd. was a record at 103,000 tons, one-third of which went in direct exports—a substantial increase over 1960. The productive capacity has recently been increased by some 20%, the benefits of which should be progressively felt during 1962.

Thomas Bolton & Sons Ltd., in which we acquired all the outside interests during the year, continues to maintain its eminent position in the field of copper and copper alloy products. Export orders showed a further increase those to Europe being 30% up on last year.

Telcon Metals Ltd. has also had a successful year, and world-wide demand for the Company's products resulted in record sales with 27% being exported.

Construction.—Since our Construction Company was set up in its present form in 1949 to provide specialist services primarily in support of our electrical manufacturing interests, it has achieved a record of steady expansion, averaging a 12½% per annum growth in turnover. During 1961 one quarter of the business was in respect of overseas orders received from every Continent.

Work on the 400,000 volt overhead line crossing of the River Thames at West Thurrock for the Central Electricity Generating Board was successfully completed ahead of time, in spite of the many new problems this challenging contract presented. The main towers are 630 feet high and carry the 2½ inch diameter smooth-body steel-cored aluminium conductors 250 feet clear above the river on a span which is nearly seven-eighths of a mile long.

The Central Electricity Generating Board is embarking on an extensive network of 400,000 volt overhead lines and on the conversion of many 275,000 volt lines to 400,000 volt working. We have been successful in obtaining orders totalling some £8,000,000 in connection with this most important work.

OVERSEAS AFFAIRS

For 1961 our direct exports from this country and sales by overseas subsidiaries amounted to £46,000,000, or some 30.4% of our total sales—with export orders on hand at a record level. The real contribution is, however, greater, for many of our products sold to customers in the United Kingdom are incorporated in manufactured goods finally sold overseas.

A notable feature during 1961 has been the developing prospect before us in Europe. Whatever may be the outcome of the Government's negotiations regarding Britain's possible entry into the European Common Market, I envisage a liberalisation of trade with European countries in the years to come—a prospect which confronts us with a great challenge and, I believe, with an even greater opportunity.

With these prospects before us we have recently formed jointly with Felton & Guilleaume—with whom we have had a long and happy technical collaboration—a Company called European Cables Ltd.

I believe we can look forward to a great expansion of World trade, the volume of which has almost doubled in the last ten years. Surely this trend will continue with the growing prosperity of this World and the movement towards the abolition of tariffs and quotas.

We must, and can, participate to the full, for I believe a vital part in our future expansion lies in the export field.

FUTURE PROSPECTS

I believe that the universal movement towards higher standards of living to which our Group endeavours to make its full contribution, will continue in the future certainly no less rapidly than in the past.

We have certainly increased our capacity and improved our capabilities. In my view we are now better equipped and better organised throughout the Group than ever before to face the challenge of national and international trade in a World of ever-widening opportunity. We shall face fierce competition and have our problems, but in the absence of abnormal circumstances I and my colleagues look forward to the future of the BICC Group with confidence and high hopes.

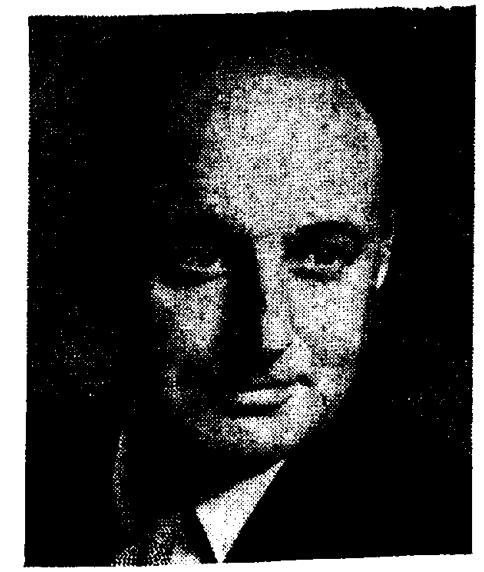
THE BICC GROUP

Consists of 9 Divisions of the Parent Company and 44 Operating Subsidiary Companies
Employs 41,000 people
Manufactures in 11 Countries
Trades in well over 100 countries

	1961	1960
Issued Capital, Debenture and Loan Stocks	£36,664,000	£28,406,000
which has been provided by	41,000 Stockholders	35,000 Stockholders
Total Assets employed	£112,303,000	£106,385,000
Total Sales	£151,000,000	£143,000,000
Direct Exports and Sales by overseas subsidiaries	£46,000,000	£45,000,000
Total Profits—		
Before Tax	£8,006,000	£6,933,000
After Tax	£5,141,000	£4,640,000
Dividend on Ordinary Stock—		
Rate	13½%	13½%
Amount (Net)	£1,797,000	£1,559,000

BRITISH INSULATED CALLENDER'S CABLES LIMITED

The Swan Hunter Group



THE CHAIRMAN,

Mr. John Hunter, on the Shipbuilding Outlook

	1961	1960
GROUP PROFIT BEFORE TAX	£2,647,000	£2,613,000
GROUP PROFIT AFTER TAX	£1,616,000	£1,419,000
PREFERENCE DIVIDEND	£32,000	£31,000
ORDINARY DIVIDEND AND BONUS	£560,000	£557,000
WORKMEN'S PROVIDENT FUND	£111,000	£100,000

PROSPECTS

There is, as yet, no sign of any improvement in the world shipping situation and the demand for new ships is, if anything, lower than when I reported to you last year. In these circumstances, competition for the contracts available remains keen and profit margins, where existent, very small.

On the other hand, shiprepairing activity improved somewhat last year and remains reasonably buoyant, though increased earnings from this source depend on increasing turnover. For many reasons it is extremely difficult to forecast the outcome of trading in the current year, but only a small number of the new construction contracts on hand are scheduled for completion in 1962 and our income from this source will be markedly reduced. In consequence, the overall profit position will certainly be less satisfactory than in 1961.

Despite an adverse trend, the order position, taking the Group as a whole, remains comparatively favourable and though it is necessary to continue strenuous efforts to secure more work, all the available evidence suggests that the competitive ability of our companies is, in general, of a high order.

PRODUCTION

Nine ships, a floating dock and a mobile works barge were launched by the Group during 1961, representing 117,900 gross tons in comparison with 111,900 gross tons in the previous year.

Ships delivered included the passenger liner "Principe Perfeito", built for Companhia Nacional de Navegacao, Lisbon, and the 65,000 tons d.w. oil tanker "Solen" built for Shell Tankers Ltd.

The Dry Docks Departments repaired in dock or afloat 494 ships with an aggregate gross tonnage of 3,792,000 tons (1960: 4,136,000).

The Tender submitted jointly last year with Vickers Ltd. for the new Cunarder was the lowest and the most attractive technically and had the contract been placed it would have come to the Tyne. The postponement was disappointing but we have every reason to be satisfied with our efforts in this direction.

GENERAL

The British shipowner remains, and is likely to remain, the mainstay of the British shipbuilding industry but, with certain exceptions, British owners are not in a position to order new ships at the present time. We have the paradoxical situation that foreign owners can build ships here on more advantageous terms than British owners and British owners can build abroad on better terms than in this country.

The British merchant fleet earns or saves between £600 millions and £700 millions per annum in foreign exchange and though it can be said that the necessity for special taxation treatment of the shipping industry has already been recognised by the granting of the 40% investment allowance, unfortunately in the present unprofitable condition of the shipping industry this is, in most cases, of little assistance. In view of the vital importance of British shipping to our balance of payments British owners building ships in this country should be enabled to receive at least the same credit terms as our banks and insurance companies give to foreign shipowners.

Extracts from the Chairman's Statement. Copies of the full statement and accounts can be obtained from the Secretary, Wallsend Shipyard, Wallsend, Northumberland.

THE SWAN HUNTER GROUP OF COMPANIES · SWAN, HUNTER & WIGHAM RICHARDSON, LTD · BARCLAY, CURLE & CO. LTD
THE WALLSEND SLIPWAY & ENGINEERING CO. LTD · THE HOPEMOUNT SHIPPING CO. LTD · M. W. SWINBURNE & SONS, LTD
BRIMS & CO. LTD · TITAN CRANE LTD · HUBBARD COMBUSTION LTD

BANK LEUMI LE-ISRAEL B.M.

CONTINUED SATISFACTORY GROWTH

The eleventh Annual General Meeting of the Bank, being the sixtieth since the establishment of the business of the Anglo-Palestine Bank, was held in Tel-Aviv on April 15, 1962.

In his address the Chairman, **Dr Y. Foerder,** pointed to the Bank's 60 years of service and to the important role it had played in re-building the country both before and since the establishment of the State of Israel. He then drew attention to the Bank's satisfactory growth in 1961. Total assets had increased by IL167 million (or 29.3 per cent) to IL739 million. Both the amount and the percentage of growth were larger than in all recent years.

Current, deposits and savings accounts had risen from IL455 million to IL591 million including IL71 million of special Government deposits. Advances and Loans had risen from IL177 to IL217 million. Documentary credits, guarantees, etc., from IL108 million to IL131 million. Eleven new branches had been opened, bringing the total up to 136.

The Consolidated Assets had grown most markedly during the year from IL822 million at the end of 1960 to IL1,200 million or by 46 per cent. This reflected in part the first inclusion of the Union Bank of Israel which had become a full subsidiary, but mainly the growth of the Bank itself and many of its subsidiaries.

The net profit for the year was IL1,633,850 as against IL1,334,243 for 1960, after the usual provision for taxation, depreciation, etc., and after ample provision for contingencies.

The Bank's capital was small in relation to the size of the business and this had been brought into sharp relief by the recent devaluation of the Israel pound, in view of the Bank's international business. While the Chairman could not yet indicate the Board's plans in detail he stated that arrangements were under way with a view to increasing the Bank's capital.

DEVALUATION

He then dwelt on the recent devaluation of the Israel pound and stressed, in particular, that it did not affect the Bank's accounts very materially as all obligations in foreign currency were properly covered by foreign currency assets. After the devaluation foreign currency deposits and other liabilities as well as the corresponding foreign currency assets were, of course, reflected in the accounts by larger figures in Israel pounds, in correspondence with the new rate, a fact which would undoubtedly increase future balance-sheet figures to no small extent.

The Chairman then referred to the currency devaluation and to the Government's new economic policy. The Bank would do everything possible to help carry this policy into effect. The devaluation itself had been unavoidable, and it was now up to the Government, labour, industry and the general public to exercise all possible restraint so as to prevent too sharp a rise in the cost of goods, services and wages. While credit restraint was very necessary, monetary policy and general economic policy must carefully and consistently mesh together.

The General Meeting approved a final dividend of 6% per cent, again making 12½ per cent for the year.

HASTINGS AND THANET BUILDING SOCIETY

Chairman reports on excellent year

The 112th Annual Meeting was held at the Chief Office, Thrift House, Collington Avenue, Bexhill-on-Sea, on the 19th April, 1962, and in the course of his speech the Chairman, Lt.-Col. V. C. Donaldson, F.R.I.C.S., F.A.I., said:—

I am happy to be able to report continued success, above-the-average growth, and especially mention the following items:

	£		£
Total assets	44,159,517	Share and deposit receipts	7,811,419
Cash at bank and trustee securities	6,853,589	Mortgage advances	7,918,531
Reserves and surplus funds	1,889,820	Income tax and profits tax	617,500

Lt.-Col. V. C. Donaldson
F.R.I.C.S., F.A.I.
Chairman

Assets

Our Assets have increased by approximately 13%, which is considered to be a splendid achievement, reflecting continued public confidence in the Society, during a period when the Bank rate varied from 5% to 7%. Our liquid funds, increased by over £1.3 million, represent 15.5% of total assets. This is roughly double the statutory minimum necessary to qualify as a 'designated society' and for our shares and deposits to be Trustee Investments.

Shares and Deposits

I am glad to say that the total of our Share and Deposit Accounts has grown by almost £3.5 million. Many savers allow interest to be credited to their capital accounts, thereby more rapidly swelling their nest-egg by interest on interest.

Trustees are, in increasing numbers, investing in our Shares and Deposits, which are now officially in the 'gilt-edged' category. Regular remittances of tax-paid interest, either to themselves or direct to the beneficiaries, are a labour-saving boon to them as well as to the personal saver. All this, with the gratifying knowledge that should it suddenly become necessary to seek withdrawal it can be arranged quickly and without charge.

Our interest rate on Investment Shares was increased from 3¼% to 3½% during the year, the latter being equivalent to practically 6¼% to those liable to tax at full standard rate. The deposit rate is 3¼% (almost 5¾% gross) whilst our new Bonus Shares offer to regular savers the extremely attractive rate of 4¼% (nearly 7% gross). I cannot too strongly urge you not only to invest your own savings to the limit in our Society but also to recommend it to your families and friends.

Advances

Although during the year we have lent nearly £8 million on mortgages, the demand has exceeded the supply of cash we had available: 95% of this was direct to owner-occupiers and almost the whole of the remainder in an equally good cause—the provision of houses and flats for letting. From our insignificant loss ratio can be deduced the fact that we lend your money with care and an adequate safety margin, but nevertheless, we lend it to people who need it. We do not confine our loans to the man earning £1,000 a year and upwards: we lend also to those in the lower income groups where circumstances warrant it. I have in mind particularly the many tenants who purchased their homes as a result of the decontrolling provisions of the 1957 Rent Act.

Modern trends encourage more people to own their homes and every repayment they make to a Building Society is a hedge against inflation. The borrower is, in the long run, saving because his equity in the property grows as his debt diminishes.

Taxation

Whilst reasonable growth is normally praiseworthy, there is one sphere in which it gives cause for complaint, and here I mean income tax and profits tax. This is costing us well over half a million pounds a year and the 1961 figure exceeded that of 1960 by over £100,000.

However unpleasant it may be, it has come to be an accepted fact that we should all pay a reasonable proportion of our income or profits towards the cost of public services, but for profits tax to be charged to an institution which does not work for profit is an anomaly and a brake on progress.

Offices

The Society's new London Office, at 12/14, Wigmore Street, W.1, was opened on 4th December.

We have also opened new offices in Bexhill Town, Nottingham and Chelmsford, and the work of modernizing our Hastings and Ramsgate Regional Offices is now complete.

Transfers of Engagements

The trend for smaller Societies to merge in larger units continues and since the end of 1961 we have welcomed into our ranks the members of the Chard and District Mutual, the West Lancashire and the Darwen and District Permanent Building Societies. The larger national organization is best able to attract funds, and surmount the vagaries of fluctuating business conditions, and we shall be happy to consider approaches from other Societies who would like to join us.

The Report and Accounts were adopted and New Rules were approved.

A full copy of the Chairman's Review and the Directors' Report and Accounts will be gladly sent on request.

CALEDONIAN INSURANCE COMPANY

The one hundred and fifty-seventh Annual General Meeting of the Caledonian Insurance Company will be held in Edinburgh on May 15, 1962.

The following is an extract from the Statement by the Chairman, **Sir John Imrie, CBE, JP, CA:**

Life Department.—New sums assured after deducting reassurances amounted to £16,378,000, a record for the Company and an increase of almost £4,000,000 on the figures of the previous year. It is gratifying to be able to report such vigorous growth. This is evident from the fact that we have had substantial additions to our Life business in each of nine successive years. Annuities, including Pension Annuities, for £1,009,000 per annum were issued as compared with £790,000 in 1960.

Our Assurance Premium Income increased by £325,000 to £2,013,000 and Annuity Income, including Purchase Prices for Immediate Annuities, at £2,604,000 was higher by £302,000. A rise in Interest Income of £226,000 brought the year's total to just under £1,544,000, and the yield on the Life Assurance and Annuity Fund was £6 19s. per cent before deduction of tax as compared with £7 per cent a year ago. Our net yield was £5 14s. per cent as compared with £5 12s. 1d. per cent in the previous year, a most satisfactory return considering that less than ten years ago our net yield was under 3½ per cent.

On the outgo side, claims by death and maturity rose by £191,000 to £1,131,000, the addition being mainly due to larger payments under maturing Policies. Surrenders at £270,000 were £58,000 higher and Annuities paid increased by £198,000 to £382,000, reflecting the exceptional rise in new Immediate Annuity business. At just under £350,000, Expenses of Management, including Commission, increased by £53,000, more than half of this being accounted for by Commission on our new business. The Life Expense Ratio, however, shows a slight improvement at 17.4 per cent as compared with 17.6 per cent for the year 1960.

The Life Assurance and Annuity Fund now stands at £24,679,426, being more than £3,666,000 over last year, and in this connection I am able to say that the market value of our Stock Exchange Securities substantially exceeds the value placed upon them in the Balance Sheet.

Fire Department.—The Premium Income for 1961 was £2,788,194, an increase of £53,821 on our 1960 figure.

We had an exceptionally good year both at home and overseas, and we have been able to transfer a sum of £140,745 to the Profit and Loss Account.

Accident Department.—The Premium Income for 1961 was £5,343,313 and represents an addition of £141,865 to the 1960 figure.

Marine Department.—The trading continued satisfactory, resulting in a transfer of £70,000 to the Profit and Loss Account.

The Fund at £1,011,165 represents 172 per cent of the Premium Income.

Total Premium Income.—The total Premium Income for all Departments was £13,344,531, compared with £12,526,514 for 1960, an increase of £818,017.

Profit and Loss and Appropriation Accounts.—The amount of interest, dividends and rents (less tax) on Shareholders' Funds was £321,703.

The balance for the year transferred to the Appropriation Account was £363,346 after providing for taxation.

The Directors' recommendations for dealing with the surplus are stated in the Report and, if approved, the balance carried forward will be £699,598.

THE RHODESIA BROKEN HILL DEVELOPMENT COMPANY, LIMITED

(Incorporated in Northern Rhodesia)

NEW PLANT COMMISSIONED

MR H. F. OPPENHEIMER REVIEWS METAL PRICES

Production of lead and zinc for the year under review was again satisfactory and we have been fortunate in that our Southern African markets have, as hitherto, readily absorbed the greater part of our production. The profit for the year, however, was substantially affected by the further weakening of the London Metal Exchange prices for these metals, particularly zinc, during 1961. Our operating profit on zinc was over 45 per cent less than in 1960, and as zinc sales comprised nearly 70 per cent of the total tonnage sold during the year, this factor was mainly responsible for the fall in the profit before tax to £678,000, as compared with £1,156,000 in 1960. In 1961 capital redemption allowances exceeded the profit assessable to tax and no Federal income tax is payable. It has, however, been necessary to appropriate the sum of £15,000 to cover the additional tax payable on the profits for 1960, following the increase in the Federal rates of tax from 7s. 6d. to 8s. in the pound.

FALL IN METAL PRICES

By the beginning of 1961 the London Metal Exchange cash prices for lead and zinc had dropped to £63 and £80 per long ton respectively. Slight rallies in the price of both metals during the first few months of the year were not sustained and prices deteriorated until at the end of the year, lead stood at £60 10s. 0d. per ton and zinc at £71 17s. 6d. per ton. The zinc price subsequently weakened still further during the current year. Markets for both metals in the United Kingdom suffered from increased deliveries from the Eastern bloc and as a result of competition from this source, Commonwealth producers found it necessary to reduce their premium for high grade zinc by £3 per ton with effect from October 1, 1961. The reduction has been passed on to our Southern African consumers and, therefore, represents an additional drop in our realised prices from that date.

When it was decided in January, 1960, to proceed with the installation of the Imperial Smelting Furnace and ancillary plant, it was anticipated, on the basis of the estimated cost of the plant and prevailing metal prices of £70 per ton for lead and £95 per ton for zinc, that dividends could be maintained at a rate of 9d. per unit per annum until the new plant was commissioned, after which it was expected that increased distributions might be practicable. However, the capital cost of the plant has proved substantially higher than originally estimated and coupled with the lower revenue from sales, this has placed a severe strain on the Company's cash resources. Anglo American Corporation of South Africa Limited has assisted us to a major extent in financing the increased cost of the new plant by granting additional loan facilities of £750,000 at 6½ per cent per annum until December, 1963, but in the circumstances the maintenance of an annual dividend rate of

9d. per unit was not justified and we were compelled to declare a final dividend of 3d. per unit which, with the interim of 3d. previously declared, makes a total of 6d. (net) per unit for the year.

INCREASED INSTALLATION COSTS

The increase in the cost of the Imperial Smelting installation, presently estimated at £5,400,000 as against the original estimate of £4,350,000, has been due to a number of factors. In the first place the original cost estimates were prepared on the assumption that the designs supplied by the licensors, as used in the initial installation in Swansea, could be adopted without significant differences at our mine. In the event, it was found that certain sections of this design required extensive modifications, partly because of experience gained in the operation of the Swansea plant while our own was under construction. Other major factors which raised the cost of the plant were difficult foundation conditions, statutory wage increases, a revaluation of the Deutsch mark, and the necessity to aim at a higher standard of waste gas cleaning for health reasons. Finally, it became necessary to employ a design staff in Salisbury to provide the liaison necessary to ensure that the installation of Broken Hill would be up to date and efficient.

At the time of writing, the Imperial Smelting Furnace plant is still undergoing commissioning trials. Although it has not yet been possible to obtain a complete assessment of performance, continuous production of lead and zinc has recently been achieved following initial teething troubles with accessory equipment. It is expected that as experience is gained the plant will soon achieve its full rated production on a steady basis.

The Federal Prime Minister, the Right Honourable Sir Roy Welensky, KCMG, accepted an invitation to open the new plant on April 7, 1962.

FUTURE OUTLOOK

The mine is now equipped to produce large tonnages of zinc and lead at reasonably low cost, although the profits earned will, of course, depend on metal prices. While we may have to face a period when low prices will strain the Company's resources, I am hopeful that prices will soon be restored to more satisfactory levels.

Copies of the annual report and accounts are obtainable from the London office of the company, 40 Holborn Viaduct, E.C.1.

LABU CHEVIOT RUBBER LIMITED

BENEFITS FROM PAST POLICIES AND PLANS

SIR JOHN HAY ON GROWING IMPORTANCE OF RESEARCH

The Ninth Annual General Meeting of Labu Cheviot Rubber Limited will be held on May 17th in The Queen's Room, Baltic Exchange, St. Mary Axe, London, EC3.

The following is an extract from the circulated Statement of the Chairman, **Sir John Hay, PMN**:

I said in my last Statement that it was not to be expected that the 1961 profit could be at the same level as the previous year's, due to the considerably lower market price for our product which was then prevailing. Over the full year the average London market price for standard grade rubber was nearly 7½d. per lb less than the average for 1960, a fall sufficiently heavy to have a very considerable effect on trading results. In these circumstances it is a matter of much satisfaction to me to be able to submit Accounts which show that our final figure of profit falls little below that of the preceding year. Although we have been helped to this result by an unusually high refund of cesses, paid when the price of rubber was much higher, and by a reduction of export duty, it has by no means been wholly fortuitous. The fruits of past policies and plans expressed in terms of higher output, the possession of modern equipment enabling us to process our product in the form that is most advantageous and a saving in costs have played the more important part in our success.

After providing for United Kingdom and Malayan Taxation and the expenses of the scrip issue and increase of capital, the profit for 1961 was £318,036. The Board has transferred to Reserve £100,000, and now recommends payment of a final dividend of 30 per cent, less tax. Making allowance for the scrip issue the total payment for the year of 40 per cent represents a reduction of only 1½ per cent on the previous year's payment.

ESTATE OPERATIONS

Turning to operations on the Estates, I should like to refer first of all to the successful completion of clearing and planting the Glendale jungle reserve. A small proportion (245 acres) was planted in 1960 and the balance which after survey was found to comprise 901 acres, was planted in 1961. A jungle planting on this scale on an isolated estate like Glendale, which is also suffering from competition for available labour from a nearby Government scheme for smallholders, is a quite formidable undertaking. There is a complicated chain of operations from the initial extraction of the valuable heavy timber, through the felling, clearing and burning of the remaining timber and scrub, terracing, weeding and cover crop planting to the actual planting of the rubber. These operations have all to be carefully phased so that all is ready for the planting season in the autumn, and unfavourable weather can cause delays which not only are exasperating at the time but may prove costly in the long run. Our thanks are due to Mr Readshaw, the Glendale Manager, and his staff, for the energy and skill with which this extension has been carried out. On Middleton Estate the replanting of 246 acres of old rubber was successfully completed during the year, and in 1962 we intend to replant 561 acres on that estate.

Production for the year amounted to 12,350,000 lb, which exceeded the 1960 output by 545,000 lb, and represents, for the third consecutive year, an average output per mature acre of over 1,000 lb. The actual figure was 1,078 lb. During my recent visit to Malaya I received from the Agents and the Managers very satisfactory reports of the condition of the Company's estates, and I should like to express to them, to their staff and to all who work under them, our thanks for a very good year's work. At the end of the year Mr Readshaw, who had served the Company for ten years, latterly as Manager of Glendale Estate, decided that for health reasons he must leave Malaya. We are sorry to lose his services and would express our best wishes for his early recovery and for his future welfare.

RESEARCH

On some past occasions I have used this Statement as a medium for brief comment on research, a matter which gains in importance as the industry is made subject to increasing competition. As a Group we have our own research organisation, but on a scale too modest to be capable of dealing with much more than our own domestic problems. For more comprehensive and intensive research we are dependent, in common with others, on the activities of the central research organisations which are financed from the proceeds of a cess levied on exports at the rate of three-quarters of a Malayan cent per lb. Last year the amount so collected in Malaya was approximately $12 million, equal to £1,400,000, and if other rubber-producing territories made contributions at the same rate the amount available annually would be approximately £4 million—a sum sufficient to maintain research over a wide field.

The amount collected in Malaya is used to finance and maintain three organisations, the largest of which is the Rubber Research Institute which operates in that territory. In addition to research it gives an advisory service which, in the main, benefits smallholders. Whilst the desirability for this service is generally accepted, it is important that it should not diminish the resources available for its main purpose—research. In the division of the total funds, the Research Institute receives, as is its due, the largest share. From the very nature of its work its findings are such as can be more clearly appreciated by the rubber producer, for whom its activities have a more evident value than those of the other two organisations. But considerable as its achievements have been, there are still many problems outstanding in the field of rubber production which call for sustained and extensive research. To serve adequately its dual purpose it is necessary that its prior claim on available resources should continue to be fully recognised.

We are grateful to those who through service on committees have done valuable work in reorganising some of the research programmes, which in certain respects and for too long followed along lines laid down in the 1930's and had little relevancy to present problems. In our varied research activities there is a gap which I am sure has not escaped attention. If we are to assess with any accuracy the growth and character of the developing competition of synthetic rubber and substitutes we should not continue to rely on information collected in a rather haphazard and accidental manner. Developments in this field, in all their economic and technical implications, should be made the subject of organised research and study.

OUTLOOK

As is now my custom, at the forthcoming Annual General Meeting I shall report progress for the current year.

JAS. WILLIAMSON & SON, LTD.

UNCONTROLLABLE FACTORS AFFECT PROFITS

INCREASE IN COSTS

LORD PEEL ON NEW DEVELOPMENTS

The 31st annual general meeting of Jas. Williamson & Son, Ltd., was held on April 19th at Lune Mills, Lancaster, **The Rt Hon The Earl Peel**, chairman, presiding.

The following is the chairman's statement circulated with the report and accounts for the year ended December 24th, 1961:

In my statement last year I said that business was bedevilled by factors outside the control of the manufacturer, and that situation continued throughout 1961 with a consequent fall in profits.

You will see that the Net Profit before tax is £260,723 compared with £728,638 after adding £73,000 transferred from General Reserve in 1960. Of this sum taxation absorbs £121,598 compared with £346,748, leaving £139,125 against £381,890. We propose placing £80,000 to Plant Replacement Reserve and recommend a final dividend of 5 per cent less tax on the Ordinary and "A" Ordinary Stock, making a total payment of 7½ per cent less tax for the year. The carry forward is thus reduced from £57,897 to £24,690, but your Directors feel justified in making this reduction since the General Capital Reserve has been increased by £203,749 to £418,029.

This increase is accounted for largely by the sale of the West Ham properties which were transferred from The Leather Cloth Company Limited in 1956, and which produced a surplus of £201,667. You will recall that I mentioned last year that the plant from the West Ham factory had been transferred to Lune Mills and that the factory itself was available for disposal and I am now pleased to report that this asset was realised advantageously.

REASONS FOR DISAPPOINTING FIGURES

There are several reasons for the disappointing profit figures. In the export field which has regularly contributed more than a third to our business, we suffered large falls in turnover in New Zealand, Australia and South Africa, through import and credit restrictions over which we have no control. In other markets we succeeded on balance in increasing our turnover and I look forward to this trend continuing in 1962.

In the Home Trade the continued pressure on the economy with consequent restrictions on credit has adversely affected our sales in the domestic qualities of floorcoverings and there has been a general reluctance on the part of the buying public to spend money on consumer durable goods, and a lack of confidence on the part of the wholesale and retail distributors to stock them. At the time of the announcement of our interim dividend in September there were signs that the second half of the year would show some improvement over the first half, but the upsurge in orders was short-lived and the last three months, which usually constitute an active trading period in our business, proved to be the worst of the whole year. In the main I have been referring to the floorcovering trade, but my remarks apply also to the coated fabric side of our business which has suffered in common with most house-furnishings and textiles.

RESTRICTIVE PRACTICES JUDGMENT

Some two years ago the Linoleum Manufacturers' Association of which we are members, was referred to the Court under the Restrictive Trade Practices Act in respect of the majority of its joint arrangements. These arrangements were fundamentally based on the practice of first fixing a reasonable price for Linoleum and then encouraging members to compete at that price by quality, design and finish. The Linoleum Manufacturers' Association believed very strongly, as indeed I still do, that its practices were clean, fair and more in the public interest than competition by price. We decided, therefore, to defend our arrangements and the case was heard in the Restrictive Practices Court last April. The Court did not find that we had in any way charged excessive prices, but ruled that by force of the statute the majority of our practices must be declared contrary to the public interest.

The consequences of that Judgment will be far reaching, and its most damaging effect is indirect, in the undermining of general confidence. It is always easier to destroy than to construct and the forging of a new pattern of trade to replace practices built up gradually over twenty-five years may well prove a slow and arduous task. Having defended our practices until the case was lost we are, of course, undertaking this task with vigour, but it is only fair to warn shareholders that the effect on profits during the next year or so may be adverse.

NEW DEVELOPMENTS

As against this I would refer to a number of new developments. You will notice in our accounts that during 1961, we increased our plant and buildings by £397,355, and that constructional work in progress at the end of the year is £150,426. The former figure includes the completion of a very fine plant for laminating Sandran, a rotogravure printed vinyl floorcovering to which I referred in my last report and which we make for our associate company Williamson-Sandura Limited. It is the first stage towards the complete manufacture of Sandran in this country and although the development of sales has been affected by the generally slow conditions prevailing in the floorcovering industry I am confident it will prove profitable in the long run. The figures also include substantial additions and improvements to our plant for heavy gauge linoleum and a modern and much more efficient plant for vinyl-coated fabrics. Our sales of vinyl floorcoverings increased markedly in 1961, and included Crestalux tiles which have been added to our already well-known Crestaline vinyl products. We shall be expanding very considerably both our capacity and range of these materials during the coming year. The benefit of these investments will be partly felt in 1962 but not fully until 1963.

Profits in 1961 were seriously affected by increased costs brought about by a rise in wages in the first half of the year and an increase in the price of several of our raw materials, notably linseed oil and hessian. These increases have not been wholly passed on to the consumer in the form of increased prices and efforts are being made to counteract them where possible by a reduction in overheads. Our policy over the years of keeping our plant up to date and making use of modern labour-saving devices has helped to this end, but there is a limit to what can be done in this direction.

SOME SALES INCREASED

Although our total turnover in 1961 was lower than in 1960, sales of the heavier contract qualities of linoleum have been maintained or have even increased in volume. Our sales of linoleum tiles were stimulated by the successful introduction of the Florfast adhesive-backed tile—the first of its kind in our industry. With linoleum tiles, Dadolin washable wallcovering and similar articles we are well equipped to cater for the large "do-it-yourself" market.

Finally, I would like once again to thank all our employees for their loyalty and service during a year which has often not been easy. Our joint consultative committees have continued to play a valuable part in maintaining good relations.

The report and accounts were adopted; the proposed dividend was approved; the retiring directors, The Rt. Hon. The Earl Peel, Mr I. D. Taverner and Mr J. M. H. Grey, were re-elected and the remuneration of the auditors, Messrs Viney, Price and Goodyear, was fixed.

BROWN BROTHERS LTD.

SIR RICHARD YEABSLEY'S STATEMENT

The sixty-fifth Annual General Meeting of Brown Brothers Ltd. was held on April 19th in London.

Sir Richard Yeabsley, CBE, JP, FCA, the Chairman, presided. The following is an extract from his circulated statement:

The sales of the Company and its Subsidiaries showed a slight decrease when compared with the figures of the preceding year, mainly due to the recession in Radio and Electrical turnover.

The Net Profit of the Group before charging taxation amounts to £832,664 (£875,524).

Provision for Taxation absorbs £444,801 (£449,860), leaving the Net Profit of the Group for the year, after charging taxation, at £387,863 (£425,664). Of this Group Net Profit £25,730 has been retained in the subsidiary companies, leaving a net profit of £362,133 to be dealt with in the Profit and Loss Appropriation account of the Parent Company.

It is recommended that £125,000 (same) should be transferred to General Reserve, increasing the General Reserve figure to £1,850,000.

The Directors propose a final payment of 11½ per cent on the issued ordinary share capital, which, with the interim distribution of 3½ per cent, already made, makes a total of 15 per cent for the year. This compares with a total distribution of 17½ per cent on the ordinary shares in respect of the year 1960.

The Unappropriated Profit carried forward is increased by £16,572 to £401,556.

TRADING CONDITIONS

Increased sales were recorded for the year in most groups of our business, but there has been a decline in the demands made upon our Radio and Electrical departments.

The number of vehicles on our roads continues to increase and, despite the recession in the automotive manufacturing industry, increased sales were achieved in our Motor departments.

The special departments created for the supply of automotive paint and refinishing products have again made considerable progress.

The number of tyres sold in our Tyre departments has again increased, and as we have opened additional service branches throughout the country, so has the demand increased for the service facilities we offer.

It is pleasing to report that some small increase has been achieved in the sale of cycle accessories, and also in the sales of our Vindec machine.

FUTURE PROSPECTS

We have opened during the year a full branch in Chatham, and specialised service branches in Gloucester and Chester. One additional full branch and several specialised service branches are in course of erection and will be opened during the present year.

Much work has been done over past months in the reorganisation of our business and some saving in labour has been achieved. However, some costs which we cannot control continue to rise. Nevertheless, unless any further control of credit or other restrictions on spending are introduced, we hope to be able to report satisfactory results for the present year.

The report was adopted.

CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY

A NOTABLE YEAR IN SOCIETY'S HISTORY

OUTSTANDING VALUE AND SECURITY OF LIFE ASSURANCE

The One Hundred and Thirty-eighth Annual General Meeting of the Clerical, Medical and General Life Assurance Society will be held on May 2, 1962, at the Society's Chief Office, 15, St James's Square, London, S.W.1.

Sir John Hathorn Hall, GCMG, DSO, CBE, MC, the chairman, will make the following statement in moving the adoption of the report and accounts:

MUTUALIZATION

Last year I referred to the proposal that the Society should become a wholly independent mutual life office, and I have now to report that the Parliamentary Bill to give effect to that proposal, and to make provision for the management and control of the Society in its new form, received the Royal Assent on May 9, 1961. The broad effects are twofold. In the first place, all profits made by the Society now accrue to the participating policyholders; and in the second place, as a mutual office, the Society will enjoy a constitutional security which should be proof against any attempt to deprive the policyholders of the ownership and control which is now legally vested in them.

NEW BUSINESS

Once again our new business figures show an increase over those of the preceding year, and in 1960, it may be remembered, the total of new net sums assured under individual and group life assurance was 33 per cent higher than the corresponding figure for 1959. The figure for 1961, £18,300,000, not only exceeds that for 1960 but is three times as large as that achieved ten years ago. New deferred annuities for £827,000 per annum were written under our pension contracts, as compared with £668,000 in 1960; and in addition, increments were received to deposits under our old deposit pension scheme which, we estimate, will provide pensions in due course of some £300,000.

New premiums of more than £1,000,000 were secured during the year and, of this sum, the new annual premiums of nearly £750,000 are larger than ever before and show an increase of about 10 per cent on the corresponding figure for 1960.

CLAIMS

Claims by death at £656,000 were unusually light, in spite of the growth of the total sum at risk.

Claims by maturity, amounting to nearly £1,150,000, were heavier than those of 1960. This is a reflection of the increase in the amount of business on our books.

INVESTMENTS

Our investment policy was much influenced by the need to finance mutualization which involved the provision of £4,700,000 during the year. £2,200,000 was immediately available because our investment programme had been adjusted in advance to provide it. The balance of £2,500,000 was provided by means of a bank loan; this is being steadily repaid and stood at £1,800,000 at the end of the year.

After making these payments, and financing outstanding commitments and new opportunities, arising through our valuable property connections, the amount of new money remaining available for stock exchange investment has been relatively small. Some rearrangements have, however, been made in both the gilt-edged and the equity sections of the portfolio in addition to those occasioned by the financing of mutualization.

The gross yield on the Life Assurance Fund is £6 16s. 1d. per cent, and the corresponding net yield £5 2s. 7d. per cent.

PROGRESS OF FUNDS

During 1961, the Life Assurance and Annuity Funds increased from £39,161,000 to £42,164,000, a growth of more than 7½ per cent, which is particularly satisfactory in a year in which substantial cash bonuses were paid.

THE VALUE OF LIFE ASSURANCE

The many and diverse uses to which our policies are put tend to obscure the simple fact that we exist primarily to provide life assurance. There is nothing that we do which is more important or which gives us greater satisfaction than the provision of security for wives and families.

Estate duty and high taxation are formidable impediments to the accumulation of capital and few can achieve by such accumulation full security for their dependants while the need is greatest. A life assurance policy, on the other hand, creates an immediate estate and can be designed to ensure that no dependant is left without proper financial resources. The value of the protection thus provided is, in human terms, incalculable; its cost is small, so small as not seriously to encroach upon the heavy expenditure on luxuries which is customary today. Moreover, whereas the cost of almost everything, luxuries and necessities alike, mounts mercilessly year by year, the cost of family security, provided through the Society, has significantly fallen in recent years. This is something that young married folk, and those not so young, might profitably ponder.

We have, in London and throughout the country, a staff who are eager and able to give skilled advice and assistance in the application of life assurance principles to the practical problems of family life.

JOHNSON GROUP CLEANERS LIMITED

PROVIDING QUICKER SERVICE

NET PROFIT £380,000

The Annual General Meeting of Johnson Group Cleaners Limited will be held in Liverpool on May 16th. In the course of his review, **Mr Douglas Crockatt** says:

Mr Douglas Crockatt JP

The trend of trading during the year strikingly reversed the experience of the year before, which opened badly but ended well. In the first quarter of 1961 trade continued unusually buoyant and there was an exceptional rise in our quarterly profit. The remaining three quarters, however, due to the economic crisis, and unsettled conditions in many industries, proved most disappointing. Turnover rose, but more slowly; costs climbed, but at a greater speed. The ground gained in earnings from January to April was lost in the poorer trading conditions of the later months of the year.

We thus ended 1961 with a reasonable increase in turnover but with a reduced trading profit. The net profit, after a lower tax charge, amounted to £380,000 against £385,000 in 1960. The maintained 10 per cent dividend involves a higher cost owing to the rights issue made last summer and together with the Preference dividends absorbs £187,624. The sum of over £192,000 has been retained in the Group.

The flow of work in this trade is often very variable. The industry is relatively stable in its annual results from year to year but frequently shows violent fluctuations within the trading year. It is for this reason that the Company has never issued quarterly or half-yearly progress reports. In this industry such statements would often prove misleading, providing no true guidance to the experience of the year as a whole.

SHOP UNIT-PLANT DEVELOPMENT

The major trend today in dry cleaning is towards quick service. "On the spot" shop unit-plants are increasing in number, and competition is in consequence intensifying. After some years of initial experiment the Group has made a successful entry into this field and is operating 118 of these shop unit-plants. The results to date are satisfactory. The cost of installing so many modern quick-service plants has been very substantial, and care is needed in integrating their operation with that of our various centralised works. The capital sum already invested in this direction exceeds £570,000. It has been decided that certain development costs forming a relatively small part of this total outlay will be written off over a five-year period. In addition, substantial expenses arising from the programme have been charged to revenue during the year.

As time goes on a satisfactory return on this new investment is confidently expected. Customers are using the new shop plants very freely and there is obvious appreciation of the merits of "on the spot" service. The technical resources of our various centralised works serve to support the service of the shop unit-plants. Dyeing and elaborate and difficult cleaning work is processed at our 15 major works where there are high standards of scientific and technical knowledge and achievement.

Changed methods are therefore giving the Group a new appearance. In addition to the 15 main works we are operating 10 small satellite factories, 118 shop unit-plants, 4 laundries and 1,600 normal receiving offices. The new Johnson Cleaners (South West) Company now operating 111 branches with works at Cardiff and Plymouth has traded profitably in its first full year.

FURTHER MODERNISATION

Other schemes of modernisation, the refronting and refitting of branch offices, together with improvements at certain of our central works, have gone forward alongside this programme. Over 200 branches have had a major refitting carried out during the year. The total expenditure on capital account has therefore been exceptionally high in 1961. It will revert to a somewhat more normal level in 1962.

Professional valuations of further properties of the Group have been recently carried out. The enhanced values are now reflected in these accounts. Lease-back arrangements have been satisfactorily concluded during the year in respect of properties to a value of £108,000. In addition a number of retail shop properties have been sold (mainly owing to compulsory re-development schemes) at profits totalling over £50,000. These surpluses are included in the accounts under "Exceptional Items."

In credit squeeze conditions, with a long cold spring and a very late Easter, the present year has not opened in promising fashion. During recent weeks, however, turnover has been running at a more satisfactory level. In the long term, barring any national catastrophe, I am fully confident as to the future of the business.

My colleagues and I are grateful to all in the Group for their services during 1961. In a year of difficulty and active change an excellent spirit of loyalty and co-operation has been shown throughout the business.

LOBITOS OILFIELDS, LIMITED

CHAIRMAN'S STATEMENT 1961

The following are extracts from the Chairman's Statement for 1961 which has recently been circulated to Stockholders:

1961 has been a year of consolidation for the Lobitos Group and satisfactory progress has been made in dovetailing and development of various activities and interests at home and overseas.

In Peru the maintenance of stable prices and economic conditions permitted the continued development of your Peruvian Company's Concessions and consolidation of its market with satisfactory trading results.

In the UK and Eire the marketing Companies and Manchester Oil Refinery have concentrated on the adaptation and development of their markets to the best advantage under the prevailing competitive conditions in the petroleum industry. Construction of the new Distillation Unit and Ancillaries at the Ellesmere Port Refinery was nearing completion.

In Canada progress has been maintained and a significant feature of the year's operations was the commencement of gas exports from Alberta to California. In the Arctic your Subsidiary Company has participated with a consortium in the first well to be drilled in the Arctic Islands.

While the outlook for the current year must be viewed against the background of the intensely competitive conditions in the petroleum industry, it is the aim of your Board to ensure that the Group continues to develop and strengthen its position particularly in the petroleum specialty market Your Board, however, consider the Group can view the future with reasonable confidence, subject as always to the political and economic conditions which obtain in those countries where the Company has interests.

	Years to 31st December 1961	1960
	£	£
Group Profit before taxation	3,561,537	3,687,564
Taxation	1,546,667	1,588,834
Minority Interests	120,993	83,305
Net Profit attributable to Stockholders ...	1,893,877	2,015,425
Net Distribution to Stockholders	623,996	623,996

COMPANY AFFAIRS

Both gilt-edged stocks and equities moved higher this week in anticipation of a reduction in Bank rate from 5 to 4½ per cent and further gains were recorded on Thursday afternoon after the reduction had been announced. The announcement that switching operations by proprietary life offices would not be subject to the speculative gains tax strengthened the market in gilt-edged stocks and insurance shares. Property issues were well supported and brewery shares went further ahead after the proposed merger between Whitbread and Flowers had been announced. Several of the leading equities reacted favourably to profit and dividend announcements, though the one from Pressed Steel came as an unpleasant shock ; and on the publication of the full report Dunlop made a further advance.

Dunlop's Progress

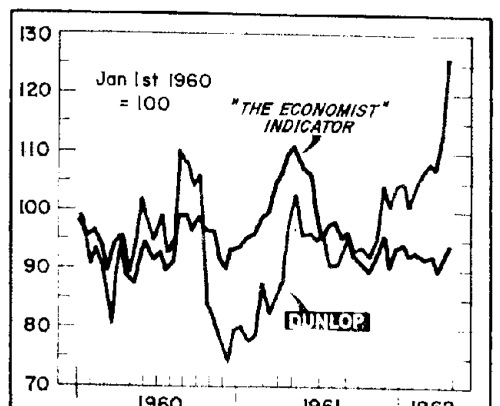
At 38s. and yielding 4¼ per cent on the maintained dividend of 1s. 7d., covered twice, the 10s. shares of Dunlop are at their high point for the year so far. The stock market was pleased with the company's preliminary report which revealed an improvement in margins in the second half of last year and it had no cause to be other than satisfied with the full report. The fall in sales, from £275 million to £265 million, was due to the exclusion of the results of the Japanese company last year as this company has now become an associate of Dunlop instead of a subsidiary. In volume the group's sales rose by about 2 per cent. Tyres and associated products make up about two-thirds of the group's sales while about two-thirds of all sales and all profits stem from the group's overseas activities. Exports from this country rose by about 13 per cent last year and profits from overseas activities as a whole expanded by about 12 per cent.

Outside the United Kingdom, Germany and France are Dunlop's most important markets but in these countries Dunlop's dependence upon original equipment orders, as opposed to replacement demand for tyres, is less than it is in this country. Not surprisingly, Dunlop's sales and profits were slightly lower in this country, reflecting the lower level of activity in the vehicle

	1957 £ mil.	1958 £ mil.	1959 £ mil.	1960 £ mil.	1961 £ mil.
Sales	231·0	243·0	261·0	275·0	265·0
Trading profit	19·9	19·8	22·5	23·2	24·8
Gross profit	12·5	12·2	14·1	13·9	14·9
Net equity earnings	3·7	4·3	5·5	5·1	5·3
Retained cash flow	8·6	8·8	10·4	10·7	11·4
Net fixed assets*	52·5	60·4	64·6	69·7	74·1
Net current assets	60·1	55·3	56·5	58·1	56·9
Net liquid assets	Dr. 11·4	Dr. 9·8	Dr. 17·0	Dr. 18·1	Dr. 14·4
Net equity assets	56·8	60·5	64·7	67·2	70·2
	%	%	%	%	%
Ord. earnings	25·6	28·2	34·1	32·1	33·5
Ord. dividend	11·2	13·0	15·0	15·83	15·83
Gross profit/sales	5·4	5·0	5·4	5·1	5·6
Gross profit/net equity assets	22·0	20·2	21·8	20·7	21·2
Net earnings/net equity assets	6·5	7·1	8·5	7·6	7·5

Price (10s. shares) : 38s. Earnings yield : 8·8%.
Dividend yield : 4·2% equal to 11·1 years' earnings.
* Including investments and goodwill.

industries, among others, and while sales in France were higher, profits seem to have been lower, reflecting stronger competition not merely from domestic companies but also from some American producers. The clear inference is that the German market made an important contribution to the rise in profits. In the last few years Dunlop has been building up exports and sales in the British replacement market (where margins are higher than in the original equipment market) and last year these sales, the



directors say, "largely compensated for the loss of earnings" in the original equipment market. From its miscellaneous range of products, other than tyres, Dunlop appears as a whole to have earned a slightly higher profit.

Dunlop, in fact, has a well balanced range of products and it is very much an international company. Again, it spent more on capital account abroad last year than it did at home: £7¼ million by overseas companies and £5½ million by British companies though in both instances the emphasis was more on replacement and modernisation than on expansion. Capital expenditure at this rate left the group heavily in debt to the banks, but since the end of the financial year the company has raised about £12 million by a debenture issue. End-year capital commitments amounted to nearly £7 million and it would be surprising if capital spending fell very much below the rate of recent years.

To justify this expenditure, Dunlop must seek to improve the return it earns on the capital it employs. It succeeded in doing so last year, when the great majority of companies earned less. This is partly due to the more stable price of natural rubber and the greater use of synthetic rubbers (the proportion of which in Dunlop's total consumption rose from 44 to 47 per cent last year) ; indeed the directors specifically say that these two factors had a "significant effect on material costs" which was only "partly offset" by higher labour and other costs and lower selling prices. But behind the reckoning of costs and profits lies a more enterprising spirit among the managers of Dunlop and this ultimately explains why investors are prepared to give the stock a higher ranking than they did, say, in the middle of the last decade. But the prospect is one of steady growth in competitive markets, not a spectacular bound forward.

BICC

Commenting on the 1961 results of British Insulated Callender's Cables, the chairman, Sir William McFadzean, says that "the outstanding general features of the year were the heavy demand for practically all our goods and the necessity almost throughout of quoting extremely keen prices to obtain orders." BICC's turnover rose by 5½ per cent from £143 million to £151 million and its trading profits by 16 per cent from £9.4 million to £10.9 million. Sir William says that the improvement "is mainly due to the benefits of increased turnover, heavy capital expenditure in recent years and the still further improvement achieved in overall efficiency coupled with some recovery in prices . . . from the uneconomic levels previously applying." Compared with 1960 the gross profit margin on sales rose but this is not the full story, for the rise of 9 per cent in the physical volume of output only brought about a rise of 5½ per cent in the value of sales. A bigger tax charge trimmed the rise in net profits to 11½ per cent from £3,326,000 to £3,719,000, while an acquisition issue and

	1957 £ mil.	1958 £ mil.	1959 £ mil.	1960 £ mil.	1961 £ mil.
Sales	111·0	110·0	128·0	143·0	151·0
Trading profit	7·8	8·8	9·0	9·0	10·9
Gross profit	5·4	6·3	6·8	6·9	8·0
Net equity earnings	2·4	3·0	3·9	4·2	4·8
Retained cash flow	3·1	3·8	4·7	5·3	5·9
Net fixed assets	20·7	22·5	27·0	28·4	30·1
Net current assets	32·6	31·8	35·7	37·0	47·1
Net liquid assets	0·3	1·3	Dr. 1·7	Dr. 6·6	...
Net equity assets	45·6	47·3	56·8	59·6	68·3
	%	%	%	%	%
Ord. earnings	22·9	33·9	28·6	28·6	27·3
Ord. dividend	12·5	13·5	13·5	13·5	13·5
Gross profit/sales	4·9	5·7	5·3	4·8	5·3
Gross profit/net equity assets	11·8	13·3	12·0	11·6	11·7
Net earnings/net equity assets	5·3	6·3	6·9	7·0	7·0

Price (£1 shares) : 62s. 9d. Earnings yield : 8·7%.
Dividend yield : 4·3% equal to 11½ years' earnings.

a one-for-seven rights issue raised the monetary cost of the maintained ordinary dividend of 13½ per cent, now covered just over twice by earnings.

The balance sheet reflects the proceeds of the rights and debenture issues, amounting to £14.9 million in all, with the net overdraft of £6.6 million at the end of 1960 giving way to a cash balance of £48,000. End-year capital commitments amounted to £2.3 million and Sir William says there will be continued investment and draws attention to "a fearless approach to capital expenditure." But Sir William does not say whether the group will be able to cover its future expenditure by retentions from profits, which including depreciation amounted to over £6 million last year, or whether BICC will have at some time to come to the market again. On the subject of profits Sir William makes no specific forecast ; he says that last year the group sold over 30 per cent of its output abroad and export orders are at a record level. He adds that "we have increased our capacity and improved our capabilities. In my view we are now better equipped and organised than ever before to face the challenge of national and international trade." At 62s. 9d. the £1 shares yield 4.3 per cent and reflect some, at least, of this optimism.

Shipbuilding Results

On Tyneside, **Swan Hunter and Wigham Richardson** did remarkably well last year with a fall of only £8,000 to £2,089,000 in gross profits from trading and a rise in net income from £1,419,000 to £1,617,000 reflecting a lower tax charge and bigger realised profits on investments. Shareholders receive an unchanged dividend of 12 per cent, and other British shipbuilders must feel envious. Clearly earlier development and modernisation has made Swan Hunter a markedly efficient shipyard; in association with Vickers, it will be recalled, it submitted the lowest tender for the Q3. But the outcome of a year's trading in shipbuilding is dependent upon the number of completions and Mr John Hunter makes it plain that profits this year will be less satisfactory than last, for only a small number of construction contracts are scheduled for completion.

The demand for new ships continued to fall ; competition is keen and profit margins, where they exist, are very small. Mr Hunter describes ship-repairing as "reasonably buoyant" though he adds the qualification that higher earnings from this source depend upon increasing turnover. The order book is "comparatively favourable" though it must be slimmer than it was. Obviously this is going to be a more difficult year for Swan Hunter ; but the group is well provided with liquid resources and the fall in profits would have to be very sharp to lead to a cut in the dividend. The 7¾ per cent yield offered by the £1 shares at 33s. 3d. xd is not in these circumstances unreasonable.

On Merseyside, **Cammell Laird** appears to have earned a higher profit from its shipbuilding and marine engineering interests last year but received smaller dividends from its interests in steel and railway rolling stock through its shareholdings in English Steel and Metropolitan Cammell Carriage and Wagon, for while its gross income has fallen from £812,000 to £660,000 the investment income included within this total has fallen more sharply, from £619,000 to £387,000. When they maintained the interim dividend at 3 per cent in September the directors referred to a falling off in demand for steel plates and railway rolling stock and these, together with difficulties in the shipyard, would, they said, result in an appreciably lower profit. They added that it was unlikely that the total dividend would be maintained at 12 per cent. Shareholders were thus given ample warning and they should not be surprised now by the reduction in the total dividend to 10 per cent following the fall in net income from £622,000 to £584,000. On the lower dividend the 5s. shares at 5s. 3d. yield 9½ per cent.

Pressed Steel

The passing of the interim dividend in November and the warning from the directors that the 1961 results would be most disappointing prepared the shareholders of Pressed Steel for bad tidings. But they can hardly have anticipated such a violent swing from profit to loss as is revealed in the company's preliminary announcement. After charging expenditure of £778,000 incurred by aircraft subsidiaries (including BEAGLE) on the design and development of prototypes, Pressed Steel made a net loss of £2,668,000 last year, compared with a net profit of £1,885,000. As the loss is struck after crediting tax write-backs of £962,000 and as the 1960 net surplus was struck after charging £1,069,000 for tax, the swing in the trading surplus is from a profit of just under £3 million to a loss of over £3½ million. The ordinary dividend has been cut from 30 per cent to a nominal 5 per cent.

The directors explain that the motor body division was hit by the trade recession and by numerous strikes in the motor industry and that, in addition, it had to bear extra heavy costs associated with the bringing into production of new manufacturing facilities. The railway division suffered from the general scarcity of home and export orders. The refrigerator division was hit by credit restrictions, intense competition and price cutting ; stocks had to be written down and extra costs were involved in transferring manufacturing facilities to the new Swansea factory. The division is still faced, the directors say, with "many uncertainties," but the railway division is doing slightly better and the results of the motor body division in the first quarter are described as "encouraging." As a result Pressed Steel returned to profitable trading in the first quarter of this year. But the size of last year's loss came as a shock to the stock market, where the 5s. shares lost 2s. to 16s. 4½d.

Reyrolle

In his statement with the accounts of Reyrolle, the electrical engineers, the chairman, Mr H. H. Mullens, refers to encouraging signs for the future. A year ago the order book was improving after a period of serious shortage of work ; the improvement has continued and orders received in 1961 were a record. The improvement was not, however, fully reflected in output last year, as the effects of short-time working in 1960 spread over into 1961. Together with the slender margins on certain orders accepted earlier by the group this led to a fall of 7½ per cent in trading profits from £2,199,000 to £2,029,000. Interest and dividend income rose from £701,000 to £759,000, reflecting the higher dividend paid for 1960 by C. A. Parsons in which Reyrolle has a 20 per cent holding. But this was more than offset by a heavier tax charge and net profits fell by 11 per cent from £1,560,000 to £1,381,000, slightly reducing the cover on the maintained ordinary dividend of 9⅜ per cent to 2½ times. The £1 shares at 43s. 9d., yield 4½ per cent.

Mr Mullens attributes much of the expansion in business to new designs developed in recent years. But competition remains fierce and he emphasises the continued pressure on margins ; the company is "very near the limit of cost concessions which can be accepted without jeopardising the future." In particular, he notes that the continuing increase in the voltage and capacity of large switchgear require more expenditure on research and development. Obviously shareholders cannot expect much improvement in Reyrolle's financial results this year, for the margins are slim ; AEI, in which Reyrolle has an investment, has already cut its dividend for 1961, and C. A. Parsons has left its dividend unchanged.

C. A. Parsons

Mr H. H. Mullens is also the chairman of C. A. Parsons, and a year ago he said that profits for 1961 should be at a fairly high level. Now, in a full report that reveals a fall of 45 per cent in trading profits from £5,005,000 to £2,733,000 he says that the results "reflect as well as could be expected the competitive climate in which trading has been done over the last few years" and "the profit for 1961 is much in line with earlier results." The stock market in marking the £1 shares down from 58s. 9d. to 47s. 9d. clearly did not take such a comforting view. It is well aware of the problems facing the heavy electrical manufacturers and marine engineers, but it saw something more amiss than the erosion of margins in the fall of 42½ per cent in net profit from £2,700,000 to £1,551,000 ; and it was not mollified by an unchanged ordinary dividend of 12½ per cent on which the cover had contracted from just under 4 to 2¼ times.

A year ago Mr Mullens said that "lower profits must be expected" after 1961 and he now affirms that "it will be difficult to maintain the present level of profits," for though orders rose last year they extend over longer periods and the group is working below full capacity.

Babcock and Wilcox

OUTSTANDING surprises in this period of falling margins and lower profits are few and far between and for shareholders in Babcock and Wilcox to receive one was against all the run of expectations. Only last October, when a mere three months of the financial year remained, the directors passed the interim dividend. They then referred to the low level of manufacturing activity in the early part of the year, losses on nuclear power contracts and a number of claims outstanding on contracts. But they also said that provision had been made against nuclear power contracts and that, though there was excess capacity in the boiler-making industry, the order book was fuller than for any time in the four preceding years.

Now they have announced an unchanged total dividend of 9 per cent, covered just over 1½ times, following "the settlement of some of the important outstanding claims and a marked improvement in results during the second half of the year." The group's income before tax has risen from £891,000 to £1,507,000, but this includes a rise in investment income from £251,000 to £424,000. In 1960, moreover, losses of £650,000 were sustained on nuclear power contracts and the gross surplus was struck after providing for these losses; in 1961 a provision of £150,000 for nuclear power losses was appropriated from the net surplus after tax. Thus, after allowing for these provisions, the rise in the gross profit from trading appears to be from £640,000 to £933,000. It has to be assumed that the accounts are now free of nuclear power losses and the improvement in profits on more conventional contracts and the payment of 9 per cent were enough to push the shares up by 1s. to 28s., to yield 6½ per cent.

Allied Suppliers

THERE are over 50,000 shareholders in Allied Suppliers—the Home and Colonial and Lipton chain of grocery stores—and the most important of these is Unilever, which owns 12.4 per cent of the ordinary capital and controls 33.2 per cent of the votes. Unilever does not intervene in the management of the group but its presence effectively rules out the idea of a bid from another grocery chain. Thus the shares, standing at 22s. 9d. to yield 4.4 per cent on the maintained dividend of 10 per cent, now covered just over 2½ times, have to be considered simply in terms of the trading merits of the company. Allied Suppliers is not a supermarketeer; but over 500 of its 3,700 odd stores have been converted to self-service and its shops have long been established in busy shopping centres. Its shares, fortunately perhaps, have not had the glamorous tag of "supermarket" pinned upon them and its 1961 results suggest that it is meeting fierce competition in the food business with better success. Gross profits are up from £5,158,000 to £5,715,000 and net profits from £1,631,000 to £1,901,000; the group has practically recovered from the 1960 setback, when competitive price cutting in tea and losses on butter and cheese stocks were primarily responsible for the fall in profits. But Allied Suppliers remains essentially a chain of small shops and perhaps the best that can be expected is that it may hold its share of the trade; the shares seem to have little of the dynamic about them.

Consolidated Zinc and Rio Tinto

CONSOLIDATED ZINC had a bad year in 1961—worse in fact than in any year since 1953, the first year in which lead and zinc were freely traded on the London Metal Exchange after the end of emergency bulk buying. The group had been holding smelter and mine production of lead below capacity since 1959 in accordance with international agreements to support prices. But the group has suffered from disproportionately high overhead charges because of these restrictions without benefiting from the higher prices the restrictions were intended to produce.

Consolidated Zinc's trading profits fell last year from £5,165,000 to £3,454,000 but the tax charge was cut from £1,146,000 to £299,000 presumably partly as a result of tax allowances in respect of Consolidated Zinc's big capital expenditures, which in 1960 amounted to £6 million. Outstanding commitments at the end of the year were £3¼ million. Net profits fell from £2,296,000 to £1,526,000 and the ordinary dividend has been cut by 1s. to 3s. per share.

Consolidated Zinc is heavily committed to develop aluminium in partnership with Kaiser Aluminium. It therefore needs the reinforcement that can be provided by Rio Tinto's uranium income under the proposed merger between the two companies. Rio Tinto's preliminary results show the expected expansion in profits. Its income in 1961 rose from £4,635,000 to £7,150,000, the beginning of the flow of earnings from the group's uranium interests in Canada being mainly responsible for the rise.

An increase from £375,000 to £1,057,000 in the group's provision for the amortisation of investments and the rise from £738,000 to £1,235,000 in profits attributable to minority interests has limited the advance in net profits. These have risen from £2,042,000 to £2,881,000 and the ordinary dividend has been raised by 3d. to 3s. a share. The terms of the proposed merger between Consolidated Zinc and Rio Tinto are 41 shares in the new holding company for every 20 Rio Tinto 10s. units and 58 new shares for every 20 Consolidated Zinc £1 units. Rio Tinto registered units stand at 38s. 1½d. compared with a high point of 43s. 9d. this year and Consolidated Zinc £1 shares have fallen to 51s. 6d.

Thomas Tilling

AS much as £386,000 of the increase of £580,000 to £4,896,000 in the gross profits of Thomas Tilling last year came from new acquisitions and only £194,000 from the businesses in which the company had earlier secured an interest. At the same time the group's turnover rose from £55,369,000 to £65,743,000, and to this increase new acquisitions contributed £3,007,000 and existing interests £7,367,000. Thus it becomes clear that Thomas Tilling's diverse range of industrial interests was, like most of British industry, earning smaller margins on sales.

The chairman, Mr Lionel Fraser, considers the results "really gratifying" in view of the "general malaise in business and the pull on margins and profits" though he admits that the beginning of 1961 held out the promise of higher profits than those actually achieved. He attributes the lack of buoyancy to the credit squeeze, higher costs and the bad weather (which hit the building industry particularly hard). The fact remains, however, that in a difficult year of trading Thomas Tilling, which has always been rated in the top flight of industrial holding companies, earned better profits: earnings from building supplies and services (contributing 25.9 per cent of gross profits), engineering (12.6 per cent) and insurance (13.7 per cent) "more than redressed the balance of others less happily placed."

The ordinary dividend was maintained at 20 per cent on the capital as increased by acquisition issues and the one-for-nine rights issue. Despite the £3.2 million injected by the rights issue, the group's bank overdraft was only £598,000 lower at £3,628,000 at the year-end. Thomas Tilling has done well and Mr Lionel Fraser can fairly claim that shareholders will find 1962 "to their satisfaction." But a lot of growth is implied in a dividend yield of 2.8 per cent and an earnings yield of 6.2 per cent offered by the 4s. shares at 28s. 6d.

The Economist Indicator (1953=100)

1962	Indicator	Yield %	1962 High	1962 Low
Mar. 21	347·9	5·08		
„ 28	346·3	5·12		
Apr. 4	355·3	5·03		
„ 11	362·7	4·94	364·4 (Jan. 17)	346·3 (Mar. 28)
„ 18	355·8	5·08		
„ 25	359·4	5·03		

Financial Times Indices

1962	Index †	Ord. Yield	2½% Consols Yield	Bargains Marked
April 17	298·2	5·27	6·12	14,580
„ 18	298·6	5·27	6·12	14,749
„ 19	299·2	5·25	6·13	14,838
„ 24	301·4	5·22	6·13	16,286
„ 25	302·3	5·20	6·12	15,129

High, 310·2 (Jan. 19). Low, 291·4 (April 2).
† July 1, 1935=100.

Money and Exchanges

EXCHEQUER RETURNS

For the week ended April 21, 1962, there was an "above-line" deficit (after allowing for sinking funds) of £20,024,000 compared with a deficit of £13,281,000 in the previous week and a deficit of £24,289,000 in the corresponding period of last year. There was a net receipt "below-line" of £43,686,000 leaving a total cumulative deficit to date of £61,690,000 compared with £125,000,000 in 1961–62.

£'000	Estimate 1962–63	April 1, 1961, to April 22, 1961	April 1, 1962, to April 21, 1962	Week ended April 22, 1961	Week ended April 21, 1962
Ordinary Revenue					
Income Tax	2,790,000	68,410	66,665	24,154	21,906
Surtax	188,000	11,800	11,800	2,500	2,800
Death Duties	264,500	18,200	14,600	5,800	4,100
Stamps	95,000	6,000	7,000	1,900	1,600
Profits tax, EPT and EPL	374,000	12,500	14,900	3,100	3,100
Other Inland Rev. Duties	...	...	...	...	...
Total Inland Rev.	3,711,500	116,910	114,965	37,454	33,506
Customs	1,653,000	97,356	88,407	29,327	32,084
Excise	1,077,000	17,180	16,715	6,280	9,960
Total Customs and Excise	2,730,000	114,536	105,122	35,607	42,044
Motor Duties	150,000	3,607	6,274	...	...
Broadcast Lic's	41,000	2,500	2,600	2,500	2,600
Miscellaneous	165,000	8,137	7,065	1,003	242
Total	6,797,500	245,690	236,026	76,564	78,392
Ordinary Expenditure					
Debt Interest	600,000	54,076	36,650	7,656	5,685
Payments to N. Ireland Exch.	100,000	3,028	3,267	...	...
PO Fund — Initial settlement	...	...	...	...	...
Other Consolidated Funds	12,000	440	370	27	21
Supply Services	5,611,650	265,330	264,000	92,830	91,900
Total	6,323,650	322,874	304,287	100,513	97,606
Sinking Funds	41,000	1,010	1,345	340	810
"Above-line" Surplus or Deficit		78,194	69,606	24,289	20,024
"Below-line" Net Expenditure*		46,806	Cr. 7,916	16,925	Cr. 43,686
Total Surplus or Deficit		125,000	61,690	41,214	+ 23,662
Net receipts from:					
Tax Reserve Certificates		5,791	4,471	1,499	1,432
Savings Certificates		3,400	1,600	1,300	– 800
Defence Bonds		2,830	1,230	1,407	675
Premium Savings Bonds		1,700	1,700	900	800
Total		6,921	9,001	5,106	2,107

* Net receipt of £10 million the Civil Contingencies Fund in 1962–63 compared with £5 million in 1961–62.

FLOATING DEBT

(£ million)

	Treasury Bills: Tender	Treasury Bills: Tap	Ways and Means Advances: Public Dept.	Ways and Means Advances: Bank of England	Total Floating Debt
1961 Apr. 22	3,140·0	1,911·3	336·3	...	5,387·6
1962 Jan. 20	3,250·0	2,147·4	326·4	...	5,723·8
„ 27	3,190·0	2,163·1	217·9	1·8	5,572·8
Feb. 3	3,120·0	2,115·6	242·6	7·8	5,486·0
„ 10	3,070·0	1,989·0	246·8	...	5,305·8
„ 17	3,040·0	2,302·6	275·4	5·0	5,622·9
„ 24	2,990·0	2,382·5	207·4	...	5,579·9
Mar. 3	2,950·0	2,481·4	236·7	5·0	5,673·1
„ 10	2,960·0	2,435·5	248·2	0·8	5,644·4
„ 17	2,960·0	2,423·9	251·1	...	5,635·0
„ 24	2,980·0	2,391·6	290·8	...	5,662·5
„ 31	3,000·0	2,330·6	260·7	...	5,591·3
Apr. 7	2,980·0	2,400·5	253·0	2·3	5,635·8
„ 14	2,970·0	2,433·5	254·1	5·0	5,662·7
„ 21	2,960·0	2,448·7	226·0	3·3	5,638·0

THE MONEY MARKET

THURSDAY'S cut in Bank rate from 5 to 4½ per cent was fairly widely expected in the City. It was followed by the usual corresponding cuts in the money market's fixed rates. The discount market had already brought the Treasury bill rate down to 4¼ per cent: at the previous week's tender the market increased its agreed bid by a further 4d. to £98 18s. 8d. This brought the fall in the bill rate since the previous cut in Bank rate at the end of March to ¾ per cent, and the market has recently been paying more for its marginal finance than it has been earning on the bills it has taken up. Last week the authorities cut the bill allotment by £10 million to £220 million but total applications fell by £19 million to £387 million and the market received an allotment of 46 per cent compared with the previous week's 41 per cent.

Credit has been notably easier in the past week. There was no borrowing at Bank rate and only once did the authorities find it necessary to help the market by the special purchase of bills. On Wednesday funds were so plentiful that the authorities sold a fairly large number of bills to absorb the surplus credit.

MONEY RATES

LONDON

	%		%
Bank rate (from 5%, 26/4/62)	4½	**Discount rates Wed.:** Bank bills:	
Deposit rates (7 days' notice):		60 days	4 7/16–4½
Banks	2½	3 months	4 7/16–4½
Discount houses	2½–2¾	4 months	4 7/16–4½
Local Authorities	4⅞	6 months	4 7/16–4 9/16
Call money:		Fine trade bills:	
Clearing banks' minimum	2⅞	3 months	5¾–6½
		4 months	5¾–6½
		6 months	6–7

NEW YORK

	%		%
Official Discount rate: (from 3½%, 11/8/60)	3	**Treasury Bills:** April 16	2·723
		„ 23	2·740

BANK OF ENGLAND RETURNS

(£ million)	April 26, 1961	April 18, 1962	April 25, 1962
Issue Department:*			
Notes in circulation	2,265·4	2,337·1	2,347·7
Notes in banking dept.	59·9	38·2	27·7
Govt. debt and securities*	2,323·2	2,374·0	2,374·0
Other securities	0·8	0·8	0·8
Gold coin and bullion	0·4	0·4	0·4
Coin other than gold coin	1·0	0·3	0·3
Banking Department:			
Deposits:			
Public accounts	13·0	15·5	13·4
Special deposits	150·1	231·8	231·8
Bankers	239·8	279·3	261·0
Others	68·7	72·0	73·0
Total	471·6	598·6	579·1
Securities:			
Government	374·2	501·8	517·4
Discounts and advances	36·0	56·7	32·2
Other	18·5	18·7	18·9
Total	428·7	577·2	568·4
Banking department reserve	60·8	39·1	28·5
"Proportion"	% 12·8	% 6·5	% 4·9

* Government debt is £11,015,100, capital £14,553,000. Fiduciary issue increased by £50 million to £2,375 million on March 7th.

TREASURY BILL TENDERS

Date of Tender	Amount (£ million): Offered	Amount (£ million): Applied for	91 day Bills: Average Rate of Allotment (s. d.)	91 day Bills: Allotted at Max. Rate* (%)
1961 Apr. 21	250·0	411·3	89 9·01	38
1962 Jan. 19	240·0	388·1	106 2·35	63
„ 26	240·0	399·8	104 10·06	61
Feb. 2	200·0	379·4	104 4·93	33
„ 9	230·0	412·8	108 0·74	22
„ 16	220·0	389·8	109 10·81	28
„ 23	220·0	405·6	110 7·47	21
Mar. 2	230·0	382·6	110 11·26	37
„ 9	230·0	396·2	100 5·89	53
„ 16	230·0	411·8	97 7·57	41
„ 23	230·0	408·1	89 0·47	48
„ 30	230·0	392·2	88 1·16	57
Apr. 6	230·0	398·7	87 4·62	46
„ 13	230·0	407·9	86 8·54	41
„ 19	230·0†	386·6	85 4·31	46

* On April 19th tenders for 91 day bills at £98 18s. 8d. secured 46 per cent, higher tenders being allotted in full. The offer for this week was for £220 million 91 day bills.
† Allotment cut by £10 million.

LONDON CLOSING EXCHANGE RATES AND GOLD PRICE

	Effective Limits April 25	Market Rates: Spot April 18	April 19	April 21	April 24	April 25
United States $	2·78–2·82*	2·81⅜–½	2·81⅜–½	2·81⅜–½	2·81⅜–½	2·81¼–⅜
Canadian $	...	2·95 7/16–9/16	2·95 7/16–9/16	2·95 7/16–9/16	2·95 7/16–9/16	2·95 5/16–7/16
French Fr.	13·622–14·027	13·79–79¼	13·78⅝–⅞	13·78¾–79	13·78¾–79	13·78¼–½
Swiss Fr.	11·94–12·54⅞	12·22⅞–23⅛	12·23–23¼	12·23–23¼	12·23⅜–⅝	12·21⅞–22⅛
Belgian Fr.	137·96–142·05	140·12½–17½	140·12½–17½	140·12½–17½	140·12½–17½	140·05–10
Dutch Gld.	9·98¾–10·28½	10·12¾–13	10·12⅞–13⅛	10·12¾–13	10·13–13¼	10·11⅞–12⅛
W. Ger. D-Mk.	11·037–11·365	11·25½–¾	11·25⅜–⅝	11·25¼–½	11·25½–¾	11·25–25¼
Portug. Esc.	...	80·15–25	80·15–25	80·15–25	80·15–25	80·15–25
Italian Lire	1725–1775	1746¾–47¼	1745⅞–46⅜	1746–46½	1746–46½	1745¼–¾
Swedish Kr.	14·27½–14·70	14·48½–¾	14·48⅜–⅝	14·48⅜–⅝	14·48¾–49	14·48½–¾
Danish Kr.	19·06½–19·62	19·40¼–½	19·39⅞–40⅛	19·39⅞–40⅛	19·39⅞–40⅛	19·39½–¾
Norwegian Kr.	19·71–20·30½	20·05⅜–⅝	20·05⅜–⅝	20·05⅜–⅝	20·05⅜–⅝	20·05⅜–⅝

* Official Limits

One Month Forward Rates

	April 18	April 19	April 21	April 24	April 25
United States $	9/16–7/16c. pm	½–⅜c. pm	½–⅜c. pm	½–⅜c. pm	½–⅜c. pm
Canadian $	9/16–7/16c. pm	½–⅜c. pm	½–⅜c. pm	½–⅜c. pm	½–⅜c. pm
French Fr.	1¾–1¼c. pm	1¾–1¼c. pm	1¾–1¼c. pm	1½–1c. pm	1⅝–1⅛c. pm
Swiss Fr.	2⅞–2⅜c. pm	2⅞–2⅜c. pm	2⅞–2⅜c. pm	2¾–2¼c. pm	2⅝–2⅛c. pm
Belgian Fr.	35–25c. pm	30–20c. pm	30–20c. pm	25–15c. pm	25–15c. pm
Dutch Gld.	⅜–⅞c. pm	1⅝–1⅛c. pm	1⅝–1⅛c. pm	1⅝–1⅛c. pm	1¼–¾c. pm
W. German D-Mk.	2⅝–2⅛pf. pm	2⅝–2⅛pf. pm	2½–2pf. pm	2½–2pf. pm	2¼–1¾pf. pm

Three Months Forward Rates

	April 18	April 19	April 21	April 24	April 25
United States $	1⅜–1¼c. pm	1 5/16–1 3/16c. pm	1 5/16–1 3/16c. pm	1¼–1⅛c. pm	1¼–1⅛c. pm
Canadian $	1⅜–1¼c. pm	1¼–1⅛c. pm	1¼–1⅛c. pm	1¼–1⅛c. pm	1⅛–1c. pm
Swiss Fr.	7⅛–6⅝c. pm	7⅛–6⅝c. pm	7⅛–6⅝c. pm	6¾–6¼c. pm	6⅝–6⅛c. pm
W. German D-Mk.	7⅛–6⅝pf. pm	6⅝–6⅛pf. pm	6½–6pf. pm	6¼–5¾pf. pm	6–5½pf. pm

Gold Price at Fixing

	April 18	April 19	April 21	April 24	April 25
Price (s. d. per fine oz.)	249/2½	249/3¼	...	249/3	249/4
„ ($ „ „ „)	35·07½	35·07½	...	35·07½	35·07½

STOCK PRICES AND YIELDS

LONDON - NEW YORK : FRANCE GERMANY : HOLLAND : CANADA AUSTRALIA : JAPAN

Prices, 1962 High	Low	BRITISH FUNDS AND GUARANTEED STOCKS	Price, April 18, 1962	Price, April 25, 1962	Net Red. Yield, April 25, 1962§	Gross Red. Yield, April 25, 1962
					£ s. d.	£ s. d.
94 7/32	90 11/32	Savings Bonds 3% 1955-65	93⅞	94 1/16	3 13 0	4 18 7 l
98 7/32	96 3/16	Exchequer 3% 1962-63	97 25/32	98 1/32	3 4 8	4 16 1 l
100 5/16	100 9/32	Treasury 5½% 1962	100 3/16	100½	2 12 2	4 10 10
96 9/32	93 3/16	Exchequer 2½% 1963-64	96⅛	96 9/32	3 8 11	4 8 3 l
99⅞	98½	Conversion 4½% 1963	99 21/32	99¾	2 10 8	4 19 6
97 1/16	97 1/16	Conversion 4½% 1964	98⅞	98 31/32	3 6 4	5 0 7
100 5/16	98 3/32	Exchequer 5½% 1966	100 1/16	100 9/32	3 4 4	5 8 2
83¼	82⅝	Funding 3% 1959-69	83 9/16	83⅝	4 12 5	5 18 4 l
89⅞	87¾	Funding 4% 1960-90	88 1/16	88 3/16	3 12 7	5 5 11 l
80⅜	78 15/16	Savings Bonds 3% 1960-70	80¼	80⅜	4 15 1	6 2 1 l
87½	85	Savings Bonds 2½% 1964-67	87 1/16	87 5/16	4 7 5	5 8 3 l
71¾	70 7/16	Savings Bonds 3% 1965-75	71⅝	71¾	4 15 4	6 4 4 l
85 15/16	83 5/16	Funding 3% 1966-68	85⅛	85⅞	4 10 8	5 17 3 l
86⅝	84⅞	Conversion 3½% 1969	86 1/16	86⅝	4 10 11	6 1 4
96⅞	92½	Victory 4% 1920-76	96⅞	96⅞	2 19 9	4 12 4 ‡
92 1/16	90 9/16	Conversion 5% 1971	92 5/16	92 5/16	4 3 10	6 6 4
99⅞	97¼	Conversion 6% 1972	98 11/16	98 11/16	3 18 7	6 6 4
93⅜	92⅛	Conversion 5¼% 1974	93⅜	93⅛	4 0 10	6 5 5
71 13/16	69⅝	Treasury 3½% 1977-80	71 11/16	71⅝	4 10 1	6 4 10 l
70⅞	68 9/16	Treasury 3½% 1979-81	70 5/16	70 9/16	4 10 4	6 4 11 l
92⅜	90 7/16	Funding 5½% 1982-84	92⅛	92⅜	3 19 3	6 5 7 l
57⅞	54	Redemption 3% 1986-96	57⅜	57⅞	4 3 11	5 18 8 l
85⅞	82⅞	Treasury 5% 1986-89	84 1/16	84⅝	4 0 7	6 4 6 l
61¾	56 15/16	Funding 3½% 1999-2004	61 1/16	61⅜	4 1 10	6 2 3 l
89	84⅛	Treasury 5½% 2008-12	89	89	3 17 0	6 4 3 l
63 7/16	58¼	Consols 4% .... after Feb. 1957	63 5/16	63⅛	3 18 2	6 8 5
56⅞	52 1/16	War Loan 3½% .... after 1952	56⅞	55 5/16	3 17 3	6 5 9 f
55⅜	52 5/16	Conv. 3½% .... after Apr. 1961	55½	55 9/16	3 17 5	6 5 7 f
47⅝	44⅞	Treasury 3% .... after Apr. 1966	47⅜	47⅝	3 17 4	6 6 6 f
40⅞	38⅞	Consols 2½%	40⅞	40 13/16	3 15 2	6 3 0 f
40½	38 1/16	Treasury 2½% .... after Apr. 1975	40 5/16	40 1/16	3 16 2	6 4 7 f
91 13/16	89 15/16	British Electric 4½% 1967-69	91 5/16	91	4 3 5	6 1 6 l
75¼	74⅜	British Electric 3% 1968-73	75	75	4 16 5	6 4 5 l
70⅞	69	British Electric 3% 1974-77	69⅝	69½	4 14 8	6 4 1 l
80 1/16	79 1/16	British Electric 4¼% 1974-79	79⅛	79½	4 6 1	6 4 7 l
72 1/16	70⅝	British Electric 3½% 1976-79	71 11/16	71⅛	4 10 9	6 4 2 l
84	82¾	British Gas 4% 1969-72	83¾	84	4 9 5	6 4 11 l
81⅞	80 9/16	British Gas 3½% 1969-71	81 7/16	81 7/16	4 12 11	6 4 1 l
57⅞	53 13/16	British Gas 3% 1990-95	57¼	57¼	4 5 2	5 19 7 l
75¾	74⅜	British Transport 3% 1968-73	75	75	4 16 5	6 4 3 l
79	77⅜	British Transport 4% 1972-77	78⅞	79	4 7 11	6 5 4 l
60	56½	British Transport 3% 1978-88	60	60	4 9 9	6 3 6 l

Prices, 1962 High	Low	DOMINION AND CORPORATION STOCKS	Price, Apr. 18, 1962	Price, Apr. 25, 1962	Red. Yield, Apr. 25, 1962
					£ s. d.
81⅞	79½	Australia 3¼% 1965-69	81⅞	81¾	6 10 0 l
98¾	96	Australia 6% 1974-76	96¼	96¼	6 7 0 l
66	56	Ceylon 4% 1973-75	56	56	9 17 0 l
96¾	94¼	New Zealand 6% 1976-80	95¾	95¾	6 9 0 l
75¼	63	Rhodesia and Nyasaland 6% 1978-81	65	65	10 3 0 l
86¼	82	South Africa 3½% 1965-67	86¼	86¼	6 14 0 l
58¼	49	Southern Rhodesia 4½% 1987-92	49	49	9 7 0 l
81⅜	77¾	Agricultural Mortgage 5% 1959-89	81¼	81⅜	6 9 0 l
88⅞	86	Birmingham 4¼% 1967-70	88⅝	88⅝	6 3 0 l
91¼	88¾	Bristol 5% 1971-73	91	91¼	6 5 0 l
90½	88	Corporation of London 5¼% 1976-79	90½	88⅜	6 6 0 l
46⅜	43	L.C.C. 3% .... after 1920	46⅛	46⅜	6 9 0 f
86⅛	84	L.C.C. 5% 1980-83	85⅜	85⅜	6 5 0 l
89¼	87	Middlesex 5¼% 1980	88¾	88¾	6 6 0 l

Prices, 1962 High	Low	Last Two Dividends (a)	(b) (c)	ORDINARY STOCKS	Price, Apr. 18, 1962	Price, Apr. 25, 1962	Yield, Apr. 25, 1962	Cover
		%	%	**BANKS, DISCOUNT & HP**				
104/-	86/-	6½ a	6½ b	Barclays £1	100/9	100/6	2 59	...
111/-	93/-	8 a	8 b	District £1	106/6	110/6	2 90	...
72/6	58/6	4·3 a	5·1 b	Lloyds £1	69/3	69/9	2 70	...
24/10½	20/3	7 a	8 b	Martins £1	24/1½	24/10½	3 02	...
101/-	86/9	7½ a	7½ b	Midland £1	99/9	99/9	3 01	...
104/-	89/-	7 a	7 b	Nat. Provincial £1	101/3	104/-	2 69	...
104/-	84/-	6¼ a	6½ b	Westminster 'B' £1	103/3	103/-	2 58	...
47/6	40/10½	4 a	8 b	Australia & N.Z. £1 p.p.	42/6	47/6	5 05	...
40/3	37/1½	3½ a	5 b	Bk. Lond. & S. Amer. £1	39/3	39/9	4 19	...
£25⅞	£22 15/16	$2 05c	$2 05c	Bank of Montreal $10	£23 1/16	£23 3/16	2 99	...
32½	27½	8 c	9 c	Bank of New S. Wales £20	32½	32½	4 43	...
38/9	34/9	5 a	5 b	Barclays D.C.O. £1	37/-	37/3	5 37	...
58/6	53/3	7½ a	7½ b	Chartered £1	55/3	55/6	5 41	...
£19½	£17½	5/- a	10/- b	Hongkong & Shang. $25	£17½	£17½	4 23	...
58/9	52/3	7½ a	9 b	Nat. Com. Bk. Scot. 10/-	57/9	58/9	2 81	...
£29⅝	£26 5/16	$2 37½c	$2 50c	Royal Bk. Canada $10	£27 1/16	£27 1/16	3 11	...
43/6	37/6	10 b	5 a	Standard Bank £1	40/3	40/-	7 50	...
230/-	157/6	22½ c	7 a	Hambros .... £1 l	215/-	225/-	2 00	...
99/6	81/10½	2½ a	5 b	Schroders £1	99/6	99/6	1 51	...
59/3	53/-	6⅓ b	6 a	Union Discount £1	57/6	58/9	4 26	...
14/1½	10/9	18 c	Nil c	Bowmaker 5/-	10/9	11/6	...	...
14/3	10/6	5 a	5 b	Lombard Banking 5/-	10/6	11/6	4 35	1
16/4½	10/6	2½ b	2 a	Mercantile Credit 5/-	10/6	10/6	3 57	...
44/1½	31/-	22½ b	2 a	United Domins. Tst. 5/-	31/-	32/6	4 08	3
				BREWERIES, Etc.				
17/4½	13/3	...	7 b	Bass, M & B 5/-	16/1½	17/3	3 19**	2
43/3	37/4½	8½ b	6 a	Distillers 10/-	42/-	43/3	3 35	2
22/9	17/6	4 a	8 a	Flowers 5/-	22/6	21/9	2 76	2
51/6	47/-	8 b	14 b	Guinness 10/-	50/-	51/-	4 31	1¾
15/7½	12/7½	...	8 b	Ind Coope T.A. 5/-	13/10½	14/3	4 21**	1½
17/-	13/-	5 a	12 b	United Breweries 5/-	16/4½	17/3	3 68	1¾
28/3	23/8½	6 a	12 b	Watney Mann 5/-	27/6	28/3	3 19	2
42/4½	31/9	9 a	21 b	Whitbread 'A' 5/-	39/9	42/4½	3 54	1¾
				BUILDING, PAINT, Etc.				
56/9	50/6	5½ b	3 a	Associated Portland £1	52/6	53/6	3 12	2½
27/1½	21/9	7¼ b	4 a	British Plaster Bd. 10/-	27/1½	26/10½	4 65	2¼
17/10½	14/10½	10 b	6 a	Richard Costain 5/-	16/10½	16/10½	4 74	2¾
12/6	10/6	10 a	12½ b	Crittall Mfg. 5/-	12/4½	12/6	6 75**	1
12/6	9/10½	14 b	6 a	International Paints 4/-	11/-	11/9	6 81	1¼
71/3	57/-	25 c	25 c	Rugby Portland 5/-	70/9	71/-	1 76	3½
24/6	19/7½	11½ b	5 a	Wall Paper Defd. 5/-	23/3	24/-	3 47	2¼
				CHEMICAL				
25/7½	20/9	6 a	14 b	Albright & Wilson 5/-	25/-	25/-	4 00	2
19/3	16/3	4 a	7½ b	Borax Defd. 5/-	18/6	18/3	3 15	2½
43/3	34/-	4 a	7 b	Fisons £1	39/-	38/6	5 71	1½
58/-	53/3	6¼ a	7½ b	I C I £1	56/3	56/6	4 86	1¾
17/3	12/6	5 a	5 b	Monsanto 5/-	13/-	13/3	3 77	2½
				DRAPERY & STORES				
35/3	26/10½	8 b	4 a	Boots Pure Drug 5/-	34/3	34/9	1 73	2½
33/9	28/10½	7½ a	5 b	Montague Burton 10/-	31/3	31/3	2 20	2¼
59/6	53/6	13½ b	5⅝ a	Debenhams 10/-	57/9	57/6*	3 34	...
59/7½	54/4½	25 b	7½ a	G.U.S. 'A' 5/-	58/-	59/7½	3 14	2
40/3	34/9	16⅔ b	13⅓ a	House of Fraser 5/-	36/9	36/6	4 11	1¼
16/6	13/6	5 a	7½ b	Lewis's Invest. Tst. 4/-	16/6	16/6	3 03	2
100/6	90/-	32½ b	15 a	Marks & Spencer 'A' 5/-	98/-	98/-	2 42	2
52/4½	46/-	20 b	10 a	United Drapery 5/-	51/7½	52/4½	2 86	1¾
53/-	45/9	10⅚ a	25 b	Woolworth 5/-	48/6	48/9	3 67	1¼
				OIL				
38/-	32/3	†6 94b	†2·78a	British Petroleum £1	35/6	36/-	8·82	2¼
35/9	30/6	†16⅞ b	†2½ a	Burmah Oil £1	32/-	33/6	9·14	1¼
£14 5/16	£12 5/16	11¼ a	15 b	Royal Dutch .... 20 fl.	£13 13/16	£14⅛	3·67	2½
32/-	27/-	†10 a	†15 b	Shell Transport 5/-	30/6	31/1½	6·56	2½
30/-	20/6	...	...	Ultramar 10/-	29/9	26/-	... d	...

Prices, 1962 High	Low	Last Two Dividends (a)	(b) (c)	ORDINARY STOCKS	Price, Apr. 18, 1962	Price, Apr. 25, 1962	Yield, Apr. 25, 1962	Cover
		%	%	**ELECTRICAL & RADIO**				
32/6	26/9	5 a	5 b	A.E.I. £1	28/9	28/9	6·96	1
12/6	11/-	...	15 c	Brit. Electronic Inds. 5/-	11/10½	11/10½	6·32	¼
63/9	56/4½	4 a	9½ b	B.I.C.C. £1	61/6*	62/6*	4·32	2
14/8¼	12/7½	5 a	7½ b	Crompton Parkinson 5/-	13/7½	13/9	4·55	2½
86/-	76/-	23⅓ c	3⅓ a	Decca Record 10/-	82/6	86/-	2·71	1¾
45/6	42/-	12½ b	5 a	E.M.I. 10/-	42/10½	42/9	4·09	2
52/6	41/3	5 a	9 b	Elliott-Automation ... 5/-	49/9	50/9	1·38	2
27/9	22/-	3 a	5 b	English Electric £1	22/9	23/6	6·81	1½
32/3	25/9	7 b	3 a	General Electric £1	30/10½	32/-	6·25	¾
59/3	47/6	4⅜ a	8⅛ b	C. A. Parsons £1	48/3	47/6	5·26	2
47/9	42/9	3¼ a	6½ b	A. Reyrolle £1	43/-*	43/9*	4·46	2½
77/6	63/6	25 c	25 c	Thorn Electrical 5/-	75/6	77/6	1·61	3
				ENGINEERING				
28/3	20/3	9 c	9 c	Babcock & Wilcox £1	22/10½	28/3	6·37	1
35/9	27/3	7 b	3·2 a	John Brown £1	35/6	35/-	5·83	2¾
6/-	4/3	3 a	7 b	Cammell Laird 5/-	5/4½	5/4½	9·30	1
26/6	22/-	10 a	20 b	Internat. Combust. ... 5/-	22/6	24/1½	6·22	1¼
5/6	3/4½	...	...	Rich'ds'ns. Westg'th 10/-	3/7½	4/10½	...	...
38/4½	32/-	2½ a	9½ b	Swan Hunter £1	34/9*	33/7½*	7·14	1¾
14/3	10/6	5 c	5 a	John Thompson 5/-	13/3	14/3	1·75	...
33/6	30/4½	†2½ a	†6¼ b	Coventry Gauge 10/-	32/6	33/6	4·27	2¾
73/7½	60/7½	†2½ a	†6 b	Alfred Herbert £1	67/6	68/9	4·04	2
47/6	39/6	12½ b	5 a	Allied Ironfounders ... £1	43/6	43/6	8·05	1½
96/9	90/9	10 b	5 a	Averys £1	96/3	96/3	3·12	2½
20/3	16/6	4 a	7⅔ b	B.S.A. 10/-	18/6	18/3	6·39	2¼
11/6	9/9	8½ b	4½ a	George Cohen 5/-	11/3	11/6	5·65	1¾
33/-	28/1½	17½ b	10 a	Davy-Ashmore 5/-	28/1½	28/1½	4·89	2¼
81/10½	74/10½	11 b	5 a	Guest Keen £1	76/10½	76/7½	4·18	3½
21/-	19/3	12 b	4 a	Head Wrightson 5/-	19/6	19/3	4·16	2½
85/6	80/6	7 b	5 a	Metal Box £1	83/6	83/-	2·89	2¼
17/3	14/9	10 b	4 a	Ransome & Marles ... 5/-	16/3	16/6	4·24	3
47/6	44/6	7 b	3 a	Renold Chains £1	46/9	47/6	4·21	2
64/10½	55/10½	7 a	7 b	Tube Investments £1	60/6	59/7½	4·70	3
31/1½	25/7½	7½ b	2½ a	Vickers £1	26/10½	25/9	7·77	1¾
71/6	60/-	10 b	3¾ a	Ward (Thos. W.) £1	67/-	66/-	4·17	3
20/6	18/-	22½ b	5 a	Woodall-Duckham ... 5/-	18/6	19/3	5·45**	2¾
				FOOD & TOBACCO				
24/-	19/9	10 c	10 c	Allied Suppliers 10/-	23/-	23/-	4·35	2½
12/4½	10/2¼	12½ b	10 a	Assoc. British Foods .. 1/-	10/3	10/6	2·14	2
61/3	56/3	8 b	4 a	Bovril £1	57/3	58/3	4·12	2½
12/1½	11/4½	†3·9b	†1·7a	Brooke Bond 'B' 5/-	12/-	12/-	3·81	3½
15/9	13/1½	10 b	2½ a	International Tea 5/-	14/4½	15/7½	4·00	1½
81/-	72/9	10⅚ b	5 a	J. Lyons 'A' £1	80/-	81/-	3·91	1¼
35/-	30/-	5 a	9 b	Ranks Hovis 10/-	34/-	35/-	4·00	...
13/7½	10/10½	7½ b	2½ a	Spillers 5/-	13/1½	13/3	3·77	2¼
50/9	47/1½	11 a	1 b	Tate & Lyle £1	47/6	47/3	5·08	2¼
18/-	15/3	9 b	5 a	Unigate 5/-	17/7½	17/7½	3·97	2
63/9	53/3	†22½ c	†5⅚ a	Brit. Amer. Tobac. ... 10/-	54/9*	55/3*	6·65	3
41/3	29/1½	5 a	15 b	Gallaher 10/-	31/-	31/3	6·40	2
63/9	47/9	7½ a	14 b	Imperial Tobacco £1	49/3	49/3	9·14	1¾
				INSURANCE				
8 15/16	6 9/16	†22·7a	†25 b	Britannic 5/-	8 15/16‖	8 15/16‖	2·18	...
68/-	55/3	20 a	25 b	Commercial Union ... 5/-	56/9	59/-	3·81	...
35 15/16	31⅞	†41·17c	†62·74c	Equity & Law Life ... 8/6	33⅞	33⅝	1·29	...
114/-	84/6	10 a	20 b	General Accident 5/-	109/3	108/9	1·38	...
60/-	46/9	...	...	Guardian 5/-	59/3	59/-	2·26**	...
47¾	38½	80 a	110 b	Legal & General 5/-	46¾	47⅝	1·00	...
178/7½	142/9	8½ a	12½ b	Northern & Empl. £1	172/6	175/7½	2·39	...
12⅞	10⅝	†20 a	†70 b	Pearl 5/-	12½	12¾	2·88	...
29¾	24 9/16	†208⅓ c	†208⅓ c	Prudential 'A' 4/-	28⅝	29⅜	2·32	...
47/10½	41/10½	...	...	Royal 5/-	43/1½*	44/1½*	3·39**	...
125/3	103/9	7½ a	11¼ b	Royal Exchange £1	121/9	125/3	2·99	...
				MOTORS & AIRCRAFT				
18/3	15/6	12½ b	7½ a	British Motor 5/-	16/0¾	16/1½	6·20	¾
85/3	80/4½	20 c	20 c	Jaguar Cars 'A' 5/-	84/1½	84/1½	1·19	8
41/6	31/6	11 c	5 a	Rolls-Royce £1	31/9	31/8¼	6·94	2¼
6/8¼	5/9	12 c	4 c	Rootes Motors 'A' ... 4/-	6/4½	6/3¾	2·53	...
78/6	68/3	5 a	11 b	A.C.V. £1	68/10½	69/4½	4·61	2
92/3	76/9	20 c	20 c	Leyland Motors £1	90/3	91/-	4·40	2
15/11¼	13/10½	12½ c	8 a	Bristol Aeroplane ... 10/-	13/10½	14/-	8·93	2¼
24/8¼	19/9	15 c	5 a	Hawker Siddeley £1	19/8	19/9	10·73**	1¼
36/9	26/9	†5½ b	†4 a	Dowty Group 10/-	30/3	29/9	5·21	2¼
36/3	28/1½	5 a	15⅚ b	Dunlop Rubber 10/-	34/11¼	36/3	4·37	2
76/1½	63/9	11¼ b	2½ a	Joseph Lucas £1	75/7½	76/1½	3·61	2¼
22/-	16/9	5 c	9 a	Pressed Steel 5/-	18/6	18/3¾	1·37	1¼
37/7½	34/4½	12½ c	5 a	Triplex Holdings ... 10/-	37/6	37/6	3·33	2¼
				MINES				
150/-	136/3	40 a	50 b	Anglo-American 10/-	146/-	146/-	6·16	1¾
64/3	52/6	6¼ b	18¾ b	Consolid. Gold Fields £1	52/6	53/-	9·43	2½
96/3	81/10½	15 a	20 b	General Mining £1	82/6*	82/6*	8·48	2
60/6	46/6	40·8a	122·5b	Union Corporation .. 2/6	46/9	46/6	8·78	2½
18/-	16/9	40 a	40 b	Daggafontein 5/-	18/-	18/-	22·22	1¼
94/4½	81/10½	70 a	100 b	Free State Geduld ... 5/-	82/6	82/6	10·30	1½
47/6	39/6	25 b	25 a	Hartebeestfontein .. 10/-	40/-	40/-	12·50	1½
56/6	50/6	50 a	60 b	President Brand 5/-	52/6	52/3	10·53	1½
128/9	117/6	90 a	120 b	Western Holdings ... 5/-	120/-*	120/-*	8·75	1¼
19/-	16/-	6 a	5 b	Winkelhaak 10/-	16/3	16/-	6·88	8½
[illegible]/9	42/6	13⅓ a	36⅔ b	Chartered 15/-	43/3	45/-	16·67	1½
[illegible]/6	47/-	60 b	20 a	Rhod. Anglo-Amer. 10/-	49/-	49/-	16·33h	1¾
37/4½	28/6	...	...	Rhod. Selection Tst. ... £1	28/9	28/9	12·52**h	...
21/9	17/6	15 a	17½ b	Tanganyika Cons. ... 10/-	17/6	17/9	18·31	1¼
57/-	48/-	3¾ a	11¼ b	Consolidated Zinc ... £1	53/3	52/-	5·77	1¾
153/1½	135/-	100 a	180 b	De Beers Defd. Reg. .5/-	147/6	150/-	9·33	1¾
$151½	$134	$1·50 c	$1·60 c	Internat. Nickel ... n.p.v.	$139	$142½	2·00	...
18/9	16/4½	7½ a	30 b	London Tin 4/-	17/6	16/9	8·96	1¼
43/9	36/-	27½ c	30 c	Rio Tinto 10/-	38/6	38/9	7·74	1½
35/-	25/9	52½ c	25 a	Tronoh 5/-	29/9	29/6	8·90	1
				PAPER & NEWSPAPERS				
12/10½	11/9	10 b	5 a	Daily Mirror 5/-	11/9	11/9	6·38	1¼
73/-	62/6	8 b	4 a	W. H. Smith & Son 'A' £1	67/6	68/9	3·49	2
24/9	21/3	...	10 a	Thomson Org'n. 5/-	22/-	21/9	5·52**	2
47/3	41/6	5 a	8¾ b	Bowater Paper £1	43/6	42/3	6·51	1¼
45/-	35/-	16 c	5 a	Albert E. Reed £1	35/-	35/9	8·95	1½
43/9	37/-	8½ b	4 a	Spicers £1	43/3	43/6	5·75	1¾
55/-	48/-	10 b	4 a	Wiggins Teape £1	51/-	50/3	5·57	2

Prices, 1962 High	Low	Last Two Dividends (a)	(b) (c)	ORDINARY STOCKS	Price, Apr. 18, 1962	Price, Apr. 25, 1962	Yield, Apr. 25, 1962	Cover
		%	%	**MISCELLANEOUS**				
27/9	21/9	20 b	10 a	Assoc. British Picture 5/-	24/9	25/-	6·00	2¾
33/3	27/7½	40 b	20 a	Assoc. Television 'A' 5/-	28/4½	27/7½	10·86	1¾
52/1½	46/6	14 b	16 a	Beecham Group 5/-	50/2¼	49/2¼	3·05	1¾
39/4½	32/7½	6⅔ b	3⅓ a	British Match £1	35/9	36/3	5·52	2
16/3	13/6	4 a	6⅔ b	British Oxygen 5/-	14/7½	14/-	3·81	1¾
9/10½	8/3	3 a	7 b	British Ropes 5/-	8/4½	8/3	6·06	1½
60/9	55/6	7½ a	15 b	De La Rue 10/-	59/9	60/9	3·70	2
53/6	39/6	7½ a	12½ b	Gestetner 'A' 5/-	51/6	53/6	1·87	3¾
55/9	50/3	15 c	7½ a	Glaxo 10/-	51/-*	50/9*	2·96	3¼
48/6	43/-	3 a	12 b	Harrisons & Cr. Defd. £1	48/-	48/6	6·19	2½
41/3	32/4½	5 a	20 b	Hoover 'A' 5/-	36/3	36/-	3·47	1¾
22/3	17/-	5 a	12½ b	Ilford 5/-	20/9	21/6	4·07	1¼
122/6	107/3	4⅙ a	7 1/12 b	I.C.T. £1	118/-	118/6	1·90	2½
48/9	41/6	12½ c	12½ c	National Canning £1	47/6	48/9	5·13	1
41/-	35/10½	10 b	6 a	Powell Duffryn 10/-	39/10½	41/-	3·90	2¼
40/-	32/4½	17½ b	5 a	Radio Rentals 5/-	39/-	40/-	2·81	2¾
38/-	29/6	15 b	7½ a	Rank Organisation ... 5/-	34/3	34/-	3·31	4
38/-	31/10½	16½ b	7½ a	Schweppes 5/-	33/3	33/1½	3·62	1¾
41/1½	36/7½	25 c	25 c	Sears 'A' 5/-	41/1½	40/11¼	3·05	2
28/7½	24/-	8½ a	11½ b	Thomas Tilling 4/-	28/1½	28/-	2·86	2½
58/-	51/6	4 a	8 b	Turner & Newall 5/-	57/-	57/6	4·17	2
47/3	40/4½	9·47a	15·32b	Unilever £1	41/-	40/10½*	3·03	3
11⅝	10 17/32	8 a	13 b	Unilever N.V. .... 12 fl.	10⅝	10⅝	2·34	3
18/9	15/6	5 a	10 b	United Glass 5/-	16/-	16/-	4·69	...
33/3	27/9	†4⅙ a	†10⅚ b	United Molasses 10/-	28/-	28/-	8·75	1
				SHIPPING				
32/3	24/9	13½ b	6½ a	Brit. & Com'wealth. 10/-	25/7½	25/7½	7·80	2
18/-	15/7½	8 c	6 c	Cunard £1	16/4½	16/6	...	...
17/10½	16/9	7 c	Nil a	France Fenwick £1	17/3	17/6	8·00	½
31/6	21/-	10 c	10 c	Furness Withy £1	23/3	26/6	7·55	1
9/7½	6/6	17½ c	Nil a	London & Overseas .. 5/-	6/7½	6/6	...	...
31/-	17/9	3 a	3 b	P & O Defd. £1	18/-	22/3	5·39	...
12/11½	8/7½	2½ c	2½ c	Reardon Smith 10/-	9/1½	8/10½	2·82	...
12/9	9/9	8 c	5 c	Royal Mail £1	10/-	9/9	10·26	...
				STEEL				
48/4½	38/-	6 a	10 b	Colvilles £1	38/7½	38/1½	8·39	2½
27/3	22/1½	3½ a	6½ b	Dorman Long £1	22/4½	22/4½	8·94	2¼
34/-	28/9	3½ a	7½ b	Lancashire Steel £1	30/7½	28/9	7·65	3
21/4½	13/10½	4 a	6 b	South Durham £1	14/4½	14/4½	13·91	1¼
31/3	27/-	5 a	5 b	Steel Co. of Wales ... £1	29/-	28/1½	7·11	2
36/10½	31/1½	5 a	10 b	Stewarts & Lloyds ... £1	32/1½	31/1½	9·64	2
51/10½	42/10½	6 a	9 b	John Summers £1	50/7½	51/4½	5·84	2
42/4½	33/4½	4·8 a	7½ b	United Steel £1	34/1½	33/4½	7·37	1½
41/-	30/9	6¼ a	8¾ b	Whitehead £1	36/-	36/-	8·33	2
				TEXTILES				
32/-	25/7½	5 a	7½ b	English Sewing Cotton £1	27/10½	32/-	7·81	1½
26/4½	20/7½	10 b	5 a	Fine Spinners £1	25/10½	26/4½	11·37	2
50/9	42/-	7½ a	17½ b	Lancashire Cotton ... £1	45/7½	45/1½	11·08	1¼
42/6	37/10½	5⅚ b	3¾ a	Courtaulds Ass'nt'd. .. £1	40/9‡‡	42/6‡‡	5·88**	...
6/10½	5/4½	4 a	9⅓ b	Illingworth Morris ... 4/-	5/4½	5/7½	9·48	1¾
79/6	74/6	8 a	13 b	West Riding Worsted £1	79/-	79/6	5·28	2½
30/9	28/6	2½ a	7½ b	Woolcombers £1	30/6	30/6	6·56	1¼
17/3	14/1½	6 c	6 c	Bradford Dyers £1	16/7½	17/1½	7·01	1
13/3	10/6	13¾ b	7½ a	Calico Printers 5/-	10/9	11/3	8·89**	3¼
45/4½	39/10½	...	3¾ a	Coats, Patons & B. ... £1	43/9	45/4½	5·51**	2
10/9	9/3	3 a	10 b	Jute Industries 10/-	10/-	10/3	12·68	2¼
26/9	22/6	10 c	10 c	Tootal £1	26/-	26/9	7·48	1¼
				TRUSTS, LAND & PROPERTY				
81/3	67/-	12½ a	25 b	Alliance Trust 5/-	79/-	79/9	2·35	1¼
61/-	52/-	37½ b	12½ a	B.E.T. 'A' Defd. 5/-	60/-	61/-	4·10	1½
17/9	15/3	10 c	10 c	Cable & Wireless 5/-	17/3	17/7½	2·84	1½
66/6	54/3	31⅔ c	10 a	City Centre Props. ... 5/-	63/-	66/6	1·91**	...
81/3	76/6	7½ b	3½ a	City Lond. Real Prop. £1	80/-	81/3	2·71	1
95/-	78/9	7·04a	9·04b	Hudson's Bay £1	86/3*	85/-*	3·78	2½
42/-	30/-	4 b	2 a	Land Securities 10/-	40/9	42/-	1·43	1
37/4½	31/3	12 1/12 c	6⅔ a	Lond. Cnty. Freehld. 10/-	35/3	35/6	3·41	1
				TEA & RUBBER				
46/3	39/6	†25 b	†2½ a	Cons. Tea & Lands ... £1	45/3	46/3	19·42	1
34/-	30/9	†11 b	†3 a	Jokai (Assam) £1	33/9	34/-	13·44	2½
8/6	7/6	...	...	Nuwara Eliya £1	8/-	8/-	...	...
5/9¾	4/10½	29⅙ b	12½ a	Highlands & Lowlands 2/-	5/5¼	5/4½	15·50	1½
5/3	4/9	35 b	7½ a	London Asiatic 2/-	5/3	5/3	16·19	2
76/9	69/-	10 a	35 b	United Sua Betong ... £1	72/-	70/6	12·77	1½

UNIT TRUST PRICES

	April 25		Yield		April 25		Yield
Allied Investors:				**P. Hill, Higginson, Erlangers:**			
Elect. & Ind. D. ...	10/5½	11/2	5·69	Brit. Sharehldrs. ..	13/11½	14/10½	4·00
Metals & Mins. ...	14/3½	15/2½*	7·25	B S International	10/1½	10/9½	4·59
British Life Office:				**Save & Pros. Gp.:**			
British Life Units.	5/2½	5/5½*	3·72	Insurance Units ..	20/7	21/11	1·83
Commonwealth Unit Trust Fund:				Bank Insurance ..	8/6	9/1*	2·53
				Bank Units	10/8½	11/5	3·47
				Investment Tst. ...	7/9½	8/4*	2·75
A E & G Un. Tst. ..	15/9½	16/9½	3·10	Consol'd. BITS ..	15/10½	16/11	2·62
Commonwealth ..	10/6½	11/5*	5·00	Crosby Capital ..	7/8	8/2	2·93
Orthodox Unit ..	13/6½	14/6½	4·74	Crosby Income ..	4/10	5/2	5·81
				Scotbits	5/7	5/10½	2·40
Municipal & Gen.:				Scotshares	4/8	5/-	4·62
Second M & G ...	9/5½	9/11¾	4·34	**Shield Fd. Mangrs.:**			
M & G Gen. Tst. ..	12/5¾	13/2	4·44	Shield Un. Fund ..	4/7	4/10½	3·98
Mid. Ind. & Gen. ..	9/6	10/0¼	4·29	**Dillon Walker:**			
National Group:				Community Un. ..	2/10	3/1*	5·17
				Falcon Trust	4/8½	5/1	5·16
Nat. B.I.F.S.	7/5¼	7/10½	3·46	Intrust Fund	20/-	21/-	4·76
Domestic Unit Fd.	4/7¼	4/10¾	4·17	Unicorn Trust ..	6/10	7/3½	3·72

NEW YORK PRICES AND INDICES

	Apr. 18 $	Apr. 25 $		Apr. 18 $	Apr. 25 $		Apr. 18 $	Apr. 25 $
Atch. Topeka	26¾	25¾	Boeing	47¼	48⅝	Int. Harvester ..	53	53⅝
Can. Pacific	24¾	24⅝	Celanese	40⅛	41⅝	Inter. Nickel ..	78¼	78⅛
Pennsylvania	16½	15⅝	Chrysler	53½	52½	Inter. Paper ...	35⅜	34¼
Union Pacific	32⅜	32	Col. Palmolive ..	47⅜	44⅞	Kennecott	78¾	76
Amer. Electric ...	69¾	71⅛	Crown Zeller. ..	53⅝	53⅝	Monsanto	45⅝	44⅞
Am. Tel. & Tel. ..	128½	128	Distillers Seag. ..	46½	46	Nat. Distillers ..	29½	29½
Cons. Edison	79⅝	79⅞	Douglas	27⅜	27⅜	Pan-American .	21⅛	21⅞
Int. Tel. & Tel. ...	50¾	49½	Dow Chemical ..	57⅜	55⅞	Procter Gamble	83¾	83⅞
South'n. Nat. Gas	46⅜	46⅛	Du Pont	237	234½	Radio Corpn. ..	59⅜	58⅛
United Corpn. ...	8¼	8⅛	East. Kodak	111½	111⅜	Sears Roebuck .	82⅞	83¾
Western Union ..	39⅛	37⅝	Ford Motor	97½	97½	Shell Oil	37⅜	37⅛
Alcoa	63¾	62½	Gen. Electric ...	74	72¼	Socony-Mobil ..	55⅛	55⅜
Aluminium	25⅝	24¼	General Foods ..	84⅞	86¾	Stand. Oil Ind. .	52⅛	51⅞
Amer. Can.	45⅞	45¼	General Motors .	55⅞	55¼	Stand. Oil N.J. .	54⅝	55⅞
Am. Smelting	61¼	63¼	Goodyear	43½	41⅞	Union Carbide .	109¾	107⅞
Am. Viscose	54¾	53⅝	Gulf Oil	43⅞	41½	U.S. Steel	63⅞	59¾
Anaconda	46½	45⅜	Heinz	57	55	West. Electric ..	34⅞	34
Beth. Steel	40⅜	39⅝	Int. Bus. Mach. ..	519	512½	Woolworth	79¼	77

Standard and Poor's Indices (1941-43=10)

1962	425 Industrials	Yield %	25 Rails	Yield %	50 Utilities	Yield %	Govt. Bonds	Yield %
March 28	73·93	2·90	33·35	4·81	64·45	3·13	89·01	3·98
April 4	72·14	2·97	32·44	4·97	64·06	3·15	89·75	3·91
" 11	72·01	2·98	32·55	4·95	64·25	3·15	90·06	3·88
" 18	71·88	2·99	32·70	4·93	63·93	3·17	90·06	3·88
" 25	71·27	3·01	31·77	5·08	63·77	3·17	89·85	3·90

425 Industrials:—High, 75·22 (Jan. 3). Low, 71·13 (April 16).

FOREIGN AND OVERSEAS STOCKS

	Apr. 18	Apr. 25		Apr. 18	Apr. 25		Apr. 18	Apr. 25
FRANCE	Frcs.	Frcs.	**GERMANY**	%	%	**HOLLAND**	%	%
Air Liquide ...	1,388	1,380	A.E.G.	486	476	A.K.U.	370	367⅞
Banque de Paris	599	610	Bad'che. Anilin	475¾	476	Bijenkorf	1,100	1,010
Citroen	242·5	231	Bayer	572	576	Heinekens	535	520
C. F. Petrole ..	295	302	Commerzbank .	557	549	Interunie (Fl.50)	Fl.205	Fl.206
Cie. G. d'Elect.	1,434	1,438	Deutsche Bank .	634	640	K. N. Hoogoven	759½	751⅛
Machines Bull .	781	801	Hoechst Farb. .	512	514	Kon. Zout-Ket.	1,015	985
Pechiney	287	285	Kundenkredit .	500	498	Philips	908½	881¼
Printemps	730	740	Lowenbrau	1,215	1,225	Robeco (Fl.50) .	Fl.236	Fl.238
Rhone-Poulenc	519	527	Mannesmann ..	237½	235	Rotterdam Bk. .	389¾	383⅜
S.I.M.	425	450	Siemens	655	671	Thomassen & D.	709¾	700
Saint-Gobain ..	429	432·5	Thyssen-Huette	203	202	Valeurop	Fl. 80	Fl. 81
Usinor	251	242·5	Volkswagen ...	680	671	Zwanenberg ..	1,037	1,040
Index ...... Dec. 30, 1960=100.	110·9	113·1	Herstatt Index Dec. 31, 1939=100.	108·38	108·61	Index ...... 1953=100.	367·82	362·85
CANADA	$	$	**AUSTRALIA**	£A	£A	**JAPAN**	Yen	Yen
Abitibi Pr. & P.	46⅞	47	Ampol Pet.	12/6	12/6	Ajinomoto	547	512
Aluminium ...	26⅞	25⅜	Ass. Pulp & P. .	32/6	33/-	Fuji Iron	48	48
Bell Tel.	56⅞	55⅞	Aust. Con. Inds.	71/-	70/9	Hitachi	84	84
Can. Brewer's .	10¾	10⅝	Aust. Oil & Gas	81/6	80/-	Honda Motor ..	251	280
Can. Imp. Bank	66¾	67½	Brit. Tobacco ..	21/10	22/-	Kirin Brewery .	500	490
Can. Pac. R'ly. .	26¼	26	Broken Hill Pty.	62/6	63/-	Mitsub. Chem. .	62	63
Hiram Walker	58¾	58⅜	G. J. Coles	13/9	13/9	Mitsub. Elect. ..	71	72
Imperial Oil ..	48¼	47⅞	Felt & Textiles .	7/11	7/11	Mitsub. Heavy .	66	69
Noranda Mines	61	60¾	I.C.I. A.N.Z. ...	42/-	42/6	Nippon Elect. ..	375	369
Shawinigan Wtr	23⅛	22	Myer Emporium	33/-	33/-	Sony	775	751
Steel of Canada	85⅜	84⅞	Ready Mix Con.	17/11	17/10	Toyo Rayon ...	142	151
Trans.Can.Pipe	23⅝	23⅛	Woolworth	16/7	16/7	Yawata Iron ...	51	52
Toronto Ind. Index ...... 1933=100.	622·15	618·02	Sydney Indust. Index ...... 1937/39=100.	302·77	305·06	Dow Jones Average	1359·85	1342·[illegible]

* Ex dividend. † Tax free. ‡ Assumed average life 7¼ years. § The net redemption yields allow for tax at 7s. 9d. in £. ‖ Ex capitalisation. ¶ Ex rights. ‡‡ Ex all. (a) Interim dividend. (b) Final dividend. (c) Year's dividend. (d) Capital distribution of 1s. 0d. per share. (f) Flat yield. (g) Equivalent to 7·2 sterling. (h) After Rhodesian tax. (l) To latest date. Japanese prices supplied by Daiwa Securities Tokyo.

** Yields based on assumed dividends:—Bass, Mitchells & B., 11%. Calico Printers, 20%. City Centre Props., 25⅓%. Coats, Patons & B., 12½%. Courtaulds, 12½%. Crittall Mfg., 16⅞%. Guardian, 26⅔%. Hawker Siddeley, 10·6%. Ind Coope, T.A., 12% on merger terms. Midland Bank, 15%. Rhodesian Selection Trust, 18%. Royal Insurance, 30%. Thomson Organisation, 24%. Woodall-Duckham, 21%.

The following list shows the most recent dates on which each statistical page appeared.

BRITISH

Prices and Wages........	April 7th	External Trade...........	Mar. 31st
Manpower and Output.....	This week	Industrial Profits..........	April 21st

OVERSEAS

Western Europe..........	April 14th	United States.............	Mar. 10th

Manpower and Output

Labour figures relate to Great Britain and production figures to United Kingdom unless otherwise stated.
M = Monthly averages or calendar months.
W = Weekly averages.

	Unit	Mid-year or averages 1959	1960	1961	1961 Jan.	Feb.	Mar.	1961 Nov.	Dec.	1962 Jan.	Feb.	Mar.
TOTAL MANPOWER		June figures										
Working population:												
Total	'000s	24,145	24,436	24,650	24,563	24,560	24,517	24,903	24,769	24,762	24,750	...
Men	,,	16,137	16,239	16,325	16,315	16,317	16,284	16,432	16,401	16,411	16,410	...
Women	,,	8,008	8,197	8,325	8,248	8,243	8,233	8,471	8,368	8,351	8,340	...
Armed Forces	,,	565	518	474	500	494	485	457	454	452	449	...
Civil employment:												
Total	,,	23,197	23,628	23,925	23,713	23,734	23,710	24,094	23,923	23,894	23,889	...
Manufacturing industries	,,	8,477	8,811	8,928	8,911	8,906	8,894	9,008	8,938	8,952	8,934	...
Employees:												
in engineering (2)	,,	3,545	3,741	3,799	3,788	3,787	3,785	3,855	3,836	3,843	...	...
in consumer goods industries (3)	,,	3,101	3,153	3,170	3,173	3,170	3,162	3,206	3,171	3,179	...	...
UNEMPLOYMENT		Monthly averages										
By duration:												
All durations—total	,,	475·2	360·4	340·7	418·9	389·7	350·8	387·4	389·4	461·0	453·8	441·8 (16)
Temporary	,,	30·7	14·5	28·6	59·4	47·9	28·5	39·0	34·9	40·6	40·4	30·6
Wholly unemployed (5)—total	,,	432·8	337·2	304·8	351·4	338·6	320·5	345·6	352·9	406·7	407·9	408·1 (17)
,, ,, Seasonally adjusted	,,	...	...	...	299·9	285·5	285·5	334·1	341·3	355·2	353·9	371·7 (18)
Over 8 weeks	,,	243·4	187·6	157·1	184·1	180·8	174·3	155·3	168·5	198·0	204·5	211·4
By regions (4):												
Great Britain	%	2·2	1·6	1·6	1·9	1·7	1·6	1·7	1·7	2·0	2·0	2·0 (19)
London and South Eastern	,,	1·3	0·9	1·0	1·3	1·1	1·0	1·1	1·1	1·3	1·3	1·2
Eastern and Southern	,,	1·5	1·2	1·1	1·7	1·6	1·2	1·4	1·2	1·5	1·5	1·5
South Western	,,	2·2	1·7	1·4	1·8	1·7	1·6	1·7	1·7	2·0	1·9	1·8
Midland	,,	1·5	1·0	1·4	2·0	1·8	1·5	1·7	1·6	1·8	1·6	1·5
North Midland	,,	1·5	1·1	1·0	1·1	1·3	1·2	1·1	1·1	1·4	1·4	1·3
East and West Ridings	,,	1·9	1·2	1·0	1·1	1·0	1·0	1·2	1·2	1·5	1·5	1·5
North Western	,,	2·8	1·9	1·6	1·7	1·7	1·6	1·9	1·8	2·2	2·4	2·4
Northern	,,	3·3	2·8	2·5	2·8	2·6	2·4	2·9	3·0	3·5	3·6	3·5
Scotland	,,	4·4	3·6	3·1	3·7	3·5	3·3	3·2	3·5	3·9	4·0	3·7
Wales	,,	3·8	2·7	2·6	3·1	2·9	2·6	2·8	2·8	3·3	3·2	3·2
VACANCIES												
Unfilled vacancies: Total	'000s	224	314	320	281	290	314	263	249	223	213	218 (20)
,, ,, Seasonally adjusted	,,	...	...	...	317	322	327	282	273	261	253	239 (21)
STOPPAGES OF WORK												
Working days lost: Total ... M	'000s	439	252	253	151	472	442	156	72	110	1,928	...
in engineering (2) (15) industries ... M	,,	80 (14)	121	122	52	171	172	49	33	49	1,853	...
INDUSTRIAL PRODUCTION												
Index:												
All industries	1958=100	105	112	114	112	117	118	119	111	111	117	...
,, seasonally adjusted	,,	...	...	...	112	113	114	112	112	110	113	...
Mining and quarrying	,,	97	94	93	95	96	95	101	92	94	101	...
Construction	,,	106	111	118	...	115 (9)	...	119 (13)	...	...	...	...
Gas, electricity and water	,,	103	110	116	139	130	121	134	144	148	143	...
Manufacturing, total	,,	106	115	115	112	118	120	119	110	109	116	...
,, ,, seasonally adjusted	,,	...	...	...	113	115	116	112	112	110	113	...
Engineering and electrical goods	,,	105	114	121	110	120	126	128	129	113	...	...
Shipbuilding	,,	94	85	86	85	87	87	88	87	88	...	...
Vehicles	,,	109	118	109	110	116	120	108	100	113	...	...
Chemical trades	,,	111	122	124	125	131	130	128	119	124	...	...
Textiles, leather and clothing	,,	107	113	111	107	118	120	118	100	102	...	...
Basic material production:		M/W averages										
Coal (7) (8) ... W	'000 tons	3,963	3,725	3,663	3,761	3,849	3,763	4,061	3,689	3,810	4,086	4,109
Pig iron ... W	,,	242	303	284	308	302	313	270	250	253	269	277
Steel, ingots and castings ... W	,,	388	467	425	478	485	471	420	357	382	415	413
Sulphuric acid ... M	,,	202·3	225·1	221·8	229·7	210·2	242·0	226·5	230·0	217·6	...	...
Newsprint ... W	,,	12·87	14·25	13·70	14·61	14·39	15·06	14·21	13·63	13·73	...	...
Electricity (7) (11) ... M	mn. kwh	8,764	9,904	10,631	13,266	11,033	11,236	12,856	14,113	14,446	12,600	...
Gas (12) ... W	mn. therms	53·5	55·7	55·7	70·0	65·4	60·4	63·2	69·1	71·2	69·7	73·5
Textile production:												
Cotton yarn, single ... W	mn. lb.	14·58	14·44	13·21	14·21	14·47	14·28	13·38	10·85	12·37	12·88	...
Worsted yarn (6) ... M	,,	19·34	20·40	20·52	21·43	20·23	22·89	22·66	17·82	21·36	19·10	...
Rayon and synthetic fibres ... M	,,	42·89	49·33	47·47	48·45	43·13	47·53	52·07	49·77	50·20	46·30	...
Cotton cloth, woven ... W	mn. yds.	25·7	24·9	23·8	25·1	25·2	25·4	24·4	20·3	22·0	22·8	...
Wool fabrics, woven (6) ... M	mn. sq. yds.	30·4	30·6	29·3	31·3	28·4	31·7	32·1	26·1	30·2	26·5	...
Engineering production:												
Passenger cars and chassis ... W	'000s	22·88	26·01	19·31	14·95	15·11	19·56	20·46	19·98	23·50	25·63	26·1
Commercial vehicles and chassis ... W	,,	7·13	8·81	8·85	9·54	10·03	9·27	8·74	7·51	8·35	8·71	8·7
Merchant ships (1) ... M	'000 gr. tons	115	108	115	44	92	244	131	121	96	86	...
Internal combustion engines (6) ... M	'000 BHP	468	577	587	615	586	737	570	552	...	...	...
Metal-working machine tools (6) ... M	£'000	6,564	7,911	9,823	9,766	9,574	11,158	10,063	10,808	...	...	...
Television sets ... M	'000s	238·6	178·4	104·7	92·6	87·7	92·1	162·3	124·4	...	...	...
Permanent houses completed (10):												
Total ... M	'000s	20·78	22·44	22·40	18·72	20·42	22·97	22·79	23·79	18·60	19·90	...
For local housing authorities ... M	,,	8·29	8·60	7·74	6·23	6·95	8·98	7·68	9·88	6·27	8·01	...

(1) Vessels of 100 gross tons and over completed. (2) Engineering and electrical goods, shipbuilding and marine engineering, vehicles, metal goods. (3) Textiles, leather goods, clothing, food, drink and tobacco, timber, furniture, paper, printing and publishing. (4) Number registered as unemployed expressed as a percentage of the estimated number of employees. (5) Excluding school-leavers. (6) Deliveries. (7) Great Britain. (8) Excluding all screening losses normally amounting to around 5,000 tons a week. (9) Average for first quarter. (10) England and Wales. (11) Generation for public supply. (12) Total available at gas works. (13) Average for fourth quarter. (14) On 1948 Standard Industrial Classification; later figures on 1958 classification. (15) Also including metal manufacture. (16) April 438·7. (17) April [illegible] 402·9. (18) April 387·2. (19) April 2·0. (20) April 239. (21) April 229.

APPOINTMENTS

For further appointments and other classified advertisements see page 408

THE WELSH NATIONAL SCHOOL OF MEDICINE

(University of Wales)

AND

THE MEDICAL RESEARCH COUNCIL

Applications are invited for the joint appointment of

SENIOR LECTURER IN MEDICAL STATISTICS

between The Welsh National School of Medicine and the Medical Research Council's Epidemiological Research Unit, under the Professor of Social and Occupational Medicine and the Director of the Epidemiological Research Unit. The candidate need not be medically qualified.

The successful candidate will be expected to devote the whole of his time to research and teaching.

The appointment will be made at a suitable point on the Senior Lecturer salary scale (£1,700 by £100 to £2,450) with participation in superannuation and family allowance schemes.

Applications (12 copies) together with the names and addresses of three referees, should be submitted within three weeks of the appearance of this advertisement, to the Secretary, 34 Newport Road, Cardiff, from whom further particulars may be obtained.

E. DODSWORTH
Secretary.

34 Newport Road,
Cardiff.
April, 1962.

UNIVERSITY OF GLASGOW

DEPARTMENT OF SOCIAL AND ECONOMIC RESEARCH

ASSISTANTSHIP IN APPLIED ECONOMICS

Applications are invited for an Assistantship in Applied Economics. Salary scale £800-£950 per annum. Initial salary according to experience and qualifications. F.S.S.U. and family allowance benefits.

Applications (three copies) should be lodged not later than May 18, 1962, with the undersigned from whom further particulars may be obtained.

ROBT. T. HUTCHESON,
Secretary of University Court.

For other appointments see page 407

UNIVERSITY OF ST. ANDREWS

Applications are invited for a LECTURESHIP in ECONOMICS in QUEEN'S COLLEGE, DUNDEE; preference to candidates specialising in economic theory. Salary scale: £1,050 by £50 to £1,400 (efficiency bar) by £75 to £1,850 per annum; placing according to qualifications and experience but it is hoped that an appointment may be made at a point above the efficiency bar. F.S.S.U.; family allowance; grant towards furniture removal expenses. Applications (6 copies) with names of three referees, to Secretary of the University, c/o Queen's College, Dundee, from whom further particulars may be obtained, not later than May 19, 1962.

H.M. TREASURY (ECONOMIC SECTION)

at least 2 appointments as ECONOMIC ASSISTANTS for work in London on economic trends at home and overseas are offered to men or women aged at least 21 and preferably under 30 on 1.4.62, with 1st or 2nd class honours degrees in Economics or closely related subjects. Final year students may apply. Salary scale, £793-£1,282; starting salary according to age and experience. Initial appointment for 5 years or less by arrangement. F.S.S.U. Application forms, obtainable from Civil Service Commission, Burlington Gardens, London, W.1. (quote 5460/62), should be returned by May 18, 1962.

AUSTRALIAN NATIONAL UNIVERSITY

INSTITUTE OF ADVANCED STUDIES

RESEARCH FELLOWSHIP IN GEOGRAPHY

Applications are invited for a Research Fellowship in the Department of Geography. Other things being equal, preference will be given to candidates who have specialised in the fields of Agricultural Geography or Geomorphology.

Senior Staff of the Department in 1962 will comprise Professor O.H.K. Spate (Political, Social, Historical Geography); Mr. J. N. Jennings (Geomorphology, especially coastal and limestone geomorphology); Dr. H. C. Brookfield (Social Geography, especially tropical studies); Drs. D. Walker and R. G. Robbins (Biogeography, especially Malaysia and Melanesia); and Dr. G. J. R. Linge (Urban and industrial geography). The Department has strong interests both in Australia and the Pacific Islands, including New Guinea.

The salary range for Research Fellows is £A1,625/£2,450 p.a. with annual increments of £75; initial salary will depend on qualifications and experience. Appointment is for three years with possible extension to a maximum of five years.

Superannuation is on the F.S.S.U. pattern. Reasonable travel expenses are paid and assistance with housing is provided.

Further particulars should be obtained from the Secretary, Association of Universities of the British Commonwealth (Branch Office), Marlborough House, Pall Mall, London, S.W.1.

Applications close in Australia and London on *June 8, 1962.*

WOOLWICH POLYTECHNIC,

LONDON, S.E.18

Principal —
Harold Heywood, D.Sc., Ph.D., A.C.G.I., Wh.Sch., M.I.Mech.E., M.I.Chem.E.

Applications invited for the following appointments. An applicant should have a good honours degree and/or a recognised professional qualification. For posts (i) to (v) a Higher Degree and/or Research experience are desirable.

(i) Lecturer in Government and Political Theory for B.Sc.(Econ) Degree Courses.
(ii) Lecturer in Monetary Theory and International Trade for B.Sc.(Econ) Degree Courses.
(iii) Lecturer in Economics (Principles and Applied) for B.Sc.(Econ) Degree and Management Courses.
(iv) Lecturer with special qualifications in Modern Economic History and ancillary Economics for B.Sc.(Econ) Degree and Business Administration Courses.
(v) Assistant Lecturer, Grade B for Accounting and Allied Subjects.
(vi) Assistant Lecturer, Grade B for English and a modern foreign Language (French and/or German).

Salary—Lecturer £1,600-£1,800, plus London Allowance £45-£60. Assistant Lecturer, Grade B within £770-£1,070, according to qualifications and experience, plus London Allowance £45-£60.

Particulars and application form from Clerk to Governors, to be returned by May 11, 1962.

BOARD OF TRADE

BANKRUPTCY EXAMINERS

The Bankruptcy and Companies (Official Receivers) Service has vacancies for 50 Examiners (men or women). The work involves investigating the affairs of companies in compulsory liquidation and of partnerships and individuals in bankruptcy, and should appeal to those with an insight into human nature and a liking for an active life in the world of affairs. An accurate appreciation of words and legal connotations, and the ability to grasp the significance of a balance sheet and account books are essential.

Applicants must be at least 20 on 1.6.62, and must have passed *either* (i) the Intermediate Examination of the Institute of Chartered Accountants (England and Wales, Scotland, or Ireland), the Association of Certified and Corporate Accountants, or the Society of Incorporated Accountants; *or* (ii) the Final Examination of the Chartered Institute of Secretaries or the Corporation of Secretaries.

Starting salary in Inner London for successful candidates aged 20-24 ranges from £596 to £793, according to age; for those aged 25 or over it ranges from £840 to £1,090, depending on qualifications and experience. The maximum of the scale (Inner London) is £1,490, but there are prospects of promotion to posts carrying salaries well above £2,000. All posts are pensionable.

For further information and an application form, write to Civil Service Commission, Burlington Gardens, London, W.1, quoting 5471/62/13. Early application advised.

BBC requires Assistant, Sound Transcription Promotions. Duties include general assistance to Transcription Distribution Manager in promoting use of BBC transcriptions by sound broadcasting stations throughout the world, and in particular, responsibility for production of catalogue, booklets, pamphlets and illustrations. Applicants must have a lively and creative publicity sense, a good general understanding of broadcast programmes as well as ability to discern those elements in BBC programmes which are likely to appeal to broadcasting stations overseas. Ability to write with a good literary style essential, some knowledge of typography and layout desirable. Salary £1,575 (possibly higher if qualifications exceptional) rising by five annual increments to £2,000 max. p.a. Requests for application forms (enclosing addressed envelope and quoting reference 62.G.91E.t) should reach Appointments Officer, Broadcasting House, London, W.1, within five days.

AUSTRALIAN NATIONAL UNIVERSITY

SCHOOL OF GENERAL STUDIES

Applications are invited for the following appointments in the School of General Studies of the University. Appointees will be required to take up duty on January 1, 1963, or as soon as possible thereafter.

IN THE FACULTY OF ARTS
Lecturer in English Language.
Lecturer in French (Native Speaker).
Senior Lecturer or Lecturer in Geography.
Associate Professor in History.
Lecturer in Greek Philosophy.

IN THE FACULTY OF ECONOMICS
Lecturer in Economics.
Senior Lecturer or Lecturer in Statistics.

IN THE FACULTY OF LAW
Senior Lecturer in Law.

SALARY RANGES
Academic salaries are as follows: Associate Professor, £A3,300; SENIOR LECTURER, £A2,450-110-£A3,000; LECTURER, £A1,750-100-£A2,450. Commencing salary will be in accordance with qualifications and experience. A cost of living allowance, at present £A31 p.a., will also be paid up to and including the rank of lecturer.

FURTHER INFORMATION and the forms which must accompany an application may be obtained from the Secretary, Association of Universities of the British Commonwealth (Branch Office), Marlborough House, Pall Mall, London, S.W.1.

Applications close in Australia and London on *June 1, 1962.*

CITY OF OXFORD EDUCATION COMMITTEE

COLLEGE OF TECHNOLOGY

Required in September next:
SENIOR LECTURER IN ECONOMICS and related subjects for established full-time and part-time courses for B.Sc.(Econ.).
LECTURER in MANAGEMENT STUDIES with good qualifications in the field of Applied Economics and industrial relations and with some industrial experience.
LECTURER in WORK STUDY with good qualifications preferably in the field of Economics or Mathematics and some industrial experience.
Facilities for research available.
Salaries, Burnham Technical Scale. Senior Lecturer £1,800 to £2,000; Lecturer £1,600 to £1,800 per annum.
Further particulars and application form, which should be returned by May 14th, can be obtained from The Principal, College of Technology, Headington, Oxford. Stamped addressed envelope required.

THE International Sugar Council has vacancy for assistant in Economic Section; preferably recent graduate or prospective 1962 graduate able to start immediately after Finals.

Apply to Executive Director, International Sugar Council, 28 Haymarket, S.W.1.

NUFFIELD COLLEGE OXFORD

STUDENTSHIPS

Applications are invited from men or women graduates who wish to undertake research in economics; politics; sociology; recent economic and social history and political history; industrial relations; African studies; public and social administration; international and public law, or any other branch of the social studies.

Further particulars and the necessary forms are obtainable from the Warden. Applications should reach him by May 15, 1962.

APPOINTMENTS REQUIRED

GEOGRAPHICAL approach to Common Market. Am interested in building bridgehead in Germany. Want to work as "Special Representative." Excellent relations, assessment of market prospects available. Write to H. B. Westphal, Rathausufer 17, Dusseldorf, Germany.

EXECUTIVE, 28, single, B.Sc.(Econ) Upper Second (Redbrick), returning to England April 25th after three years' experience in Sales and Marketing with major oil company in East Africa; bilingual; fluid report writing; highly analytical and up-to-date in current international affairs; glad to travel; seeks interesting job with prospects. Box 1616.

EDUCATION: BUSINESS AND PERSONAL

UNIVERSITY OF LONDON. A course of two lectures entitled "Sociological Studies and Changing Social Reality in Post-War Poland" (1) "Changing Social Reality in Post-War Poland"; (2) "Polish Post-War Sociology. Tasks, Problems and Conditions of Inquiry" will be delivered by Professor S. Ossowski (Warsaw) at 5 p.m. on May 8th and 10th at the London School of Economics and Political Science, Houghton Street, Aldwych, W.C.2. ADMISSION FREE, WITHOUT TICKET. James Henderson, Academic Registrar.

EXPERT POSTAL TUITION

for Examinations: B.Sc.Econ., Law, Accountancy, Costing, Secretarial, Civil Service, Management, Export, Commercial, General Certificate of Education, etc. Also many practical (non-examination) courses in business subjects. Write today for free prospectus and/or advice, mentioning examination or subjects in which interested, to the Secretary (G9/2),

METROPOLITAN COLLEGE, ST. ALBANS

or call at 30 Queen Victoria Street, London, E.C.4. Established 1910.

SECRETARIAL TRAINING, especially for university graduates and older students. Six-month and intensive 14-week courses. Write, Organising Secretary, Davies's, 158, Holland Park Avenue, W.11. PARK 4654.

TUITION FOR B.Sc. ECONOMICS

Wolsey Hall (Est. 1894) provides Postal Courses in a wide range of subjects for the two examinations for London Univ. B.Sc.Econ. (three if entrance is included) at moderate fees. 1,431 Wolsey Hall students passed London University B.Sc. Economics Exams., 1930-60. Tuition also for G.C.E., Law, Statistical, other exams. Prospectus (mention examination) from E. W. Shaw Fletcher, C.B.E., LL.B., Director of Studies, Dept. [illegible]

WOLSEY HALL, OXFORD

THE ROYAL BANK OF CANADA

DIVIDEND NO. 299

NOTICE IS HEREBY GIVEN that a DIVIDEND of 55 cents per share upon the paid-up capital stock of this Bank has been DECLARED for the current quarter and will be payable at the Bank and its Branches on and after June 1, 1962, to Shareholders of record at the close of business on April 30, 1962.

By Order of the Board
C. B. NEAPOLE
General Manager

April 18, 1962.

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McINTYRE PORCUPINE

MINES LIMITED

DIVIDEND Number 195

NOTICE is hereby given that a dividend of thirty cents (30¢) per share in Canadian currency will be paid June 1st, 1962, to shareholders of record at the close of business May 1st, 1962.

By Order of the Board
F. T. McKINNEY
Secretary

Dated at Toronto, Ontario
April 16th, 1962

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PROPERTY

CITY OF HALIFAX NOVA SCOTIA, CANADA

Call for Development Proposals Central Redevelopment Area

Halifax, the Capital City of Nova Scotia, together with its fast-growing Metropolitan area, has a population of approximately 200,000. It is an important administrative, cultural, commercial, and industrial centre and one of Canada's major ports open the year round.

The City Corporation, with the assistance of the Government of Canada represented by Central Mortgage and Housing Corporation, has acquired and cleared 13.9 acres of land in the Central Business area of the City as a first step in a Phased Redevelopment Programme.

The City is offering the cleared area for residential and commercial development by private enterprise. Plans, development conditions, and proposal forms may be obtained on application to the undersigned on payment of a certified cheque or Bank Draft for $50 (Canadian funds) payable to the City of Halifax to be refunded on submission of proposals.

Development Proposals will be received by the undersigned at the City Hall, Halifax, Nova Scotia, Canada, up to 3 p.m. Atlantic Standard Time, October 31, 1962.

P. F. C. BYARS, City Manager.

City Hall, Halifax,
Nova Scotia, Canada.