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COMMONWEALTH and

THE EMPIRE REVIEW

AND



JOURNAL OF BRITISH TRADE

EDITED BY

SIR CLEMENT KINLOCH-COOKE

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THE EMPIRE REVIEW

AND

JOURNAL OF BRITISH TRADE

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No. 228.

PROBLEMS OF INDUSTRY.

The Anti-Dumping Bill.

So difficult and complicated a measure as the Imports and Exports Regulation Bill could scarcely fail to invite controversy. That it would require careful examination and amendment was evidently anticipated by the Prime Minister, who very wisely suggested at Manchester that his audience should make good use of the period, prior to the introduction of the Bill, to crystallise their objections and recommendations. We have not space here to deal exhaustively with the subject, but a few of what appears to us to be cardinal defects in the measure may perhaps be mentioned. The constitution of the Trade Regulation Committee, as laid down, consists of seven officials and ten members of the House of Commons. In our opinion it is extremely improbable that a Committee thus constituted would command the confidence of the business community. It is also inadvisable that the ministerial heads and principal officers of departments of State should be endowed with so comprehensive a measure of executive authority, practically uncontrolled by Parliament. Moreover, the Members of the House of Commons would doubtless be appointed for their political views rather than for their industrial and commercial knowledge and experience. Again, a body of this character would change in sympathy with every change of Government, thus sacrificing what in business matters is essential to their success—continuity of policy. Far better to have a permanent non-political body consisting of business men, representatives of labour, and representatives of interests directly affecting the consumer, free and unfettered by

departmental control, but responsible to Parliament through the President of the Board of Trade.

Key Industries.

We should also like to see the provisions against dumping in operation in Canada and other of our overseas Dominions substituted for those in the Bill. The collection of differences between "Foreign Value" and "Import Price," and "Foreign Value" and "Price on First Sale," must entail confusion and delay, and it would simplify things to apply to dumped goods generally a tariff scale calculated on such a basis as would cover all possible cases of dumping. Again, the best criterion for deciding whether dumping is taking place or not, is the actual price at which the goods are being sold in the country of origin. Then the list of key industries in Part 3 can scarcely fail to occasion dissatisfaction. Many budding and promising industries, which do not appear in the list, are certain to be subjected to the fiercest competition, and every opportunity ought to be given manufacturers to prove that their industries come within the scope of the Bill. Lastly, the feeling of the business community is antagonistic to trade by "licence;" of this method of carrying on commercial transactions it had long and bitter experience during the war. Still with all its drawbacks the Bill has an excellent foundation, and if the objectors are many there is no doubt that with careful revision it can be made a workable and beneficial measure.

Labour Situation.

The labour situation remains vague and uncertain. Production has increased; the wheels of industry are turning more smoothly but a definite menace is maturing. The Trades Unions Congress met early in the month, and the question of what steps should be taken to secure the nationalisation of the mining industry was the most important item on the agenda. There was the usual inflammatory rhetoric; threats were freely pronounced, but the course of action adopted was much saner. It was decided to develop the propaganda campaign and to call a new congress in February. The extremists were careful to point out that they had little belief that this would have any effect, and that in the end either the Government would give way or there would be a fight. Were the feeling of the rank and file of the Unions unanimous for a strike in the spring the situation would be serious indeed, but it is certain there must be a great internal struggle before the movement, as a whole, adopts the principle of a general strike. On the other hand no one should be gulled into believing that this peril will always be postponed. The need of counter-propaganda

is therefore most urgent; a campaign of enlightenment should be at once started so that the rank and file of the movement may understand the gravity of the issues involved; nothing less than a declaration of war between organised labour and the rest of the community.

The Extremist Programme

The fantastic elements of the "advanced" Labour programme were admirably illustrated in the election address of the Labour candidate for Spen Valley. His proposals for Ireland and India would certainly lead to the separation of both these countries from the Empire. But his economic ideals were even more remarkable. He would nationalise the mines and the railways, insist on the Government spending at least 200 millions on housing, and would make the State responsible for the "maintenance" of every child during its period of education. He would have the land for the people, mothers' pensions, larger increases in Old Age pensions and other costly proposals, which in the aggregate would demand an expenditure of several thousands of millions of pounds. He would raise this sum and pay off the National Debt "at once" by a levy on capital, a proposition economically impossible. All this hazy magniloquence is due to the venerable fable that there is a bottomless reservoir of "Government money" and "Capital" from which the wildest schemes and the most comprehensive reforms can be financed. To get into Parliament on such a programme is to obtain votes by false pretences. Such fantasies should be ruthlessly exposed and analysed by all who have the opportunity of doing so.

Housing Shortage

The housing shortage is a strong contributory cause of industrial unrest, and we shall never get the productive power of the country working at full pressure till it approaches solution. There are many causes for this shortage. The land values duties have had a very definite effect. During the five years previous to their introduction 640,672 houses were built; in the five succeeding years only 394,750. Again, the output per worker has declined. That is partly due to deliberate restriction by the men, partly to the lack of labour-saving devices. Standardised parts and new methods of construction would help greatly. There is a serious deficiency in material due, in no small degree, to the chaotic state of transport throughout the country. There is, too, the usual financial difficulty, Government loans and a flood of new issues having absorbed our surplus capital. But the greatest handicap of all is the Restriction of Rents Act. While the provisions of that Act are in operation it is impossible to expect private

builders to show any enthusiasm, neither can loans be raised by local authorities if they cannot obtain an economic return for the money laid out. Everything connected with the building of houses has increased enormously since 1914, yet rents are fixed at 10 per cent. above the 1914 level. It is no answer to say that this does not apply to new houses, because the rent of new houses is governed by the rent of those already built. The Government is endeavouring to encourage the private builder by a subsidy. This should do some good, but it must be remembered that 6 per cent. on £150 is only about 3s. 3d. per week, a sum by no means sufficient to bridge the gulf between restricted rent and economic rent. That gulf should be gradually spanned by allowing rents steadily to rise to the economic level.

Trade Returns

The Trade Returns for November have received an enthusiastic welcome, but while showing a move in the right direction, they are not quite so exhilarating as at first sight appears. The volume imports of raw materials have declined and the volume exports have increased. Two facts, however, must be borne in mind, the October figures were materially affected by the railway strike, which influenced exports more than imports, and November is usually a busy month. As one high authority puts it: "That the real adverse balance, after allowing for invisible exports, has disappeared we do not believe. The optimists forget that there are invisible imports as well as invisible exports, and there can be no question that the former are far greater than before the war." The Exchanges are the surest guides to our economic condition, and they have not begun to rally. At the same time the moulders' strike has had a most disastrous effect on industry for many weeks. Some remarkable evidence appeared in a commercial paper as to the loss we have sustained in South America through this cause. In many cases American machinery is being installed, though British machinery would have been greatly preferred. Seeing that we possess that invaluable asset, a settled belief in most of the countries that British goods are the best finished and the most reliable, once this most disabling struggle is settled—it is amazing that it should have been allowed to last so long—we ought to see the greatest boom ever known in British trade.

Currency Reform

In their final report on Currency and Foreign Exchanges after the War the Committee gives it as their opinion that "a sound system of currency would in itself secure equilibrium in the Foreign Exchanges." If by the words "in itself" we are asked

to imply that our detrimental exchange position is entirely due to over-issue of Treasury Notes, that would seem a very debateable conclusion. Such, however, does not appear to be the case. For later on the Committee state that this expanded state of credit is merely "an important cause of the depreciation in sterling in New York and other financial centres." They recommend that the actual fiduciary circulation in any year should become the legal maximum for the following year, "and that British exporters should be advised to trade with countries which can make payment in the ordinary course of trade." These recommendations were promptly adopted by the Government. For next year the maximum has been fixed at £320,600,000, that is to say any issue above that sum will have to be covered by gold or bank notes. We await with interest the result of this measure. No doubt it will limit the credit-giving power of banks, which depends on their capacity to obtain cash, but we question whether the advice given to British exporters that they should trade with countries which can pay cash will be anything more than an amiable but perfunctory suggestion. Such admirable counsels of perfection are incompatible with the contemporary economic condition of European countries. Other reforms are that the notes of Scottish and Irish banks shall no longer be legal tender, and that the provision for the issue of currency notes on loan to the joint-stock banks is withdrawn. We readily agree that "increased production, cessation of Government borrowing, and decreased expenditure" are the first essentials of our financial recovery, but we cannot say that the proposals as a whole are either comprehensive or impressive. At the same time our financial condition was never so alarming or perilous as the scare-mongers would have liked us to believe.

Limitation of Profits

The Coal Industry (Emergency) Bill was framed to honour a pledge made by the Government at the time of the Interim Report of the Sankey Commission under circumstances very different to those prevailing to-day. The Coalition members of the House were prepared loyally to stand by the pledge, though bitterly hostile to the principle involved. However, the Labour Party somewhat unexpectedly declared its intention of voting against the Bill on the ground that it was opposed to the principle of Nationalisation. The Bill, therefore, lost all its *raison d'être* and its discussion was adjourned. The business members of the House were not so much concerned with the very limited measures of this particular Bill, as with its highly probable use as a precedent. Once the principle of limitation of profits had been approved by Parliament, there was nothing to prevent the

admission being used for predatory purposes in the future. However, it is only fair to say that the Government made it quite plain that this was an exceptional instance, and in no way to be taken as a precedent. When the amended measure makes its appearance, let us hope that it may be found convenient to eliminate all reference to the limitation of profits, whether for coal or any other commodity.

The Sankey Judgment

A very important judgment has been delivered by Mr. Justice Sankey in connection with the Proclamations based on the Customs Consolidation Act, 1875. Under the 43rd section of that enactment, which sets out that "the importation of arms, ammunition, gunpowder or any other goods, may be prohibited by Proclamation or Order in Council," no fewer than thirty-two Proclamations have been published. Finally, the consignees of a quantity of pyrogallic acid, the importation of which had been prohibited, forced the Government to bring a test case. The Government had been advised that the expression "any other goods" ought not to be treated as referring merely to goods *ejusdem generis* with arms, ammunition, or gunpowder, but ought to be construed without qualification or limitation, and as extending to all goods of whatever character. But the Judge decided that the words in question were restricted in their meaning to goods of the kind specifically mentioned, a decision that, unless reversed on appeal, would cause the majority, if not all, the thirty-two proclamations to be illegal. But whether Mr. Justice Sankey's judgment be valid or invalid, and whatever our own views on the subject may be, as the Attorney-General has pointed out, the construction put upon the section by the Crown would seem to coincide with that accepted by all three judges in the case of *Hunter v. Coleman*, tried before the King's Bench Division in Ireland in May 1914. The Court consisted of Lord Chief Justice Cherry, Mr. Justice Dodd, and Mr. Justice Kenny. Mr. Justice Dodd, commenting on the meaning to be attached to the section said, "it was not confined to arms, ammunition and gunpowder, it was made to cover, if need arose, any goods." And Mr. Justice Kenny observed, "there can be no doubt that the section in very express terms authorises a general prohibition against importation." Although it is unfortunate in one sense that any difference of opinion should have arisen, in another it is all to the good, for if the Court of Appeal uphold the judgment of the Court below the trade of the country will be freed from what has proved to be a serious handicap.

EDITORIAL.

THE PRINCE OF WALES ON HIS TRAVELS

IMPRESSIONS AND EXPERIENCES

RIGHT worthily has His Royal Highness the Prince of Wales upheld the traditions that belong alike to the British Throne and the British race during his recent visit to the Dominion of Canada and the United States of America. And widespread was the interest taken in the account of his impressions and experiences which he gave to the distinguished and representative audience that assembled to greet him on his return home within the historic walls of the Mansion House. It was a great occasion and a great speech for so young a man, full of information and sound common sense; above and beyond all it embraced the true spirit of national aspirations and the true ideals of Empire and imperial unity.

THE PRINCE'S SPEECH

I am very happy to be back in London, which is the centre of the Empire, and, as a Freeman and as a Londoner, I regard it as the centre of the world. I should certainly have felt that there was something amiss had I not come to report myself in the City as soon as possible on my return after four months' absence. I want to try to give you some idea of the wonderful experiences which I have had since you last entertained me here in July, but I feel that to do it properly I should have to be an inspired orator—may I say a Welsh orator? I feel somewhat inadequate and unequal to the attempt. However I shall do my best.

After visiting the loyal and ancient Colony of Newfoundland, whose fishermen served so well at sea during the war, and which provided the splendid Newfoundland Regiment, I first set foot in Canada at St. John, New Brunswick, and then I touched the two other maritime centres at Nova Scotia and Prince Edward Island. I paid visits from H.M.S. *Renown*, and I only regret that I was unable to penetrate farther inland. It was not until the ship

landed me in the ancient city of Quebec that I really felt that I had started on my travels in the Dominion. Both in Quebec and in Montreal, the largest city in Canada, I was most enthusiastically received. I spent the longest time of all in the province of Ontario. I visited Toronto, London, Hamilton, and Windsor, all of them fine up-to-date progressive industrial cities, and I was very much impressed with seeing industries and agriculture flourishing side by side all over the country. Ontario resembles very closely any countryside in Great Britain.

I passed twice through the great prairie city of Winnipeg, which is the largest grain centre in the world, and is the gateway to the great West, where the young, free spirit of the Westerners not only appealed to me, but inspired me. I saw something—far too little as far as I was concerned—of the ranching and wheat-growing districts in the provinces of Manitoba, Saskatchewan, and Alberta, and I finally traversed the great mountain barrier of the Rockies, which brought me down to British Columbia. I was given a very good time, as I was everywhere, in Vancouver and Victoria, and saw more flourishing industries. I must not forget the capital of the Dominion and the seat of the Federal Parliament, Ottawa, where the Governor-General and Sir Robert Borden and the Canadian Government gave me of their splendid hospitality.

No Stranger

I should have to detain you a long time before I could give you any idea of all I saw and did in Canada, but I would say how much travelling by the Canadian-Pacific Railway and the other great railways in Canada impressed me, and made me realise that but for those great transcontinental lines which link ocean to ocean, Canada could never have grown or developed to what it is to-day; it might not have even existed as a Dominion. I was filled with admiration for what three or four vigorous and energetic generations have achieved in shaping the great Dominion as we see it to-day, and for giving it the high place in the world that it holds. Now I did not feel a stranger when I first landed in Canada, as I had lived for some time with the Canadian Corps on active service, and naturally made many friends among the Canadian troops. I felt sure I was going to see them in their own country. I felt that that was a great link, and it was very well described to me by a woman whom I met very late one night, or rather early in the morning, in a large crowd at a station. She said to me, "My husband met you at the front." So I felt Canadian in sympathy before I even saw Canada itself, and I feel that all the more intensely now after three months in the great Dominion.

A Comrade in Arms

I have often tried, but I fear I have rarely succeeded, to show how appreciative and grateful I am for all the kindness and hospitality shown to me, and the wonderful welcome given to me in every city, town, and small wayside station through which I passed. I can never forget all that, and I am looking forward to going to Canada again. Nothing appealed to me more throughout my journey than the large numbers of ex-Service men who greeted me everywhere. They often came long distances, and many of the men who attended the parades that I held were badly wounded men. Now I can never speak too strongly or too often of the great debt that the Empire owes to its sailors and soldiers who fought and won the Great War. And I want all ex-Service men in every part of the Empire, and particularly in the Old Country, to remember me as an old comrade-in-arms and as one who wants them always in the future to look on him as a comrade in spirit.

Partnership of Free Nations

I should not think much of myself if my wonderful journey and experience had only been so much pleasure and nothing more than a joy-ride. It was all a great pleasure and I enjoyed every moment of it, but it was more than that! It was an inspiring education which will influence the whole of my life. And I should like to try and tell you what I feel I have learned. In the first place I have come back with a much clearer idea of what is meant by the British Empire, or, as it is often more appropriately called, the British Commonwealth. The old idea of Empire handed down from Greece and Rome was that of a mother country surrounded by daughter States which owed allegiance to her. Now, we Britishers have left that obsolete idea behind a long time ago. Our Empire implies a partnership of free nations, nations living under the same system of law, pursuing the same democratic aims, and actuated by the same human ideals. The British Empire is thus something far grander than an Empire in the old sense of the term, and its younger nations—Canada, Australia, New Zealand, South Africa, and India—are now universally recognised as nations by the fact that they are signatories to the Peace Treaties which they fought so magnificently to secure.

Progressive Democracies

Among these new nations of the British Empire, recognised by signatory at Versailles, is India. India occupies a special position. Like the Dominions she played a gallant part in the

war, and we owe much to her soldiers and Government and men for all they endured in the common cause. I am looking forward to the day when I shall be able to pay a visit to that wonderful country. Now the position of the self-governing Dominions is different. They are made up of peoples long trained in the management of their affairs. They are inhabited by highly-advanced and progressive democracies who have made new civilisations out of wildernesses, and they look back on their achievements with intense and legitimate pride. Think of what they have achieved in four generations. Think of their noble devotion and sacrifice in the Great War. There is no limit to the bounds to which their progress and development may some day attain.

National Patriotism

It is no exaggeration to say that the united action of the British Empire in the war was one of the factors least expected by the enemy, and the most effective in securing liberty. But the people in the Old Country must realise that the patriotism of the Dominions is national patriotism and not mere loyalty to Great Britain. It is loyalty to their British institutions, it is loyalty to the world-wide British system of life and government; and it is, above all, loyalty to the British Empire, of which Great Britain, like the Dominions, is only one part. I have felt the inspiration of this great idea throughout my journey, but I have also learned that the loyalty of the Dominions is, in a very special sense, loyalty to the Crown—and the Crown represents the unity of the Empire. The King, as constitutional Sovereign of the Empire, occupies exactly the same place in Canada and in the whole British Empire as he does in Great Britain, and his House, although originally founded in Great Britain, belongs equally to all the other nations of the Commonwealth. You will understand, therefore, how proud I was when the King sent me to Canada last August, and how much it means to me when my fellow-citizens in London congratulate me so kindly on my return. I am not so foolish as to think that the wonderful welcomes given me in Canada, and again to-day, are mere tributes to myself. I realise that they are given to me as the King's son and as his heir, and I recognise in them the same splendid common impulse which made the whole British Empire stand and fight together in the Great War. I feel, therefore, that the same feeling will meet me half way in the other Dominions I am looking forward keenly to visiting in the near future. I know I shall feel equally at home and have as good a time as I had in Canada, and I hope to see many more old comrades in arms.

American Good Will

I have so far only spoken of the British Empire. As you know, I paid a short visit to the United States of America, where I was welcomed most warmly. I was very glad that my first official visit to a foreign country should have been to that great kindred English-speaking nation, and it was a particular pleasure to return President Wilson's visit to the King. I was glad to find him steadily recovering from the serious illness which has affected the whole world. I felt at every turn during my stay in the United States how closely their ideas of life and politics resembled our own, and I was deeply touched by the demonstrations of good will that met me everywhere, particularly in Washington and New York. I hope to have another opportunity of visiting that country and seeing more of its splendid cities.

Generous Tributes

Travel opens one's eyes and clears one's brain, and my recent travels have made me realise the necessity and importance of the closest personal contact and intercourse between the nations of the Empire. For my own part, I mean to travel throughout the Empire as much as I possibly can. It is not so much what you learn about the world that is valuable in travel, but what you learn about your own country. I am not sure that what I have learned about Great Britain from the outside is not the most valuable thing of the past four months. May I tell you, in a few final words, what that is? This time six years ago, before the war, there was a widespread feeling, not confined to foreign countries, that Great Britain was played out. Now the war has entirely put an end to that idea. Splendidly as all parts of the Empire did, the Dominions were the first to recognise that it was Great Britain that took the first strain; that it was Great Britain that bore the heaviest burden throughout; and that it has been Great Britain that made the greatest sacrifice. The people of this ancient and valiant country stand higher to-day in the world than they have ever stood before, and I only wish that every man and woman in the British Isles could have heard the generous tributes to their splendid record in the war by speakers, not only in Canada, but in the United States. I know that they would feel proud, and, may I add, inspired, as I was, by that whole-hearted praise.

Duty of the British Nation

A year has passed since the Armistice, and in many parts of the world millions of people are still torn by conflict, haggard with want, and almost broken by despair. I am certain that

there never was a time when the world looked so anxiously to Great Britain for an example of confidence and steadiness. I am certain, too, that the restoration of peace and happiness in the whole world depends more largely upon that example than upon anything else. We did our duty quietly and thoroughly as a nation in the war. What is our duty now? It is to show the world that we can work at our social, economic, and industrial problems with a general fairness and sympathy, striving wholeheartedly towards one goal. That goal is happier conditions of life, and to ensure that every man and woman in the country may enjoy the just proceeds of their labour, and that every child born into the country may have a fair sporting chance. Our present problems will never be solved by hatred or by violence. They can only be solved by common sense, and above all by good will. The world is feeling rather lost at the present time, and it is up to us, the British nation, and to all the nations of the Empire, to show the way. I feel sure that we will show that way, and that we can.

CANADIAN FIELD CROPS: YIELD FOR 1919

The total yield of wheat in Canada for 1919 is now placed at 193,688,800 bushels, including 174,887,000 bushels of spring wheat and 19,001,008 bushels of fall wheat. Upon the acreage sown the average yield per acre is $10\frac{1}{2}$ bushels for spring wheat, $23\frac{3}{4}$ bushels for fall wheat and $11\frac{1}{4}$ bushels for all wheat. In 1918 the total yield of wheat was 189,075,350 bushels, or 11 bushels per acre. For oats the average yield per acre for Canada is 27 bushels, representing a total of 399,368,000 bushels, as compared with last year's average of $28\frac{3}{4}$ bushels and total of 426,312,500 bushels. Barley, with an average of 22 bushels, yields 66,445,500 bushels as against last year's average of $24\frac{1}{2}$ bushels and total of 77,287,240 bushels. Rye, with yield per acre of $14\frac{1}{2}$ bushels, yields the total of 8,234,100 bushels as against $15\frac{1}{2}$ bushels and 8,504,400 bushels in 1918. The yields in 1919 for the three prairie provinces are estimated at 161,419,000 bushels of wheat, 246,856,000 bushels of oats, 46,412,000 bushels of barley and 5,954,000 bushels of rye.

THE LATE SIR JOHN JACKSON AND HIS WORK

BORN at York in 1851 Sir John Jackson at the time of his death was just entering upon his 69th year. The end came swift and sudden when on a week-end visit to some friends in the country. Sad indeed as the shock of his unexpected demise was to his family and friends, one cannot help feeling that he passed away as he would have wished to pass away in the midst of a busy life, surrounded by a loyal and faithful staff and with his hand on the helm to the last. A great engineer, a great contractor, a great traveller, few men have had a more eventful or more active career, few men's work have left a more indelible mark on the history of things which count and things which last.

Early Days

Hardly had he left school than he entered the workshops at Newcastle, where, during the next few years, he made practical acquaintance with the mechanical side of the profession he afterwards adopted as his own. Proceeding from the shops as an engineering student to Edinburgh University, he continued his studies under the guidance and tutelage of the late Dr. Tait, Professor of Natural Philosophy. Between teacher and pupil a sincere friendship sprang up that was destined to last without intermission until Dr. Tait's death in 1901, when to perpetuate his memory as well as in recognition of his work Sir John founded the "Tait Memorial Fund," which has proved so valuable an incentive to research work of all kinds. Among his fellow-students and close friends at Edinburgh were:—John, afterwards Sir John, Murray, whose name became a household word in scientific circles; P. W. Meik, the well-known Westminster engineer; James Walker, at one time engineer-in-chief to the River Tyne Commissioners, and Robert Louis Stevenson. One after the other these notable men passed away, but the recollection of each was warmly treasured by "J. J.," as the late Chief of "Sir John Jackson, Ltd.," was called by those who knew him best.

World Fame

Carrying away with him a prize for political economy he left the University which, in after years, conferred on him the honorary degree of LL.D., to acquire a further training in his brother's business, and when only twenty-five years of age he obtained his first contract. It would occupy far more space than I have at my disposal were I to attempt to deal, at any length, with the various schemes he initiated or the numerous contracts in which he was engaged, extending as these did over a long period and a very wide area. Indeed it would not be easy to name any part of the globe where his firm has not been employed upon some work of first importance. But a brief reference to the principal undertakings connected with his name will be sufficient to indicate the magnitude of his work and give an insight into the many engineering difficulties his skill and energy overcame. From this recital it will be seen that his main operations were in connection with dock and harbour works, operations that gained for him a pre-eminence all the world over.

Home Undertakings

Hardly had he finished his first contract than he undertook the completion of the Stobcross Docks at Glasgow, a work that involved exceptional skill as the docks had to be constructed in quicksands. Then came the extension of the Middlesborough, Hartlepool and North Sunderland Docks, the extension seawards of the fort at the end of the Admiralty Pier at Dover—his first contract with the War Office—and later on, the completion, in two-thirds of contract time, of the last eight miles of the Manchester Ship Canal. It was in connection with this work that he received his knighthood. Other considerable undertakings were the Dover Commercial Harbour and the foundations of the Tower Bridge. The docks and basins at Swansea and at Methil in Fife-shire, the breakwater and docks for the Burntisland Harbour Commissioners and the deep lock at Barry, one of the largest of its kind in the world, were all entrusted to Sir John Jackson.

Keyham Extension

But his greatest work in this country was the extension of the Admiralty Works at Keyham. The cost of this undertaking was nearly £4,000,000, and it took ten years to complete. Many were the obstacles that had to be met, and when it is remembered that the foundations had to be carried down to solid rock, in some cases necessitating going 110 feet into the mud, it will be seen that the task was one calling for engineering experience of a very special character. Only experts can appreciate the vastness of the operations involved in the construction of the new basins and

workshops. Foreign potentates and representatives of public bodies visited the docks as they were in progress and expressed themselves in terms highly complimentary to the contractor, who personally superintended every detail of this great national work, formally opened by their Majesties as Prince and Princess of Wales in February 1907.

Oversea Work

But it is not alone in this country that Sir John Jackson's name will live as the architect and builder of great engineering concerns, he was equally active and equally successful in other parts of the Empire. He constructed the new naval harbour and graving dock at Simon's Town, Cape Colony, opened some few years back by the Duke of Connaught who conferred on him the Companionship of the Victorian Order. He also carried out important works in connection with the harbour at Singapore, and at the request of the Dominion Government of Canada built the new breakwater at Victoria, British Columbia. Foreign Powers also sought his advice and placed contracts with his firm. Nominated by the Admiralty he advised the Austro-Hungarian Government on the extension of their arsenal works at Pola, and, at the request of the Russian Government made surveys and proposals for a second Trans-Siberian railway estimated to cost some £20,000,000. The outbreak of war, however, put a stop to this undertaking.

Ferrol and Arica-Paz

The Spanish Government committed to his care the arsenal at Ferrol, on the completion of which the King of Spain personally handed to him the Grand Cross of Naval Merit, an honour of an exceptional kind and one that marked the satisfaction felt by His Majesty at the manner in which the work had been executed. For the Chilian Government he constructed the strategic railway across the Andes, joining Arica on the Chilian coast with La Paz, the capital of Bolivia. This railway, which is of the metre gauge, rises to an altitude of 14,000 feet and is considered to be the best in South America. At the conclusion of this vast enterprise Sir John was presented with the Chilian Order of Merit, First Class, an honour never before bestowed on an engineer.

The Far East

In the Far East his name will ever be remembered in connection with the wonderful irrigation works in Mesopotamia which he carried out for the Turkish Government. He built the Great Hindiad Barrage across the Euphrates, consisting of masonry piers with thirty-six openings fitted with sluice gates to hold the water for irrigation purposes, and a navigation lock for large

traffic. But this was to be only the first part of an undertaking estimated to cost over £18,000,000; the work, however, was suddenly interrupted by the war, and although Sir John confidently looked forward to the time when operations would be continued, it does not appear probable that, in existing circumstances, the scheme will be carried out in its entirety, at any rate for some years to come. Mention should also be made of his work in the Lebanon district of Syria, and in connection with a port at Salif, on the Red Sea, for the Imperial Ottoman Debt.

South African Commission

When the French engineers were discussing the question of bridging the Channel between Dover and Calais, they invited Sir John to attend the conference. He expressed the opinion that the scheme was quite feasible, but that it was difficult to judge whether the advantages gained would compensate for the outlay. He was also asked to assist at the conference held at Paris when the subject of the Nicaraguan Canal was under consideration, his advice being sought on this occasion by American friends. Not only was he in the first rank of engineers—and here I should mention that for his scientific attainments he was elected a fellow of the Royal Society of Edinburgh—he was also widely esteemed for his knowledge of business affairs generally. And it was doubtless this experience that caused the British Government to utilise his services on the Royal Commission appointed to inquire into the military preparations and other matters connected with the war in South Africa, his fellow-commissioners being Lord Elgin, Lord Esher, Field-Marshal Sir Henry Norman, Admiral Sir John Hopkins, Lord Strathcona, Sir John Edge and Sir Frederick Darley.

War Activities

As soon as the great War broke out Sir John offered his own services and those of the entire staff to the War Office. Needless to say, so patriotic an offer was immediately accepted by Lord Kitchener, who appointed the firm Superintending Engineers to the War Department, and handed over to them the task of constructing quarters for the Colonial troops on Salisbury Plain, and for the Home troops at Grantham and Purfleet, as well as providing accommodation for a Remount Depot at Ormskirk. Seeing that these undertakings had to be started immediately and finished in the shortest space of time, Lord Kitchener saw at once that the ordinary army routine of contracts passing through half a dozen hands before a brick could be laid or a stick put up must be set aside and the customary red-tape methods abandoned. Accordingly, subject to supervision by the Inspector-General of

Fortifications and a final appeal to himself, Lord Kitchener gave Sir John what might practically be called a free hand, the result being that his experience and great business capacity saved the country many thousands of pounds.

Salisbury Plain

Salisbury Plain was the largest of these undertakings, and in a comparatively short space of time the whole district was practically transformed. Some idea of the magnitude of the work involved may be gathered from the fact that apart from the quarters for the Home troops, huts had to be erected to accommodate some 60,000 men from Canada, Australia, New Zealand and Newfoundland, and stabling for not less than 15,000 horses, besides all the accessories of a fixed encampment. A special water supply, involving a new pumping-station at Netheravon, had also to be laid on and a new electric-light installation provided. Not the least engineering achievement in connection with the Salisbury Plain work was the rapid construction of the four and a half miles railway from Amesbury sidings to the camp. The line crossed the River Avon and the marshy lands adjoining by means of a girder bridge of latticed steel 140 yards long, and in some instances the piles were driven 50 feet deep. But notwithstanding these and other obstacles to be encountered—the girders were brought down from the North of England—the bridge was completed within a fortnight from the time of starting the work, and four days later traffic was running. A similar rapid piece of railway construction was done at Grantham, where in three and a half days a branch line of two and a half miles was laid. The firm also built a temporary hospital at Brockenhurst for the use of the Indian troops. In this undertaking their Majesties the King and Queen took a great personal interest, twice visiting the scene of operations, and making many useful suggestions.

After the War

After the conclusion of the Armistice, Sir John was soon in the saddle again, and both as regards development work overseas, and the rebuilding of the devastated areas in Northern France, he had several propositions under consideration. At the suggestion of the Foreign Office the Greek Government called him into consultation in connection with new irrigation work in that country, and just before he died he was invited to tender for further work in Canada. It was naturally expected that his great engineering services would receive some further recognition by the State, and there is no doubt that had his life been spared this would have been the case.

A Great Traveller

As a traveller Sir John visited most parts of the Empire and most countries in the world. On one occasion, in ten months, he travelled over 66,000 miles, more than two and a half times round the globe, and this after he had reached his sixtieth year. In the course of these travels he met many great men and made many friends. He retained very pleasant recollections of the Prime Minister of Russia, M. Goremykin, since cruelly murdered by the Bolsheviks, who visited him when in England, and at whose country house in the interior of Russia he was most hospitably entertained. With Nazim Pasha he also had the most cordial relations, although the first meeting hardly foreshadowed a lasting friendship. Let me tell the story. Soon after he arrived at Baghdad he went to call on Nazim, whose status as Vali gave him a highly important position. Feeling somewhat tired and the weather being cold, although not invited to do so, he sat down keeping on his fur coat. Later on in the day he learnt from the Vali's secretary that in sitting down and not removing his coat he had given offence to Nazim. Replying courteously to the secretary, Sir John expressed his regret at having quite unconsciously hurt the Vali's feelings, indicating at the same time that he had come on an important business mission, and had not time to discuss trivialities of that kind. The message was duly reported to the Vali, who at once saw he had made a mistake and hastened to return the call. From that day the two men became firm friends. Before leaving Baghdad, Nazim entertained his visitor at a banquet, and it is significant to note that on this occasion no invitation was extended to the representative of Germany, afterwards presenting him with a photograph of himself, and at the same time adding some kindly and complimentary greetings. Sir John formed a very high opinion of the late Turkish War Minister, whom he described to me as "a man of honour and strict integrity and very friendly towards England." Another close friend in the Far East was the Sheik of Mohammerah, who showed him every consideration.

All-round Sportsman

Seeing the great energy required for so strenuous a life it was hardly surprising to find in Sir John an all-round sportsman. When at school he carried off the Junior Prize for sculling, and ever since possessed a keenness for rowing and sailing. As a young man on the East Coast of Northumberland, where at times the weather is very bad and the sea nearly always rough, he was at home in all kinds of sailing craft, and for years was a member of the First Volunteer Life Brigade founded for the purpose of

assisting the coastguards in saving life. He was especially fond of small-boat sailing, and often raced the *Windrush* in Plymouth Sound during the time he was constructing the extension works at Keyham, while his steam yacht, the *Gelert*, was well-known both at Cowes and Plymouth. He was a member of the Royal Yacht Squadron, the Royal Western Yacht Club of England, and the Royal Thames, and Commodore of the Royal South Western Yacht Club and the Upper Thames Sailing Club. But devoted as he was to yachting he never forgot how to scull, and only last summer would do a steady pull of twelve to fifteen miles on the Thames without feeling the exertion. He was also a strong swimmer. In gymnastic exercises he held his own with most men; at his university he carried off the gymnasium prize three years in succession; and in later years frequently astonished his younger friends by his performances on the horizontal bar. He was also a keen motorist, always driving his own car.

Business Characteristics

Essentially a man of action he never let the grass grow under his feet. When once he decided to do a thing he did it with all his might. Like all men of business, he did not care to waste time in talking that leads to nothing, but would readily listen to a reasonable statement, and was fair and just to all. He soon formed an opinion of a man and was seldom wrong in his judgment. A born leader, he knew exactly how to handle workmen, and it was no uncommon thing for him to have many thousands of men working under him. Much attached to old friends, particularly to the leading members of his staff, he never tired of relating anecdotes of the men who had served him well, always extolling their virtues and perhaps a little blind to their faults. In return the men on his staff were devoted to their Chief. In fact, the firm of which he was the head may be described as a happy family, every member knowing that his work would be appreciated and never forgotten.

M.P. for Devonport

Sir John and myself entered Parliament together in July 1910, representing what was then known as the Borough of Devonport and East Stonehouse in the Conservative and Unionist interest. Popular alike with all sections of the community and possessing many local ties he was returned head of the poll by a substantial majority, thus winning a seat that for very many years had been regarded as a stronghold of the Liberal party, and so satisfied were the electors with their choice that in the following December they sent him back to Westminster again as their senior representative during his unavoidable absence on business in South

Africa. Always a staunch supporter of the Unionist cause, and a firm believer in Mr. Chamberlain's policy of commercial and industrial reform based on the introduction of tariffs, he had for some years previous to the election taken an active part in the political life of Devonport. And at the time when the parliamentary representation of Devonshire on the Unionist side was at a very low ebb, he conceived and carried out the idea of constructing a large temporary hall, wherein Mr. Balfour addressed the largest party gathering that had ever assembled in the county. He took a practical interest in the welfare of the working classes in the Dockyard Town, and while the Keyham extension work was in progress rarely missed presiding at the People's services on Sunday evenings, a popular form of public worship inaugurated by himself and a few local friends. In 1918, when, under the provisions of the Redistribution Act, Devonport became a single member constituency he resigned his seat, but to the day of his death took a keen interest in the representation of the division, doing everything in his power to advance the policy and support the programme of the Coalition Government.

An Appreciation

A devoted husband and father, he liked nothing better than to have his children and his grandchildren around him, and greatly indeed will he be missed in the family circle. A broad-minded man in every sense, he was generous to a degree, and never so happy as when entertaining his friends. His kind-heartedness was proverbial. He liked calling a spade a spade, and often delighted his audiences by speaking his mind freely on matters on which he felt that a word in season would do good morally and physically. A hard worker himself, he had no use for shirkers. Honesty of purpose and strict attention to business, combined with many natural gifts, placed him at the head of his profession, and right well did he deserve the brilliant success he achieved. One feels and knows that a great captain of industry, a great master mind, a generous and true friend of the poor, whose kindly acts were done without publicity or ostentation, has passed away. His memory will live in many hearts and in many lands. Of him it may be truly said :—

“He was a man take him for all in all,
I shall not look upon his like again.”

CLEMENT KINLOCH-COOKE.

THE TRUTH ABOUT WOODEN HOUSES

MASS CONSTRUCTION IN PRACTICE

THE debate on the Government housing scheme disclosed Dr. Addison's hostility to wooden houses to a marked degree. To inveigh against wooden houses as one of the "cheaper forms of construction" is not convincing. Cheapness, if not inconsistent with proved utility, would not be unacceptable to the average ratepayer at the present time. I am not referring to Army huts, which should not be mentioned in the same breath as wooden houses, nor structures drawn according to Dr. Addison's manual, which he tells us has been adopted as a standard by all countries. With regard to the latter, I can only say that few of them would pass muster in a country village in Canada or the United States. I refer, rather, to the lightly constructed, airy, clean, bright, sanitary, and often brilliantly designed cottages, bungalows, and houses, which make the cities of North America cities of beautiful homes.

Official Hopelessness

It is not necessary to meet the various weird and comical attacks which have been made on wooden houses by Dr. Addison and his officials. There are tens of thousands of Canadians and Americans in London who read these lucubrations daily with amusement, and they add to the gaiety of nations. They have a serious side, however, as a phase of that inability or unwillingness to understand unfamiliar truths, than which nothing is more destructive to progress and trade, inter-Imperial or otherwise. The figures given by the Prime Minister in his interesting speech as to the cost of bricks, of labour, and of the difficulties of transportation are sufficient to prove the absolute impossibility of coping with the house demand on a brick-and-mortar basis. The progress made by the officials who have the matter in hand is a further demonstration of hopelessness. The final addition of a fat bonus, which must inevitably come out of the pocket of the taxpayer, is only the last desperate move. Is it not time to cease

multiplying the hundreds of plans of building under the present system, and to look around for a change in the system itself?

Mass Construction

The problem of supplying Great Britain with houses, to say nothing of rebuilding Europe, can only be met in one way—by mass construction. Henry Ford, according to recent dispatches, is opening up factories in Copenhagen, and we shall soon have under our noses an illustration of what mass construction means. Mass construction was the secret of Henry Ford's success in producing a motor-car a minute. The superiority of machine over man in every form of structural endeavour is no longer questioned. Built-to-order units, even to the smallest detail, has long been recognised as the only successful method of constructing steel buildings. The same principle has been adopted in the construction of wooden houses, and if Europe is to be rebuilt it can only be by the use of material which lends itself so readily to the built-to-order process. If mass construction can be used so successfully in structures of iron and steel, how much more easily can it be adopted in producing thousands of houses in a minimum of time!

How it Works

Let me indicate how mass construction works out in practice. To begin with, artistic designs are made and carefully worked out by architect and builder. The plans are so drawn as to combine beauty with utility. The same plans can be used many times over in multiplying houses for different districts, and they are so numerous that they need not be duplicated in a single district. The expenses of architects' services have already been incurred and are spread over so many buildings that they become nominal, if they do not disappear. When once the plans have been completed and the machinery adjusted for a house, a number can be turned out as easily as one. The tenth house of the same design is as beautiful as the first, but as they are built almost automatically and with duplicated parts, the cost is very greatly reduced. The immense amount of necessary cutting and sawing in ordinary work is saved. A waste of 18 per cent. of lumber cut on the handsaw plan is avoided. The buildings are cut to fit, so that the purchaser does not lose an inch in waste material. One-third of a carpenter's time is required under the old system in measuring, cutting, and sawing. This is saved. There is no "waste pile" due to faulty specifications, loose ends, or excessive ordering. There is no expense or delay in sending for material that has been overlooked. There are no "extras." There is no expense in freight or transport for shipping or hauling what is unneeded. The house arrives, in "knock-down" shape, a finished commodity,

with all the parts marked ready to put up, and skilled labour is not needed for its erection. If a practical means of surmounting the labour position, when hands are scarce, wages are prohibitive, and the need is great, is needed, what better way out of the difficulty could be suggested?

A Practical Opinion

I put the suggestion before Dr. Addison last May, and on September 1 received a reply from the Ministry of Health that a member of the Standardisation Committee had examined some entirely different houses near Birmingham and had come to the conclusion that these mill-cut houses, which they had never seen, were "not suitable for working-class dwellings in this country." Yet there are 10,000 people in London who know that, in addition to their reasonable cost, they are particularly suitable for anyone to live in, no matter what class he belongs to. Dr. Addison has seceded from that position, but is still unfriendly to the wooden house. An English architect, Mr. Rattenbury, who built many buildings in England, including workmen's houses, and who constructed the Parliament Buildings in Victoria, famous the world over, writes to me:—

My own personal opinion is that a wooden house is far healthier than any stone or brick house that could possibly be erected. Whilst to compare them with the cheaper forms of brick buildings is to me absurd. My reason for thinking this is that any brick or stone building absorbs a considerable amount of moisture in the walls, and then expedients of various kinds have to be adopted to keep that moisture from evaporating into the house. These expedients are rarely quite successful, because it must be common knowledge that most brick houses that are shut up for a period of time become damp, and have to be aired and warmed before they can be re-used. In a wooden house the walls are really a continuous system of ventilating ducts, and it is almost impossible for any moisture to penetrate inside the house or for any gases to accumulate; and in a climate very much wetter than the English climate, houses are found to be as dry after being shut up for a time as they were before. The other advantages of wooden houses are that they can be built very much more quickly and can be altered or added to with very much less expense.

Forests of British Columbia

It is not necessary further to illustrate the advantages of mass construction or the suitability of the wooden house as a great factor in meeting the housing demand here and on the Continent. Nor is there any difficulty in proving that ample material can be obtained for the task in hand. If I may speak of that part of

Canada with which I am most nearly associated, I may say that British Columbia possesses 650,000,000 acres of virgin forest, and a stand of saw lumber of over 400,000,000,000 feet board measure. In strength values for structural timber, fibre stress, modulus of rupture, stiffness, and elasticity, as against southern pines, British Columbia fir takes first place with many points to spare. The value of Sitka spruce was never so well understood until it beat all competitors as the most suitable wood for the construction of aeroplanes. Western hemlock is little less strong than fir, and is very suitable for house construction and interior finish. Western red cedar, because of its great durability, is used enormously in North America for roofing shingles. Varying in colour from a quiet yellow to a brownish red, it is an ideal wood for interior finish, cabinet work, and mouldings. All these woods are beautiful for panelling, affording polished panels several feet in width.

The timber is there in abundance. Labour is obtainable. There are already several hundred sawmills in British Columbia. The only real question is that of transportation. The construction of the Panama Canal has cut down the sea voyage from British Columbia from 16,000 miles to 8,000 miles. The 100 million feet of sleepers and lumber ordered from British Columbia last summer has already been in part delivered, and is arriving from month to month satisfactorily through the efforts of the Shipping Controller. It is calculated that an 8,100-ton steel ship of the kind turned out by the Coughlins in Vancouver can carry five or six hundred houses in knock-down form. Can there be any doubt that sufficient ships can be procured to carry on the work? If the national need is what it is represented to be, can there be any doubt that a combination between Government forces and private capital, or private capital alone, will be able to provide the necessary shipping?

If Dr. Addison and the Government could even at this late date turn their attention to this problem it might be worth while. Anyway, it may interest the British public to know that several sample British Columbia mill-cut houses will arrive in London before long to demonstrate their excellence, their proud position as one of the "cheaper varieties," and their suitability to this somewhat eccentric climate.

F. C. WADE

(Agent-General for British Columbia).

LORD INCHCAPE ON STATE INTERVENTION

Lord Inchcape's speech as Chairman of the Peninsular and Oriental Steam Navigation Coy. at the recent annual meeting of shareholders, has attracted wide and deserved attention in industrial and commercial circles throughout the country. As the extracts reproduced below show, it was a masterly and critical survey of some of the great economic problems that are now engaging the minds of British statesmen and British traders.

I.—THE SHIPPING INDUSTRY

American Competition

A YEAR or two ago, when there was a talk of nationalising the British Mercantile Marine, I said at our annual meeting that if this were done it would involve our retiring from business and selling our ships to neutrals, Allies, and others. It was facetiously suggested that by "others" I meant Germans. Of course that was ridiculous. By "others" I meant Americans, and if British shipowners are to be up against the competition of the American Shipping Board, which means the resources of the American Government, we may yet be forced into that position. Recently I had the privilege of listening to one of the most eloquent speeches I have ever heard—a speech by the American Ambassador, Mr. Davis. He said he hoped that the present cordial relations between Great Britain and the United States would continue for ever. So far as I could gather he believed Scotsmen had made the United States; I believe they have. If the United States Government will only turn the ships in which the United States Shipping Board is interested over to private owners and leave the owners to compete with private enterprise in this country, I am not afraid, but if the Government on the other side of the Atlantic are out to tax the people to build up a mercantile marine at all costs, the outlook for the shipping industry of these islands is anything but rosy. I am hopeful, however, that the Government of the United States will leave the shipping industry of the world, including their own, to look after itself.

Australia and State Purchase

Another competitor to private enterprise in the Commonwealth Government of Australia has come on the scene. Having bought a few old ships at the outbreak of hostilities, and having made large profits out of running these ships throughout the war, being free from requisition, excess profit duty, and every other form of taxation, the Commonwealth Government is now bitten with the idea of becoming a shipowner, and has come out to compete with private enterprise. If British shipowners have against them the resources of Australia it may end in their selling their ships to the Australian Government. The shipping companies serving Australia, the Commonwealth and Dominion Line, the Aberdeen Line, the White Star, the Federal, the Holt Line, the Orient Company and the P. and O., the British India, and others, have built up a fine service of steamers. They have maintained the most friendly relations with shippers. Everything has worked perfectly smoothly for the last forty years. We regard it as uncommonly hard that the Commonwealth Government should now propose to step in and, with the resources of Australia behind them, borrow money to place steamers in the Australian trade to compete with private enterprise. The step is not regarded with favour by the merchants. They do not like this move on the part of the Australian Government. They realise that if the Commonwealth Government enters into shipping they may also enter into other spheres of industrial activity, and that the present move is a direct attack on individualism and private enterprise. They know perfectly well that the step is a false one, that it is bound eventually to act prejudicially to Australia, in the meantime it may involve the whole commercial community in serious dislocation and loss.

II.—LEGISLATIVE RESTRICTIONS

Anti-Dumping Bill

I have read the draft of the Anti-Dumping Bill very carefully and with growing consternation. If what we want is a short legislative cut to commercial suicide, then no more effective Bill was ever devised. Or, again, if what we want is an object-lesson in the chaos in which it would involve the international trade of this country, then I agree that the measure is an excellent one. Otherwise it has no virtues whatever. The Government themselves when they saw their handiwork in print, and began to hear what business men thought about it, apparently realised that it would not do. At any rate, they have postponed its consideration for a month or two, never, I sincerely trust, to resume it. Let me say at once that any measure on these lines, any measure which

seeks to rivet on British industry the abomination of Government control, with its paraphernalia of licences, certificates, affidavits, appeals, and so on, will be fought unitedly by the entire commercial community. We have had enough of this sort of thing. We endured it while the war lasted because patriotism demanded that we should. But the sole condition on which British trade can recover the ground it has been forced to yield is that it should be absolutely free of bureaucratic control.

We want to get on with our business, not to spend our time arguing with Government clerks, dancing attendance at the Board of Trade, appearing before Committees, filling up forms, wheedling Consuls for permission to import what we need, throwing open our books and bills and invoices to inspectors from Whitehall, and going through all the worry, expense, and delay of explaining and justifying every transaction in which we are engaged to some official inquisitor. I observe the title of this fantastic measure is Trade Regulation Bill. This is quite a misnomer. The name of the instrument should be, not Trade Regulation, but Trade Extermination Bill. I notice the Prime Minister said at Manchester the other day that he would not say whether he liked the Bill. There is only one inference to be drawn from this. I think myself it is a happy one for the trade of the country. It has been a hard fight against bureaucratic control, which has got hold of us during the war. The end is not yet. But the victory will be ours, if only both employers and employees stand firm. The welfare of the employee just as much as that of the employer depends on freedom from officialdom. Upon my word, I believe that people who think that this extraordinary Bill is the way to resuscitate British trade have taken leave of their business senses; and the policy adopted in regard to the coal industry confirms my fears.

Limitation of Profits

I confess my knowledge of coalmining in this country is limited, I have not a penny piece in coalmines. I am only interested as a consumer, but in the capacity of a consumer I can tell you that our bunker coal in London before the war, when prices were governed by free competition, cost us 23s. a ton, and under Government control it costs us to-day no less than 105s. I received a pamphlet last week from the Mining Association on the subject of the 1s. 2d. profit. I read it through carefully, and all it said seemed to me sound, especially the last paragraph, which reads as follows:—"The principle of Parliament arbitrarily limiting the profits of an industry is altogether economically unsound, and if applied to the coal trade and extended to other industries, must have a seriously prejudicial effect from a national

point of view. It would discourage enterprise and prevent the necessary capital flowing into industries." I entirely agree. If coalmining profits are to be limited, I would ask, what about the farmer? What about the cotton spinners, the brewers and the distillers? What about the retailers? What about the bankers, the finance houses, the stock and money brokers, the manufacturers, the packers, the shipbuilders, the carters, and the hucksters? What about the oil companies? What about the Anglo-Persian, which promises to give a profit approaching 100 per cent. for the current year, and on the board of which I have the honour to represent His Majesty's Government, which holds two-thirds of the Ordinary capital?

Taxation of War Profits

A committee has been appointed to consider the possibility of making a levy on profits made during the war. They have an interesting task. If I am not mistaken, there was a good deal of patriotism displayed by all the commercial classes while we were at war with Germany. They were not all out for getting all they might have got; in thousands of cases they made sacrifices both in time and money to help the country. In some cases, no doubt, little or no patriotism was displayed, and selfishness alone ruled some men's operations. It will be extremely difficult to draw the line. One man may have made £10,000 who, if he had devoted himself entirely to his business, might have made £20,000. One man who before the war had brought his organisation up to concert pitch may have made £20,000 during the war, while another who had displayed no enterprise made only £5,000. Are they both to be treated equally? Is the man who before the war was earning nothing and was put into an official position earning £1,200 a year in a Government office to be mulcted of his salary? Where do war profits begin and where do they end? The whole subject bristles with difficulties.

The commercial community, not the professional classes, have been mulcted of 50, 60, and 80 per cent. of their profits in excess of pre-war datum line, whether these extra profits were the result of the war, or were produced by hard work or by the natural increase in their business. The excess profits duty has greatly helped the Exchequer for the time being but it is radically wrong; it leads to indifference and extravagance, and it enlarges the vicious circle. It is now 40 per cent., but we will never get back to a sound position until it is entirely removed. So far as the profits made during the war, and often in spite of the war, have not been squandered they have gone to swell the capital account of the country. They are being used to create more wealth, to build more ships, to develop industry, to find more employment

for labour. To take them now—even if they could be got at, which I greatly doubt—would be to check the start we are just making towards economic recovery. I cannot question that the committee which is inquiring into the proposal will pronounce it impracticable, unjust, and altogether prejudicial to that confidence and security without which capital will never venture far.

Nationalisation of Industries

I sometimes wonder when moving about London, walking through the City, when down at the Docks, when visiting the shipbuilding yards on the Clyde, at Belfast, and on the East Coast, when I think of the cotton mills in Lancashire, of the jute mills in Dundee, of the iron and steel works throughout the country, of the blast furnaces which one sees pouring forth their flames at night on the journey North, of the vast railway administrations, of the busy passenger and goods stations, of the shipping which enters and leaves our ports every hour of the day, whether those who preach nationalisation of the industries of the country or who suggest controlling them by national councils have the slightest conception of what they are talking about. You have only to look at the traffic of London, at the orderly manner in which it wends its way through the narrow streets, to get a conception of how absolutely futile and impossible it would be to nationalise the industries of this country and to bring them under bureaucratic control.

The whole idea is preposterous, and those who advocate it, while perfectly honest and sincere in their belief, are without knowledge or experience of what it would mean. They fail to realise that the people of this country, the millions who are to be seen hurrying about their daily avocations in London and elsewhere, the partners in financial houses, stockbrokers, the members of Lloyd's and the Baltic, directors of banks, the organisers of industry, while working with a personal incentive, are at the same time working for the Crown, each in his own sphere, and that the more each one makes for himself or the institution for which he is responsible, the more goes into the National Exchequer. Control still exists and it is dying hard. A friend said to me the other day: "The officials are up to their necks in it, and don't know how to extricate themselves." I agree with him. I am perfectly satisfied that the Government are just as anxious as the whole of the community are to get rid of the control of industry, and that no man desires this more than the Prime Minister himself. The difficulty is how to get rid of it. They are afraid that prices may rise and that trouble may follow. But if prices rise for the moment supply and demand will put them right, and high prices attract large supplies and large

supplies mean low prices. I would suggest that the example of the Controller of Shipping should be followed. He decided to take the plunge and to let the shipping industry get back gradually to normal conditions, taking due precautions to provide for Government requirements in the meantime, so as to allow ships to be operated on the sound economic laws of supply and demand—the only way.

Advantage of Private Management

The difference between Government management of business affairs and private management is that, in business, decisions have to be taken, and are taken, promptly. A man in business can decide quickly and can take responsibility and risk. In a Government Department the officials strive to avoid responsibility. They are timid. They have in front of them questions in Parliament and the Public Accounts Committee, and all proposals have to go through many hands and many departments before they can be dealt with. It is true that with a public company the directors have their stockholders to face, and they have to give an account of their intromissions at the end of the year, but if they are able to produce a decent balance sheet and profit and loss statement certified by their auditors, if they are able to assure their proprietors that their assets are well written down, and, above all, if they are able to recommend a good dividend, they have nothing to fear. Any mistakes they may have made involving a loss are not inquired into, so long as other operations have been sufficiently successful to wipe these out and leave a good trading balance sufficient to provide for full depreciation, contingencies, and dividend.

CHILD EMIGRATION

At the annual meeting of the Children's Farm Emigration Society of Western Australia it was announced that the founder and originator of the movement was proceeding to England to obtain financial assistance from the British Government for the benefit of orphaned British children. It was explained that the purpose of the movement was to carry on the emigration of some of the orphan children of the Mother Country and to educate them in Western Australia for life on the land.

EMPIRE TRADE NOTES

CANADA

CANADA'S position as a candidate for part of the tremendous overseas lumber trade that is expected to accompany the rebuilding of devastated Europe is carefully expounded in the publication "Canadian Lumberman and Woodworker." This contains a shadow map of the European markets in which Canada hopes to sell some of her merchantable timber. There are startling figures, but they are quoted from a census taken by the Dominion Bureau of Statistics. The pulpwood is estimated at about one billion cords. It is stated that the timber wealth of British Columbia alone amounted in 1908 to 300 billion feet. Up to 1917 only about 30 million feet board measure had been cut. Canada's unsurpassed opportunity in world markets created by the necessity for rebuilding Europe's ruined farms and cities is dealt with in a leading article. The structural material each country requires, how it should be cut, graded and delivered is tersely told, with the admonition that "Canada should bid for a large share of this business, because she has the forests, the mills and the labour necessary to produce large quantities of timber to suit all markets."

SASKATCHEWAN has again won the world's prize and sweepstakes for the best spring wheat, Mr. Fields, of Regina, winning the much coveted honour at the International Soil Products Exposition at Kansas City, Missouri. Mr. Fields farms three miles north of the city of Regina, and has shown grains successfully at the international competition for the past six or seven years, steadily working his way to the front. In 1906 he won first prize for wheat in the dry farming section. The half bushel he sent down this time was a splendid exhibit of Marquis wheat. He also won first and sweepstakes in oats, thus securing three trophy cups, the Canadian Pacific Railway \$500 trophy cup and the fine cup put up by the Exposition management for the first prize in wheat, the cup for oats in addition.

THE grape crop of the Niagara district promises to be a most successful crop, the growth having been stimulated by recent rains. This is a year when the demand for grapes is greater than ever before as the pulp is being used increasingly in the

manufacture of jam. It is anticipated that within a few years the Niagara district will be one of the greatest grape-growing centres on the American Continent.

THE high price of silver is having an encouraging effect on the silver mining industry in Ontario, which is one of the principal producers within the Empire. The old mines of the Thunder Bay region, west of Port Arthur, are being re-opened, and new development work is being pushed forward in other directions. The mines in the Cobalt region are making very heavy shipments at the present time.

SASKATCHEWAN's butter output continues to increase. While no exact figures are available, reports received at the dairy branch of the department of agriculture show that considerably more butter has been produced this season than in the corresponding period in 1918. Indications point to the increase in production being maintained throughout the winter months. Five new creameries have been established in various parts of the province, and the opening of others is contemplated in the near future.

INFORMATION has been received from Nova Scotia with regard to the apple crop, stating that in the Annapolis Valley there are approximately 3,000,000 barrels of apples for shipment this season, and that the Dominion Atlantic Railway is moving from 50 to 60 car loads per day. Advices also state that the shipyards are extremely busy, over 1,200 men being employed in ship construction. The hulls have been laid for several steam ships of 10,500 tons each, and the framework of two 8,100-ton vessels has now been started.

AFTER having made a careful and conservative survey of the honey industry in Manitoba, the Deputy Provincial Minister of Agriculture states that 1,000,000 lbs. of honey will be produced in the province this year. This is stated to be 100,000 lbs. in excess of the production in previous years.

GOLD mining in Ontario had its origin fifty-three years ago, but it was not until 1909, when the Porcupine district began to come into evidence as a producer, that the industry gave promise of substantial possibilities. Even then three years elapsed before the output reached large figures. That year, however, witnessed a phenomenal increase, the value being £423,000. Production more than doubled the following year, and steadily advanced until 1916, when the total output had a value of over £2,000,000, in 1918 it showed £1,700,000, and the current year promises even greater results.

MORE than 12,000,000 feet of the British order of 70,500,000 feet of British Columbia lumber is now *en route* to England. It is hoped to have 40,000,000 feet on the way by the end of the year.

SINCE the beginning of last year 15,434 settlers, having with them money and stock, etc., valued at £1,714,578, have entered Western Canada. A large majority of the immigrants went to

Saskatchewan and Alberta, and consist chiefly of farmers and their families. Many of them are taking homesteads, while some are buying improved farms.

THE successful run of salmon (sockeye) on the Skeena River, British Columbia, last year is proof that the hatcheries are performing a very important part in the development of the fishing industry of the province. The Skeena is doing better this year than it has done for about ten years, and already nearly 150,000 cases of sockeye have been packed by the canneries. There are, in addition, the other grades of salmon to be taken into consideration.

ONE of the finest crops in Central Alberta was harvested last season on the farm of J. A. Charlesworth, near Bashaw, Alberta. Mr. Charlesworth had 300 acres in crop and threshed 13,000 bushels of wheat, an average of better than 42 bushels to the acre. The entire crop has been sold to the Gillespie Elevator Company, two-thirds of it grading No. 1 hard and the remainder No. 2. Threshing was general a week ago in the Bashaw district and the average will be in the neighbourhood of 30 bushels to the acre, with a possibility of the returns being even greater.

TWENTY years ago only those with the seer's vision ever hoped to see genuine orchards in Manitoba. To-day anyone in Winnipeg can jump on a street car and run out to the Agricultural College, and see an orchard that would not be put to shame by some of the old orchards of, say, Northern Ontario. Indeed, the head of the Horticultural Department for the Dominion stated, when recently the members of the Western Horticultural Convention were entertained at the College, that one of the plum trees in the College orchard was worth two trees of many a commercial orchard in Eastern Canada.

A MERCHANT'S Bank representative has been to the west and back looking over the country, and he believes that the future is bright with possibilities for that part of the Dominion. New settlers are reported to be getting into the country constantly, and on the coast the pulp and paper industry is growing very rapidly. The people in the west, he added, were optimistic and ready to do their part in the reconstruction programme in order to bring about renewed prosperity.

IN order to assist the farmers of New Ontario in getting more firmly established in the dairying business, the Ontario Department of Agriculture, in co-operation with the Northern Development Branch, is undertaking to purchase several car loads of milkers for sale at cost in the north country. There is a large supply of fodder for cattle in the north this autumn. The difficulty hitherto has been that the farmers have not had the capital to purchase the cows and have in consequence been unable to extend their dairying activities. Believing that the department could be of real assistance to the settlers, the Northern Development Branch offered to purchase the cattle

required by the settlers upon joint lien notes at 6 per cent. payable in one year. The purchasing of the cattle will be carried on in older Ontario under the direction of the Commissioner of Agriculture.

A PURE-BRED Holstein-Friesian cow, named Summer Hill Topsy, owned by a farmer of Summerland, British Columbia, has completed a five years' record that is worthy of special notice. Her production of milk during that period totalled 69,842 lbs. or 27,936 quarts. In addition to the above production of milk, in the past five years Topsy has had six calves, five heifers, and one bull. The bull calf sold for £30, the four heifers over a year are worth £200, and the month-old heifer calf at least £10, making a total of £240. Her original cost was £65.

THE members of an expedition which spent a month cruising in aeroplanes over Labrador, state that great timber lands were disclosed from which millions of cords of pulp wood could be cut and rolled to streams for direct shipment. The expedition, which included in its equipment three aeroplanes and a *personnel* consisting of 20 persons, among them five aviators, operated 70 miles north of Battle Harbour. Two million acres of timber land were explored by air and by the ordinary methods of timber cruising. Pictures taken from the air, numbering 13,000, are said to show some dense growth of pulp material in such manner that the most available places could be located readily. The use of the aeroplane is looked upon as opening up a new field for commercial aviation. The planes cruised inland for more than 100 miles, flying at heights of 2,000 to 9,000 feet.

THE rising price of coal has encouraged the development of peat bogs in Ontario, and the production of peat at Alfred in Eastern Ontario at 16s. per ton has been found feasible by the Ontario Government, who now propose to spend £15,000 or £20,000 on a dam for the development of another great peat bog of 14,000 acres at the head of the Holland river, near Lake Simcoe. It is claimed that peat can be produced there at the same price in spite of the cost of the dam, and it will be in greater demand for the populous portions of central Ontario, including Toronto and Hamilton, where there will be a comparatively short freight haul.

WITH so much demand in the middle Western Provinces for good feed for cattle, it is interesting to know that the forage plant, which is grown to such an extent for cattle feed in some parts of the United States may also be grown in Manitoba. At the Brandon Normal School an experimental crop of this plant has matured and is ready for the harvest. Farmers who have seen the plant growing in the normal garden state that it is just what is needed for fodder for cattle and should be cultivated on a large scale. The forage plant is very prolific and succulent and may be cut three times a year in warm climates and twice a year in Manitoba.

IN Canada electricity is comparatively cheap, and is used extensively on farms. One of the most complete electrical services on a farm in Ontario is that found in the home of Mr. R. B. Rogers, just outside the city of Peterborough. Water is pumped to house and barn by electric power; separator, churn and washing machine are operated in the same way, and in the house there is an electric range; ironing is done electrically, a vacuum cleaner is operated in the same way, and there is a fan to cool the rooms, with lights all over in addition. The most remarkable feature is the low cost at which all these conveniences are obtained. The highest monthly bill in the year was a trifle over 24s., with the general run about £1. But then the rate is only three cents per kilowatt hour. The electric current is developed from the water powers of the province, notably Niagara Falls, and is supplied by a Department of the Provincial Government, which has constructed and operates long-distance transmission lines and transforming stations. This availability of cheap power is naturally encouraging the establishment of many new manufacturing plants in Ontario towns.

THE threshing of the crop from a pedigree hybrid alfalfa plant at the Manitoba Agricultural College has given some interesting results. This plant was raised in 1916, and in the season of 1917 it yielded six ounces of seed. This is about four times the amount of seed produced by an average good alfalfa plant. In the spring of 1919 these six ounces of seed were drilled in an isolated plot about one-tenth of an acre in area, and treated under ordinary field conditions. The crop from this plot has just been threshed and yielded nearly 40 lbs. of seed which, it is estimated, should give fully 30 lbs. of good clean seed. The Field Husbandry Department of the college intends to multiply this improved strain of alfalfa extensively, and in the course of a few years to have sufficient stock to make it available to farmers in the province of Manitoba.

AUSTRALIA

THE Western Australian Minister for Trading Concerns recently reported to the State Parliament a net profit of over £5,000 on the year's operations of the State-owned saw mills. The statement showed that the value of the fixed assets (purchased for £229,676) amounted to £265,332, against which had been provided £60,875 for depreciation and £22,450 for sinking fund. The figures with regard to the year's trading showed a gross profit of £33,535, and a net profit of £5,147, after allowing £14,970 for depreciation and paying the Government £14,355 as interest on the capital borrowed for the purchase of the works, making the accumulated net profits £21,688.

It was recently stated by the President of the Western Australian Chamber of Commerce that the State's production of wool last year was close upon 46,000,000 lbs. which was appraised at about £2,700,000. The significance of these figures

is brought out by the report of the Western Australian Government statistician for 1917-18, from which it would appear that the wool production of Western Australia has practically doubled in quantity during the war period. In 1914 the wool clip was 23,156,288 lbs. from 4,362,801 sheep, which was increased in 1917 to 38,294,093 from 6,209,856 sheep, while in 1918 (as stated by the President of the Chamber of Commerce) the clip amounted to 46,000,000 lbs. Another interesting feature of the Government statistician's figures is the fact that not only was there a huge increase of wool production but the weight of the average fleece increased.

THE scheme undertaken by the New South Wales Government of settling 1,500 soldiers on the irrigation area at Griffith within two years is progressing satisfactorily, and a number of soldiers have already obtained full possession of their blocks, and their outlook is most encouraging. The conditions of settlement are, that the ex-soldier who wishes to take up dairy farming or an orchard must satisfy the Commissioners that he has the necessary qualifications. He will then be subject to three months probation on the settlements. Upon his work during this period will be judged his fitness to acquire a farm. During his preliminary training he will be paid award rates for that class of work, less cost of board and residence. One hundred soldiers are at present going through this period of probation and are doing well in the work of clearing the farms and preparing the land for cultivation. Settlers receive advances as provided in the N.S.W. Returned Soldiers Settlement Act. This includes £625 for clearing, fencing, draining and water supply and general improvement of the land, the purchase of stock implements and the erection of buildings. In addition, advances are made from time to time as are found necessary to bring the farm to a proper stage of production, always provided the settler does his part intelligently and energetically.

FOR some time past two representatives of an influential French syndicate have been in Western Australia making inquiries with regard to the possible developments of trade in timber between Western Australia and France. In default of being able to secure a privately-owned timber mill the representatives of the syndicate have opened up negotiations for the purchase of the Government mill, but have been informed that under the Act which regulates all State-owned trading concerns in Western Australia, any proposal to sell the Government mill must have the sanction of Parliament.

IN connection with the State Housing Scheme in New South Wales the Minister for Housing is experimenting with the extended use of concrete. It is claimed that by using this material houses may be built much more rapidly than when stone and brick are employed; that the houses can be built more cheaply, and that the buildings will pass the most rigid test. Two concrete test houses at Matraville are being built on different systems. One is to be a "pre-cast house," of which the various

parts are moulded and set up in a hard state. The other is to be an example of the "monolithic house," that is, one in which the concrete is poured into holding boxes of the requisite size and shape to give the building its needed size and substance. One house is built "dry" and the other "wet." With many houses to build, structural steel could be extensively employed, and the buildings would thus be fire-proof. The concrete demonstration is being carried out by an expert in concrete construction brought out from America. The New South Wales Government has also resumed an area of 12 acres at Marrickville, one of the suburbs of Sydney, for the purpose of building homes for the public. Sub-divisional plans have been prepared which will provide 62 blocks with a frontage of 40 feet each. These allotments will be available for building immediately, and operations are expected to commence at once. The value of the allotments will average between £150 and £170.

EFFORTS are being made to induce the Midland Railway Company of Western Australia (an English Company) to extend its activities in the State in which it already has extensive interests. At a meeting of the Moora Road Board a resolution was carried requesting the Midland Company to construct a new line from Moora to Round Hill. The Chairman of the Board stated that the General Manager of the Company in Western Australia had expressed the opinion that the Directors would be prepared to proceed immediately with the construction of the proposed line.

MR. COLLIER, Leader of the Opposition in the Parliament of Western Australia, and also Leader of the Labour Party in that State, recently made an important statement with regard to the attitude of the Labour Party in the matter of British emigration to Western Australia. Referring to the Premier's statement that it would be necessary to ask Parliament to endorse the emigration policy of the Government, Mr. Collier said that the people of Western Australia need have no fear of the future of the State, bearing in mind its wealth in gold production, its large deposits of base metals, its rich stock-raising country, its timber resources, its agricultural areas and its coal deposits. The great need of the State was population to open up and develop its unoccupied areas. Speaking on behalf of his Party he added:—"If the Premier will endeavour to induce people from the Old Country to come out here and throw in their lot with Australia and endeavour to develop it and hold it for the British race, I am with him, so long as our endeavours are not directed to including more people to emigrate than we can absorb. It may be at the rate of ten thousand or fifty thousand a year, so long as we make the necessary preparations to absorb them when they come here. I welcome any policy that will bring from overseas increased population, so long as it is not allowed to congregate in the cities to inflate an overstocked labour market."

SOUTH AFRICA

IN creating and fostering new industries, and revitalising old, South Africa has contributed a not inconsiderable quota. Long regarded as a land of illimitable possibilities, with, it is true, a few great industrial achievements to her credit, she has so far turned to profitable account the opportunities of the last four years as to prove to the world at large her ability to hold her own in the production of a variety of commodities formerly derived wholly from other countries. Her farmers and manufacturers have accomplished what is of infinitely greater importance to herself than adding bountifully to the common stock of goods. They have been the means of vivifying and popularising in South Africa the idea of exploiting and utilising to the full the latent resources of the country. Amongst the far-reaching salutary effects of the distressful years of war may be accounted a wider recognition of the vital importance of industrial development and a better perception generally of the lines of true progress.

WOOL and mohair represent the great twin industries of sheep and goats in the Union. The sheep of the Union are varied in type, and more varied in quality, with the fine-woolled merino leading. The export of wool in 1916 was valued at £6,601,376, equalling 10 per cent. of the total exports of the Union. But, in addition to the merino there is the Afrikander and the Persian, also the so-called woolled Persian, and the Karakul. These are all fat-tailed varieties of very hardy habit, and are farmed mostly for mutton in those districts where merinos do not pay. In addition to those, we have the later importations of several English varieties which have been introduced with the object of working up a trade in export mutton. This means a gradual turn over in the direction of cross-bred fleeces and heavy carcasses, as against the present ruling condition of fine fleeces and comparatively light carcasses. As against this movement, we have the ever-growing tendency of our leading stud-breeders towards the importation of the best blood obtainable in the shape of Merino rams. As a matter of fact, South Africa is becoming the recognised market for the best classes of this stock in Australia.

THE Angora industry has made very considerable strides of recent years, and the wastage of the war has played such havoc with the Angora zone in Asia Minor, that it looks as though this industry will become more firmly established in this country in the immediate future. At present it is worth over a million sterling (£1,152,281) per annum for its mohair alone. In addition to this has to be calculated the value of the mutton which it annually contributes to the meat supplies of South Africa. A potential source of further wealth in this connection is the probability of building up an export trade in stud stock later on. The fruit industry in the Western Province during the past twelve months has turned out better than was anticipated in the

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beginning of the season, mainly owing to the satisfactory prices obtained in South African markets. This was probably largely owing to the fact that a great deal of money was in circulation owing to war conditions. The dried fruit industry has made rapid advances during the year. The quality of the product is uniformly improving, and most of the companies handling this class of fruit will face the coming season with very small "hold-over stock," the only exception being sultanas. The jam and canning industries have been in a remarkably flourishing condition during the year, and have taken largely increased quantities of fruit.

THE market for South African produce has been exceptionally good. The consignments of poultry, including turkeys, geese and fowls have aroused great interest amongst firms dealing in these lines, and further developments are being closely watched. Large imports of these foodstuffs formerly came from Russia. The failure of that source of supply led the South African Trade Commissioner in London to recommend to South African farmers that they should try to fill the gap. The results have been most promising, and prices realised—although controlled by the British Food Ministry—have come up to expectations. A first consignment of 82 tons of eggs has realised the full controlled price of 5s. a dozen wholesale. Bacon has been sold for excellent prices—green Wiltshire at 190s. and cut and Cumberland sides at 186s. South African bacon is more and more appreciated in England. The supplies of butter and cheese were short. Maize sold at £19 12s. 6d. per ton c.i.f., oats at 58s.; the demand for wattle bark was good, but the supplies were short, and all demands could not be met.

THERE is abundant evidence to show that the potential output of mealies or maize is, practically, beyond calculation, and, furthermore, that it is not only possible, but highly probable, that the oat crop of the western districts of the Cape Province could be doubled if the markets were available to absorb them. There is scarcely any part of South Africa where maize cannot be grown. In some areas it is most prolific. It is now produced in many millions of muids annually. The value of the maize exported in 1916 was £877,368; with the further expansion of agriculture the crop can be increased tenfold. South Africa has a wonderful advantage in this crop. The harvesting season is long, and in the major portions of the Union this period is bright and dry. The result is the production of a very high average quality of grain, which will always command a market. But with the extension of dairying and the expansion of the export meat trade (which in 1916 reached the value of £361,768), there can be little doubt as to the future of this industry. Maize and oats, with the addition of legumes like lucerne, cowpeas, or vetches, in the form of hay, make excellent store feed. What more can any farmer ask for. With the addition of silage here are the makings of a great national industry.

OVERSEA CORRESPONDENTS.

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PROBLEMS OF INDUSTRY.

The Trade Outlook

JUDGED by almost every economic test the history of the past year has been reassuring. Our export figures have risen steadily, and the adverse balance of trade was £150,000,000 less than the Prime Minister expected in August. The prospects for the future are excellent. The output of coal, though it can be and must be increased, has not justified the forebodings of the pessimists, and this in spite of the fact that it was a critical and troubled year for the industry. The financial situation is improving, the deficit less by over £400,000,000 than seemed probable at one time. The figures of unemployment are reassuring. But for the moulders' strike, the most disastrous industrial event of the year, they would have been the lowest on record for the autumn, less than one per cent. Strikes, unfortunately, were numerous, but they were an inevitable product of a period of chaotic price levels and violently agitated exchanges. Moreover, the evidence justifies the view that Labour is discrediting the strike as the cure for its grievances. Orders are pouring into the country from all over the world, and nothing but gross stupidity or a violent development of what is commonly alluded to as "Class War" can prevent one of the greatest "booms" ever experienced by British trade. Admittedly the dawn of the new era has an angry look, the sea is rising and the glass is low, but the ship which bears our destinies, unless unforeseen events happen, will not alone weather the storm triumphantly, but help all the weary, labouring ships of the world safely into port.

New Exchequer Bonds

That Mr. Chamberlain's new issue of Exchequer Bonds should for the moment depress the gilt-edged market was inevitable, but it is difficult to see what else he could do. The new issue will undoubtedly render more effective the policy of preventing a further increase of currency notes and credit inflation, and while it may conflict in spirit with the Chancellor's pledge not to offer another Government security giving a higher return than the 5 per cent. War Loan of 1917, it must be borne in mind that it is not a funding operation, it will not give us new money, it will merely carry over a short period of years the maturing obligations which fall due in the course of the next few months. With interest at $5\frac{3}{4}$ per cent. these bonds should prove an attractive investment, especially as the holders will have the option in each January during the period of their currency, which is five years, of giving notice requiring repayment a year from date, the first date of repayment being July 1, 1922. Mr. Chamberlain's finance has been assailed in many quarters, but if his expectations have not always been realised, the difficulties that have beset his path have never been equalled in the history of our country. That he has successfully overcome these difficulties shows him to have been the right man in the right place, and the able way in which he has steered the ship of State through the turbulent waters that rolled up upon the cessation of hostilities and during the early days of reconstruction have gained for him the confidence and gratitude of the British people.

Bonus on Conversion

In order to induce holders of the three maturing bonds to convert substantial bonuses are offered. Thus the $\text{£}5\frac{3}{4}$ per cent. Exchequer Bonds issued in Exchange for $\text{£}6$ per cent. Exchequer Bonds will carry a full half-year's dividend, payable August 1st, while the full half-year's dividend due February 16th will be paid in respect of the 6 per cent. Exchequer Bonds surrendered. This is equal to about $\frac{1}{4}$ per cent., making the yield for the first year 6 per cent.. A similar inducement is given to holders of the $\text{£}3$ per cent. Exchequer Bonds who convert. In the case of the $\text{£}5$ per cent. Exchequer Bonds, the bonus is greater than in either of the two other conversions; in addition to the $\frac{1}{4}$ per cent., an extra $\frac{3}{8}$ per cent. in interest is given for the last six months the old bonds would have run before they matured. Stockbrokers, bankers, and financial houses are to be paid their commission on allotments made in respect of both cash and conversion applications, a concession that should further assist the success of the new issue.

Competing Issues

We sympathise with the Chancellor's desire that his venture may have a clear run on the money market, especially seeing that the Western Australian, the Queensland, the Gold Coast, and the Nigerian loans were all over-subscribed, and now stand at a premium. But he can hardly expect, where the arrangements have been completed, that issues planned to come out during the period he is asking for applications for the new Exchequer Bonds should be held back. The Chancellor must be prepared to meet competition from whatever source it comes, and certainly the loans specified offer a very attractive investment, an observation which may equally be applied to the six per cent. guaranteed first mortgage debentures placed on the market by the Trans-Zambesia Railway Company. These debentures at 93 give a return of $6\frac{1}{2}$ per cent., and they are practically guaranteed by the Government of the Nyassaland Protectorate with the approval of the British Government. We have no doubt, however, that as far as possible Colonial Governments will endeavour to meet the Chancellor's wishes, and it may, we think, be assumed that, except where delay would be prejudicial to the undertakings themselves, those responsible for industrial and other issues will not lose sight of the suggestion put forward by the Chancellor of the Exchequer. But as we have said, the new Exchequer Bonds are an excellent investment in themselves, and we do not think they need fear competition from other quarters.

A 44-Hours Week

A still further curtailment of working hours is in contemplation. The Amalgamated Union of Shipbuilding, Engineering, and Constructive Workers, including the Boilermakers and Iron Shipbuilders' Society in conjunction with the Ship-Constructors and Shipwrights' Association and the Association Blacksmiths and Ironworkers' Society, have drafted a Bill which provides that no person shall be employed for a period of more than forty-four hours in one consecutive week nor for a period of more than eight hours during any one day. The measure, which is popularly styled "the 44-Hours Bill," is, we are told, the outcome of the decision of the entire Trade Union Movement, has been endorsed by the Labour Party Executive, and will, it is understood, have the support of the Labour members of the House of Commons. The main arguments advanced by the promoters are that the shortening of working hours is a principle recognised by all political parties, that the most successful employers of labour in this country have given practical effect to the principle, and that the United States of America, our keenest

competitor in the shipbuilding industry, is now working a 44-hours week. It is also pointed out that in the building trades a 44-hours week has become general. It is only fair to say that the need for provisions and exceptions is recognised in certain industries.

Can We Afford It

We have always favoured better conditions for the working classes both as regards wages and housing and recreation, and we have no objection to a curtailment of hours when the employment is of a specially arduous character, but the principle of a 44-hours week all round does not appear to us to coincide with a programme of greater production which it is essential to maintain if we are to pay our way, reduce taxation, and secure our pre-war position in the world's markets. The seven hours day in the mining industry has raised costs and decreased output, and we greatly fear a 44-hours week all round will produce similar results in other industries. It is worthy of note that nothing is said by the promoters of the Bill about Trade Union regulations, which can scarcely be said to have stimulated production. Should a 44-hour week lead, as we think it will, to a general decrease in output, employers will have either to pay the same men to work overtime or to employ others to make up the deficiency. This, of course, means that prices will rise instead of declining, and the cost of living will go up still higher than it is under existing conditions. There are, of course, men who would show the same results they do now by working less hours per week, but there are others who, owing to constitutional drawbacks or physical ineptitude, could not keep up the same standard. In our opinion an eight hours day, with certain callings excluded, sufficiently meets the needs of the working classes; further restriction is not required, and is likely to prove detrimental to the best interests of the nation.

Restriction of Output

On the question of Trades Union regulations and their effect on production, the official explanation is that the limitation of work in various trades is necessary in order to prevent, or at any rate to reduce, unemployment. One refuses to believe, however, that a body of men aspiring to govern the country and administer its finances, can place their faith in a theory so obviously opposed to the first principles of political economy! It is common knowledge that, the more we produce the greater the general wealth of the community, the greater the prosperity of the working-man. That being so we must look elsewhere

for the explanation of restricted output. Since the Socialists captured the Trade Unions and their funds, they have introduced into the movement many theories that tend in practice to destroy the fibre of the worker, and injure the capacity of the individual. By means of persistent propaganda they have managed to instil into the minds of the rank and file a growing animosity to capital which shows itself more openly whenever a dispute arises between employers and employed, and it is doubtless due to the socialistic influence in the Trade Union movement that so many leaders are found to favour a policy which generates slacking in industrial undertakings. The vital interests of the workers are readily sacrificed in order to injure the capitalist and promote the communist ideal. There are, of course, labour leaders who do not share these extreme views, who see how injurious they are to the welfare of Labour, but few are strong enough to assert themselves. As long as the leaders and members of Trade Unions pursue the legitimate objects for which the movement was brought into being they will continue to receive our help and support, but we refuse to subscribe to a programme that forbids a man to work as hard as he desires to work and deprives him of the right to sell his labour on such conditions as he himself considers best to his own advantage. Freedom of action is the inherent right of every man, and no true friend of labour can lend sanction to a policy that restricts output, or forbids trade unionists, as in the case of the Port Sunlight carpenters, from participating in a scheme of co-partnership.

General Labour Staff

There was more controversy over the question of a General Staff than any other proposal before the Trades Union Congress. A strong section of extremists were against such a development, believing it would have the effect of delaying or preventing lightning and sympathetic strikes, and make the policy of the movement more cautious and conservative. A General Staff, if it were anything more than a name, would have as one of its functions to organise and control the fighting policy of the trade unions; it would have to consider every potential strike on its merits, and in many cases would undoubtedly decide for peace; it would make the strike policy of labour more responsible and cautious. This would not, of course, suit the views of the extremists. However, the proposal was adopted by a large majority. If the Staff comes into being, the extremists' next step will be to attempt to get control of its deliberations and use it for their own disruptive purposes. If that attempt can be defeated the Staff should make for peace and the policy of sane Trades Unionism and it should receive the full support of the community.

Lost Workers

The subject of lost workers, i.e., workers who disappear from an industry, has an economic side which is not always appreciated. Captain Greenwood who, on behalf of the Committee that dealt with the health of munition workers, made a special study of female employment in national factories during the war, found that in one particular factory out of 2,791 women engaged 1,125 left within four months, while out of 1,000 engaged 132 failed to complete a single month's service. In another factory out of 11,000 who left 6,700 gave no reason for so doing. In his opinion welfare work is the one great palliative for this hæmorrhage of industry. Where the welfare work was efficient conditions were far more stable. Inquiries in Philadelphia brought out the facts that 48 per cent. of the men and 38 per cent. of the women remained in their employment for less than ten weeks. Other investigations in British and American factories showed that on January 1st of a certain year 38,688 persons were employed, and on December 31st this total had risen to 46,796. During the same period 44,365 were engaged, so that 36,237 dropped out of employment. Such instability must represent an immense loss of productive efficiency. The subject is one worthy of further reservation, but enough has been discovered to show that welfare work, not always appraised at its true value by employers, is a matter of the highest importance.

Railway Wagons

The enterprise contemplated by the Minister of Transport of embarking on a great scheme of national factories for the construction of railway wagons has aroused consternation amongst all believers in private enterprise. National factories would inevitably enter into the fiercest competition with the great private wagon building firms. He appears to have forgotten that with an output from the private firms of 1,000 wagons per week, taking by no means a high estimate, there would be great over-lapping and waste of productive power. In the course of his observations he made certain allegations against the industry which were by no means justified. For instance, he alleged that the export trade is showing excessive profits. Apparently this conclusion was formulated on the returns for November, a most unfair test, seeing that earlier in the year, when the works were being turned over to peace production, the export output was negligible. Again American competition was never so keen and menacing. He suggested also that the prices quoted by private firms compare unfavourably with the cost in railway workshops. Such comparisons are likewise unfair, unless the basis of computation be

reasonably adjusted. Railway companies do not include in their costs many expenses that are necessarily included by private builders. Certainly the experience of national factories gained during the war failed to convince anyone that they are capable of producing an article either as good or as cheap.

Advance of Thrift

The dinner given by Sir Robert Kindersley to the members of the National Savings Association afforded the Chancellor of the Exchequer an opportunity of reviewing the work done by that body, and making a pronouncement on the results achieved. No one is likely to cavil at the praise he bestowed on the personnel of the War Savings Associations, and few will disagree with his conclusion that their work has been of untold advantage to the country and widespread benefit to British citizens. The figures he gave indicate a distinct advance in thrift amongst that class of the community known as the small investor, but it would be idle to suppose that the whole of the £200,000,000 vested in War Savings Certificates at the time of the Armistice came entirely from the pockets of that particular class. Nor does Mr. Chamberlain's further statement that the certificates sold numbered nearly 260,000,000 in any way alter our view in this respect. A large proportion of that amount, how much we do not know and the Chancellor did not enlighten us on the point, came from investors who were allowed to take up certificates to the limit of £500. That these Certificates supplied a national want all will admit, and it is satisfactory to know that while before the war the deposits in the Post Office and Trustee Savings Banks were about 300 millions sterling, by the end of October last year they had risen to very nearly 800 millions sterling, thus showing conclusively that the issue of War Savings Certificates did not in any way affect the popularity of the older institutions. Nor did the inflow of subscriptions end with the Armistice. From that date to January 5th nearly 95½ millions sterling have been loaned to the State by means of War Savings Certificates, showing that the habit of saving engendered during the war has remained to stay in time of peace.

EDITORIAL.

THE NEW INTERPRETATION OF EMPIRE RELATIONS

THOUGHTS ON IMPERIAL UNIFICATION

As I am about to return to Australia after a period of three years' official residence in this country, it may not be inopportune if I take advantage of the occasion to call attention to some of the recent and very far-reaching changes in the development of the new interpretation of Empire relations. I propose to content myself with stating facts; their significance and the lessons to be derived from them are matters for my readers.

A New Era

For more than a generation the attitude of the Mother Country to the Dominions has been characterised by an ever-increasing spirit of trust and the concession of very generous measures of self-government; local autonomy, in fact, under the Crown. The unity of the British Empire was maintained in outward form by (1) the institution of the Monarchy; (2) the control of foreign policy; (3) the existence of the Privy Council. The importance of the Privy Council, the last of these three great connecting bonds, has been gradually declining in face of the growing desire of the Dominions to make their Courts of Judicature as far as possible the final Court of Appeal. The rights, theoretical and practical, of the Dominions in respect of foreign policy have likewise undergone momentous changes, the gravity of which should not be under-estimated; and, indeed, what are to be the limits to development in the future it is difficult to foretell or even estimate.

The Past Reviewed

The many and varied issues of foreign policy, the relations generally with other nations, the power to declare war or make peace, the competence to make commercial treaties—these all lie within the jurisdiction of the supreme sovereign power of any people, or combination of peoples. In an ordinary community

the citizens are bound to obey the decision of the properly constituted authorities in such matters and to raise taxes for the purposes of meeting the necessary costs of carrying out foreign policy. The British Government has always treated the Dominions and colonial possessions with marked liberality in respect of the obligation to bear arms. Theoretically, compulsion might be exercised. In practice such has never been claimed; but voluntary enlistment has been gratefully accepted. If local colonial levies are furnished, either officially or privately, the cost of transport and maintenance has been regarded as a charge against the Mother Country, unless a desire to the contrary has been expressed by the Dependency. Moreover, whilst the Government of the United Kingdom has never attempted to involve the various portions of the Empire in the burden of sharing in armed expeditions, whether against native tribes or European nations, the British Army and Navy always stand as a bulwark for the defence of any and all of the Dominions against foreign aggression. Defence is the recognised duty of the authorities, who direct foreign policy, and the responsibility for the determination to declare war has always rested with the British Government; it has never been disputed. Consequently, the British Executive Government have claimed to be the channel of communication with other nations on all subjects that may concern not only the Mother Country but any of the various Dominions; and whilst the views and representations of the local people are seriously considered, yet as the Empire speaks with one voice the British Government has exercised the right to determine on a policy which will be binding on all the component parts of the Empire.

War Changes

.Inasmuch as there was no compulsion to render aid in a British war, and as European issues had in the past little or no influence on Dominion developments, it resulted, in practice, that no decision in respect of foreign relations appealed directly to the self-governing communities. This symbol of Empire unity had remained unimpaired until lately—of late much discussed but never tested. During the war, however, great changes, striking deeply and revolutionary in character, have taken place. For the first time in the history of our nation the contributions of the Dominions to the fighting forces of the Empire have been substantial in men and money and efficiency. The Dominions have borne the cost of military equipment themselves; they have occupied positions of real responsibility in the fighting line, and in the prolonged conflict have lost the flower of their manhood; moreover, although Great Britain declared war

on Germany, yet the issue intimately affected the stability of the whole and of every portion of the Empire, and a common interest moved them all to a common purpose.

New Status

In these circumstances a close association of Dominion statesmen in the daily councils of war and in the consideration of the ever-changing European situation became inevitable. The presence in London of Dominion Prime Ministers provided the occasion for admitting them to the meetings of the Cabinet and the recognition of them as part of the machinery for the prosecution of the war. Nor did their task cease with the Armistice. Logically, when the time arose for the famous peace Conference to sit, the precedent thus created assured to Dominion representatives a place at the Council table of Versailles, not for the Dominions as one body but for each separate Government, with apparently the status and the privileges of a sovereign power. Finally, the Treaty of Peace conceded to each of the Dominions a seat at the council table of the League of Nations, and in their representative capacity the Prime Ministers respectively subscribed their names to the Treaty.

Problems Awaiting Solution

In what respect in all the leading phases relating to war are the Dominions of the British Empire inferior to sovereign independent nations or of inferior status to the Allies, or will they be in the future as members of the League of Nations? What is their status in respect of the foreign policy generally of the British Parliament? Is the foreign policy in any practical instance of the British Government to bind the Dominions if their Ministers have not been consulted? What is to be the position if the Dominions are opposed to the opinion of the British Foreign Office? Are they not already independent nations in all but name, and can a contrary view stand through the strain of a practical test? They are apparently not only autonomous but independent communities, yet under the King united to the rest of the British Empire! These questions are full of significance. The answers are far-reaching in their consequences. They have not yet been raised in a concrete form, and one may be permitted to hope they will not take practical shape till the disintegrating effects of a premature inquiry have been safeguarded.

Were such consequences anticipated or intended, or is it another instance of the uneven and unmethodical manner in which unwritten constitutions grow?

The action of the British Government was generous to a degree and worthy of the best traditions of Liberalism. The

confidence in Dominion patriotism will be deeply appreciated, and I trust will in no way impair the strength of those sentimental ties which under the stimulus of a common danger and a common ideal become galvanised into whole-hearted assistance. But having created the centrifugal energy it behoves us to do nothing which may set these forces in motion unnecessarily or unreasonably. Existing inter-Imperial relations must be built up and strengthened.

Strengthening Unification

How is this to be achieved? The British Empire has been wrapped in a mantle of mutual sympathy and goodwill during the last few years, engendered by personal contact with men from overseas who are our own flesh and blood and animated by the same high ideals as ourselves. They have returned to their home, distant thousands of miles, to pursue their avocations, and are subject to the environment of their own local influences. Nothing deadens common interest and sentiment so much as distance, but they flourish on mutual knowledge and sympathy. We must increase the means of knowledge and overcome the handicap of distance.

Let us begin in the schoolroom and inculcate a proper knowledge of the geography and history of the institutions and resources of the Dominions and implant in the child an intelligent interest in the great Empire to which he belongs. Let that education be continued in later years by systematic reading, attending lectures and other methods of representing life overseas. Encourage the desire to travel in the Dominions, cheapen and quicken transit and communication, advise all officials who desire to advance in the Dominion's branch of the service to gather their experience in the various centres of the Empire whilst they are still young and receptive. In the next place establish, under Government assistance if need be, the issue of rational information derived from all parts of the Empire, omitting murders and all forms of sensationalism which are the present indigestible sustenance of a hungry public; and, if I may be pardoned for making the suggestion, let us throw off that tendency to insular prejudice which irritates everybody but the exhibitor, which is frequently mistaken for other qualities less attractive, and which is beneath the dignity of a great nation.

Union of Hearts

We owe much to His Majesty the King for his abiding interest in the Dominions and zeal in strengthening the bonds of Imperial cohesion. What is more statesmanlike than his determination to send the Prince of Wales on a visit to the Dominions? It

has created an interest that is world wide, it has revived already the sentiment of sympathy and goodwill which was so active during the progress of the war, it will draw the people overseas nearer to the great heart of the Empire, it overcomes that sense of reserve and prejudice which is dissipated under the genial warmth of personal contact; it should direct those peoples who have been endowed with increased powers of self-government upon a course guided by the star of common interest. The visit of the Prince of Wales to the Dominions will bring about a permanent union of hearts and a consolidation of all the members of the Commonwealth of Nations.

The Future

The future depends on a union of hearts rather than of written constitutions. What is the alternative? To-day Great Britain outnumbers all the Dominions combined excepting India. But this country's power of expansion is limited. In less than fifty years the total population of these same Dominions will exceed the United Kingdom, and in any form of written constitution they would enjoy a preponderance of votes on the basis of population. Such a position would not commend itself then to the people of this country. Silken bonds of common interest and mutual sympathy would be greatly preferable. This means that the time is within measurable distance when the present numerical superiority of Great Britain will cease to exist. If the occasion arose the Dominions would then be in a position to contemplate with greater security than at present any proposal for independence. How they would view it depends entirely upon the general sentiment of the peoples. That attitude again would depend largely on the relations of the component parties during the next generation or so.

At present we see the unique spectacle of nations independent in theory, whilst the King represents the unity of the Empire. Centralising and decentralising forces co-exist. They need not conflict. Everything depends on the cultivation of sympathetic relations between the people of the United Kingdom and of the Dominions.

C. G. WADE

(Agent-General for New South Wales).

January 17th.

PROGRESS AND PROSPECTS OF WESTERN AUSTRALIA

PRIMARY AND SECONDARY INDUSTRIES

MR. MCGREGOR, H.M. Senior Trade Commissioner in Australia, in his Annual Report on the Trade of Australia issued by the Imperial Department of Overseas Trade in August last records: "The people of Australia during the war period have probably suffered less than those of any other belligerent country. Foodstuffs have been abundant, trade good, money plentiful, and wages high. Such restrictions as have been imposed on trade have involved little or no real hardship."

Natural Resources

This gratifying testimony has been induced not alone by the prosperity of the primary industries, a result to be expected in a country which, at a time of world-shortage of foodstuffs and raw materials, was in a position to supply both; it applied even to the secondary industries, which, as Mr. McGregor tells us, "have received a great stimulus," and he adds: "It has been demonstrated that a wide range of articles can be successfully manufactured in Australia which were formerly imported." This does not mean less Australian trade with the Mother Country, but more. It does not mean less British trade with the Commonwealth, but more. In fact, Mr. McGregor himself observes: "The natural resources and potential wealth of Australia are so vast and her people so virile and enterprising, that it is only reasonable that with the development of her resources and expansion of population, manufacturing industries on a large scale should be successfully carried on. Concurrently, with the growing prosperity of Australia and the development of her manufacturing industries, British manufacturers, for many years to come, may confidently look forward to increasing trade with Australia." Appended to this general survey of the commercial and industrial conditions of Australia as a whole is a series of separate reports dealing

with the States individually, including one on Western Australia by Mr. Murray, the Imperial Trade Correspondent at Perth, and it is with this that I am more particularly concerned. "There is satisfaction in knowing," he writes, "that the war created no artificial prosperity (in Western Australia) and that its ending serves, not to dislocate, but rather to stimulate, industry." While recognising that Western Australia's great natural primary industries "capable of almost illimitable expansion" must continue to be the basis of the State's progress and stability, he notes that increasing attention is being given to the extension of kindred and secondary industries of all kinds, and forecasts such activities in this direction that the State will be the exporter of many articles of which it is now an importer.

New Industries

Among the new industries mentioned (the report was written in the early part of 1919) are woollscouring and fellmongering, lime and cement, glass manufacturing, and tile and pottery making, while others were projected, such as alkali works, the briquetting of coal and the extraction of oils and varnishes from the grasstree (blackboy), of which vast quantities are available in the State. In connection with the glassmaking and pottery enterprises it should be stated that recent tests have proved that supplies of the finest sands for the manufacture of the best quality of glassware are readily available, while exhaustive experiments have resulted in the discovery of clays highly suitable for the manufacture of tiles and pottery formerly imported from abroad. The creation of an alkali industry is also mentioned by Mr. McGregor, who records that a representative of a leading British firm visited Australia and placed his services at the disposal of a committee of chemists and alkali users which had been appointed by the Commonwealth Government to investigate the subject.

Openings for Investment

My object in laying stress upon these developments is two-fold: I am desirous of showing that the people of Western Australia, while recognising the enormous value of their primary industries, are keenly alive to the importance of laying the foundation of a great manufacturing State whose output in secondary industries will keep pace with its primary production; in the second place, I am anxious to bring home to the British investor some knowledge of the vast field which awaits the expenditure of capital, skill, and enterprise in the development of the industrial resources of the largest and richest of the Australian States. Mr. Scaddan, formerly Premier and now

Minister for Industries and Mines, writing to me only the other day on this subject, said: "A perusal of the statistics of our importations should, I think, convince manufacturers that this State offers a large field for expansion of business, and in addition there is the undisputed advantage we have over the Eastern States owing to our geographical position in opening up trade with Java and the islands in the vicinity." Mr. Murray, I notice, makes a similar point in one passage of his report, in which he refers to Western Australia's "comparative nearness to the world's markets," as one of that State's advantages.

State Encouragement

It is a principle of Governmental administration in Australia that the State should aid and encourage enterprise and development in any direction calculated to promote the material welfare of the people. This is true of Western Australia no less than of the other States. The Minister for Industries, for instance, has been instrumental in arranging for Government financial assistance to a number of industries, and in this respect he is continuing the policy of his predecessors in office. One of these enterprises is a Forest Products Company which has now passed the experimental stage, and it is anticipated that with the working capital, which the Government assistance will provide, the Company will shortly be putting on the market many lines for everyday use. Considerable progress is being made in dairying, both by private enterprise and on co-operative lines. Two co-operative butter factories have been erected recently at Northam and Narrogin respectively, and there is still room for more, while the most recent private venture has been undertaken by a well-known firm in the Eastern States, who have extended their operations to the West, where they have erected a factory (at Bellevue) at a cost of nearly £40,000.

Department of Industries

Among other activities with which the Department of Industries has been associated may be mentioned deep-sea fishing, in connection with which that department (acting with the Repatriation Department) assisted returned soldiers to make a start at Esperance; a scheme for carrying out trawling experiments in the neighbourhood of Albany; the manufacture of cardboard from waste-paper; the construction of a railway from Lake Clifton to Waroona for the service of new cement works; the manufacture of water-gas direct from coal without going through the coke process; the procuring of tortoise-shell from a species of turtle, known as hawke's bill, which is found on the

north-west coast of Western Australia; the "farming" of turtles for consumption—another north-west coast industry, in which, by the way, a number of English investors are interested. These are but a few of the projects to which the Department of Industries has given its attention lately, but they are sufficient to indicate one phase of that "paternal" interest in the people's well-doing which is one of the chief characteristics of Democracy as it is understood and practised in Australia.

Whaling

The whaling industry also calls for special mention here, because, among other reasons, it offers one of the most advantageous and opportune outlets for British maritime and commercial enterprise which has been practically monopolised by the Norwegians hitherto. The facts, briefly, are these: In 1912 three Norwegian companies which had turned their attention to the whale fisheries of Western Australia, having obtained licenses from the Western Australian Government, set up shore stations—one at Frenchman's Bay (Albany), another on the north-west coast, while a third company, which operated on a smaller scale, "fished" about Cape Naturaliste. During the season 1913-16 inclusive the total output was over 5,000,000 gallons of oil and about 1,500 tons of fertiliser, of a total value of £450,000. The licenses of these companies have now expired or been surrendered, but the shore stations and factories remain in charge of caretakers at the places named. The north-western area is said to be a "hump-back" field solely, but both "hump-backs" and sperm whales are obtainable in the season off Albany.

Industrial Possibilities

I would like, in concluding this brief survey of Western Australia's industrial possibilities, to quote and commend the following passage from Mr. Murray's report: "The State (of Western Australia) offers immense possibilities for expansion of industry and trade. Its diversities of climate and soil give it capacity to produce in almost endless variety. Its proximity to the teeming millions of the East offers a ready market (which is steadily growing) for either its manufactures or raw products. All that is needed is population to occupy and develop its lands, which would, in turn, develop and maintain industries and trade, offering opportunity for the comfort and prosperity of millions."

J. D. CONNOLLY

(Agent-General for Western Australia).

IMPRESSIONS OF BRITISH COLUMBIA

A COUNTRY FOR HOME-SEEKERS

MOST old countrymen have within them an inherited love of the sea, and a mountainous country, bordering on the ocean, has a wonderful fascination for them. Circumstances had kept me absent from the sea for many years and my longing for the sight of it was ardent indeed. Through the Kicking Horse Pass, one of the gateways of British Columbia, I entered that magnificent province and made the close acquaintance of the Canadian Rockies, which dwarf the Alps, and give one a feeling of stupendous awe, a feeling which in my case will abide with me for all time.

Climate and Soil

The climate of British Columbia suited me because it was much like that of the Old Country, with additional wealth in what it produced. For one thing Vancouver, and indeed the whole coast, drains readily into the sea, and as in addition, the soil is gravelly, the rainy season does not bring with it the discomfort that is associated with rain in many other parts of the world. And that same gravelly soil, which looks too arid to produce anything, on the contrary produces everything, and that in profusion, which is possible to be produced in these latitudes. I used to have a notion that I knew something about fine potatoes, for instance, but I had to change my ideas after sampling those grown around Ashcroft, British Columbia. Nurtured on the volcanic ash deposit of that district potatoes develop marvellously, and while they are of giant size, are sound and good all the way through. The same may be said of all British Columbian products, whether fruit crops or root crops, and nowhere, with the possible exception on the valley of the Nile, is there any soil which is so prolific as that of the province which has the Pacific as its western limit.

A Wooden Cottage

It was my lot to see much of British Columbia, not as a tourist, or as an agent for publicity, but as an ordinary Britisher

trying to make a living, and I can conscientiously assure my fellow-countrymen that the Province is essentially one in which an Old Countryman can make a happy home. I had a cottage, a "frame" one, that is one built entirely of wood, on Mount Pleasant, Vancouver, and it was comfortable and homelike. As it was not built of stone or brick it was not necessary to heat a whole lot of deal wall, which always costs fuel and money, but only to heat the space between the walls, which did the only duty required of them, namely, to keep out the weather. Of well seasoned lumber and tightly built, my little cottage was a real home, and no weather affected it in any way.

Camp Life

Leaving my wife and family in the comfortable little cottage, I went out on construction work and lived in camps of all kinds. And here I would say that the British Columbia construction crews are rather particular that their camps should be good and that the food supplied should be of the best. The housing, too, was always clean and comfortable. And if one were sometimes far from home there were compensations. The swim in the swift flowing river or the clear, cool lake, in the early morning, the day's work in the open air, the Homeric meals to suit the Homeric appetite, the fishing and the hunting in the spare times, the mixing with real men who had done real things, all these helped to make each day a happy one, and induced sound, healthful sleep, from which one rose refreshed and ready for whatever the ensuing day might bring.

Sport in Abundance

Around Lake Coquitlam, where I was engaged on waterworks in connection with the British Columbia Electric Company's power supply, game is plentiful and in great variety. Mountain lion, mountain sheep, raccoon, bear and deer, are in abundance, and occasionally one or other of them helped our table a lot. Across the lake from my camp a bluff rose steeply up and terminated in a little plateau, covered with grass, beautifully green. Each morning a magnificent mountain ram came out on this plateau and performed a little dance of defiance, well knowing, as I am sure he did, that he was beyond our reach and safe from all possible harm. He was a splendid specimen, and while, no doubt, his finely curved horns would have made a great decoration for my living room at home, he and his horns were well "in the picture" on the plateau. Coming down the nine mile trail from the end of the lake to the railway station one day I almost ran into a fine large bear who was gathering a light lunch of his favourite salmon berries, which grow in profusion

near the Coquitlam river. Bruin was about thirty yards off and he raised himself up on his hind legs and took a good look at me. He evidently came to the conclusion that I was harmless, for on he went, taking great swathes at the berry bushes with his fore paws. At this camp we got, literally, all the lake trout we wanted, and that in a few minutes' fishing each day, and when the salmon began to run up the river, we got plenty of them too. Nothing beats the British Columbia "sockeye" salmon, which is as good and well-flavoured a fish as ever came out of the Tay.

An early visit to the Geological Museum at Ottawa had given me some idea of the wealth and variety of the mineral deposits of British Columbia, and my knocking about all over the Province confirmed me in the belief, which I still hold, that in this respect British Columbia is without a rival.

Fruit Ranching

But it is as a Province for home-seekers that British Columbia is of most interest. A man who is possessed of a five or ten acre fruit ranch there, with a nice little frame bungalow on it, is somewhat to be envied. He raises and readily sells the best of fruit of all kinds, and if he does not also raise and sell a large number of fowls, it is entirely his own fault. He lives in a gloriously beautiful country with a climate which is temperate, and therefore healthy, and he is his own "boss," and all he makes is his own. He has work enough to keep him reasonably busy all the year round, but he is not harassed with overwork any more than he is with the worry of long cold winters and broiling hot summers. If he gets the itch in the sole of his foot sometimes he can cure that by going off on "the long trail," either on construction work, as I did, or on a hunting expedition or a prospecting tour; and there is always the possibility of one way or the other, "striking it rich."

P. MacKISSOCK.

COLONIAL REPORTS

THE Annual Reports of our different colonies and protectorates that emanate from the Colonial Office contain much information that is of special interest to British traders, but too often the delay in publication renders the information out-of-date. Thus a good deal of effort is thrown away, and material that would otherwise have been most useful is found to be of little or no commercial value. For instance, take the Gold Coast Report, which among other matters discusses questions affecting the trade of the colony for the calendar year 1917. It seems incredible that when a colony is inviting subscriptions in London to a loan of £4,000,000 no later official information is available for the general public than is contained in the annual report for 1917. Fortunately the *Times* was able to tell us that "the trade of the Gold Coast is rapidly expanding, and as against a total public debt at present of £3,409,118, the revenue for 1919 was estimated at £2,370,000, and the expenditure at £1,848,720." But the duty of imparting this information lies not with the press but with the Colonial Office. Why then is it withheld?

The Gold Coast

The Gold Coast Report, however, places on record certain historic details taken from the message of the Governor to the Legislative Council which it may not be inopportune to reproduce here. "British civil administration in the Gold Coast had its beginning between 1830 and 1844, and its inception was mainly due to the virtues and personality of a single man. Captain George Maclean was appointed Governor at Cape Coast in the former year by the Committee of Merchants in London, which at that time was chosen by the Home Government to administer the West African Settlements of Great Britain. He opened a court of justice at Cape Coast, over which he presided, often assisted by one or more of the Native Chiefs, and to this tribunal little by little the people from all parts of the country began voluntarily to resort. He also stationed one policeman in each of the more

important centres of population, and by this means, for the first time, exerted a certain restraining and controlling influence over the actions of the Tribal Authorities. His jurisdiction, however, except in the immediate neighbourhood of his Forts, was not confirmed by treaties and had no legal foundation. It rested solely upon the personal influence of Maclean himself, and it owed its force to the confidence and the respect which his wisdom and integrity inspired. It was not until 1844, by which time Maclean's enemies had so far compassed his downfall that he had been superseded in the Governorship and had been relegated to the lower office of Judicial Assessor, that the British jurisdiction which he had established was at last based upon a formal treaty. This document, which was signed by the principal Chiefs in what is to-day the Central Province of the Colony, on behalf of their people, was a formal acknowledgment by them of the 'power and jurisdiction' of the Queen's Government over the Native States concerned. It provided for the abolition of 'human sacrifice and other barbarous customs'; and it laid down that 'murders, robberies and other crimes and offences will be enquired of before the Queen's judicial officers and the chiefs of the districts, moulding the custom of the country to the general principles of British law.'

"This treaty was the forerunner of many similar agreements, by means of which the power and jurisdiction of the British Crown were gradually extended over the whole of the area now comprised within the limits of the Colony; but in none of these documents, it will be noted, was any cession of territory made or contemplated. At a much later date, the Gold Coast was constituted a Crown Colony, of which Ashanti and the Northern Territories are its Dependencies; but this Act effected no change in the status of the little Native States which compose it, and did not materially alter in any way their relations with the Colonial Government. The Colony to-day, therefore, is what it has always been, a collection of little States, each of which is self-contained and entirely independent of its neighbours, to which a measure of unity is imparted by their common allegiance to His Majesty the King, and by the fact that all have voluntarily accepted the power and the jurisdiction of the British Crown, as exercised by its servants, as the ultimate determining force in the administration of the country and in the management of the affairs of its inhabitants."

Sierra Leone

The report on Sierra Leone is equally belated in its appearance, but it is not without interest to note the increase in the value of the colony's trade for 1917 and the countries with which

that trade was done. Notwithstanding the severe restrictions caused by the shortage of shipping it is satisfactory to observe that the aggregate trade with the United Kingdom increased in value from £1,612,595 to £1,919,228 in the year under review, the Mother Country being responsible for 75 per cent. of the import trade and for 61 per cent. of the export trade as compared with 79 and 61 in 1916. After the trade with the United Kingdom and other West African countries, British and foreign, that with the United States of America came next in importance. This trade aggregated £235,009, more than four times its value in 1913. Exports to the United States rose to £20,536, and imports from that country, to £214,475.

The Leeward Islands

The Leeward Islands maintain their prosperity, but as the Acting Colonial Secretary very wisely points out, "no great advance will be made in health and sanitary conditions until the people, as a whole, are brought to realise the importance of cleanliness in elementary habits and of ventilation and a well-regulated diet, especially for infants." The question of illegitimacy also leaves much to be desired. The total population of the colony, according to the census of 1911, was 127,193. In Antigua, the births were 33·86 per 1,000, the legitimate births being 260 and the illegitimate 816, a percentage of 24·16 and 75·84, respectively. The deaths during the year numbered 950, or 29·89 per 1,000, the deaths of children under one year, exclusive of still-births, being 19·79 per cent. of the total. In respect to the Presidency of St. Kitts-Nevis the mortality of infants under one year of age is even higher, being 264·331, 204·500 and 120·191 of the total death-rate in St. Kitts, Nevis, and Anguilla respectively. In Dominica, with an estimated population at the end of 1917 of 39,800, the percentage of legitimate and illegitimate births were respectively 43·02 and 56·98, and the total number of registered deaths 1,122. Of this number 505 were of children under five years of age or 45 per cent. of the whole. The report on the vital statistics for Montserrat shows births registered 422, of which the legitimate births were 152 and the illegitimate 270.

British Honduras

It is very satisfactory to find that British Honduras has weathered the stress and storm of the great war in a manner that reflects every credit on its administrators. Notwithstanding the large sums voted in connection with the Territorial Forces, the financial position of the colony remained wonderfully good. Expenditure on Public Works Extraordinary was kept down to

a minimum, and the colony was able to pay off the Belize Improvement Loan of 1887, amounting to £9,000 sterling, without having to borrow from the bank. Early in the year it was realised that special attention must be paid to stimulating agricultural enterprise and to increasing the colony's production of food-stuffs. Notices were issued broadcast warning the people of the absolute necessity of increasing local production of such articles as corn, beans, vegetables, and ground provisions, and pointing out that a shortage of the necessities of living in one part of the Empire would react to some extent on the Empire at large, and that by increasing local production colonists would not only be safeguarding themselves but rendering patriotic service to the Empire at large. And there is no doubt that many people took this warning seriously, and that production was considerably increased.

Nigeria

Turning to Nigeria both the import and export trade went up in value considerably during 1917, although the effect of the war continued to arrest material development. The total value of exports was £8,600,000, the largest on record. Exports to America increased in value from £236,477 in 1915 to £1,118,000 in 1917, and it would appear that the United States is gradually replacing Germany as an alternative market to the United Kingdom for Nigerian produce. The value of imports was £5,808,600, and the portion which came from the United Kingdom increased by £1,666,000. The average value of tin increased from £179 1s. 10d. in 1916 to £220 18s. 9d. and there was a small addition in output. A considerable decline took place in the quantity of cotton exported, due partly to climatic reasons and partly to local use in consequence of the increased cost of textiles, but the difference in value was comparatively small. Groundnuts showed an increase in value of £236,600. Palm products increased in quantity by 31,756 tons and in value by £1,322,174. The year was therefore a prosperous one both to the merchant and to the Government.

Somaliland

From the Report on Somaliland which carries us into the early months of 1918 we learn that the year was one of prosperity for the Somali in so far as there was a greater demand at a high price for his products. With a more frequent and regular steamship service the export of livestock might be increased to 150,000 head yearly. The stock intended for export is driven down to the coast towns from considerable distances; and if, on arrival at the coast, export within two or three days is not possible, the

owner has no choice but to drive his animals back into the interior in search of grazing, which is non-existent within ten miles of the coast line. There has also been a considerable influx of money into the country as the result of the purchase in the Protectorate of some 9,000 transport camels. The price paid for a camel was £6, but the profits accruing have been more than counterbalanced by the high price of the necessaries of life. Despite disturbing outside influences, and the prevailing scarcity of food and clothing, the Somali has remained loyal and contented. On the cessation of inter-tribal fighting, the security of the main caravan routes, and the diminution of crimes of violence all bear witness to the closer control which the Administration has been able to exercise.

Hong Kong

In the annual report on Hong Kong which deals with the records of 1918, it is interesting to note the Colonial Secretary's observations on sugar refining and cotton yarn. The year 1918, he tells us, was remarkable for the unprecedented rise in the price of Java raw sugars—from less than 5.00 florins in July to about 12.50 florins in November. Demand in China was strong throughout the major portion of the year, but business was severely curtailed in the early summer through the tonnage restrictions imposed by the authorities in Java. Thereafter imports were on a heavy scale, and China readily absorbed all available supplies of Hong Kong refined, until the last two months of the year, when the increasing tightness of money, coupled with advances in rates, checked business very considerably. Demand from the Persian Gulf continued strong, but business bulked much less than in 1917 owing to the very restricted tonnage available, the greater part of the carrying being done by Japanese bottoms. The influence of the war upon the cotton yarn trade was acutely felt. The quantity of yarn coming to the colony was considerably below that of former years; and the off-take by Southern China was curtailed owing to the high prices required for most goods, and to the decreased purchasing power which adversely affected China's export trade. Trade as a whole suffered by the political chaos existing in China, and there was a lack of confidence in native circles caused by many of the usual trade routes being infested by pirates and bandits recruited from the disbanded but unpaid soldiery, which served to check the free flow of goods and money. The statistical position of trade in most goods however is sound.

Cayman Islands

In his report on the Cayman Islands (Jamaica), which is dated

March, 1919, the acting Commissioner tells us that the revenue of the islands for the financial year ended September 30, 1918, amounted to £4,423 and the expenditure to £5,162; the revenue is much higher than the average which for the last five years is given as £3,784. Commenting on these returns the same authority observes: "The revenue has been helped by the issue of war stamps, which have found a ready sale to collectors. Wages of mariners, which form the principal source of income of the islanders, have been high, and the islands do not appear to have lacked some measure of prosperity. The smaller islands have been very diligent in shipbuilding, notwithstanding the high prices of materials. At the end of the year under review they had five vessels approaching completion. As in Grand Cayman, however, recent hurricanes have much discouraged other than hand-to-mouth cultivation." It is interesting to note that the islands are among the healthiest places in the world, no cases of illness occurring, attributable to climatic conditions. The average temperature during the hot months (April to October) is morning 83°, midday 89°, evening 86°, and during the cold months 71°, 80°, 74° respectively.

Malta

The only report that can reasonably be said to be up to date is that on Malta, which is dated September 1919 and covers the financial year 1918-1919. In Malta, as in other parts of the world, food has been scarce and prices high. By arrangement with the Governments of Egypt and Tunis certain quantities of foodstuffs were secured, and assistance was given by the Admiralty by providing for the conveyance of these supplies in vessels under Admiralty charter when possible, and at special rates of freight. The distribution was controlled by a Board, and the result was that a fair supply of essential foodstuffs was maintained at a time of general scarcity with the least possible artificial increase of cost. Effective control was maintained over the price, supply, and distribution of all essential commodities by the Control Board. Kitchens were maintained in various districts where vegetable soup was supplied, and stoves constructed to burn sawdust or paper were distributed at cheap prices. The restoration of peace has not been followed by a fall in price of essential commodities, and although every effort is being made to provide sufficient work for the dockyard to maintain the large staff employed there during the war, the conclusion of hostilities has naturally curtailed opportunities for special employment.

EMPIRE TRADE NOTES

CANADA

FURTHER information regarding the purchase of the Beddingfield Ranch, west of High River, by the Prince of Wales, is announced. The ranch is one of the oldest in the country, having been taken up first in 1883 as a homestead. It consists of 1,600 acres of freehold and leases. Mr. George Lane, proprietor of the "Bar U" ranch, in making an official statement with regard to the purchase, said that most of the present stock on the ranch will be disposed of. A member of Mr. Lane's staff, now on his way to England with a shipment of Percheron horses, will help to select some suitable animals which will consist of pure bred Shorthorn cattle, pure bred Shropshire sheep, and a few thoroughbred horses from H.R.H.'s farm in England to stock the new ranch. Ex-service men, both Imperial and Canadian, will be employed on the ranch.

It is interesting in connection with Great Britain's undoubted need of gold to study the possibilities of the province of Ontario as a source of supply. Ten years ago Ontario could scarcely have been accounted a factor. True, gold mining in the province had its origin 53 years ago, but it was not until 1909, when the Porcupine district began to come into evidence as a producer, that the industry gave evidence of substantial possibilities. And even then it was not until 1912, just seven years ago, that the output of yellow metal reached large figures. The year 1912 witnessed a phenomenal increase, the value of the output in the province at that time being £423,000. It more than doubled the following year, and steadily advanced until 1916, when the total output of gold had a value of over two millions sterling, while in 1919 it was over £1,700,000.

ACTIVE constructive work on the iron and steel plant of the Canadian Steel Corporation at Objibway, Ontario, has again been resumed. The first blast furnace is nearing completion, and foundations are being prepared for two additional furnaces. Five hundred workmen are employed in construction work, and next year this number will be greatly increased. The company, which is a subsidiary of the United States Steel Corporation, was incorporated under Dominion charter in 1913 with capital stock of four millions sterling. A site, providing for a new town as well as steel plant, was selected on the Detroit River near

Sandwich, Ontario, and given the name of Objibway. The outbreak of the war, however, practically put a stop for the time being to the construction of the plant, although up to that time about £400,000 had been spent on concrete and other work for the proposed docks on the Canadian side of the Detroit River.

To meet the demand for horse meat in certain parts of Europe, the development of a new industry is proceeding at Calgary and is supplying a market for a large number of small and superfluous horses in the West. Contracts for 5,000 barrels of horse meat, boned and salted, have already been made, and, as on the average there will be one horse to a barrel, 5,000 animals will be required to fill the contract. The filling of the first contract is only the beginning of the development of a new industry, and a permanent industry will doubtless develop with the European market having boundless possibilities for the West.

THE practice of tree planting on the Western prairies becomes more and more general. Perhaps this feature is most apparent in the Province of Alberta, where the contour of the land may in itself suggest to homesteaders the desirability of arboriculture. It is not surprising that tree planting has made great progress in irrigated areas where artificial watering, possible during a greater part of the summer, conduces to rapid growth even under unfavourable climatic conditions. On irrigated farms all through Southern Alberta may be seen homes whose setting is enhanced by long rows of poplars or heavy clumps of soft maple and willows. This tree planting in prairie towns and on prairie farms is not alone a concession to the æsthetic tastes of settlers, it is in part the result of conditions brought about by the essentially severe practices of Western farming. Virgin prairie soil has been giving wonderful yields of wheat for many years, but there is a limit. Under summer fallow the field may be assailed by the hot, dry winds that swept over the prairie. Trees, in the form of a stout-rowed wind break, check the onslaught of the wind, and thus perform a valuable service to the Western farmer.

INTERNATIONAL Board Members of the United Mine Workers of America were much impressed with the great coal resources of the province of British Columbia on a recent visit to Fernie, British Columbia. What has particularly impressed the Americans visiting these fields is the fact that in that south-eastern corner of British Columbia there are more than 1,000,000 acres of proven coal lands, carrying billions of tons, and that the percentage of high-grade coals is remarkably high. Coal production in the mines along the Crow's Nest Pass route between Taber and Crow's Nest has reached a high capacity of production and loadings are averaging about 250 cars a day, whilst on some days the 300 mark is neared. The daily output of Alberta mines is more than 10,000 tons.

THE Chief Game Guardian for Saskatchewan has returned from Lake Johnstone, where some unique motion pictures of bird-life were obtained. The experience was an exceedingly

interesting one, and the pictures secured will be of great educational value. Hitherto in illustrating lectures on bird-life, it has been necessary to go far afield for the pictures required. In Lake Johnstone there is a large island, which is the resort for breeding purposes of innumerable birds of the rarer kinds. Pelicans, gulls, terns, cormorants, and the beautiful great blue herons, are seen in thousands. The half-grown pelicans were marshalled and driven past the camera like a flock of sheep. The herons made good subjects for the camera.

REPRESENTATIVES of apple buyers of Great Britain in the city of Vancouver investigating conditions state that next season a resident representative will be sent to the province to purchase for British interests all the apple crop of the province that can be obtained. Manitoba, Saskatchewan, and Alberta farmers' organisations have closed three separate deals for their supply of apples, and for the first time in the history of these organisations they have all purchased British Columbia fruit.

A PLANT for the manufacture of briquettes in Western Canada to be operated by the governments of Manitoba and Saskatchewan in conjunction with the federal government, will be erected at Bienfait. It will cost in the neighbourhood of £100,000 and will be the first plant of its kind to be erected in the West.

UP to date the fox industry in the province of Prince Edward Island has produced \$2,175,000 this financial year. Two thousand breeding foxes at \$600 per pair represent \$600,000 of this, and 4,500 silver fox pelts at \$350 each the remainder.

MANITOBA has the largest herd of elk in the world and one of the last two herds known to be left on the North American continent. It is to be found in the Riding Mountain reserve about sixty miles north of Brandon, and is believed to number between 6,000 and 8,000 head.

IN the first half of the fiscal year 1919-1920, that is from April 1st to September 30th inclusive, the number of settlers entering Canada from the United Kingdom was 33,597 compared with 1,642 during the same period in 1918. In the four years preceding March 31st, the total emigration from the United Kingdom to the Dominion was only 30,036, this small total being due to the war. The record number of British settlers went to Canada in 1912-1913, when the total was 150,542. It is expected that when shipping again becomes normal there will be substantial numbers of settlers leave the Mother Country to make their home in Canada, where there are particularly good opportunities for those of the farming class and domestic servants.

IT is intended to build a dam at Grand Falls on the Nepisiquit River from which can be developed 10,000 horse power, to be transmitted to Bathurst, New Brunswick, where it will be used for the operation of saw mills, pulp mills, and other industries. Two generators will be installed immediately and provision will be made for the installation of a third unit should it become advisable. They will be of the umbrella type, the last word

in electricity production, and the transmission line, which will carry from 50,000 to 55,000 volts, will be erected on steel poles.

THE farmers of Saskatchewan are taking every opportunity to improve their herds, and the question of initial expense is not considered an obstacle when good animals are to be obtained. One farmer of Stranraer, Saskatchewan, bought a number of Hereford cattle of the famous McCray herd at Kentland, Indiana, where the stock was disposed of at an average price of £1,000 per head. Included among the farmer's purchases were a fine yearling bull for which he paid £1,400, a cow which cost him £700 and two heifers purchased at £400 each.

THE domestic instincts of the people of Ontario have led them to take advantage of the Ontario Housing Act, 1919, with promptness and energy, and an extraordinary development of home-building is taking place throughout that Canadian Province. Briefly, the situation regarding housing in Ontario is as follows:—Ninety-one municipalities have passed by-laws to come under the Ontario Housing Act of 1919. Over \$10,000,000 have been appropriated for use by these municipalities. Approximately 1,200 houses are in course of construction in Ontario under the Housing Act. The erection of these houses will entail an expenditure by the Provincial Government of about one million sterling dollars this year. It is estimated that by next spring about five thousand houses will be in the course of construction in Ontario, which will entail an expenditure of between £3,000,000 and £4,000,000.

A RICH vein of silver-lead ore has been uncovered on the Gold Bug mining claims in the Lardeau country, British Columbia. A rich strike is also reported from the Silver Cup property. Assay returns show, it is stated, six ounces of gold and sixty ounces of silver. Two claims on Copper Lake at The Pas, Manitoba, are reported to have been sold for £5,000 with an undertaking on the part of purchasers to spend £5,000 on developments.

A NEW two million sterling steel-rolling mill is being established in Toronto, by the South Wales well-known steel firm of Baldwin's Limited, Swansea. United States capitalists have also started to erect a great steel plant at Goderich, Ontario. This company will spend £400,000 in the next twelve months and an additional £1,250,000 in the second year in establishing its plant, which will include six electric furnaces and other special equipment for the manufacture of high-class steel products.

ONE home in every two in the rural districts of Ontario has a telephone, and about one farm out of every four or five has a motor car. There are upwards of 200,000 approved farms in Ontario, averaging about 100 acres each.

DEVELOPMENTS of the live stock industry of British Columbia is proceeding on sound economic lines since the adoption of the policy of range control, administration and improvement in

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co-operation with those interested in the industry. Under the administration of a Grazing Commissioner a special branch of the Department of lands is conducting the work. The province has been divided into seven grazing districts. The salmon pack for 1919 was 1,250,000 cases, about 400,000 cases less than put up last year, when a large quantity of "chums" were canned. The Kelowna canneries produced the following during the season:— 72,000 cases tomatoes; 2,500 cases pumpkin; 2,000 cases beans; 4,000 cases cherries and 26,500 cases apricots and apples, in all about 104 car loads.

FORTY square miles of salt areas have been bonded in the province, extending from Malagash to Oxford Junction and Salt Springs. One bed is 900 feet in width and eighty feet deep and is running 98 per cent. pure salt. The maritime provinces use more salt *per capita* than any country except Norway, at the present time most of that used in the fishing industry coming from the Mediterranean. Experiments on these salt beds are being conducted to determine the percentage of potash.

THOUGH the letters C.P.O.S. are not very familiar to the British public they stand for great developments in modern shipping. C.P.O.S. are the initial letters of the Canadian Pacific Ocean Services, Limited, a company formed in 1915 to take over the fleets of the Canadian Pacific Railway Company and the Allan Line. The company now controls a fine fleet of large, fast steamers on its Atlantic route, while its ships on the Pacific are the largest and fastest on that ocean. The C.P.O.S. and its forerunner, the Allan Line, has probably done more to improve the standard of emigrant traffic to Canada than any other company. Of present-day ships engaged in the Canadian trade, this company's *Empress of France* is undoubtedly the best. During the war this ship was employed as an armed merchant cruiser. She has now been entirely overhauled and reconditioned, and is again on her run from Liverpool to Canada. At present the C.P.O.S. have four large steamers building to augment their fleet. When these vessels are completed and take their places in the company's service, travellers to Canada and the United States will have the most modern and up-to-date ships at their disposal.

AUSTRALIA

THIS country is not alone in respect to the shortage of houses. The annual report of the Board of Management of the Real Estate and Auctioneers' Association states that the housing problem in Sydney is more acute than ever, and that 15,000 houses are immediately needed to overcome the shortage of dwelling-places. The same state of affairs is said to exist in the country districts. In Goulburn 600 to 800 houses are required, and in every country town, except decaying ones, the need of habitations is urgent.

THE British Women Delegates of the Inquiry Commission, after visiting Victoria proceeded to Queensland and interviewed the Minister for Agriculture concerning the prospects for women in fruit growing and dairy farming on shares. The Minister was not very encouraging, and informed the delegates that in his opinion the more settled districts of New South Wales and Victoria would be better suitable for women settlers as there was too much heavy pioneering work to be done in Queensland. The Victorian Minister for Agriculture was equally discouraging in regard to the prospects of settling women on the land in the Southern State. The delegates are now investigating the prospects in New South Wales

“A HILL of copper” has been discovered in the Ophthalmic Range, about 290 miles north of Meekatharra, on the Nullagino-Leonara Stock Route. The hill is about 300 feet high and upon its summit specimens of very rich ore were obtained. Many other samples of high grade copper ore were taken from further down the hill, while those obtained from right across the immense lode, 160 feet wide, are also said to be of splendid values. These samples have been assayed and are estimated to contain from 37 to 64 per cent. of copper. As the ore is of such high grade, the find has been named Cuperite Hill, cuperite being next to native copper.

AT a dinner given by the members of the Australian Metal Exchange in Melbourne, the Prime Minister said that Australia had been in the grip of the German metal octopus in the beginning of the war period, but all that was changed, and at this moment there was no place in the world where a German had less influence than in this continent. Mr. Hughes maintained that Australia could not shut herself off from the world. She imported in an average year before the war £304,000 in goods from Japan, and £7,600,000 in goods from America. In 1916-17 the figures were £3,382,000 from Japan and £15,528,000 from America.

THE head of one of the large Western Australian timber companies states that there are thousands of loads of timber ready for export, but the companies cannot get the shipping transport. The Premier of the State had been doing all he could to get ships, but had been helpless in the matter. Western Australia could load fifteen to twenty ships with timber for the Eastern States of Australia and for Europe right away, if they could get the ships.

AT the twentieth Annual Conference of the Country Press Association held in Sydney the Premier of New South Wales commenting on the paper shortage said that Australian timber had been sent to Canada to be tested by a properly equipped laboratory. The paper made from the timber had not yet been sent back, but cable reports were of a most satisfactory character. To expedite matters a Committee of experts has been formed by the Government and arrangements are being made for the

introduction of a plant into New South Wales sufficient to enter upon the conversion of timber into paper within the confines of the State.

THE chairman of the Western Australian Portland Cement Company states that the company has acquired the concession granted by the Western Australian Parliament over the lime deposits of Lake Clifton, that a railway from Waroona to the Lake, a distance of about eighteen miles, has been completed, and barges are in course of construction. It is confidently expected that by next month a complete modern cement factory will be in full working order capable of producing 50,000 tons of cement per annum.

In 1900 the value of the rabbit exports was less than £5,000, last year the value reached £700,000. There are now 24,000,000 rabbits in cold storage in Sydney, mostly owned by the British Government.

WITH the repatriation of the Australian Forces, the dairying industry has come in for its full share of attention, particularly in Western Australia. Recently two more butter factories, to be worked on co-operative lines, were erected at Northam and Narrogin respectively. A firm well-known in the Eastern States of the Commonwealth have erected a factory at Bellevue at a cost of nearly £40,000.

AN official report states that the "farming" of turtles is about to be undertaken in Western Australia. An "exclusive" license has been issued to the promoter of the enterprise for an area on the coast, extending from North-West Cape to Cape Lambert. A number of English investors are interested in the proposition.

ACCORDING to official information received, an excellent opening exists for British participation in the Western Australian whaling industry, which so far has been practically monopolised by Norwegian companies, three of which have been operating there for some years with steam whalers equipped with harpoon guns. The extent of their operations may be gauged from the fact that during the 1912-16 seasons they captured whales which produced over 5,000,000 gallons of oil and about 1,500 tons of fertilisers of the value of £430,000. Fully-equipped shore stations at Frenchman's Bay (Albany) and Point Cloates, including factories which have been erected on land leased from the Government, could probably be acquired by British investors on advantageous terms.

A COMPANY has been formed in Albury to develop the coal seam at Coorabin, near Oaklands, found about two years ago. Search work carried out lately shows that coal of good commercial value has been located, and if the deposits exist in the quantities claimed, the discovery should have an important bearing upon the industries in the Riverina, the find being within easy distance of both Albury and Wagga.

SOUTH AFRICA

THE advisability of electrifying portions of the South African Government Railways is now being investigated. Although it is unlikely that anything more than local electrification of areas such as the Rand mining region and the Cape Peninsula will be regarded as immediately practicable, it is possible that on sections of the Natal main line, which carries the largest proportion of the through traffic from the coast to the Rand, it may also be considered economically sound to experiment with electrical working. In any event, British manufacturers of electric railway equipment should not neglect the possibilities which any electrification scheme adopted by the Union Government would offer. They will have to face strong competition from American firms which have had wide experience in this class of work, and it may be useful to remind British firms that the investigation of the advisability of electrifying the Jamaican railways was placed in the hands of an American expert.

THE Inspector of Mines for the Pretoria district has written a paper for the Chemical, Metallurgical and Mining Society on the economic results attending gold and base mining metal there in the ten years to 1914. The value of minerals produced was 10½ millions, but eight were absorbed by wages and stores, and £800,000 was paid in profit tax. The balance of £1,800,000 had to meet all other expenses, including interest and amortisation. The district has profited greatly from the mining activity. Railways have been built, and farming put on a paying basis by the markets provided. Zaaiplaats was the outstanding success, returning 530 per cent. to original shareholders.

THE Acting Trade Commissioner for the Union who has been visiting Lancashire in company with the chief of the Cotton and Tobacco Division of the South African Department of Agriculture, states that the outlook for cotton growing in South Africa appears to be very bright in view of the high prices realised by raw cotton. South African cotton brings a higher price than middling American. Hitherto the industry has suffered on account of the indifference of the growers with regard to grading, a common fault with new crops. More attention is now being paid to grading, and this should greatly improve the future prospects of the industry. Last year's crop was about 800,000 lbs.—that is 2,000 bales of 400 lbs. each. The crop for the preceding year was only half this amount, and the increase is due rather to a greater acreage having been planted than to better climatic conditions. About 500,000 lbs. was grown in Natal and Zululand, and 300,000 lbs. in the Rustenburg district of the Transvaal. There is a large area suitable for cotton growing, and as the picking can be performed by native women and children the output is likely to increase steadily, particularly if prices remain high. With the exception of a small quantity required for local consumption practically the whole of the crop will be disposed of in Lancashire. An important point, and one which may determine the whole

future of the industry, is seed selection. Cotton growing being still in its infancy in South Africa, by proper attention to seed selection it will be possible to secure the growth of the best types of plant and those which best resist insect pests. Stringent precautions are taken against the importation of seed from infected areas. The need for a larger staff of agricultural experts to guide growers is recognised. A considerable proportion of last year's output is already in London, and has been graded for the first time in the history of the industry.

IN the course of a lecture at Estcourt recently, dealing with cotton growing in South Africa, the Government expert said the abnormal price of cotton would continue for some years to come, and cotton growing would be a most profitable venture. The Manchester Gold Cup had been won for three years in succession by Mr. Leffler, at Nongoma, proving the high quality of South African cotton. As showing how the industry was increasing he mentioned that the export of cotton from South Africa last year was seventy-one tons, whilst this year it was 700 tons. An instance was given of one farmer who experimented with 200 acres, and who had harvested 1,809 lbs. an acre. Another man had made a clear profit of £210 from four acres of cotton; £15 to £20 per acre was a very good percentage as a rule. There was a great shortage of cotton, for 25 million bales had been sunk during the war, and when it was remembered that 500 lbs. of cotton was used for making one shell, it would easily be recognised that the shortage would continue for some years to come, to replace the enormous quantity used during the war.

IN the opinion of a firm of fibre importers in Scotland the fibre from the African baobab tree is probably the finest paper-making material that can be found. They state that the material is excellent in every way, and that they know of no other material from which such a variety of results can be obtained.

THE half-yearly abstract of Union Statistics, just issued, contain the latest available information regarding production, trade, transportation, finance, etc. The volume, the first of its kind yet published, is the commencing number of a series which will be published at half-yearly intervals, and the statistics which it contains will be of great value to the industrial and commercial community and to those interested in the economic development of the Union and in social and political matters. From the preliminary figures of the last industrial census gratifying increases are denoted in respect of the factory production for the year 1917-18, the value of output for that year from 5,907 establishments being £61,928,665, as compared with £49,457,414 from 5,305 factories in the preceding year.

IN the largest citrus-growing district, Rustenburg, the crop is estimated to be a full one this season. In the other important districts, such as Clanwilliam and Waterberg, the crop is from 8 per cent. to 9 per cent. short of a full one, and in Pretoria and Barberton from 11 per cent. to 19 per cent. The

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Tobacco Growers' Association of South Africa has been approached with a view to the establishment in Pretoria of a factory for the production of tobacco extract for cattle and sheep dipping purposes and for the spraying of trees. It is understood that the municipality will grant a site for the purpose. A Wattle Extract Factory is to be erected at Paddock, near Port Shepstone, Natal. The plant will be capable of dealing with 5,000 tons of green bark per month. The Grahamstown Feather Market has been revived after being closed down for five years on account of the war.

A WIDE field seems open to South African coal. During 1918 no less than 1,208,386 short tons of coal were shipped as cargo from South Africa, the value being £1,033,064, as compared with 539,462 tons, valued at £322,440 in 1917. In addition, 1,276,333 short tons of South African coal, valued at £1,906,314, and 13,819 tons of imported coal, valued at £61,483, were loaded into bunkers at South African ports.

OVERSEA CORRESPONDENTS.

Whitaker's Almanac, 1920. This unique reference-book has now reached its fifty-second issue. The new volume is well up-to-date. Nations that have gained recognition as the outcome of the War now appear for the first time among the Foreign Countries. Fresh maps have been compiled in many instances, and attempts have been made to describe the potentialities of Spitzbergen and to represent the existing state of affairs in the various Russian republics. Very useful will be found the reproduction of the terms of the treaties of Versailles, St. Germain, and Neuilly and the Covenant of the League of Nations. Nor have the pages devoted to the activities of the British Empire been neglected, while a new section deals with "Questions of the Day." There are also several extra articles on economic subjects, and the Banking portion has been improved and extended. In spite, however, of the amendments and additions the volume retains its handy size, and the printing and general make-up is as excellent as heretofore. The price of the bound copy is 6s. net, and it is well worth the money. In fact, "Whitaker" has become an indispensable adjunct to every household, and we offer our best congratulations to the Editor and the publisher on the result of their successful efforts to meet the requirements of what is in the present day a very exacting public.

THE EMPIRE REVIEW

AND

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EXPERT OPINION ON RECONSTRUCTION

FOLLOWING the precedent set by the late Sir Edward Holden, the chairmen of the other great joint-stock institutions have, in more recent years, taken advantage of the opportunity which the annual general meetings of their shareholders presented to make pronouncements on the financial and economic problems of the day. This year these pronouncements have a particularly important significance in view of the many and far-reaching problems that have arisen in connection with the work of reconstruction after the war, more especially in regard to the serious, not to say grave, difficulties we are called upon to meet in the strenuous task of straightening our national finances and restoring our international trade to its former pre-eminence.

If we are to understand the true inwardness of the situation, if we want to get at the root cause of high prices, it is essential that we examine carefully the vital questions of currency and exchange, that we appreciate at their proper value the varying phases of the several financial transactions into which the necessities of war compelled us to engage, and from the effects of which we are now suffering. Never was there a time when the advice and opinions of our great financial experts should be more closely studied. We make no excuse, therefore, for devoting this issue of the review to the reproduction, in popular form, of the weighty and timely contributions made by our foremost banking authorities towards the solution of the momentous issues we are called upon to face.

THE EDITOR.

BARCLAYS BANK

FINANCIAL PROBLEMS OF TO-DAY

MR. GOODENOUGH'S masterly speech at the annual general meeting of shareholders was divided into two parts. In the first part he drew attention to the salient features of the balance-sheet and summarised the banking operations of the past year which, as he very justly observed, had produced the substantial results set out in the profit and loss account; in the second he dealt with some of the more pressing problems in connection with the financial situation of the country.

Banking Operations

Referring to the balance-sheet the Chairman said: Our current, deposit, and other accounts continue to increase in volume, they amounted to £296,000,000 on the 31st December last, as compared with £240,000,000 on the 31st December, 1918. This is a big increase. These figures necessarily reflect continued inflation of credit, due to Government borrowing through the medium of the banks and other credit institutions. The number of the bank's customers has largely increased, and this may be taken as satisfactory evidence of progress. Acceptances have risen from £4,250,000 to £13,500,000. The increase in this item largely reflects foreign trade activity, and is also a cause for satisfaction. Our foreign business is growing rapidly, and the relationships which we have established with various banks operating abroad, and in the colonies, are proving a great convenience to our customers, and a source of profit to ourselves. After remarking that the bank had incorporated the business of Messrs. Gillett and Co. and explaining that the scheme for the affiliation of the British Linen Bank and of the Union Bank of Manchester, Limited, had been completed, although the alterations in capital do not appear in the balance-sheet as the arrangements had not come into effect on the 31st December last, he made the very satisfactory announcement that to-day, the bank's capital

accounts stand as follows:—"A" Capital—£3,430,356, "B" Capital—£10,780,000, making a total paid-up capital of £14,210,356, and he adds, the reserve fund amounts to £7,000,000.

Staff Participation

Regarding the special class of capital to be held by the bank staff, he observed:—We have decided to offer a certain amount of this capital to permanent members of the staff who have been in our service for more than three years. Subscriptions will be made at par. Members taking shares will be allowed to hold them while in the bank's service, during which period they will receive full dividends, and at the termination of their service the shares will be taken back at par, that is to say, at the price at which they were acquired. In this way every such member of the staff who has completed three years of service will have a special inducement to acquire shares in the bank. These will return him good dividends, and give him the right to vote in the same way as every other shareholder. The amount of individual holdings will necessarily be limited, so that those who are less well-to-do will have an equal chance with those who are better off. Special facilities will be given to enable members of the staff who want the shares to subscribe and to pay for them. We hope and expect that this opportunity for becoming shareholders in the bank will be taken full advantage of by the staff. It will enable them to build up capital for themselves, and to add to their incomes; at the same time, they will feel they have some stake in the business.

Interesting Figures

Commenting on the other side of the balance-sheet he went on to say: Our cash in hand and with the Bank of England, etc., has risen from £51½ millions to £65 millions, the ratio to liabilities on deposits being 22 per cent. Cash at call and short notice is slightly lower than last year, the total being £20 millions against £21½ millions, and the ratio is 6·7 per cent. Bills discounted stand at £30½ millions, the figure for last year being £47½ millions. This decrease is accounted for by the fact that our holding of Treasury Bills a year ago was abnormally large. Since that date some of the money invested in Treasury Bills has been loaned to customers to enable them to take up Funding Loan and Victory Bonds, and so to fund floating debt, of which Treasury Bills form an important part. These three items may fairly be regarded as very liquid assets, and the fact that they represent 39 per cent. of our liabilities on deposits is a highly satisfactory feature.

Loans and Advances

After some further observations on investments and the new capital derived from the arrangements with the British Linen Bank and the Union Bank of Manchester, Limited, he touched upon advances to customers. These, he said, amount to £130 millions compared with £78½ millions a year ago, a big increase. Every trader or manufacturer who requires temporary accommodation from his bankers, and particularly those traders who are financing produce, require larger accommodation in order to carry on their business. Besides this, we have made loans to our customers to enable them to take up Victory Bonds and Funding Loan. Demands for loans have been very great, not only because of high prices, but also to enable manufacturers and others to carry excessive accumulations of stocks because of the strikes. I refer particularly to the Moulders' Strike, now happily concluded, which did great injury to the country. These strikes have prevented the completion of orders and the delivery of goods, and unquestionably cessation of work in one industry, whether resulting from wages disputes or other causes, produces unemployment in other branches of industry and trade. Our workmen have yet to learn that the greater the industry and the output of each individual, the more work will there be for all.

Strikes and Transport

Moreover, there is nothing so productive of unemployment as a condition of affairs under which one section of the industrial community ceases for a time to play its part in our great national engine of production. Loans have also been required because the bad organisation of railway traffic often makes it impossible to move, and therefore to receive payment for goods which have actually been finished. Better organisation of transport is one of the most urgent needs of the moment, and as this is achieved it should have considerable effect in lowering prices and the cost of living. There is unlimited scope in this direction for young men possessed of organising talent, and as has been shown in the past, men of real ability and energy may rise from the most humble to the highest administrative positions in the railway and transport world. There is a good prospect that this important question of better transport organisation will now be taken in hand and satisfactorily solved.

Division of Profits

Discussing profits, which amount to £2,400,619 7s. 2d., including £278,427 15s. 7d. brought forward from 31st December, 1918, Mr. Goodenough said: We have set aside a large sum as a provision against contingencies, as to which we cannot be too

well prepared. After appropriating £100,000 to reserve for staff pensions, and, as already mentioned, £150,000 in payment for buildings, we pay the same dividend as last year, and we carry forward the sum of £508,450 5s. 7d. This, together with other internal reserves, will far more than suffice to cover the depreciation on our investments; this depreciation, however, we regard as temporary. Here I may mention that the greater part of our investments are repayable at short dates, and at a higher figure than that at which they now stand in our books. We hope, too, that the provision for contingencies will prove an unnecessary precaution, but with so uncertain an outlook we must be prepared for all eventualities. Expenses have risen from £2,924,105 to £3,751,628. This increase is accounted for partly by the further general increase in prices, but it is mainly caused by the higher salaries we have paid to our staff in order that they may not suffer from the increase in the cost of living.

Government Policy Criticised

Turning to the general monetary position he said: It has been a misfortune that the Government have pursued the policy of high rates for money when it was open to them to borrow cheaply before the period of speculation set in. The question of dear money or of cheap money was at one time entirely in the Government's hands, and cheap money immediately after the Armistice would probably have saved the country large sums in interest on Government borrowing, and would have raised the market value of Government investments; it would thus have permitted funding operations to take place at an earlier date than will now be possible, as it would have enabled us the sooner to meet expenditure out of income. The policy of high rates has benefited nobody, for it has neither assisted the foreign exchanges nor has it checked speculation. Speculation has now resulted in a large absorption of the surplus credit which then existed in private ownership, so that the Government—possibly acting to a certain extent under extraneous compulsion—have for the time being lost a golden opportunity. If advantage had been taken of this opportunity it would have reduced substantially our expenditure and gone some way towards making both ends meet. At the present moment the deficiency between revenue and expenditure for the year is estimated at not less than £473 millions, unless the value of unrealised stocks and other recoverable assets be taken into account. From the point of view of Capital, statistics show that the total depreciation on 387 representative securities dealt in on the London market has in 12 months amounted to £166 millions. This huge loss, though temporary, is attributed largely to the dear money policy.

British Goods Preferred

The reports we receive from our provincial branches as to the general industrial and commercial position are favourable. Mills and factories are said to be working full time, and despite this they are compelled to refuse good business because they cannot cope with the abnormal demand. To meet these conditions we are, as already stated, assisting many firms and companies to extend their productive capacity, and when the new plant laid down comes into use—as much will in the near future—there should be a continually increasing output to meet the urgent and world-wide demand for our manufactures. In foreign markets the bank's agents abroad—particularly in South America—advise us that there is a strong preference for goods of British workmanship, and that people who have been compelled to buy from other countries because we could not supply their needs are anxious to get back to British goods and to deal with British people.

Trade Improvement

To sum up the position, we may safely say, that under existing conditions the only limit set to the volume of our exports is the amount of goods that we can produce and the ability of the importing countries to provide means of payment. In this connection trade reports point to extravagant expenditure at home, and this should be checked so far as possible. Foreign trade is really of greater importance to us at the present time, because by increasing our exports we shall be able to pay the interest on and reduce our foreign indebtedness, as well as pay for raw materials and essential foodstuffs. We must not only pay for imports with exports, but leave a surplus for improving conditions of life and for investment abroad. The value of foreign investments was proved during the war, for it is difficult to see how we could have financed ourselves and our Allies had it not been for the enormous volume of those investments, especially our investments in America. The general improvement in our foreign trade position has been shown in the Board of Trade returns which have been published in the papers. They show that the adverse balance for the year has been reduced to £669 millions apart from invisible exports; the amount accruing from these invisible exports, consisting of freights and commissions, is certainly most satisfactory at present.

Britain's Advantages

Looking at the unofficial estimates just issued by the Board of Trade, it would appear that during the present year, taking the balance of trade and invisible exports together, we shall turn

the corner and show a balance of £200-300 millions to the good, so that if these figures are realised we shall more than pay our way. We have also to remember that the British Empire is responsible for sixty per cent. of the world's production of gold, and that within the Empire we can produce almost everything we need. The fact that Egypt, West Africa, and India are all cotton producing areas should give us an outstanding advantage in being able to secure for the British Empire a considerable proportion of the cotton crop of the world. Moreover, although statements have been made that we in this country have not given sufficient attention to financial organisation for the assistance of trade, we have, in fact, established a chain of banks, both foreign and colonial, which are at least equal in efficiency to those possessed by any other country. Over and above all this we have the knowledge and the instinct for foreign trade and for international banking acquired through generations of successful trading and world development. I have put before you these favourable features in the situation as it is to-day, because the recognition that there are bright possibilities is the best way to lead to their realisation. On the other hand, there are many complex problems at home to be settled, and the outlook on the Continent is very dark indeed.

Necessity for Economy

The Chancellor of the Exchequer has told us that Government borrowing will shortly cease, but this announcement should only serve to remind us that our National Debt amounts to over £8,000,000,000 as compared with a pre-war figure of £700,000,000. Moreover, the Chancellor's estimate of a normal Budget is roughly £800,000,000 as compared with a pre-war Budget of about £200,000,000. These figures mean that we must leave no stone unturned which will enable us to reduce our indebtedness, and this can be done by taxation of profit, and by seizing every opportunity for the exercise of economy, both national and individual. On the other hand, we must maintain our earning power in order that the taxation which the Chancellor must impose will not be more than industry can bear. The return to normal prices must of necessity be very gradual. On the other hand, a violent fall in prices might produce too rapid deflation and might precipitate a catastrophe resulting from a breakdown in credit, or such a condition might arise from the inability of credit to expand as and when circumstances may justify. It seems that a high scale of values, of costs of living, and of wages, is likely to continue until production overtakes demand, and this may mean a considerable period of time, but a process of gradual deflation will bring us safely home.

Useful Suggestions

With the recognition that prices will probably not fall for a considerable period of time, and that the adjustment of wages to meet the altered conditions of living is more or less permanent, can there not be a settlement of Labour unrest? What we all want to see is a condition of things under which we can feel that each individual is working for his own and for his country's good, and is helping to pull the coach out of the mud, and send it spinning along the road again. There is a general desire to see labour well paid, and no one grudges improved conditions of life and the realisation of sound ideals, especially those of better education and housing, but we all must work full time and without sparing ourselves, so that we may earn what we get. Moreover, the country must be put upon a sound financial basis, and as a means to this end the arrest of further inflation of credit and of currency, except under healthier conditions, is one of the first steps. Next to this comes the provision of adequate safeguards against sudden or too rapid deflation. More important than all, however, is the power to expand upon healthy lines so that we can respond to the calls that may be made upon us. This country is in the position of a banker whose business it is to accept liabilities and by the exercise of skill and good judgment to turn them to profitable account. England has for many years acted as the world's banker, and she will, I am confident, continue to do so in the future, notwithstanding that some of her customers may be richer than herself. There can be no doubt that with the experience of generations, and with the wide channels of information and communication, she can, with a reasonably cheap money market, maintain that position. In this way and with our great opportunities in trade, we should be able to create wealth so that our National Balance-sheet may show a steady improving ratio of assets to liabilities. This will, of course, be assisted by the fact that Government borrowing will shortly cease. Another favourable feature is the adoption by the Government of the recommendations of the Currency Committee, which should help to arrest further inflation.

Effect of Unsound Currency

An unsound currency such as we have had, which could be increased at the will of the Government, lends itself to all those evils which have their origin in inflation of credit. These evils are in turn accentuated and increased by unsound currency. Although inflated credit may in the first place cause prices to rise, an unsound currency following on inflated credit carries the evil still further. Would anyone say that credit is safe, when the

individual to whom it is granted is borrowing without limit elsewhere upon his own promissory note? That is what happens with an unsound currency. On the other hand, sound currency, capable of elasticity and based upon the volume of production, holds undue inflation in check. The gold and Bank of England notes held against £1 and 10s. notes outstanding now show an improving ratio. Whether the percentage is increased according to the plan recommended by the Committee, by restricting the fiduciary issue to the maximum of the previous year and covering any further issue by gold or Bank of England notes, or whether it is increased by limiting the total issue to a gradually improving ratio of gold and Bank of England notes, which alternatively provides greater power of expansion in case of need, we may now feel that we have taken the first steps towards the return to a sound system. In whatever way the figures of the Currency Note Issue are published from time to time, there can be no doubt that the world, in analysing the position, will always add the amount of the fiduciary issue to the amount of notes backed by gold or Bank of England notes (which latter are Gold Certificates), and calculate the gold held as a percentage of the total of notes outstanding.

Fiduciary Issue Limit

The questions of credit and currency are closely interlocked. Many people have argued that, because inflated currency and high prices originate from inflation of credit, therefore it is necessary to deflate credit as a first step towards deflation of currency and reduction of prices, and that with deflation of credit, deflation of currency and prices will automatically follow, but this is not necessarily the case. Experience goes to show that there exists a tendency for credit to rise gradually in ratio to the amount of currency available, and this is particularly the case where the currency is not of such a nature as to be subject to automatic contraction, as happens with a gold currency. For this reason the re-establishment of a sound currency, regulated by value, is essential, and there is cause for satisfaction that a limit has now been set to the fiduciary issue. The method adopted, however, does not give much room for expansion. Government borrowing, except for funding purposes, is probably drawing to a close, but it must be remembered that this country, with its enormous responsibilities as the centre of the British Empire, and as the financial centre of the world, will find it difficult to refuse those additional credit facilities which are undoubtedly needed to effect reconstruction now that the war has ended.

Distressed Countries

The present condition of the world will not admit either that we should stand still or go backwards, and further justifiable expansion of credit may be forced upon us, to meet the demands of industry and trade, which will probably be very heavy if we are to help to re-establish the distressed countries of Europe, and to carry out Empire and home developments, both industrial and social. The necessity for further expansion of credit may demand a larger volume of currency, and for this reason, as I have already said, sound currency as a practical measure, but based upon a system which is capable of expansion, is of primary importance. Many proposals are put forward for granting credits to the distressed countries of Europe, in order that they may purchase the necessaries of life, raw materials, with which to restart their manufactures and trades, and rolling stock and railway material to enable them to bring down their natural products to the ports, and thus provide themselves with a basis of exchange. There are great difficulties in carrying these proposals into effect so long as the currency conditions of those countries are unsound, because of the interval of time between the granting of the credit and the date of its maturity. So long as currency can be increased at will, without any relation to real value, the economic condition of a country may rapidly change for the worse before the due date of a credit, and if payment for goods is accepted in currency, its value as a medium of exchange has no stable basis. Until, therefore, the currency conditions of the distressed countries of Europe have been satisfactorily dealt with, the rehabilitation of those countries seems to be almost impossible.

Unstable Continental Currencies

Each case would probably differ according to the circumstances and the conditions which prevail. In some cases it may not be possible to make a beginning except by demonetising the existing note issues and scrapping them, or by adding their total upon certain terms to the funded debt of the country. The country concerned could then make a fresh start with a new-currency, based on value in a ratio of gold borrowed for the purpose, and governed by a system that is capable of expansion and contraction. The credit scheme provided by our Government for facilitating trade with the distressed countries of Europe has not been successful, probably because those desirous of making use of it have to accept a stake in the unstable currency of the country concerned. Any assistance that we could give would be better employed in helping the countries concerned to establish a sound currency system. All these distressed countries form an integral part of the world's economic system, in addition to Germany and

Austria, and it is a fact that we cannot afford to exclude either Germany or Austria, with their great populations, from the right to participate in the world's trade. Their markets are as essential to us and to America as are the markets of America and our markets to them. The complete collapse of Germany, through her inability to trade, would not only prove a calamity to the neutral countries, but would render remote the possibility of payment of any portion of her indemnity, and these two facts would probably precipitate a crisis throughout Europe, in which the whole world might become involved.

Free Market for Gold

Viewing the financial position of England in the world, we cannot place ourselves in our old predominance until this country has resumed its place as the free gold market of the world. Whether we can hope to resume this position quickly is open to question, because the balance of our trade and interest payments with America is likely to continue an adverse one, whilst countries with whom we have favourable balances, and from whom we should, in theory, be able to draw gold to pay America, are not likely for some long time to be in a position to pay gold to us. Therefore, until we can draw gold from our debtors in order to pay our creditors, we are not likely to be able to get back to a free gold market. This position is well illustrated by the fact that, although the United States have an immensely favourable balance of trade, which for November last amounted to well over £75,000,000, because the International Exchanges are not working properly at the present abnormal levels, they had to export some £18,000,000 in gold and silver to pay for imports from those few countries with whom their balance of trade is adverse. On the other hand, their receipts of gold and silver from those countries with whom their balance is substantially favourable, only amounted to £2,350,000. This would be our position if, when our trade balance is favourable, we attempt to return to a free gold market, while other principal countries are content to work with adverse Exchanges. We cannot yet tell whether, with the adoption of the Committee's report, and the restriction of further issues of currency, except against gold, rates will operate so as to produce automatic contraction, as was the case with the gold currency. So long as there was no restriction in the issue of paper currency, rates did not have this effect. Should a greater volume of currency be required to meet justifiable expansion in the volume of credit, and gold not be obtainable to preserve the full proportion of gold to notes, it would be better to base the increase on bills which reflect the real trade position, and which would, therefore, provide automatic expansion or con-

traction. We have, however, the opportunity of securing gold from within the Empire, which may help us in this respect.

“New York-Europe” Exchange

Many people ask for a plan for improving the rate of exchange between this country and America, in order to reduce the cost of remittances to that country for payment of our debts to her and for purchases, the value of the £ sterling being now equivalent only to about 3·60 dollars instead of the pre-war normal value of 4·86 dollars. As we all know, this shrinkage in the value of the £ as expressed in dollars is due to the fact that the balance of trade has moved against us to a greater degree than was the case in pre-war times, and that, besides this, instead of America owing money to us every year for interest on what we had invested for the development of her railway and other industrial undertakings, she has not only repurchased a large quantity of these investments from us, but has also lent considerable sums to us, out of which we have paid for goods supplied by her to us and to our Allies for carrying on the war. It may seem superfluous to mention this, but there are some who may not be versed in such matters. It is well, however, to remember that because of the large foreign purchases of dollars made in this market, the present exchange level reflects not only our trade indebtedness but also indirectly a part of the indebtedness of other European countries to America—the dollar Exchange is really a “New York-Europe” and not a “New York-London” Exchange. As in all cases between debtor and creditor, there is no obvious and simple remedy which will alter the position, but the remedy lies in those steps which I have indicated as necessary for the improvement of our own industrial and financial position. Temporary expedients, except in so far as they may serve to tide over an inconvenient period of time, are of little use. The real remedy, as I have said, lies in economy, especially financial economy, and in increased production now, when the opportunity offers.

Sir Herbert Hambling

Obviously, no general meeting of Barclays would be complete without a speech from Sir Herbert Hambling, the deputy-Chairman, and who, in a short space, managed to touch, with his usual ability, on some very useful points. He said: Turning to the more domestic side and one perhaps which most of the shareholders better understand, there is no question that the report and balance-sheet we are presenting to-day is an excellent one. The figures show improvements in all directions. The liquidity of the bank is unquestioned, and there is one item—the

item of Advances to Customers—which, you will see, has increased by a very large sum. I am not sure whether the increase is 40 or 50 millions. I think this increase is a direct answer to those critics who a few years ago suggested that these big banking amalgamations would mean less accommodation to the traders of the country. The trade of the country has been assisted enormously not only by Barclays Bank, but by all the banks, as it is clear the balance-sheets of these institutions recently published fully show. You will see by looking at the item of Advances to Customers to what extent the banks have assisted the commerce of the country.

Optimistic Outlook

I think when we get the final accounts at the end of the country's fiscal year, even the sanguine anticipations of the Chancellor of the Exchequer will be considerably exceeded. I think the trade of the country is booming and that Englishmen are fully alive to the necessity of "waking up," and I, personally, feel quite optimistic that England will still hold her own, and still be the predominant country. I have no fear of any competitors, not even from our great cousins over the Atlantic. It is essential, in my opinion, that this country should trade with all nations. You cannot blot out a certain proportion of the Continent, you cannot eliminate a population of from 60 to 70 millions of people, you cannot starve them, you cannot kill them, and you will have to trade with them, because you want many things that they have, and you have many things here that you want them to buy. We shall no doubt have to face that fact. You cannot bury those countries, you must allow them to live, and it is only by the assistance you give to those countries to enable them to work that you will be able to get the indemnities laid upon those countries under the Peace Treaty. It is not the wealth of Germany or Austria or of other countries that you can now go and take, but it is the wealth they may be able to create by their energy in future years that will enable them to pay their just debts.

LLOYDS BANK

BUSINESS AND TRADE CONDITIONS

THE part taken in public affairs both during the war and the period of reconstruction by Sir Richard Vassar-Smith, Chairman of Lloyds Bank, lends additional weight to the observations he made at the general meeting of shareholders. After reviewing the balance-sheet and calling attention to the affiliated banks and capital arrangements, Sir Richard proceeded to discuss the business and trade conditions of the country for 1919.

Trade in 1919

Trade during the past year, he said, has had grave difficulties to contend with. The change over from war to peace conditions has not been accomplished without considerable dislocation, and even now—fifteen months after the cessation of hostilities—we are, to a large extent, living in a time of transition. Among the difficulties are the shortage of raw materials, due in part to a lack of sufficient tonnage, and also to a deficiency of labour owing to slowness of demobilisation. Labour problems have, perhaps naturally, been acute, and stoppage of work has occurred in more than one industry, with serious consequences to the economic life of the nation. Still another disturbing factor has been the unsatisfactory condition of the Exchanges, the fall in the value of the £ sterling materially adding to the cost of our chief imports. On the other hand, some progress has been made in the sweeping away of Government control, with its hampering and vexatious effects on industry. In spite of the difficulties, the year's foreign trade has been a record one, the total reaching the enormous figure of £2,594,596,775, or an increase of 746 millions over 1918. Imports showed an increase of 315 $\frac{3}{4}$ millions, British exports of 297 millions, and re-exports of 133 $\frac{3}{8}$ millions. Much of the increase is due to the rise in prices, and, so far as the imports are concerned, to the fall in exchange. The adverse trade balance for the year was over 669 millions, as against 783 $\frac{3}{4}$ millions in 1918, but against this must be set off the

value of our invisible exports, recently estimated at between £520,000,000 and £580,000,000.

Outlook for 1920

In view of these figures, it will be gathered that the home trade has been extremely active, and, in practically every case, very prosperous. Face to face with a world shortage of all kinds of goods and merchandise, our manufacturers are setting themselves resolutely to cope with the enormous demands for their goods; and, given mutual trust and co-operation between capital and labour, which would result in increased production, the outlook is just as satisfactory for 1920. As regards agriculture, the very dry summer was responsible for some disappointment in crops. Wheat, however, turned out very good in the ear, but the straw was short. Oats formed the worst crop. The outstanding feature has been the phenomenal price of barley, which at one time reached 107s. 9d. per quarter. At the 30th June, 1914, the price was 25s. 4d. The cotton trade has again had a bumper year, and merchants, spinners and manufacturers have undoubtedly made more money than ever before. Markets for cotton goods which were closed during the war have been reopened, and have exhibited a steady and growing demand in spite of values being at a high level. Producers have been unable to cope with this persistent demand, and stocks have been drawn upon. The outlook for the current year is also most encouraging, demand being still widespread and insistent. The prosperous condition of affairs has resulted in feverish activity in the share market, and cotton mills have changed hands at prices based on the estimated high cost of erection and equipment at the present time.

Coal, Iron and Steel

With respect to collieries, the year has been a very disturbed one. On the one hand, the industry has had to consider the demands of the Miners' Federation for higher wages, shorter hours and the nationalisation of mines and minerals, followed by a decision to strike if the demands were not conceded, a decision which was only overcome by the appointment of a Royal Commission. On the other hand, it has remained under Government control, with its hampering restrictions, except that, during the second half of the year, the control of export prices was withdrawn. The lack of sufficient tonnage and rolling stock, noticed a year ago, has continued throughout 1919, and this has hindered trade. The demand from abroad has been exceptionally pronounced, and, with control removed, export prices have risen by leaps and bounds. The labour question is not yet settled, and

we are promised a campaign in favour of nationalisation during the present year. Throughout 1919 iron and steel works have been steadily employed in South Wales. The increased cost of production, due to the rise in the price of coal, has been met by advancing prices. In the Midlands and North the moulders' strike was a disturbing factor towards the end of the year. Considerable prosperity has been enjoyed by the tinplate industry. In the summer stocks accumulated, owing to the strike of dock labourers in South Wales, but the growing demands during the autumn and winter have made considerable inroads upon them, and prices were carried in December to a new record level of well over 53s. a box. The manufacture of galvanised sheets is largely an export trade, and, with greater shipping facilities available, business has developed. For the first half of the year the spelter market was quiet, owing to the falling-off in the demand for munition purposes. Stocks accumulated, and in May the price fell to £34 10s. per ton, which is below the cost of production. Not only did the market recover from this unsatisfactory position, however, but speculative activity became very marked, reaching unprecedented heights during the closing months of the year, the price rising to £59 a ton.

Soft Goods

During 1919 the Government control of wool supplies has been gradually relaxed, and the pre-war practice of offering all imported wools at the London sales has been re-established. The demand for tops has been greatly in excess of the capacity of the combing machinery, and necessity, not value, has caused inflated prices. Spinners are full of orders, with large margins, and output is not nearly equal to requirements. The demand for piece goods from every quarter is largely in excess of the output from the looms, and the demand is for the finer goods. It is generally agreed that the current prices of wool, tops and yarns are too high and cannot continue. On the whole, 1919 has not been so good a year as 1918 for the soft goods trade, in spite of the fact that considerable activity has succeeded the somewhat unsatisfactory conditions prevailing during the earlier part of the year. Both the home and export markets have been busy of late, and a feature has been the demand for expensive qualities of goods. Wholesalers generally expect higher prices in 1920, and report that satisfactory business is assured right up to next autumn.

Shipping, Building and Jewellery

The position of shipping has improved distinctly during 1919, and the year closed with the industry fully employed. Some speculation has taken place in the market for shipping shares.

As was the case last year, shipbuilders have had an extremely busy time, the yards being full of work at paying prices. The pressure continued up to November, when the industry began to be affected by the moulders' strike, which caused shortage of materials. The timber trade has been distinctly active, and busy and profitable conditions are anticipated for some time to come. This seems certain in view of the insistent demand which the building trade must make ere long. Good cargoes have come in from Scandinavia during the year. In 1917 and 1918 the building trade was in a stagnant condition, and comparatively little progress can be reported for 1919. Several attempts have been made by the Government to solve the housing problem, but so far success has only been of a modified character. The carpet trade has had a very successful year. There has been a better supply of raw materials than in 1918, and the chief adverse factor is the shortage of skilled weavers. Manufacturers have been, and continue to be, very busy, with more orders on their books than they can execute. The jewellery trade during the past year has been very active, demand having been very great, especially for classes of goods in which a low quality of gold is used. There has been great difficulty in obtaining gold and in securing efficient labour. The trade has done so well in adverse circumstances that a great future is anticipated for it. Notwithstanding difficulties due to transport, and the shortage of some descriptions of raw materials, the metallic bedstead trade has made substantial improvement during the past few months. Colonial and foreign markets are receiving more attention from the trade, and the demand from these quarters is as great as manufacturers can cope with.

Motors and Leather

The motor and cycle trades have had an exceedingly busy year. Many motor firms had in the autumn sufficient orders to keep their works going through 1920. The cycle trade has had more orders in hand than at any time since the "boom" year. The home trade in saddlery and harness has been good. The export trade, however, has been handicapped by the high prices necessitated by the heavy cost of hides, and by the fact that, during the year, the colonies and other countries to which saddlery was formerly exported started to produce for themselves. Restrictions in the leather trade have been gradually relaxed during the war though the Government still exercises control over raw hides. Tanners are somewhat concerned at the present time to know what attitude will be taken on this question. Leather has sold well at increasing prices, there being a good demand, especially for the best grades. Orders have been large

from the Continent, especially from France, Belgium and Italy. The boot and shoe trade has had another exceptionally busy year. There has been a steady and persistent demand for all classes of goods, and the year ended with the trade very active and with orders booked well ahead. Exceptional activity has again characterised the hosiery trade, the demand for all classes of goods, both from home and foreign markets, being very keen. The chief difficulty to contend with is the shortage of supplies of raw materials, so that it is not easy to maintain output and cope with orders.

Hardware, Glass and Lace

The hardware trade of Birmingham and the district has been greatly extended during the past year. One effect of the war has been to improve the organisation of the industry. Throughout the year makers of domestic hardware have been busily employed, and they could have sold their output many times over. The aluminium hollow-ware industry has been created in Birmingham on a big scale. It is still very far from having attained the proportions intended, but it is considerable enough to claim a leading position in the overseas market. The amalgamation of a number of glass manufacturing concerns indicates that, in the view of the leaders of the industry, if it is to realise its new opportunities, production must be on a big scale. A much larger recourse to machine processes necessarily enters into such plans. The tank furnace has given America great advantages in bulk production, and this seems to be an inevitable feature in the production of the cheaper description of tableware, for which there is a tremendous demand. Already tank furnaces are being introduced into this country. With the removal of some of the restrictions affecting the industry, the brewing trade has had an active year, and substantial profits have been made, in spite of the heavy increase in the cost of raw materials, the shortage of casks and transport difficulties. A decided revival has taken place in the lace industry, and the year ended with extremely active trade, orders pouring in for home markets and for export to the Colonies and to the United States, South America and Spain. The chief adverse factor is the shortage of cotton. Sea fishing has continued in a flourishing condition, plentiful supplies being readily absorbed at high prices. The china clay trade has had a quiet year again, but towards the end there were indications of a revival, buyers being more in evidence. For the first six months of 1919 the tin mining industry was very quiet, but, with the steady rise in the price of tin during the latter half to as much as £345 per ton, the outlook is brighter. During the past year British dye makers have been gradually consolidating

their position. Much yet remains to be done, but the outlook is not unfavourable. The chemical industry was very quiet during the first half of the year, but business picked up in the summer, and became quite brisk in the autumn, with plenty of orders both for the home trade and for export.

Present and Future Problems

With all its difficulties—finance, labour, uncertainty—I think we may look back upon the past year without a feeling of discouragement. Our home trade has been good, our export trade is improving, and I trust that, now the economic aspect of our labour differences is being considered, it will, when better understood, tend firmly to establish relations between capital and labour. The financial requirements of industry and trade have been met, and I believe will continue to be. The incidence of further taxation is troubling, but the reassuring speech of the Chancellor of the Exchequer in the City a short time ago, to the effect that the limit of our extraordinary expenditure has been reached, should to an extent allay this anxiety so far as our home conditions are concerned. If we take to heart the three great, and only, principles upon which our recovery can be assured—economy, industry and increased production—I think we may look forward to the year we are now entering upon with great hope that it will be prosperous. But the state of affairs upon the Continent fills us with dismay. Unrest, with all its dangerous attributes, still continues. Famine exists in many countries. Raw material for the purpose of production is wanted in all. Owing to the lack of exports, the depreciation of money increases. The savings of the past are being lost, and, unless remedies are promptly applied, it is feared that a gradual but persistent spreading of bankruptcy and anarchy must ensue.

The bright outlook for British trade which Sir Richard Vassar Smith has outlined augurs well for the country and the Empire. Not only does he show our trade to be in a sound condition, he clearly indicates that it is in a flourishing condition. Not alone has he great hope for the future, he has great confidence. In fact, there would appear to be little doubt that once the present unrest passes away and Labour, as a whole, gets a more comprehensive grasp of the great possibilities that the future of British trade opens up for the British working man, we shall advance quickly on a period of commercial prosperity such as the country has never before experienced.

LONDON JOINT CITY AND MIDLAND BANK

HIGH PRICES AND GOVERNMENT BORROWING

MR. MCKENNA'S first address as Chairman to the shareholders of the London Joint City and Midland Bank, in so far as it dealt with matters of public interest, may be shortly described as a plea for economy. The main purpose of the address was to show the connection between high prices and Government borrowing, and both as regards statement and criticism it was a most instructive and practical contribution to the utterances of public men on the all-pressing question of National Finance.

Prices and Demand

Opening with the statement, and a very true statement, that nothing gives so much concern to the public at the present time as the great rise in prices, Mr. McKenna went on to say: Masses of people find almost insuperable difficulty in bringing their expenditure within the limits of their income, and they clamour for a remedy. So far as I have seen, the most popular proposal for reducing prices is to fix a limit to the currency note issue. It is supposed that if the currency were strictly limited in amount and at the same time had a proper proportion of gold backing, prices would not only cease to rise but would begin a downward movement towards their former level. In this view the increase in currency is regarded as the cause of high prices. But is this really the case? May it not be that the great increase in currency notes is itself only an effect of another cause, a mere link in the chain which ends in high prices? What is the relation between the increase of currency and high prices? What has caused the increase of currency? What has caused high prices? This is the problem I am going to ask you to consider to-day. There are three factors governing the price of commodities—demand, supply, and cost of production. Although I propose to deal with only one of these factors—demand—I do not mean to imply that

the others have not their due weight. The supply of commodities is less to-day than it was in 1914, and in consequence if the other factors had remained constant, some rise in prices would inevitably have occurred from this cause alone. Again, chiefly owing to higher wages, cost of production has risen greatly, but in the sequence of events it has generally followed, not preceded, the higher prices. Whatever share, however, these two factors may have had in raising prices there can be no question of the importance of the third. Demand, measured by the purchasing power of the public, has increased enormously. It does not, of course, necessarily follow that a man spends more because he has more money in his pocket or a larger bank balance than usual; yet, if we take the community as a whole, we may be quite sure that as spending power grows, the demand for goods grows with it, and as demand grows, prices rise. Here, then, is the first step we must take to solve our problem; we must find the cause of this increase of spending power.

Some Figures

Before proceeding further it will be well to recall the estimated figures of currency, bank deposits, and prices of commodities as they stand to-day compared with 1914. First of all I will take the figures of currency. It is estimated that in 1914 the total amount of currency in circulation—that is, gold, silver, copper coin, and banknotes—was £128,000,000. This figure represents the total amount of currency held by the public, but does not include currency held by the banks. To-day the corresponding figure is estimated at £393,000,000, an increase of £265,000,000, or 207 per cent. As I am giving these figures, I may as well state here that the estimated amount of currency held by the banks in 1914 was £75,000,000, and in 1919 £191,000,000, an increase of £116,000,000, or 154 per cent. Next I will give the figures of bank deposits, but in doing so I should explain that they do not include Bank of England deposits. Before the war, the total deposits of the banks of the United Kingdom, including under the name deposits—and this is important to note—money held on current account as well as on deposit account, amounted to £1,070,000,000. The corresponding figure last month was about £2,300,000,000, or 115 per cent. The actual spending power of the public is gauged by the total amount of currency in circulation added to the total amount of bank deposits. In 1914 the public spending power was £1,198,000,000; to-day it is £2,693,000,000, an increase of £1,495,000,000, or 125 per cent. I turn now to a comparison of the prices of commodities of everyday use or consumption before the war and at the present time. The figures are based upon the return issued by the Ministry of

Labour, and are expressed in the form of percentage increases over the corresponding prices of 1914. If we take 100 to represent the cost of living in 1914, the corresponding figure to-day would be about 225, or an increase of 125 per cent. In estimating the cost of living we have included all ordinary expenses, and we have taken the commodities forming part of our everyday consumption in such quantities as we consumed in 1914. Thus we see a marked increase in currency, in bank deposits, and in the price of commodities. The spending power of the public and the cost of living show the same percentage increase of 125.

Growth of Deposits

We can proceed now to examine the immediate question before us—what is the cause of the increase in spending power, or, in other words, of the increase in currency and bank deposits? I will ask you to consider the growth of bank deposits first. Bank deposits are derived from two sources and from two sources only. The first and most obvious source is by payments of currency into a bank. Anyone who takes notes out of his note-case and pays them into his bank creates a deposit. The second source from which deposits are derived cannot be described with equal simplicity. Stated in comprehensive terms which I will explain directly, deposits arise from payments by a bank which are neither charged against an existing deposit nor used for the repayment of an existing debt to a bank. I am speaking now of bank deposits in the aggregate, with which alone we are dealing, and not of deposits in any individual bank. Payments by a bank which are not charged against an existing deposit consist chiefly of bank loans or advances. But they include also all bank investments and all purchases and payments made by the bank for itself and charged against its own resources. It will simplify the discussion if we treat bank investments, as we are entitled to do, as loans of a more permanent nature than the ordinary loan or advance. Similarly, the purchase or discounting of bills may also be regarded as a bank loan. The aggregate, then, of bank deposits is increased by payments into banks of currency, by bank loans, and by payments by banks on their own account to meet their own expenses, as for salaries or to buy new premises. In making a comparison between bank deposits at two different dates, we may reasonably leave this last source of increase out of account. Just as payments on a bank's own account augment deposits, so receipts on a bank's own account diminish them. Payments and receipts have both grown considerably since 1914, but they have both grown at the same pace, and comparing one year with another, we may fairly set off the total of the payments against the total of receipts.

Bank Deposits

We have now reached the point at which we may say that payments into banks of currency and bank loans, giving to the word loan the widest meaning, are the only sources of increase of the aggregate of bank deposits which we need consider. Let us look now at the increase of bank deposits since 1914, and see to what extent this increase is due respectively to payments in of additional currency and to bank loans. In June, 1914, the banks held £75,000,000 of currency. Last month this figure stood at £191,000,000. The banks, therefore, held more currency to the amount of £116,000,000, and to this extent the increase in the aggregate of bank deposits is accounted for by payments in of currency. But it is estimated that since June, 1914, bank deposits have risen by £1,230,000,000. If £116,000,000 of this amount are accounted for by payments of currency into the banks, there remain £1,114,000,000, which, if the previous analysis be accepted as correct, we must attribute to bank loans. Let me guard myself, however, by saying that I do not give these figures as absolutely exact, as the total figures of deposits given by the banks include not only customers' deposits, but what the banks term "other accounts." But the error due to this omission in making a comparison between any two years is small, and I think we may accept as sufficiently accurate the estimate that in round figures bank deposits have increased by £1,100,000,000 since 1914 in consequence of bank loans.

Trade Advances

As an increase of deposits means an addition to our purchasing power, we should expect such an increase to be followed by a rise in prices. But we must guard ourselves here from a generalisation which may be too broad. If money is borrowed by manufacturers and traders for the purpose of the production or movement of commodities, the increase of purchasing power consequent upon the loans is followed in due course by an increase in the amount of commodities available, and the rise in prices which might be expected from a greater demand is corrected by a greater supply. Let us for a moment examine what takes place when a bank makes loans or advances in the ordinary way of trade. Suppose the case of a loan or advance to a manufacturer who uses the money to pay for raw material or wages, or some other expenses in the course of his business. When the goods are manufactured and sold to the merchant, it is expected that the proceeds of the sale will be used to pay off the bank loan. The merchant in his turn may have borrowed from his bank to pay the manufacturer, and there may be a whole

series of loans from banks, each paid off in its turn as the goods pass from their primitive state of raw material to their final destination as finished goods in the hands of the consumer. But when the consumer has paid cash for the goods, all the series of loans will in the ordinary course be liquidated, and there will have been an increase in bank deposits only so long as the goods were not finally disposed of. In this view of bank transactions, loans by banks, and therefore deposits, would only increase in total amount as the total of commodities increased. There would be a greater purchasing power for the time being, but there would also be a greater supply in process of production.

A Word to Traders

It will be observed that the first effect of a trade loan is to increase deposits, and as the aggregate of such loans, and consequently of deposits and purchasing power, may be steadily growing in amount, it may be argued that loans of this kind may also drive up prices. To a limited extent this is true. In periods of active trade we know that bank loans increase and prices rise. But the rise in prices attributable to this cause can never go very far. Traders sometimes assume that banks have an unlimited power of making advances. They forget that every advance made by a bank comes out of the bank's cash resources. It is true the advances return to the banks in the form of fresh deposits and thus restore the banks' cash resources to their former level, but the result is to leave them finally with additional liabilities to their depositors without any addition to their bank cash. Happily, in this country banks are careful to keep a proper proportion between their cash resources and their liabilities, though the misguided practice known as "window dressing," which is sometimes indulged in at the end of the year, might of itself throw a shade of doubt on what is in truth the very real virtue of our banks. The moment this proportion reaches a point below which the management think it should not go, if the strength and credit of the bank are to remain unimpaired, the bank will decline to extend its total of credits.

Government Borrowings

The Government, under the overwhelming necessity of war effort, has been the great borrower from the banks. The loans to the State have led to an immense increase of deposits, and as they have remained outstanding long after the commodities they were raised to pay for have been consumed, they have been an inevitable cause of a rise in prices. In order to get a full understanding of the case, it is necessary to examine the different effect upon prices of the different kinds of borrowing by the

Government. The Government may borrow from three sources. They may borrow from the public, they may borrow from the banks, or—and I put this in a category by itself—they may borrow from the Bank of England. If everything contributed to a national loan by the public were saved by them from their ordinary expenditure, there would be no increase in prices. The additional expenditure of the Government would be counter-balanced by the reduced expenditure of the community. But when the public subscribe to Government loans out of their own resources, they always subscribe more than they save by curtailing their normal consumption. They subscribe in addition what they would ordinarily save and invest in any case, and their investment would in one way or another usually take the form of capital employed in the production of commodities. The money which would be so invested is spent by the Government and consequently to that extent increases the demand for goods without any increase of supply either actual or prospective, except in so far as the Government may themselves have spent the money on the erection of plant useful for peace production. With this partial limitation, direct loans by the public to the Government through subscriptions to War Loans have no effect upon prices. They do not add to the total of bank deposits. The public must first draw upon their deposits with the banks in order to subscribe to the loans, and when the Government spend the proceeds of the loans, the money only fills up the gap in the deposits caused by the previous withdrawals.

But quite different effects follow when the Government borrow directly from the banks or indirectly from the banks through members of the public who obtain bank advances to enable them to take up the loans. In each case the banks subscribe by drawing on their balances with the Bank of England. The money received by the Government is paid out in due course to meet liabilities to contractors, by whom again it is paid to the credit of their accounts with the banks. The customers' deposits are thus increased, and as the banks in their turn pay the money into their accounts at the Bank of England, the previous withdrawals from that bank are made good. Thus the net effect of the whole proceeding is to increase the total amount of bank deposits by the exact amount which the banks have lent to the Government directly or indirectly, and the whole weight of the additional spending power is thrown upon prices.

The Bank of England

The third case of Government borrowing which we have to consider is that of borrowing direct from the Bank of England. In that case a credit is given by the Bank of England to the

Government, who draw upon it and pay out the amount to contractors. In due course the contractors pay the money they have received into their accounts with their own banks, and deposits are thereby increased. The banks now hold more money, which in their turn they pay into their accounts at the Bank of England, and so increase their cash balance. There was no previous withdrawal in this case from bank balances at the Bank of England, and there is consequently an increase in these balances exactly equal to the amount of the Bank of England's loan to the Government. Here we see both an increase in customers' deposits and an increase in the balances of the banks at the Bank of England. These balances are the basis upon which the banks found their advances, and an increase in them will necessarily be followed by additional advances whether to their customers or to the Government with a consequent further increase in deposits. We conclude from this analysis, therefore, that loans by the Bank of England to the Government have a much greater effect in raising prices than any other form of Government loan, as they not only immediately raise the total of bank deposits and consequently of spending power by the public, but they also increase the power of the banks to make further advances, which in due course lead to still more deposits and still greater purchasing power.

Events since 1914

We have examined the different methods of Government borrowing and have considered the effect of each in increasing bank deposits, it remains for us to look at the course of events as they have actually occurred since 1914 in forcing a rise in prices. At the outbreak of war, throughout its course, and right down to the present moment, the Government have been large buyers of commodities, greatly in excess of their normal demands. The first consequence of the immense Government purchases was to stimulate production. Machinery was used to its full capacity; the number of people employed was greatly increased; women took the place of men, and there was a very considerable addition to the total national output. But enlarge the output as we would, it could not keep pace with the nation's requirements. Demand outstripped supply, and, just as it happens when a period of comparative trade depression is succeeded by a trade boom, there was a natural rise in prices. At once more currency was needed, partly to pay the wages of the larger number of workpeople employed, partly because with higher prices shopkeepers keep more money in their tills. To the extent that more currency was issued the spending power of the community was increased. But up to this point the increase was not great. A

new condition had to be introduced before any considerable rise could take place. There must be not merely an increase in currency, the total of which in any case only represents a small part of the public spending power; but, far more important, there must be a serious addition to bank deposits. It was not long before this new condition arose. To meet the daily growing expenditure the Government had to borrow freely from the public, from the banks, and from the Bank of England. It is unnecessary to recapitulate the effect of this borrowing. Bank deposits increased enormously. There was no proportionate increase in the supply of goods and the usual consequences followed. Prices began to rise rapidly. The rise in prices was next followed by general demands for increased wages. As these now rose the cost of production rose too, and another turn was given to the screw on which prices were steadily mounting. But higher wages and higher prices mean a greater demand for currency. The weekly wages have got to be paid in legal tender money. In the course of the week the bulk of the money paid out in wages comes back through the shops to the banks, and is paid out by them again to meet the next week's requirements. But as prices and wages rise, not all of it comes back, and each week a larger amount is retained in the pockets of the people, in the tills of shopkeepers, and in the tills and reserves of the banks.

Increase in Currency

At the outbreak of war there was not enough legal tender money to satisfy our additional requirements, and at once postal orders and even postage stamps were used to make good the deficiency. If men and women are to be employed and paid, means of paying them must be found, and an arbitrary limitation of currency would merely inflict intolerable inconvenience upon the public. What we have to aim at is not the restriction of the currency, but the restriction of the borrowing which leads to the issue of the currency. Although, as I venture to think, the increase in currency is not the cause of high prices, yet I believe the public have shown a right instinct in fastening upon this increase as a matter for anxiety and even alarm. Though not the rain-storm itself, it is the gauge which measures the rainfall. The figures are easily apprehended, and the weekly records can be readily followed. Those who study them with care see that every advance by the Bank of England to the Government is followed by a fresh issue of currency notes. Once the nation can free itself from the need for these advances, the rise in prices, so far as it is due to an increased demand, will cease, and the currency in circulation will no longer expand. When the advances are paid off prices will tend to go down, and the

currency in circulation will diminish. When we look to the future we naturally ask, shall we ever get back to pre-war prices and pre-war currency and bank deposits? If I might hazard an opinion, it would be that prices will remain permanently on a far higher level than in 1914. The rise that has taken place is not local. It is not even European and American. It covers the whole world. The cost of living in Japan has risen quite as much as in this country. In India and China, where human wants are much less than with us, and where custom plays a far stronger part in fixing prices, even there the cost of living is much above the pre-war standard. Increased production will bring down prices to a certain extent, but the purchasing power of the world measured in money cannot be materially diminished. Deflation is bound to be very slow. Any attempt, indeed, to bring it about rapidly would cause widespread ruin among manufacturers and traders. The greatest caution will be necessary in handling our financial machinery, and many of our pre-war ideas must be modified in view of the fundamental change in our conditions.

The Exchanges

With regard to the exchanges, before the war, raising the Bank Rate was bound to send up the value of the pound sterling in foreign exchange. The balance of trade, including invisible exports and imports, was in our favour, and if for the moment the pound sterling had depreciated, it was only because we had lent too much money abroad. Raising the Bank Rate made it unprofitable for the foreigner to borrow in this market, and left our excess of exports free to assert its natural effect. To-day, the balance of trade is against us, and while the Bank Rate should be at such a level as not to encourage the discounting of foreign trade bills in our market, to raise it above this point may in existing circumstances injure rather than benefit our exchange. For dear money adds to the cost of production, and every addition to cost hampers our export to those foreign markets in which we have to meet serious competition. But it is precisely these markets in which sales are for prompt payment. We can no doubt sell all the goods we wish in countries in which sale is possible only on terms of very extended credit, but exports to such countries do no good to our exchange. Raising the cost of production at home in any degree has a tendency to drive our exports out of the cash markets into the credit markets, and to that extent our exchange is injured.

Dear Money

I cannot help thinking that the advocates of dear money are

premature in their policy. They do not take sufficiently into account the actual circumstances of the moment. They wish to stop the continual rise in prices with its concomitant social dangers, and rightly recognising that the high prices are in a large measure due to the immense increase in purchasing power consequent upon the growth of bank credit, they hope to restrict further bank advances by raising the Bank Rate. But they overlook the fact that much the greater part of the inflated credit is due to borrowing by the Government. Bank advances to industry, though heavy in the aggregate, are not greater than industry requires, having regard to the amount of money sunk in the high-priced stock which a trader has to carry. Dear money is an additional expense in production and has the effect in itself of raising prices, but the counterbalancing influence which it might be expected to exercise by the restriction of credit is neutralised by the repeated outpourings of bank cash due to borrowing by the Government from the Bank of England.

The Remedy

The only condition on which we shall be able to check the rise in prices is that our annual expenditure is brought within the compass of our revenue. In State as in domestic finance we must learn to make both ends meet, and the case is not in the least bettered if we only balance our accounts by selling out capital stock and placing the proceeds to the credit of our revenue account. The expenditure of the Government is tantamount to the consumption of the quantity of commodities which the money would buy, and this must not exceed the amount of commodities the consumption of which the community are compelled to deny themselves by reason of the taxes they have to pay. If it does we run the risk—as is, indeed, now the fact—that our consumption may exceed our production. This is not a plea for additional taxation. Far from it. Our existing taxation which is, I believe, higher than in any other country in the world, is already dangerously near the point at which thrift, business enterprise, and needful capital development become seriously impaired. But it is a plea for economy in expenditure. It is a plea for such ruthless cutting down or postponement of all financial outlay by the State as will reduce our expenditure to a figure less than our tax revenue, for by this method alone can we hope to restrict the issue of currency, check the rise in prices, restore our foreign exchange, and reestablish London in her old position as the financial centre and free gold market of the world.

LONDON COUNTY, WESTMINSTER, AND PARR'S BANK

FOREIGN EXCHANGES AND CURRENCY—AMERICA'S ATTITUDE

MR. WALTER LEAF'S speech at the annual general meeting of shareholders of the London County, Westminster and Parr's Bank, was as usual at a very high level. After referring to the more domestic affairs of the bank, and commenting on what he justly described as the "truly remarkable figures" shown in the balance-sheet, he went on to notice the large increase under the head of advances to customers and acceptances.

Advances to Customers

This, he said, is the measure of the assistance we are giving to the remarkable increase of British commerce and industry which is developing, as we had always hoped, with the long delayed coming of peace. The demands which we anticipated, and which were a strong motive for the strengthening of the large banks by amalgamation, are now coming upon us in full force, and at the present rate promise soon to tax all our resources to the full. Our task is to distinguish, so far as is in our power—and it is often very difficult—between legitimate needs and mere speculation. To that we are devoting ourselves with a full sense of our responsibility. To the best of my belief, the amount of speculation represented by our advances is but a very small proportion of the whole. The increase in acceptances, for instance, is due mainly to the financing of cotton imports, as legitimate a demand as can well be conceived. The last cotton crop has been imported with unusual rapidity to meet the eager demand of spinners; the weavers are demanding it of the spinners, and the merchants are full of orders. We believe that practically the whole of the crop has been sold in advance, at good profits, notwithstanding the extraordinarily high prices; and that the whole of the money which it has been necessary to advance for all the stages of manufacture and sale will come back to us before long

bringing with it good fruits to be harvested. A further portion of the acceptances represents foreign credits which we have given to enable the export of our goods to Allied countries which badly need them. In this way we are assisting, for instance, the export of coal and woollen goods, as well as other important manufactures. You will agree that at the moment the increase of our exports is a vital element in reconstruction. Proceeding, he touched on the cotton shortage, and the great interest, through its branch at Liverpool, the bank had in the cotton trade, and after calling attention to the bank's investments in Government stocks, and the special assistance given to the Victory Loan, mentioned with satisfaction the continued progress of the Ulster Bank. He then went on to discuss generally the trade and business of the nation as a whole.

Foreign Exchanges

The expansion of business generally in the country during the past few months has been on a most satisfactory scale, in spite of all labour troubles; and the expansion seems likely to continue at an even increasing rate. I have already spoken of the increase which this has brought about in our advances; and the time has come when it is necessary to utter a word of warning, and to point out that the credit resources of the country are not unlimited. The time is appreciably nearer when it may be necessary to call a halt; and the recent advance in the Bank Rate, inconvenient though it has been to us all, has at all events served as a danger signal which must not be disregarded. Bankers do not want high rates for money any more than traders; but dear money is the expression of a demand which is rapidly overtaking the supply, and it will be well if enterprise is tempered by caution, lest in the near future it may be necessary to raise rates yet higher to a point which will be an effective check on demands for loans other than those needed for the immediate requirements of legitimate trade. We are faced with another trouble of even more immediate interest, a trouble the reality and insistency of which is now recognised not only among experts and specialists as in old days, but by the public at large—the disturbed and wholly abnormal conditions of the foreign exchanges. London is still, and in my opinion is likely to remain, the centre of the world's finance; but for that position we are at the moment paying a high price. We are suffering alike from favourable exchanges on the one side, and unfavourable on the other; and I hardly know which is the worse for us. Both have the effect of hampering our exports and imports, diverting them from their natural course, and delaying the day when the current of trade is once more flowing in its natural channels.

Our most immediate preoccupation is the fall in the value of the pound as compared with the dollar. In this fall there are two distinct elements combined. In the first place, the pound has fallen because our imports largely exceed our exports, so that we are continually adding to our foreign indebtedness. It must be noted that this is not merely a question of our imports and exports to and from the United States; the whole of our national trade balance, by the intricate mechanism of the exchanges, must be taken into account, because international payments are made through London. And in the second place, the fall in the pound sterling is due to an actual depreciation of our currency by inflation, measured in the price of gold in terms of "Bradburys." Let me say a few words on both of these topics. The remedy for the present state of things must apply to both.

Imports and Exports

Our imports last year exceeded our exports by no less than £669,000,000. This gigantic figure is, of course, largely set off by our invisible exports, notably by freights; the most recent estimates published by the Board of Trade reduce it to the more modest but still formidable figure of £149,000,000. That is the amount by which we have during the year increased our indebtedness abroad. It is a serious deficit; we have not yet turned the corner, and our most strenuous efforts are needed before we can honestly look our foreign creditors in the face with the confidence that we have at least made a beginning in the repayment of our overseas debts—the first step towards a recovery of our position in the world's commerce. We have all been hearing and preaching that to this end two aims must be kept in view—increase of production and reduction of expenditure. I should like to look with you at the figures, and see what result this public talk has had. The effect on production has certainly been remarkable. Our exports have risen by over £430,000,000, and are still rising at a good rate. In spite of all internal troubles, it seems to me that the workers, including both employers and labour, have on the whole taken the lesson to heart, and that the great mass of British industry has set about doing its part in returning to pre-war production. Can we say the same of the consumer?

Necessaries and Luxuries

Our imports have increased by £315,750,000, and to that extent have cancelled the increase of production. How far is this increase inevitable? Our imports consist in the first place of the necessaries of life, the food and other articles which are essential to keep the workers not only alive but in good condition

for their work. In the second place, they include the raw materials of industry. So far we cannot complain of the increase; the rise in the price of living has to be faced; the rise in the price of raw materials will in due time come back to us bringing fresh profits. But there is a third class of imports which consists only of articles of luxury. Here it is that we should look for an earnest effort of self-denial if we are honestly determined to hold up our heads before the world and face our creditors with a clear conscience. . . .

The United States

I should like to say a word here as to our relations with America. I have had an opportunity of discussion with many of the leading men, in political thought as well as in finance, alike in New York, Washington, Boston, and Chicago. Everywhere I was impressed with the feeling of real friendliness towards this country, a feeling which attained a really astonishing climax in the reception of the Prince of Wales in New York. Wherever I went I was asked to say something about cooperation between the two countries. On the other hand, there was clearly a strong revulsion, after the enthusiasm of the war, against European entanglements. Of the traditional boastfulness of our American cousins I saw nothing; the part that this country had played in winning the war was more than generously acknowledged, and I never heard a more eloquent eulogy of England than from the mouth of a Chicago banker who had held an important post, with the rank of brigadier-general, in the American Army in France. When the talk turned on European mandates I had rather to complain of American modesty—a reluctance to take any part in European administration on the ground that the United States had no trained civil service capable of the work. And it was clear that in this direction no help is to be looked for.

America's View

When it came to a question of credits, the American attitude was distinctly critical and suspicious, as I have already said, of our expenditure on luxury—all the more because they have imposed upon themselves the severe restrictions of the prohibition law. This was continually brought up against me, and I found it difficult to reply. There was also an idea, which I disclaimed without hesitation, that the fall in the American exchange was favourably regarded here as an incentive to our export trade. But generally speaking, the attitude taken was that which has been so forcibly summed up by Mr. Hoover, that the remedies for our own troubles were in our own hands, in our own resolution

to work and save ; and that it was neither prudent nor consistent with our dignity as a great nation that we should come to the United States with petitions for great loans to help us through. With that view I am entirely in agreement ; and I cannot help expressing my regret that well-meaning, but, I am afraid mistaken, appeals should have been recently made for amounts which can only defeat cooperation by their very magnitude. That is not the policy either of English financiers nor, I am sure, of the British Government. So long as we take the bold stand that we mean to pay our debts, and are well able to do so, and that we are anxious to cooperate with the United States in the great task of the restoration of Europe, I for one have no fear either of the loss of our commercial and financial place in the sun, nor of any serious discord between the two great Anglo-Saxon nations on whose friendship such vast issues depend.

The Currency Question

Our increasing foreign indebtedness is the most formidable obstacle in the path of financial reconstruction, and it must be overcome before any substantial progress is made in any direction. But it is not the only one ; the question of the depreciation of our currency, with its direct effect in the rise of prices, is at the bottom of a great part of the universal sense of unrest. I am no believer in proposals for artificial restrictions of the currency. To say that the total issue of treasury notes shall not exceed an arbitrary amount seems to me useless ; it comes to the same thing, since the amount of gold in the country is a fixed sum at any time, to say that the currency can only be issued against a fixed percentage of gold. So long as the Government is freely issuing claims for currency, it must supply the currency to meet them ; to fix an upper limit would in time merely bring us to a point when the banks would find themselves unable to meet their customers' demands for notes, and we should have to choose between bankruptcy or a removal of the restriction. It would be like trying to cure a fever by plugging your clinical thermometer at "normal" ; the only result would be that you will burst your thermometer. The only remedy is to attack the fever, to stop the issue of claims to currency in the form of Government expenditure and Government credits. It seems to me that the fixing of arbitrary limits, so far as it has any effect, is rather to delude us by the idea that the limit is the normal, and that so long as we are below it we are all right. The currency returns are an infallible clinical thermometer to measure the fever from which the body politic is suffering. Happily we see that our temperature has fallen just a little during the last five weeks ; we may hope that we have reached the turning

point. But we are yet a long way from the normal. Just where that will be we can only find out by experience; we do not yet know how many £1 notes will circulate when we have reached stability; but there will be no difficulty in saying when we have reached that point; we shall have reached it when a "Bradbury" exchanges freely for a sovereign, and a sovereign for \$4.86, so that London is once more a free market for gold. And that end can be gained only by steady and determined self-denial; it is definitely postponed and made harder of attainment by waste and luxury, private as well as public. That is the direction in which we can each best set ourselves to help our country now.

International Position

But we have not only our own country to think of. We are busy at present with making up arrears, and supplying the shortage of clothes, transport, ships, and the like due immediately to the war. That shortage will be met in time, so far as we are concerned; but we have to look forward to the day when the world demand is based not on making up for the losses of the past, but on the day-to-day requirements of the present. That will be a bad day for us if the trade of the whole world has not by that time been set once more going in broad and unchecked channels—it will be a day of overstocking, falling prices, and all the consequent disaster. It is imperative that we should in our most immediate interest forestall that day by losing no time in setting the current of international trade in its natural stream. This vital matter is one where more is needed than the elementary virtues of work and saving. It is necessary to take a wide and humane view, a generous outlook which takes cognisance of more than the passions of the moment. I trust that this nation will not prove itself here unworthy of the great position it has won by its splendid record in the war. It will be needful for many nations to work together if an end is to be put to the industrial and economic chaos which is threatening the very existence of a great part of Europe. In this vital task the United States might, if they wished, have held the leading place. But I fear that they have shrunk from the burden of their own greatness, and the main part of the task is to be left to us. I have faith in my country, and believe that we can shoulder it; and that on the way in which we face it will depend the ultimate judgment of history on the part England has played in the war.

Trade with Germany

You may have seen by the papers that some of us are urging this on our Government; but we need the support of all of you. Public opinion has to be formed. We must learn to put aside all

thoughts of mere destruction, and to recognise that the attempt to annihilate Germany by preposterous demands for reparation will hurt ourselves far more than it will hurt Germany, and will mean not only economic but social suicide for England. Nor must there be any boycott of German trade. Our Government has told us that we must seek to establish business relations with Central Europe; M. Klotz told the French nation the same thing only a month ago. That is the policy which this bank will follow; and we ask for the support of our proprietors in it, against the ignorant prejudice which is still only too plainly to be seen around us. The blackness of the cloud which hangs over the Continent is alarming to us all, and is a gloomy background to all the hopes which we can base upon our own reviving trade. But the prospect must be boldly faced and fearlessly handled; and we may well hope that the coming year may see, abroad as well as at home, the turning point of our economic troubles, with our own land in unquestioned place as the leader in the new civilisation.

WESTERN AUSTRALIAN GOVERNMENT LOAN

IN connection with the recent flotation in London of the Western Australian Government Loan for £1,500,000, it may be stated that according to an official statement laid before the Parliament of Western Australia the loan expenditure by the Government of the State for the year ending June 30th, 1920, is estimated at £3,189,914, but this total includes £1,250,000 in connection with the soldiers' repatriation and settlement which is to be recouped by the Commonwealth, leaving a net State expenditure of £4,939,914. The whole of this loan expenditure is being devoted to works of a reproductive and developmental character as, for instance, railways and tramways, harbour and river improvements, water supply and sewerage, the construction of roads and bridges and the development of agriculture.

NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND

ECONOMY AND WORK

IN the absence of Lord Inchcape, the annual general meeting of the shareholders of the National Provincial and Union Bank of England was presided over by Mr. Neville Goschen, who, in the course of an able speech, contrived to touch on a number of subjects of public interest, in addition to drawing attention to the strong financial position of the bank itself.

Increase of Capital

After mentioning certain domestic changes in the management he turned to the balance-sheet. Our capital, he said, has now been increased from £5,476,884 to £7,806,864. This increase is occasioned partly by the issue of the new shares to our shareholders, and partly by the amalgamation of the Sheffield Banking Company with this bank. The reserve fund has been further increased from £4,850,000, the figure at which it stood in the last balance-sheet, to £7,239,041, an amount very nearly equal to the paid-up capital. Our current, deposit, and other accounts amount to £251,751,125, against £200,864,639, an increase of over £50,000,000. Acceptances and endorsements of foreign bills appear on both sides of the balance-sheet, and really call for no comment. Cash on hand and money at call or short notice amount to £46,000,000, about the same as last year. Investments stand at roughly £53,500,000 as compared with about £44,500,000 in last year's balance-sheet. The increase, as you will see from the figures before you, is accounted for by an addition of £9,000,000 to the large amount of Government securities we hold, and show that this bank has taken its part in supporting the Government loans issued during the past year. Although it is stated, as in previous years, in the balance-sheet that they are taken at cost price, I need hardly assure you that we have ample funds at our disposal to meet any depreciation that has taken place. The increase in bills discounted and advances,

taking all these accounts together, amounts to no less than £46,000,000.

Coutts and Co.

One of the most important features, I think, in the history of the bank this year is the provisional arrangement at which we have been able to arrive with the famous house of Messrs. Coutts and Co. Their banking records date back as far as 1692, and their name and reputation are world wide. As, however, the matter is still under the consideration of the Treasury it would not be right for me to go into any details of the arrangements beyond those which have already appeared in the Press, but it is our intention that their business should be carried on unimpaired and unaltered in the same form as has existed for so many years, and we hope in due course to welcome here representative partners of that firm as directors of this bank. Like many of our neighbours in the City, we have outgrown our accommodation, and have had to extend our head office premises where rebuilding is now in progress. We have also been fortunate enough to secure the premises of the Marine Insurance Company at 20-21, Old Broad Street, which will not only prove a very valuable addition to the space at our disposal, but will in due course provide us with a useful frontage in that busy street. It is only absolute necessity which has forced us to incur heavy expense in this direction at a time when the cost of building and prices generally are so much against us.

The French Auxiliary

I should like to say one word with regard to our investment in what is known as our French Auxiliary, viz., Lloyds and National Provincial Foreign Bank (Limited), which stands in our balance-sheet at £240,000. I have reason to think that this institution has proved of considerable value to many of our customers, and I am glad to be able to tell you that the business of the auxiliary has increased by leaps and bounds, and that the results that bank has obtained have more than justified our expectations of its usefulness. As you will see by the report, we, in conjunction with some of the other principal banks in London, have taken part in the formation of a Banking Agency in South Russia to the small extent of £10,000. Urgent representations were made that there were no facilities for financing British trade in that part of the world, and in consequence of this we felt that it was obligatory on us to assist in providing for such an important need. So far there have been practically no opportunities for business, but the institution is in a position to carry out the functions for which it was formed as soon as circum-

stances permit. Speaking generally, rates for money have shown a rising tendency during the year, although the Bank Rate remained unaltered from January to November, and it was not until the beginning of October that the Treasury Bill Rate was raised from $3\frac{1}{2}$ per cent. to $4\frac{1}{2}$ per cent., rising to the present rate of $5\frac{1}{2}$ per cent. on November the 8th.

Uncalled Liability

One of the somewhat interesting features of banking finance during the year has been the issue of fully-paid shares by some of our neighbours. The uncalled liability attaching to bank shares has, in the past, always been looked upon as a security for the depositors, but, on the other hand, this has tended to restrict the number of investors in such shares, and I think there is no doubt that there is room now for both types of shares. You will observe in our report that we are asking the shareholders to pass a resolution to sanction an increase in the authorised capital of the bank by a further £9,000,000 in £5 shares, which will be fully paid. The object of this increase is to place at our disposal the means of dealing with any new propositions that may from time to time be presented to us, and it includes provision for the settlement with Messrs. Coutts and Co. Should it be considered advantageous or desirable to make an issue to provide further cash capital for the bank, shares will no doubt be offered to the shareholders, as in the past, on a *pro rata* basis. The advances called for by the present high prices and the delay in delivery of raw materials, coupled with heavy manufacturing costs generally, have left their mark on our accounts in the increase of £47,000,000 in our loans and discounts, a convincing proof that this bank has borne no small share in promoting and assisting the trade throughout the country.

Foreign Exchanges

The state of the foreign exchanges has given rise to considerable anxiety, and fluctuations have been frequent and of a violent nature. Under these circumstances you will be glad to hear that our loans against foreign currencies have been almost negligible. I think I have dealt with our business as regards the past, and as regards the future it would be a rash man who would prophesy what this may bring forth. Although the ratification of the Peace Treaty with Germany has already taken place, we must not forget that the clouds of war still hang heavily over a large part of Europe; indeed, in a large area fighting is still in progress. Manufacture in the greater part of the Continent is almost at a standstill owing to the impossibility of securing raw material, and the disorganisation of Government and the ex-

changes, as well as the difficulty of transport, resulting from a long and arduous struggle, delay and hamper the resumption of international trade. In this country, too, the natural spirit of restlessness, engendered by and consequent upon the strain of five years of war, has not yet died down, although there seem to be signs of a return to more normal conditions. Our currency and the foreign exchanges present the most difficult problems, and various ideas and plans, devised perhaps in the hope of finding short cuts to soundness and prosperity, have been put forward for dealing with both these questions. I am afraid I have some distrust of short cuts. We know how often they lead us into difficulties, and I cannot help thinking that we should do better to stick to the "high road" of economy and work, which, although arduous and unpleasant, must eventually lead to strength and prosperity.

Cessation of Borrowing

The Chancellor of the Exchequer has told us that we have reached the point when it will not be necessary for him to borrow any fresh money for current needs. If this expectation is fulfilled, and we may have every confidence that the Chancellor will be firm in a matter of such essential importance, the ground will be cleared for dealing with the questions of a depreciated currency, high prices, and adverse exchanges. These latter conditions are the direct consequences of the loss and expenditure during a war of unparalleled magnitude, in which the country bore the burden, not only of its own forces by sea and land and air, but also in great measure of Allied armies in addition. It now remains for us to put our house in order, to reduce national expenditure to an amount commensurate with our limited resources, to avoid heroic measures of excessive taxation, which hamper development, to give free play to individual enterprise, and set to work, whatever our class or calling, to the utmost of our capacity. Then, if we are called on to hold out a hand of assistance to nations less favourably situated, we can require them to enforce similar economies and prove themselves efficient in production; by no other course can we discharge our obligations or can they regain a position in the commerce of the world.

Note of Warning

One cannot view with complete confidence, however, the enormous and rapid expansion that is taking place in some branches of the trade of this country, which seem inclined to depend more and more on credit derived from the banks. It is well, I think, that we should sound a word of warning that even the banks' resources are not inexhaustible, and that although the

policy of this bank will be in the future, as it has been in the past, to afford every possible assistance to its customers and to the trade of the country, our first care, both in their interest and in the interest of the shareholders of the bank, must be to maintain such a strong position that we can face any possible crisis with equanimity. If we are again to see real prosperity in this country it is almost inevitable that it must be preceded by a fall in the present high prices of all commodities, and it is only natural to suppose that businesses which are built up on the basis of inflated prices will suffer severely in the process. I do not wish to convey to you that I take any gloomy view of the future, for I believe that by foresight and enterprise, which have always been characteristic of the British nation, we shall in time reach the measure of our previous prosperity. My own idea is that if the trade of the country is left to itself it will in a few years' time make up the losses we have suffered, and we shall again reach the same prosperous position we held before the war.

History Repeats Itself

It is interesting to see how history repeats itself. More than half a century ago the same views which find wide acceptance at the present day were well expressed by Lord Macaulay. Referring to Mr. Southey's suggestions for government control of and assistance to trade, he writes :

“It is not by the intermeddling of the omniscient and omnipotent State, but by the prudence and energy of the people that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the State. Let the Government do this; the people will assuredly do the rest.”

We have seen how amply this forecast has been justified. I believe that the same qualities of prudence and energy still animate the people of this country, and that by the whole-hearted co-operation of each one of us in our respective sphere of work we can again place this country and the Empire in the proud position of commercial supremacy they so long occupied.

EMPIRE TRADE NOTES

CANADA

WORK on the first contract to be let by the British Columbia Provincial Government in connection with the development of the 22,000-acre tract of land in the Southern Okanagan district to be utilised for soldier settlement purposes has been commenced. The contract will require the expenditure by the Government of about £20,000. Between 100 and 150 men will be employed thereon, and the necessary machinery is being got into position. Two camps will be opened, one near the foot of Lake Vasseaux and the other near Fairview Flats. An irrigation ditch is to be cut to deliver water to the lands in the section to be irrigated.

PROBABLY the largest return ever obtained from 12 acres in any of the prairie provinces was that just harvested by Mr. J. E. Strong, of Brooks, Alberta. From this area of irrigated land he threshed a crop of alfalfa seed which yielded 14 bushels of excellent seed to the acre. This seed is worth nearly 4s. a lb., and every pound of it can be easily sold in the district at this price. The cash returns from this crop are equivalent to about £1,800 for the 12 acres. Mr. Strong went to Alberta from Idaho towards the end of the summer of 1916 and settled about three miles north of Brooks. In Idaho he had seen something of the valuable crops that are being grown on irrigated land in that State, and he is proving that equally valuable crops can be grown in Alberta.

AT the yards of the Halifax Shipyards, Limited, four vessels are now under construction, two of 8,100 tons gross, and two of 10,500 tons. Work is considerably advanced on the first two ships. Twelve hundred men are employed in the yards, and an additional 500 are engaged in carrying on construction of plant.

THREE Canadian farmers have filed claims which will give them control over 6,000,000 tons of sodium sulphite located in the Blue Mountains near Cyclone, Saskatchewan. Immense deposits of high grade fire-making clay have been found at the Elbow, and underneath it is said are inexhaustible quantities of iron pyrites.

NEXT season a joint investigation will be undertaken by engineers in the employ of both Provincial and Dominion Governments of iron ore deposits on the coast of British Columbia. Meantime, representatives of an English steel firm are conducting a private investigation, and have intimated to the Department of Mines of British Columbia that if the deposits are found to be as stated they are prepared to finance iron and steel works in the vicinity of Vancouver and build the necessary railway to make the deposits easy for transportation.

AUSTRALIA

SEVERAL new gold finds of possible importance in the stretch of country between Bounder and Lefroy have been reported to the Mines Department of Western Australia. One of these is situated ten miles south of the Kalgoorlie belt, concerning which the Inspector of Mines reports:—"The indications and characteristics of this lode show promise of proving another payable ore channel of considerable importance." Another find is reported six miles north of Kalgoorlie as the result of which numerous leases and prospecting areas have been pegged out, and still another about twelve miles south of Kalgoorlie midway between Kalgoorlie and Hampton Plains on a direct line with the Celebration Lease.

THE C.S.A. copper mine in New South Wales recently resumed mining and smelting and the Gladstone Mine has also re-started. Budgerygar and Bonnie Dundee are likely to follow suit soon. Mount Boppy Gold Mine is being worked full handed, and arrangements are being made, it is understood, to recommence operations at the Occidental Gold Mine. There is every indication therefore that the district so long under a cloud of depression will soon be bright and busy again.

SOUTH AFRICA

THE neighbourhood of Krugersdorp, among others in South Africa, has been long known as a manganese-bearing area. The mineral occurs in association with the dolomite beds of the Transvaal system. Several years ago, for instance, an impure wad, or manganese earth was mined for a little time on the farm Kromdraai, and was used in the earlier days of the Usher-Adair cyaniding process. It was afterwards found to be unnecessary and the working of the wad was discontinued. On various occasions since then, however, and especially during the war, search has been made for purer and commercially valuable varieties of the ore, and reports have come in from time to time that the search has been successful. Nothing definite appears to have been done, nevertheless, until a discovery was made on the farms Zwartkrans No. 67 and Sterkfontein No. 68, in the district referred to. The name of Sterkfontein, by the way, has become familiar in connection with certain famous caves in the dolomite series, that have been objects of considerable local interest. The vicinity is also well known as a lime-producing centre. The discovery just mentioned has been taken in hand by a company with a nominal capital of £50,000, of which 5,000 shares of the nominal value of £1 each have been set aside to provide working capital, 40,000 shares are assigned for the purchase of the mineral and other rights, and 5,000 shares are held in reserve. The objects of the undertaking are to take over certain rights on valuable properties in the Krugersdorp district, Transvaal Province, on which has been discovered manganese di-oxide, for

which high prices per ton have been recently paid by local firms requiring quantities for steel hardening and other purposes.

A SERIOUS shortage of phosphate fertilisers has prevailed in South Africa for nearly three years owing to the falling off of imports. With a view to alleviating the position continuous inquiries have been made by the Industries Advisory Board of the Department of Mines and Industries in order to ascertain the possibilities of replacing imports by locally manufactured fertilisers. Strenuous efforts were made to get the refuse from abattoirs and fisheries utilised. No unwillingness on the part of municipalities and canning companies to utilise their waste products was met with; the main obstacle was the difficulty of obtaining the necessary digester plants. Though engineering firms in Johannesburg expressed their readiness to manufacture digester plants, very little has yet been done to obtain phosphate fertiliser from this source. In order to hasten the steps which were being taken towards the utilisation of the Saldanha Bay phosphate deposit by the owners, laboratory tests were made by the Scientific and Technical Committee of the Department of Mines and Industries with the "Wolter" process for rendering the phosphoric oxide soluble, with satisfactory results. Working-scale trials were also made, and in view of the desirability of making the finished product available to farmers at reasonable prices should the experiments prove satisfactory, the Industries Advisory Board resolved to bring to the notice of the Minister for Mines and Industries the fact that the necessary safeguards must be taken in connection with the experiments being made so as to prevent the possibility of a monopoly being created in this necessary article.

THE Transvaal University College, Pretoria, is establishing a two years' diploma course for women in dairying, horticulture and poultry, a generous gift of £1,500 a year for three years having been made to the University for the purpose. This is an excellent beginning, and offers a reasonable hope of an organisation of far-reaching importance to the women of this country. The Transvaal University is to be congratulated on having realised the urgent need of educational development in this direction and on allocating the funds at its disposal to a cause so fundamental to the development of a greater South Africa.

OVERSEA CORRESPONDENTS.

The remainder of these Notes is unavoidably held over for want of space.

Dod's Parliamentary Companion, 1920.—This very excellent little book is, perhaps, the most handy of all publications of its kind, and although the Editor has introduced several new and very useful features he has skilfully managed not to increase the size of the volume. In "Dod" we have a complete and up-to-date parliamentary guide, and for official purposes it may truly be said to have no equal; the accuracy of its information is proverbial, and as the title implies it is an essential companion to all men engaged in public affairs. The publishers are Sir Isaac Pitman and Sons, Ltd., 1, Amen Corner, London, E.C., and the price is 6s. net.

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PROBLEMS OF INDUSTRY.

War Profits Tax

SOMEWHAT unwisely, we think, the Government was persuaded to inquire into the possibilities of a tax on war profits. The Inland Revenue officials have prepared memoranda on the subject, and their contents have been given in evidence before the Committee set up by the Chancellor of the Exchequer. The officials state emphatically that they can never frame a tax on profits made out of the war, it must cover all profits made during the war, even to the extent of taxing the increased value of a Life Insurance Policy. They do not deny that it must be a direct penalty on thrift, that investors in war loan will have to pay for their loyalty and patriotism while persons who squandered their money freely directly against the interests of the community will be exempt. Such a proposal is obviously unfair. The officials do not hesitate to say that the titanic task of valuation can only be carried out with the hearty goodwill of the tax-payer, but there would seem to be no hope whatever that this tax, if imposed, would possess even the elements of popularity. The evidence given by business men and the views they have expressed all go to show that such a proposal is distrusted and liable to have disastrous results both to British trade and British credit.

A Hopeless Proposal

Apart from the technical difficulties and palpable injustices of a tax on war profits it cannot relieve in any way, even if successfully collected, the financial embarrassment of the Nations. It cannot mitigate in any way the administration of wealth

during the war represented by the National Debt. It would merely transfer £100,000,000,000 of money from the pockets of one body of citizens to another. It will make some richer, others poorer, but it will in no way improve the financial condition of the country. On the other hand it is bound to have a serious effect on the yield of other taxes. No account is apparently to be taken of the change in the value of money, yet this change may result in the heavy taxation of a man who is actually poorer though nominally richer than in 1914.

The Anti-Dumping Bill

A very careful examination of the Imports and Exports Restrictions Bill has been made and the considered judgment of the business community can now be given. One can scarcely say that complete unanimity reigns. Some critics take the view that the measure is unnecessary and liable to lead to retaliation, but the great majority of business men hold the opposite view. A general feeling prevails that it should be divided up and the parts dealing with imports separated from the remainder and proceeded with immediately; the other portions of the Bill containing far less urgent matter can be dealt with later on. The suggested constitution of the Trade Regulation Board never met with approval. Instead of a clumsy and unwieldy body formed of officials and members of Parliament the opinion is general that some smaller, more expert, more judicial body should be appointed. It is considered essential that the number of scheduled key industries should be increased and equal protection given to those industries using the product of key industries as their raw material. No one views with any favour the revival of trade by licence. Business men recall with lively distaste their experience of that system during the war. It is more logical, and more practical to protect key industries by a tariff and customs duties. As regards dumping, at present this is not a very imminent peril. If there is any dumping going on it is by this country. The rest of the world is in no condition to dump back, but gradually as the war-stricken areas of Europe recover the evil will begin again, and we ought to have an instrument ready by which to protect ourselves. It is generally agreed that the definition of dumping finally adopted should be based on wholesale prices in the country of origin.

The Exchanges

A welcome improvement has taken place in the Exchange position. Special impetus to the New York Exchange was given by news of the proposed repayment of the 1915 Anglo-French Loan of £100,000,000, which falls due in October. But there

are sounder reasons for the revival; the published summary of the Trade Returns of the United States for 1919 show that the adverse exchange is having a marked effect on exports and imports between the two countries. During 1919 we imported a very small proportion more than in 1918, and we increased our exports from £149,000,000 to £309,000,000. By December this favourable tendency was fully operative. Our imports were about the same as in 1918, but we increased our exports from £9,000,000 to £42,000,000. These figures have not received much notice, but they form one of the most reassuring symptoms of our financial recovery which have yet appeared. They will be equally welcome in both countries.

High Prices

The question of high prices in this country has been greatly obscured owing to its being made a political, and to some extent, a class issue. Opponents of the Government quite unjustifiably attribute the rise mainly to the extravagance and inefficiency of the executive. Extremists attribute it to capitalist profiteering and trust monopoly, and the public mind gets little chance to learn the truth. High prices are a world phenomenon, and this country has suffered less than the rest of the world. Even in America, prices have risen 100 per cent. since 1914. There is a great world scarcity of commodities, and we alone in this country cannot remedy that. Over large areas of Europe the wreckage of war has not yet been cleared away and rebuilding has hardly begun. Coincidentally with that shortage there has been a large increase in spending power. Every belligerent was forced to increase the amount of currency in circulation. As Sir Auckland Geddes pointed out, there has been a great fall in the value of gold, due to the fact that gold has been poured into countries that have maintained convertible currency and that those countries are glutted. There is also a certain depreciation in the value of paper money as compared with gold—in this country about 20 per cent.

Unsound Views

All these are world-wide and more or less inevitable results of the war and there is no heroic or instantaneous remedy. Drastic deflation would result in chaos. A wild and ruthless profiteer hunt would be grossly unjust and injurious. Most of the alleged "extravagances" of the Government will prove to be economies in the end; necessary elements in a coherent scheme of reconstruction. It is therefore deplorable that the public should be encouraged to take narrow and unsound views on this question. It makes them irritable, suspicious and in the worst mood for a

steady, cool conquest of the problem by hard work and genial co-operation. It is to be hoped that the publication of the economic memoranda of the Supreme Council will have a beneficial educative effect, for it puts the question on a far higher plane than we are accustomed to see it placed by individuals and periodicals opposed to the Coalition Government.

Trusts and Combines

The suspicious and petulant mood of the public has lately led to a great outcry against trusts and monopolies. But there is little if any justification for any such manifestation. Mr. Sidney Webb, who no one could accuse of being a friend of capitalism, presided over a Committee which examined the conduct of two combines; he signed reports completely exonerating one, and very mildly criticising the other. These reports proved that these combines, by their foresight and command of mental and material resources, had actually kept prices down. They were able to sell far below the price of any possible competitor. On the whole, they had dealt fairly with the public. No doubt the public can justly demand that the State shall sufficiently control trusts so as to prevent them being able to exploit the consumer. It is not enough merely to rely on their goodwill. At the same time to condemn commercial combination is irrational. It can always show better results (higher wages, lower prices) than the wasteful competition of many small rival firms.

Canada's Example

Instead of rising in their wrath and crying out that they had been exploited, the public should have been relieved at this evidence of British ability and integrity and reserved their strictures for a better cause. If it is considered necessary to safeguard the consumer against the danger of unscrupulous monopolies, it is very possible that Canadian practice will be followed. An amended Combines and Fair Prices Act was recently passed there. The regulations demand a written statement of the aims and purposes of all existing or projected combines, and the Board of Commerce has to be satisfied that the public will not suffer by their operations. By "combine" is denoted not only trusts and monopolies, but all agreements whereby a common price is to be charged for a commodity, or whereby a retail price is fixed by agreement. The Board of Commerce has to be supplied with the names and addresses of all parties to such agreements, and statements as to the cost and sale price demanded or proposed to be demanded. Heavy penalties are laid down for infringement of this law.

Income Tax Reform

The financial burdens of the middle-class have quite rightly come to be considered an urgent problem. Socially middle-class discontent is dangerous, for that class should form the breakwater against the flood of Extremism. Economically and industrially it is highly detrimental, for the middle-class are brain workers, and no man can get the best out of his brain when he is anxious and worried. It is therefore highly reassuring to see the recommendations of the Royal Commission on Income Tax Reform, which show a real constructive attempt to maintain the yield of this pillar of our revenue system, and yet lighten its incidence to the family of medium income. It pays the State to encourage the middle-class to have children, and that encouragement is given in these recommendations. If they are adopted the burden will still be heavy, far too heavy, but the chief importance of these proposals lies in their recognition of the middle-class problem. Their reassuring effect should be far greater and more important than their actual intrinsic effect.

The Doom of Strikes

Amidst the welter and turmoil of labour unrest, and in spite of threats from extremists in all quarters and in all trades, one cannot help noticing that an important change is pending in Trades Union methods. We are witnessing the gradual dissolution of the strike as a solvent of industrial dispute. The lesson of the railway and the moulders' strike, the sensible decision of the dockers to arbitrate, the gradual perfecting of the machinery of conciliation, these and other indications all point to the eventual triumph of the principle of arbitration. The strike is as capricious and anachronistic a method of deciding a dispute as the duel, which lingers on, it is true, but in very few countries. The strike is a crude test of force and nothing more, and the financial loss entailed even to the victors is sufficient condemnation of its futility. Such brusque habits, stirred by passion, die hard, but, in our opinion, the strike is doomed, and the worker is gradually realising the fact.

EDITORIAL

PARTIES IN THE MELTING-POT

POLITICAL parties are not exempt from the universal fate. In the course of time they undergo change, and one day, it may be in the near or distant future, are certain to suffer dissolution. After a time the events that gave birth to them cease to have any but an historical or academic interest, and no longer determine actions and policy; the circumstances which nurtured them and whose needs they came into existence to meet disappear, the objects for which they strove are realised or shown to be incapable of ever being realised.

As conditions change old policies are found to be inapplicable and have to be scrapped, and corresponding alterations in name have to be made. Even principles do not retain their hold on men for ever. A day arrives when they too find their kingdom has departed from them. Often the end comes to political parties in one of the great deluges that every now and again overwhelm the social and political fabric. Change is always going on, but very often it is so slight and gradual as to be barely, if at all, perceptible. At times, on the other hand, the process is much more rapid and violent and compels attention. Like a great flood, it overwhelms all the land in its impetuous course, bearing down boundary lines, uprooting and carrying away whatever stands in its course, obliterating all the old landmarks, and working general havoc and destruction, out of which all things have to be made new.

Parliamentary History

These general truths are exemplified by the history of English political parties. Macaulay fixes the date when the Whig and Tory Parties came into existence as October 1641, but if we scrutinise the records of Parliamentary history we perceive that in every Parliament from the earliest times onward there have been some with stronger leanings to reform, others with stronger leanings to preservation, and the tendency has been when any matter was in dispute for these to range themselves on opposite

sides. What the great struggle in the seventeenth century for religious and constitutional liberty did was to cause parties to assume permanent and definite form, array themselves under recognised leaders, and adopt distinctive names, badges, and war-cries. In the quarrel between the King and his Parliament the greater part of the nation took one side or the other; and for about a century those who came to be known as Tories were associated with the cause of the House of Stuart and the maintenance of the Church and the Monarchy; those afterwards called Whigs were identified with devotion to religious and political liberty.

The "Conservative" Party

The French Revolution was one of the great upheavals referred to which completely changes the character of parties, making the objects for which they have been striving no longer of any practical importance, and bringing to the birth a whole crop of new live issues. Jacobinism became the question of the hour. A man's attitude with regard to that mattered much, his attitude to anything else comparatively little. Those who shared the same views and sympathies drew together, and different combinations were formed. The old Whig Party split in half, one section headed by Charles James Fox warmly sympathised with the Revolution, the other agreed with Burke in viewing the new portent on the international horizon with horror, alarm and foreboding. The date of the demise of the old Whig Party has been put at 1794, the year in which the Whigs, under the influence of Burke, joined the ministry of Pitt, who had just embarked on war with France. The new party exercised an important influence on English politics for over a century. After a time it came to be known as the "Conservative" Party. It came into existence primarily to fight Jacobinism, the Bolshevism of that day, which was threatening society and all its cherished institutions with destruction. Its chief object, therefore, was to conserve, and it may be described as the living embodiment of the teachings of Burke in his 'Reflections on the French Revolution,' the greatest text-book of Conservatism ever published.

Another Cleavage

The repeal of the Corn Laws occasioned another party cleavage, affecting this time the Conservatives. Protectionists could not credit the rumour when it first got abroad that Peel, their recognised leader and champion, had resolved on the betrayal of their cause; but when, at length, its truth was forced on their reluctant understandings, indignation knew no bounds,

and it was the bulk of the party that followed Disraeli into the opposition lobby. The split was permanent; as time went on the two sections of what had been the Conservative Party diverged farther and farther, those in whom loyalty to their leader had proved stronger than attachment to party principles ultimately coalescing with the Liberals.

For the thirty years during which these men had the destinies of the British Empire in their keeping—it was not till 1874 that the Conservatives again obtained a majority in Parliament—England was governed in accordance with the principles of the Manchester School. These were non-interference with both internal and external trade, it being held that in the long run the interests of society as a whole were best served by each man looking out to his own interests. Utilitarian considerations governed foreign and colonial policy alike, the Empire, regarded from a purely material standpoint, appearing to be more expensive than profitable, men looked forward to the day when the colonies would be strong enough to stand alone and could be put out of the maternal nest. The desire to cut down expenses also determined largely the naval and military policy pursued. The wish was father to the thought that armaments were unnecessary. It was an epoch when the danger of war was less than at most periods in history, but to these politicians it appeared even more remote than it was, an eventuality that might be altogether discounted. The policy of the Manchester School, therefore, was that of individualism and Little Englandism pure and simple.

Liberal Unionists

Forty years later the ship of Liberalism came to grief on the rocks; Gladstone's Home Rule Bill proved a veritable Jonah; its introduction led to the secession of a considerable section of the party, including many of its most eminent members, among them Joseph Chamberlain. These formed a new party, calling themselves Liberal Unionists, because the chief plank in their platform was the maintenance of the unity of the United Kingdom, but after they had acted in concert with the Conservatives for many years the two parties virtually became one. The older party was reinvigorated and strengthened by the fusion; re-established on a broader basis, representing the interests of a wider class, and less dependent on the support of one particular caste, the aristocratic caste. One effect was to stimulate it to greater activity in social reform, another to give its sentiments a more decidedly national bias. The new Unionist Party aspired to be more than the representatives of just one class, claiming to represent the nation as a whole, and to make the prosperity, security and unity of the Empire their first consideration. They

made their appeal for support to patriotic and imperial sentiment.

New Political Epochs

The present is a period of great upheaval, perhaps the greatest of all, dividing epoch from epoch. Everywhere old institutions are being pulled down, in some parts of Europe nothing is left standing, the very framework of society having been torn up and cast into the melting-pot. Before this, like Macbeth in front of the witches' cauldron, the whole world is sitting at present, straining their eyes to discern the future in the vapours that arise, to see into what new shapes old material will be moulded. Among other things affected by the times have been English parties. Mr. Churchill spoke truly when he said, "Surely we must all recognise that the Great War has closed a political epoch." It effectually put out the light of the old Liberal Party, which, a relic of a former age, was like a very old man, who has survived all his contemporaries. He has seen the fashions, customs and ideas in vogue when he was young one by one discarded by successive generations as old-fashioned and out of date, and has lived on into times with which he has nothing in common, and in which he seems as out of place as a hand-loom in a modern factory. In such a one the flame of life, although a feeble, flickering, dying thing, may keep alight for some time provided it is carefully shielded from the blast, but the first violent gust of wind to which it is exposed is sufficient to put it out. The Liberal Party was in this delicate state of health when the Great War came, and, quite unequal to the strain thereby imposed upon it, went to pieces, and all the Mr. Asquiths and Paisley by-elections will not be able to put it together again. We have no place to-day for it and its dead. Its ideals, creeds and policies bear no relation to modern facts; its ideals are incapable of being realised, its policies cannot be applied. It is dead, and all efforts to revive it are doomed to failure, it being beyond human power to raise the dead.

The Labour Party

In the medley of vapours that rise from the pot one form at least is clearly distinguishable, that of Labour, big and burly, with his great bare arms clasped Samson-like round the pillar that supports the tottering fabric of our civilisation. It is only too clear which is to be one of the parties of the future. About the other or others it is possible to make no such confident prediction; they remain as yet too thickly veiled in mist to be distinguished. What we are waiting to see is whether the Conservatives and Liberals who follow Mr. Lloyd George will

ultimately decide to form a permanent union. At present they seem uncertain as to their future course of action. Hither and thither their shadowy forms can be observed flitting in the vapours, seeming now to approach, now to recede from one another.

And, yet, there is no time to be lost ; for while indecision and hesitancy reign in the opposite camp, paralysing action and preventing the adoption of effective measures of resistance, Labour has the field to itself, and, sure of what it wants and resolute to obtain it, makes rapid progress. And such a contingency as the advent of a Labour government to power all wise, thoughtful and patriotic men must view with apprehension and even alarm. All who hold old and valued institutions worth fighting for should join forces so as to offer a united front to the enemy, and put all their strength into the battle against anarchy and disorder.

D. A. E. VEAL.

SOUTH AFRICAN MINES AND INDUSTRIES

IN the Annual Report of the Union Department of Mines and Industries for 1918, recently issued, Mr. H. Warrington-Smyth, Secretary for Mines and Industries, in his covering report, states : It is of interest to note that the Union is to-day the world's leader not only in the production of gold and diamonds, but also of corundum, and that South Africa possesses the largest known reserves of these minerals. In the production of asbestos South Africa comes fourth, and in coal at present the eleventh largest producer. On comparing the tables of the mineral production of the year 1913 with the year 1918 there is an increase in production under the following headings given in the order of their importance, viz., salt, lime, corundum, asbestos, gypsum, soda, magnesite, and graphite. Copper, tin, and lead on the contrary show an appreciable decrease in output ; but against this many other base metals and minerals have been produced in increasing quantities, which do not figure in the pre-war tables. For instance, iron ore, iron pyrite, iron oxide, manganese, tungsten, and mica, besides smaller quantities of such minerals and metals as flourspar and molybdenite. Some of the most important developments that have taken place during this period and which moreover have a direct bearing on our agricultural industry have been the erection of up-to-date plants in the Union for the manufacture of fertilisers, namely, sulphate of ammonia and mineral phosphate, as well as the production of white arsenic and the local manufacture of arsenite of soda from our own raw materials.

BROADENING THE BASIS OF EDUCATION

POINTS FOR CONSIDERATION

THE British Empire with a population of 440 millions, 325 millions of whom are Asiatics, and 45 millions Africans, presents a complexity which is enormously increased by the variety of constitution and mode of administration enjoyed by its constituent parts. In common with the rest of the world the British Empire is becoming increasingly democratic, and both in Great Britain and the self-governing Dominions the democratic ideal inspires the greater part of the effective legislation. It therefore behoves us to see that in our educational schemes our democracy is trained to a knowledge of the various dominions. Otherwise we are certain to leave the way open for a plentiful and most mischievous crop of misunderstandings.

Mutual Understanding

It is equally important that the people of the various dominions should have some understanding of this country, and of each other. Most particularly is it vital that all the "white" dominions, including the United Kingdom, should devote a considerable amount of sympathetic attention to India and our Asiatic possessions in general. Such knowledge can only be imparted to the comparatively youthful during the various stages of their education. We cannot hope to effect very much with those who are already adult and who have entered on their life work. They must not be neglected, but education, in the ordinarily restricted acceptance of the term, does not concern itself with them. The generation that is growing up may forget the occurrences of the present period, and it is therefore necessary to ensure, while the present adult generation is under the impress of the war and its splendid revelation of Imperial loyalty, that such measures are taken as will prevent our sons and grandsons from drifting back into the fatal indifference which allowed the Union Jack to be the object of official scorn and contumely.

Mistakes to Avoid

We have so much neglect to atone for, so much lost ground to regain, that even the most hardened anti-imperialist need not be afraid that the pendulum will swing to the other extreme. Nevertheless we must beware of the dangers which attend any attempt to inculcate patriotism and Imperial pride. Warned by the example of our enemies we must avoid any kind of assertion of a racial superiority, always recognising our defects and our mistakes, from which as much is to be learned as from the history of our successes. It should no more be necessary to indulge in what is known as "jingoism" in matters of public import than it is to assert an individual superiority in private and personal affairs. *Deutschland über alles* is not a motto which we should imitate. We must therefore approach the subject in a spirit of humility, aiming at fostering permanent helpful qualities. Among these must be included a sympathetic understanding by us of our Dominions, and by the Dominions of us and of one another. Such an understanding will prevent that impatience and refusal to see anything reasonable in another's attitude which has hitherto militated so powerfully against a real solidarity among the elements of the Empire. *Tout savoir c'est tout pardonner* and a catholicity of comprehension need by no means imply an infirmity of purpose.

What to Teach

We must also see that the sense of duty which ordinarily inspires us to work for our families, our parishes, or our trades unions, is so broadened as to include in its objects our Empire and its scattered inhabitants. Not only must we thus make appeal to the highest qualities but we must realise the strength of the more material motives by which most of us are actuated. We must impart a knowledge of the immense resources of the Dominions. We must show how essential it is to our safety that we should cease to be dependent on foreign, and possibly hostile, sources for many of the necessities of life and industrial success. We must teach our people a reasonable preference for our own products. When we have achieved this much we shall have gone far towards ensuring the stability of the Empire.

Methods of Organisation

It is as well at once to recognise that the spirit in which any task is approached is more important than mere mechanical organisation or book knowledge. A dry-as-dust acquaintance with the history, topography, and products of our various dominions would lead us no-where save perhaps to a priggish satisfaction in our achievement. We must bring about the mutual comprehen-

sion and consideration which in domestic life enable the family to dwell in peace. This comprehension can only be obtained at first hand, therefore the sons of the dominions must come home to live with us for a time and we must in exchange send them our children. In particular we should interchange professors of university rank, teachers of all grades, and students and pupils of every class up to the university. There would seem to be no reason why such exchanges should not be made, and why, for example, the professor of geology at Cambridge should not have spent, say, a couple of years in Australia, so that he could give his pupils a first hand knowledge of that island continent. Why should not the professor of economics spend perhaps five years in educational work in India, so that he would realise the specific differences which mark off the economic problems of that country from those of our own? Why should not the woman teacher from Canada have finished her training at a college in Great Britain? Why should not the Eurasian of India take the place of the Hun and become definitely a Rhodes scholar at Oxford? Why should not the brilliant Indian student study mathematics at Cambridge, or mining at Newcastle, or engineering at Birmingham? These things should be, and only require intelligent arrangement.

Use of Museums

Then in this country we must make a proper use of our museums. We should have in London, Dublin, and Edinburgh, Imperial museums on a large scale showing the extent, the population, the productions, the history, the romance, the traditions, the picturesqueness of our dominions. Similar museums should be established in all the principal towns of the various dominions, showing in each case the place of origin, the mode of establishment, and so on, of the particular dominion, the particular State or province of the dominion, and the particular town in that province in which the museum is situated. Canterbury, New Zealand, might well pride itself on its museum with its records leading up from the historic Canterbury to the present New Zealand city. In the interchange of such objects of exhibition the museum at Canterbury, England, might equally do good work. Certainly the young people of the two towns might be encouraged to correspond with one another, and even to exchange visits where such were found possible.

Power of the Kinema

One great educational force which has been largely neglected in this country is the Kinema. Why should children be left to expect that nothing can be represented on the screen except the

lascivious adventures of some preposterous female, or the burglarious boldness of some pseudo hero who has graduated in the Bowery? It might be a condition of licensing picture palaces that they should undertake to exhibit, for the benefit not only of school children but of adults, certain films dealing with Imperial topics, and that these should be exhibited at definitely fixed hours convenient to those whom it is proposed to attract to them. Lantern lectures might be given in schools of every grade, and even in colleges. It is refreshing to notice that the Visual Instruction Committee is now making an effort to popularise in the schools of this country its series of lectures and slides dealing with the dominions. We should tell—orally to the smaller children; in lessons, in lectures, in addresses, to the older pupils, by pictures, slides, films, books, and museum collections—the stories of the foundation of our dominions, of their heroes, both British and other. The romantic side, both of the history and of the present life in our dominions, should be rendered familiar. From this we should go on to show that the dominions have their own problems and their own aspirations, and that these problems and these aspirations, with all their specific differences, are closely akin to our own.

Subjects and Schools

It is not, however, sufficient to arouse this general kindly spirit, we must have exact knowledge. In the elementary schools such knowledge should be imparted in the geography, history, and natural science lessons, and the syllabus involved should be so arranged that the children should have a greater knowledge of the geography, history, and constitution of the Empire than of any other country. In the secondary schools geography, history, and constitution should not be neglected, while attention should be paid to the economics and trade possibilities of the various dominions. In the universities clubs should be formed and meetings arranged for the benefit and mutual understanding of overseas men and Britons. This should be done both here and in the dominions. Studies should be so arranged that no degree should be obtainable without some qualification in Imperial subjects, and the syllabus for all examinations should include these subjects. Each Honours school of every university should devote some attention to Imperial topics. For example, the History school at one of our universities might include history (and research work in history) relating to our dominions. India and our Eastern possessions would offer in themselves ample scope for such work. Or in the Science schools the geology, fauna and flora, the meteorology of the dominions might well be studied. Prizes for essays, for original work, might be offered

and endowed. The training of all teachers should include Courses in Imperial subjects, and in the best way of getting together the necessary apparatus and specimens.

Text-Books

The existing text-books will require drastic revision. At present the general impression to be gained from school and college histories and geographies is that the Dominions are of very little importance, that their productions are hardly worth mentioning, and that their peoples are mostly savages. It is a fact that many people still suppose that most of our tea comes from China, are ignorant of the value to us of the Indian wheat-fields, and have never heard that Queensland grows sugar and cotton, or Nyassaland tea. There should be in every school library the reports of the various Dominions and books dealing with Dominion topics and statistics, including the monthly Board of Trade reports. Pupils as well as teachers should be encouraged to use these, and would find their use an admirable introduction to research methods and the proper utilisation of authorities. In history the text-books might well be so arranged as to lead from the Dominion to the country or countries with which its history linked it. The Spanish, Portuguese, Dutch, and French would all be thus brought in. The history of their, and our, successes and especially failures would furnish many lessons for our guidance, and both warning and encouragement could be derived from the story of past happenings. Such a story as that of Whitelock's failure in the Argentine might well teach us valuable lessons and certainly should be discussed in all its bearings.

Adults and Publicity

To reach our present adult population we must have a comprehensive scheme of Imperial publicity dealing with the nature, races, and products of the Dominions. Here the co-operation of the various Dominion authorities must be obtained. Indeed, it is almost more than co-operation that is needed from them, it is initiative and plan as well as financial support. In an age which advertises alike X's pills and patriotic duty towards war finance it is an anomaly that Dominion topics should find no publicity. Such bodies as the Empire Producers' Organisation might possibly work in conjunction with the Dominion authorities.

It is necessary that such publicity should be free from any obvious taint of commercialism. Clearly the main object of the producer will be to induce the consumer to declare, and act upon, a preference for Dominion products, but the "fine writing" of the average advertising expert must be carefully avoided.

A. E. DUCHESNE.

CURRENCY AND EXCHANGE

THE *teterrima causa* of the great Exchange crisis is in this: India and her insatiable myriads have in every possible way shown their desire to draw silver and not gold to liquidate their great favourable trade balances. But her Government having tampered with her pre-historic silver standard insists on "saturating" her with gold, with the result that India has drained us of the gold which we and all Europe need so infinitely for our financial reconstruction. The drain of our gold to India has broken down our "Gold Standard," nor can we ever regain it until this hemorrhage of our gold to the Orient is staunched.

The worst difficulty is with the Daily Press. The attitude of the editorial writers in the past has been so extreme and so violent that they can never afford to admit that with two-thirds of their readers they were entirely wrong in their treatment of the silver problem. There is no more courageous and no more educational paper than the *New York Sun*, and hitherto it has been loyal in its support of the two metals as full legal tender money of exchange, but by international agreement. Now, however, the political exigencies of the time, the probability that Mr. Bryan may again be the candidate of the Democratic Party, has apparently determined that journal to regard a Monetary League of Nations for the settlement of our exchange chaos as impossible.

The following letter of protest—which the editor declined to publish—against an editorial in the *Sun*, shows the difficulties that continue to beset the path of the Currency Reformer.

"Silver on the Rampage"

Sir:—Your editorial of to-day on "Silver on the Rampage" is sadly difficult to digest. Let me reproduce its concluding paragraph, with which I find serious cause of quarrel. "If anything was needed to knock the old double money standard myth higher than Gilderoy's kite it is what has now happened to silver under mere market demand, making it more valuable than gold, dollar for dollar, so that the cheaper gold dollar drives the dearer silver dollar out of existence exactly as the cheaper silver dollar could

not fail to drive the dearer gold dollar out of existence—the eternal vindication of Gresham's law that at varying values the two cannot live side by side."

The Joint Standard

By "the double money standard myth" you no doubt refer to the "Joint Standard" of silver and gold which the French Mint Law of 1803 established. At a time when the problem of the Exchanges is attracting quite unusual interest it may be well to ask the consideration of a new generation of thinkers to Calonne's beautiful exchange mechanism which gave the world a fixed rate of exchange for gold and silver. The French Mint Law was simplicity itself and reads as follows:—

To every person bringing to the Mint 1 kilo of gold nine-tenths fine, the same shall be given back to him transformed into 155 gold disks of 20 francs, of which the total shall be reckoned at 3,100 francs. And to all persons bringing 1 kilo of silver nine-tenths fine, the same kilo shall be returned to him coined into 40 five franc pieces, of which the total shall be equal to 200 francs. The debtor may tender these gold and silver disks at his option, and can obtain for them a full receipt for his debt.

Such was the French law of 1803. Divide the 3,100 francs of the gold kilo by the 200 francs of the silver kilo and you have the French ratio of $15\frac{1}{2}$ to 1. It was this system which Emile De Laveleye describes as "the joint standard" of France.

Silver Standard

The Mint in Paris was as completely free to coin silver for the merchant of London as for the merchant of Lyons, and inevitably this Mint practice in Paris enabled any merchant anywhere, through the bill market, to exchange silver for gold at $15\frac{1}{2}$ for 1. No one anywhere in the world would sell silver for less than \$1.29 the ounce, minus only the cost of remitting it to Paris. The war risks in the Napoleonic era fully account for any slight variation in the New York or London prices from the French Mint price. And the French law not only fixed the world minimum price of silver but equally its maximum at \$1.29 per ounce. For it is clear that no one, whether a merchant who wanted silver for the Oriental trade or a silversmith to fashion a spoon would give more than \$1.29 for silver because at that price the whole vast French silver currency was there, any $15\frac{1}{2}$ ounces of it purchasable with one ounce of gold. Where then was your "Gresham Law"—where was the "cheaper money" that could drive out the "dearer"? "Silver on the Rampage" indeed! Why does it "rampage"?

Effects of Gold Standard

Why is silver to-day at a premium over gold, thus convulsing every bazaar and bourse in China and India? This exchange anarchy is the result—the inevitable and the foreseen result—of tampering with silver's true money function, which dates from times pre-historic, and of this modern craze for a "gold standard" which has so utterly broken down the world over in the last quarter of a century. Look at our deadly peril in 1918 when the "gold standard" established in British India, and which had since 1898 resulted in the dead loss to India's myriad hoards of not less than two hundred and fifty millions of our sovereigns, had utterly broken down. This so-called "gold standard," which had all the power of the British Government behind it, had so collapsed in 1918 that but for your "Pittman" Act all the paper pledges of the Indian Government had been but "scraps of paper." For the crisis of 1918 was fully as acute as that. Sir James Meston, India's Finance Minister, in his Budget speech last March, declared that "It seemed from week to week an utter impossibility that the Government of India could possibly escape from the suspension of specie payments"; while four weeks earlier, in the House of Commons, the Secretary of State for India had admitted that the Government of India had "undertaken to cash notes in rupees."

The Bland Act

From the repudiation of this solemn undertaking and from a financial crash that would have convulsed not only China and India but a great part of Africa also, where the rupee now is the currency of a vast region from Somaliland to the Victoria Nyanza, the world was saved by a parcel of silver at Washington, accumulated by the operation of your Bland Act—by those "dishonest dollars" which cost you sixty or seventy cents; which through their certificates have admirably done your nation's money work for over forty years, each earning in that time at compound interest at least four dollars, and which, their work done, you are to-day selling for 103 cents each, to assist the trades and exchanges of your customers in Asia, Africa and the Philippines, and which have saved Indian Finance! Truly my esteemed friend "Dick" Bland was one of those who "buildd better than he knew."

Fixed Exchanges

Has not the due date arrived when we should end this monetary madness, and again run the two metals in double harness with fixed exchanges? In 1803 about three times as much silver came from the world's mines as gold; then, after the great gold discoveries in California, four times more gold

than silver; but in face of these great variations, the ratio of $15\frac{1}{2}$ to 1 established by French law remained fixed. That the return to that law here and in France, or in France, with the reversion to a silver standard and currency for India would again give the world fixed exchanges, and also a money metal to secure these prodigious paper issues, no responsible authority to-day denies.

China's Policy

Tong Shoa Yi, the first Prime Minister of the Chinese Republic, wrote me in February, 1909, giving the reason why China would never follow India's example and adopt a "gold standard," and he had this to say:—

May it not be affirmed that the whole world enjoyed a gold standard until thirty years ago? Not indeed a gold currency, but a gold standard. Certainly, we in China, as regards our trade with Great Britain and our other external trades, had a gold standard. Any merchant in Shanghai who sold silk or tea to England, knew that when he sold a bill on London for a hundred dollars he was to receive twenty sovereigns. There truly was the "gold standard" for China.

The Royal Commission

Let me next ask you to consider Section 192 of Part I, in the Report of our Royal Commission on Gold and Silver, and as to which section the Royal Commission was unanimous. If this all-important section agreed by the monometallist majority, and the bimetallic minority correctly reflected the evidence, how then can you be right? The personnel of that Commission was so eminent, that I asked permission to give the names:—Lord Herschell (Lord Chancellor), Sir Louis Mallet, Mr. A. J. Balfour (later Prime Minister), Sir John Lubbock (Lord Avebury), Mr. J. W. Birch (afterwards Governor of the Bank of England), Lord Chaplin, Sir Charles Fremantle (Master of the Mint), Sir David Barbour (Finance Minister of India), Sir Thomas Farrer (Lord Farrer), Sir William Houldsworth, M.P., Lord Courtney of Penwith, Mr. Samuel Montagu (Lord Swaythling). Their report reads (1888):—

Now undoubtedly the date which forms the dividing line between an era of approximate fixity in the relative value of gold and silver and one of marked instability, is the year when the bimetallic system which had previously been in force in the Latin Union ceased to be in full operation. And we are irresistibly led to the conclusion that the operation of that system, established as it was in countries the population and commerce of which were considerable, exerted

a material influence upon the relative value of the two metals. So long as that system was in force, we think that notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, namely, $15\frac{1}{2}$ to 1.

International Agreement

Not less but even more interesting to Americans than such an endorsement of the French law of 1803 by a Royal Commission so illustrious, is the following cable sent to the Lord Mayor of London in May, 1894, and which as you can see is signed by all the leading "Gold" Senators who, the previous year, had been prominent in the repeal of the Bland-Sherman Silver Purchase Act.

We desire to express our cordial sympathy with the movement to promote the restoration of silver by international agreement, in aid of which we understand a meeting is to be held to-day under your Lordship's presidency. We believe that the free coinage of both gold and silver by international agreement at a fixed ratio would secure to mankind the blessing of a sufficient volume of metallic money and, what is hardly less important, secure to the world of trade immunity from violent exchange fluctuations. (Signed) John Sherman, Wm. Cullom, W. B. Allison, Henry Cabot Lodge, D. W. Voorhees, Calvin S. Brice, George F. Hoar, O. H. Platt, Nelson W. Aldrich, A. P. Gorman, Wm. Frye, Edward Murphy, C. K. Davis, David B. Hill.

Such was the attitude a quarter of a century since of your "gold" senators. Do you, in the face of such pronouncements, still maintain that the "old double money standard myth" is mythical? On the contrary, can you fail to agree with a very great economist, the late Sir Louis Mallet, that "bimetallism is an exact scientific truth." Who to-day living has the authority necessary to declare that the French law of 1803, its perfect operation on a colossal scale, established by seventy years' experience and attested by twenty-six witnesses such as the above, fresh from their study of that experience, is a "myth."

Forecast 1920-50

I conclude by saying that the greatest danger ahead of finance is in the present world famine of silver. Nothing but an immense expansion of the yield of the silver mines can protect us from the continuance of the recent terrible drain of our Western gold reserves to the Oriental hoards. The one and only remedy is a sufficiency of silver to pay Asia's favourable trade balances. My forecast (silver at \$1.30 per ounce) for the thirty years ahead

(it can be found in more detail in the *Nineteenth Century Review and After* for last February) is as follows:—

ANNUAL DEMAND.

	Ounces.
New Silver to liquidate India's annual balance of trade, \$350,000,000 or two rupees per capita	250,000,000
New Silver for the currency requirements of the Nigerias, West Africa, "German" and British East Africa	100,000,000
World's silversmiths' demand on the pre-war scale	120,000,000
For subsidiary currencies, European and American	70,000,000
For China, Hong Kong, Malaysia, the Philippines	50,000,000
For the reimbursement of the Bland Dollars (Pittman Act) for, say, eight years	30,000,000
Total demand	620,000,000
Present world supply from mines	157,000,000
Deficit	463,000,000

I trust, Sir, that the public interest now, if only faintly stirring, in the exchange problem with a thousand millions of the peoples of two vast Continents, may hold me excused for the length of this letter.

MORETON FREWEN

NEW YORK, *January 14, 1920.*

COAL IN CANADA

THE Department of Mines estimate the production of coal in Canada during 1919 at about 12,500,000 short tons, as compared with a production in 1918 of 14,987,926 tons. The production of the more important metals during 1919 is estimated as follows: gold, \$16,275,000 in value; silver, 13,500,000 oz.; copper, 81,500,000 lbs.; nickel, 43,000,000 lbs.; lead, 50,000,000 lbs.; zinc, 38,000,000 lbs.; pig iron, 920,000 short tons; steel ingots and castings, 1,020,000 short tons. The 1918 production of these metals was: gold, \$16,463,689; silver, 21,383,979 oz.; copper, 118,769,434 lbs.; nickel, 92,507,293 lbs.; lead, 51,398,002 lbs.; zinc, 35,083,175 lbs.; pig iron, 1,195,551 short tons; steel ingots and castings, 1,873,708 short tons. The total value of the mineral production in Canada during 1919 is estimated at 167 million dollars.

THE CASE OF MONTENEGRO

THE case of Montenegro involves more than the affairs of that small kingdom; a great principle is at stake which if cast aside may involve the Allies in difficulties of which at present they have no conception.

As an independent Sovereign Kingdom with her own dynasty, constitution and parliament, and scorning Austrian offers of territorial aggrandisement to remain neutral, Montenegro entered the war to aid Serbia, continuing the struggle without reservation and without adequate resources in men, guns, munitions, food or money. Having covered the retreat of the Serbian army and refugees through Montenegro in winter, her own end came. King, government, fragments of the army and some refugees escaped and went into exile, the Court and government ultimately taking up their residence in Paris; for so long as a government existed—just as in the case of Belgium—the country remained unconquered.

A Bitter Awakening

In company with Belgium and Serbia, Montenegro received a small subsidy from the Allies, France and Great Britain, to enable her to carry on the functions of government, and for the support of the Court. That subsidy has been stopped. When the Armistice came the King, government and refugees made ready to return to Montenegro, but the French Government advised the King to retard his departure, promising that the French army would enter Montenegro and restore order on the departure of the Austrians; and that all orders would be given in the name of King Nicolas. President Wilson also promised the King his country would be restored to him. These promises have not been kept.

The Serbian army entered Montenegro and proceeded to try and annex the country. This invasion was opposed by the people by arms, and that condition of things has gone on now for considerably over a year, accompanied, on the part of the Serbians, by a reign of terrorism. Moreover, the Montenegrin

dynasty, government and refugees found themselves virtual prisoners in France, the refugees not being allowed to return except with a Serbian passport, which implied their becoming Serbian subjects. Meanwhile the Conference and the Supreme Council, with whom must lie the responsibility for all happenings, was kept supplied with full information by the Montenegrin Government, but their protests, notes and statements were ignored, notwithstanding that the Allies recognised the King and his Government, and their representatives were accredited to the Court of the King!

A False Plea

The plea advanced for the non-restoration of Montenegro on equal terms with Belgium and Serbia is that the people do not wish their King back, and desire to lose the independence they fought to preserve for many centuries. Could anything be more opposed to the facts of the case? The people were never asked what they wanted. Only after the full restoration of Montenegro to her King and people, can the people, in a legally summoned parliament, and in accordance with their laws and customs, settle their own affairs and destiny, and this cannot be without the return of the King and Government. Many Montenegrins have taken to the mountains and guerilla warfare; others fill the prisons of Montenegro and Serbia. And all the while Europe looks on with indifference at the martyrdom of this brave, noble, but helpless nation. It is said, why do not the Montenegrins turn out their Serbian oppressors? They cannot do so, the Austrians deprived them of all the arms they could, and for the defence of their country against Serbia the Montenegrins have had to eke out their scanty arms with farm implements and such arms as they can capture from the invaders; they are also without money, food or clothes, and have against them the influence of the Powers who surround them with a ring of iron. It is time the British people awakened to the knowledge of what is being done in their name.

The very history of Montenegro forbids such a wrong as that contemplated. Look at the map of Europe as it was in 1555. There you will see a great part of Eastern Europe coloured one uniform tint, the Turkish Empire, broken alone by two patches of colour, one of which is Dalmatia, coloured like the Republic of Venice to which she belonged; the other, standing out like a bold island in that wide Ottoman Sea, is Montenegro, the bearer of the Banner of Christ and the upholder of Freedom, and so down through all the centuries she stood till this calamity befell her, the one free unconquered land, a symbol of much to all the peoples of Eastern Europe. To-day she is doomed to extinction.

France might as well go into Norway and say "these people do not want a king or independence of their own. We say so. Therefore Norway must join Sweden!" Or the United States might go to Bolivia and hand her over to Peru, and say "her people wish it." It is not what the Allies or the Supreme Council wish, it is what the Montenegrin people wish, and, after the restoration of their land, they are quite capable of deciding for themselves in accordance with their Constitution, and as is their right. It is justice for Montenegro that is asked; nothing more.

C. D. MACKELLAR.

CANADA STEAMSHIP LINES

ANNUAL REPORT

DURING the twelve months ended December 31st, the total revenue of the Canada Steamship Lines, Ltd., amounted to \$15,240,414, or \$1,146,021 in excess of the corresponding figure for 1918. The net earnings were \$4,580,273, against \$4,338,080 in 1918 and \$4,023,864 in 1917. The operating charges totalled \$10,660,141, or 70 per cent. of the gross revenue. Last year's net profit was \$2,336,679, after deduction of interest on mortgages, debentures, etc., and after raising the provision for depreciation from \$1,146,730 in 1918 to \$1,371,285 in 1919, and after allowing for bonus to employees, reserve for doubtful debts, \$400,000 for war taxes, etc.

Adding the balance brought in from 1918 and the net profit on sales of fixed assets and deducting the full dividend of 7 per cent. paid on the preference stock to December 31st, and 4 per cent. paid on the common stock, there remained \$6,764,911 to carry forward, compared with \$5,009,630 at the end of 1918. The undivided balance for last year represents further 56 per cent. on the common stock, which, from the beginning of 1920, has been placed on a 7 per cent. basis, dividends being payable quarterly. The report adds that both freight and passenger earnings have been eminently satisfactory, and the directors feel justified in looking to the future with confidence.

The purchase of modern steamers has enabled the management to inaugurate several new services between Canada and Europe and between New York, the West Indies and South America. Additions to the Company's fleet account for an increase of \$5,619,248 in the book-value of the vessels owned, while real estate, docks and other fixed assets are higher by \$695,216, which is mainly attributable to extensions of the Company's shipbuilding plant at Three Rivers. All the Company's properties have been thoroughly maintained and are in good condition.

EMPIRE TRADE NOTES

CANADA

ONTARIO is the greatest producer of silver in the British Empire, and since the discovery of the cobalt mines ten or eleven years ago, the province has produced 300 million ounces of silver. Last year the output was well over three million ounces. When it is remembered that silver mining in Ontario has been built up to its present dimensions during the years when the price of silver was usually as low as 2s. an ounce, it is scarcely to be wondered at that the prevailing high price of the metal has given a great impetus to silver mining.

THE Lignite Utilisation Board appointed by the Dominion Government and the Governments of Manitoba and Saskatchewan, announce that they have solved the problem of making briquettes from the lignite coal of South-Eastern Saskatchewan and South-Western Manitoba. They claim that the briquettes will be permanent under any condition of storage. They also claim that the whole composition of the coal is changed to anthracite, and that they can be manufactured at a price that will be less than the cost of anthracite before the war. The Board hopes to have the contract let for the erection of a demonstration plant by April, and the plant in operation making briquettes by August next.

THE helium gas testing plant at Calgary, which is under the direction of the British Admiralty, is going ahead rapidly with experiments, which, it is understood, have so far been successful. A large shipment of helium gas has been sent to England, but no reports of the tests has yet been received.

REPORTS from British Columbia logging camps state that the supply of logs in the water is below normal at the present time, and the lumber business has every appearance of continuing to be active for some time to come. Business this spring is expected to be the greatest that the coast province has ever experienced, as the shortage of housing facilities and the demand for railway timbers and construction material is expected to keep the mills running twenty-four hours a day at that time.

WRITING to the Agent-General in London, Mr. Macdonell, the Director of Colonisation of the Ontario Government, says

that there is a great demand for farm workers throughout Ontario. "You need have no hesitation in guaranteeing to place experienced farm hands even during the winter months," says Mr. Macdonell, "we can take care of thousands." It is not advisable to arrive in Canada before the 31st March.

GROWING on the Manitoba Agricultural College grounds are a number of selected native seeding plum trees. These trees were in full bearing last year, and the crop obtained has demonstrated very clearly that plums of good size and variety can be grown in Manitoba. From 50 to 100 lbs. of fruit were produced by each tree.

THE most important hydro-electric undertaking at present under way in the Dominion of Canada is the construction of the plant at Queenston Heights, on the Niagara River, by the Ontario Hydro-Electric Commission. This particular enterprise will cost over six millions sterling, and when completed will have an initial capacity of 250,000 horse-power, while the ultimate development will be 300,000 horse-power. The import of this may be gathered from the fact that the present aggregate capacity of the hydro-electric plants operating on the Canadian side of the Niagara River is about 450,000 horse-power. With the completion of the undertaking at Queenston Heights the total will, therefore, be at least 700,000 horse-power. Then, in addition to the latter enterprise, the provincial commission is installing a plant on the Nipigon River, in the northern part of the province, which will have an initial capacity of 30,000 horse-power and an ultimate development of 60,000 horse-power.

THE Industrial and Resources Department of the Canadian National Railway reports that since March 1,500,000 acres have been located by approximately 7,000 new settlers along the Canadian National Railway lines. A further indication of the great development proceeding is the fact that 171 new branches of Canadian chartered banks have been opened this year at points served by the Canadian National Railway west of Winnipeg. The Vice-President of this department, when interviewed recently, stated:—"The policy of directing settlers to occupy land within convenient distance of existing lines is meeting with success and is helping to build up the towns. The advantages of this to all concerned are apparent."

THE Canadian Bureau of Statistics states that the area sown to fall wheat in Canada for the harvest of 1920 is estimated to be 776,400 acres, as compared with 714,700 acres last year, an increase of 9 per cent. Ontario has 717,000 acres sown compared with 652,000 acres last year, an increase of 10 per cent.; Alberta 38,400 acres; Manitoba 6,400 acres against 6,100 acres last year; British Columbia 14,600 acres against 12,900 acres. The last report on the condition of the fall wheat is reported as 104 per cent. on the average or 4 per cent. above the decennial average as compared with 102 per cent. last year and 87 per cent. in 1917. In Ontario the condition is 107 per cent. as compared with

102 per cent. last year and 87 per cent. in 1917; in Alberta the percentage is 98 for this year, in Manitoba and British Columbia the percentage is 97 this year.

It has been stated that Canada could easily increase its production of zinc to supply one-tenth of the world's demand, which is estimated at over 1,000,000 tons annually. The Consolidated Mining and Smelting Company is planning a 10,000 ton concentrator at Kimberley, British Columbia, to handle the output of milling from the Sullivan Mine, and it is expected that this unit will be ultimately increased to 20,000 tons a day. When finished the plant will be the largest zinc concentrating plant on the continent. The developments will tend to make zinc production in Canada a truly Canadian industry.

Six thousand people in the Province of Quebec were bee keepers at the end of 1919, an increase of 718 over the previous year, and the 61,240 hives under their control produced last year 2,218,314 lbs. of honey, with a total value of \$1,500,000. There were 30,000,000 lbs. of maple sugar produced in Quebec in 1919 valued at \$7,000,000. In seven years the production of maple syrup and maple sugar has trebled.

THE recent announcement that Professor John Oliver Arnold, Professor of Metallurgy at Sheffield University, had invented a new steel is of particular interest in Canada. Professor Arnold uses molybdenum instead of tungsten in the manufacture of the new product, and he is credited with stating that 6 per cent. molybdenum will achieve more than 18 per cent. tungsten. Immense deposits of molybdenum have been found in the Ottawa Valley on the Quebec side of the Ottawa River, especially in Pontiac County, in the district about Quyon. Should Professor Arnold's discovery prove of great commercial value, the future of the Ottawa district properties will be assured.

THE seed growing industry of British Columbia has made considerable progress during the past two or three years. Last year, it is estimated, farm and garden seed valued at over £10,000 was grown in that province, chiefly at mainland points, and disposed of to buyers of Eastern Canada. This year the value of the product will be much greater. British Columbia is an ideal place for seed production, and in all varieties the excellence of the product grown there has been demonstrated, the demand from eastern points being specially keen. Annual seed fairs have done much towards arousing the interest of the farmers of the province. The seed fair this year, which is to be held at Kamloops, British Columbia, will be the biggest thing of its kind ever held in the province. Last year the seed fair at Kelowna, British Columbia, was a great success and aroused much interest among the growers.

PLANNING to supply over 1,000,000 lbs. of whitefish during each season, the two new-fishing companies at Buffalo Lake, Alberta, have already been actively engaged in fishing operations since the season opened on December 1st. The first consignment

of whitefish to arrive from the scene of operations at Buffalo Lake has already reached Edmonton. The two new fishing companies already have contracts for 500,000 lbs. of whitefish in Alberta and Saskatchewan. According to an official statement there is a shortage of whitefish in the smaller lakes this season, and the demand for the product is likely to be heavy. The first carload is of the finest quality and commercially establishes the great value of Buffalo Lake as a future source of whitefish supply.

MANITOBA mines to date have yielded ore to the value of, approximately, £600,000, according to a statement made before the Canadian Mining Institute. This is considered to be a very satisfactory production for a province where mining is still in its infancy. Of this amount £200,000 have been spent in construction of plants and refineries and in development. The report further states that "the spectacular discoveries in the Pas district are very gratifying, but the fact which is most significant to mining men, and one that will prove more profitable in the long run, is the close proximity of immense dykes of low-grade ore."

A NEW industry has been established at Deseronto, Ontario, by the Quinte Chemical Company, Limited, with a joint capital stock of \$40,000. Juniper oil will be produced from the juniper bush and berry, cedar oil from cedar wood, and hemlock oil from hemlock wood and bush. The company has a contract for the purchase of all the product the plant can produce at current market prices.

THE British Columbia salmon pack in 1919 totalled 1,393,156 cases, of which 369,000 were sockeyes, 73,000 red springs, 175,670 cohoes, 346,000 pinks, and 372,035 chums. In 1918 the total pack was 1,633,238 cases valued at \$14,059,995.

THE Lamsden and Hubbard Canadian Company, a large fur concern of Boston, New York and Brooklyn, are reported to be commencing operations in Northern Saskatchewan with headquarters at Prince Albert. From this centre fifteen to twenty posts will radiate, and all supplies used in trading will be taken through the city. The company will also build boats for the great lakes in the northern part of the province.

THE enormous demand for iron during the war gave a new impetus to the mining industry of Newfoundland. Some of the Newfoundland iron mines at Bill Island are among the most remarkable in the world. There are two areas, both rich in iron ore, one of which has an annual output of 700,000 tons, and is credited with a supply which should be sufficient to last at this rate for nearly 850 years; while the other, with an annual output of 600,000 tons, is believed to contain enough ore to last for about 3,300 years. Newfoundland may be regarded, therefore, as having an almost inexhaustible supply of iron, and the mines are conveniently situated near the coast, where ships of 7,000 tons can be loaded. The iron is then sent to Nova Scotia for treatment.

WHEAT weighing sixty-seven pounds to the bushel, believed to be the heaviest ever inspected in Alberta, has been examined by the Government grain inspector at Calgary. This wheat was graded No. 1 hard. It was grown in Yankee Valley, about seven miles east of Airdrie and about twenty-five miles north-east of Calgary, and was of the Marquis variety. Another farmer in the same district had a yield of twenty-eight bushels to the acre of this heavy wheat on 129 acres. He intends to hold the 2,322 bushels threshed for seed. It is stated that a farmer near Athabasca secured the remarkable yield of eighty bushels of wheat and 110 bushels of oats per acre.

THERE was an increase of over 50 per cent. in the number of homestead entries filed during the calendar year 1919 compared with the same period in 1918, the respective figures being 6,623 for last year and 4,378 for the year before. Native born Canadians made up the greatest number of the homesteaders last year, the total being 2,133; British born came next with 1,728 (of which 1,220 were English, 357 Scotch and 151 Irish), and Americans third with 1,328.

It is estimated that the coal production of Alberta in 1919 was 4,700,000 tons. The Chief Inspector of Mines for the province states that the mines now have equipment and labour to produce 10,000,000 tons annually.

THE annual wealth of Nova Scotia for last year totalling \$192,197,300 marks a further advance in her prosperity. As compared with the returns for 1913 there is an increase of nearly 55 million dollars showing that notwithstanding the industrial dislocation caused by the war a steady increase was maintained in the development of the numerous resources of the province. The reports from the mining, industrial, lumbering and fishing centres as to the condition of these industries are extremely good, whilst the farming community is stated to have made more money in 1919 than in any previous year in its history, the value of agricultural products having practically doubled.

THE company operating the McIntyre Granite Quarries in the Greater Winnipeg water district claim to have opened up a very fine bed of granite extending, it is estimated, for about 10 miles in length. A block weighing 10 tons has just been excavated and orders, it is said, have been received for shipments to the United States.

CONSEQUENT upon the high prices prevailing the growing of clover seed has become quite extensive in Nova Scotia, and bids fair to assume larger proportions next season. The provincial Department of Agriculture is giving assistance in the purchase of community-owned clover hullers.

AUSTRALIA

THE Minister for Agriculture in Western Australia stated recently that there has been splendid falls of rain throughout the wheat-growing areas of the State. It seemed probable that the return per acre would equal, if not exceed, the record of the State's previous best year. With a bountiful wheat harvest at increased prices, and with good markets for all classes of produce, the farmers had every reason to be gratified with their prospects.

THE find of opal at Tintenbar, about seven miles from Ballina, Northern Rivers, in September last, has realised the full expectations of the Geological Surveyor, who considers the discovery an important one, and likely to provide remunerative employment for men who are prepared to do honest prospecting work. About 300 applications have been made to the Warden for claims in the locality, and opal has been located at Weven, three-quarters of a mile westerly, and up to two miles north-westerly from the prospectors' claims. The opal is found in loose pieces, varying in size from that of a pea up to that of a large walnut, in the soil, and in highly decomposed volcanic rock, at depths ranging from 3 feet to 6 feet, and the stone is mostly of the transparent variety, but black opal of a rather different type to the Lightning Ridge stone is also obtained. The transparent variety closely resembles the Mexican opal, blue, green, and yellowish colours with flashes of fire. There is a ready market for the stones.

THE gold yield in New South Wales for the year 1919 amounted to 65,839 ounces fine, valued at £279,666, as compared with 87,045 ounces fine, valued at £369,743 for 1918, showing a decrease of 21,206 ounces fine, and £90,077 in value. The value of the yield is the lowest on record since the first discovery of payable gold in Australia in 1851.

THE Premier of Western Australia, who accompanied a Parliamentary party on a visit of inspection of the Eastern "Wheat Belt," announced at a public meeting that the settlers would get 5s per bushel for their wheat at the railway siding this year, when asked by a farmer "if they would get the 5s in one lump sum" the Premier replied in the affirmative, and went on to say that the offer of the Government to assist the farmers in their clearing operations showed that each man would have up to six hundred acres of good land cleared. He added that if it was good business for New Zealand to lend the farmers £17,000,000 at 4½ per cent. how much more was such a course necessary in Western Australia, where agricultural developments offered the greatest opportunity for the future.

THE Australian Steel Company, Limited, proposes to establish a large steel-works at West Guildford, and has already made arrangements with the Government of the State to supply electric power, and with the State Railways Department to furnish scrap material for castings.

WITH a view to promoting the development of the dairying industry, which heretofore has been largely dependent on imports of dairy produce from other parts of the Commonwealth, the Government of Western Australia has adopted the policy of assisting the industry by the establishment of butter factories in dairying districts. The result has been eminently successful. At the butter factory at Busselton a record has been set up by the latest returns, which show an output for one month of 32,000 lbs. of manufactured butter worth £2,700, this being the highest monthly output since the inception of the factory.

REPORTS from the district engineer regarding the Curlwaa (Wentworth) area indicate continued successful development. The citrus crop has just been harvested and marketed at prices ranging up to 23s. per case, which was eminently satisfactory to growers. Vines and deciduous trees show prospect of a first-class harvest. New settlers include several returned soldiers who are making good progress, and the local repatriation committee assists and advises soldiers in their operations.

MAIZE grown in the Tumut district sold at 10s. per bushel in the wholesale markets in Sydney on January 14. For some weeks the quotation has stood at 9s. 6d. to 10s. per bushel, equal to 2d. per lb., the highest record for more than half a century. Extreme scarcity of stocks is responsible for the current abnormal price, but within a few weeks the new season's maize will be received from the Northern Rivers districts where crop prospects are reported bright.

THE latest official returns from the State Mining Batteries in Western Australia show that 1,226,308 tons of ore have been milled at the various plants since their inception for a gold output valued at £5,113,361, made up as follows: by amalgamation, £4,292,365; by sands treatment, £623,276; by slimes treatment, £188,375; and by residues treatment, £9,353.

THE Colonial Secretary of Western Australia recently announced that the price of Broome quality mother-of-pearl shells, in which English investors are largely interested, exceed £200 per ton. Small sales had taken place at £210, one parcel of special quality realising £215 per ton. All holders were now asking £210. These prices were "packed Broome." Some fine pearls had been fished within recent months, and this, with the increasing prices of shells, made the prospects of the next season much brighter.

THE Western Australian horse "Dido," which already held the high jumping record of 5 feet 11 inches, established another record recently at Narracoorte (South Australia) by jumping 6 feet $\frac{1}{2}$ inch, carrying 11 stone.

SOUTH AFRICA

IN the wake of the war has come increased commercial activity. South Africa in particular has discovered during war-time freight shortage how dependent she was for her manufactured articles upon overseas countries. For example, wool instead of being sent to other countries to be made up into the finished article, might quite easily be operated on in South Africa, and thus benefit the whole of the country by lowering the price and help the especial community engaged in its manufacture. Many thousands of tons of wool are annually sent to England, and after manufacture the cloths are imported into South Africa at considerably enhanced prices. It is of interest to note that a company is being formed to manufacture cloth in South Africa, thus avoiding the high prices which are at present paid for these goods. It will give the South African farmer a sure and ready market for all his wool, and benefit the public of South Africa by giving them excellent cloth at a much lower figure than they have hitherto been able to obtain.

THE Johannesburg Municipality has installed a refrigerating plant on modern principles at the abattoirs. There are four storage chambers with 40,000 cubic feet of space in which it is possible to handle 740 sides of meat. In addition there is an ice plant capable of producing about two tons of ice daily. In the course of the opening ceremony, the Mayor said it was intended that Johannesburg should take a big part in the export trade of the Union, and the plant that was being started would help in that direction.

MILLING plant for a New Zululand papyrus pulp enterprise has recently been purchased in the United States. The plant has a capacity of between 6,000 and 8,000 tons yearly, but the local material available is sufficient for an annual output of 100,000 tons, so that there is scope for further enterprise.

THE Acting Trade Commissioner for South Africa, Mr. A. Canham, has been advised that no fewer than 100 farmers have entered their names as competitors for the valuable prizes which the British Cotton-Growing Association has presented through the Union Department of Agriculture for the best crops of cotton grown in South Africa. Entries are divided into two classes—plantations of over and under 50 acres. The cultural part of the competition will be adjudicated upon by the officials of the Union Department of Agriculture, while the cotton itself will be judged by the Association in England.

INFORMATION has been received that an economical and simple process has been worked out for preparing paper pulp and a very serviceable wrapping paper from spent wattle bark. It is stated that the cost of the plant and machinery capable of turning out 100 tons per week of the paper pulp (dry rolled) would be approximately £3,500 f.o.b. London, and to make the paper therefrom a further £500 would be necessary. This appears to be a new industry which offers attractive possibilities and which

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D. CUNNINGHAM, *Manager.*

should receive the serious consideration of Union industrialists. In the opinion of a firm of fibre importers in Scotland the fibre from the African baobab tree is probably the finest paper-making material that can be found. They state that the material is excellent in every way, and that they know of no other material from which such a variety of results can be obtained.

THE Union of South Africa now has some 34,000,000 sheep within its borders, reared for both wool and mutton. There are over 8,000,000 head of cattle in South Africa, excluding Rhodesia, and beef, the export of which was practically unknown ten years ago, is now sent to Europe at the rate of something like 21,000 tons per annum. Under peace conditions meat canning factories planned in 1913 are now being erected in the Union and Rhodesia. To-day one can buy tinned tongues and meat turned out by establishments in Rhodesia, and their overseas trade is in a vigorous and healthy condition.

A DIAMOND weighing 108½ carats was recovered recently on the farm, Nooitgedacht, situated on the Vaal River. The tax on diamonds in the South-West Protectorate for 1918 was £210,643. During the year 372,139 carats were produced, of an estimated value of £749,000.

ABOUT one hundred and twenty miles west of Kimberley, in the dry Griqualand West country, there is being opened up a group of diamond prospects that holds out promise of proving a second Kimberley. These prospects are in the hands of several Rand financiers, and the data already obtained from the several workings have so stirred the imagination of those interested that no difficulty will be experienced in raising all the money needed thoroughly to test the value of the discoveries. Among the mines in the district may be mentioned the Makganyene, the West End, the Postmasberg, the old Peiser, and several lesser diamondiferous occurrences.

SOUTH AFRICAN fruit is now arriving in this country in quantities which approximate to those of the seasons just before the war. Later shipments have been landed in excellent condition and are realising satisfactory prices.

THE production of pig iron started at Pretoria in July, 1918. That the ore is capable of reduction has now been definitely established. The pig iron is of good quality. Production is still on a comparatively small scale, but the extension of the works and the installation of an up-to-date steel manufacturing plant are contemplated. It is estimated that the present site of 500 acres contains roughly 30,000,000 tons of ore. An encouraging report has been received regarding a large deposit of iron ore situate about ten miles from Navar siding, on the Indwe-Maclear line. 1,701 tons of iron ore were railed from Ermelo during the year, the bulk of it to local ore reduction plants, and a few samples to Europe. Iron ore has been found on native lands about four miles from Wolhuterskop, and ore in payable quantities is said to have been discovered in the Lydenburg district.

OVERSEA CORRESPONDENTS.

THE EMPIRE REVIEW

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PROBLEMS OF INDUSTRY.

The Budget

DURING the financial year just closed the national revenue amounted, in round figures, to £1,340,000,000, the expenditure to £1,666,000,000, leaving a deficit of £326,000,000, met by borrowing. For the current financial year the national revenue is estimated to reach £1,418,300,000, and the total expenditure £1,184,102,000, showing a balance of £254,195,000. This sum, we are told, will be "available" for the reduction of debt. That the Chancellor of the Exchequer fully believes not only that this amount will be standing to his credit at the end of the year but that it will be available for the purpose indicated we do not for one moment doubt. At the same time we feel bound to point out that the limitation of expression he employs fully justifies the criticism that, while ear-marking¹ his surplus for a specific object, he does not rule out of consideration the possibility of some portion being required for extra expenditure should the occasion, as was the case in 1919-20, unexpectedly arise.

New Taxation

That debt must be reduced all are agreed; in fact, unless that end is accomplished, and in a substantial manner, the financial position of the country cannot regain its equilibrium, with the inevitable result that commercial prosperity will be retarded, and the well-being of the nation and the comforts of the people suffer accordingly. No one is likely, therefore, to quarrel with the principle underlying the new budget. There is, however, abundant evidence that some of the methods devised for raising, on the basis of a full year's yield, nearly two hundred millions in new

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taxation are not likely to get through the Committee stage of the Finance Bill without opposition. In one respect the horizon is already overcast, and dark clouds are gathering.

Excess Profits Tax

We refer to the Chancellor's decision, and not alone to continue the Excess Profits Tax, but to extend its basis from 40 per cent. to 60 per cent., while at the same time imposing a new Corporation Profit Tax of 1s. in the £ on the profits of limited liability companies. By this means he expects in the one case, taking a full year, to obtain an extra £100,000,000 and in the other £35,000,000. With so large a proportion of new taxation at issue he may be depended upon to defend his position as long as it is possible to do so. But in spite of the somewhat rash statement that he will "stand or fall" on the new limit placed on excess profits, we shall be greatly surprised if he does not find himself compelled, in deference to public opinion, to make some changes in this part of his Budget. Possibly his conference with the Board of Directors of the Manchester Chamber of Commerce may provide him with a new inspiration.

The Chancellor's Alternative

"If the inquiry into the taxation of increases of war wealth results in practical proposals acceptable to this House, I am prepared to forego the increased 20 per cent." Such is Mr. Chamberlain's alternative to the imposition of a tax which has raised the greatest opposition from business men throughout the country irrespective of their political views. Without in the least desiring to prejudge the issue, from all one can see, the Committee conducting the inquiry are not likely to arrive at any conclusion upon which the Government can act. To provide a working basis for the taxation of war wealth that would be fair and reasonable is, in our opinion, outside the bounds of practical policy. There is, therefore, little or no possibility of the alternative suggestion being adopted. That being so, relief is hardly likely to come from that source.

New Businesses

If he desires to meet the views of the business community he would be well advised to consider a general scheme of taxing profits on a sliding scale. A scheme of this kind would not necessarily cause any sacrifice in revenue but would, at least, be free from the many disadvantages surrounding a tax on an excess determined on a purely arbitrary rule. Be that as it may, the manifest unfairness of placing old and new businesses on the same footing in respect of excess profits, especially having regard

to the new extension, can hardly be maintained. As Chancellor of the Exchequer, he can hardly desire to penalise new concerns by creating a monopoly for undertakings that came into existence before the war, much less make himself a party to limiting competition and maintaining high prices. Yet this is what the Budget does in its present form. More than that, it discourages enterprise and prevents development, both of which are vitally necessary if we are to maintain our working classes in employment and to hold our own in the markets of the world.

Profiteering Encouraged

The Excess Profits Tax was only justified by the circumstances which called it into existence. It was a temporary expedient to be discarded as soon as peace was restored. When reducing the limit of the tax from 80 per cent. to 40 per cent. Mr. Chamberlain himself admitted that it resulted in unfairness and inequality, encouraged wasteful expenditure, and to continue it would be contrary to the public interest. Yet with these opinions registered against him he now proposes to raise the tax 20 per cent. True, he frankly tells us that in effecting the reduction he made a mistake, but that does not mean, nor does he ask us to imply, that his opinions in respect to the tax itself have changed. Instead of putting an end to profiteering the Excess Profits Tax has made profiteering more easy. In some businesses it allows the manufacturer to sell below cost price, and so gives him an unfair advantage in competitive markets, the Government sharing the loss; in others the manufacturer adds a proportionate amount of the tax to the article he creates, the trader and distributor do the same and the remainder is paid by the Government. Thus not only are prices raised to the consumer, but little or no advantage accrues to the State. With the basis raised prices will rise, followed by a demand for higher wages and the increase in expenditure all round.

Corporation Profits Tax

Regarding the Corporation Profits Tax the innovation has not come altogether as a surprise. Something of the kind was indicated when the Chancellor presented his last Budget, but it was generally understood that whatever course the tax took it would be in substitution of and not in addition to the Excess Profits Tax. No one can say that 5 per cent. is an excessive figure, and with the present margin of profits, the tax is not likely to have any injurious effect on established businesses or indeed on trade as a whole. But in the early stages of the new undertakings the tax will undoubtedly be felt. As with Excess Profits duty the Corporation Tax will be deducted before the

assessment of profits for Income Tax, and to prevent the new tax constituting too severe a burden on the ordinary shareholder of concerns in which there are large issues of debentures and preference shares, where a considerable proportion of the profits has to be allocated to the payment of interest and fixed dividends, it is proposed that in no case shall the duty exceed 2s. in the £. The tax will be extended to the profits of co-operative societies.

Some Anomalies

Incidentally, the Chancellor observes the new tax will prevent prosperous concerns with a large pre-war profits standard from escaping the Excess Profits duty on the ground that their present profits, though high, are not in excess of their standard. He also reminds us that companies incorporated with a limited liability enjoy privileges and conveniences by virtue of the law for which they may very properly be asked to pay some acknowledgment. Further, he points out that partners in a private firm pay super-tax not merely on the profits they derive but also on the undivided profits which they place in reserve. No such charge falls upon the undivided profits of limited liability companies. But he omits to take into consideration that it not infrequently happens that a company will distribute the whole of its profits, in which case the shareholders will pay both super-tax and Corporation tax, whereas partners in a private firm will pay only the first of these taxes. Again, assuming the Corporation tax to be regarded as a composition in lieu of liability to super-tax, by a transposition of the same reasoning it will be seen that the shareholder who now only pays Income Tax will in future be called upon to make his contribution to super-tax. Apparently, these aspects of the new tax have escaped the attention of the Exchequer.

Civil Service Estimates

In whatever light the Civil Service estimates may be regarded there is a good deal of truth in the criticism that an insufficient effort has been made to reduce the expenditure of the machinery of Government. It is evident, for example, that the Ministry of Health has become one of the great spending departments now that it has taken under its charge a variety of functions which did not belong to the old Local Government Board. When everything is taken into consideration the estimate of its expenditure is over £10,000,000 greater than last year. It has now reached nearly £28,000,000. The fullest inquiry must be made into the causes of this large increase in expenditure. Education is another costly service. The Board of Education in England and Wales and public education in Scotland and Ireland it is

estimated will spend nearly £56,000,000 in the year 1920-21 compared with under £41,000,000 last year. Making rough allowance for the amount which will also be raised in local rates, the totals will rise to about £104,000,000 in 1920-21 and £74,000,000 in 1919-20, an increase of £30,000,000. Everyone has a kindly feeling towards expenditure on education, but the total is now so enormous and the increase this year so startling that the administration of education should be submitted to the closest possible scrutiny, so as to ensure that an adequate result is obtained from the huge sum expended. Then we have the prodigal expenditure of the Ministry of Labour, nearly £25,000,000 this year. Successive parliamentary committees have called attention to the lavish outlay of public money by this department of the State. What for instance do we want with palaces for Labour Exchanges? Indeed the whole or at any rate the greater part of public money now being spent on Labour Exchanges is altogether unnecessary.

Labour Situation

The Labour situation shows little signs of improvement. Wage demands continue to be put forward, apparently without any regard for the consequences involved. At the moment claims amounting to £100,000,000 extra per annum are being advanced, and the threatened coal strike has been averted solely by a further addition of £35,000,000 to the miners' wage bill; even then the decision to strike was only defeated by a comparatively small majority. A serious situation has arisen in the cotton trade, and notices expiring on May 1 have been handed in by the Textile Trades Federation and as far as can be seen there is little prospect of a settlement. Railwaymen are once again demanding more money from the public purse, while a deadlock has arisen in the negotiations with the gasworkers throughout the country and a strike ballot is under consideration. Coupled with these demands there is a distinct increase in slacking. Output might be increased at least 30 per cent. if the men would work their best, but although wages rise output remains stationary even if it does not fall. The Industrial Court by a majority has agreed to the dockers' demands, but stipulate the men must work harder if the award is to be put into force. Economists find it difficult to find any justification for such generosity and optimism. The one case looks too much like weakness; the other seems altogether illusory.

The Cotton Industry

In the Cotton Industry the various grades of operatives have put in claims for an increase in wages of from 60 to 75 per cent.

This, if conceded, would, in some cases, make the total increase in wages 292 per cent. since 1914. Increases of wages have been followed in many instances by a curtailment of hours, and since the Armistice the number of hours worked in the industry have been reduced $7\frac{1}{2}$ per week. But instead of higher wages and less hours increasing output, as we were told by the Labour Leaders would be the case, the contrary has been the result. Each concession has been followed by a decreased output. The export of piece-goods during March showed a decrease of 164,000,000 linear yards as compared with 1913. Experts tell us that the world's demand for all classes of textiles is from 150 to 300 per cent. of pre-war requirements, yet we have reduced our output to 86 per cent. of the normal. The employers state it is impossible to consider the operatives' demands, while the operatives themselves refuse arbitration, and assert their readiness to fight. It is to the textile industry that we look very largely to restore the industrial prosperity and financial stability of the country, and it is deplorable that its recovery should be placed in jeopardy by what looks like becoming one of the greatest disputes in the history of the industry.

The Coal Position

In the Report on the Coal Industry prepared by Messrs. Alfred Tongue & Co., the output for the year ending March 31st, 1920, is estimated at 230,000,000 tons. The actual output for the 52 weeks ending March 27th was 230,669,000 tons, or 669,000 tons in excess of Messrs. Tongue's estimate. It must be remembered, however, that their estimate was based on the employment of 1,154,000 persons, whereas some time before March 27th the number had reached 1,184,000. The increased number of persons at work should have resulted in a total output of about 232,000,000 tons, so actually Messrs. Tongue overestimated slightly the probable output per man. During the 13 weeks ending March 27th the output was 61,596,000 tons. The equivalent annual output cannot be put higher, therefore, than 240,000,000 tons. If the output per man had been as high as in 1913 the equivalent annual output should have been 306,000,000 tons, so the output per man during the first quarter of 1920 was nearly 22 per cent. lower than the output in 1913. This decline is due largely to the reduction of hours, and as the wages of miners have been raised—apart from the advance just conceded—by an amount at least equivalent to the rise in cost of living, it is evident that owing to the reduction in hours and other causes the miners are profiteering heavily at the expense of the other workers. With the new advance in wages just granted their average wages will be about 180 per cent. higher than in 1913.

and for this they are only supplying 78 per cent. of the amount of coal per miner, so the wages per ton of coal have risen about 230 per cent.

A Deliberate Policy ?

Impartial persons are beginning to wonder whether all these demands and this limitation of output are not part of a deliberate policy to end the capitalistic era by reducing profits to vanishing point. Revolution by sections and by degrees is an old policy of extremists. Since the armistice we have seen the great unions advancing in echelon, consolidating their gains and attacking again. First miners, then railwaymen, then dockers, then miners again, and now cotton operatives and gasworkers ; we are in fact approaching the point when capital will be forced to make a final stand and fight the decisive battle. But while giving the extremists' leaders credit for possessing keen, alert, aye, and unscrupulous minds, it is doubtful if they have sufficiently estimated the resisting power of the community in general. That the temper of the community is rising, and rising rapidly, is shown by the series of decisive Labour defeats at the recent by-elections. Another part of the extremists' policy is to discredit Parliamentary Government. The organised interruption and breaking up of meetings by their supporters has never been more deliberately pronounced, while there is little doubt that intimidation largely accounts for the small percentage of votes polled. Without being unduly pessimistic the signs point to an approaching crisis. The limit of wage increases has nearly been reached, and very shortly the community will have to make up its mind as to whether it is to surrender to the revolutionary element or whether it is to crush that element once and for all.

Attitude of Labour Leaders

A goodly number of newspaper columns are filled with the views of labour leaders on industrial subjects. Many of the articles contain much wholesome advice to the worker who is advised to produce more, cease restricting output, bring down the cost of living and similar exhortations. All this is very salutary and we are grateful to these gentlemen for interpreting the situation so soundly. But unfortunately notwithstanding this recital of excellent precepts we find the authors at the same time working, if not hand-in-hand, at any rate in perfect harmony with out-and-out extremists and revolutionaries. Mr. Thomas, for example, professes himself delighted with the victory at Dartford which resulted in a "direct actionist" being returned to Parliament. Again, Mr. Brace is at much pains to instruct us on the text "Would a Labour Government mean Socialism?"

On the other hand, Mr. Lansbury is jubilant over the return of Mr. Mills on the ground that he belongs to the Left Wing and "proclaimed socialism from the house tops." The Dartford victory, he adds, "is a great personal triumph as well as a great triumph for principles, it proves that the skilled workers are not afraid of socialism, but, in fact, are ready to rally to it if given a lead. Mills goes to the House of Commons as representative of the advanced socialist movement." Admittedly, Mr. Mills' views and those of Mr. Lansbury are in direct conflict with those advanced by Mr. Thomas and Mr. Brace, but neither of these social reformers have had the courage to join issue with their colleague or given any explanation as to how he found 13,610 men and women to support him at the poll. Is it not time that the leaders of the Labour Party made some definite pronouncement as to their programme? Are they with us or against us? The time has come when the community has a right to know who is in favour of Constitutional Government and peaceful progress, and who is prepared to face civil disturbance and the violent overwhelming of existing constitutions for the purpose of realising some communistic fantasy. It no doubt requires great courage for any labour leader to stand up and tell the truth to his followers in these difficult days, but we have a right to expect that they should show this courage not alone on paper, but by direct action.

Trade with Russia

The business world is anxious to know the truth about the possibilities of trade with Russia. There have been many conflicting views expressed as to whether Russia has anything to export, and if so, whether she is in a position to export it. Before the war Russia's main export was wheat. Over 60 per cent. of Russia's main exports to the world were agricultural produce. But of the richest cereal producing areas many have been lost, including the Ukraine, Poland, Northern Caucasia and the Asiatic provinces. In the territories which remain to the Soviet Government the decrease in the wheat yield has been very heavy, probably 50 per cent., as we learned from a report by the Commissary of Agriculture in January of this year. Reliable information leads to the conclusion that Russia possesses but a very small quantity of cereals for exportation. The country is, of course, extremely rich in other commodities, such as copper, iron, manganese ore, flax and hemp, etc. But from a report of a conference between M. Kopp, the Bolshevik representative, and prominent German business men, we have learned that the raw materials which Russia might be able to supply, are situated in isolated districts, and that introduces the all-important subject of

transport. Russia's agricultural areas are situated for the most part far from any sea-board. Before the war the Russian Government was energetically encouraging the building of storage elevators; many of these were destroyed by the peasants in the early days of the Revolution, and the problem of storage is at present insoluble. It is partly admitted by the Bolsheviks themselves that the whole transport system of Russia has fallen into decay. Only 7 per cent. of the pre-war railway stock is in efficient running order. It may be roughly estimated that the total capacity of Russian railways to-day is but 14,000,000 tons per annum, a very small percentage of the amount needed by the Russian people themselves. In these circumstances the problem of trading with Russia will require the closest attention from all official and business organisations, if it is intended seriously to be pursued.

The Prohibition Campaign

There is evidently a stern fight in front of the liquor trade. The methods of the American prohibitionists in this country are extremely subtle. They have a superficially impressive story to tell and they are telling it for all they are worth. Reinforcements of speakers are reaching through the country, and there will never be any lack of money behind the organisation. Already Scotland has secured local option, and those in the best position to judge do not deny that there is a possibility that at least some districts may vote themselves dry this year. This will be the first breach in the line, and energetic attempts will be made to extend it. The coming Licensing Bill is certain to prove a storm centre. Details of its provisions are still uncertain, but it has dangerous possibilities of splitting the rank and file of coalition. Moreover, with the demobilisation of the navy and the army there has unfortunately been an increase in drunkenness, a fact that is certain to be used by the prohibitionists, without any consideration for "extenuating circumstances." Anyone who has had experience of the prohibition campaign in America knows that its apostles appealed mainly to the women, social reformers, and employers, converting all three sections in turn. It made ingenuous appeals *ad feminam* to the first. It based its appeals to the third on moral grounds, and "10 per cent. more production." The atmosphere was favourable, and the counter propaganda inadequate in quantity and quality. The "beer and light wine" alternative was not adequately supported, although the tidal wave might quite easily have been held back at that reasonable breakwater.

The Antidote

The trade in this country is a large and on the whole excellent employer, but so far its propaganda has been too crude and too violent. Most people believe that prohibition is morally and physically wrong, but there is always on the other side the argument that drunkenness is worse. It is the people with common-sense and social consciences who will in the end decide this controversy in Great Britain, and it is on these people that ill-judged and unconvincing posters have an injurious effect. By enlightened reform Mr. Johnson's boast that Great Britain will be dry in ten years can easily be made an idle boast. He will certainly be proved wrong if the sale of drink in this country is regulated in a sane and business-like manner. Do not let us forget that the American saloon did more to breed prohibition sentiment in the United States than anything else. There is little doubt that we are in for a long fight, but we shall beat prohibition to a frazzle and preserve our liberties if we go about it in the right way.

A Suggested Inquiry

The reply of the Electric Lamp Manufacturers' Associations to the allegation of the Sub-Committee of the Standing Committee on Trusts, raises a serious question. That reply, unless it can be refuted, convicts the Sub-Committee of ignorance or disingenuousness. Nor is this the first time that these committees have published reports which can only have the effect of inflaming a public opinion already irritated by high prices. Their range of knowledge and their regard for accuracy were sufficiently revealed by their observations on that now famous consignment of Dutch lamps. In everything connected with this transaction, including the circumstances of importation, the price of sale, the Committee gave a misleading account. They attempted to show that the firms comprised in the Association had endeavoured to bully and ruin rival firms. The reply of the Association shows definitely that they did nothing of the sort. Over the question of the discounts the Committee were equally at fault. The next subject for a Government inquiry should surely be the constitution and methods of these sub-committees. This would be far more serviceable than attacking vital key industries and arousing public passion.

EDITORIAL.

ON FEDERALISING EMPIRE FINANCE

IN the April number of this Review I made brief reference to the attitude of an admirable organ of public opinion—the *New York Sun*. That paper has during the last thirty years commandeered us—has in season and out acclaimed what it describes as the “Gold Standard,” and we now know the steepest slope of that Gadarene rush. Coaxed and bullied over the edge of the precipice by these “honest money” organs, the world has no longer any metallic standard at all. The loss of the standard of value is not perhaps a very considerable trouble, but the resulting débacle of the Foreign Exchanges—that, indeed, leaves us in the heart of a cyclone on seas quite uncharted. Not yet has public opinion awakened to the complexities of this prodigious exchange problem which three years hence, or at most four, will be everywhere the leading economic issue of this century.

Fiscal Bewilderment

But not less formidable at this moment, and not less portentous than the rout of the Exchanges is our universal fiscal bedevilment. So recently as 1896 the census of Great Britain’s annual wealth production, a census then challenged as excessive because it included many duplicate and even triplicate entries, gave us a gross national income of fifteen hundred millions sterling. The Chancellor of the Exchequer now a short quarter of a century later budgets for an annual expenditure amounting to very nearly this sum. In 1896 it was the fashion for the speakers of Mr. Gladstone’s school to congratulate us on the great *fall of all prices*—on what they described as “cheapness.” Had the then plane of prices (what is called “the index number”), at that time falling so rapidly, remained at its level of 1896, namely, at 60, whereas to-day that index number is 260, it is quite clear that our Budget requirements would be absorbing at least eighteen shillings in the pound of all wealth produced. From national bankruptcy and revolution we have been saved by one thing only, the great rise of prices since 1896; and albeit this is crystal-clear to every economist, yet through the bottom of that

lifeboat of rising prices the Press generally is now throwing large and jagged rocks. Burn paper money, say these scribes, and by every means possible destroy "credit instruments," so that prices—the "cost of living," may fall. This might well involve that our expenditure may presently be fourteen hundred millions, and our "income" say twelve hundred millions, a situation which our friend Euclid would describe fitly as "absurd."

Lord Milner's Opinion

Three years ago, when presiding at a small meeting of friends in the board room of the Rhodes Trust, Lord Milner had this to say of the idea which had brought us together :—

It is an effort in a direction in which, I think, we must all make up our minds that we have got to travel, and that is the idea of the development of the State, by the State, for the State—the development of our National and Imperial property. We have at present only one string to our bow, taxation; and for my part I think it insufficient. . . I have long had the conviction that democratic finance has got to develop some new idea, and that on the lines upon which we are now going we shall get to an impasse, because we are being driven more and more to rely upon income and property taxes, and to rely on these alone. With the burden which we are going to carry I think that they will presently destroy themselves, or greatly tend to diminish in their productiveness. I cannot believe that a 10s. income tax and a property tax which takes away 30 or 40 per cent. of the property whenever it is distributed, can go on permanently, and for this reason that the tendency of these taxes must be to diminish those great accumulations of property by virtue of the existence of which these taxes are productive.

Undeveloped Resources

In some recent articles that appeared in the *Daily Telegraph* (April 5th and 7th) I pointed out at great length the extraordinary but undeveloped resources of the British Empire—of that "barren and thirsty land"; but barren and thirsty only for the lack of labour and capital. We have to our undoing for now seventy years followed the "Individualist" concepts of Cobden in utter neglect of the splendid theory of Protection through Association which Frederic List the Wurtemberger, driven to suicide by his brutal countrymen, had in season and out preached for an Empire such as ours is—an Empire of "magnificent distances" and carrying in both hands a cash largesse sufficient to enrich every citizen. That eminent American Commonwealth builder, the late James J. Hill, who was also the greatest living exponent of the List theory of Association, once said to Earl Grey: "the prairie

without population, it is a desert; population without the prairie, it is a mob." With boundless prairies and with a growth of population which, lacking the needed direction, is a veritable menace to our sociology, we are indeed but the fraudulent trustees of our vast heritage which we call the British Empire.

Let me ask then for consideration for the system of Empire Finance which appears to follow logically from the suggestive address of Lord Milner—the "development of the State, by the State, for the State." There are vast areas within the Empire the pressure of white population into which during the next half century will be as the touch of Ithuriel's spear. This pressure will create an immense increment value, which will take the place of prairie value. Is this increment merely to enrich alien speculators, or is it to be devoted to the requirements of Empire Finance?

The Peace River Area

I take for instance the Peace River area which is partly in British Columbia, partly in Alberta. Here is an area of a hundred million acres, the fertility of which is comparable to that of the ten million acres in the Nile Valley, on the security of which Khedive Ismail was able to borrow a hundred millions sterling—which vast sum he lavished on palaces and pictures. One eighth of all the known coal of the world—and coal of the very highest quality, is included in this, and geologists believe that it contains at least two all-important oil-fields. This Peace River zone "Farm," a vast empire adequate to provide the world's future food supply, may require for its development with railways, river steamers, grain elevators, and great irrigation canals, an expenditure of £200,000,000, say three times the outlay on the Panama Canal. A conservative estimate of its sale value to the present invasion of settlers from the United States, and assuming as I believe we may that the lands will produce fully forty bushels of wheat to the acre, might well be £50 an acre. This land sold on an instalment plan with a sinking fund might amortise from three to five thousand millions sterling of our debt during the half century ahead. But on what terms and where is a sum so gigantic as £200,000,000 to be raised? Certainly, splendid though the assets and the real credit of these two giant States, British Columbia and Alberta, their joint area at least two and a half times larger than all Germany—those credits are quite inadequate and too little appreciated for finance on such a scale. But if Great Britain would guarantee, as these constructions progressed, say 6 per cent. interest on this sum, New York, Boston, Chicago would find the capital required. I have talked this financial project with the most important capitalists

in those cities—men who could find the capital and would wish to, and what is not less important, would find the executive ability for operations and responsibilities so vast.

A Financial Proposition

The Galatea then of our Empire Finance which it seems so practicable to bring to splendid life, we proposed in our discussions to endow on some such lines as these :—To issue the construction capital (the six per cent. bonds) at par as required. To issue side by side with the bonds £200,000,000 of “profit stock,” mere print and paper this. One half of this “water” stock to be paid into the British treasury in return for its “underwriting” jointly with the two provinces the 6 per cent. interest. A third quarter of the profit-shares (£50,000,000) to reward the New York Corporation. The fourth quarter (50,000,000) to be paid into the treasuries of British Columbia and Alberta. The capital which the Government of India invested in the Chenab irrigation Canals, a very few years since, returns nearly 40 per cent. per annum. In fifty years from now our moiety of these “water” shares of the Peace River Corporation might well be earning 100 per cent—£100,000,000 a year. Nor is it to be lost sight of that the sale of these improved farm-lands to the American farmers and their annual instalment payments would go a very long way to restore sterling exchange toward par (\$4·87), and this restoration is a matter of supreme importance for the future of both United States and of British trade.

West Africa

Apply some such system of Empire finance as this to all Africa, a system which, if victorious, Germany had intended to apply to all Africa, and how rapidly our financial burdens would be wiped out. As Lord Milner said in the speech I have above referred to—“There is another country which is much in my mind, and that is West Africa. If you were to value West Africa to-day and again twenty years hence you would find its value gone up by 1,000 per cent.” To whom shall this vast unearned increment revert if not to that Power which under Heaven preserved from annihilation the fragment of the Herreras and the Wanamazis?

Of such a nature is the federalised finance we should all work for within the Empire; a system of “each for all and all for each.”

MORETON FREWEN.

NEW ZEALAND FOR THE FARMER.

AFTER spending years of "crowded life" in the din of war, filled to overflowing with horrors, heroic deeds, brief joys and ever-changing scenes, many a man who, before he saw the battle-fields of Europe, contentedly walked the quiet path of suburban or city life, will find the return to such a humdrum existence intolerable.

To this man the hospitable shores of our Dominions offer a new and more vigorous life, where he will find a lasting cure for the restlessness which is the legacy of warfare's nerve shocks and strain. The general opinion that farming is the only occupation available for newcomers in the Dominions is a fallacy, and I can bear witness, from personal experience, to many misfortunes for which it is responsible. In later articles I hope to deal with the opportunities a professional or business man finds in such a country as New Zealand for the exercise of his calling; but here shall confine myself to farming alone, standing as it does first in importance amongst the means of living in a fertile and sparsely populated country.

A Word of Advice

First, it may be asked, who then would you advise to go "out on the land"? My answer is, before all others, the man who has gained practical experience in farming work in Great Britain or Ireland, and is able to take with him a small capital to invest. But even to this man I would say, "Before you expend your savings, and trust yourself to the mercies—not always tender—of the local land agent, place them in the bank, and seek out employment for at least a year on a well-managed farm in the neighbourhood where you wish to settle. You will be earning fair wages, whilst learning methods of work which are sure to be new to you; and best of all, you will not need to draw upon your capital, until you have learned for yourself for what branch of work you are most suited, and how your money will be best laid out. To the city man, who feels a natural inclination and aptitude for an outdoor life, who is physically strong, and has

perhaps a healthy growing family, I would give the same advice, with the exception that, in this case, a longer time of gaining experience, say two years, would be necessary. The wages he could earn, even as an unskilled hand, would probably keep his wife in a temporary home, while elder sons might take similar positions; and then, should his trial be unsuccessful, he could always seek employment in his own particular business or profession.

Training

I do not think that the training on the model farms of the old country is of great use for colonial life, except in the general way of turning out more handy or practical men. Prices, crops, seasons and methods vary so much of necessity, that experience is best gained on the spot; and I believe in many cases it is better for parents to send their boys out without preliminary training in institutions, except where they can find occupation with a general farmer in this country for a few months, provided they can put themselves in communication with suitable people to employ and teach them. Thus they will save the money they are prepared to spend on them till later on, when it would be of greater service to the young farmer. The old "cadet" system, by which as much as £100 per annum was paid to a farmer for the instruction of a youth (usually a very one-sided bargain), is happily a thing of the past; and in all cases wages may be expected proportionate to the value of the services rendered.

Climate

New Zealand is, I consider, the most attractive colony for many reasons: the climate is healthy, temperate and sunny, the conditions of life are homely and refined, and her settlers represent the best of all classes of society in the old country, being mostly descended from famous pioneer bands, who were not sent overseas unwillingly at their country's cost, nor driven from their native land by the thirst for gold. The northern part of the North Island is the home of many children of the "green isle"; in the Nelson district, on the north coast of the South Island, land is largely held by the descendants of retired military officers, to whom grants were made after the Indian Mutiny; Canterbury pilgrims were drawn from the best Church of England circles; the mining fields of the West Coast (South Island) support Hibernians again; and Otago, in the far south, is a little Scotland all to itself. There is certainly a peculiar "home" feeling in the air when you step ashore in Wellington or Auckland after a six weeks' voyage, which I myself have never experienced in Australia, Canada, or South Africa. Doubtless the general

aspect of the country, with its extensive growth of English trees, contributes to this.

Varieties of Farming

If the reader is sufficiently interested in the Dominion, let him refer to a map in connection with the following remarks as to the varieties of farming peculiar to various provinces or districts. Commencing from the extreme north of the North Island mention must be made of the valuable Kauri gum forests, which perhaps hardly concern a farmer, unless he is fortunate enough to have a plantation on his land. The trees take hundreds of years to grow, so bring no quick returns to the planter; and the valuable deposits of gum, which attracted (before the war) diggers of all nationalities, are found on poor land, formerly considered unsuitable for farming, but now found to be eminently adapted to fruit-growing. The coastal districts round Hokianga and the Bay of Islands are now being opened up by roads and railways, and are suitable for dairy work, but they are not to be recommended to the newcomer, as life in these parts is decidedly rough. Passing southwards we come to Auckland, with its 100,000 inhabitants. In its suburban districts small orchards, poultry or dairy farms will be found a good investment, but the cost of the land is considerable. If you follow the course of the Main Trunk (Auckland to Wellington) Railway, you will come to Frankton Junction, and close to it the town of Hamilton, which is the trading centre of the rich dairy plain watered by the Waikato river. This district, since the opening of the main railway a few years ago, has become exceedingly prosperous, and is covered with pleasant little homesteads and rich fields.

Dairy Farms

The more hardy settler will gain a profitable return for his labours in the bush ranges of the Bay of Plenty and Poverty Bay, while the coast lands are well cultivated and suitable for mixed farming. To the east of the Main Trunk Railway is the great province of Hawke's Bay, the home of the sheep farmer, where many a fortune has been made, though New Zealand is not usually considered a field for the fortune-hunter, being rather noted for its even distribution of wealth. To the west is Taranaki, where the heavy soil, covered with bush (native forest) offered little attraction to the settler, until it was found that it was magnificent for raising dairy herds. The country-side is now dotted with butter factories, creameries, and cheese factories, and though the milking work is hard and constant, the monthly cheques are large. I have seen Taranaki butter in a high-class grocer's shop at Surbiton near London, and heard it highly praised.

In the northern part of the Wellington province the bush has been cleared for dairy farms, and the cheese industry is important. Near Wanganui the finest stock in New Zealand (for food purposes) are raised. The city of Wellington (about 70,000 inhabitants) is the capital and commercial centre of the Dominion.

South Island

Proceeding to the South Island, which is reached by steamer from Wellington to Picton (4 hours), Nelson (6 hours), or Lyttelton (fast ferry service, 10 hours), we find most of the northern coast mountainous, and suitable only for sheep work, under difficult conditions, since life in these beautiful sounds, often likened to the fiords of Norway, is very lonely. The shores of Nelson Bay, however, with its sunny northern aspect, contain perhaps the richest of all New Zealand land. The famous Waimea Plains are covered with mixed farms, chiefly apple orchards in the neighbourhood of Nelson city, and also on the Moutere Hills. There are fine crops grown here, also, and the ranges behind Motueka, on the western side of the bay, are excellent for sheep runs. This is the greatest orchard district of New Zealand, the next in output being that situated on the sheltered slopes of Central Otago. Sunny Nelson, as it is usually called, possesses a fine climate for fruit-growing, the abundant sunshine ripening even oranges and lemons, while apricots, peaches, quinces, pears, plums, nectarines and apples are grown in abundance. The hard frosts of winter nights with warm days are especially suitable to the last-named fruit, which is the chief export of the orchards, though the others are preserved in local canning works.

The centre of the South Island is very mountainous, and the West Coast occupied with its famous gold and coal deposits, but the great province of Canterbury is the home of the wheat growing industry, besides possessing large meat preserving and freezing works, as well as the Kaiapoi woollen mills. The wheat-producing capacity is about 26 bushels to the acre, where India has 12 and Russia 8. There are also large sheep runs on the plains, and the beautiful city of Christchurch, which reminds me of an English cathedral town, is rightly called the "Farmer's City." There are splendid warehouses and showrooms for agricultural implements, motor works, etc., and every evidence of prosperity in its handsome buildings and well laid out streets.

Railways

There is no Main Trunk Railway as yet completed in the South Island, but a fine service of trains runs between Christchurch and Dunedin, the Scotch city. Everywhere the Scotch accent sounds in your ears. Many a child, who has never

seen the land of its parents' birth, speaks the "true Scots." Central Otago is a noted farming and orchard district, but the newcomer must be prepared for snowstorms and southerly winds if he commences life there, just as he may find the long, hot summer days of Auckland and the Bay of Plenty burdensome. So varied are the climates to be found within the limits of this one small country. I have referred to the railways, but might here mention that the chief means of transport for the farming districts is by coastal steamers, which maintain an excellent service. From most ports a short line of railway runs for some miles inland, which affords an improved means of carriage for produce to the coast.

Prices and Tenure

The price of land varies considerably, from free Government grants of bush land (subject to the conditions of felling and clearing) to small expensive properties in the neighbourhood of towns. I have known dairy land in Taranaki sell for £11 per acre, but good orchard land would probably nowadays cost from £30 per acre upwards. So much depends upon the quality and situation of the land, closeness to railway and steamer communication, etc. I have mentioned the bush ranges of the east coast (North Island) where land may be obtained cheaply, but in many parts the only means of transport is the packhorse, and there are similar conditions in the "back blocks" land of the upper reaches of the Wanganui River.

In closing, I should like, as a student of political economy, to refer to the leasehold versus freehold question in New Zealand. Two opposing political parties adopt these principles as their respective war cries, the democratic faction denying to any man the right of holding freehold property, for fear of opening the way to capitalism. A little reflection will convince any thoughtful man that no early settler would have willingly endured the dangers and hardships of pioneering, had he not looked forward to bequeathing the fruits of his labours to his children. The Government now rightly limits the amount of land to be held by one proprietor, and has broken up many large estates; but surely every man should be able to call his plot of land his own (except in the case of Maori leasehold, secured to the natives), and then he will toil cheerfully, knowing he increases the value to himself by every improvement he makes through his own exertions or self-denial.

J. M. COULTER.

DORMANT BANK BALANCES AND UNCLAIMED SECURITIES

AFTER Mr. Bottomley had carried the Second Reading of his Bill dealing with Dormant Bank Balances and Unclaimed Securities the measure was referred to a Select Committee to examine and report to the House. Having been myself a member of that body perhaps I may offer a few comments on the Report, drafted by our Chairman, Lord Hugh Cecil, and with comparatively few amendments agreed to by the Committee. In all eighteen witnesses were heard, including such authorities as the Governor of the Bank of England, the President of the Institute of Bankers, the Treasurer of the Bank of Scotland, the First Auditor of the Bank of Ireland, the Controller of the Post Office Savings Bank as well as representative officials of some of the best known private and joint-stock banks. With such an array of expert opinion no one can, I think, say that the Bill in all its aspects has not been subjected to the most careful and searching examination.

No Great Concern

It was thought in many quarters that the amount standing to the credit of dormant bank balances was of considerable magnitude, and that large quantities of gold and silver plate and securities of value remained in the possession of bankers by reason of the fact that the owners themselves could not be traced. Consequently the view, not unnaturally, prevailed that, if this were so, the State and not the bankers should be entitled to any profits that might be derived from these sources. Neither supposition, however, was borne out by the evidence. On the question of balances, Mr. Walter Leaf, representing the Institute of Bankers, informed the Committee, as the result of inquiries made in his capacity as Chairman of the Central Association of Bankers, that the sum of balances dormant for six years prior to January 1st, 1920, taking current and deposit accounts together, was in round numbers about £8,000,000. But in his opinion and

in the opinion of those he represented these balances by no means all belong to untraceable persons, nor can they be described as permanently dormant. The amount of the balances which at that date may be so described was considerably less than £3,000,000, an estimate confirmed by other evidence and accepted by the Committee as approximately correct. In these circumstances the Committee came to the conclusion, and I think a very proper conclusion, "that dormant bank balances from the point of view of the State are of no great concern."

Rights of Owners

Everyone will, however, agree that whatever the amount may be the rights of owners should be safeguarded and protected from loss whether arising from inadvertence or ignorance. At the same time one must not be unmindful of two facts (1) that customers of banks set high value on the secrecy which bankers maintain in respect of their customers' accounts and would certainly resent being deprived of this advantage by Act of Parliament;—(2) that the knowledge that such an Act was on the Statute Book might conceivably induce people to use banks less than they now do. While therefore the Committee considered it to be the duty of Parliament to safeguard the rights of customers they did not think that protection should be carried so far as to vex the customers themselves. Instead then of the six years suggested in the Bill as the period when a state of dormancy should be recognised, the majority of the Committee recommended that not until thirty years had elapsed since an account had ceased to be operated upon should it be considered "a dormant account and the balance a dormant balance."

Public Trustee and Registration

To safeguard the rights of owners in the matter of balances that have become dormant, the Committee suggest that a register be kept and that it should be accessible to the public. For this purpose bankers would be required to notify the Public Trustee when a balance becomes dormant, and thereupon the Public Trustee would take such steps as in his judgment were reasonable in order to trace the owner. The name of the owner and his last known place of residence would be inscribed on the register but not the amount of his balance, thus the disclosure would be as limited as possible. Similarly the bank would keep a register at its head office and at its branches. In all cases registers would be accessible to any person on payment of a small fee. Two years after notification the balance would be transferred to the Public

Trustee in whose custody it would remain until claimed by the owner. Interest would continue to be paid on the dormant balance. No distinction in the opinion of the Committee (the Chairman dissenting) should be drawn between balances arising on accounts already existing in banks and accounts which may be opened after the passing of the Bill.

Statute of Limitations

It may be convenient here to explain the operation of the law of ownership with regard to bank balances which have remained for more than six years unclaimed by the customers. It appears that in respect of both current and deposit accounts not subject to notice after six years, a banker is protected by the Statute of Limitations from the assertion of the owner's rights. But although legally barred from enforcing his claim after the Statute has operated, the owner's rights still exist theoretically seeing that the relation of customer to banker is that of creditor and debtor. It was, however, clear from the evidence that no bank had ever availed itself of the Statute against any claim by an owner, and that being so, the suggestion is made that it might be advisable if the law were so amended as to make it conform with what appears to be a universal custom.

Unclaimed Securities

I pass on to boxes and parcels entrusted to banks for safe custody as to which the owners are untraceable. Of these there would seem to be a considerable quantity, but many are empty, the contents having been withdrawn and the boxes left behind with the intention possibly of using them at some future time, others contain legal and financial documents which, by lapse of time, have ceased to be of interest or value. But after allowing for all deductions the Committee came to the conclusion that there is probably a small residuum of boxes and parcels of which the owners have lost sight and which contain articles of some value or papers of some interest. To meet that position inspection is suggested, but bearing in view that customers would doubtless prefer, especially in the case of papers, a very long period to elapse before the State interfered with the custody of articles which the bank had been asked to undertake, no action is recommended unless the owner has been untraceable for seventy years. As to when an owner may be regarded as untraceable, that point, the Committee think, may very well be left for the bankers to decide, seeing that their obvious interest would be to relieve themselves of the burden of the duty entrusted to them. The period of seventy years was selected, that being the period after

which secret documents belonging to the State become accessible to historians.

Action to be Taken

If, in the opinion of the bank, the owner has been untraceable for seventy years the bank would inform the Master of the Rolls, or some person appointed by him, who would be empowered to take over the box or parcel, examine its contents, and take any steps that he may consider advisable in order to trace and identify the owner. The first step suggested by the Committee is to insert a description of the contents in a register which, as in the case of dormant balances, would be accessible to anyone on payment of a small fee. Five years later, that is, seventy-five years after the owner has been lost sight of, the official notified would be required to take the necessary action for the final disposal of the contents of the box or parcel. If these turned out to be of artistic or historic interest, the articles might be entrusted to some public museum, gallery, or library. If, on the other hand, they are of no interest, then they are to be sold by auction and the money paid into the Exchequer, an account being kept so that if the owner or his heirs should eventually prove their claim to possession they may be paid the money realised by the sale. In the event of the contents proving of no interest or value the official into whose charge they had passed would have the power to cause them to be destroyed. As a further safeguard in the case of papers, notwithstanding that the period named for notification had arrived, if any question arose as to the desirability of publicity, the Committee suggest that the Master of the Rolls should personally decide the matter.

Application to Ireland

It was thought undesirable that the Bill should be made applicable to Ireland, seeing that in Ireland the desire for secrecy and the apprehension of the consequences of publicity would make customers dislike even the most guarded measures in respect either to dormant balances or boxes and parcels entrusted to the bank. Although the Committee have expended much time and care in getting at the facts and passing their Report, with the knowledge that we have a very heavy session in front of us, I do not think that the Bill will go beyond its present stage.

CLEMENT KINLOCH-COOKE.

EMPIRE TRADE NOTES

CANADA

IN order to ascertain the adaptability of the applicant to fit into Canadian life and make a success of farming, the Soldier Settlement Board has established a careful system of selection of candidates in the Old Country. A Selection Committee is holding sittings in various parts of the British Isles. They inquire into the physical, financial and other qualifications of prospective settlers, and issue certificates entitling holders to proceed to Canada to receive training in Canadian methods of agriculture under the direction of the Board. Selected candidates may receive this training by taking a course at a Training Centre established by the Board, or by working with experienced farmers approved by the Board, or by both methods. The length of training in Canada for candidates with little or no previous experience will be two years more or less as may be determined, and, in the case of candidates who have had considerable farming experience in Great Britain, at least one full summer must be spent on a farm in Canada. After training candidates must appear for final examination before the qualification committee. Qualified candidates will be entitled to receive the financial benefits of the Act, but shall be required to make an initial cash payment of 20 per cent. of the purchase price of the property selected. All expenditures incurred by candidates and the cost of subsistence while receiving training must be borne by the candidate. The Board gives free tuition at Training Centres. In addition to other lands already available 100,000 acres of Hudson Bay reserve land in Manitoba, Saskatchewan and Alberta have come into the hands of the Dominion Government and will be used for soldiers' settlement farms. This is the first time that any of the Dominions has adopted this system of selection of emigrants from the British Isles. It is the purpose of the Soldier Settlement Board with the aid of the Selection Committee to secure as great a proportion as possible who are agriculturally experienced. Of the others who apply the committee will select according to the suitability of the candidates for farming in Canada.

SURPASSING in strangeness any botanical discovery made in recent times is that of a new source of sugar in the leaves of the Douglas fir, which grows in certain confined portions of the dry belt of British Columbia. Professor John Davidson, F.L.S., F.B.S.E., of the University of British Columbia, spent much

time in the dry belt region for the purpose of investigating the phenomenon. He found that trees on southern and eastern exposures on gentle slopes in the dry belt region of British Columbia, lying between parallels 50 and 51 and longitude 121 to 122 chiefly yielded sugar. The trees which yielded were well apart, thus receiving a good supply of sunlight on their leaves, a more plentiful supply of sunlight on their roots, and having a better air circulation through them than trees in densely forested areas.

THE horticultural reputation of Canada in other countries has been made in part from the apples that have been produced in that country for many years and sent to other lands. It is estimated that in 1919 between 1,500,000 and 2,000,000 barrels were packed in Nova Scotia alone. But the apple is only one of many horticultural crops, the production of which the wonderfully varied climate of the Dominion makes possible. For instance, the climate on the southern part of Vancouver Island is particularly favourable for the English holly, and those who were far-seeing enough to set out plantations of trees some years ago are reaping a rich reward. Soon the snowdrops will be in bloom there, and the wallflowers, primroses, violets and other hardy flowers will be in flower. The daffodils bloom so early in Vancouver Island that a trade in cut flowers is springing up with the Prairie Provinces, where the blossoms are sent while that part of Canada is still in winter's cold embrace. Even the tea plant survives there, and some good cups of tea have been made from leaves of the plant grown at the Experimental Station, Sidney. The climate of the southern part of the Okanagan Valley in British Columbia has been found peculiarly suited for the apricot, and this has proved to be one of the most profitable fruits there. Pears, plums, cherries, etc., can be, and are, grown in great quantities in Canada.

THE oldest, and at the present time the largest, natural gas producing district in Canada is the territory bordering on the east and north shore of Lake Erie. This area can at present be divided into several distinct fields, but the intervening areas between these fields are rapidly being drilled, and the results tend to show that in all probability the whole of this district has a foundation of gas-producing strata. In the counties of Haldimand, Welland, Essex and Kent, large supplies appear to be available. In Essex County a single well drilled 1,020 feet yielded gas at the rate of 10,000,000 cubic feet per day. The gas from this district is conveyed to all the larger towns in the Southern Ontario Peninsula, where it is used for industrial and domestic purposes.

THE progressive lowering of the price of hydro-electric power year by year throughout Ontario is worthy of note. Taking a few typical cities, and considering the average price paid by the consumers for domestic lighting in 1914 and 1918, we find the price in Toronto has fallen from 4.5 cents to 2.5 cents per k.w.h.; in Hamilton from 4 cents to 2.3 cents; in Brantford from 4.3

cents to 2·2 cents; in Ottawa from 5 cents to 2·3 cents and so on. Such reductions, made in spite of the rising cost of labour and material throughout the period, are very significant of the energy of the Hydro-Electric Commission of Ontario in increasing the number of consumers and in promoting efficiency of operation. The fact that the manufacturing centre of Canada practically coincides with the sphere of greatest activity of the Commission is probably not entirely a coincidence.

It is estimated that the total value of the cereal crops in the Province of Quebec for 1919 will be over 100 million dollars. In 1918 the value of the same kind of crops was 98 million dollars. Last year there were more than 3,000,000 acres sown to cereals, an increase of 700,000 over 1918. The total value of crops of all kinds in 1918 in Quebec was \$271,750,900. Of this amount, the hay crop yielded in excess of 107 million dollars; oats 52 million dollars; potatoes 38 million dollars; wheat 15 million dollars. Dairying is carried on with the most encouraging results, and in 1918 the value of the dairy products in the province was over 30 million, dollars the output coming chiefly from 900 cheese factories and 628 butter factories. There has been remarkable progress made in agriculture during the past few years. In 1914 there were 4,863,850 acres under cultivation, while at the end of 1918 there were 13,292,798 acres cultivated, or almost a 300 per cent. increase in four years, and the produce raised increased in value over the same period from \$98,779,000 to \$271,750,900 and the value of animals rose to \$252,445,000 from \$122,298,071.

THE exchange situation is having the effect of taking new industries to Ontario. Owing to purchases in the United States being cut down by Canadian buyers, Americans are establishing branch factories in Ontario with a view to retaining their Canadian trade.

AN order in Council has been passed, which protects Canadian canners of fish and shell fish, by making it obligatory that all canned fish or shell fish imported into Canada must be accompanied by a statement, sworn at the place of origin, as to the soundness of the product and sanitary nature of the canning process. The label must also bear the name and address of the packer from whom the fish originated, description of the contents with weight of same, as required by the Meat and Canned Foods Act. The penalty for failure to observe these regulations on the part of importers will be confiscation.

PRODUCTION of creamery butter in Alberta is considerably greater this winter than in any previous season, and the total production in 1920 is expected to be 25 per cent.—or approximately, 2,500,000 lbs.—greater than in 1919.

Two new industries have been secured for Fort William (Ontario). One, a branch of the Detroit Sulphate Pulp and Paper Company, has secured a 20-acre site on the Mission River and will commence, immediately weather conditions permit, to erect docks and loading machinery. The second industry is a

company that will manufacture headings, staves and hoops. This new industry will use from five to ten thousand cords of poplar and small spruce poles a year.

WINNIPEG, from the beginning of its history, has always had a very deep interest in the fur trade. In early days fur held the place which wheat holds to-day. Prior to the war the great centres for fur sales were naturally in Europe. When war started it became impossible to carry on as usual, and big interests in New York became exceedingly active. Canadians have now expressed the opinion that Canada should have a sale of its own. It is proposed to hold regular meets at Montreal, where many thousands of pelts will be offered. A charter for this purpose has been obtained. About £2,800,000 worth of undressed furs were exported from Canada last year.

CANADIAN farmers are receiving a share of the business in cattle with European countries. Canada has been asked to tender for 30,000 heavy beef cattle during the first five months of this year for France. Italy has also offered a contract. Representatives from France want heifers and cows from Canada to supply the devastated areas of Northern France. This contract will be for several thousand cattle.

Dr. MILLER, Provincial Geologist of Ontario, addressing the Royal Canadian Institute at Toronto, stated that in nickel, cobalt and asbestos the British Empire controlled the world's supply. "Nickel is really the national mineral of Canada," said Dr. Miller, "because silver is so high in price, and nickel, which is a very suitable metal, should be used in the Canadian coinage. Other Sudburys, Cobalts and Porcupines await the prospector and miner in the regions surrounding Hudson's Bay and extending to the Arctic regions," added Dr. Miller, "great regions of promise for the miner lie tributary to the Pacific, and on the east sea board vast mineral resources are yet to be utilised."

FOUR thousand men working in the Cholbery Shipbuilding Yards, Victoria, have agreed to allow a percentage of their wages to be deducted and invested as shares in the Company.

MANITOBA has 44 creameries with 22,000 milk and cream shippers. The total value of dairy products for the year 1919 amounted to £3 357,978.

BRITISH COLUMBIA strawberry growers are anticipating a banner season during 1920 both in production and financial returns. The growers of the Gordon Head district are reported to have made contracts to deliver to the jam factories 250 tons of strawberries at 20 cents per lb. Buyers have been visiting the lower mainland and Vancouver Island, surveying the situation and making offers to the various large producers for the contemplated harvest.

THE value of Northern Manitoba in natural resources, in timber, in minerals, water power and fish, and the opportunities there are for agricultural development in sections, were laid before the legislature of Manitoba by Mr. John Morrison of Rupert's

Land, who declared that untold wealth was awaiting the advent of capital and railway facilities. Mr. Morrison made a strong plea for the establishment of a mill for making paper from pulp wood.

THE discovery of talc in the Lake Winnipeg District, 80 miles north of Winnipeg, is reported by the Canadian National Railway. It is stated that Eastern capital has been interested in the development of the deposit.

THE Alberta University has set aside 65 acres of land for plant breeding and other agricultural experimentation. In addition to the work in connection with wheat, similar tests have been applied to barley, rye, oats alfalfa and field peas, and in some of these crops very promising results have been secured. Prof. G. H. Cutler, of the University's College of Agriculture, is in charge of the experimental work. He has mapped out a systematic campaign, the first outcome of which is that the University will have about 200 bushels of registered seed for distribution this coming spring. This will be of different varieties in wheat, oats and peas. But the main objective of the college cerealists is to produce a new early wheat. An unique achievement is to be placed to the credit of the Alberta experts in the production of a "smooth-on" barley, which is already an assured fact. Though efforts to remove the beard from barley, as previously made elsewhere, proved unsuccessful, the experiments under Prof. Cutler have actually resulted in the disappearance of the objectionable barb, which makes it so difficult for handling and feeding. The barbless barley will soon be ready for market and will meet a long-felt want.

OF the 57,251 emigrants who entered Canada from the British Isles last year 23,914 settled in Ontario. The Colonisation Branch of the Ontario Government gives special attention to immigrants committed to its care, or seeking aid, or coming directly or indirectly under its notice. Parties of young women arriving recently from the old country have been welcomed warmly, and immediately placed in situations approved of by the Branch.

A BULLETIN issued by the Ontario Bureau of Mines states that Ontario's gold production for 1919 was 505,963 ounces, of a value of \$10,451,688—the largest output to date. Ontario's gold output now exceeds that of any other Province in Canada, or State of the American Union, California alone excepted.

WITH a view to combating the high cost of living a considerable number of citizens of Calgary have organised the Calgary Co-operative, Limited, with a capital of \$25,000, half of which has been paid up. The plan for the present is to sell groceries, meats, vegetables and fruits, and, when an additional \$5,000 capital is obtained, boots, shoes and other commodities will be handled.

RECENT explorations made in the Courtenay District, near Nanaimo, indicate new coal-fields covering an area of about 15,000 acres.

THE Pas Lumber Company is preparing for an output of lumber of 325,000 feet per day, equal to a total of 40,000,000 feet for the season. Employment will be given to 500 men.

TRAFFIC returns for the Edmonton, Dunvegan, and British Columbia Railway, which runs through a section of the Peace River District, show that 4,143 cars of freight were handled north-bound and 4,909 cars south-bound. Among the cars were 598 car-loads of agricultural machinery, 750 containing settlers' effects, 1,141 of wheat, 440 of hay, and 154 of fish. These figures indicate the great development that is taking place in this district.

EDMONTON financial men are planning to organise a Bank of Alberta with a capital of two million dollars. A charter was authorised in 1914, but not issued.

FURS to the value of over £400,000 were bought in Saskatchewan during the season ending June 30th, 1919, and the amount received for the season ending June 30th, 1920, will be higher still, in consequence of the great advance in the price of all furs. The provincial Chief Game Guardian, who has been summarising the reports of fur dealers in the province, points to the large decrease of 267,389 in the number of musk rats trapped in 1919 as compared with the previous year. He is of the opinion that if the fur industry of the province is to become an increasing source of revenue, one of the first measures which should be adopted is the stopping of fall trapping of musk rats, the leading fur-bearing animal of the prairies so far as numbers and total value of furs is concerned.

A CONFERENCE of onion and potato growers and dealers was held at the Chateau Laurier, Ottawa, for the purpose of giving consideration to the question of introducing compulsory grades for onions and potatoes in Canada. In addition to the question of compulsory grading regulations, several other matters of importance affecting the wholesale dealing in onions and potatoes were discussed and recommendations made, and as a result it is expected that much improvement will be made in general marketing conditions.

STATISTICS issued show the number of homestead entries in Prince Albert (Saskatchewan) District for 1919 were 56 per cent. in excess of those taken up in 1918, the numbers being 6,623 in 1919 and 4,376 in 1918. According to nationalities, Canadians predominate, British born next and Americans third. The land taken is principally adjacent to the railways.

THE construction of a dozen new elevators in Alberta is included in the 1920 programme of the United Grain Growers' Association.

AUSTRALIA

THERE is a pressing demand for both farm labourers and domestic servants at high wages in Western Australia, and the Government of that State is offering both these classes of emigrants assisted passages. The revival of agriculture in

Western Australia, following on the restoration of peace, is leading to the opening up of large areas of land for wheat, fruit-growing, dairying, stock raising and mixed farming. Intending settlers with capital are offered favourable opportunities for acquiring land on easy terms by the State Government, which also guarantees this class of intending emigrant assisted passages direct from this country to the State.

THE terms of an offer by a French syndicate to purchase the State-owned sawmills of Western Australia have been communicated to the State Parliament by the Minister for Works. After negotiations dating as far back as 1915 the State was visited recently by Messrs. Dutilleul and Ghyselincq, two directors of the syndicate, who made an offer of £385,000 for the mills. The Government asked £425,000 subject to Parliamentary approval. The two directors named agreed to recommend the syndicate to pay the latter sum, but asked that the matter might remain open until November 30 in order that they might submit the terms of the proposed purchase to the French Government and also to their own shareholders. The Minister for Works stated that in the event of the sale being completed the Western Australian Government would be prepared to hand over the mills as a going concern on June 30, 1920.

MR. SIMPSON, State Government Geologist, points out that prior to the war the world was using about 3,000,000 tons of potash per annum, practically the whole of this came from Germany. In Australia during the war there was almost a famine in potash, so much so that crude potash salts, the pre-war price of which was £15 per ton, was valued at £50, if obtainable at all. With a view to rendering Western Australia as nearly as possible independent of foreign supplies in future inquiries were made into local sources of supply, these were proved to include seaweed, wood ashes and alunite. At Kanowna, this mineral has been found of as high a grade as 9.32 per cent. potash, equal to £9 4s. worth of ore at £50 per ton.

ACCORDING to investigations made by the Australian Commonwealth Statistician into the increased cost of food and groceries (forty-six commodities) in the six States of the Commonwealth the increase in cost since the outbreak of war is officially given as follows:—Queensland, 78.1 per cent.; New South Wales, 66.1 per cent.; Victoria, 56.9 per cent.; Tasmania 56.5 per cent.; South Australia 44.9 per cent.; and Western Australia 30.5 per cent.

ON the occasion of a Ministerial visit to the Mirridin State Farm in Western Australia it was officially reported that trial plantings of lucerne at the rate of 5 lbs. of seed per acre had produced at the rate of 61 cwt. per acre.

THE annual report of the Pastoralists' Association of Western Australia states that freezing works, abattoirs and saleyards are in course of erection at Fremantle, the principal port of Western Australia, and adds: "An immense benefit must accrue to growers in all parts of the State when these works are in full swing."

WHEN the Soldiers' Settlement Branch took over 2,485 acres at Kentucky, New England district, in June 1918, it divided it into forty-four blocks averaging 50 acres, and cleaned, fenced and planted a 15 acre block on each and built a cottage on each for the settler. These cottages, built of hardwood, weatherboard, and lined with Dorrigo pine, contain three rooms, kitchen, pantry, laundry, and bathroom, and cost a shade less than £290 each. At the present time, eighteen months after the taking up of the holdings, the settlers are all doing well, and the growth of their crops and trees are proving the land to be right up to expectations. One man who had only been on his block four months is digging a crop of potatoes going four tons to the acre at twenty-five shillings per bag. Apples and pears and gooseberries are the most successful fruit trees on the settlement, and pumpkins, melons and other vegetables all do excellently.

A BEGINNING is to be made with the operations connected with the Warrangamba Irrigation Scheme by the settlement of fifty soldiers on the Nepean River. This is the first instalment of a comprehensive undertaking in connection with the Warrangamba Irrigation Scheme. The proposed settlement is 35 miles from Sydney and comprises about 542 acres of fairly rich soil suitable for market gardening or lucerne growing under irrigation. The total estimated cost of resumption of the area is about £18,499, but as the land will be divided into fifty-three farms of an average of 10 acres the cost per farm for land only would probably not exceed £350. The whole of the area is to be irrigated by means of the most up-to-date overhead spray system, which is economical of water, and is regarded by experts as the most satisfactory for the purpose.

THE *Daily Telegraph* (Sydney) states that the quotation received by that proprietary for paper due to reach Sydney in May, 1921, was £64 a ton in store at Sydney. Before the war the price was £11. Before the war Sydney newspapers were spending about £220,000 a year on paper, their present rate of expenditure is over £1,000,000 a year, and they have great difficulty in arranging for supplies even at that or at any cost.

It is proposed to hold an international exhibition in Sydney in two or three years' time to celebrate peace. Representations were made to the Premier in the matter by a committee of citizens. Mr. Holman thought the project an attractive one, and he agreed that great advantage would accrue both to the State and the Commonwealth.

AT Matrville in New South Wales the Minister for Housing has just recently opened a 5-roomed concrete cottage which had been completely erected in three weeks. The cottage was built by Mr. Menkin, an American contractor, and so entirely fulfils the Minister's ideal of houses for the people, that he intends letting a contract to Mr. Menkin for 60 to 70 similar cottages in the vicinity of Matrville. They will cost the Government between £550 and £650 each, and with land will be worth £700 or £800 each. The prospective buyer pays a small deposit, and the

balance as rent. The rent is calculated on the basis of three-shillings per week for every £100 the property is worth.

IN future oversea passengers from Australian ports will only be allowed to take £3 of silver coins.

SOUTH AFRICA

NEW industries of all descriptions are still springing up in all parts of the Union of South Africa, remarks the General Manager of Railways in his annual report. A small diamond cutting and polishing business was started in Pretoria nearly two years ago, staffed by experts from Hatton Garden and Amsterdam. The works are being extended, additional machinery installed, and further experts engaged. A small parcel of diamonds was sent to these works from Amsterdam for re-cutting and re-polishing, it being found that under war conditions the work could be done cheaper and better in South Africa. Another local advantage is, the greater number of hours of sunshine in South Africa than in European countries.

DURING the past year the wool industry in South Africa has undergone rapid progress, and efforts have been unsparing on the part of the trade authorities of the Union and their representatives in London to maintain the reputation both of South African wool and mohair on the market. Prospects in the present year are very promising, notwithstanding the recent drought, which has caused so much havoc among stock. The sheep of the Union are varied in type and quality, with the fine-woolled merino leading. Exports of wool represent about ten per cent. of the total exports of the Union. In addition to the merino, there are the Afrikander and the Persian as well as the Karakul. They are fat-tailed varieties of very hardy habits, and are farmed mostly for mutton in those districts where merinos do not pay. In order to work up a trade in export mutton there were importations of several English varieties introduced especially for that purpose. The Angora industry has made such strides of recent years, and the war has caused such havoc in the Angora zone in Asia Minor, that everything points in the direction of this industry becoming more firmly established in South Africa. At the present time its average annual value in mohair alone is worth over £1,000,000, but in the near future an export trade in stud stock will be added to this. Latest reports from the Department of Agriculture give good accounts of flocks in all districts. Disease is practically non-existent among them, and farmers are kept well informed by the Department whenever an outbreak occurs in any locality, so that they might take precautionary measures.

THE output of salt in 1918 was valued at £163,722, an increase of £53,156 over the previous year. The output would have been greater but for the disorganisation of the industry during the influenza epidemic. Considerable quantities of salt have been exported to Rhodesia, Congo, Lourenço Marques, and also to Australia and New Zealand.

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GENERAL MANAGER—E. C. REYNOLDS.

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THE quantity of coal exported from the Union of South Africa last year was 1,208,000 short tons (of 2,000 lbs.) valued at £1,033,000, as compared with 856,000 short tons, worth £337,000 in 1913. Many new markets have been found for South African coal during the war, considerable quantities having been sent last year to Argentina and Uruguay, as well as to the British East Indies and Egypt, though consignments to Portuguese East Africa fell off considerably. On the other hand, less coal for bunkering purposes was shipped last year—viz., 1,276,000 short tons, as against 1,452,000 tons in 1913, although increased prices caused the value to rise from £1,052,000 to £1,906,000.

THE returns from the various alluvial diamond diggings in the South-Western Transvaal for the month of December amounted to 7,233½ carats, value £125,000, as against 7,644 carats, value £138,117, in November and 5,050 carats, value £143,898, in October.

THE current harvest of sugar in Natal and Zululand is expected to produce from 175,000 to 180,000 tons, leaving from 30,000 to 40,000 tons for export. The yield exceeds the previous highest record by 25,000 tons.

THE gold output for January has been declared at 670,503 oz., an increase on December of 20,312 oz., though December had two mine holidays. The actual output is below normal. The value, assessed at £5·375 per oz., was £3,603,954, compared with £2,761,836, the value returned for the December output at the standard price of £4·247 per oz. The Witwatersrand output was 653,295 oz., an increase of 21,462 oz., while outside districts returned 17,208 oz., a decrease of 1,150 oz. On the increased premium only three mines made losses in January: New Goch, £1,443; Durban Roodepoort Deep, £2,128; and Princess Estate, £2,531. The group profits are more than double that for December, the respective figures being £1,048,365 and £407,560, and for November, which was a more normal month, the amount was £546,440.

WITH reference to the recent appeals for the extension of cotton-growing, the Rustenburg agent of the Transvaal Land Owners' Association, in his last quarterly report, states in regard to cotton: The yield from the crop for the 1919 season is estimated at one million pounds of seed cotton, as compared to 53 thousand pounds produced in 1918. This shows a very satisfactory increase. It was anticipated that 1920 would show an increased acreage of five times the amount planted the previous year, but the poor rainfall has somewhat modified this estimate.

A VERY fine collection of South African fruit, including peaches, plums, pears, and nectarines, was arranged by the Trade Commissioner for the Union at the Royal Horticultural Society's Show at Vincent-Square, Westminster. The colouring and splendid condition of the fruit attracted a great deal of attention. The Council of the Royal Horticultural Society has handed the Banksian silver medal to Mr. A. Canham, the Trade Commissioner, in respect of the Union of South Africa's exhibit.

OVERSEA CORRESPONDENTS.

THE EMPIRE REVIEW

AND

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PROBLEMS OF INDUSTRY.

The Budget Controversy.

THE storm of controversy aroused by the Budget has not yet died down. The increase in the Excess Profits Duty was received with a unanimity of condemnation almost unparalleled. It was met with unflinching determination by the Chancellor, and all that the universal protests were able to secure was a vague and undefined concession for new and small concerns. The Chancellor will only consider decreasing or abolishing Excess Profits Duty if he is able to substitute for it some form of capital levy. The War Wealth Committee has reported on one such scheme—C2 as it is called—prepared by the Inland Revenue Authorities. All that can be said of this scheme is, that it is a slight improvement on the original plan. It is framed to raise £500,000,000 from 75,000 people, instead of £1,000,000,000 from 340,000 people. But it is open to nearly all the objections of the previous scheme—the impossibility of just valuation, the withdrawal of a large amount of capital at a moment when it is most urgently needed for the reconstruction of industry, the forced liquidation it will involve and the feeling of insecurity it will create are insuperable objections to this succession. The business community is united in its opposition to any form of capital levy at this moment, but as the Chancellor has presented it practically with an ultimatum, many ingenious attempts are being made to find a satisfactory substitute.

Corporation Profits Tax

The Corporation profits tax has not come altogether as a surprise. Something of the kind was indicated when the Chan-

cellor presented his last Budget, but it was generally believed that whatever course the tax took it would be in substitution of and not in addition to the Excess Profits Tax. No one can say that 5 per cent. is an excessive figure, and with the present margin of profits the tax is not likely to have any injurious effect on established businesses, or indeed on trade as a whole. But in the early stages of new undertakings the tax will undoubtedly be felt. As with Excess Profits duty the Corporation tax will be deducted before the assessment of profits for income tax, and to prevent the new tax constituting too severe a burden on the ordinary shareholder of concerns in which there are large issues of debenture and preference shares, where a considerable proportion of the profits has to be allocated to the payment of interest and fixed dividends, it is proposed that in no case shall the duty exceed 2s. in the £. This tax will be extended to the profits of co-operative societies. Incidentally, the Chancellor observes the new tax will prevent prosperous concerns with a large pre-war profits standard from escaping the Excess Profits duty on the ground that their present profits, though high, are not in excess of their standard. He also reminds us that companies incorporated with a limited liability enjoy privileges and conveniences by virtue of the law for which they may very properly be asked to pay some acknowledgment. Further, he points out that partners in a private firm pay super-tax not merely on the profits they derive, but also on the undivided profits placed in reserve. True, no such charge falls upon the undivided profits of limited liability companies, but it not infrequently happens that a company will distribute the whole of its profits, in which case the shareholders will pay both super-tax and Corporation tax, whereas partners in a private firm will pay only super-taxes. Again, assuming the Corporation tax to be a composition in lieu of liability to super-tax, by a transposition of the same reasoning the shareholder who now only pays income tax will in future be called upon to make a contribution to super-tax. Apparently these aspects of the case have escaped the attention of the Chancellor of the Exchequer.

Income Tax Changes

Turning to the question of income tax some of the suggestions made by the Colwyn Committee will be found embodied in the Budget; others are to be included in a measure dealing with income tax reforms to be introduced later on. The standard rate of income tax remains unchanged, and the differentiation in favour of "earned" incomes is maintained, but instead of separate rates of tax, a deduction of one-tenth of the "earned" income (subject to a maximum deduction of £200) will be made for the purpose of arriving at the "assessable" income and, relief will be given in

all cases, irrespective of the total income. A new scheme of graduation is proposed, the principle changes being in the exemption limit and abatement allowances. The limit is now to be £135, and in the case of an individual whose wife is living with him £225. Where the income is wholly earned these limits are equivalent to £150 and £250 respectively. Allowances are remodelled and extended. Whatever the amount of the "taxable" income, the first £225 will be charged at half the standard rate. Certain alterations are made in the allowances for life assurance premiums. British subjects resident abroad are to be given the benefit of the various reliefs. The limit of super-tax exemption is lowered from £2,500 to £2,000, and the rates of super-tax payable under the graduated scale are increased up to a minimum of 6s. Special reliefs from income tax, including super-tax, introduced to meet war conditions, are to be discontinued. A scheme has been designed for the purpose of dealing with the much-vexed question of double income tax within the Empire. It provides that when the same income is taxed twice, usually because it is enjoyed in some part of the Empire other than that in which it arises, the lower income tax should be eliminated by the countries concerned respectively remitting proportions of their tax equal in the aggregate to the whole of the lower tax. If this proposal is carried out an anomaly, which for many years has caused much injustice, will be permanently removed.

Stamp and other Duties

Several increases are made in the stamp duties. The duty on share capital of companies is raised from 5s. per £100 to four times that amount. This, of course, will affect new issues. The exceptions in the case of transfers of stocks and marketable securities are removed, and the duty will be charged on conveyances, whether by gift or sale of all kinds of property according to the higher scale. It is proposed to double the rates of composition in the Stamp Duty on transfers of stock, and on marketable securities to bearer. Double duty will also be charged on share warrants and stock certificates to bearer. The *ad valorem* duties on policies of sea insurance are revised, and the duty on accident, sickness, indemnity, and fire insurance policies is increased from a penny to sixpence. Receipts and scrip certificates will now require a twopenny instead of a penny stamp. Postal rates are also up, a letter of three ounces will, after June 1st, have to bear a twopenny stamp, and the postage on newspapers is doubled. Parcels and telegrams are up 50 per cent., and the rate for postal orders is also raised. The increases on beer, wine and spirits are very heavy. Beer will cost a penny more a pint, and all wine duties are doubled, with an extra *ad valorem* duty of

50 per cent. on sparkling wines. Imported cigars are also to be subject to an *ad valorem* duty of 50 per cent.

A Change of Front

When in October Mr. Chamberlain announced that "additional taxation will not be necessary unless the House imposes additional charges on the Exchequer or desires a more rapid reduction of the National Debt," no one could have expected that the Budget of 1920-21 would impose so large an amount of new taxation unless on the one hand heavy additional charges on the Exchequer had been demanded, or on the other strong representations had been made by the country. As regards the latter point, which more nearly concerns us now, although it did not appear to do so last October, many people think that in view of the very heavy sacrifices made by the present generation, that the payment of the cost of the war might well have been extended over a longer period. And here I would remind Mr. Chamberlain that last October he threw out the suggestion of a half per cent. sinking fund on the National Debt, a sum that would have sufficed to redeem the debt in fifty years. The present Budget provides for a sinking fund of 3 per cent., so that an attempt is to be made to clear off the debt in what may be described as record time. All must admire the Chancellor's courage, but this courage has not been displayed except at high cost to the taxpayer. Not only is the country involved in very heavy taxation during the current financial year, but this must be the case for several years to come. And in this connection I would call attention to the fact that on the credit side of the national balance sheet we have an item of £320,000,000 for non-recurring receipts. How, I would ask, is that sum to be replaced next year? There is one way—and one way only—of filling the gap, and that is by increasing production and reducing expenditure.

Reduce Expenditure

And this brings me to the question of public expenditure. Our new Government departments are costing a great deal of money, and our social reforms, to say nothing of education, are proving a severe burden to the taxpayer. We are continuing subsidies which ought to be paid not out of State funds, but by the people direct. Our new arrangements have led to the creation of a huge bureaucracy, with a corresponding list of high salaries. Nor have we stopped spending yet. The point, however, that I should like to emphasise is not whether all this expenditure is good or bad for the nation. But assuming it is all good, can we afford it? If we cannot, then the time has arrived to cut our

coat according to our cloth even if it involves the remodelling of some of our Government departments. We were glad to see the new Labour Minister announcing that he had countermanded the expenditure of £20,000 on a new provincial Labour Exchange, and that he was appointing a committee to inquire into the whole question of cost in connection with Labour Exchanges. We have always opposed the system of State Labour Exchanges. They have never justified their existence except, perhaps, during the war. They are certainly not required in peace time. Any employer can always get what labour he wants, and what is more he knows where to get it, and any person seeking employment can always obtain work and the work he needs, provided it is to be had. The Labour Exchange is an irritant both to employers and employed. There must, however, be no transference of the present duties of the Labour Exchange officials to the Trade Unions. That would mean the end of free labour and greater power to the Unions. Neither of these results would be helpful to the cause of freedom or assist the general community in combating the increasing demands of organised labour.

Electricity (Supply) Bill

The Electricity (Supply) Bill now before the House is destined to meet with strong opposition, and unless materially altered is unlikely to find its way to the Statute Book. It is both unnecessary and costly. The 1919 Act gives ample and sufficient powers, and no extension of these powers is necessary or required. Under its provisions the officials may mark off areas, undertake lengthy inquiries, and generally assist and encourage existing undertakers to combine in devising schemes for an improved supply of electricity. Just as the 1919 Act is a sound, reasonable and popular measure and a definite alternative to nationalisation, so the 1920 Bill is unsound, unreasonable and unpopular, and whatever the intentions of the Government may be the measure as at present drafted certainly aims at nationalising the industry.

Powers of District Boards

But not only does the Bill lay upon the Exchequer vast and indefinite commitments, it confers on the Commissioners powers to create district electricity boards in the areas defined by them as electricity districts. These Boards would be able to take possession of stations of electricity, supply undertakers and themselves, make provision for generation and transmission of electrical energy. That means in short that the District Electricity Boards might control the entire industry and the authorised undertakers will become mere distributors. These Boards would also be endowed with power to become distributors in areas where no

authorised undertakers exist, and may under certain conditions become competitors of existing undertakers in such areas. The Boards succeed to the purchase rights of local authorities where supply is given by companies, and they will thus ultimately become the owners of all the undertakings of supply companies authorised by the Electric Lighting Acts.

Other Objections

The "standard price" as defined in the Bill for stations acquired from companies amounts to the cost of construction less distribution. This is practically equivalent to confiscation, as the replacement costs would equal three times the pre-war sum. Again, the co-operative principle, an excellent feature of the 1919 Act, disappears in this Bill. The whole plan of the measure tends to bring electrical supply undertakings under a central authority and scrap the scheme of co-operation between various types of existing enterprise. Everyone is weary of "district boards," "commissioners," and "authorities." The invention of these imposing titles we know by experience is only the prelude to inefficiency, expense and the creation of added coils of red tape. What industry wants is freedom, not further control of its activities.

Traffic Congestion

In spite of ministerial denials considerable railway congestion exists in the north country area. The steel workers have introduced three eight-hour shifts per day, thereby aiming at maximum output. It is said the railways are doing the same, but this is not so. It is only being done by a few of the large terminal stations where food is handled, but it is not being done in mineral, metal and goods traffic, where the men are only working a one and two-shift day. Meanwhile, north country firms are loud in protest, and the position is rapidly growing worse. For example, in one works during April, seven out of ten forges were awaiting material; production was at least 25 per cent. below possible output, and consumers were clamouring for supplies. In another firm thousands of tons of finished steel and tens of thousands of tons of pig-iron were waiting to be removed, and every square yard of storage in the works was congested with finished material for which the country is clamouring. Another firm had 11,000 tons of finished steel lying in the yards awaiting transport, and thousands of letters had arrived asking for it to be supplied. At Easter the works were closed for an unusually long time owing to want of material. The condition of the railways is certainly one of the major causes of reduction of output, and if

this is to be remedied drastic measures must be taken by the Ministry of Transport.

Subsidies

It is much to be regretted that the system of subsidies, one of the worst legacies of the war, has not come to an end with the present financial year. Seven subsidies will be paid during the financial year 1920-21, ranging from the Coast Transport Subsidy, just under £1,000,000, to the Bread Subsidy costing £45,000,000, with a total expenditure of £100,000,000, about half that of last year. Several of these subsidies would seem to require explanation. For example, notwithstanding that the recent increase of goods rates was designed, we were told, to put the railways on a paying basis, there is a provision of £23,000,000 under the heading "Railway Agreements." It may be, of course, that this sum represents the cost of making good the excessive wear and tear during the period of control, but no such statement is made. The raising of railway rates would also seem to make it unnecessary to continue the Canals Compensation. Then again, we have the Coal Mines Deficiency, £15,000,000. On the basis of present export prices there should be no such deficiency, and if the present Bill is passed into law, the deficiency of the present year should be recovered in whole or part from companies benefiting from the abnormal export prices. £100,000,000 is more than the total cost of the Navy and Army before the war. Though we are unfortunately growing accustomed to these enormous items, they cannot and must not continue.

Cotton Industry Dispute

It is satisfactory to find that the dispute in the cotton industry was settled without a strike. The operatives put forward a claim for a 60 per cent. rise, though they agreed that 20 per cent. would have sufficed to compensate them for the increase in the cost of living and that the remaining 40 per cent. was demanded on the ground that the industry had made enormous profits. Had they secured the rise originally claimed their wages would have been 292 per cent. above pre-war rates and 150 per cent. over the rise in the cost of living. Compare with these figures the investors' case. The average dividend paid by the mill companies last year was 20 per cent. against the 12 per cent. pre-war. The 8 per cent. increase gives about 40 per cent. to cover the increased cost of living, and it should be remembered that the shares of the cotton industry are largely in the hands of small investors, who are severely affected by the rise in prices. With some difficulty and at a late hour the strike was postponed and negotiations started. The employers had

originally offered $22\frac{1}{2}$ per cent. increase in place of the 60 per cent. demand of the operatives. Yet when the settlement came, it was found that the operatives were content to accept a $28\frac{1}{2}$ per cent. increase, or $31\frac{1}{2}$ per cent. below their original demand, a result which permits of many conclusions being drawn, but perhaps the most obvious is that the general public is likely in future, whatever the dispute may be, to place more faith in the case as stated by the employers than in the case put forward by the employed.

Coal and the Nation

The Government has acted wisely in declining to give a further subsidy to coal, but it would have done better if it had stood firmly against the miners' demands. The burden of the wage increases now falls on the consumers, inflicting "great hardships on thousands of families," as Mr. Will Thorne has reminded us, and in addition severely handicaps all coal-consuming industries and cripples many of them. The miner's wage has risen from 6s. 4d. per ton raised in 1913 to £1 2s. 4 $\frac{3}{4}$ d. per ton raised to-day, thus far outstripping the increase in the cost of living. And only the public must pay. The returns to the coal investors are sternly limited by the State, and even so their aggregate is more than doubled by the last advance to the men of £35,000,000 a year. Putting the dividends at the highest estimate they cannot exceed, and probably do not equal, £15,000,000 a year. The miners' pay, as proved by the Tongue Report, is £225,000,000 a year, to which we must now add £35,000,000, making in all £260,000,000. If under State control a million and more workers with votes can hold up a Government, what is likely to happen if full nationalisation were conceded?

Labour's New Problem

The coal industry is State-controlled and the wage increases which have produced our present misfortunes were conceded by Ministers and not by Parliament. In short, the Government arranged the deal and the people were called on to pay. When business goes into politics constitutional principles and methods become vitiated. Even worse than this, the national interest is subordinated to sectional activity, and nearly all the Labour leaders approved the miners' demands, which in turn received the support of the Trade Union Congress. It would be interesting to know how Labour "solidarity" can be achieved on the lines of the sacrifice of the majority to the demands of a greedy minority. This way dis-union must come unless it be the deliberate intention to let the miners fleece the consumers so that the consumers may be goaded to fleece the employers. But the limit of wage increases under oppressive taxation has been

reached. So the consumers would reach an impasse, the inevitable end would be the closing of workshops and factories and a wide-flung unemployment leading to a grave upheaval. A few among the more responsible of Labour leaders have realised this development and are endeavouring to stem the tide. But if their efforts are to meet with success their ranks must be widened and their propaganda more efficient. The leaders of Labour must discipline their own people. If the trade unions have really at heart the interests of the workers they will deal firmly and courageously with men in any industry who attempt to make war on the community for the express purpose of benefiting themselves.

A Farcical Inquiry

The favoured demand for industrial workers in alleged distress is apparently £35,000,000 a year. The miners obtained this concession only a few weeks ago, and the railway men are clamouring for it to-day. Their increases since 1914 have been so considerable that if their claim were considered on the basis of need or even that of the value of work done it would be resisted. A new principle, however, has been introduced, and we are gravely assured that because the miners and the dockers have had their bounty the railway workers must not be elbowed from the feast. And after the railway men there will be others. Where is the list to end? It is at this point that the Trade Union Congress has the temerity to announce that with the help of the Labour Research Department and a "General Staff" composed of the leaders of the Militant Labour World, it intends to inquire into the cost of living. One might as well appoint the incendiary to conduct a fire inquiry, knowing full well that he would throw the blame on anyone but himself. Doubtless this is the intention that lurks behind this spectacular but wholly unconvincing adventure on the part of the Trade Union Congress. The investing public is to be denounced, the captains of industry, and of course the Government, are to be blamed; anyone and everyone is to be condemned except the workers who have driven up prices by constant demands for higher wages and still lighter output, and the leaders of the unions who have supported the workers and are now seeking to save them and themselves from the anger of the consumers who are paying the price of greed and folly.

Next—The Land

A storm is brewing on the land. Trade Union missionaries and agitators from the towns are busily engaged in creating unrest along the countryside. Every township we are told has

its emissaries from the caucus, and agricultural labourers are being urged to follow the lead of the men in cities and grasp the golden fruit that only awaits gathering. Yet when the cost of home-grown commodities goes still higher, these same emissaries, who by then will have no further interest in the agricultural labourer, will be leading the revolt of their fellow townsmen against the prices for which they and they alone are responsible. Only as recently as last April a weekly minimum of 42s. was confirmed by the Wages Board, now we are confronted with a claim for a 50s. minimum, and if that be granted, further demands are certain to follow. That the land cannot bear these burdens is well known to the Trade Union Movement, but the "madness" is not without method, the end in view is to show that "individual management is inefficient; if only the Nation owned the land and worked it everyone would be happy and prosperous." The business in hand is not higher wages for the labourer only, it is nationalisation pure and simple.

EDITORIAL.

CANADA'S SUGAR INDUSTRY

CANADA'S sugar manufacturing industry is having a very heavy run of business, and it is expected that the production for the year will amount to about 400,000 tons. The consumption per head in Canada is equal to about 90 lbs. per annum, which means that the export business is an important consideration. There is reason to believe that the expansion of the sugar exports will continue for the next few years. The export demand is largely due to the inability of Germany and Austria to meet the requirements of England and France, and the Scandinavian countries. At the outbreak of war Germany's normal production of beetroot sugar was 2,600,000 tons per year. At the present time it is not more than 800,000 tons. The home market in Canada is a very valuable one, containing as it does an assurance of almost unlimited expansion. This may be seen in the fact that every increase of 1,000,000 in the population alone increases the consumption of sugar 90,000,000 lbs. a year. To meet the sugar demands of its population from its own resources, Canada grows in Ontario at the present time some 24,000 acres of sugar beet.

AUSTRALIA'S FEDERAL AND FINANCIAL PROBLEMS

It is now twenty years since the six Australian States became a Federated Commonwealth. During the whole of this period there has been friction and jealousy between the States and the Commonwealth. Fortunately there have been no racial or religious difficulties such as the United States or Canada have had to face. Nine-tenths of the trouble have been financial. The problem, therefore, is comparatively simple.

The British Investor

But it is not a problem of purely local interest. The British investor is directly concerned in the matter because he has lent millions of money to the States and also to the Commonwealth, and this money is not merely the ordinary investment or speculative venture of the capitalist. Imperial and Australian legislation has made Australian Government loans Trustee securities for British and for Australian trustees. Any change, therefore, with existing conditions must be a matter of close interest to all parties concerned. At present each of the six States as well as the Commonwealth has unrestricted sovereign rights of borrowing money, and these rights have been fully exercised.

Effect of the War

Before the war, whatever criticism might have been directed against the Commonwealth on the score of financial extravagance with its revenue and expenditure account, it must in fairness be admitted that the Federal Government had consistently refrained from committing itself to any serious capital expenditure on loan account. During the same period the extravagance of the States in dealing with loan money evoked some criticism and remonstrance. But at any rate there was no serious financial danger. With the outbreak of war the Commonwealth was compelled to follow the example of every other belligerent, and a huge public debt was rapidly accumulated. The States also increased their indebted-

ness, and to-day the total of the public debt, State and Commonwealth, reaches the large figure of £730,000,000 and the population is 5,060,000. Financial pressure now compels the Governments and the people of Australia to put their house in order, and in existing circumstances it becomes apparent what an extravagant and wasteful system it is to have six sovereign States and a Commonwealth Government with seven parliaments and seven governors to manage the affairs of a little over five millions of people.

Australia United

With the irregular mail service at present between Australia and England, and the scanty cable news from Australia, it is not easy to follow in London every movement in the political arena in Melbourne. The *Times* reported last month the debate in the Federal House of Representatives on April 15th, which revealed that all parties were united in desiring constitutional changes in order to enlarge the Commonwealth's authority. Mr. Chapman moved for the establishment of a conference similar to that which drafted the Commonwealth Act. He urged that the time had arrived when the general powers of the Commonwealth should be greatly increased. Mr. Hughes pledged the Government to introduce a Bill with the object of convening such a conference, but explicitly declared himself against unification. The discussion which ensued disclosed that an unexpectedly large number of members were in favour of unification, and the Government had to put up a Liberal to talk out the motion in order to avoid a declaration to this effect. The State Ministries were said to be warily watching these developments and were not enthusiastic about an early conference. Tasmania and Western Australia insist that they must have the same representation as the large States in any such conference. Everything pointed, said the *Times* correspondent, to a fairly radical alteration in the position of the States when once the constitution is placed in the melting pot.

The Melbourne Conference

The latest news from Melbourne (*Times*, May 24th) announces that the State Premiers are assembled in conference in Melbourne, and are working in the greatest harmony with the Commonwealth. While some of the States were said to be exhibiting a jealous concern for their sovereign rights, the New South Wales and Queensland delegations were pledged to unification. Mr. Hughes was reported to be handling the issues with much tact, and the conference was expected to hasten appreciably the election of a popular convention to recast the constitution.

The Australian Constitution

It is easier for an American than for an Englishman to appreciate the difficulties of the position. State rights and State jealousies are easily understood by one who has lived under a system of federal government. To an Englishman accustomed to the supremacy of Parliament it is an effort to remember that in Australia as in the United States the Federal Government and the States can appeal to the Courts of Law to protect their respective rights and privileges. In England Parliament is supreme. In Australia the Constitution is above both Commonwealth and State. Furthermore, under the Australian Constitution it is the electors and not the members of Parliament who ultimately decide the question of a change in the form of the Constitution, and it is significant to remember that the proposals made during the last twenty years for changes in the Constitution have been in nearly every case rejected by the electors at a referendum. But to-day the reconstruction of the federal system of Government in Australia is the most pressing of all the local problems with which Australia has to deal. And, indeed, it might be said that until this question has been decided it is impossible to deal with the financial problems which beset both the States and the Commonwealth.

Constitutional Difficulties

The unrestricted powers of borrowing money now possessed by the States must be taken away. To have seven governments competing against each other for loans on the London money market was objectionable enough before the war. To-day it is dangerous both to the borrower and lender. While it is now easy to see that the existing constitution must be radically altered, it is by no means easy to draft a constitution which will deal fairly with the conflicting interests of the different States, and having drafted it, to secure the approval of the electors. The constitutional difficulties are in themselves considerable, for the constitution provides that there must be a majority of the States and also a majority of the electors of the whole Commonwealth before any change can be legally made. It is true that the assistance of the Imperial Government can be invoked as a *deus ex machina* to bring about a change, but the Colonial Office will naturally hesitate to use its powers and its influence in a matter which primarily concerns the people of Australia.

No Bureaucracy

Whatever scheme is evolved large powers of local self-government must be given to the different parts of Australia, for

it is obviously impossible to attempt to govern a large territory like Australia with a bureaucratic or centralised system. Doubtless the political genius and saving commonsense which are inherent in the British race will secure for Australia after much debate an efficient system of government. Once this is definitely established the benefits both to Australia and to the Empire will be incalculable.

ARCHIBALD SANDERSON.

LAND SETTLEMENT IN CANADA

IN order to ascertain the adaptability of the applicant to fit into Canadian life and make a success of farming, the Soldier Settlement Board has established a careful system of selection of candidates in the Old Country. A Selection Committee is holding sittings in various parts of the British Isles. They inquire into the physical, financial and other qualifications of prospective settlers and issue certificates entitling holders to proceed to Canada to receive training in Canadian methods of agriculture under the direction of the Board. Selected candidates may receive this training by taking a course at a Training Centre established by the Board, or by working with experienced farmers approved by the Board, or by both methods. The length of training in Canada for candidates with little or no previous experience will be two years more or less as may be determined, and, in the case of candidates who have had considerable farming experience in Great Britain, at least one full summer must be spent on a farm in Canada. After training candidates must appear for final examination before the qualification committee. Qualified candidates will be entitled to receive the financial benefits of the Act, but shall be required to make an initial cash payment of 20 per cent. of the purchase price of the property selected. All expenditures incurred by candidates and the cost of subsistence while receiving training must be borne by the candidate. The Board gives free tuition at Training Centres. In addition to other lands already available 100,000 acres of Hudson Bay reserve land in Manitoba, Saskatchewan and Alberta have come into the hands of the Dominion Government and will be used for soldiers' settlement farms. This is the first time that any of the Dominions has adopted this system of selection of emigrants from the British Isles. It is the purpose of the Soldier Settlement Board with the aid of the Selection Committee to secure as great a proportion as possible who are agriculturally experienced. Of the others who apply the committee will select according to the suitability of the candidates for farming in Canada.

DOWNING STREET AND EAST AFRICA

THE CASE FOR THE PRODUCERS

THE history of the currency in East Africa raises questions of wider bearing than the immediate issues involved, vital as these are to the development of the territories concerned, the welfare of their inhabitants, and the production of raw materials within the Empire. It illustrates in unmistakable fashion the inherent defects of Crown Colony administration. The record of the Colonial Office in dealing with the currency—inaction at a time when action was urgently demanded, interminable delay, the absence of any policy save one of drift, and finally an ill-considered and panicky decision when action could no longer be delayed—forms a severe indictment of the whole system of Government by Downing Street.

Colonial Office Inaction

It is not denied by the Colonial Office—indeed, it would not be possible to deny—that grave hardship has been caused to a large proportion of the community by the failure of Government to control the currency. It is not denied that the class mainly affected is the class of greatest public utility, the producing class. It is not denied that, if heed had been paid to local opinion in 1918, the situation could have been retrieved with little or no damage to any local interest. Yet it is admitted that nothing was done until the position of affairs became desperate. No further demonstration is needed to prove that a bureaucracy entrenched in London, out of touch with local opinion in the Colony and largely ignorant of its conditions and needs, is unfitted to be placed in control of its destinies.

Indian Rupee Currency

British East Africa, Uganda, and now the Tanganyika Territory are the only portions of His Majesty's African Dominions upon which Indian rupee currency has been imposed. It is useless now to dwell upon the inadequate reasons that led to

its adoption or the lack of political foresight on the part of the Government which resulted in its retention. Before the arrival of the British in the country there was no legal currency. A certain number of Indian rupees had found their way to the coast, where they circulated jointly with Maria Theresa dollars and other coins, but, amongst the primitive tribes of the interior, currency was unknown and barter was the only method of exchange. By an Order in Council of 1898 the Indian rupee was proclaimed to be the standard coin of the East African Protectorate and of Uganda. The moment was ill-chosen, for by that time the demerits of a coin so unstable in exchange as the rupee had proved, had been brought home to the Government of India, and in the same year the Fowler Committee was engaged in seeking a remedy for the financial disturbances that had resulted from its use.

The Chamberlain Commission

To quote the words of the Chamberlain Commission on Indian finance and currency 1914:—

“The effective establishment of a gold standard was the paramount object which the committee of 1898 set before the Indian authorities. The other recommendations which we have quoted were made only because they were considered to be necessarily connected with that supreme purpose. These recommendations were accepted in their entirety by the Indian authorities. . . . The Indian Act No. XXII of 1899, making the sovereign and half sovereign legal tender at 15 rupees to the £1, gave effect to the first recommendation of the committee. This remains the only statutory provision for the rating of the rupee at 1s. 4d. and has the effect of providing a statutory means of preventing the rupee from rising above the par of 1s. 4d.”

A Sterling Basis

In 1905 the Government of East Africa followed the example of the Government of India, and, under an Order in Council, the sovereign was made legal tender, in the E.A.P. and Uganda, for fifteen rupees. In other words, East Africa was placed upon a gold or sterling basis, at that time convertible terms, with the rupee (which now became a token coin), fixed at the ratio of fifteen to the sovereign or £ sterling, just as the shilling in the United Kingdom is fixed in the ratio of twenty to the sovereign or £ sterling. There was but one difference in the position of the two coins; the rupee was unlimited tender, but, as the Fowler Committee pointed out, the fact that a token coin is of unlimited tender does not destroy its token character.

Effect of Rise in Silver

Upon this basis of fifteen rupees to the £ the whole industry and commerce of East Africa were built up, and so long as sovereigns were available East Africa remained upon a gold or sterling basis. During the war the Imperial Government commandeered gold supplies, so that the sovereign was no longer available for East African use, but omitted to make its substitute—the Treasury note—legal tender in East Africa. At the same time the price of silver rose until the intrinsic value of the rupee over-topped its token value.

A similar situation has arisen in the United Kingdom, where the intrinsic value of the silver coinage is now far above its token value. The difficulty is being met here in the only sensible manner. The ratio of the shilling to the £ sterling is not to be altered, but a new coinage is to be issued of which the intrinsic value will be less than the token value. Had the Government of East Africa taken similar action in 1918, the present disastrous state of affairs would have been averted. For the Home Government, distracted as they were by the crying needs of war, some measure of excuse may be found for their failure to deal with the situation. For the local Government of East Africa it is hard to find adequate terms of censure. No effort was made by them to maintain the legal ratio of the token coin to the unit of value in spite of protests from the white community and detailed suggestions as to the method of achieving this. On the contrary, the subsidiary coin was allowed to dominate the position, to overwhelm the statutory unit of value, and to impose a new standard of value upon the country. East Africa, in fact, passed to a silver basis.

Colonial Office Hesitation

In 1918 the rupee rose to 1s. 8d., and in November, 1919, stood at 2s. At that time the Colonial Office were in favour of the scheme which had been suggested to them, namely, to make the "Bradbury" legal tender, in place of the sovereign, at fifteen rupees to the £ sterling, or 1s. 4d. to the rupee, and to issue a new token coin of lesser fineness. In short, the position that obtained before the rise in the price of silver was to be restored. The scheme had the approval, expressed in unanimous resolutions passed by the Convention of Associations, of an immense majority of the white inhabitants of East Africa, and of the Governors of the two Protectorates of East Africa and Uganda. On November 26th, 1919, the Under-Secretary of State for the Colonies received a deputation of East African producers and promised them relief at an early date from the pressing burden of exchange.

At the same time he advised them to remit no more funds to East Africa at the moment than they could possibly help.

Unfortunately at this juncture interests, apparently more concerned with fleeting profits than with the permanent welfare of the country, speculators in rupees, traders who had been operating on a rising silver market, and banks, nervous for their rupee balances, intervened in the negotiations. The Colonial Office hesitated. No action was taken to remedy the situation, and the rupee rose rapidly, till in January of this year it stood at 2s. 4d.

Faced with Bankruptcy

At the beginning of February the Indian Government announced its decision to stabilise the rupee at 2s. gold, with the result that its sterling value at once rushed to above 2s. 10d. In the meantime the purchasing power of the rupee in East Africa had not increased, except perhaps in respect of a few imported commodities. Labour demanded an increased number of rupees, freights were raised in terms of rupees, and all taxes and railway charges were still demanded in rupees. All local costs of production were thus raised by over 100 per cent., quite apart from the world-wide rise in prices which was affecting East Africa equally with the rest of the world. At the same time the burden of the debtor was similarly raised by over 100 per cent. In short all producing industries in the country were faced with bankruptcy.

Inadequate Relief

At last the Colonial Office were roused to action. The "Bradbury" was made legal tender at 2s. 4½d.* to the rupee and the rate was to be brought back by degrees to 2s.* Owing to the action of the banks in East Africa the transitional period has been dispensed with and the rupee is now stabilised at 2s. or Rs. 10 to the £ sterling. A new token currency is to be issued which the Colonial Office announce is to consist of florins and shillings. Thus a two-shilling piece takes the place of a one-and-fourpenny piece in every relation of commerce and industry, and the stabilisation of the rupee, camouflaged under the name of florin, at 2s. instead of 1s. 4d., is completed.

The measure of relief provided by the Colonial Office has given the hard-trying industries of East Africa a breathing space in which to take stock of their position. But the relief so far afforded is not adequate to the needs of the country, if it is to retain its present position as a producer of raw materials; still

* Sterling.

less adequate is it, if any hopes are to be retained of early development and expansion. All that has been done is to restore the position of November last, when the Colonial Office admitted that remedial measures were urgently called for, and the Under Secretary pledged himself to provide them at an early date. All local costs of production retain an increase of 50 per cent., and the debtor's burden is increased in the same ratio. His position is thus in marked contrast with that of the debtor in all European countries, whose financial position has been detrimentally affected by the war. In all such countries the unit of value has been deflated, and debts contracted in terms of gold are repayable in depreciated currency. In the United Kingdom a debt of a thousand sovereigns contracted before the war can now be liquidated by the payment of a thousand "Bradburys."

Position of Pre-War Settlers

As is the case in all purely agricultural countries, the debtor class in East Africa is in the main the producing class. It is the planter and the farmer who have been obliged to obtain assistance from the banks or private mortgagees for the development of their plantations and farms. Nearly all the pre-war settlers left their estates to fare as best they might without supervision, while they themselves joined up for service in one theatre or another of the war. They returned to find that years of effort had been wiped out by inevitable neglect during the period of their absence, and they have strained their credit to its utmost in the effort to rehabilitate their affairs. Their war bonus now takes the shape of a 50 per cent. addition to their debts, while the rise in the costs of production defers their prospects of liquidating these debts into a future too dim to discern.

To the pre-war settlers have now been added some 2,000 ex-soldiers, who, as a reward for their services to the Empire, have recently been granted land in British East Africa. The cost of their land, the rental, and the cost of development were all calculated by the Government on the old basis of 15 rupees to the £ sterling. The estimate furnished to them of the profits to be anticipated from their industry was calculated on the same basis. Now at one fell swoop they find themselves deprived of one-third of their capital on transfer to East Africa, while their costs of production are increased by 50 per cent. The estimate of profits issued to them thus becomes a sham and a delusion.

An attempt is now being made to adjust matters by the promise of reductions in the rupee price and rental of their land. They are, in fact, to be allowed to pay the original sterling price of their farms at the rate of Rs. 15 to the £. This concession can avail them little. If the increased costs of production

prevent the success of their enterprise, the price and rental of their farms are of little moment. The boon offered is merely the privilege of paying less for the pleasure of ultimate failure. The granting of this relief is itself an admission of the grave injustice that has been inflicted on established settlers, for whom no relief is provided.

Other Classes Affected

Last, but not least, comes the native who, after all, is the biggest producer in the country. His interests are identical with those of the settler. As an independent producer, he is primarily concerned with the rupee cost of marketing his exported produce. As a wage-earner, he is dependent upon the prosperity of the settler. Missionary societies, the only bodies that have yet attempted the moral or technical education of the native, are also affected. Their funds are raised in sterling, and if their activities are not to be seriously diminished, they must now obtain half as much again as before the rise in the rupee, no easy task at the present time.

Imperial Commitments

A remarkable feature in the situation is that Government stand to gain as much as the producing interests by a restoration of the rupee to its former level of 1s. 4d. Before the war, British East Africa had a pleasant nest egg of some £500,000. This sum has been dissipated during the war, largely as a result of the increased cost of administration caused by the rise in the value of the rupee. Last year there was a deficit which had to be borrowed from the British Treasury. Moreover, the Government are committed to a programme of railway, harbour, and road construction, to be carried out at an early date. Loans for such purposes must of necessity be raised in sterling. At a conservative estimate, at least one-half of the total sums so raised must be expended on local costs in Africa.

Let us suppose that these schemes will require the modest capital of £6,000,000. Of this sum, a minimum of £3,000,000 must be transferred to East Africa for local costs, and one-third, or £1,000,000, is at once lost to Government. Further, the contracts of East African officials are drawn in terms of sterling. The Colonial Office admit that if salaries are to be maintained at the same level in terms of rupees, an all-round increase will be required.

There is thus no interest in the country which in the long run can fail to profit by the restoration of the currency to its former basis. All are bound up with the prosperity of the producing interests. No interest need suffer, even temporarily,

for the scheme submitted to the Colonial Office provides for the compensation of those who can prove loss from the proposed measure. An estimate of the sum required for this purpose is £400,000, a sum which would be saved to Government over and over again on their programme of construction and the pay of officials.

Colonial Office Contention

In these circumstances it may well be asked why the Government, who had rightly severed the link between India and East Africa in stabilising the rupee upon a different basis, failed to carry their action to its logical conclusion and restore the legal value of the rupee, at fifteen to the £ sterling. The apologia of the Colonial Office is contained in a letter dated the 20th April, 1920, to Captain Bowyer, M.P., from Colonel Amery, Under-Secretary of State for the Colonies. The letter begins by contending that East Africa was never upon a gold or sterling basis, and continues thus:—

“As a matter of fact the framers* of the 1905 Order in Council were simply concerned with the provision of convenient currency media for higher and lower amounts than the rupee, and the main device by which they met the former need was the introduction of local currency notes. The use of the sovereign was discussed, ruled out, and inserted at the last moment, because it was thought that the growing South African interest would find it convenient. It is quite true, of course, that in India the value of the rupee in pre-war days was maintained by its fixed equivalence with the sovereign. But as far as East Africa was concerned there was no idea, when the sovereign was made legal tender, of using it to fix the value of the rupee. There certainly was no idea of departing from the rupee as the statutory basis of the East African currency system.”

Views of Fowler Committee

A decision upon so vital a question as the currency of the country was reached merely to meet the convenience of a few South Africans. But it is quite immaterial what the framers of the Order in Council had in mind. The only question of importance is what the effect of such a measure must of necessity be. The effect was undoubtedly to keep both India and East Africa upon a sterling basis as long as sovereigns were procurable, a result clearly foreseen by the Fowler Committee of 1898. After instancing France and the United States of America as countries where gold and silver were both circulating as unlimited tender,

* On February 29th, 1920, the Colonial Office wrote to a correspondent:—
“Enquiries have been made with a view to ascertaining, *if possible*, the intentions of the framers of the East Africa and Uganda (Currency) Order in Council, 1905.”

the report of that Committee goes on to say:—"For international payments, so far as specie is concerned, France and the United States depend ultimately on the international medium of exchange, which is gold. In the last resort, it is their gold which, acting through the foreign exchanges, maintains the whole mass of their currency at its normal value for internal purposes." Yet Colonel Amery would have us believe that though India was on a gold basis, East Africa, who had no mint of her own, but borrowed currency from India, was on an entirely different basis.

Major Grogan's Criticisms

But there are other facts that militate against the contention of the Colonial Office. As Major Grogan admirably puts it:—"If this contention be sound, then the East African Protectorate Government and its sponsor the Colonial Office stand convicted of incompetence unparalleled in the history of the governance of British States, for the following reasons:—

"(a) Throughout its history up to the present day (that is two years after the 'escape' of the rupee), the Protectorate Government has kept its accounts, presented its Budgets, framed its Finance Bills in sterling, and even in the last few months has advertised its Land Sales, all on the assumption that Rs. 15 denote £1 sterling. If Colonel Amery's contention be correct, the Protectorate, with the consent of the Colonial Office, has conducted all its finance in terms of a currency not its own.

"(b) The East Africa Currency Board has issued Notes expressed as Rs. 64,83,000, has invested two-thirds of its Reserve in sterling investments and, as late as 25th February, 1920, has presented its monthly statements (General Notice No. 342) in sterling on the assumption that Rs. 15 denote £1 sterling. If Colonel Amery's contention be correct, the Board has always been issuing Notes without any idea or control of the liability that it was incurring.

"(c) The Salary contracts of East African Officials have been drawn by the Colonial Office in sterling, and the Protectorate with the connivance of the Colonial Office has been paying these salaries in rupees at the rate of Rs. 15 to the £1. If Col. Amery's contention be correct, these should have been paid at the current rate of exchange.

"(d) On the 31st July, 1919 (reference Pass. 1709/19), the Crown Agents for the Colonies wrote: 'I have to inform you that, in accordance with our usual practice, the value of the rupee is taken at the fixed rate of 1s. 4d.' The exchange value of the rupee was then about 2s. If Col. Amery's contention be correct, the 'usual practice' of the Government has been entirely wrong. The only excuse offered for the failure to apply the policy which Col. Amery admits was correct is contained in his statement, 'The actual

currency consisted of Indian rupees, for which the natives were unwilling to take paper notes as a sufficient substitute, while the manufacture of a token coinage of lower intrinsic value was a matter of many months.' This excuse however is completely negated by the fact that at the very time when I proposed in the War Council resolutions demanding that the Treasury note should be made legal tender and that East African one-rupee notes should be issued to take the place of Indian rupees the local Government was flooding the Protectorate with locally inconvertible Rupee 1 notes to pay off the Carrier Corps, and a change in the Currency Order in Council was effected to legalise the operation. The further suggestion that the resources of Birmingham applied for two years were inadequate to solve the coinage problem of East Africa, a problem that Von Lettow Vorbeck solved in a few days with a die and some empty cartridge cases, cannot be taken seriously. The ease and speed with which the right action could have been taken any day during the two years of drift is now proved by the ease and speed with which the wrong action was taken when the climax was reached.

"Even the specious and dangerous reason adduced on behalf of the compromise, namely that the 2s.* sterling rupee is the equivalent of 1s. 4d. gold rupee, has collapsed. In England the Bradbury and the sovereign are equal tender. In East Africa by the compromise they are tender at the rate of 3 to 2. But their world rate has been recently 5 to 4! Thus is the compromise already arithmetically damned. It stands however as the first and only official declaration of default by the Imperial Government.

"It is clear from the above that the catastrophe that has befallen East Africa and the Empire which requires her produce is not, as Col. Amery declares, an inevitable effect of war, but is the simple result of the failure of the Government, fully warned and advised, to take any one of the many steps by which all other Governments (except India) have protected their currency systems against the effects of war. This being so, it is unjust that the cost of a belated and ineffective compromise should be piled upon the back of the producing class which carries the country.

"The real remedy which is admitted by Col. Amery and which was applied to Nyassaland and West Africa, namely the retention of sterling as the unit of value with the relation of debtor to creditor kept constant in terms of the unit of value, should be applied now to East Africa and the damage caused to innocent parties by the State's failure should be assessed and distributed over the whole community.

* The sterling exchange with India is now just over 2s. 1d., and the experts foretell a further fall in the price of silver. It is probable that, but for the action of Government in India and East Africa, the rupee would, within a comparatively short time, have fallen to a lower level than that at which it has been stabilised.

“The action itself would create the fund for such compensation from the following sources:—

- (1) *The Currency Note Reserve* (Official Gazette), Feb. 25th, 1920.

With the rupee at 2s. there is a deficit of £240,868.
With the rupee at 1s. 4d. there would be a surplus of £41,898.

- (2) *The Rupee Stock*.

The Government now proposes to call in all rupees in circulation at 2s. If called in at 1s. 4d. there would be a very large profit on repatriation.

- (3) *Loan Expenditure*.

Of the £3,000,000 reported to be available for railway construction at least £1,500,000 must be locally disbursed in rupee payments for native wage, etc., which are static in terms of rupees practically without relation to the value of the rupee. The rupee at 1s. 4d. would save £500,000.

- (4) *State Expenditure*.

A 2s. rupee will involve a 50 per cent. increase in all official salaries, and effects a 50 per cent. increase in all native wages. Reversion to the 1s. 4d. rupee would effect an annual saving of at least £300,000, which at 5 per cent. capitalises at £6,000,000.

- (5) *Revenue*.

With expanding production revenue would increase.

“There is one other point in Colonel Amery’s letter which requires attention. It is the claim that the recovery of control of the rupee at its official rate of 1s. 4d. would ‘upset the whole scale of local prices, and that the whole purpose of the measure would thus have been frustrated.’ Summarised this argument amounts to the strange thesis that ‘to keep down prices you must keep up costs.’ It is refuted by the fact that the Colonial Office proposes to pay East African officials 50 per cent. higher salaries than Nyassaland officials because the East African rupee has been made one-tenth instead of one-fifteenth of £1, while the Nyassaland shilling has been kept at one-twentieth of £1.”

A Suggestion Negatived

Such is the treatment meted out to East Africa by the Colonial Office. Even a minor request as to the form the new currency should take has been refused. It is the experience of all countries that the higher the denomination of the coin in general use the higher are prices prone to be. It was accordingly suggested to the Colonial Office that florins should be eliminated from the new currency, and that no coin of higher denomination than the shilling should be minted. This suggestion has been brushed

aside on the ground that it takes twice as long to mint the requisite number of shillings as to mint the requisite number of florins. So after the procrastination of the last three years, this trifling delay is to outweigh the permanent interests of the Colony.

Resources of East Africa

Yet East Africa deserved a better fate. The three territories of Uganda, Tanganyika, and the East African Protectorate together form an almost unrivalled field for the production of raw materials. With a soil of amazing fertility, a rainfall usually ample, infinite variety of altitude, and a supply of native labour which, if properly organised, would suffice for the needs of the country, there appears no limit to the possible expansion of these territories. Cotton, copra, coffee, flax, maize, rubber, sisal hemp, sugar and wheat are amongst their products. There are vast forests of some of the finest timber in the world. Cattle, sheep and pigs all thrive. Above all, the highlands provide an equable climate where the white man can settle and retain his health. If the necessary stimulus be applied, if the relief so far granted by the Colonial Office be followed by an ampler measure, production is bound to increase immediately, and the country will progress with rapid strides. Revenue will improve, the deficit of £375,000 will be wiped out, and the drain on the British Treasury cease.

If the decision of the Colonial Office be taken as a final settlement of the case, a staggering blow will be dealt to all producing industries from which they will take years to recover, and then only if prices are raised against the British consumer and manufacturer. The deficit resulting from the high rupee cannot be met by further taxation of industry that is perishing under the high rupee, and East Africa is compelled to rely upon grants-in-aid from the Imperial Treasury.

HAROLD JOWERS

(Secretary Associated Producers of East Africa and Uganda).

NEW ZEALAND FOR THE BUSINESS MAN

LET us assume that a man of some business experience, with a small capital, is contemplating emigration, perhaps for the sake of a growing family. He has no personal inclination towards any special colony, provided he can make a living in comfort. Here are some particulars about business conditions in New Zealand, which may help him to a decision.

Capital

A fair start may be made by a small capitalist in several ways. He may bank his savings (which, by the way, will bring him better interest than in the Old Country) and take a position where he can learn local conditions. He may enter into partnership (all due safeguards being observed) with a well-established business man, who requires investment of capital more as an evidence of good faith than as monetary support. If able to adapt himself quickly to local conditions he might buy up a soundly established business. He may take shares in a co-operative concern, connected with his own particular line of work, a good way to obtain a footing in the land of his adoption. New Zealand does not offer such a wide field for investment as the Old Country, except perhaps in mining industries; and residence of a few years is desirable before launching out in that direction.

Government Advances

In certain conditions *bonâ fide* settlers, either for business or farming purposes, are lent sums by the Government to start their enterprises. These are repaid by yearly payments extending over a term, which may be shortened by reducing the principal through payment of lump sums. The "sinking fund" principle is applied, by which, from each yearly payment part goes to redeem the principal and part to interest, until the former dwindles to zero. Buildings, business goodwill, or property are

examples of the security required by the State. It should always be remembered that taxation in New Zealand, in spite of a large measure of Protection for local industries, is by no means oppressive. In pre-war times Income Tax was levied on incomes over £300 only, and even now, I think, the figure is no lower than £250. There is an excess profits tax, but allowance is made for expenditure on buildings or in connection with the business. The Customs are the most serious consideration for the importer, but even so dues are not excessive for a young country.

Openings for New Businesses

If the new-comer does not wish to expend his savings in buying a business, he may look round for a good opening to commence on his own account. For this a growing country township would be most suitable, preferably with good communication by rail or sea. Here the general store, an American product, is a money-making proposition, chiefly on account of a system of exchange, by which the shopkeeper collects farm produce and supplies other articles in its place. A small farm of his own is also a good asset. It should adjoin his place of business, so that he may run the two at the same time. Of course he must be prepared to stock all lines, from ready-made suits to milk-pans, from ribbons to semolina. These remarks do not only concern the retailer, for most of the large storekeepers engage also in wholesale trade.

Industries and Manufactures

New Zealand possesses facilities, especially in the matter of water-power for electricity, for various manufactures. Her woollen products are known the world over, and are always capable of further development. The frozen meat industry has valuable by-products, such as tallow, and Messrs. Lever Brothers are in the field already with large soap works. Paper, boots, and other leather articles may be profitably manufactured, while many branches of the timber industry still flourish. New Zealand rimu, kauri and tobara woods are splendid for building purposes. Before the war, a movement was set on foot to establish a cotton industry in the west coast of the South Island, which possesses both coal and gold deposits, besides a humid climate. Raw material was to be brought from India and the Southern States of America (viâ Panama). This scheme has not, however, developed. Commission agencies have always been profitable in New Zealand, as one would expect in a country which has to import everything in the way of luxuries and practically all manufactured articles. For whatever line of business is undertaken, a good system of account keeping is necessary, as the

Government requires many and accurate returns. If a skilled bookkeeper is not employed, it is customary for local chartered accountant firms to undertake the business books for an annual payment.

Railway Communication

Until a few years ago, the chief means of communication between the various parts of the two islands which comprise the Dominion was by sea. The North Island now, however, possesses a fine trunk railway between Auckland and Wellington, while the latter city is also connected with the Taranaki dairy province on the west coast. The trunk railway in the South Island, when completed, will run from Picton (on Cook Straits) and Blenheim to Nelson, thence to the mining district on the west coast, and on through the Arthur's Pass Tunnel to Christchurch, which has already a fine rail connection with Dunedin and Invercargill. Various sections of this system are completed and in use. In addition to these two large systems, there are many short coastal lines of from 30 to 60 miles in length, which act as feeders for smaller ports. These may eventually be linked up with the larger systems, but the mountainous nature of the country is a source of considerable expense, involving tunnelling, bridging, and embankment work on a considerable scale.

Shipping

The Union Steamship Co. of New Zealand, with its widespread activities over the Pacific, has done much to develop both the internal and external trade of the Colony. It maintains services with Australia, the Straits Settlements, San Francisco, the various large Pacific island groups, Honolulu, and Vancouver, besides meeting local requirements by an excellent coastal service. The Huddart Parker Co. plies between Australia and New Zealand (shortest route occupying $3\frac{1}{2}$ days) and there are various small local companies. Many of New Zealand's harbours are tidal, but Auckland, Wellington, and Lyttelton (port of Christchurch) are unrivalled in their magnificent anchorage accommodation. They are all practically landlocked, but quite easy of entrance. The harbours of Dunedin, Bluff (Invercargill), Nelson, Napier, and others have been made available for ocean-going vessels of deep draught. Picton, at the head of one of the famous Marlborough Sounds (north coast of South Island) also possesses great natural facilities.

Roads and other Facilities

The roads in most parts of the South Island and in the southern and central parts of the North are well laid out and

maintained. Motor coaches have nearly everywhere superseded the horse vehicles, and motor lorries convey wool, grain, fruit and flax in large quantities from the back country to railway stations and ports. The telephone system throughout the country is excellent, and by an extensive system of party lines, many isolated residences and farms are linked up with large centres of population. The charges are reasonable, so that this inestimable boon is practically within the reach of all. Electric light and gas are both used in most of the cities, and even in small towns and villages. Electric power is freely employed in local industries, and up-to-date machinery, such as milking machines, steam ploughs, etc., in farming districts.

Adaptability

This word sums up the necessary equipment for the "new chum." He will probably be brought face to face with new methods of work; he must approach them with an open mind, accept and use to his own advantage what is good in them. Comparisons are truly odious, but the colonist will always be inclined to call the "home-bred" worker old-fashioned and mechanical, while he, in his turn, may be accused of carelessness and superficiality. There are, happily, many exceptions on both sides.

J. M. COULTER.

NEW HOMES FOR WAR WIDOWS

THE Agent-General for Western Australia has been authorised by the Government of that State to arrange for the emigration of the following classes of British war widows and children:— (1) Widows of ex-soldiers, with or without children, who are in receipt of pensions payable by the Imperial Government. (2) The orphan children of ex-soldiers between the ages of 9 and 16 years, who are in receipt of pensions payable by the Imperial Government. All war widows and children, as above, who are approved as emigrants by the Agent-General, will be entitled, through the Imperial Overseas Settlement Committee, to free passages from Great Britain to Western Australia. A matron or nurse will be placed in charge of each party on the voyage, and on arrival of the steamer in Western Australia the Immigration Officer will attend and take over all care and responsibility for the women and children on behalf of the State. Applications for passages must be approved by the Agent-General.

EMPIRE TRADE NOTES

CANADA

PIGS sold off Canadian farms in 1919 exceeded 16 millions sterling in value. More than 40 per cent. went direct from the farm to the packing plants.

DURING the past five seasons an average of nearly 5,000,000 trees per year have been distributed among farmers in Western Canada from the government nurseries at Indian Head, Saskatchewan, and the average number of prairie farmers receiving these annually is 4,405. Since the nurseries were established in 1901, 53,142,400 seedlings and cuttings have been distributed through the prairie provinces. These trees are distributed free and are intended for decorative and protective purposes.

BRITISH Columbia is now producing 645 tons of paper daily, or about 7,000,000 tons annually—eleven years ago the province was not producing any paper. The progress made in the last eleven years is being maintained, so that during the next few years a considerable increase in the pulp and paper industry of the province is anticipated. British Columbia produces 14 per cent. of the pulp and paper manufactured in Canada—the second largest paper-producing country in the world—at the present time, being the third largest producing province. Quebec produces 24,000,000 tons and Ontario 21,000,000 tons annually.

DURING 1919, 360,081 tons of coal were produced from fifty-one mines in Saskatchewan as against 336,000 tons in the previous year. A total of 403 miners were employed last year as compared with 264 the year before. The total consumption of coal in the province is estimated at 1,650,000 tons.

THE Manitoba forest area examined to date according to official figures is 46,272 square miles, containing approximately 25,000,000 cords of timber, of which 30 per cent. is poplar, 29 per cent. jack pine and 16 per cent. tamarac and birch.

NEARLY £500,000 worth of herring were caught in February in the waters surrounding Vancouver Island, British Columbia. Vast schools of this fish frequented the Nanaimo, Alberni and Clayoquot districts. Of the total of 353,112 cwts. 197,520 cwts. were dry salted.

THE growth of the live stock industry in Alberta during the last seven years is partially indicated by the expansion of the

public live stock market business at Calgary and Edmonton yards. During 1913 only 7,640 horses, 34,422 cattle, 26,139 hogs and 17,051 sheep were offered for sale at Calgary, while in 1919, 31,000 horses, 215,000 cattle, 81,000 hogs and 68,000 sheep passed over the scales. The greater part of the cattle and sheep receipts at Edmonton during 1919 consisted of stockers and feeders. Total receipts showed an increase during 1919 over 1918 of approximately 15,000 cattle, 2,300 calves and 11,700 sheep.

FOR the season of 1919 the prairie west in Canada produced five-sixths of all the wheat produced in Canada, considerably more than half the oats, two-thirds of the barley, nearly three-fourths of the rye and within a small fraction of all the flax.

WITH a capital of £120,000 the Vancouver Island Whaling Company has been formed to carry on whaling on the British Columbia Coast and to manufacture fertiliser from fish offal. Returned soldiers will be employed wherever possible. Headquarters will be established at Victoria, British Columbia, and a plant established on Barkley Sound. Options have been secured on steel vessels and whaling will start this summer.

THE province of Quebec is the world's chief source of asbestos. The Canadian province is producing 85 per cent. of the total output of this mineral. Russia is the chief producer outside Canada, the asbestos being mined in the Ural district. The present workable deposits in Canada are, with the exception of the Danville Quarries, confined to the townships of Broughton, Thetford and Coleraine in East Quebec. The total length of this productive serpentine belt is 23 miles, with a width varying from 100 feet in the extreme easterly part to 6,000 feet in the Rock Lake area. The demand for asbestos is greater than the supply. Varying with the grade the prices range widely. Canada's total production in 1917, the last year for which figures are available, was 153,781 tons, representing a total value of £1,446,815.

THE statement published recently that £20 an acre paid for 640 acres of land near Nobleford, Alberta, was a record one for that province, has caused several correspondents to send instances of equally high prices paid during the last two years. In the spring of 1918, 65 acres of land adjoining the town of Barons, Alberta, were sold for £20 per acre. The same spring 145 acres near that town were sold at the same price. In the same district, in 1919, a half section was sold at £20 per acre. Still another transaction was that of 45 acres at over £23 per acre.

WITH fishermen abandoning nets for trapping, Indians and even miners on the trails of silver foxes, beavers, minks, martens, wolves and musk-rats, Northern Manitoba is enjoying a record-breaking fur-catching season. Musk-rat skins are realising high prices, and it is calculated that £800,000 worth of furs will have been marketed this season.

IN 1919 Ontario produced 31,900,000 lbs. of butter valued at \$17,575,000, 102,700,000 lbs. of cheese valued at \$27,729,000, milk and cream for the city trade, the ice cream trade, and

manufactured into butter on the farm \$25,000,000, condenseries and milk powder factories \$10,000,000, a total value of \$80,274,000.

THE Ontario Minister of Mines, speaking at the Canadian Mining Institute, stated that classes would be established in various sections of the province for the education of mining prospectors, who would be provided at cost with blue prints and geological maps. The government, he said, intended to further help prospectors by appropriating £2,000 for the opening up of trails and streams. Returned soldiers will receive special assistance.

IN his agricultural report for the last fiscal year the Dairy Commissioner for Saskatchewan shows the remarkable increase of 18·70 per cent. for the province in dairy production. Though ninety-seven cars of butter were reserved for home trade a total of 2,425,000 lbs. of butter went to outside markets. The total value of the dairy products is given as \$3,180,622.

THE wool clip of the province of Alberta in 1919 totalled 2,115,000 lbs., and its approximate value was \$1,225,000. Of this total quantity 1,463 lbs. were sold to the Canadian Co-operative Wool Growers' Association, the greater part of the crop going to the United States.

IT is reported that a 13,000-acre tract of valley land south of Golden, British Columbia, has been purchased by United States ranching interests, and will be stocked with range animals. Before irrigation was introduced the Columbia valley was entirely given over to ranching, and now many large non-irrigable tracts will provide winter and summer range for thousands of cattle, and the resumption of the cattle industry there is a development that has been expected for some time.

A REPORT just issued by the Canadian Bureau of Statistics shows that there are 1,183 flour mills in Canada, of which 622 are in Ontario; Alberta has 53; British Columbia, 5; Manitoba, 46; New Brunswick, 52; Nova Scotia, 37; Prince Edward Island, 27; Quebec, 284; Saskatchewan, 57. The total value of the products at the point of production amounted to \$261,000,000 for the year.

BUILDING to the extent of five million dollars will be undertaken by the city of Calgary during the spring and summer. This includes \$200,000 on new schools, a large sum on a new Normal School and Institute of Technology and Art; and \$200,000 on the Exhibition Branch.

AUSTRALIA

DURING the last month of last year there was a slight fall in food prices throughout the Commonwealth of Australia as compared with the previous month, but a slight rise as compared with the corresponding month of the previous year. Of all the six States of the Commonwealth Western Australia showed the largest decrease (2·8 per cent.), due mainly to the fall in the costs of meat and dairy produce. It is also noteworthy that Western

Australia's increase in the cost of food since the outbreak of war has been the lowest, the figures for the six States being as follows: Queensland increase, 83·8 per cent.; New South Wales, 63·8; Tasmania, 60·5; Victoria, 55·6; South Australia, 46·0; Western Australia, 26·8.

A NEW organisation, called the Country Promotion League, has been formed in Sydney. Its objects are: To increase production by encouraging settlement on the land, through improved conditions of living in the country. To improve the methods of cultivation, including irrigation, by using every possible means. To give increased facilities for marketing produce, thus eliminating waste and economic loss. To institute and encourage community settlement and co-operation among settlers on the land.

A DEPUTATION representing the Victorian branch of the General Textile Workers' Federation of Australia and the Australian Cotton Company have asked the Government of New South Wales to interest itself more actively in the cultivation of cotton with a view to fostering a new local industry. The Minister for Trade promised to guarantee a remunerative price for cotton in Queensland and elsewhere for the next three years and assured the deputation that its representation would receive serious consideration.

A DISCOVERY of gold at Craven Plateau, near Craven Creek, about twenty-five miles from Gloucester, has been made by Mr. Albury, while prospecting in the district. The Inspector of Mines states that the reef, which averages from twelve to twenty inches in width, contains a quantity of sulphide ore, and has the appearance of being permanent. The discovery is one of importance to the mining industry of the State, and further prospecting may disclose other reefs of a payable nature.

FREEZING works, abattoirs and saleyards are in course of erection at Fremantle, for which an expenditure of £110,000 has been agreed upon already. Works are also being erected at Carnarvon, and it is anticipated that an immense benefit will accrue to stock-growers in all parts of the State when these various works are in full operation.

SUGAR-BEET growing is to be tried in Western Australia. Commenting on representations recently made to him as to the possibilities of growing beet for sugar-manufacturing purposes, the Premier said: "There seems to be no reason why the industry should not be established here. We should be able to produce every pound of sugar we want in the State for our own use."

ACCORDING to an official report, the State Butter Factory in operation at the State Farm at Denmark has proved very beneficial to the settlers in the district. During the last quarter of last year, 13,713 lbs. of butter were manufactured from 28,720 lbs. of cream sent in by the farmers, who received 1s. 7d. per lb. from the butter factory.

AN interesting development in the relations between Australia and the United States has been the interchange of visits of parties

of lads representing the Young Australia League of Western Australia and the Columbia Park Boys' Club of California. A fourth party of fifty lads from the latter institution recently arrived in Western Australia. The outcome of these visits will probably be the further opening up of the State by settlers from the United States.

THE Agent-General for Western Australia, referring to the recent gold discovery at Lassgowrie, observes "this particular find is thirty miles S.E. of the famous Kalgoorlie field, is nearer to the Hampton Celebration Lease than Kalgoorlie, and should be considered in relation to the Hampton Plains developments. It is important to remember that all these later finds have been made on a great auriferous area, about seventy or eighty miles in length, which embraces the Eastern Goldfields and extends from Norseman on the south to the recent rich discoveries at Broad Arrow on the north."

NEGOTIATIONS have been practically completed for the purchase by the State Timber Mills Department of Western Australia of all the timber concessions held in that State by the South-West Timber Hewers' Association. The State is acquiring the whole of the properties, including 16,000 acres of freehold timber land and 38,000 acres of timber permits, together with leases, plant, railway lines, etc.

THE Government of Western Anstralia has been officially informed that the Imperial authorities have agreed to allocate 1,600,000 cubic feet of insulated shipping space for the carriage of fruit from Australia to Great Britain. They have promised to review the matter later, if they can do so consistently with their obligations respecting shipment of other refrigerated produce.

SOUTH AFRICA

THE mineral output of the Union of South Africa for 1919, according to official returns of the Mines Department, was valued at £50,841,405, an increase of £3,621,872 compared with the year 1918. The enhanced value of diamonds was responsible for a difference between the two years of £4,276,716.

DETAILS of the diamond output are now published. The total sales for the Union were 2,647,228 carats, valued at £12,084,629. The increase on the year 1918 was in carats 5,296, and in value, owing to the appreciation of diamonds in the past year, £4,851,885. Of the total, Kimberley produced and sold 1,454,066 carats, valued at £5,940,398; and Pretoria 798,706, valued at £2,201,372. The Free State sales amounted to 221,597 carats, and realised £1,495,843. The year does not constitute a record in output or in value. The record is held by the year 1913, when 5,537,820 carats were sold, and £12,988,883 obtained. From the return of revenue receipts for the nine months ending December 31st, it appears that the export duty on diamonds has yielded in the period stated £1,002,000, as compared with an estimate for the year of £800,000.

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THE Trade Commissioner for the Union of South Africa reports that the cotton industry in the Union is making rapid progress, and although during the present season a number of fields have been destroyed owing to the wet weather and other unforeseen accidents, it is anticipated that the crop will be considerably larger than last season, which totalled approximately 460 bales. The Chief of the Cotton Division of the Department of Agriculture has informed Mr. Canham that the interest in cotton growing is spreading rapidly all over the country, and farmers are setting aside fairly large areas of land for the purpose. One farmer, for example, who has now 200 acres this year under cotton expects to plant 1,000 acres next season, whilst others are expected to largely increase their cotton areas. A number of companies are at present in course of formation for the purpose of planting cotton.

IN the first quarter of this year 129,275 lbs. of ostrich feathers, valued at £350,720, were imported from South Africa, against 174,014 lbs., valued at £489,750, in the corresponding three months of 1913.

SCARCITY of shipping has affected the output and export of asbestos, but large quantities have, nevertheless, been shipped to the United Kingdom, Australia, Japan, America, France, and East Africa, in the order named. The local supply is practically inexhaustible, and as the quality of the fibre is such that it finds a ready market in Europe there should be a considerable increase in production when freight is available. The value of the 1918 output was £54,037.

CORUNDUM to the value of £45,139 was exported from South Africa in 1918, an increase of £11,500 over the previous year. Exports were chiefly to the United Kingdom, America, Japan and East Africa. Production started in 1912 with an output valued at £659. The corundum deposits of the Northern Transvaal are said to be the largest and most important in existence so far as is at present known.

THE exports of graded grain, etc., from the Union of South Africa during the six months ended December 31st, 1919, were as follows:—Maize, 698,102 bags; oats, 23,976 bags; beans, 7,865 bags; maize-meal, 857,757 bags; Kaffir corn, 39,857 bags; peas, 300 bags; lucerne seed, 4,455 bags; hominy chop, 3,298 bags; rye, 3,104 bags; barley, 8,384 bags; millet, 309 bags. The stocks on hand at all ports as at December 31st comprised 70,001 bags maize, 563 bags oats, 969 bags beans, 480 bags rye, 264 bags millet, 2,527 bags hominy chop, 202,852 bags maize-meal, 12,796 bags Kaffir corn, and 59 bags lucerne seed.

DURING 1919, 285,367 quarters of beef were exported from the Union, as compared with 123,354 quarters in 1918, 309,214 in 1917, and 115,992 in 1916.

IN Natal the sugar industry is in a very prosperous condition. Several new factories are in course of erection. The new machinery required will involve the expenditure of about £200,000.

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PROBLEMS OF INDUSTRY

The Floating Debt

IN all discussions of our present financial position the problem of the funding of the Floating Debt looms largely. That the Chancellor and his officials should be extremely anxious to solve the problem is but natural seeing that the Floating Debt is of great inconvenience to the Treasury. Day by day Treasury Bills are falling due and must be met, either by surplus revenue or by the sale of further Treasury Bills or by the Ways and Means advances. On June 5th the Floating Debt amounted to £1,305,854,000, a reduction of over £236,000,000 as compared with June 7th, 1919. Of this sum over £176,000,000 consisted of advances by public departments. By this is meant, presumably, uninvested funds held by departments such as the National Debt Commissioners and the National Health Insurance Commissioners, and do not represent a creation of credit. But the advances by the Bank of England are pure credit on which in time the Joint Stock Banks are enabled to build a further structure of credit, as regards Treasury Bills, these are paid for largely by a manufacture of credit.

Capital and Labour

Roughly, £1,000,000,000 of the Floating Debt is credit, and its redemption the cancellation of purchasing power to that extent. It must be emphatically pointed out that this credit can only be deflated by a gradual process in which individuals, either by means of taxes or loans, transfer to the Treasury a portion of their purchasing power to be used for the extinction of the Floating Debt. This can only be accomplished out of surplus

income; it cannot be effected by any process of juggling with capital, a conclusion too often deliberately obscured by sections of the community animated by a desire to punish capital at all costs, and who see in this question a chance of rousing an ignorant public opinion against capital and capitalists. Inasmuch as these persons persuade themselves that they are conducting their campaign for the benefit of the workers, they are very much deceived. A levy on war profits or on capital generally at this moment, or a punishing and drastic system of taxation, will lead to so rapid a cancellation of purchasing power as to bring about a trade collapse, and a trade collapse means widespread unemployment and the greatest hardship to the workers. Such a collapse, we are warned, is already threatening; it must be avoided at all costs. The time is fully ripe for another great campaign for increased production. The workers profess, or rather their extremist leaders profess for them, that they are utterly weary of "the parrot-cry of more production." This "weariness" is probably due to the fact that the arguments for that increased production are unanswerable. Heedless or malicious schemes for penalising capital at this moment will ruin the productivity of the country and prevent the all-important restoration of credit. Deflation of credit must be gradual if economic disaster is to be avoided.

Decline in Prices

The suggestion is widespread that we are about to see a rapid fall in prices, and the suggestion is not made without supporting evidence. One sees on all sides the beginnings of a general determination to abstain from the purchase of everything but absolute necessities; the same phenomenon is visible in the United States and other countries. The theatre trade, often an excellent index to the spending mood of the public, is experiencing a slump. Many luxury trades confess to a sharp weakening of demand. Certain essential raw materials—copper, tin, spelter and lead, have fallen considerably in price. There is distress in the boot trade caused by the cancellation of foreign contracts, due to the rate of exchange. It was inevitable, indeed, that the decreased purchasing power of money, the terrific taxation which the Budget taught the community it must expect for a long time to come, should warn the consumer that he must economise drastically.

A Malicious Doctrine

The extremist leaders of British labour no sooner noticed the signs of the times than they began preaching a most deceitful and dangerous doctrine. They declared that this potential slump

is caused by over-production, and they cite the boot trade as an illustration. As a matter of fact, the demand for British boots is as great as ever, but the rate of exchange is an impregnable obstacle to many foreign countries. It is hardly an exaggeration to say that there is no over-production in any commodity in any part of the world. It is simply the intolerable scale of prices which will have brought about, if it occurs, grave industrial depression. High prices are caused largely by the cost of production, and the cost of production is mainly due to wages and inadequate output. The workers must be taught incessantly and courageously that if they are to maintain their present wages and possibly to increase them, they must enormously increase output. That is the only way in which prices can be brought down; that is the only way in which the consumer can once more be persuaded to spend his money. The workers' prosperity depends almost entirely upon the consumer's goodwill. If by unreasonable and abnormal wage demands and the refusal to exert himself to the full, the worker maintains prices at their present level, the consumer will simply keep his purse in his pocket. There has been no more unscrupulous example of extremist tactics than this attempt to persuade the worker that he has been producing too much. No doubt in most cases it has been done deliberately to confuse and irritate the worker, to maintain and increase industrial unrest, and to manure the soil from which it is hoped revolution will spring.

Direct Action Again

That uneasy spirit, "Direct Action," is walking abroad once more. It is about to be applied in the form of an embargo in the Government of Hungary. It has already been used to prevent the despatch of munitions to Poland. Extremists are proposing to take Direct Action to prevent an increase of rents, to bring down the cost of living, and lastly and most important, to settle the Irish question in favour of the rebels. It is an excellent lesson to those optimistic persons who fatuously assumed that because after a confused, uncertain debate a Trades Union Congress passed a resolution against it, that therefore this new and fascinating conception had been eradicated from the workers' minds. Nothing could be more inaccurate. It takes more than a vote and a few credulous optimists to lay so formidable a spectre.

The Irish Position

The Irish position is extremely difficult and delicate and is quite as likely to break as to strengthen the solidarity of labour. Rather more than half the railway workers in Ireland have refused to handle munitions or to work troop trains. A large

proportion of the remainder is believed to be extremely hostile to Sinn Fein, but the Sinn Fein section has asked the N.U.R. to support it by the whole resources of the Union. Mr. Thomas, who is seen in his true perspective when it is a case of hunting with the hare and running with the hounds, seemed to be wavering on the point, until the Prime Minister gave him and his friends one of the sharpest and most uncompromising ultimata ever delivered to Trade Unionists in this country. The N.U.R. referred the matter to the Triple Alliance and the Triple Alliance prudently referred it to the Parliamentary Committee, who in turn handed it over to a special Congress of the whole Trade Union movement. Obviously no one very much likes to touch so dangerous a thing. This is not to be wondered at, for so long as Labour leaders retain a modicum of sense they will do well to regard Direct Action as the greatest peril for the prosperity of their rank and file. Even if the majority of the country were against the Government's Russian or Irish policy they would be still more opposed to the conduct of foreign policy being transferred to the Dockers' Union or the N.U.R.

Constitutional Government

The whole object of constitutional and representative Government is that it should not be necessary or permissible for any section to take independent action against the government of the country. At periods of five years for certain, and very often at much shorter intervals, every elector has the right to record his or her opinion as to which political party should be entrusted with the administration of the affairs of State. But attaching to the vote is the proviso that whatever the result may be the electorate agrees to bow to the rule of the majority. That is an essential principle of democratic government by which the workers have been able to consolidate their position and improve their condition. Take away this safeguard, and extremist sections could compel the Government to continuous referenda, every act of the government would be challenged and the result would be chaos.

Trade Returns

The trade returns for May are extremely encouraging and form a curious contradiction to an otherwise depressed industrial situation—a rich harvest from stony ground. Our apparent adverse balance has been reduced to £27,000,000, but as it is estimated that shipping alone will bring in a profit of £500,000,000 in a year, it is obvious that our invisible exports have more than wiped off this deep deficit. It is probable that for May we had a favourable balance of at least £13,000,000, with which we paid

off part of our war debt due to foreign countries. The industrial community is unanimous in deciding that our output might be vastly higher, but it is obviously already considerable and increasing. The unemployment percentage was down to 0·9, the lowest ever recorded in peace time, and that again is a curious accompaniment to acute industrial unrest. Even if the strike figures for this country are compared with those abroad, the result is highly favourable to this country.

The Economic Limit

Industrial unrest is a world-wide phenomenon; in some countries, notably Italy, it is approaching the point of quasi-revolution. France also has narrowly escaped a general strike. The future of this country is in the hands of the workers. Either they will be converted to revolutionary extremism and the country ruined, or they will awaken from that evil dream and find in co-partnership, payment by results, and a spirit of conciliation between employer and employed a means of realising the richest harvest ever reaped by any country in history.

National Wages Board

In the Report of the National Wages Board on the claims of the railway men the Board express the view "that the settlement should not be disturbed for such period as will facilitate a return to that stability of industry and commerce which is so necessary to the well-being of the community." The Cabinet, we are told, has been deeply impressed by this and other observations in the report. We hope that the Government are not merely impressed, but are determined to devise some better method than the present slipshod, unscientific, illogical system of bartering to a settlement claims for higher wages. As a result of the recent award to the railway men, rates will have to be greatly increased, and it is highly probable that at least 15 per cent. will be added to the cost of passenger railway tickets. It was the same old story—the employee demanded, the employer resisted, and the official body arbitrated, compromised and bartered to a settlement, grudgingly accepted by both sides. It is impossible to imagine a more hazy and unconvincing method of settling these disputes.

A Stand Necessary

The Ministry of Transport frankly admit that the possibility of an economic limit when increased charges do not bring increased revenue, is within measurable distance of attainment. At the time of the Whitsuntide holiday the Press drew attention to the fact that the public seemed determined not to use the

railways if they could possibly help it. How much more will that reluctance be emphasised if the price of railway tickets is raised another 15 per cent. It is highly probable that the gross revenue of the railways will fall in spite of this increase, just as it would seem to be more than likely that the effect of raising the cost of sending a letter to 2*d.* will persuade the public either to use post-cards or to limit, so far as possible, their correspondence. Yet the railway men are already meditating another demand, and the miners are proposing to ask for such an increase as will absorb all the mine-owners' profits accruing from the recent increase in the cost of coal. Those demands will most certainly be supported by the threat of strikes. The Government will then have their backs to the wall. By an extremely opportunistic policy they have postponed the evil day. The hope that no further increase would be demanded has never fructified. It is high time that steps were taken to convince the workers that these demands are not merely unreasonable but are bound to end in serious hardship to themselves. The moment to make a stand has arrived.

The Gas Industry

We hope the Gas Bill now before the House will have a quick and easy progress. No industry has been harder hit by the war than the gas industry, and but for some such relief as is afforded by this Bill the position will become intolerable. We have not space to refer at length to the services rendered by the industry to the community during the war. Suffice it to say that Lord Moulton, the Director of Explosives Supply, stated that "but for the efforts of the industry the war would have been lost within a short time." The by-products—benzol, toluol, dyes and motor spirit, creosote, road tar and carbolic—saved us during the war; they are equally essential for our economic victory in peace. If our dye industry and chemical trades, many of them still nascent and insecure, are to thrive, it is necessary that the gasworks should carbonise coal.

Financial Position

The gas industry is one of the most vital of key industries, yet at present it cannot return more than three per cent. on the capital invested, with the result that though money is urgently needed for repairs and extensions, it is impossible to attract the investors' money on such terms. This has been due, of course, to the fact that no industry was more rigorously controlled by the Government. In some cases the dividend is reduced automatically as the price of gas is raised. In others there is a fixed maximum price and dividend. These regulations were fair enough before

the war, both to the industry and the consumer, but since then the cost of production of gas has gone up enormously. Coal, wages, freight, repairs, everything is double or treble in price, with the result that the gas industry cannot possibly pay its way. It is obvious that these standard and maximum prices and rates must be revised in the Gas Companies' favour. In some of the largest companies the depreciation of the capital value of the industry amounts in the aggregate to something like £50,000,000, equivalent to between thirty per cent. and forty per cent. of their pre-war value; and, be it remembered, this is an industry which is supported more than normally by the money of quite small investors. In the interests both of the community at large and of the heavily penalised investor, it is time that the gas industry was treated reasonably and generously.

Taxation of War Wealth

The Select Committee appointed "to inquire into the proposal to impose a tax on war-time increases of wealth" were careful to place on record that a yield of £500,000,000 was the minimum that would justify the imposition of a tax of this character. Yet, in estimating the yield of their amended scheme, the Board of Inland Revenue did not take into account the loss of income tax, super-tax, and death duty that would result from a tax on war-time wealth, the reason given for this omission being that they did not think the loss would be heavy. Here we join issue with the Board, and we should not be surprised to find that the loss of revenue from these sources weighed heavily with the Financial Committee of the Cabinet, to whose judgment the scheme was referred before it came up for final decision by the Cabinet itself. Moreover, the Select Committee seem to have completely forgotten the cost of valuation and collection, matters that were not likely to escape the notice of the Prime Minister after what happened in the case of the Land Values Duties. In deciding against the scheme put forward for their consideration all thinking people will agree that the Government have taken a very proper and wise course. Indeed, to have acted otherwise would have been to infringe the ethics of national prudence by violating the well-known principle of economic law laid down by Adam Smith that taxation should fall on income and not on the capital from which income is derived.

EDITORIAL.

THE HUNTER COMMITTEE REPORT

IN DEFENCE OF GENERAL DYER

THE interest in the Hunter Committee Report centres mainly round the occurrences at Amritsar, more especially on General Dyer's action at Jallianwala Bagh, and rightly so, for on the proper treatment of this question rests not only the stability of our Empire in India but the discipline, loyalty and devotion to duty of our Indian Army.

Was the Committee necessary?

The Government of India have expressed their opinion on the findings of the Committee in their letter to the Secretary of State for India of the 3rd May, 1920, and the Secretary of State has passed his "definite decisions" thereon in his reply of the 26th May. The first point that strikes one is, what was the necessity for the Hunter Committee at all? In paragraph 22 of the Government of India letter it is stated that at a very early stage the Viceroy decided it was incumbent upon the Government to hold an inquiry into the disturbances, and in this opinion the Secretary of State concurred. Had the Viceroy, therefore, carried out his intention at that time he could have done so without further delay. He had at his disposal all the reports of the Punjab Government and the fullest information on every point. The Secretary of State was also kept fully informed. Moreover, Sir Michael O'Dwyer arrived home in June and was able to furnish him with full particulars of everything that had happened. Nothing further was necessary. The Government of India could have held their inquiry there and then, passed their orders at once, and the whole thing would have been settled.

Consequences of Delay

Instead of that, the matter has been allowed to drag on for more than a year. Meanwhile the pot has been kept boiling. The agitation in India has gone on increasing and increasing in

violence; the Indian Press has been filled day after day with the most virulent and venomous attacks on the Government of India and its officers; race hatred has been stimulated and exalted in a manner hitherto unknown, and to the wonder and astonishment of all India the Government have done nothing.

The agitators are stated openly to say: "The Government dare not touch us now; what does it matter what we do?"

The outbreak at Amritsar occurred in April, 1919, followed by the Afghan war in May. Nothing, I notice, was said by the agitators during the Afghan war. So long as the chance of a second Nadir Shah's sack of Delhi was before their minds they discreetly-kept quiet, but the moment all fear for their own skins was removed they broke out with redoubled fury.

General Dyer's Action Approved

It will be remembered that after the quelling of the rebellion in the Punjab of April, 1919, addresses were presented by the leaders of the various communities in that Province, such as the Sikhs, Mohammedans and Hindus, to Sir Michael O'Dwyer, the Lieut.-Governor, thanking him for his far-sighted statesmanship and firmness against the enemies of law and order; while the leading citizens of Amritsar at a meeting at the Kotwali expressed their admiration for General Dyer's firm action, and said that it had saved Amritsar and other cities in the Punjab from complete plunder and bloodshed. Crowds of Indians came to thank General Dyer for what he had done for them, while the local Sikhs made him one of themselves by the presentation of a wristlet in gratitude for the preservation of their lives and property. Not one word was said at the time about General Dyer having acted beyond the necessity of the case by either the Government of India or the Commander-in-Chief. On the contrary, General Dyer received the commendation of the General Officer Commanding the Division, the approval of the Lieut.-Governor of the Province, and was promoted by the Commander-in-Chief himself to the command of the Kohat Brigade.

Matters Forgotten

The Punjab rebellion of April was followed by the Afghan invasion of May, when General Dyer earned fresh laurels by what the Government of India describe as his "gallant relief of the garrison at Thall during the recent Afghan war." Had not General Dyer by his timely action nipped the Punjab rebellion in the bud there can be no doubt but that the one main railway line through the Punjab, upon which all communication with the frontier depends, would have gone, and Army Head-quarters in India would have been unable to move up the troops necessary

to repel the Afghan invasion. All this seems to have been forgotten by the Commander-in-Chief in India under the influence of the Hunter Committee's Report. It was not till the 19th of July, 1919, that General Dyer was called upon by the Commander-in-Chief to report on his action at Amritsar, and that report, dated 25th August, is printed with the evidence.

Composition of Committee

It was after this, apparently, that as a result of further communications between the Government of India and the Secretary of State the appointment of the Hunter Committee was decided upon. The Government of India state in their letter that "The question of the composition of the Committee received the most careful consideration, as Government were determined that it should be a body of commanding weight and high judicial experience, in which perfect confidence could be reposed by the public both at home and in India." Could anything be farther from what actually happened? There was not a single man on that Committee who had any practical experience of government or of administration in any Province in India, much less in the Punjab. A judge from Scotland, and another judge from Calcutta, a thousand odd miles away from Amritsar, with no knowledge of anything in India beyond Bengal; a general with no administrative experience; an additional secretary to the Government of India from Simla, also without any administrative experience; and a member of a chamber of commerce from the United Provinces of Agra and Oude.

The Indian Members

Then as to the Indian members, one had already distinguished himself by a violent public attack on the Government of the Punjab, and his appointment to the Committee was apparently objected to by both the late and the present Lieutenant-Governor of the Punjab; and strange to say these representations were deliberately ignored by both the Viceroy and the Secretary of State. Another member from Bombay, about as far from Amritsar as Calcutta, was a barrister whose only record was that he had tried to get to the Punjab to defend the accused in the trials for murder and other crimes, and had been refused permission. Both these members distinguished themselves by taking the part of counsel for the prosecution before the Committee. The third was a lawyer from Gwalior, who sided with them throughout. Taking the Committee as a whole, I can conceive of few appointments less calculated to obtain the confidence of the public either at home or in India, and the lofty language used by the Government of India stands condemned on the face of it.

Discussion in the Council

The announcement of the impending appointment of the Committee was made, we are told, in the Imperial Legislative Council during its autumn session of September, 1919, and all who know anything of India will readily realise that no worse time for such an announcement could possibly have been chosen. The Government of India state in their own letter that "During this same session of the Council, full accounts were given of the happenings in the Punjab, and the story of the Jallianwala Bagh was discussed in great detail. The proceedings of the debate were fully reported and published in the usual manner, and, indeed, attracted great attention in India." So violent indeed was this discussion in the Council, and so many were the charges brought against the Government and the various officers concerned, that there can be no doubt of the correctness of the Government of India's statement that they "attracted great attention in India," and nothing could have been worse and nothing could have been more unfortunate than the announcement of the Government, just at that particular time and under the threat of the clamour thus raised, of the impending appointment of the Committee.

Yielding to Agitation

The Government of India publicly gave in to the clamour of the very men who had caused the rebellion by their agitation over the Rowlatt Act, and no wonder the cry of the rebels went round, "The Government are afraid of us—we can now do as we like." Had the Government had pluck to say boldly straight out, "We have been faced by open rebellion; we have put down that rebellion and we shall do the same again whenever rebellion occurs," they would have won the respect of all. Another point in the Government of India's letter calls for special comment. There it is stated with a sense apparently of extreme satisfaction that "the action of the Government of India has now been justified by the findings of the majority of the Committee who also exonerate the local Government from all blame." Could any Government have ever shown such weakness as the Government of India there does? Imagine a Viceroy and all the Members of the Government of India congratulating themselves on being justified and exonerated from all blame by a committee such as the Hunter Committee. Are these the men to be entrusted with the Government of an Empire like India?

Open Rebellion

Now let us turn to the Secretary of State's letter in reply in which he discourses upon the conduct of General Dyer at

Amritsar. He goes out of his way to give a lecture on "the suppression of civil disorder by military force," and the methods to be employed when "military action in support of the Civil Authority is required," quite ignoring the fact that on the day in question there was no Civil Authority in Amritsar. The Civil Authority had handed over to the Military, and the latter were left to do the best they could by themselves to quell the rebellion. The Hunter Committee—the one good thing that it has done so far as I can see—proved that General Dyer was faced by open rebellion and not by civil disorder, and yet here is the Secretary of State giving forth platitudes on civil disorder. Open rebellion is war. Civil disorder is not war.

When the Irish Rebellion of 1916 occurred and the Post Office and other buildings in Dublin were destroyed, it was war. Similarly in the Punjab Rebellion of 1919 when the Post Office, Town Hall and other buildings in Amritsar were destroyed, it was equally war. The remarks made by the Secretary of State might be excellent in the case of an address to the police in some local bread riot or other disturbance, but are utterly out of place in the present instance.

An Unarmed Assembly?

The Secretary of State then goes on to say that General Dyer's task was "to disperse by force if necessary a large but apparently unarmed assembly." Unarmed assembly! What grounds has the Secretary of State for assuming that this was an unarmed assembly? Presumably these were the very men in the main who, armed with lathis, had committed all the murders, outrages and atrocities of the preceding days. Everyone who knows India, knows what a dangerous weapon a lathi is—a bamboo about as thick as one's wrist, shod with iron at the upper end. A reference to page 212 of the Amritsar Volume of Evidence shows that in March and April, 1919, no less than 1,056 *bundles* of these lathis were consigned to Amritsar, and yet, so far as I can find, there is nothing in the Hunter Committee's Report to show that they ever made any inquiry as to who these bundles of lathis were consigned by or whom they were consigned to; but, without doubt, they were consigned by previous arrangement, and the very fact of their consignment immediately before the rebellion and that nothing was done to trace the origin of these bundles of lathis, goes of itself to prove the futility of the whole Hunter inquiry and the little confidence that can be placed in the Committee's conclusion that "there is no evidence that the outbreaks in the Punjab were the result of a pre-arranged conspiracy."

Some Outrages

The Secretary of State also lays it down that numbers of the people in the assembly from surrounding villages were ignorant of General Dyer's proclamation and the danger they ran in attending the gathering. Why, just look at the description of the outrages given by the Government of India in paragraph 15 of their letter, such as: "At the National Bank the manager and assistant manager were brutally beaten to death and their bodies burnt under piles of furniture." "The Alliance Bank was next attacked and its manager was cruelly murdered, being flung from the balcony on to the street where his body was burnt under a stack of furniture soaked in kerosene oil." "The Town Hall and Post Office were burnt." "The looting of the Goods Station, and the murders of Guard Robinson and Sergeant Rowlands." "The burning of various buildings including the Indian Christian Church, and the persistent efforts to injure communications and to isolate Amritsar." With all these murders and outrages is it possible to suppose that the surrounding villages did not know what was going on? To my mind Mr. Montagu has entirely misrepresented the case, and it is impossible to suppose that there was a man in that mob who did not know what had happened. Even the Government of India in their letter acknowledge that "most of those present had assembled in direct defiance of a proclamation."

An Englishwoman's evidence

How differently the situation is described in the article by an "Englishwoman" in *Blackwood* for April 1920. She writes: "Two Indian ladies, school teachers, who had driven out of the city in a closed carriage, told us of the Sikh peasants who were pouring into the city with their iron-bound sticks. The booty from the National Bank had been carried out into the district as proof that the British rule was over, and all the riffraff for miles around hurried in to be early on the spot if looting began again." To follow that good lady in her account of what took place gives a human touch to the occurrences that is lacking in all the official reports. The Hunter Committee Report simply states that "during the day the European women and children were taken to the fort where they were retained in conditions of extreme discomfort." Discomfort is hardly the word for it. I do not find the names of any of these unfortunate British women in the list of witnesses examined by the Committee, but this is what the lady in *Blackwood* says:—

Helpless Women and Children

After describing how the women and children came flocking

into the bungalow she was in, which had been chosen as their rallying post, and of the suspense and alarms of many of them who did not know where their husbands were, she describes how half-an-hour before sunset they were told to move to the old mud fort. To reach the fort she says, "We had to cross the railway line, which our handful of troops had held all day against the hordes from the city by the Rego Bridge. We set forth with some trepidation, but the arrival of some Gurkha troops about this time enabled the road to be picketed, and the way was safe. Men from the Central Followers Depôt armed with staves accompanied us." This speaks well for the Indian Army. Not only the Gurkha soldiers but even the Indian followers, that is the water carriers, the sweepers, and the mule drivers, etc., although unarmed, turned out with sticks to help to defend the helpless British women and children. Having got to the fort the next thought was to find a meal for all these women and children who had eaten nothing since the morning. The soldiers gave up half their bread ration, and a roll call revealed no less than 130 women and children besides babies. The native servants who had accompanied their mistresses were given some handfuls of grain, but "a greybearded old Sikh orderly, Sher Singh," it is said, "proudly refused to take his share saying he had often gone without food for two or three days on the field of battle." A fine specimen of the chivalrous old soldier of the Indian Army, some grand representatives of which we saw march through the streets of London during the peace celebrations.

Mr. Montagu's Mistake

All the civilian men are stated to have been "posted to defence duties round the fort and made up another fifty." I quote this especially as it affords a living example of how necessary it is that every British man in India, whatever his occupation in civil life may be, should be able at any time to shoulder his rifle for the defence of his wife and children. The Government of India recognising the necessity of this, and with the approval of the European Associations in India, lately brought in an Auxiliary Forces Bill providing for the local training of every European in India, but Mr. Montagu has prohibited this on the grounds that he is opposed to compulsory military training in peace time, and this in despite of the fact that, as the Indian papers report, practically every responsible European body in India had expressed their approval of some form of universal military training. If disaster occurs and massacre ensues owing to men in isolated stations being unable to defend their families it is on the Secretary of State that their blood will lie.

Intense Suffering

To return, however, to the writer in *Blackwood*. "Englishwoman" goes on to describe how she was suddenly drawn away by an officer who whispered a request for a lantern, and, having secured the only lantern in the fort for him, he went out, and the body of Sergeant Rowlands was brought in, "which had been found beaten to death beneath the walls of the fort," poor fellow! Meanwhile the state of things in the so-called fort grew more and more distressing; the poor women had no sanitation and no privacy; there were no beds and no bedding; the place was infested with sandflies and mosquitoes, and there were no supplies of fresh food or milk, and the presence of so many babies and children made the situation most serious; "one baby developed typhoid fever, and they all had requirements that could not be met."

Saved by General Dyer

During the first three days it is said "every hour brought in some news from outside; of firing at Lahore, of murders at Kasur, of trains derailed and lines torn up, of telegraph wires cut and Government buildings and railway stations burnt," and "the situation was so precarious and troops for defensive purposes so scarce" that it was decided to evacuate the school for Indian Christian children which the crowd had set fire to on the day of the riots "with the girls inside," and it was only the timely arrival of a small band of police that had saved them. When these girls arrived in the fort the numbers were brought up to about 400, and we can well imagine that life in that fort was indeed the state of "extreme discomfort" that the Committee describe it. Fortunately in a week it was considered safe to send all the women and children to the hills and they were got safely away. "Englishwoman" ends up her article by saying, "No European who was in Amritsar or Lahore doubts that for some days there was a very real danger of the entire European population being massacred and that General Dyer's action alone saved them." With that I certainly agree, and in judging of General Dyer's action at the Jallianwala Bagh it is useless to take that incident by itself. It must be judged along with all the other outrages and atrocities that were going on all round, and this is just, so far as I can see, what the Hunter Committee, the Viceroy, the Government of India, the Commander-in-Chief, and the Secretary of State have failed to do.

Omissions and Limitations

The Hunter Committee in their Report have laid it down that

“on the evidence before us there is nothing to show that the outbreak in the Punjab was part of a pre-arranged conspiracy to overthrow the British Government in India by force,” but why did not the Committee take the evidence on this point? Why was the inquiry limited to Bombay, Delhi, and the Punjab? Why was this evidence not produced before them? We know that at Peshawar, in the North-West Frontier Province, some of the most serious occurrences in the whole rebellion took place. There it was that the Afghan intrigues with the Indian revolutionaries were carried on through the Amir’s postmaster in the city, and there it was that the Committee would have heard of the very serious dangers that were only averted by the prompt action taken by the local authorities in surrounding the city of Peshawar with troops and arresting those concerned in the plot. Yet I see nothing about this in the Report, and the one thing that it was necessary for the Committee to elucidate, that is the root of the conspiracy that brought about the rebellion, has been left entirely alone, and that apparently with the connivance of and full approval of both the Government of India and the Secretary of State. No blame whatever is cast upon the Committee for their failure in this respect. There must be something in this more than meets the eye. The Committee state that “in the situation as it presented itself day by day to the Punjab Government there were grounds for the gravest anxiety. Within recent years there had been two revolutionary movements, i.e., the Ghadr movement and the silk letter conspiracy of 1916. It was difficult, probably unsafe, for the authorities not to assume that the outbreak was the result of a definite organisation”; but they leave at that; with the one really important part of their work undone.

Evidence Omitted

The Hunter Committee, so far as it is possible for an outsider to judge, have done nothing that the Government of India by its inquiries and reports had not already done. They have elicited nothing new, and the one and only important point, the question of the conspiracy behind the rebellion, they have left absolutely untouched. The Committee, in fact, has proved itself merely the refuge under which the Viceroy, the Government of India, and the Secretary of State have endeavoured to shelter themselves for the time being. Had the Hunter Committee even examined the judgments in the cases tried before the special tribunals composed of three judges, they would, it is believed, have found ample evidence that a general conspiracy did exist. These judicial findings were of great weight in view of the

appeals that were made to the Privy Council, where the proceedings were upheld, but all this evidence was left untouched; and in vain one asks, why? Not even the records of the Criminal Investigation Department were examined.

Martial Law

Another point that does not seem to have been probed to the bottom, as it should have been, is the general strike on the railway that had apparently been organised by the revolutionaries and was only prevented by the introduction of martial law. Had this strike come off no troops could have been moved up in time to repel the Afghan invasion of 6th May, and that is undoubtedly what the rebels intended. Much has been said about martial law by the Indian agitators, but we must remember that this was a case of war, and that while war exists there must be martial law. Under that law mistakes may naturally be made by men inexperienced in administration, but it is the rebels who brought on the war that are responsible for the consequences of their acts, not the soldiers who had to administer the law against them. The Government of India now state that they are issuing instructions for the compilation of a manual for use in cases under martial law, but they might just as well have issued that last year without waiting for the Hunter Committee's Report. As a matter of fact, Sir Michael O'Dwyer states that he actually appointed experienced civil administrators to advise the military officers in the discharge of their duties, but he was compelled by the orders of the Government of India to withdraw them. Another example of the ineptitude of the Government of India. No mention of this is made in the letter of the Government of India; a most ungenerous omission.

The Secretary of State in his reply does refer to it. He said: "Sir Michael O'Dwyer had evidently contemplated arrangements by which civil officers would be accorded a recognised position to advise on military administration, and the martial law manual which your Government has under consideration should ensure that in future this plan is brought into operation;" but as he adds that he does not regard Sir Michael O'Dwyer as "immune from criticism," he detracts somewhat from the thanks that are due to the man who so ably upheld the Government of his Province throughout a period of such exceptional difficulty.

"Crawling Order"

As to the so-called crawling order, that has excited so much comment, no one would have thought of such a thing who did not know Indians thoroughly. The one thing we have taught

our Indian soldiers is to respect women in war. Look at the Afghan war of 1878-80. We were two years in occupation of Afghanistan, and I never heard of an Afghan woman being molested the whole time. In all the five years of the great war wherever Indian soldiers were engaged, whether in East Africa, Mesopotamia, Egypt, Palestine, Salonica, France, or anywhere else, I never heard of any complaints against them as regards the women of those countries. The soldiers at Amritsar doubtless thoroughly sympathised with the feeling shown at the enormity of the crime committed by the rebels in beating down and leaving a helpless Englishwoman for dead in the gutter, and they, I feel sure, thoroughly recognised the propriety of making those concerned in the attack on the poor lady prostrate themselves at the place where they attacked her. The attempt by the agitators to make capital out of the incident is not worth the paper that has been expended upon it.

General Dyer's Responsibilities

As to General Dyer, we must not forget that when he marched his fifty Indian soldiers into the Jallianwala Bagh he had before his mind not only the dastardly murders and outrages of the 10th April, but also the fate of the 130 British women and children herded up behind the four mud walls of the old fort, the desperate endeavours of the mob to cut communications both by rail and telegraph, the brutal murders at Kasur near by, and the murderous frenzy that was spreading throughout the Punjab. Never since the Mutiny of 1857 had mobs in India risen to murder and outrage, the destruction of Government buildings, the cutting of railways and telegraphs, and the general massacre of British men, women and children in places far apart from each other practically on one and the same day. The map at the end of the Committee's report shows the red mark indicating disorders extending all the way from Calcutta on the East to the North-West Frontier Province, and from there right down through the Punjab and Gujerat to Bombay on the West, as well as in various other places in the interior. Never had such a thing been known before; and to suppose, as the Committee would lead us to suppose, that this simultaneous outbreak was not part of a pre-arranged conspiracy is to suppose the ridiculous.

As it is each of these widely distributed outbreaks has been taken singly by the Committee, and no attempt has been made by them to give a general appreciation of, or a considered opinion on, the whole rebellion. They have just given a narrative of what occurred at the different places named, and that the Government already knew. That is not what a Committee like this should

have been appointed for, and the more one looks into it the more one is compelled to condemn the whole procedure.

A Year Afterwards!

The Government of India in their letter state, "We are convinced that General Dyer acted honestly in the belief that he was doing what was right, and we think that in the result his action at the time checked the spread of the disturbance to an extent which it is difficult now to estimate." And yet a year after the event they proceed to give their "estimate" of General Dyer's action, and while acknowledging that this very action "resulted in an immediate discouragement of the forces of disorder," they arrive at the conclusion that General Dyer acted beyond the necessities of the case, and direct that this judgment "be communicated to H.E. the Commander-in-Chief, with the request that he will take appropriate action." The Commander-in-Chief, without a further word, removes General Dyer from the command of his brigade, and recommends that he be retired from the Service. What a judgment and what a recommendation! Finally, the Secretary of State, in his letter to the Government of India, approves of the latter's decision as regards General Dyer, and of the Commander-in-Chief in India's action in removing him from his appointment. What possible circumstances can justify the Secretary of State, sitting quietly in his office thousands of miles away, in doing this a year after the event!

Facts of the Case

Consider the facts of the case. General Dyer on entering the Jallianwala Bagh with only fifty armed men, twenty-five Gurkhas and twenty-five Baluchis, finds himself within from 50 to 100 yards of a dense mob computed by the Committee at anything from 10,000 to 20,000 men. That mob, had they rushed his small force, could have mopped them all up in two minutes by sheer force of numbers. Can anyone doubt that had this happened the whole of the Punjab would have gone. Everything at the time was hanging on Amritsar. A reverse there and the whole country might at once have been in a blaze, and only those who were there at the time know the seriousness of the situation. For the men with General Dyer to have stopped firing for one minute might have been fatal, as the crowd more than once paused to try and rush this small party, and there was nothing for it but to keep them on the run. That 379 were killed is very probable but to estimate the number of wounded at three times the number killed, as the Hunter Committee have done, appears to me to be unwarranted. When firing point blank into

a mob trying to rush you at 50 or 100 yards distance a man is generally either killed or missed altogether and there seems to be no authority whatever for the Committee's wild estimate. I think those who know the circumstances will agree that the probability is that more than half the bullets went high. The point is that General Dyer and his men had either to disperse the crowd or be killed, and had they been killed a general rebellion would have ensued and vast numbers of other people would have been killed too.

A Matter of Vital Importance

The Government of India in their letter acknowledge that "the dispersal of the crowd was a matter of vital importance" and stern measures to effect this were certainly required, and yet they censure General Dyer for taking "the stern measures" that he considered necessary. As a writer in the press the other day said you might just as well blame the fireman who was saving your house because he had used more water than you thought necessary to put the fire out. Surely the fireman is the best judge of what is necessary in such a case, and so was General Dyer the best judge in the Amritsar case.

Is General Dyer to be Sacrificed ?

The Commander-in-Chief in India in accepting the judgment of the Government of India regarding General Dyer makes no mention of the fifty loyal men who stood by him in that terrible trial. If General Dyer is to be sacrificed to the clamour of rebels then what is to become of the fifty Gurkhas and Baluchis ? Are they to be disgraced with their leader ? We all know of the serious and determined efforts that have been made by the rebels in India to tamper with the allegiance of the grand old Indian Army that has fought to the death for us through the war. We have seen how these Indian soldiers stood firm to protect the 130 British women and children at Amritsar and the many hundreds more scattered throughout the Province, and if they are to be disgraced and their leader sacrificed at the clamour of disloyal Indian agitators then good-bye to the Indian Army and good-bye to India.

CHAS. E. YATE.

JOHANNESBURG.

COTTON-GROWING IN SOUTH AFRICA

THE world-demand for commodities is forcing this hitherto dormant country into incessant activity. Cattle and sheep farmers are making easy and big money. At the White River Settlement, near Nell's Spruit, the land is rising in value, and new enterprises are in preparation. Citrus settlements are very popular with the class of settler anxious to have social life as well as outdoor work. Moreover the British woman prefers a small piece of land with plenty of neighbours to being in an isolated district with natives all around her. In addition the possibilities of some of these citrus propositions are very great, and the surroundings most attractive. But the movement I desire to dwell on in this article is cotton.

£48 per Acre

Hitherto cotton has been grown sporadically in various parts of the Union. In former years the lowness in price dissuaded growers; latterly the cultivation of cotton has been taken up more seriously, and instead of tens of acres we now see hundreds of acres under cotton. Tractors and steam ploughs are busy tearing up the soft black soil in many places. Cotton returns in Natal are as high as £40 per acre, and a sample yielding 1,200 lbs. per acre, now being exhibited from Northern Natal, realised £48. In the Northern Transvaal, near Leydsdorp, some army officers have started a company, and are ploughing up a huge stretch of rich cotton land; and adjoining this venture, Mr. Bright, representing a wealthy cotton syndicate, has two Crawley oil tractors at work. Five thousand acres put to cotton seems a large proposition, but once the tractor proves its use it will become quite a common undertaking. Indeed, I have little doubt that Mr. Bright and the officers' company will lead the van of thousands of cotton growers in this country in the near future.

Rustenburg District

Up to now the Rustenburg district has been most thought of for cotton. The Government expert, Mr. Oosthuisen, has recently

studied the various cotton fields of America, and he is said to believe that this district has advantages which are not possessed by the American soil; so that with the extension of the railway we shall probably see before very long great stretches there rapidly going into cotton. The next step then will be extracting the oil and providing cattle cake, which will soon be required, as large herds of pure bred stock are being grown alongside this coming cotton field. With a plentiful supply of cake, and the wonderful grasses of that country, the farmers will be able to turn out the heaviest cattle in the country. Large oil mills are being erected at Durban, and there will soon be others inland. Cotton seed meal to-day is £15 a ton, and it will answer better to press out the oil and sell the cake.

Employment for Natives

The limitation of cotton production rests entirely on the hands available for picking. Luckily the cotton fields will be just where the natives are most numerous, for in this hemisphere the native clings to his native heat, and it is with reluctance that he migrates to the colder parts to earn wages. Unfortunately the plethora of riches is causing the native to become too rich to work. The wants of the African are few, and only civilisation and its lures may cause him to spend lavishly and with increased wants do more work; to-day he can lie in contentment and watch others toil. Happily the women and children are taking to cotton picking, and the motor tractor can do many times more than the ox, so that with these advantages the cotton grower should be able to count upon large returns.

Sugar v. Cotton

The sugar planters in Natal are producing large quantities of cane and many are amassing small fortunes, but the humid heat of the coast belt is not half so enticing as growing cotton on the uplands. Land is about one-tenth its value and whole districts open, but not for the laggard.

W. P. TAYLOR.

NATIONALISATION IN NEW ZEALAND

THE chief war-cry of the industrial reformer to-day is "Nationalisation." The coal workers, especially, make this the goal of their hopes and regard it as the panacea for all the ills of the underground worker. The Augean stables of finance, they imagine, will, by this means, be cleansed; the profiteer will see his ill-gotten money bags slip from his grasp, and the happy Briton will once more rejoice in his fireside, without which his home, though doubtless, as the old saw has it, his castle, has enjoyed but a chilly dignity, for many months past. In the case of other industries too government control is given as the solution of all financial difficulties.

Some Drawbacks

Apparently it has not occurred to these well-meaning economists to study the effects of nationalisation in countries where it has existed for a considerable time. Yet they have no need to look beyond the limits of the Empire, the Dominions themselves offer many examples. Take for instance New Zealand, where there are State railways, State coal mines, State schools, State hospitals, State farms and various other institutions under similar management. Of these, the railways and the schools could hardly be worked by private control under local conditions. The broad outlook and financial resources necessary for the opening up of a new country to attract desirable settlers would not be found in a private concern, and ready-made organisation was necessary for the development of education to meet colonial needs. Still in both cases the system reveals weaknesses. In the first, results are not entirely satisfactory to either the public or the management. Healthy competition is lacking, expenditure is large and there is little consideration for the traveller. For instance, should anyone be injured through an accident and make a claim, an inquiry is set up, in which the Government provides both judge and defendant, no Board of Trade existing to enforce safeguards. In consequence, the blame usually falls on the unfortunate signalman or engine driver, who may be the victim of a faulty system.

In the case of schools, the Government provides free primary education for all, and free secondary education for those who pass a test before a certain age. Here there is a tendency to over-generosity. The young colonist places little value usually upon the excellent instruction which is, so to say, thrown at his head, and rarely completes his secondary course. If he paid a small fee, or had to pass a more difficult test to gain it, he would appreciate it more. A scheme of scholarships, more extended than at present, would meet the needs of the deserving poor students. Expenditure being so lavish on the pupil the pendulum swings also the other way, and secondary teachers at any rate, are not adequately paid.

Some Examples

An examination of the returns of the State coal mines is commencing, as regards the paucity of the profits. Excellent steam coal is obtained near Westport, in the South Island, but the State mine of the district is the least profitable of all, and suffers much (strange to say) from strike epidemics. The hospitals management shows a good deal of wasteful expenditure, which would not be tolerated in an institution supported by voluntary contributions. Few take the trouble to save Government money. Public funds are regarded as an exhaustless gold mine, and it is nobody's business to check the demand upon them. State farms are most useful for training, but hardly object-lessons as commercial enterprises. Co-operation is by far the more successful system, the fine co-operative creameries and huge farmers' co-operative stores found everywhere bear witness to this. In Christchurch, the capital of the great wheat province of Canterbury, you can buy anything from the local "co-op," from a motor car to a Parisian hat, and if a shareholder, at a generous discount.

Individualism Ostracised

What then is the weak point in Government control? Surely it is that it leaves no room for the business qualities of the individual. The living energy which one man may infuse into a private undertaking is sapped by the deadening influence of "red tape." His own department will probably appropriate to itself the credit of his gifts; he will be lost in the crowd. Would the world ever have seen our great captains of industry and organisation, if Nationalisation had confined industrial efforts to the limits of Government pigeon-holes?

J. M. COULTER

EMPIRE TRADE NOTES

CANADA

DURING the year ended December 31st, 1919, Canada's export trade in live cattle exceeded 500,000 head and was valued at \$50,000,000, or at a sum almost equal to the combined values of live cattle exports during the five previous fiscal years. Over 90 per cent. of the exported cattle went into the United States either as butcher cattle or as stockers and feeders. During the same period the Dominion exported 112,709,517 pounds of fresh and pickled beef valued at \$20,937,848. The total export value of the cattle industry during the calendar year 1919, exclusive of canned meats, exceeded \$70,000,000.

OFFICIAL Government returns state that during the week ending January 30th, 603 cars of lumber were shipped from various British Columbia mills as compared with 387 the previous year. The Associated Timber Exporters of British Columbia report that up to 31st December, 48,000,000 feet of the British order for 70,000,000 feet of lumber had been shipped. It was expected that 7,000,000 feet would be shipped during January, and between 4,000,000 and 5,000,000 feet booked for shipment during February, going forward in ships built for the French Government in British Columbia.

FOR the Dominion as a whole the average price of horses under one year old was \$55 in 1919 as against \$57 in 1917; for horses one year old to under three the average value per animal was \$108 as against \$112 in 1918 and \$116 the previous year; for work horses the price per animal is practically the same in 1919 as in 1918 (\$161 and \$162). The continued upward trend of the value of milk products is reflected in the average price of milch cows, which is placed at \$92 per head in 1919 as compared with \$87 in 1918, \$62 in 1915 and \$42 in 1910.

RURAL credit societies in Manitoba operating under the provincial Act of 1917, loaned £210,375 during the crop season of 1919 to over 2,000 farmers, who are members of the 38 credit societies which were in active operation during the year. The growth of the rural credit scheme has been remarkable. In 1917 there was one society in existence. In 1918 this had increased to ten, and it is confidently expected that in the crop season of 1920 there will be at least 75.

AUSTRALIA

THE Australian Trade Commissioner in the United States points out that America's exports to Australia, which had assumed large proportions during the war, were declining, due to the unfavourable exchange, the active competition by Britain and the growing manufactures of Australia, which are tending to make the Commonwealth self-sustaining. The Commissioner adds that a reciprocal trade in many commodities produced by each country and needed by the other could be maintained with mutual benefit.

THE demand for Australian wines is so great, that if ten times the present output of New South Wales were produced it would find a ready market. An order for half a million gallons of Australian wine was placed in the hands of one firm recently and that firm was not able to supply it. Australian wines are in great demand in the East, and there is an opportunity for Australia to supply that demand, yet it is difficult to supply even the requirements of the local trade owing to the limited area of the vineyards of the State.

MANY inquiries are being made as to the facilities for starting manufacturing industries at Katoomba, the climate being deemed more suitable for indoor work than the humid coastline. A start is being made in the manufacture of ladies' underwear and children's clothing. A firm has taken a lease of the old Masonic Hall for five years and is installing electric machinery.

AN English firm is about to invest £350,000 in establishing woollen mills in Western Australia. Other inquiries have been made in the same direction and the Government is prepared to make suitable sites available and to grant railway facilities. An English company is also preparing to work a graphite deposit estimated at 100,000 tons in the same State.

SOUTH AFRICA

EXPERIENCE has shown that a very considerable portion of the Union is well adapted to dairy farming. The climate is mild, and cattle thrive well on the natural veld from six to eight months of the year. Dairying is no longer looked upon as a side-line by farmers; large numbers are now specializing in dairy farming and improving their cattle, with a view solely to increasing their output of milk and cream, while the arable portions of their farms are devoted entirely to the production of foodstuffs for the feeding of their cows. The principal crops grown for the feeding of dairy cattle are mealies, lucerne, oats, teff-grass, millet, mangolds, rye, and cow-peas, all of which do well in most of the areas devoted to dairy farming. Considerable quantities of mealies are grown for silage and mealie hay, the use and value of which are being increasingly realised. It may be said with confidence that the outlook for the dairy industry in South Africa is very bright, and if the present rate of progress is maintained a great future is assured.

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THE dairy industry in South Africa has now assumed a position of considerable importance. Whereas a few years ago very large quantities of butter and cheese were imported, during the twelve months 1916-17 not only was sufficient butter made in the Union for all local requirements, but a surplus of over 4,000,000 lbs. was exported oversea. During the 1916-17 season considerable quantities were again exported. The production of cheese during the year 1917 also increased rapidly, and large quantities have been sold and exported. The Union may therefore now be said to be self-supporting as regards butter and cheese, while there is every prospect of a remunerative export trade developing in both commodities.

THE returns of mineral production in the Union issued by the Chamber of Mines, in respect of January, contain a valuable little table which exhibits the by-products of coal produced in South Africa for that period. The summary of by-products output is as under:—Middleburg (Transvaal) : coal converted into by-products 508 tons; by-products produced, 3,186 gallons tar. Natal: coal converted into by-products, 5,871 tons; by-products produced, 1,413 tons coke and 186 tons sulphate of ammonia. Totals for Union: coal converted into by-products, 6,379 tons; by-products produced 1,413 tons coke, 3,186 gallons tar, and 186 tons sulphate of ammonia.

THERE is a good deal of second-grade coal in Natal which, while hardly good enough for steam-production purposes, should be very suitable for the extraction of by-products. At the Ballengeich Colliery, for example, where, though the coal is low grade the seam is thick and there is a large area of the mineral, tests made some years ago showed that the coal was high in nitrogen and yielded over 120 lbs. of sulphate of ammonia, $2\frac{1}{2}$ gallons of benzol, and 16 gallons of tar-oil per ton of coal. It is interesting to note that a company has been formed, with a capital of £250,000, to erect a carbide and by-products works at this colliery. At Burnside, where by-products works have been in existence for some time, steady progress is being made, and all the plant which has been on order has arrived or is in course of transit. There should be a good future for this industry in South Africa, and it may be reasonably expected that, if success attends these two ventures, other companies will be formed.

IN South West Africa the diamond output for the year ended 31st March, 1919, was valued at £860,000, compared with £833,953 for the year 1917, and £749,000 for the calendar year 1918. Approximately 7,500 tons of copper ore were exported to complete contracts after which export was stopped. The quantity of ore available for export at the end of March was approximately 150,000 tons. Five tin mines are working, two of which reopened in October, 1918. Seventy-four tons of tin were exported during 1918.

OVERSEA CORRESPONDENTS.

THE EMPIRE REVIEW

AND

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PROBLEMS OF INDUSTRY

The End of the Budget

THE Excess Profits Duty increase was fought to a finish in the House of Commons, and though the Government remained nominally the victors they had to surrender some ground, hard fought for and reluctantly given up; and it was only by a promise of a reduction next year that they succeeded in emerging unscathed from a critical ordeal. The fight had one excellent result; the objections to this lamentable fiscal instrument have received the widest and finest publicity. Practically everyone is now convinced that an impost of this character is radically and economically unsound and only to be imposed in moments of extreme emergency. So far, unfortunately, it has not been found possible to devise a satisfactory direct substitute, we have therefore to be content with an indirect remedy, namely drastic, but not insensate economy, national and local.

An Opportunity for France

It was perhaps rather unfortunate that champagne gained so decisive a victory over humbler drinks. Probably the impulse that had most effect in reducing the duty on champagne was sentimental, the effect which it would have on the devastated areas of France. However, industry may be considered a devastated area of Great Britain, and it is perhaps not too much to hope that our Allies will respond by some concessions with regard to their prohibition of the import of certain British goods. The lace trade of Nottingham, for example, is suffering severely. It used to receive a splendid advertisement from the fact that Nottingham

lace was used on the most fashionable French gown models. Now that importation is forbidden the lace industry would seem to have a distinct and legitimate grievance.

Russia's Foreign Debts

Russia's foreign debts is certain to prove one of the most delicate and difficult subjects of negotiation with the Soviet Government. The total of Russia's indebtedness to foreign countries is estimated at normal exchange value £1,600,000,000 sterling, of which the war indebtedness alone amounts to £1,150,000,000 sterling. The latter sum is due to the Allied Governments and not to any private financiers. Of this sum England alone contributed £568,000,000, about one-third of the whole. The friends of Bolshevism here appear anxious that their protégées shall be allowed to repudiate these sums, and suggest that it is only the cupidity of foreign bondholders which stands in the way of so desirable an end. This is utterly untrue. Taking the average interest on the sum of £568,000,000 due at 5 per cent. repudiation would cost this country for yearly interest £28,400,000, or 16s. 3d. *per capita* of the population, and £2 8s. 9d. per adult worker. As the extremist Press never tires of suggesting that all taxes raised are paid by the workers, it is surprising they should advise such a course as repudiation. The repayment of the sum involved would relieve every taxpayer in this country considerably, and the workers will be very foolish if they allow themselves to be deceived in this matter. The "Government" lent £500,000,000 to Russia. The "Government" means the community, and every man in this country has in a sense a share in that loan and will benefit by its repayment.

Labour Conferences

The Labour Movement is having a riot of conferences—annual, special, extra special and so on. The fortunate delegates are making this summer quite a pleasant tour of the holiday resorts of the British Isles. They have paid particular attention to the problem of Ireland, with the net result that nothing has been decided except that Direct Action is still a very live issue between organised labour and the rest of the community. There is a distinct element of farce in Labour's attempt to solve the Irish question, and the London Conference ended appropriately with the passing of two perfectly contradictory resolutions—one practically proposing Dominion Home Rule by consent, the other an Irish Republic by force. However, once again the eventual decision has been shelved, and it looks as though the fortunate delegates will have many more pleasant trips before the end is in sight.

Solidarity

It is rather an unfortunate subject for the apostles of solidarity to handle, seeing that, while the railwaymen in the South of Ireland were refusing to move a train with even a single policeman in it, their comrades in the North were passing resolutions vigorously supporting the Government in its attempt to keep order and stop assassination; while at the Scarborough Labour Conference violent dissension greeted the discussion of the topic. Political questions are always more potent than industrial in arousing the innate pugnacity of mankind, and it looks probable that the exponents of Direct Action have found what the enemies of organised labour have never found, a perfect instrument for smashing solidarity. The Labour Conference also passed a resolution in favour of local option; this subject also is of the type to effect the sharpest and most permanent cleavage in the ranks of organised labour.

Limit to Wage Increases

The decision of the Industrial Court against the claim of the Engineering Trades Union for advanced wages is far the most significant pronouncement of its kind up till now. It is the first definite statement by an impartial expert body that Industry cannot support any heavier wage burden than it is carrying at present. Such a moment and such a decision were bound to come, and it must be confessed that such a moment is bound to be critical. A recent Highways Committee of the London County Council pointed out that their salary and wage bill has increased threefold since 1914, and they propose to introduce a systematic increase in fares. We learn at the same time that the Metropolitan Electric Tramways, which a short time ago abolished the penny fares in their system, have been compelled to revise this decision and in many cases restore the penny fare.

The Economic Limit

All transport services are now forced to run a dangerous risk. Any decision to increase fares is a gamble. The public is violently hostile to any increase, and is in the mood to boycott. The transport services are an excellent and simple test of what may be called the "Economic Limit." When by raising a tram fare from 1*d.* to 2*d.*, the spectacle is seen of an increased stream of pedestrians and a rapid fall in receipts, that provides a perfect illustration of the economic law that there is a point where an increase of price will persuade or compel a man to abstain rather than purchase, to walk rather than ride. Several Labour leaders have told the workers courageously that if they make any increased wage demands, in the near future, their industry can only meet

the demands by such an increase in price that the public will refuse to buy. Other so-called Labour leaders are gleefully exploiting this dilemma. They are spurring on organised labour to put forward what they know are impossible demands, in the hope that a bitter struggle will ensue. They have their successes. The revolt of certain sections of the gas workers against the agreed award was an ominous phenomenon, but since it was rapidly resulting in dangerous loss of unity and control, the saner labour leaders have exerted themselves to the utmost to persuade the men to go back.

Coal Costs

The President of the Board of Trade has published an instructive table analysing the cost of a ton of coal. From this we gather that out of 33s. 3d., the cost of producing a ton of best Derby, 22s. 8½d. is paid directly in wages, and that the miners receive appreciably more than this sum seeing they get coal for their own use at preferential rates. The share of the capitalist is 2s. 8d., 2s. 1d. for the owner's standard profits and 7d. for royalties, besides which the owners receive one-tenth of the surplus profits of exported coal. Judging from these figures one might have expected that the miners would have allowed a few months of peace to elapse before putting forward another demand for increased wages which, in the condition of the industry, must mean a declaration of war. They have decided to demand the abolition of the 14s. 2d. increase on the price of coal, and furthermore, more wages for themselves. But they say nothing about increasing output.

Coal Production

It is estimated that to carry on the business of the country and keep our export trade, 300,000,000 tons of coal at least must be raised per annum. We are now getting considerably less than 250,000,000 tons, and everything points to a further reduction. Agitation is proceeding amongst the miners for a reduction to a five-day week, and it is quite possible that they will be prepared to strike for this reduction. Were they to achieve success the output would almost certainly be reduced to less than 200,000,000 tons a year, an amount not only insufficient for the needs of the country but one that would mean the end of our export trade. So we have a combination of demands, an absolute threat of Direct Action—for a strike to demand the abolition of the 14s. 2d. would certainly be that—then a demand for a shorter week and a demand for higher wages.

A Spirit of Revenge

The condition of the industry being what it is, this is either sheer lunacy or a deliberate attack on the rest of the community. The miners have never forgiven the rest of the community for turning a deaf ear to their appeals for nationalisation, and they are clearly out for revenge. Individually, no doubt, the miners are magnificent men, but they seem completely to have fallen under the domination of revolutionary agitators. They have adopted the *rôle* of "shock troops" in the proletarian army, and no amount of concession, conciliation or reasonable argument, seems to have any effect upon them. As the situation appears at the moment, there would seem very little chance of escaping a crucial test of strength with the miners, and the rest of the community must understand that, and organise its powers of resistance.

Signs of the Times

There are a great many signs indicating that we are in for a period of industrial depression. More or less alarming reports are coming from every part of the kingdom, they all tell in varying degrees the same tale. There is no need to emphasise the dangers we should have to face if this resulted in a high unemployment rate next winter. It would give the extremist his supreme opportunity. That indefatigable stirrer up of strife is already saying in one breath that the slump is merely an invention of "Big Business" to frighten the Government into reducing taxation and in another that it is due to over-production, and they give the worker the hint not to exert himself overmuch if he wishes to keep his job. These two suggestions are of course mutually destructive, but the extremist does not mind that.

Under-Consumption

The slump is caused not by the beginning of over-production but by a wave of under-consumption. It is a slump of demand due to the fact that large sections of the community prefer to abstain rather than to purchase at current prices. This prevails from the top to the bottom, from the highest to the lowest in the industrial sphere. For example, the Chairman of the White Star pointed out recently that the cost of reproducing the "Olympic" would be absolutely prohibitive. The big ship is popular, and the shipping companies would like to build, but to do so is simply out of the question. That is one clear case where expense has destroyed demand. To come down to smaller things; the Portsmouth Corporation have discovered that since they had abolished the penny fare on their trams, passengers had decreased by 1,500,000, representing a loss of over £6,000 in two months.

Another clear case where price rates have killed demand. In other words, the ordinary citizen of Portsmouth preferred to walk rather than to pay twopence for that to which he or she was accustomed to pay a penny.

Causes and Effects

Again, people are beginning to send postcards instead of letters, and they will very shortly think twice about sending a telegram, while the cost of that absolute necessity, the telephone, seems likely in the near future to be disastrously onerous. What is the explanation? The dominating factor in the increased cost of production of commodities is a combination of wage increases and output decreases; and a good second to this is the unparalleled onus of taxation which stabs productivity in its heart. The Excess Profits Duty alone is a terrible handicap for industry to carry, and national and local taxation eat ravenously into the spending reserve of the average citizen. Large sections which used to purchase freely are now economising through fear of the future, and because they believe that only by rigid, general economising can the "Vicious Circle" be broken.

Remedies

What are the remedies? Fervent general abuse of the Government can never be one of them. Particular, thoughtful advice to the Government can be of the utmost service. The community must make up its mind how it wishes the Government to economise. It is no use abusing the Cabinet for spending so much money in Mesopotamia, unless the people of this country are prepared to give a firm mandate for evacuation. It is no use abusing the Government for the amount it spends on education unless the community is prepared to renounce the benefits of education. Before the community has a right to abuse the Government, it must be sure in its own mind of the ways in which it wishes economy to take place. Even more important still, the worker must be told the truth. The effect of a wage increase must be brought clearly home to him. He must be shown that there is a limit beyond which the wage bill of any industry cannot be met. This is a time for very hard thinking and very courageous speech. The recent pronouncement by the Federation of British Industries should be carefully studied. It would seem to be an admirable illustration of both.

Traffic Difficulties

The Ministry of Transport recently sent a letter to the Director of the British Commonwealth Union on the subject of the congestion of the North-Eastern traffic. The Ministry admit the

serious position in that area, and while they state that it is not capable of early solution, it is being made the subject of continuous study. They point out that although the North Eastern Railway is still unable to cope with the total output the average despatches have increased. The steel making industry has greatly expanded during and since the war; the output is 34 per cent. higher than in 1914 and is still rising. Owing to the war the supply of trucks has greatly decreased while the total tonnage carried by the railway has increased, and the comparative failure of coastwise traffic has added to its burden. However, trucks are being built as fast as possible, and bolster stock has been given priority in the return of railway stock from France. Wagons have been borrowed from other companies and other steps to alleviate the position are being taken.

Hours of Labour

During the month of May 250,000 persons had their hours of labour reduced by an average of about two and a half hours per week. In the first four months of 1920 about half a million have had their hours of labour reduced on an average four hours per week. The great change in May resulted from the adoption of the 44 hours in the building trade in the various towns. It is to be hoped that the action of the building trade will not be taken as a precedent, seeing that the point has been reached in most trades where any further reduction of hours can only lead to serious reduction in output.

An Unpracticable Tax

Had it been possible to earmark the profiteer and levy a special tax on his illgotten gains the nation would readily and gladly have endorsed the imposition. But the Board of Inland Revenue boldly asserted that such a course was not practicable, the tax, whatever it may be, must fall upon the just and upon the unjust, differentiation can only be made by a scale of abatements, which, however carefully framed, must be made applicable to all, irrespective of the origin of their wealth. Again, with the date of escape fixed at the 30th June, 1919, profiteers subsequent to that date would go scot free. As far then as the profiteer is concerned the suggested tax failed in its purpose, it resolved itself into a levy on capital, an expedient opposed to the economic law that has hitherto governed our national finance, and one at variance alike with common sense and sound statesmanship.

EGYPTIAN UNREST

EGYPT maintains its reputation for comic opera in its political developments. To anyone with a knowledge of the country and the smallest sense of humour, the difficulty is to take the situation at all seriously. Yet there is a serious side to the Egyptian unrest which may even become alarming if carelessly handled.

The "Demonstrations"

It is certainly difficult to believe that to many of the young Egyptians themselves the "demonstrations" are more than a huge joke; though, as a sense of humour is very rare among the half educated class which claims to speak in the name of the whole nation, its members would probably be extremely angry with the suggestion. But when you find little girls of six and seven refusing to learn their lessons and tearing up their school pinafores with shouts of "My country, My country" as they play truant; and all the little shoeblacks and street gamins crowding to follow the students and scream in chorus with them in order to get free tram rides; you are more inclined to join in the broad grin of the native onlookers than to ask for a statement of their grievances. It is really, if you consider it, an easy way to show patriotism; to crowd on every tram that passes, refuse to pay the fare, and joy-ride through the streets screaming till you are hoarse. From the point of view of the tramway company, of course, it is not so amusing, and every now and then they stopped running the trams at their own expense for the pleasure of mischievous schoolboys. One after another all the trams are stopped at a given point, taken off the line, and sent home to the dépôt. This puts an end for the time to the demonstrations, but in a few weeks' time they begin again, schoolboys and streetboys bulging out of the trams and shouting various cries which some of them do not even understand. "Down with the Milner Commission," screamed one with the rest—and then aside, "What *is* the Milner Commission?"

An Amusing Episode

A week later I came across another procession of little girls from six to twelve walking in charge of two veiled native women and taking the time from them for shrill shouts and waving of handkerchiefs. Two burly native policemen, as tolerant and good humoured as their English compeers, shepherded them from the elevation of their horses and attempted to reason with them now and then without success. But as they paused to try and collect a larger crowd of followers suddenly there was a different outcry, and the little girls scampered as if for their lives in every direction. One checked herself, gasping for breath, close to me. "Why," I asked her, "are you all walking about the streets and screaming as if you were mad?" "Do I know?" answered the girl with a shrug. She had done as she was told, that was all. I further questioned what had frightened them, and a gardener's boy shouted with laughter as he answered for her, "It was *one* Englishman," he said. "He just lifted his stick at them"—and the boy imitated the action of a man pretending to fire with his broom—"and they all ran away."

The 12 o'clock Gun

A few minutes later the twelve o'clock gun thundered out from just above our heads. Two native ladies—I do not know if they were the same who had been leading the little girls—evidently took it for the beginning of English reprisals, and scuttled away from the citadel as fast as they could go, followed by roars of laughter from the natives who had fired the gun. But it is beginning to dawn on some of the young people that rioting and foolish behaviour is not helping them much, and some of the native papers are complaining pathetically that England simply ignores all they say, and is going on with her business as if the young patriots did not exist!

Forty Years Ago

The situation is curiously reversed from what it was in the later days of Ismail, more than forty years ago. Then everything was smooth and silent on the surface; the upper classes were polite, whether Turk or Egyptian; money (borrowed for the most part) commanded every luxury for them, nobody was in a hurry, and nobody wanted to improve anything or anybody. It was much pleasanter—if you happened to be on the top. But everywhere underneath "the living foundation groaned and sighed." Children of the age who now caper about the streets, delighting in more or less innocent mischief, sat silent and heavy-eyed in the dust, too poorly fed to have any vitality.

Some of them had been deliberately deprived of the sight of one eye to provide against the possibility of their being dragged in chains later to "fight" for their hated masters the Turks. Their fathers never knew when all their goods might not be taken from them on some pretext, or their crops ruined for want of the water which the rich pashas had stolen. The date palms were rapidly vanishing from the land of Egypt—those that were too young to produce, but never too young to be taxed, were grubbed up by the owner. Many pages could be filled with the real evils and burdens under which the patient Egyptian suffered. Now they have forgotten all that. Few of the present generation have ever been told what their country was like before the English came, and if they were told they could neither realise nor believe it.

The Native Officials

To-day everyone is prosperous. Almost everyone has more money than they know how to spend, except the official classes, which are still, we record with thankfulness, a small proportion of the nation. No one is persecuted or robbed or murdered—except now and then an unfortunate British officer! Yet there are some real hardships, the most apparent being the increased cost of living. And though that has nothing to do with the British occupation it would be difficult for the uneducated classes to believe that, even if they were not deliberately told, as they are, by the "nationalists," that the English have taken all their grain and other produce for the army without, or almost without, payment. As a matter of fact full prices were paid by the English for everything, but it is true that the peasants never got the full price and sometimes hardly any of it. For all the young Englishmen who really knew the people and the language were away fighting for their own country, the selling and buying had to be left to the newly-arrived officers of the army and the mamurs and omdehs of the provinces. The native officials pocketed not only a commission on the money which passed through their hands, but often nearly the whole of it. This was done in the very face of the English officers who were sent to pay over the money, if, as often happened, they did not understand Arabic. If they asked what the peasants were grumbling about, the omdeh quieted them with lies, while at the same time they told the peasants that the English refused to pay for the stuff they had taken.

Corn and Cotton

There is still trouble about the corn. The native and Levantine merchants bought "futures" both in corn and cotton some months ago, and the peasants have had to deliver their crops only to see it sold the next day at three times the price.

It is stated and appears to be true that many of the native corn-merchants are deliberately hoarding grain and refusing to sell it to their poorer compatriots except at famine prices. (The Government is taking steps to remedy this state of things.) But the curious thing is that many people assert and believe that the said merchants are doing this not, as seems obvious, to enrich themselves, but in order to inflame the lower classes still more against the English, whom, they declare, are to blame for the scarcity. There certainly seems no limit to the credulity of the half-educated Egyptians, particularly those who can read the Arabic newspapers.

False Reports

Immediately the armistice was signed—which was represented to the Egyptians as being the defeat of the Allies—they were further told that 30,000 Englishmen were coming to take up appointments under the Egyptian Government. They were to supplant all the Governors of provinces and other posts which were always held by Egyptians. Officials were informed that they would shortly be dismissed and their places taken by Englishmen. This caused endless unrest, especially among the notables with sons in the Cairo schools being trained for Government appointments. On the other hand the Bedouins were told and believed that a huge German-Turkish army under Abbas Hilmi was advancing from Palestine to free Egypt. They thought that here was a golden opportunity, and proceeded to invade Egypt to share in the plunder, while the "nationalists" in Egypt at the same time procured the abortive insurrection of March 1919. During these riots crowds from El Azhar, and other centres of agitation against British rule, flocked out of Cairo and Alexandria into the provinces spreading a lie—easily credited by their listeners, that the English were taking advantage of the Friday midday prayers in the mosques to mow down Mohammedans with machine guns. Streets in Alexandria and Cairo, so they assured the provincials, were flowing with blood. In the East it is not always wise to disregard ridiculous rumours on the ground that no one in his senses could believe them. They do.

The Copts

It will have puzzled many people why the Copts (Egyptian Christians), who more than any section of the Egyptian nation have reason to be grateful to the English, should be behaving almost as badly as the Mohammedans. I have asked many of them for an explanation since I returned to Egypt, and in varying phrases I always get the same answer—they are afraid.

They know that we shall not persecute them, however foolishly and ungratefully they behave. But they are desperately afraid that if the students and their following kick and scream long enough they may get their own way, and the English may practically withdraw from the country. If we do not, they lose nothing, no harm will happen to them. But if we do, they know that their only chance to escape persecution and plunder—many of the Copts are now extremely rich—is to act now, so that the Mohammedans may find no excuse for ill-treating them or breaking all their present promises to their Coptic “brothers.” Some children, apparently Coptic, dancing and shouting among themselves, were heard to chant: “We are afraid of the Turks because they beat us. We are afraid of the Germans because they are bad people. But we are not a bit afraid of the English because we know they won’t hurt us.”

Moslems and Christians

And if you are not afraid of your tutor or guardian, of course it follows, to the young oriental mind, that you may behave as badly as you like up to the limit—which you must try to discover—which may bring retribution upon you. Then they will take chastisement without malice and note the limit beyond which it is unwise to go. This applies to both Moslems and Christians, but it is true that if any part of the Egyptian nation has lost as well as gained by our presence in Egypt it is the Christian, and not the Moslem. This does not of course justify their present behaviour, but it gives some explanation.

Race and Religion

The judicial and administrative reforms which have been introduced by the British have led, it is quite true, to the diminution of the influence of the Copts. Eminent posts in most departments have been given only to Moslems, or where no Moslem fit for the work could be found, to Syrians; this the Copts felt to be the unkindest cut of all. For it must never be forgotten that the Copts are quite aware that they are in a special degree the descendants of the once great Egyptian nation; and they consider that they have the first right, at any rate, to all share in the government which can be taken by Christians. It is quite true, as the Englishman will at once reply, that the majority of the Moslems are also the descendants of the ancient Egyptians. But it is also true, and this is what no European seems able to understand, that in the Oriental mind race and religion must go together. If an Oriental changes his religion for that of another race, he takes upon him the nationality of that race. Until the last few years, when it became fashionable for

the Mohammedans to call themselves Egyptians, they would have scorned the name. They called themselves, and believed themselves to be Arabs. In like manner the Christian Egyptians feel that the Mohammedan Egyptians have not only forsworn, in the past, their faith, but have forfeited their birthright.

An Injustice

The Copts complain that so far from seeing justice done to the Christian minority the English have constantly favoured the Mohammedan majority. This complaint is to a great extent well founded, as I know. Several instances could be given, but one will serve as a specimen. Years ago, when the need for native teachers in the government schools was urgent, and the supply almost nil, steps were taken to encourage the young Egyptians to fit themselves for these posts. Among others the Anglo-Egyptian Government promised that the youth who came out first in a certain examination should be sent free of all expense to England for a course of study. This was at that time a tremendous incentive and the competition was great and very keen. There were two boys at the head of all the other candidates, and they were of different faiths. One was the son of a rich Moslem who had spared no money on his son's education; the other was a poor and fatherless Christian, who had practically educated himself under great difficulties. After the result of the examination was made known I received an incoherent letter from the Christian boy (whom I had tried to help in his studies), from which I understood that though the other boy had beaten him by only $2\frac{1}{2}$ marks he was to be sent to England and the writer would receive nothing. I sent him a severe rebuke. I told him he must play the game, and that if the other boy had won, even by so narrow a margin, he *had* won, and it was the part of a Christian to bear the disappointment manfully and to give the other generous congratulations. In reply I received a courteous intimation that I had mistaken his badly written letter; that what he meant to tell me was that *he* had won by $2\frac{1}{2}$ marks, but that the exhibition had been given to the Moslem candidate. I could not believe this, but I found on inquiry that it was true. I was told afterwards, but do not know if it is true, that the Moslem boy, on further examination was found to be too stupid to profit by the exhibition, so no one received it at all.

Further Complaints

The Copts further complain that the English policy has fostered a real though unrecognised growth of fanaticism among the Moslems. They declare that though the Moslems, in order to convince the Europeans that they are not fanatics, have held

out the hand of friendship to their Christian compatriots, and declared they were one in demanding freedom; they are only waiting for that "freedom" to resume the old attitude of oppression and persecution. Consequently, the few Copts who believe in their sincerity and the many who do not, think it wiser to be on the safe side and "shout with the loudest."

Orthodox Copts

Incidentally, it should be pointed out that most of the Copts who have joined the Moslems belong to that part of the community which has forsaken the church of its fathers for an American form of Presbyterianism, and this section looks chiefly for deliverance to President Wilson and the League of Nations. It is among the orthodox Copts that Great Britain will find her truest allies. I do not personally know the recent Prime Minister, but I know that he belongs to the ancient church of Egypt, and that his unpopularity was due to the fact that he worked loyally with the English. He risked his life, as Butros Pasha did before him in the hope of serving his country. Marcus Pasha Simaika is another of the orthodox Copts who has plainly told the students that he will not submit to their dictation, that he will give evidence before the Commission if called upon, and that the only advice he has to offer the foolish boys is that they should return to their studies. These two men have given public evidence of their courage and loyalty to the best traditions of their country. There are others, but to name them when they have not named themselves might draw on them attention they wish to avoid.

Strong Hand Needed

During the last five years Egypt has had her chance and she has not taken it. She was perforce left much to herself so far as her internal affairs were concerned and her native officials had in many provinces a free hand. As a result bribery and corruption have increased to an extent which almost recalls the days of Ismail. Work is neglected—except by the patient fellah who is worth a hundred of the half educated Egyptian who has been exploiting him for seditious purposes—and no one is satisfied or content. The serious danger is from religious fanaticism, which the agitators, having failed to rouse the bulk of the Egyptians on political grounds are now exploiting with far greater success. This may lead to grave disasters. A strong hand is needed, a wise brain is needed, a sympathetic understanding is needed. But above all what is needed in Egypt is that quality which the noisy majority has most reason to fear—Justice!

Author of "Things Seen in Egypt,"
"Egypt as we Knew it," etc., etc.

THE AMRITSAR DEBATES

LAST month I dealt at some length with the Hunter Committee Report. In this article I propose to offer a few observations on the debates that have since taken place in the two Houses of Parliament. First let me take the discussion in the House of Commons:—

Theory of Terrorism

The Secretary of State dwelt on the theory of terrorism in India as opposed to the theory of partnership, quite unmindful of the fact that the theory of partnership was proved to be a living force by the thousands of Indians who came forward, formed deputations and passed resolutions and votes of thanks both to Sir Michael O'Dwyer and to General Dyer after the rebellion had been crushed, for having saved them from the bloodshed and robbery of a revolution. These are the men with whom we are in partnership in India just as they are in partnership with us, and proud we are to have them as partners. The theory of terrorism applies only to the rebels and agitators who caused the rebellion, but they apparently are the only persons for whom Mr. Montagu seemed to have a thought or whom he wished to save from terror. With them partnership is impossible.

Throughout the whole of his speech he had no word of compassion for the 130 British women and children herded together for days in the old mud fort at Amritsar, not to mention those at Lyallpur, Ludiana and other places, without sanitation, without privacy, without milk or proper food for the children, or for the unfortunate men who were battered to death outside. In fact, the most notable points in the Government of India's despatch is the complacency with which they record the number of Indian rebels, convicted by the tribunals, whom they released—all but 96 out of 1,779, and this number has since been reduced to 88—and the determination with which they decided to pursue the officers whom they desired to punish for some supposed hasty action or error or judgment, as it is called, committed under the stress and strain of putting down the rebellion.

Loyalists and Rebels

In his despatch of the 26th May, the Secretary of State goes out of his way to condemn the Hunter Committee for having failed to express themselves in sufficiently strong language as to the culpability of certain individual officers, and orders the Government of India to see that their disapproval is to be "unmistakably marked" by such action as seems to them necessary—that is the spirit running through everything. No pity for the murdered, only for the murderers, and relentless persecution for the men who saved the situation. No wonder the British newspapers in India are seething with indignation at the "punitive expedition," as they call it, which the Government of India are ordered to undertake against their own officers.

Take the case of Muhammed Bashir who, as Mr. Montagu himself admitted, was convicted by a Commission of three judges of having led the attack on the National Bank at Amritsar in which Messrs Stewart and Scott were murdered, and was sentenced by them to death, and who was subsequently released by the Government of India overruling the judgments of four out of the five judges who dealt with the case in order to release the man. Can one be surprised that after this and the 1,690 other cases of men released the Anglo-Indian newspapers ask, "Why should General Dyer be condemned while men convicted and sentenced for participation in the rebellion have received the greatest clemency?"

The Adjutant-General in India

The more one looks into General Dyer's case the more one marvels at it. As shown by Sir Edward Carson in the debate, General Dyer was promoted from one post to another during the summer of 1919, and personally congratulated by the Commander-in-Chief on the relief of Thal at the end of July. Moreover, his action at Amritsar on the 13th April was not only upheld by the Adjutant-General in India, speaking with the knowledge of and apparently on behalf of the Commander-in-Chief in the debate in the Legislative Council of India on the 19th September, but it was also stated by the same officer that, from a military point of view, General Dyer would have been quite justified in using force on the preceding day, the 12th April, but that he "decided to pursue his policy of patience and consideration." This policy of patience and consideration was continued that day and the morning of the next, and the Adjutant-General in giving his narrative of the events leading up to and at the assembly at Jallianwalla Bagh gave it as his opinion that the sequence of events justified the exercise of military force and that, from a purely military

point of view, General Dyer "would have been gravely at fault had he permitted the elements of disorder to continue unchecked for one moment longer."

The Adjutant-General concluded his speech as follows:—

"It must be remembered that when a rebellion has been started against the Government it is tantamount to a declaration of war. War cannot be conducted in accordance with standards of humanity to which we are accustomed in peace. Should not officers and men, who through no choice of their own are called upon to discharge these distasteful duties, be, in all fairness, accorded that support which has been promised to them?"

Change of Front

Thus we see that in September 1919 the Commander-in-Chief, through his Adjutant-General, pleaded for General Dyer being given in all fairness the support that had been promised him, and yet eight months afterwards he withdraws that very support from General Dyer, publicly removes him from his command and recommends that he be compulsorily retired from the Army. Had the Commander-in-Chief considered that it was inadvisable to continue General Dyer in the Punjab, he might have transferred him to Aden or to Mesopotamia or to any other command, but not a word was said by the Government of India suggesting that there was any reason for General Dyer's transfer from the Punjab. After the speech of the Adjutant-General in the Legislative Council, followed by the promotion of General Dyer to the permanent command of a brigade in October, 1919, and the still higher promotion to the temporary command of the division in January, 1920, how are we to understand so sudden a reversal of all the Commander-in-Chief's previously expressed opinions, simply at the bidding of a report like that of the Hunter Committee.

Difference of Opinion

In reply to a question in the House Mr. Montagu stated that he was satisfied that the Commander-in-Chief in India did not reach any conclusion on General Dyer's attitude and acts until the report of the Hunter Committee had been received, and he referred to the remarks of Sir William Vincent as the spokesman on behalf of the Government of India in the debate of September, 1919, but a reference to the report of that debate does not appear to me to bear this out. Sir William Vincent said: "General Hudson has, it is true, put before the Council certain considerations relating to this occurrence, but as I understood him, he was merely attempting to put the matter as it might have appeared to a military officer at the time, and was not in any

way putting his personal views before the Council. That is the way I understood his remarks." The extracts I have quoted appear to me to be the personal views of the military authorities, that is, of the Adjutant-General speaking on behalf of the Commander-in-Chief and the headquarters staff at Simla.

Mr. Churchill's Action

The Secretary of State for War, in expressing his approval of the action taken by the Commander-in-Chief in India, gave the House of Commons a lecture on the various ways by which an officer may be dealt with by those in authority. First of all, he said, an officer may be removed from his command, as General Dyer had been, and he instanced the cases of the hundreds of officers who had been so removed during the war. Yes, but these officers were removed because those in authority over them did not feel confidence in entrusting to them the lives of the soldiers serving under them. Has anyone dared to suggest that General Dyer was incompetent or unfit to be trusted with the lives of his men? Why, the very remarks recorded by the Commander-in-Chief himself on General Dyer's operations at Thal deny this. Let me quote the Commander-in-Chief's own recorded words.

"The efforts made by Brigadier-General Dyer from the time he arrived at Kohat were attended with full energy and competence. The manner in which he disposed of his troops, the full use he made of his artillery, the ardour he infused into his troops, denoted the hand of a Commander confident in his capacity and in his troops. Brigadier-General Dyer in this episode has given further evidence of power to command."

Yet after penning this statement in June, 1919, he publicly removes General Dyer from his command on 22nd March, 1920, having promoted him twice meanwhile! Not only did Mr. Churchill endorse this action, but he took the opportunity to record his "sincere personal opinion" that General Dyer's conduct deserved not alone the loss of employment, not alone the measure of censure the Government had pronounced upon him, but that "it should have been marked by a distinct disciplinary act, namely, his being placed compulsorily upon the retired list." Well did Sir Edward Carson say in his speech, if you make a scapegoat of your officers, "You will never get an officer to carry out his duties towards his country." And he very pertinently added, "You have to deal with human nature in the men you put in all these difficult places. Do not let them suppose that if they do their best, unless on some very grave consideration of dereliction of duty, that they will be made scapegoats of and

be thrown to the wolves to satisfy an agitation such as that which arose after this incident." Here we have the whole thing in a nutshell. Placate the agitators, never mind your friends, has been the cry of the Secretary of State and the Government of India throughout, and that is what has brought India to its present state of rebellion.

The Rowlatt Acts

Now the Hunter Committee, though it failed to give any reasoned opinion on the conspiracy as a whole, which is the one thing it ought to have done, did in fact establish two important facts: (1) That India in April, 1919, was faced with open rebellion: (2) That this rebellion was largely, if not mainly, caused by the agitation against the Rowlatt Acts. It will be asked: What were the Rowlatt Acts? Who were the agitators whose agitation was the main cause of the rebellion? As to the Rowlatt Acts, the facts are that in consequence of the revolutionary crime that was prevalent in India, the murder of the police, and the impossibility of obtaining evidence for a trial in open court, various men had to be interned in India during the war. A commission was appointed consisting of an Indian Judge of the High Court, an Indian civilian, a British Chief Justice in India, and a British civilian, under the chairmanship of Mr. Justice Rowlatt, who was sent out from England to inquire into all these cases.

If I remember right, it was decided that the men interned had been rightly interned, and the Commission advised that legislation should be passed giving power to intern men concerned in revolutionary conspiracies after the temporary war legislation under the Defence of India Act came to an end. This legislation was duly passed, but unfortunately, owing to the weakness shown by the Government against the clamour raised by the agitators, the Act was made temporary for three years only. Despite this, however, and the further concession by the Government that the Act should only be put in operation in districts where anarchical and revolutionary crimes were being perpetrated, and would only come into operation on the Government of India giving its sanction to an application for powers under the Act made by the Local Government, the people of the more or less educated class in the towns were led to believe the false reports spread abroad about these Acts by the members of the various congress societies, culminating in the rebellion of April last year. The Acts themselves came to be known as the Rowlatt Acts.

Who are the Agitators?

The agitators, whose agitation was the main cause of the

rebellion, are well known in India. They consist mainly of the Secretary of State's "politically-minded" friends, the Members of the Indian National Congress, the Indian Moslem League, the Home Rule for India League, the Servants of India Society, and various other Indian organisations who have now combined more or less to support the Mohammedan Khilafat Agitation which has lately been working against the British Government in conjunction with the Turkish Nationalists under Mustapha Kemal.

I remember a member of the Servant of India Society giving a lecture on his Society at a meeting of the East India Association in London, and to listen to the honeyed words that fell from his lips, one would suppose that the Servants of India were a set of angels sent to minister to the wants of men; but when I turned up the *Servant of India* newspaper, published in India, I found in it an injunction to agitate, and agitate, and agitate, and never to cease agitating, against the Rowlatt Acts, and that agitation was the real cause of the 1919 rebellion. Many of the authors of this agitation came over in the summer of last year to give evidence before the Joint Committee on Mr. Montagu's Indian Reform Bill, and I cannot help thinking that there is much force in what Sir William Joynson-Hicks said in his letter to the *Times* on the 15th June, that "the position universally accepted in India is that if Great Britain had known of the rebellion throughout the whole of the North of India in April of last year with its murders, burnings and riotings, Parliament would never have passed the Reform Bill."

Some of the agitators who came over to give evidence on the Reform Bill are back again in England this year. Only the other day, a mass meeting was held at the Kingsway Hall, London, at which speeches were delivered by two prominent Members of the Congress Associations, Mr. Patel and Mrs. Naidu, at which the shameful statement was made by the latter that during the rebellion Indian women were dragged into the market place; they were stripped naked; they were flogged; they were outraged; a charge which the Secretary of State is inquiring into but which he acknowledges is entirely untrue, and which is just an example of the spirit in which this agitation is carried on by those Europeanised Indians.

The Crawling Order

Mr. Montagu, I am sorry to say, in his speech in the debate, in order to justify his treatment of General Dyer, made a number of specific allegations against that officer, which I am glad to see have been denied in the public Press and I need not repeat them here, but as regards what he said about the much discussed

crawling order, I venture to think what Miss Sherwood wrote on the subject, and no one knows Indians better than she does, should not be lost sight of.

“Indians crawl round their sacred places; they have a special word for the exercise. ‘Genuflecting order’ would be nearer equivalent. I think you will find that objections come from Europeanised Indians. It was easy to avoid passing through that street. It should be remembered that had a European treated an Indian woman so there would have been a gigantic row, and rightly so, and if a particular street of Europeans had looked on and shut a door against her, we should say it deserved almost any punishment.”

All that General Dyer did was to give orders that the place where Miss Sherwood was knocked down and left for dead in the gutter was to be marked as a sacred place, and none acknowledged the heinousness of the outrage more than those Indians who went voluntarily to the place and genuflected there. No one but the Europeanised Indian who knew something of the psychology of the British mind would ever have thought of raising an agitation on such a matter. It is clearly shown by General Dyer's evidence before the Committee that he had to find some punishment to meet the case of Miss Sherwood and to mark the enormity of the offence in the attack upon her, and it is difficult to say what other order would have met the case more effectually. The remarks of the Hunter Committee as to General Dyer's order having “caused unnecessary inconvenience to a number of people” sounds very fatuous considering the fact that the order was given in the midst of a bloody rebellion when “inconvenience” hardly comes into consideration and in which these very people had shut their doors in Miss Sherwood's face. How many houses in the street had back doors and how many had not is not stated. The Hunter Committee simply state that “all” the houses had not back doors, but the number of people “inconvenienced” by having to go into the street must have been very small, and it is clear that of the few people who went through the street the majority did so voluntarily.

Firing on the Mob

Much has been made throughout the whole controversy of the statement that General Dyer fired on the rebel mob for ten minutes; but where is that substantiated? The only evidence I can find on the subject is the statement of the Deputy Superintendent of Police who described the firing as “about” ten minutes; but who could time such a thing exactly in face of a mob like that at the Jallianwalla Bagh? No one, I imagine, had

time to look at their watches. General Dyer in giving his evidence was asked: "How long did the firing go on?" and replied, "It may be ten minutes, it may be less, calculated from the number of rounds that we fired." Now we know that 1,650 rounds were fired, and that amongst fifty men means thirty-three rounds each. These would ordinarily be fired away in three minutes instead of ten, and I think that all that has been said about the long continuance of the firing is rather wide of the mark. The Brigade Major says: "After firing a few rounds the mob split up and two large subsidiary mobs gathered together into the two opposite corners of the Bagh. It looked for a minute as if they were meaning to rush us. The General Officer Commanding therefore gave orders to direct fire on these two crowds." This General Dyer was compelled to do to save the lives of himself and his men; without it they might have been rushed and overwhelmed. Where, then, does the charge of needless firing come in? Considering the number of rounds fired it seems hardly possible that the firing could have lasted for ten minutes; probably it lasted not more than for five, and that largely in self-defence.

House of Lords Debate

One plea advanced in the debate in the House of Lords was that the 11th April "passed quietly" at Amritsar and the 12th "also passed in almost complete tranquillity," but the Hunter Committee themselves report that on the 12th April a threatened disturbance in Amritsar was only averted by a display of military force, while in the Amritsar district, immediately around the city and within General Dyer's command, the telegraph wires were cut between Chaharta and Amritsar, at Tara Taran an attempt was made to burn the Tahsil, at Asiarpur the mission buildings were threatened and a flying column had to be sent out to save them, and the telegraph wires were cut between Khasa and Chaharta and Khasa and Gurusar. On the same date Kasur station was looted and burnt and two Englishmen were murdered and another injured, Patti station was attacked and the telegraph wires cut, and the same at Khem Karan. Can such a state of affairs as this possibly be described as "complete tranquillity?" Why the Adjutant-General himself said during the discussion in the Legislative Council that though no military force was used by General Dyer on the 12th April, as he had decided to issue proclamations as to his future intentions before employing such force, still from a military point of view he held that General Dyer would have been quite justified in using force on that day. That of itself surely disposes of all idea of "complete tranquillity."

Lord Sinha's Speech

Other speakers in the House of Lords debate brought out with great clearness the utter failure of the Hunter Committee, and cited many undisputed facts to prove that evidence of a preconcerted conspiracy was to hand in abundance had the Committee only availed themselves of it. The speeches which will be read with the greatest interest in India are those of Lord Sinha and Lord Meston as the representatives of the Secretary of State and the Government of India, and both speeches, I cannot help thinking, will be found sadly disappointing. Lord Sinha commenced by saying: "I desire to make it clear that what my fellow-countrymen in India desire is the vindication of principles and not the punishment of individuals." Who the "fellow-countrymen" of Lord Sinha's are to whom he referred we were not told. Lord Sinha himself is, I believe, a Bengali, and a Bengali is no more the fellow-countryman of a Punjabi than a Greek is a fellow-countryman of a Norwegian. How, too, does Lord Sinha reconcile his statement about "the punishment of individuals" with the resolutions passed by the various Congress Societies in India demanding the immediate recall of the Viceroy, the impeachment of Sir Michael O'Dwyer, the prosecution of General Dyer, the removal of all officers concerned in the administration of the martial law, and condign punishment for all (so called) offenders? The only principle asserted in these effusions is that for the punishment of the individuals who quelled the rebellion. Lord Sinha also talked of the "flame of bitter racial animosity which is now raging," but he omitted to say that this "bitter racial animosity" is entirely and solely raging on the side of the rebel agitators in India as evidenced by the resolutions and speeches reported in the newspapers.

He repelled as a "most monstrous and most undeserved charge" the allegation "that the three Indian barrister members of the Hunter Committee belonged to the same class which was largely responsible for creating the situation that led to these disorders, and which in several cases actively participated in the rebellion." But anyone who has read the Hunter Committee's report can hardly agree with this, and the fact that such a large number of lawyers were tried by the judicial tribunals presided over by High Court Judges at Lahore, Amritsar, Gujranwala, and other places, proves how little Lord Sinha had studied the realities of the case as to the numbers of lawyers concerned in the rebellion.

In questioning the statement that General Dyer's action saved the Punjab, Lord Sinha apparently also forgot that the Government of India in their letter of the 3rd May last expressly stated

that General Dyer's "action at the time checked the spread of the disturbances to an extent which it is difficult now to estimate," and if checking the spread of the disturbances did not save the Punjab, what did? Finally Lord Sinha adjured the Government not to "interfere too hastily or too violently with an agitation of this sort. Let it kill itself." Was ever a more dangerous doctrine propounded by a Minister of the Crown? According to Lord Sinha nothing is to be done to repress sedition, nothing is to be done to put a stop to agitation or to crush open rebellion till the whole country is in a blaze; to extinguish which blood will have to be shed like water! Such are the precepts of the Under-Secretary of State for India. Can India be saved under such a rule?

Lord Meston and General Dyer

Lord Meston made the remarkable pronouncement that at the end of last May 1919 when he left the Government of India, all he knew was that "there had been a collision between the troops and the mob, and that there were 200 casualties," and this he understood "meant roughly 50 dead and 150 wounded." The official telegram of the 14th April, 1919, from the Punjab Government to the Government of India, subsequently read out in the debate, specifically stated that "the troops present under command of General Dyer fired killing about 200." There was no reason why the members of the Government of India, and through them the Secretary of State, should not have been in full possession of all the facts concerning the rebellion long before the end of May. Lord Meston further described General Dyer's action as vengeance, and said: "His vengeance has recoiled upon us in bitterness, in sadness, and in distrust." I do not know who Lord Meston's "us" may be, but the noble lords in the division lobby shortly afterwards, by adopting Lord Finlay's motion by a majority of 129 to 86, showed clearly what they thought on the subject, and made "us" old Indians here in England thankful that we still have a House of Lords to judge a case on its merits.

Much harm has been done in India by the controversy. The present state of affairs there is very sad. A letter published in the Press of the 21st July says that:—

"Since the doors of the gaols were opened to the leaders who were convicted of waging war against the King and were released, it is no exaggeration to say that there exists a reign of terror in the Punjab amongst those Indians who came to help the Government. They were being persecuted, penalised, ostracised, and socially made outcasts, because they were true and loyal to the Raj last year."

We can well realise that according to Lord Meston there may be "bitterness and sadness" on the part of the agitators at the failure of the rebellion they so nearly brought about, and there is undoubtedly "distrust," I am sorry to say, on the part of the loyal Indians who co-operated with us in putting down the rebellion. This is entirely due to the liberation of almost all the convicted rebels and the manner in which our loyalist partners in quelling that rebellion are now left by the Government of India to be boycotted and persecuted at the hands of these liberated rebels.

The men who helped us in the rebellion are now compelled to side with the rebels to save themselves not only from boycotting and persecution, but also from what was described in a letter from an Indian the other day as "the vile, mean, and disgusting vilification which is showered by the extremist press upon persons who dare to express their thoughts which are not in keeping with those of the extremist school."

The Real Terrorism

The terrorism in India, on which Mr. Montagu so largely dwelt in the House of Commons, is not the terrorism he depicted of the British Government over the Indian, but the terrorism of the Indian rebel over the Indian loyalist; a terrorism, alas, now rampant throughout India, and the result of a policy of surrendering to your enemies and deserting your friends. The Government of India, the Commander-in-Chief in India, the Secretary of State for India, and the Secretary of State for War must each and all have been thankful to General Dyer last year for having stopped the rebellion when he did, and to turn on him now and break him in a last attempt to placate the rebel agitators is an act that will go down to history as a crime.

CHAS. E. YATE.

CONDITIONS IN VIENNA

The writer of this article has just returned from a visit to Vienna where he had special opportunities of studying on the spot the all-pressing problems of the children.—Ed.

ONE'S first impression on moving about in this formerly beautiful city is that most of its gaiety has departed. The number of well-dressed people is small and the majority show signs of distress and depression. The cafés and restaurants are much less frequented than in pre-war days and a glance at their tariffs shows the cause of this. A meal consisting of thin soup, an entrée of veal or pork, a portion of pastry or pudding and a glass of lager beer costs from 150 to 200 kronen (pre-war value £6 to £10). Only at rare intervals is white bread supplied, and then with an injunction not to allow it to be seen through the windows. A few of the wealthy are well-dressed and still fewer extravagantly so, but the majority are clad in well-worn garments, such as would in pre-war days have long since been given away. A suit of new clothes is unobtainable at anything less than 8,000-10,000 kronen (pre-war £320-400).

Prices and Rations

It will thus be readily seen that people who in pre-war days were comfortably off have now to spend what was formerly a year's income in one month in order to obtain food, to say nothing of other necessities and luxuries. Whilst the wages of labour have risen to a considerable extent and the lot of the labourer thus mitigated, the hardships that are suffered by the official and formerly well-to-do class are appalling. I know of cases in which well-to-do people are gradually disposing of their valuables and much of their furniture in order to obtain food. Nearly all articles of food are controlled and rationed by the Government and this in a very ineffective manner. The weekly rations are about 2 lbs. of black bread, $1\frac{1}{4}$ lbs. of flour, $\frac{1}{2}$ lb. potatoes, $\frac{1}{2}$ lb. of fats, $\frac{1}{10}$ lb. of sugar, $\frac{1}{20}$ lb. of meat. Milk is only obtainable in infinitesimal quantities for infants and young children—none for adults. These weekly rations cost at controlled prices—bread 8s., flour 6s., potatoes 3s. 6d., fats 12s.,

sugar 14s., meat 11s. A labouring man receives more than the normal allowance of bread and sugar. The price of meat is quite low each fourth week. It also varies with the kind of meat. The quality of fat and sugar varies. The allowance is, of course, not sufficient, and must be supplemented from other sources. This, however (with the exception of potatoes), cannot be done at the established prices. This leads to illegal traffic in food (Schleichhandel). Even the fixed prices for fat and meat are prohibitive for many people. The fat and meat thus left on the market may be bought at the fixed price by those who have the money.

Production Vanishing

While the city promises the above quantities of food it very often fails to provide them. For instance, no sugar has been distributed for over a month. Because of the scarcity of fresh milk, children below one year hardly even receive the 0·75 litre per day, and those above one year receive no fresh milk at all. There is great reluctance on the part of the farmers and food producers in the country districts to send their produce to Vienna—first on account of the low prices fixed by the Government, and secondly, because of political animosity on the part of the peasants who are opposed to the socialistic tendencies of the Viennese authorities. The country is gradually producing less and less. The average delivery of food for the first four months of this year has been 38·2 per cent. of the full need, and 60·2 per cent. of the estimated restricted need.

Government without Power

It may then be asked—what becomes of the food that the peasants refuse to sell under Government control? The answer is—they dispose of it by illegal trading and sell it to the highest bidder—thus driving up the prices to such an extent that only the well-to-do can secure it. Naturally the further question arises, “Why does the Government not compel compliance with the law? To this the reply is that the Government is without power—its army is disbanded, and such gendarmerie as exists is permeated with Bolshevism and is quite unreliable and inefficient.

Mortality Statistics

The following official statistics show the effect of the war on mortality in Vienna. They apply to the civil population only:—Births in 1912 39,801, in 1919 24,347; deaths under one year in 1912 5,922, in 1919 3,623; between 60 and 65 in 1912 2,212, in 1919 3,435; excess of births over deaths in 1912 7,783; excess of

deaths over births in 1919, 15,070. Taking the deaths due to tuberculosis, the increase of that disease is phenomenal; for example, in 1912, 472 persons between the ages of 15 and 20 died of tuberculosis. In 1919 the number had risen to 1,021. Deaths from other diseases show, in many instances, a similar high percentage of increase. Thus, in 1912, the deaths from organic diseases of heart numbered 3,337, in 1919 this figure had increased to 5,113.

Criminal Statistics

The great increase in the number of crimes within the last five years has been due to the wretched social conditions, to the breaking down of economic life, and finally to the perversion of moral ideals resulting from the war. The statistics for Vienna are as follows: in 1914 arrests 1,293, in 1919 3,197; inmates in prison in 1914 6,059, in 1919 13,631. No fewer than thirty-five persons were arrested for murder or attempted murder from January 1st to April 20th, 1920. The most of these crimes were committed in connection with robberies. The figures concerning the robberies of banks and money tills are alarmingly high. From March 1st, 1919, to March 1st, 1920, not less than 255 robberies of this sort were committed with a theft of many millions of kronen. The smallest theft was 10,000 kronen and the largest 1 $\frac{3}{4}$ million kronen.

Starving Children

It will be obvious to all that under the prevailing conditions the worst sufferers are the more helpless part of the community, i.e., the children, and it is to the mitigation of their sufferings that the "Society of Friends" has established its organisation in Vienna, and is now working on certain defined lines under the management of a very efficient band of workers. The leading principles adopted are: (1) The supplying of food to the children of the working class and middle class and to others who have fallen into poverty through no fault of their own. (2) With a view to saving the self-respect of those who are helped, and to avoiding the demoralisation incidental to charity, payment is taken in reasonable proportion to income. This policy is modified in special cases. (3) Continuity in relief. It is felt that adequate help to a few is better than occasional help to a larger number. (4) Existing local organisations such as welfare centres and hospitals are made use of and allowed to control the distribution. Medical and hospital authorities come under this heading as it is found that they are free from political and religious partisanship. (5) Children are helped through their families.

Preservation of Family Life

On the vital question of helping children through their families the Committee entrusted with the work state in their report, "We are also convinced that children can be helped best through the family, and that no measures are entirely satisfactory which ignore this. It is of the very greatest importance to preserve the sense of responsibility of the parents and to encourage them to work for their children and look after them. The effect on family life and on the adolescence of the thousands of children who are now spending years away from home may become serious, and it is little use to help the children for a year or two if they come back to worse homes than they left.

Infant Welfare Centres

"In any case it is impossible to look after the majority of young children except through their mothers. We find that relief can be given safely in the homes if controlled by regular medical supervision including periodical weighing of the children. This can be done in a satisfactory way for the 'labouring' and 'lower middle' classes through the Infant Welfare Centres, of which Vienna possesses some excellent ones, and which are worthy of every support that can be given them. As an emergency measure during the food shortage, when distribution of additional rations could hardly be controlled in the ordinary shops, we have found it advisable to open special depôts, at which certain rations are sold to the mothers on production of a card signed by the doctor of the Infant Welfare Centre. This card has to be signed every month when the child is weighed. The increase in attendance at the Welfare Centres induced by the possibility of obtaining food in this way is being met by an extension of the Welfare Centres, a subsidy from our funds which we feel ranks among the best spent of our money. Further help from other relief funds for this food distribution in connection with the Welfare Centres is urgently required in order to include all the children who need it, as it seems certain that this need will be as urgent next winter as it has been this."

How the Work is Done

Sixty thousand families are being looked after by this organisation. There are ten or twelve Distributing Centres, one of which I visited. These centres are presided over by ladies of British or American nationality, and the actual work of distribution is carried out by Austrian women largely from working classes. Mothers bring their children and produce medical certificates to the effect that aid is necessary and also a certificate from the

doctor as to the loss or gain in weight that the child has shown since the last visit. One had only to watch the children and their parents to be convinced of the great need of help of this kind. I also visited a large hospital under the management of Dr. Spitzig. In this there were over 200 children, all being treated for rickets and other bone diseases as well as for tuberculosic illness, greatly aggravated, as the doctor stated, by lack of nourishment. The doctor informed me that to his great regret they had to send out the children before they were satisfactorily cured, but that for this hospital alone he had a waiting list of over 1,200; whilst a branch hospital outside the town was also over-crowded. I saw children ranging from the ages of two to nine, most of them stunted in growth and many permanently deformed in consequence of the lack of food.

How to Help

One of the heads of the "Society of Friends" informed me that there were at least 80,000 children in Vienna below the age of six needing help. Some existing organisations arrange for sending children in train loads for a lengthy sojourn in Norway or Switzerland; but whilst this splendid work is very praiseworthy, I am strongly of opinion that better value could be obtained for money subscribed by placing the children in country districts with peasants who would be willing and able to properly feed them. I was informed by some in Vienna that the peasantry would not deal sympathetically with this effort owing to religious and political animosity, but was told that this difficulty had to a great extent been overcome, and it was urged that preference be given to schemes of help in Austria itself rather than to the sending of children to foreign countries.

COMMISSIONER.

EMPIRE TRADE NOTES

CANADA

Two more steel ships have been launched at Vancouver, one a Canadian Government ship, the "Canadian Prospector," by the Coughlan Shipyards, and the other the "Chilcoot," from the Wallace yards. The "Chilcoot," which has an 800-ton displacement, will run for the Union Steamship Company as a coast passenger and freighter.

THE Duke of Sutherland's agent at Brooks, Alberta, has won the prize of £100 given by the *Grain Growers' Guide* for the best acre of wheat in Western Canada. The yield to the acre was over 67 bushels. Brooks district leads the whole of Western Canada by over five bushels of wheat. The prize-winning wheat was grown on irrigated land.

AN order for 5,000 small freight cars has been received from Belgium by the Canada Car Company.

THE Hudson Bay Company will erect a large number of modern dwellings on their reserve at Edmonton during the summer months. The plans as outlined are stated to provide for the erection of modern homes costing about £1,000 each. These are to be constructed with all the latest conveniences, and are to be so located as to produce both comfort and attractiveness.

WHEAT, oats, field peas, garden beans and red clover from the irrigated district at Brooks, Alberta, won first prize at the irrigation exhibition and convention at Pocatello, Idaho. White clover from the Brooks district was awarded second prize. The exhibits were furnished by Brooks farmers and the Canadian Pacific Railroad experimental farm at Brooks.

AN indication of the high opinion American farmers have of the seed value of Canadian wheat is given by the fact that between 100,000 and 150,000 bushels have been sold by the Canada Wheat Board for seed in Montana. The price paid was \$3.25 per bushel, which is believed to be the highest that has been realised by the Wheat Board. The grain is to be shipped from Calgary.

PURCHASES of pure-bred cattle have recently been made in Alberta by buyers from Italy. Last week one car of steers, with an average weight of 1,510 lbs., and one car of cows with an

average weight of 1,320 lbs. were shipped to Italy from Calgary. The stock was in excellent condition when it left.

THE total capital invested in the logging and lumbering industry of Canada is over 180 million dollars, and there are more than 3,000 plants in operation. The aggregate value of sawn lumber, shingles, lath, poles, cross ties and miscellaneous products in 1918 was over 145 million dollars. The number of persons employed in the woods and mills exceeds 60,000, and the total annual pay roll is 50 million dollars. There was sawn during 1918 over 4,000 million feet, board measure, of which the leading woods were:—spruce, 1,140,000 feet; white pine, 783,000 feet; Douglas fir, 707,000 feet; hemlock, 255,000 feet; cedar, 230,000 feet, while red pine, balsam fir, birch, maple, basswood, elm and other varieties made up the remainder.

BESIDES being a productive fruit growing and mixed farming section of country, the Kootenay district of British Columbia is proving very profitable for bee keeping. Last year the output of honey was 46,480 lbs., an average of 50 lbs. per hive.

EASTERN Canadian woollen manufacturers state that they are booked up with orders for some time to come. Negotiations were completed some time ago for the manufacture of 600,000 yards of khaki cloth for the Greek Government. This was later increased to 800,000 yards and was finally raised to over 1,000,000 yards. Delivery was called for by next June, and the large yardage will ensure activity for all the mills that are in a position to supply this quality of cloth.

AUSTRALIA

THE Federal Government has completed arrangements for placing the whole of its oil-boring operations in Papua in charge of the Anglo-Persian Oil Company, and will expend up to £100,000 (of which the British Government will pay half) to carry out further experiments. The Company hopes that eventually all the oil required by Australasia will be obtainable either from Papua or New Guinea. The Commonwealth is to have a representative in the field and a representative on the board of the Company in London.

THE development of the North-West Territory of Western Australia is engaging the attention of the Government of that State, and an address on the subject was given in Perth recently by a State official, who pointed out that the North-West had never been properly understood, nor its potentialities systematically exploited. It was a country the climate of which was unsurpassed in Australia, and was especially adapted to pastoral pursuits and tropical agriculture. Water conservation and transport facilities were the two great difficulties to be overcome. The former was merely an engineering task, as there was a sufficient body of water in the Margaret and Fitzroy Rivers to successfully irrigate the whole country. Transport was a more difficult problem, in the solution of which the services of camels, horses,

mules, donkeys and bullock teams had been enlisted with varying success. Some idea of the magnitude of the country and the enormous "parcels" of land held there was suggested by the fact that East and West Kimberley comprised an area of 92,000,000 acres, of which 32,000,000 acres were held by 107 individuals. The whole country was adapted for pastoral pursuits, East Kimberley for heavy cattle, and West Kimberley for sheep.

ACCORDING to a recent statement made by the Australian representative of Funstein Bros. and Co., fur dealers of St. Louis, who returned to Sydney after a year's tour in America, Great Britain, France, Belgium and Italy, there is an enormous demand for Australian rabbit, opossum, wallaby and native bear skins in the markets abroad. He mentions that fur coats made of ordinary grey Australian rabbit are selling at £80 each on the English market.

AT the Australian Congress of Consumers' Co-operative Societies, held in Sydney, it was stated that the turnover of the dairy farmers and wheat growers co-operative companies was something like £15,000,000 per annum.

OWING to the information received in Darwin from China that *bêche-de-mer* had reached the phenomenal price of £600 a ton, the industry has been given a fresh impetus, and a number of luggers have been fitted out for fishing for *bêche-de-mer* in the neighbouring reefs, where the quality is said to be the best in the world.

COINCIDENT with the Empire Timber Exhibition, news comes from Sydney intimating that a School of Forestry is to be established in that State by the Commonwealth Government and a diploma of forestry will be granted. It is proposed that the cost of the school and laboratory should be met by contributions from each State on a population basis, and a subsidy by the Commonwealth of one-sixth of the total contribution by the States.

SOUTH AFRICA

THE tanning industry in the Union of South Africa has been much extended. Four additional factories have been opened at Port Elizabeth for the manufacture of leather goods, and there are extensions in the same direction at Oudtshoorn. A new boot factory has been completed at Great Brak River, where the output is rapidly increasing. There is also a tannery and boot factory at Somerset East. A boot factory at Bedford has commenced operations in conjunction with the local tannery. The tannery at Kingwilliamstown dealt with approximately 70,000 hides last year. The large military contracts have ceased and the factories are now manufacturing for civil requirements. Leather and leather goods to the value of £39,158 were exported during 1918, an increase of £4,462 compared with the previous year and of £36,875 compared with 1913, when goods to the value of £2,283 were exported.

THE Annual General Meeting of the National Bank of South Africa, Limited, was held at Pretoria on 23rd June last, the Vice-Chairman of the Board presiding in the absence of the Hon. Hugh Crawford.

Reviewing the balance-sheet figures of 31st March, 1920, the Chairman stated that the paid-up capital now amounts to £2,965,000, deposits £61,323,000, notes in circulation £4,327,000, cash assets £13,761,000, investments £12,185,000, all gilt edged and written down to or below market quotations, bills of exchange £14,429,000, while the liquid assets amount to £40,375,000, representing 58 per cent. of the bank's liabilities to the public. Bills discounted, loans, etc., amount to £32,961,000. The Chairman referred to the very substantial increases shown in all departments, and stated that the net available profit, including the amount brought forward, was £538,683, after allocating £50,000 in reduction of bank premises, which now stand at £768,000, and making full provision for bad and doubtful debts.

The Board recommended a dividend of 7 per cent. and a bonus of 1 per cent., absorbing with interim dividend already paid, £235,483, and also recommended the allocation of £60,000 to officers' Pension Fund, and £200,000 to Reserve Fund (making the latter £1,250,000), leaving £43,200 to be carried forward. All these recommendations were adopted, and the Capital and Reserve Fund now amount to over £4,200,000. The Chairman in the course of his remarks surveyed the mining, farming and commercial industries, making particular reference to the continued progress of the latter, and also spoke hopefully of the country's advancement, notwithstanding a possible temporary set-back.

Some idea may be gathered of the great progress made by the bank from the following facts in its history. On the 31st December, 1909, the bank possessed sixty-six branches and sub-branches, its capital and revenue amounted to £1,150,000, its deposits to £8,549,725, its note circulation to £250,373, and loans and discounts stood at £2,823,500. On the 31st March last, the number of branches and sub-branches had increased to 510, capital and reserve to £4,215,000, deposits to £61,323,019, note circulation to £4,327,000, and loans and discounts stood at £32,961,033.

THE Government of the Union, having considered the report on the electrification of railways submitted by the consulting engineers, has announced its intention to proceed at an early date with the electrification of the line from Cape Town to Simons-town—which carries a heavy suburban passenger traffic—and the section of the Natal main line between Durban and Pietermaritzburg, over which passes a very large tonnage of goods to important inland centres. With the experience which these preliminary measures will afford, the Government will be enabled to embark with greater security upon the more ambitious scheme which they have in mind.

OVERSEA CORRESPONDENTS.

THE EMPIRE REVIEW

AND

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PROBLEMS OF INDUSTRY

THE industrial situation remains gloomy and menacing, and the autumn will be a critical and nervous time. The miners have never been in a more pugnacious and determined mood. Their meeting with Sir Robert Horne produced a deadlock, a ballot is about to take place for or against a strike, and competent observers have little doubt as to the result. Workers in the engineering industry are turbulent, and, as Mr. Mann has indicated, are passing out of their leaders' control, discontent being brought to a head by the refusal of the Arbitration Court to grant their increased wage demands. A Rent strike against the new Act, organised by extremists in the north, is also threatened, and we are told will be declared at some imminent date. We are almost certain to see a considerable increase of unemployment during the autumn months, combined with a still further rise in the cost of living, and a marked slump in several important industries. This alone will provide fuel for a dangerous conflagration in the near future. Those in the best position to judge believe that the series of problems collected under the heading of "Industrial Unrest" will not be solved until the situation has come to a head. The shock of the community at finding itself threatened with ruin will then force the nation to call upon its sources of wisdom and strength to settle matters once and for all. It is always more pleasant to look at the bright side, and pessimism is ever unpopular, but this is eminently a time for realism, and the realistic view of the situation is bound to be pessimistic. We shall win through, but it is no use shutting our eyes to the fact that a crisis is approaching and

approaching rapidly. It is exceedingly unfortunate that the unparalleled chaos in Europe, and the increasing gravity of the conditions in Ireland, to say nothing of other world problems, tend to obscure in the public mind the predominating perils of the industrial situation.

Coal Output

In view of the decision of the Miners' Federation to take a ballot as to a strike in favour of (a) A reduction of 14s. 2d. in the price of domestic coal, (b) An increase of 2s. per shift in wages, it is important that the facts of the coal situation should be widely known. The output for the first two quarters of the year and the number of men employed at mid-quarter were, for the quarter ended March 31st, output 62,103,000 tons, men employed mid-quarter 1,188,500; quarter ended June 30th, output 58,169,000 tons, men employed mid-quarter 1,200,300. The provisional weekly output for the first four weeks of the September quarter was:—week ending July 10th, 4,676,000 tons, July 17th, 4,666,000 tons, July 24th, 4,284,000 (holidays in Scotland) tons, July 31st 4,555,000 tons, a total of 18,181,000 tons in the four weeks, equivalent to an annual output of 236,353,000 tons, whereas the calculations of the miners and the Coal Controller are based on an output of 240,000,000 tons. Moreover, the four weeks under review did not include any general holiday period, and therefore the output is equivalent to a rather smaller annual output, say, 235,000,000 tons.

Export Trade

Turning to the export trade, the figures of coal exported (tonnage and f.o.b. value) and of coal shipped as foreign bunkers (tonnage only, value not being recorded) for the first two quarters of the year were (1) quarter ended March 31st, exports, 8,366,000 tons, value £30,486,000, foreign bunkers, 3,345,000 tons, a total of 11,711,000 tons; (2) quarter ended June 30th, exports, 6,066,000 tons, value £24,414,000, foreign bunkers 3,367,000 tons, a total of 9,433,000 tons, an average value of 72s. and 60s. 6d. per ton of exports. For the month of July the position was: exports 2,097,000 tons, value (f.o.b.) £8,928,000, average value per ton 84s. 2d., foreign bunkers 1,217,000 tons. The financial position of the coal industry is adversely affected by the decline in output, but improved by the further rise in the average value of coal exported.

Miners' Contention Examined

The Miners' Federation contend that after meeting all charges including royalties and profit as provided under the Coal Mines

Act, a surplus remains of £66,000,000 a year, whereas a careful analysis of the figures available indicates a surplus of not more than £30,000,000, and be it remembered the whole of this surplus arises from the abnormal prices realised from coal exported or shipped as foreign bunkers. The miners' claim implies that coal mining should provide about one quarter of the direct taxation that is borne by other industries (in proportion to number employed) in the form of Income-Tax, Super-tax, Corporation Tax, Excess Profits Duty. In other words, that other industries should be overtaxed for the purpose of raising the miners' wages. Let us examine this claim in the light of the service at present given by the miners to the rest of the nation. On the basis of the output in 1913, the men now engaged, 1,210,000, should raise 313,000,000 tons a year, whereas at the present rate only 235,000,000 tons are being raised, a decrease of nearly 25 per cent. Should the miners obtain the increase in wages demanded, their total wages will be about £315,000,000 a year, or about £260 a year as compared with £82 in 1913, a percentage increase of 217 per cent., as compared with a rise in prices to them of less than 140 per cent. (The increased price of coal does not affect them.) Their standard of living would thus be better by one-third. In short, the miners are asking one-third more bread, clothes, etc., in return for one-quarter less coal than they gave. Putting it in another way, they are selling the commodity at a price expressed not in money, but in other commodities 80 per cent. higher than in 1913. Surely this is one of the worst cases of profiteering yet revealed. The facts we have stated, and the conclusions we have drawn, may not be known to the men, but they cannot have escaped the notice of their leaders, who in the event of a strike will be blameworthy in the highest degree.

The Wage Question

The future of wage rates is a perplexing subject, none more so. There is overwhelming evidence to show that in many industries we have arrived at a point where the economic limit has been reached, if not exceeded. Employers have issued many warnings to the effect that it is impossible to increase their wage bill without a corresponding increase in output, and that if demands are made and granted they will have to shut down. Each demand that is granted sends up the cost of living, and lays a train for future demands. The utterances of Labour leaders are by no means helpful. At one moment they say that they are worse off than before the war; at another, that in no circumstances will they go back to pre-war conditions. They demand pre-war prices and post-war wages—an economic impossibility.

The agitation against the increased fares shows that the public consider they can hardly afford to pay more for railway travel; the wage advances granted to the railwaymen have caused an enormous deficit which can only be covered by increased fares; the root cause of the slump, so far as it has yet developed, has been the refusal of the public to pay the prices demanded of them, and these prices are chiefly due to the cost of labour. If workers want post-war wages and pre-war prices they must revise all their ideas of output. Complaints of ca' canny are still being made, and one of the most urgent needs of the moment is to eradicate that fallacy from the workers' minds. Mr. George Barnes has recently written of "the sheer irresponsibility and lack of moral courage on the part of Labour spokesmen." So long as leaders reveal such defects it is difficult to expect their followers to understand the situation or act in any reasonable way. A higher standard of statesmanship on the part of Labour leaders is one of the pressing needs of the moment.

Cost of Shipbuilding

Speaking at the launch of the *Empress of Canada*, Sir Thomas Fisher, general manager of the Canadian Pacific Ocean Services, estimated the costs of the vessel at about £1,700,000 compared with £550,000 before the war. It is not surprising therefore that the company hardly feels justified in repeating the experiment, at any rate until the financial results of the present venture are determined. We have not a full report of the speech before us, but the able writer of the City Notes in the *Times* tells us that, "Taking the estimated cost of building a vessel of the finest type of liner now engaged in the Canadian North Atlantic trade, insurance, allowance for depreciation, and interest on the increased capital would, Sir Thomas said, represent an additional £20,000 to be earned on a round voyage. As compared with the pre-war cost of £4,500 for coal, the present cost would be £24,000; repairs, which previously accounted for £1,700, would now have to be reckoned at £7,700; the cost of provisions had increased from £3,000 to £8,000; and wages had risen from £2,500 to £9,000. The net result was that the cost of a round voyage of a new ship would have to be estimated at £60,000 more than that of a similar voyage of an existing ship before the war. In order to meet the higher expenses, the first-class minimum fares had been raised from £19 to £50 10s., the second-class fares from £11 to £28, and the third-class fares from £6 10s. to £19. Yet the higher passenger fares represented an increase of only 185 per cent., whereas the ship working expenses had advanced by not less than 350 per cent. The increased fares were not sufficient to meet the increased expenses. Sir Thomas Fisher has no illusions

at all about the gravity of the present high cost of travel, and he declared that unless a stop were put to the rise, the cost would lead to the disintegration of the British Empire. Other leading ship managers have commented on the rise in working costs, but the facts and the effects have never before been put more plainly." It would be well if the men engaged in the shipbuilding industry were to ponder over these observations. Even if the reference to the disintegration of the British Empire leaves them cold, the prospect of unemployment and the spectre of a country approaching a scarcity of food even if it keeps off the starvation line may perhaps cause them to hesitate before lending further support to a policy which can only be described as killing the goose that lays the golden eggs.

A Valuable Document

The Report of the Standing Committee of the Profiteering Committee of the Worsted Spinning Industry shows how little justification there is for the popular belief that high prices are due to profiteering. Similar reports in the past have shown far too great a tendency to appeal to popular prejudice, and have been characterised by a scandalous distortion of facts and figures. But this report shows a welcome change, and is a fair and convincing production. It shows that the most efficient firms in the trade have been making not more than 4.5 per cent. profit on their sales. It shows too the crushing burden which the Excess Profits Duty now imposes on industry; that wages are almost treble and form one of the chief causes of the rise in prices. It emphasises too what badly wanted emphasising, the speculative character of such industries as these, that it is perfectly legitimate to take advantage of good times to set off the loss entailed in bad times. It shows that a slump in the future is quite possible and would have most dangerous results. A wide and close study of this report would have most valuable educative results. To a great extent it epitomises the industrial situation of to-day, and it proves what all good observers have always stated, that the share of what is called profiteering in the increase of prices to-day is absolutely negligible.

A Good Instance

The Dutch ports, Rotterdam and Amsterdam, are at the present moment providing an admirable instance of the way in which this country may lose business through excessive wage demands. The repair slips of those two ports are now filled by British ships being repaired by foreign workers for the benefit of foreign firms. Yet at the same time several British repairing firms are short of work and have many vacant slips. They are

quite in a position to cope with the demand, yet on account of the cost of labour their charges are so high that ship-owners are being compelled to go to Holland. What better instance could be given of the way in which it is possible for British workers to foster unemployment, through forcing up wages to a point where it is impossible to pay them and at the same time compete with the foreigner. Such instances could no doubt be multiplied and they would form the very best educative propaganda for Labour.

Economy Policy

It is a thousand pities that the subject of national economy has become obscured, to some extent discredited, by the fact that it has been associated with attacks on the Government for their alleged waste. It has been pointed out by persons who are themselves working hard for national economy, that if all the proposals of the Anti-Waste school were carried out the saving would be negligible. The problem is much greater than that. It is that at present we are spending more than we can afford, not because we are wasting money, but because we are carrying out policies that demand for their success an expenditure which we cannot afford. We are concerned with an expenditure of £1,400,000,000 out of a national income of £4,500,000,000 or 31 per cent. Experts on taxation agree that even 15 per cent. is dangerously high. Statistics show that less than 3 per cent. of the national income is now being saved, that is to say, being made available for investment as against 13½ per cent. in 1914. That is a problem which cannot be solved by the most ruthless discharge of charwomen. It can only be solved by the community making up its mind how much money it can afford to spend and on what it is to be spent.

Larger Issues

The Army in Mesopotamia costs £30,000,000 a year. Does the community will the expenditure of that sum? If not, we must revise our Mesopotamian policy. Can we afford to spend £100,000,000 per annum on education? Money on education is well spent, but that is not the point; can we afford to spend as much? The public must be weaned from the anti-waste "stunt," as it is called, and be taught to fix its attention and give its mind to much larger issues. It must go through the items of national expenditure and come to courageous and very probably unpalatable decisions. It may have to renounce that which it would much rather keep; shelve reforms which it would much rather carry out. But we shall never get back to security and prosperity until such courageous decisions are made. Many good observers think that it is impossible for Parliament to control national finance

unless it has a local budget before it at the same time as an Imperial. Without some such estimate of the cost of local Government it is impossible properly to estimate the real cost of Government and apply a check to the spending Departments. The practice of Parliament when a Bill is before it involving national expenditure, is to present an estimate of the proposals in the Bill to the House. This procedure, however, is not followed in the case of a Bill placing new powers and duties upon local authorities. That is a clear concrete reform which might be carried out, and it is clear concrete reforms, not vague, abstract abuse, which is going to cure our financial discontents.

Expanding Trade

Notwithstanding all the difficulties of the labour position, the Board of Trade returns for July are the most satisfactory we have had for some time. After deducting the exports and re-exports from the total imports, the adverse balance of trade comes out at £8,042,000, compared with £34,015,000 in the preceding month, a very significant improvement, and one the more noticeable when one remembers that the adverse balance for July, 1913, the year before the war, was only £6,308,000. A still further examination of the figures shows a falling off in imports of 4·6 per cent. and an increase of 18·1 per cent., compared with the returns for June, the greater part of the increase in the export trade being in articles wholly or partly manufactured. Taking exports and re-exports together, the total for July was £155,300,000, against £136,476,000 for June, and £139,575,000 for May—hitherto the best monthly record since the war.

EDITORIAL.

MIGRATION WITHIN THE EMPIRE

ECONOMIC ADVANTAGES OF FINANCIAL CO-OPERATION

It was at a Western Australian luncheon in London last year that the Under-Secretary of State for the Colonies said: "The British Empire must be regarded not as a group of States around a common centre, but as a chain of States around the world, each one entitled to regard itself as the centre of the whole. When this truly Imperial conception of the Empire is fully understood and freely accepted by statesmen of all parties in every quarter of the King's far-flung Dominions, it cannot but help to make for the growth of Imperial sentiments and the surest liberty of the Empire."

Imperial Co-operation

This chain of nations, called the British Empire, undoubtedly preserved the world's liberty and freedom, and it is to this chain of States that we must be prepared to look in the future for defence. We cannot, however, have Imperial defence without Imperial co-operation, and we cannot have effective co-operation without a more equal distribution of the man-power of the Empire. To-day, Australia, with its vast territory of over 3,000,000 square miles with only 5,000,000 people, is undoubtedly the most vulnerable part of the Empire. Fill up the Australian Continent with a British population, and you will have in that population the surest and cheapest and the best defence force. Such a redistribution of the populations of the Empire over the wide areas of the Empire would not leave England poorer, but it would make the Empire rich indeed.

Dominions' Royal Commission

This is not a mere assumption. It is borne out by the wide investigations of the Dominions' Royal Commission, who justified emigration not only for the development of the Dominions, but

in the interests of the British nation itself. "Of all the problems which lie before Imperial statesmanship," said the Commissioners in their Final Report on the Trade and Resources of the Empire, "none is more important and none more fascinating than that of migration. Its successful organisation lies at the root of the problem of Empire development, and largely upon it depends the progress of the intense territories of the Dominions and the increase of power of the Empire as a whole." This considered opinion was arrived at after a prolonged tour of the whole of the self-governing Dominions of the Empire, and was based not only upon their own observations, but also upon the testimony of publicists and experts in each of those Dominions. The result of the inquiry was the submission by the Commission of a series of recommendations in regard to emigration with which I do not propose to deal here, beyond saying that they were based on the conviction that a system of regulated migration within the Empire, operated by the United Kingdom and the Dominions in co-operation, would attract the philanthropist no less than the statesman, "for while to the latter the creation of strong and vigorous communities in distant lands appeals with the greatest force, to the former the possibility of endowing large numbers of the younger generation of the Mother Country with opportunities for happiness and prosperity greater than those which they possess in the land of their birth, opens vistas for successful endeavour such as may be found in no other department of social anchorage."

Overseas Settlement Committee

That report is only three years old, yet already, either because of it or of some other salutary influence, the attitude of the Imperial Government towards migration to the Dominions, which was formerly one of indifference if not actual hostility, has completely changed, at least in regard to the ex-service men and women. Evidence of this change of attitude is supplied in the creation of the Overseas Settlement Committee and the evolution of an Empire scheme of emigration, which is undoubtedly conceived on the broadest and most statesmanlike lines. It is perhaps to be regretted that they have not been able to imbue some of the local pension committees outside their control, who have the working out of the details of this scheme, with the same Empire spirit as they themselves possess. The principle of this scheme is that every man and woman (and their dependents) who had served in the war should be entitled to a free passage to any portion of the Empire, but I do not think I am overstating the case when I say that the attitude of some of the local pensions committees has been one of passive resistance.

Financial Assistance

But why should the Imperial Government stop at paying the passages of these emigrants to their destinations? Why not co-operation with the Dominion and State Governments in financially assisting those of the emigrants who wish to become land settlers and producers by advancing them the necessary funds through those Governments, who, in turn, would make themselves responsible for collection and repayment? The Dominions have a surplus of lands, but a lack of population and of the financial resources to develop them; on the other hand, Great Britain with a paucity of lands is not only the money market of the Empire, but possesses a practically inexhaustible surplus of population. This latter fact is proved by official statistics, according to which, during the forty years 1871-1911, emigration to all countries absorbed less than 25 per cent. of the natural increase of population, and notwithstanding the steady growth of emigration during the first decade of this century, the population of the United Kingdom was increasing rapidly up to the outbreak of war.

Economic Advantages

In this connection, two important propositions are laid down by the Dominions Royal Commission: (1) that the development of the natural resources of the Empire cannot be achieved without adequate man-power, and (2) that emigration offers greater opportunities for happiness and prosperity than are to be found in the Mother Country. If to these two propositions be added the fact that the natural increase of population by excess of births over deaths is greater than the United Kingdom can economically absorb, it is obvious that the promotion and regulation of migration within the Empire is not only to the economic advantage of all concerned (Mother Country, Dominion and emigrant), but is calculated (to quote the Royal Commission once again) to "increase the power of the Empire as a whole." This much has been long realised by both emigrants and Dominions; it remained only to arouse the British Government to its share of responsibility. Up to ten years previous to the war 72 per cent. of the British emigrants went to foreign countries (principally to the United States). Happily, immediately prior to the war, this state of things was practically reversed, and in the year previous to the outbreak of war, 78 per cent. went to places within the Empire. This was largely due to the strenuous efforts of the Dominions' representatives. I would say to Englishmen: Think imperially on emigration. Do not regard every person taken from your crowded cities and your manufacturing

towns as one lost to England, but as one who has merely gone to an outpost of the Empire to produce the raw material which you are so well placed to turn into manufactured goods.

The Statesman's Opportunity

With regard to Western Australia, which I represent here in London, I could give wonderful facts and figures about this young giant State of the Commonwealth, with its millions of acres of rich crown lands, teeming with undeveloped resources in gold, minerals and agricultural wealth, capable of carrying at least ten times the present population. These resources are the foundation upon which the prosperity of the State has been laid, but the superstructure must be the work of the people upon whose morale the future of the State is factor. Nothing could exceed the virility and patriotism of the small, but intensely British, community that has settled in Western Australia. About thirty years ago, when that country was granted full responsible government, it had a population of under 40,000 all told. So well had we progressed in the next twenty-five years that when war broke out, we put into the field 40,000 men, and every one was a volunteer.

I would like to add one word more in relation to the magnitude of Western Australia in proportion to the smallness of its population. I mention this only to emphasise once more the magnificent opportunities that exist for the readjustment and redistribution of the peoples of the British Empire by relieving the congestion which exists in some parts and filling up some of the waste spaces in other parts. Western Australia has more than ten times the area of Great Britain, while Great Britain has 150 times the population of Western Australia. Surely, there is something wrong about such a disparity as that? Millions of our acres are without men. Millions of Britons are without land. There is the statesman's opportunity.

JAMES D. CONNOLLY
(Agent-General for Western Australia).

NEW ZEALAND INDUSTRIES

I

FROZEN MEAT

THOUGH wool still holds its place as New Zealand's leading industry, the production of frozen meat has continued to increase steadily, so that it now takes second place. For the 12 months ending March 31st, 1920, the value of the wool export was £17,318,799, that of the frozen meat, including hides, tallow, and sheep skins (without wool) £14,673,046. In 1900 the price of wool began to decline, and in consequence, the frozen meat industry assumed an importance hitherto unknown. Some years, however, elapsed before it showed any considerable profit, since the outlay on buildings and refrigerating machinery was very large; but its success soon justified all expectations. It was found that the by-products, such as tallow and hides, were exceedingly valuable, returns showed a steady rise, until a phenomenal figure was reached during the war period, owing to the general world food shortage. The wool industry employed very little labour, beyond that needed for the annual shearing, dipping, and packing, with the clearing of bush land and some fencing. The huge freezing works of New Zealand in the provinces of Canterbury, Wellington, Hawke's Bay, Auckland, and other districts, employ an army of skilled and unskilled workmen at high wages. To these must be added a large body of engineers, clerks, agents, accountants, and typists.

Production and Distribution

The cleanliness and general hygienic conditions prevailing in these works provide an object lesson for any visitor. They are usually established as limited companies or co-operative concerns, the chief shareholders being the farmers themselves. As the industry is comparatively young, the promoters have been able to profit by the experience of older countries, and so attain, without difficulty, the highest standard of excellence. Most of the works are situated near a port, so that the carcasses

are quickly transferred from the refrigerating chambers on shore to those on the ocean liner, without any intermediate storage. If the large vessel cannot enter the port, as is the case in some smaller harbours, the loading is done quickly by means of steam tenders, but these are only exceptional cases; the rule is for the works and the wharf to be connected by a short railway track, on which the meat is carried in specially constructed waggons. "Prime Canterbury Lamb!" is an inscription well-known to the London shopper; and the fact that tradesmen have been prosecuted for using the label wrongfully is an additional testimony to the acknowledged value of the genuine article. The Province of Canterbury, through its ports of Lyttelton and Timaru, exported in the year ending March 31st, 1920, lamb valued at £1,027,647. Gisborne's (Poverty Bay Province) export of beef in the same period was valued at £235,786 and that of Wanganui reached the sum of £233,648. Wellington (the capital city) leads in the mutton export with £894,553, and Napier (Hawke's Bay Province) comes second with £836,066.

World's Need for Foodstuffs

All intelligent people realise that it will take many years for the normal balance of Demand and Supply to be restored throughout the world. Though we can do without luxuries, and can economise in clothing, furniture or books, we must be adequately fed, if the world's work is to go on. The great necessity of the present day is, then, to produce good food, and to produce it quickly. The granaries of Europe are closed, other food producing countries have only sufficient for their own needs; but the British Empire need never starve, if the vast resources within its boundaries are conscientiously developed. In one little corner of this vast empire there are grassy uplands, and sunny, well-watered plains, capable of providing food for millions, if Capital and Labour will join hands and enter, heart and soul, into the great and honourable work of production.

II

TIMBER

The bush or native forest, which at one time covered practically the whole surface of the country, still clothes the mountain ranges, the hilly districts, and large stretches of plain land. Here is found much valuable timber including kauri, rimu (red pine), kahikatea (white pine), matai (black pine), totara, beech, tawa, taraire, puriri, rata, silver pine, and yellow pine. In addition there is the *Pinus insignis*, which is not indigenous, but grows over large areas.

Forestry Department

In the development of New Zealand's agricultural and pastoral industries, immense tracts of bush land have been felled, burnt, and cleared. The best trees were cut down, and the logs taken to the nearest saw mills; the inferior timber was burnt uncut, and all stumps were hauled out of the ground by heavy bullock or horse teams—latterly dynamite has been used for this purpose. For nearly half a century this system of land preparation was pursued without any effort being made to replace the timber wastage. The supply seemed inexhaustible, whole cities, built of timber, sprang into existence, while wooden wharves and stores were constructed at the ports, and wooden farmhouses were scattered over the countryside. In some districts the climate became much drier, through the absence of forests, and droughts, hitherto unknown, were threatened. In others the soil, for want of support, slipped down the hillsides, leaving outcrops of rock; and, silting into river beds and rock fissures, has been washed away. To meet the need for afforestation in the Canterbury province settlers were given free grant of Crown land, provided they replanted a certain portion with suitable trees, and by this method several large plantations in North Canterbury were established, and are now giving good returns. This system, however, being unsuitable to the growing needs of the country, was discontinued, and State afforestation was adopted. Plantations were started by the Government in the North Island, including two in the neighbourhood of Rotorua (Hot Lakes District). Nurseries were established in 1896, but not until last year was a separate Department of Forestry created. This department will be controlled, like that of the Indian Forestry, by a Director of Forests, and an experienced staff.

State Afforestation

At the end of the last financial year the four nurseries of the Forestry Department contained over ten million trees, and nearly five millions were sent out during the preceding twelve months. At the same date 35,444 acres had been planted with seventy-five million trees in State plantations, and the State Forests covered 1,654,214 acres. The area of forest on Crown Lands not under the control of the Forestry Department reaches nearly four million acres; national endowment lands carry 2½ million acres and reserves under the Land Act, Public Works and other Acts 371,269 acres. The Scenic reserves with an area of 389,065 acres contain much fine timber, but this, of course, is not available for commercial uses. To this list must be added 2,817,389 acres of national parks. Now that the Government are taking steps to

foster the industry, there will always be encouragement and practical assistance for private development. In fact, Parliament has already voted a sum for this purpose, and the Department assists private holders by issuing pamphlets and distributing trees for planting.

Commercial Uses

Kauri is the most valuable of all New Zealand woods. The vast forests of North Auckland have diminished greatly during the past twenty-five years, and since the Kauri tree requires very many years to reach full development, several generations would pass without seeing any replacement of this loss. Kauri wood is now considered too valuable for building purposes, but it is used in the manufacture of many beautiful fittings, while the value of Kauri gum is well known, the annual export being worth some £300,000. Rimu makes excellent building timber, and, fortunately, it is obtainable in large quantities. Kahikatea was used in early days for building, but it was found too soft for the purpose, being easily pierced by "borer" worms. Of late years much of this wood has been used in the construction of fruit cases, butter-boxes, and small outbuildings, a large quantity being exported. Matai is a good firm timber for building and fencing, while totara provides massive piles for house and wharf foundations, as durable as concrete. Rata is used for doors, floors and window fittings, and the less important timbers have various domestic uses. The *Pinus insignis*, planted, in the first place, chiefly for wind shelters, grows freely, and is much in demand for masts, boxes and firewood. Although the Dominion has excellent coal supplies, and has adopted stone and brick largely as building materials, timber is still in great demand both for building and fuel.

Export Trade

Timber is chiefly exported to the United Kingdom, Australia, Fiji and other Pacific Islands. To this country is sent kauri and white pine, to Australia various rough timbers and kauri, beechwood, white pine and rimu, to Fiji and the Pacific Islands rough and dressed kauri. There is also a large export of kauri gum, which before the war was sent to all parts of the world. In 1914 it was exported to the following countries (in order):—United States, United Kingdom, Germany, Canada, France, Belgium, Italy, Sweden, Australia, Austria-Hungary, Netherlands, Russia, etc. The present export is to Canada, United States, United Kingdom and Australia, but no doubt the world-wide trade will be revived, since the gum is indispensable in so many preparations. In view of the measures adopted to ensure a constant supply,

timber will continue to be one of New Zealand's most profitable industries, especially as it can be grown on land which is entirely unsuited for tillage, and will yield, with good management, steady returns for little expenditure of capital and labour.

J. M. COULTER.

LAND VALUES IN CANADA

FROM the Dominion Bureau of Statistics we learn that the average value of farm land for Canada in 1919, including improved and unimproved land, with the value of dwellings and other farm buildings, was \$52 per acre, as compared with \$46 in 1918, \$44 in 1917, \$41 in 1916, \$40 in 1915, \$38 in 1914. This shows an enhancement in value of farm lands of \$14 or 36.8 per cent. in five years. By provinces, the value was highest in British Columbia, being \$174, as compared with an estimated unit value of \$149 per acre in 1917 and 1918; Ontario, with an estimated average value of \$66 per acre, and Quebec with \$72 per acre, were above the average for the Dominion. Both Ontario and Quebec gave the average value of farm lands at \$57 per acre. In Prince Edward Island, the average value of farm lands has risen from \$44 per acre, the highest previous value, to \$51; Nova Scotia also shows an increase from \$36 per acre in 1918 to \$41 in 1919. New Brunswick valued its farm lands at \$19 per acre in 1910, \$29 in 1916 and 1917, \$35 in 1918 and \$32 in 1919. The value of farm lands in Manitoba, while fluctuating between \$29 in 1910, and \$32 in 1918, rose to \$35 per acre in 1919. In Saskatchewan, farm lands were valued at \$32, as compared with \$29 per acre in 1918, and \$24 in 1914, and Alberta lands increased in value from \$21 per acre in 1914 to \$27 in 1917, and \$29 in 1919.

ONTARIO'S OFFER TO SETTLERS

To meet conditions arising out of the War, the Government of Ontario has inaugurated a system of assisted passages for experienced farm workers and domestic servants, desiring to emigrate to Ontario. The assistance will be in the form of a loan up to £8, to be repaid from wages by instalments. Settlers receiving assistance are guaranteed positions at standard wages on their arrival in the province. They will be encouraged to make yearly engagements, on farms in the case of men, and in households in the case of women. The interests and welfare of the settlers will receive careful consideration by the Ontario Government. All trains containing settlers from Great Britain will be met at Toronto by special officers. Settlers will be directed to accommodation, if staying in Toronto overnight, and allotted suitable situations with utmost despatch. From the time they arrive in Toronto until they are placed in situations they will be under the care of the Government officers. They will also be given a stamped postcard, so that if in need of advice or a change of position they may communicate with headquarters.

RETURN OF THE JEW TO PALESTINE

PALESTINE is once again to be the national home of the Jewish race. At last, after the lapse of over two thousand years, we are to see the fulfilment of the old prophecies, the arrival of the "Day" to which the Chosen People have so long looked forward, and in the certainty of whose ultimate advent they have had such patient hope and wondrous faith.

For centuries the dream based on these old prophecies was all the wandering Jew had to cheer him. Without a country of his own, an object of peculiar contempt and loathing to the Gentiles, among whom he was forced to spend his term of exile, continually oppressed, plundered, tortured, and even murdered, the way of the persecuted Hebrew lay in dark places. Again and again the waters of affliction and suffering rose so high about his head as to threaten to overwhelm him, but even at such times, as blindly and tenaciously as a drowning man clings to a spar, he continued to hold on to the Promise that the Lord would some day take the children of Israel from among the heathen, whither they be gone, gather them on every side, and bring them into their own land.

Reward of Faith

There has been nothing more wonderful than the faith of the Israelite. It cannot be regarded as less than miraculous. The plight of his people was so pitiable in the Middle Ages, and it was such a very long time before there was any change for the better in their condition, before even the slightest ground for hope manifested itself. The night of intense and unrelieved gloom, throughout which not a single ray of light appeared, lasted till it seemed as if dawn was never to break and the darkness was to continue through all eternity. Nothing seemed more wildly improbable than that Palestine could or would ever be restored to the Jews by human means. Dispersed and without any national organisation, powerless to even protect themselves against robbery and violence, certainly the Chosen People could not bring it about by any efforts of their own; while the detestation in which they were held by the Gentiles forbade their placing any hopes in that

quarter. They had only faith in the God of Jacob to sustain them; and after tens of centuries of wandering in the wilderness, which had not brought them perceptibly one step nearer the fulfilment of the Promise, that might have been expected to burn but dimly.

Yet, in the absence of all encouragement, the Hebrew continued to hope on. His faith is like the fire which the torch-bearers in the stadium handed on unquenched and undiminished from generation to generation, and must possess some immortal quality. It has endured to the end, till the dawning of a more enlightened day. Within the last hundred and thirty years men have become more tolerant and charitable, and the Jew has been a gainer thereby. In one land after another he has been released from the disabilities under which he suffered; and now, most wonderful of all, not the might of Hebrew aims, nor the power of Hebrew gold, but Gentile justice, sympathy and consideration have recovered for him his country. Faith can remove mountains; the faith of God's own people has done more, it has remained steadfast till it has worn out even religious bigotry, almost superstitious horror and loathing, and won over their enemies to be their benefactors.

Purity of Race

It has been found no easier to kill the Jewish race than Jewish faith. The old Israelitish stock has proved quite wonderfully tough. For centuries the scorned and hated Gentile did his best to stamp it out, and tried in vain. He not only compelled it to live under the worst conditions, but was continually uprooting and transplanting it whenever it came in his way, ruthlessly trampling it underfoot, beating it down, crushing and bruising it. It seems as if nothing could have stood such ill-usage long, could survive centuries of repeated persecution, plunder, torture and massacre. But the sons of Jacob stubbornly persisted in living in the teeth of all. It looks as if the race must be immortal. And, yet, nations are no more immortal than individuals. The great nations of antiquity, who were once contemporary with the Jews, the Egyptians, Assyrians, Persians, Greeks and Romans, all have perished. The Hebrew alone remains. A chaplain, of whom Frederick the Great required a short proof of the miraculous, answered, "The Jews, my lord." And the survival of the Jews is indeed miraculous.

Men have been much struck and their interest and curiosity excited by this marvellous phenomenon. They have tried to probe its mystery and sought for the cause, but of the many who have claimed to have discovered it, Disraeli was probably nearest the mark when he said, "You cannot destroy a pure race of the

Caucasian organisation." Caucasian races have perished, it is true, but they failed to preserve their racial purity; unlike the Jew, who, faithful to the stringent regulations of Moses respecting intermarriage with Gentile races, has "outlived Assyrian Kings, Egyptian Pharaohs, Cæsars, and Arabian Caliphs."

The Hebrew Intellect

The Jew is a striking example of the principle of race which has always held good, and still holds good. For nations are no more equal than men are equal, or than the land which is upon the earth is all of the same elevation and fertility, without either hills or valleys, wildernesses of Sinai or lands of Canaan. But some start in this life with a great advantage over others, a much bigger share of natural endowments; they are born to rule and find their level as rapidly and surely as water does. Nothing man can do will make up for niggardliness on the part of Nature; artificial advantages of education, culture, even religious and moral training cannot quite compensate, will no more raise the average Hottentot or negro to the level of the average Englishman or Frenchman than they will turn a clown into Sir Isaac Newton or Mr. Arthur Balfour. It is a fact, and false proclamations of the equality of man will not alter it. Disraeli shows how impotent penal laws and even physical tortures have been to "effect that a superior race should be absorbed in an inferior, or be destroyed by it." "The mixed persecuted races disappear, the pure persecuted race remains." And he goes on to add that "in spite of tens of centuries of degradation, the Jewish mind exercises a vast influence on the affairs of Europe. I speak not of their laws, which you still obey; of their literature, with which your minds are saturated; but of the living Hebrew intellect."

The Jew was by no means unconscious of his superiority. In him pride of race and country was abnormally developed. He regarded the Gentile as no better than the dust beneath his feet; as the freeman in a community where slavery exists and to whom, in the words of Burke, "freedom is not only an enjoyment, but a kind of rank and privilege," looks down upon the serf. More than that the attitude of the son of Jacob to all who were not of his descent may be compared to that of the high caste to the low caste Hindoo. The Mosaic law, by forbidding all forms of social intercourse with Gentiles, from sitting at meat to intermarrying with them, just as it prohibited eating swine's flesh, implied that aliens were unclean like swine and defiled all who held communication with them. Nor did the arrogant Hebrew think it worth while to conceal the scorn and pride which he felt and which were generally only too apparent in his offensive manners to all who were not of his blood and race.

The Chosen People

We all think our own country better than any other. However bleak and unlovely our land may be, to us she is better than any foreign strand just because she is *our* country. But the Israelite thought he had a special reason for believing in the superiority of his nation. His sacred writings told him that God Himself had chosen the children of Israel out of all the nations of the earth; had showered blessings on them and revealed to their prophets what He had revealed to no one else; had selected the land of Canaan to be a heritage for them, on account of its exceptional fertility, and in the conquest of it had helped them by the performance of many mighty works. Seers and prophets foresaw a lofty and glorious destiny in store for them, which they described with oriental splendour of diction and wealth of imagery. The most glorious thing about that destiny was its association in some mysterious way with the benefit of all mankind. That the glory acquired thereby is the best and truest kind was somehow borne in upon the Hebrew, notwithstanding his "swelled head" and national pride. The exaltation of his people was not an end in itself but only a means to the blessing of the whole human race. The Chosen People were merely an instrument which God had specially fashioned for furthering His purposes, an instrument of very finely tempered steel it is true, but only an instrument. God allowed them to approach nearer to Him, that through them He might communicate with the rest of mankind; they were a royal priesthood and Jerusalem was the "Holy of Holies" of this world, the only place where God could be truly worshipped. Patriotism and religion were both gainers from this close association; the first deriving strength and sanctity and the second fervour and intensity therefrom.

The Promised Land

In time a terrible Nemesis overtook the children of Israel, and the Gentiles repaid their scorn and arrogance with interest at as usurious a rate as their own moneylenders were too often in the habit of extorting. Now, at last, the period of humiliation and suffering imposed upon the compatriots of Judas for the wickedest murder ever perpetrated, the murder for which they were so tragically eager to assume responsibility, has come to an end; God in His mercy and forgiveness has suffered their long sentence of banishment to terminate, and permitted their return to the Promised Land, and the realisation of the cherished dream, in which through all these ages of exile, persecution and enslavement their faith has never once faltered.

D. A. E. VEAL.

THE FALKLAND ISLANDS

THE Falkland Islands, consisting of the East Falkland having an area of 3,000 square miles, the West Falkland, about 2,300 square miles and about 100 small islands with a total area of rather over 1,000 square miles, lie in the South Atlantic Ocean between lat. S. 51 and 53 and between long. W. 57 and 62, about 480 miles to the north-east of Cape Horn, and 1,000 miles due south of Monte Video. The Dependencies of the Islands are officially designated as "All islands and territories whatsoever between the 20th degree of West longitude and the 50th degree of West longitude situated south of the 50th parallel of South latitude, and all islands and territories whatsoever between the 50th degree of West longitude and the 80th degree of West longitude situated south of the 58th parallel of South latitude." These islands and territories include South Georgia, South Shetland Islands, South Orkney Islands, South Sandwich Islands, Graham's Land, and the territory extending southwards therefrom to the Pole.

Early History

The early history of the Falkland Islands, as they are now known, is shrouded in uncertainty. It has been said that one Americus Vesputius as early as 1502 sighted the islands and that in 1519 Magellan on his trip round the world also sighted the islands, but there is only evidence of a fragmentary nature to support these statements. Similarly the existence of a chart dated 1527 showing islands, in or about the latitude of the Falkland Islands, called Ascension Islands, is not by any means conclusive evidence that the actual islands were known at that time. However, in 1592, the islands were definitely located by Captain John Davis of the *Desire*, and in 1594 they were visited by Sir Richard Hawkins who, in compliment to his Sovereign, named them "Maiden Land." The name "Falkland" was first used in 1690, when the islands were visited by Captain Strong of the *Welfare*, and is in compliment to the then Treasurer of the

Navy. Various visits were made to the islands thereafter, and a French name was conferred upon them, "Les Isles Malouines," which name remains to-day in the "Islas Malvinas" of the Spanish American peoples. No attempt at colonisation of the country was made, however, until 1764, when an expedition under de Bougainville landed at Port Royal, afterwards and to this day known as Port Louis, after the French Monarch, in Berkeley Sound, East Falkland; but in 1766 the French interests in the Colony were purchased by Spain. In the following year Commodore John Byron landed on the West Falkland and endeavoured to form a garrison there. The British were, however, replaced by the Spaniards in 1770, but returned in 1771, and ceased to occupy the Colony for the time being in 1774. No formal occupation of the country seems to have taken place until 1820, when the Republic of Buenos Aires established a temporary settlement in the islands, the settlement being broken up in 1831 by the United States of America.

A British Colony

In 1833 the Colony was definitely taken possession of by the British and was constituted a British Colony, with headquarters at Port Louis. From this date until 1842 the islands were under the control of the naval officers in charge of the work of surveying the waters in this vicinity. In 1842 a civil administration was formed, the capital remaining at Port Louis until 1844 when it was removed to the south shore of the inner harbour of Port William, and the chief settlement of the islands there sprang up under the name of Stanley. Since that time the Colony has been administered by a Governor (responsible to the Secretary of State for the Colonies) assisted by an Executive Council. Except in the growth of the town of Stanley by the erection of houses and other buildings it would seem, from a study of writers on the islands during the early years of its civil administration, that the external appearance and conditions of the Colony have altered but little. Larger or smaller settlements have from time to time sprung up throughout the islands, forming headquarters whence the various freeholders and leaseholders prosecute the sheep-farming industry of the Colony, but a perusal of Captain Snow's book, describing the islands and the life of the settlers, leaves one with a curious sense of reality and a feeling that the writer might have been describing the place as it existed five years ago rather than seventy.

Characteristics

In general physical appearance the Falklands consist of bleak rolling moorland interspersed with outbreaks of grey rock and

stone runs. They bear a marked resemblance to some parts of the north-west coast of Scotland and to the Shetland Islands, being, if anything, more bleak and barren than the latter. In some parts of the coast high rock cliffs may be seen, but the country can hardly be described as mountainous, the highest peak, Mount Adam, on the West Falkland, only rising to 2,315 feet above sea level. Nevertheless, the contour of the country is nowhere flat; long ridges of moorland run from east to west on the East Falkland, and from north to south on the West Falkland, and an inexperienced traveller in the islands will readily be confused at the apparently exact similarity of the ridges over or along which he passes on his journey. As there are no roads outside the limits of Stanley, and the surface soil consists mainly of soft peat, travelling is difficult and is done entirely on horseback, while produce sent to Stanley for export is all water-borne. The face of the country is covered, for the most part, with a coarse yellowish grass capable of feeding cattle or of maintaining sheep of the "greasy Cross-bred" variety. Although an attempt was made in the early days of the Colony to devote the land to cattle-breeding, sheep-farming is now, and has been for many years, the sole industry of the islands. Practically the whole country has now been alienated for this purpose, being split up into a number of farms, the freeholds of which have been, or are in process of being, purchased from the Crown. Each farm or section of land has its headquarters, consisting of the manager's house, cook-house, woolsheds and pens, at a settlement situated on the coast at a point convenient for the shipment of produce to Stanley. At other suitable points about the farm are found small houses occupied by the shepherds of the various sections.

Shipping Communication

In a Colony so isolated, so sparsely populated, and so far distant from any other part of the Empire, it is to be expected that life from year to year should continue in an even and almost uninterrupted course and that one year should appear but little different from that which preceded it. The year 1918, the latest for which official statistics are available, was, however, marked by an accentuation of isolation. Steamer communication before the War was regular and frequent enough to satisfy all requirements; but the increasing demands for shipping made by the Imperial Government changed all this and, during the year named, apart from the whaling vessels, the Colony was visited by no more than six vessels, these being cargo boats of the Pacific Steam Navigation Company, and arriving at very irregular intervals. Written communication with the Mother Country was difficult and slow, while the importation of sufficient

and suitable foodstuffs for consumption was a matter requiring considerable arrangement and foresight.

Cables and Telephones

Stanley is connected with Monte Video by a cable. There is a high power Naval Wireless Station in the environs of Stanley and a small installation, worked in conjunction with the high power station, maintains communication with a small Colonial Government wireless station completed at Fox Bay, West Falkland, in November, 1918. The station at Fox Bay has proved to be of great use and benefit to the residents on the West Falkland and adjacent islands, whose isolation in previous years has been even greater than that of their slightly less unfortunate fellows on the East Falkland. The erection of this Wireless Telegraph Station has been the only public work of unusual importance undertaken throughout the year. Telephonic communication between Stanley and the several stations on the East Falkland, and between the several stations on the West Falkland, has been gradually increasing during the last few years. On the East Falkland, apart from the Stanley system, constituted and owned by the Colonial Government, with some fifty odd subscribers and some ten odd miles in length open for traffic, there are four privately-owned lines run in connection with the Stanley Exchange, viz., running from Stanley to Darwin, to Teal Inlet and Douglas Station, to Fitzroy, and to Port Louis, comprising in all some 150 odd miles of wire. On the West Falkland, Fox Bay, Port Howard, Hill Cove, and Chartres are inter-connected by telephone and there are indications that these stations will shortly be joined up with others.

Prices and Migration

The prices of foodstuffs and other articles of common household consumption, already high, made considerable advances (*e.g.*, tea in January, 1918, was obtainable at 2s. 6d. a pound; in December it could not be had for less than 6s. a pound; condensed milk—a very necessary commodity owing to the scarcity of fresh milk during many months of the year—in January could be bought for 11s. a dozen tins for which 24s. had to be paid in December). The rising prices and the comparative scarcity of foodstuffs combined, in spite of the payment of war bonuses, to make living a difficult and serious matter for the generality of the population of the Colony. Partly owing to the difficulty of living in the Falkland Islands, and partly induced by hopes of improvement and by the offer of higher wages in the wider and less fully developed lands of Argentina and Tierra del

Fuego, there has been a very noticeable tendency towards emigration from the Colony. The actual official figures for the year 1918 were, immigrants fifteen, emigrants forty-three, out of a total population of 2,252, but these figures do not adequately represent the tendency steadily growing towards emigration to South America, and it is possible a very considerable increase in the number of young men leaving the Colony may be looked for now that peace conditions render emigration possible.

Appreciation of the Navy

It was with profound thankfulness and joy that the inhabitants of the Falkland Islands received the news of the signing of the Armistice with Germany. The people of this Colony have special reason to hold in grateful remembrance the might of Britain's Navy since their deliverance on the 8th December, 1914, and though they have been able to do but little to further the Allied cause, such as they have been able to do they have done willingly and gladly, and no hearts beat with more loyalty to the person and throne of His Majesty King George V., with more grateful appreciation and admiration of the heroism and tenacity of his Navy and Army, or with more sincere joy and thankfulness for the happy victory vouchsafed to them.

T. W. GODDARD.

THE "EMPRESS OF CANADA"

THE twin-screw geared turbine passenger liner "Empress of Canada," which is being built to run under the management of the Canadian Pacific Ocean Services in the Canadian Pacific Mail and Passenger Service between Vancouver, Japan, China and Manila, has been launched at Glasgow. This vessel will be the largest mail and passenger steamer running on the Pacific, and is fully equipped with a laundry, dispensary, hospitals, information bureau, telephone system and wireless telegraphy. Special attention is given to the fact that the vessel is to serve in a semi-tropical climate; public rooms and private apartments are, therefore, large and airy, and the ventilation ample and well arranged. The propelling machinery is the largest installation of double reduction gearing so far constructed. After completion the ship will make a world-tour on her way to Vancouver, passengers travelling by Canadian Pacific round the world. The ship is scheduled to leave Liverpool in March, 1921, and will proceed *via* Gibraltar, Monaco, Naples, Suez—through the Red Sea to Bombay, Colombo, Singapore, Batavia, Manila, Hongkong, Shanghai, Kobe, Yokohama. At each port time will be given for visits to places of interest within easy distance.

EMPIRE TRADE NOTES

CANADA

THE site of Valcartier Camp, where the famous first Canadian contingent was mobilised and given its preliminary training in 1914, and where during the war thousands of other Canadian troops were trained, is to be used as a sheep ranch. An arrangement has been made with the Department of Militia and Defence at Ottawa, owners of the property, whereby the Government Experimental Farm at Cap. Rouge, Quebec, may use the several thousand acres as a sheep ranch.

A NOVEL industry which promises rapid expansion in Canada is the development of a substitute for the oyster. This is the sea mussel found in vast quantities along the low-tide mark of the Atlantic coast, chiefly in New Brunswick. The Dominion Government, with the co-operation of scientists, has conducted experiments to this end in Eastern University laboratories, and it is now claimed that mussels can be produced commercially and sold profitably at a cheap rate. The mussel is by no means a new article of diet to the people of Canada. Its delicacy of flavour and high food value have been much advertised since the establishment of Government investigation and experiment. A survey of the mussel beds of the St. Croix river, which constitutes the boundary between New Brunswick and Maine, has occupied the attention of a scientist of the Council for three years, and it is expected that this summer will see the satisfactory conclusion of the research. The sea mussel cannot be produced in fresh waters, so that there is no possibility of developing an industry in the Great Lakes. It is believed that there are possibilities, however, of the development of fresh water clams there, and the Dominion Government, at the instigation of the Ontario Fishermen's Association, is conducting a series of experiments which will probably result in interesting developments.

ONLY one quarter of the land of Nova Scotia has been cleared (3,459,000 acres), and only about one-half of that is under cultivation, while it is estimated that at least 60 per cent. of it can be cleared. The feature of agricultural production, which is brought to the height of perfection in the province, is the apple and small fruit industry which flourishes in the famous Annapolis Valley and the adjoining areas in Western Nova Scotia.

THE Saskatchewan Government is calling for tenders for three of the large bridges to be erected this season. One of these is over

the creek at Esterhazy, one over Loon Creek, near Markinch, and the third a large concrete bridge over the Wascana Creek, near Sidmar. Plans are also stated to be in hand for about a dozen other large bridges. Nearly a thousand pieces of work, involving a total expenditure of well over £100,000 in connection with construction and improvement of highways, were authorised by the Highways Department of the Saskatchewan Government during the 1919 season.

THE Edmonton, Dunvegan and British Columbia Railway is at its wits' end to accommodate the new settlers for the Grande Prairie and Peace River country. Trains leaving Edmonton are crowded to capacity with the best type of settlers.

THE Imperial Oil Company has filed an oil claim on twenty sections of land south of Consul, Saskatchewan, along Battle Creek. Wells will be sunk immediately.

THE Lumber Commissioner for British Columbia announces that the approximate value of forest products of the province for the year 1919 is seventy million dollars, including pulp and paper to the extent of \$12,550,000.

ARRANGEMENTS have been made at Halifax, Nova Scotia, to employ a wireless equipped fisheries protection cruiser during the coming season for the purpose of scouting mackerel in order that fishermen may be advised of the arrival of schools, their location, approximate size and direction and movement.

THE plant of the Rainy River Pulp and Paper Company, which has been idle for years, has been acquired by a Toronto firm, and operations will be commenced at once. The plant has three years' supply of timber within three miles of the mill, cruisers having reported 550,000,000 feet. The plant will be operated by water power from the Rainy River, and the present capacity of 20 tons of sulphite pulp daily increased to 40 tons.

ON account of the vast schools of herring in the waters surrounding Vancouver Island, the catch has been unprecedentedly large, amounting to 353,112 cwt., valued at \$441,390.

FIGURES issued by the Southern Alberta Angling Association show that 670,000 trout of various species were distributed in Alberta lakes and streams during 1919. Outside the Rocky Mountain Parks 50,000 salmon trout and 145,000 rainbow trout were liberated. The majority of the remainder were set out in Rocky Mountain Park, and consisted of salmon trout, rainbow trout, cut-throat trout and Atlantic trout.

THE success which attended the experiment of Sweden in sending great rafts of lumber to England in tow, has convinced the lumber companies of Vancouver that this system of transport is feasible from there. Expert raft builders have been obtained from Sweden, who have commenced the construction of a raft at the Masset Mills in the Queen Charlotte Island. It is proposed to send 10,000,000 feet in raft form, via the Panama Canal, this year.

ACCORDING to an official return just compiled the total capital invested in the agricultural implement industry in Canada in 1918 was \$74,410,603. The number of persons employed in it was 10,095, whose salaries and wages were for the year \$10,282,539. The value of the articles manufactured totalled \$34,853,673.

THREE thousand freight cars for the Canadian Pacific Railway have been ordered from the Canadian Car and Foundry Company. These will be built at the rate of 50 per day and necessitate the engagement of an additional 1,000 men with a prospective pay roll of \$295,000 per month.

THE growth of the condensed milk and powder industries during the war period has been a most notable feature in Canadian dairy production. It is estimated that for 1919 the total output of condensed and evaporated milk was nearly 110,000,000 lbs., valued at approximately 20 million dollars. The total quantity of milk powder produced during the year amounted to 5,323,537 lbs., valued at \$1,662,352.

THE Commerce Motor Car Company, Limited, of Detroit, have arranged for the establishment of a Canadian factory at Guelph, Ontario. This will employ 500 men, in addition to giving work indirectly to another 2,000, as it is the intention of the Company to purchase locally many parts required in the assembling of their trucks. The factory will be designed after the original one at Detroit, which has a capacity of 1,200 trucks annually.

THE value of agricultural production in British Columbia reached 64 million dollars during 1919, 14 million dollars in excess of 1918.

PRACTICALLY the whole of the 69,000 acres of Indian reserve lands in Western Canada acquired by the Soldier Settlement Board of Canada has been sold to soldier settlers.

THE fisheries off the eastern coast of Canada produce 90 per cent. of the world's supply of lobsters. The main beds are now in the Gulf of St. Lawrence and on the Nova Scotia seaboard, but Labrador has the greatest known supply awaiting development.

SEVERAL thousand acres of land around Niverville, Manitoba, have been purchased by interests in the United States. The land is to be seeded to flax this season. Land in the Niverville district has increased recently from \$60 to \$75 an acre.

OVER 5,000,000 tons of coal were mined in the province of Nova Scotia in the year 1919. Of this 2,518,718 tons were consumed within the province. Shipments *via* the St. Lawrence totalled 334,662 tons and to the United States 75,813 tons.

SYDNEY, Nova Scotia, will, it is reported, be the regular port of call during the summer months for the ocean steamers of the Canadian Government sailing between Liverpool and Canada. A million dollars' worth of new buildings will be erected as soon as weather conditions permit commencement on construction.

FIFTY-FOUR per cent. of the apples imported by Great Britain in recent months have come from Canada is the statement made by the Canadian Government Fruit Trade Commissioner in a report received from him by the Department of Trade and Commerce.

IN the recent timber deal whereby the Canadian Robert Dollar Company purchased the timber holdings of Mr. Smith, near Coquitlam, for \$500,000, the former concern secures 9,000 acres of timber land, six miles of railway and camp outfits, with equipment sufficient to produce 150,000 feet of logs daily. Logging has already commenced. The Massett Timber Company, Limited, intends to erect a paper mill on Massett Inlet, Queen Charlotte Islands, where the company has extensive holdings of spruce and hemlock. This concern has been producing timber for some time and exporting to Cuba, Australia and England. Forty men are already at work on the plant and within a few weeks there will be 800 men and 32 steam logging rigs. The paper mill will be started next year, power being developed from water sources.

OWING to the satisfactory prices of grain, Western Canada farmers have thousands of acres more under cultivation this year, and this will be added to by the large number of returned men who took up farms last year and broke land in the autumn, so that a larger crop and consequently more money in the West can be looked for.

THE Directors of the National Agricultural Society of France have been granted a substantial credit by the French Government for the purpose of acquiring breeding poultry for the re-stocking of the liberated regions in France. The Canadian National Poultry Council is now in communication with the Agricultural Society of France, and pending receipt of information as to the quantity of the different breeds required, the Provincial Representatives of the Council are making a survey of their respective provinces in order to ascertain what stock may be available for export. The varieties favoured by the French are the Barred Plymouth Rock, the White Wyandotte, Black Minorca, and Rhode Island Red, and also Bronze Turkeys. An appeal is being made by the President of the Council to the Provincial Departments of Agriculture, Agricultural Colleges and the Canadian Press, to do everything in their power to assist in acquiring the necessary information to carry on negotiations with the Agricultural Society of France, and to take advantage of the opportunity presented to place Canada in a favourable international light as a producer of breeding poultry.

THE flax fibre industry in Canada, small and insignificant in 1915, has shown such remarkable progress in the past few years that steps are being taken by the Department of Agriculture to encourage the farmers in the cultivation of this product, and to place the industry on a sound and more satisfactory basis. In 1915 there were only 1,400 acres planted in flax for fibre as compared with 18,000 acres in 1918. It is said that 25,000 acres have been set aside for the purposes of next year's production.

The province of Ontario, where practically all Canada's fibre is grown, produced 30,000 tons of this material in 1918. Northern Ontario is believed to be ideally suitable for flax growing, and every effort will be made to encourage the settlers to cultivate it. Over 40 acres will be planted next spring in experimental way by the Ontario Department of Agriculture, and the seed will be distributed among selected settlers, sufficient to plant two or more acres.

THE Pacific Construction Company has signed the contract for the excavation and filling work in connection with the new three million dollars Canadian Pacific Railway Pier at Vancouver, and work on the project is stated to have been already started.

FIGURES covering the receipts and sales of live stock at the Edmonton stock yards in 1919 show a healthy increase over the corresponding figures for 1918. The value of live stock handled during 1919 at the Edmonton yards was \$3,913,472 for cattle, \$824,430 for hogs, and horses \$564,525, the total value of all live stock handled being \$5,559,599.

THE governments of Manitoba and Saskatchewan will cooperate in the reclamation of the Carrot River triangle, lying in the vicinity of The Pas, according to an official announcement. The estimated cost of reclaiming the land is two million dollars and the cost will be borne by the provinces in proportion to the amount of land in each. The triangle consists of 700,000 acres of land, 200,000 acres of which is in Manitoba and the remainder in the adjoining province of Saskatchewan.

THE Minister of Finance for the province of British Columbia states that the value of agricultural production for the year 1919 amounted to \$61,749,719, being an increase of 24.6 per cent. over the year 1918. In 1919 the sea fisheries of the province produced a catch valued at \$15,216,397 or 47½ per cent. of the total value of the fisheries of the whole of Canada.

IT is reported that the Belgian Government is negotiating for Canadian credits in order to purchase ten million dollars' worth of Western Canadian Cattle.

THOUGH Canadian farmers are offering high wages with other inducements, such as a good home, etc., many are unable to get help on their farms. The demand for household helps is equally insistent.

BUILDING permits issued in Calgary up to the end of March this year total in value over four million dollars. The permits are for hotels, office buildings, apartment blocks, warehouses, theatres, and include plans for building the reinforced concrete bridge at Hilhurst and the school of technology and art.

AN industrial development with great possibilities of expansion is under way in the vicinity of Wellington, Vancouver Island, British Columbia. This is the utilisation of coal refuse as a fertiliser. A company has been formed to carry this out, and build a factory near the old coal heaps that have accumulated for many years close to the Dunsmuir mines.

AUSTRALIA

THE oil boring experiments conducted by the Federal Government in Papua since 1912, have cost £120,920. This sum includes salaries and wages, purchase of plant and steamer surveys and clearing, bore sinking and general maintenance. The assets at the last stock-taking were valued at £24,500. There are 19 white employees, whose salaries total £7,924 per annum, and about 200 workers, costing about £4,800 per annum. Under the agreement entered into with the Government, the Anglo-Persian Oil Company has taken over all these employees. Oil deposits have been discovered in the Grafton and Coombell districts of New South Wales.

THE cultivation of green peas on an extensive scale has proved very successful in the Orange District, as the crop reaches Sydney at a time when peas from other areas are off the market. A variety trial was this season instituted by the Department of Agriculture on the farm of Mr. Scarr at Springside, Orange. Seven kinds were sown in fallowed land fertilised with superphosphate and bone dust at the rate of 2 cwt. per acre. The peas when pulled in the green state varied widely in bearing capacity. Yorkshire Hero yielded 203 bushels, while the next heaviest, American Wonder, gave 162½ bushels, William Hurst 134 bushels, Defiance 108½ bushels, Daisy 82½ bushels and Stratagem 80 bushels. The suitability of the soils of the Dorrigo for potato culture has been amply demonstrated this season. For four years the Department of Agriculture has been conducting variety trials on the farm of Mr. Short, and the results have indicated the superiority of the White Skinned types over the others. The returns average 12 tons per acre.

VERY satisfactory results are reported from experiments in the destruction of the prickly pear in the Dubbo district, where the pest is a serious menace. The work of spraying with poison was undertaken by the Department of Lands, and it is confidently claimed by the Department that the pear can now be destroyed for less than 25 per cent. of the cost of previous laborious methods. After the spraying the plants become musty and in a few months' time are dry enough to burn out, and this process obviates the danger of spreading the seed to other parts.

A DISTRICT stock inspector at Inverell, who has devoted a great deal of study to rabbit destruction, tells us that owing to the decimation of the drought and the activity of the trapper, the rabbit is no longer in the ascendancy. He takes the view that while the skin market continues to offer inducements to the trapper, the rabbit will never again make headway in settled districts. In the Inverell district one can travel for days without seeing a rabbit.

AUSTRALIANS, who are said to be the largest consumers of sugar in the world, their average consumption being 120 lbs. per head per annum for every man, woman and child in the Commonwealth, have heretofore enjoyed the lowest-priced sugar,

from their own cane plantations, in the Empire. Alarmed at the recent rise in the retail price from $3\frac{1}{2}d.$ to $6d.$ per lb. a vigorous campaign, in which both State and private enterprise has been enlisted, has been prosecuted in the States of Victoria and Western Australia, with a view to supplementing the cane sugar industry of Queensland and New South Wales by putting extensive areas under sugar-beet. It is proposed that the Western Australian Government shall arrange with private land-holders to plant a number of experimental areas, the Government to bear all expenses and retain all rights to the crop. In the meantime a private firm has arranged for extensive experiments in sugar-beet planting, and to that end has ordered large supplies of sugar-beet seed from Europe and America.

THE figures for the recent financial year with regard to the export trade of New South Wales have recently been made available and it is found that the export trade during this period has increased by over £1,000,000 as compared with the 1918-19 financial year. During the same period the imports showed a decrease of £3,232,711. These figures indicate that the balance of trade is tending in the right direction.

ACCORDING to Australian Official returns the increase in the prices of food and groceries (46 commodities) in Australia for the first quarter of this year, compared with the corresponding quarter in 1914, has been as follows:—Queensland, 89·2 per cent.; New South Wales, 73 per cent.; Tasmania, 58·5 per cent.; Victoria, 55·4 per cent.; South Australia, 50 per cent.; Western Australia, 37·6 per cent.

SERGE of Australian manufacture is difficult to obtain owing to the shortage of the output of the local mills, and is quoted at 16s. 6d. per yard. English serge of the same quality is quoted at 35s. per yard, but Australian tailors say that the local manufactured article is the better.

A RE-AFFORESTATION scheme has been put in operation at Milton, on the Coastal District of New South Wales, by the Forestry Department. An area of 2,000 acres is being planted with *Pinus insignis*, and already the nursery has been seeded for 100 acres. Next year the resulting trees will be transplanted. The whole area will be dealt with in sections, thus assuring maturity in sections and a continuous supply of timber. The whole thing is a commercial proposition that has been proved a success in other States, where regular revenues are now forthcoming from the area planted about twenty-five years ago.

THE President of Western Australian Chamber of Mines informs us that the costs of the gold-mining industry in that State are about 50 per cent. higher than in 1914, and, he adds, "except for a negligible percentage, the returned soldiers who were miners before they left for the war have resumed their work in the mines quietly and without ostentation. They are settling down to work again, and what is more, are working in real earnest." If only the coal miners of Great Britain would do the same, how different things would be in the old country.

NEW ZEALAND

THE sound position of New Zealand is shown in the financial statement recently made in the House of Representatives. From this statement we learn that the total revenue of the Dominion for the financial year 1919-20 amounted to £26,081,340, an increase of £3,728,968 on the figures for the previous year, and the total expenditure to £23,781,924, an increase of £5,108,325, showing a surplus for the year of £2,299,416; but the total accumulated surplus of revenue over expenditure amounts to £17,538,977. Of the money expended, £2,021,153 was on public works, and £2,240,879 on education. For the settlement of discharged soldiers land of an area of 210,897 acres was purchased at a cost of £2,352,452, the total area of land proclaimed, and the total amount of advances authorised to discharged soldiers under the Discharged Soldiers Settlement Act being respectively 883,301 acres and £12,610,264 to 31st March, 1920.

WAR loans raised to 31st March last amounted to £80,089,025, of which £53,748,780 was raised in New Zealand. The war expenditure to 31st March last amounted to £76,956,000 including war gratuities (£4,917,638), retrospective allowances (£706,804), financial assistance to soldiers (£26,218), and repatriation (£1,041,366). The gross public debt at the 31st March, 1920, was £210,170,699, and the Sinking Fund £7,257,564. The Dominion's indebtedness per head of population is £165 3s. The total area of State forests is 5,021,280.

THE proposals for the current financial year include an increase in the number of maternity homes and in nurses for the back country; the extension of telephone facilities in country districts; the provision of additional sums of £5,000,000 for discharged soldiers, and £2,500,000 to promote the closer settlement of soldiers; reforestation on modern lines and the planting of sand dunes; the establishment of an Agricultural College in the North Island, of Boys' Agricultural Clubs, and of a State Farm in the South Island; the encouragement of wheat growing; the provision of £1,000,000 for housing. It is the Government's intention to construct new railways in country districts, to increase the expenditure on education, to establish a Bureau of Infant Welfare, and to pursue a vigorous immigration policy.

PROVISION will be made for a compulsory levy, if necessary, for a loan for urgent public purposes, such as housing and discharged soldiers' settlements. Legislation will be introduced in connection with the banking business and the relationship of the Government thereto. Westport Harbour is to be taken over by the Government as a national undertaking. The Customs tariff will be revised. It is also intended to secure improved and accelerated shipping and mail services between New Zealand and the United Kingdom and to encourage scientific research and town planning. The total estimated revenue for the financial year 1920-21 is £27,712,700, and the total estimated expenditure from the Con-

solidated Fund £26,893,497. There is no lack of employment in the Dominion, trade generally is good, and prices of the staple products of the country are satisfactory.

SOUTH AFRICA

THE announcement that the South African Railways intend to proceed at once with the electrification of the Cape Town-Simonstown suburban line and the Natal main line from Durban to Pietermaritzburg, although not unexpected, is of great importance. By the electrification of these lines the Union's railway administration will be able to acquire experience with electrical working in the case of two sections of entirely different type—a suburban line with fairly dense passenger traffic and a difficult length of main line with severe gradients and curves and a very heavy freight traffic. Two large coal-burning power stations at Cape Town and Durban will be required in connection with the electrification scheme, and the necessary plant, together with the transmission and motive equipment, will represent a series of attractive orders. That there will be keen competition for the large contracts involved is certain. The unsatisfactory performance of recently imported locomotives from the United States may add to the likelihood of these orders being placed with British firms, provided the price and dates of delivery quoted by United Kingdom manufacturers are satisfactory.

MR. W. P. TAYLOR writes from Johannesburg:—"Before the War Germany counted her agricultural prosperity in pigs, potatoes, and peanuts. Discussing the point with the head of our Agriculture Department here, he told me not to lose sight of this fact when studying the agricultural future of this country. No doubt immense stretches of South African soil can and will grow the peanut. The pig is its best harvester, and after this last operation the ground has only to fertilise to grow maize. The potato is limited through want of seed, and conditions in the growing. When the rainfall is over 30 inches, in summer the late crop can be grown, but to get a full return it is essential to plant, after ploughing in a green crop, and liming and manuring as well.

"After doing the soil well like this, 100 bags can be got per acre, but many farmers find it more profitable to grow sweet potatoes, although in value they only yield about half the return of the potato. The sweet potato can be grown from cuttings, and thereby a great saving in outlay is made; then, it only requires a watering to start its growth, and afterwards needs but small attention. The potato, on the other hand, has to be cultivated, and earthed. Then again, there is invariably a very heavy crop of sweet potatoes, and the runners make cattle or pig food as well as the tubers.

"It is too much to expect a new country like this, with its poor grasses, to carry well-bred stock without having a proper ration of concentrated food. True, in the lower parts, where there are rich strong grasses, cattle do exceedingly well, but on

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the higher plains it will always be necessary to use concentrated foods. Wherever the mimosa trees abound the animals, wild and tame, eat the beans in pod in the winter time. These are leguminous, and contain the nitrogen and albumen that fits in with whatever carbo-hydrates the beasts can pick up; but what Nature is showing, man must consider and carry out if he wishes to make the land carry larger numbers and fatter beasts.

"As the cotton industry develops, cotton-cake will be distributed and become a concentrated food to go with the dry grasses of the veldt, and with this innovation a great improvement in cattle farming will take place. Holland and Denmark imported their linseed cake at about £7 a ton before the War, there they fed any waste hay with this fine concentrated food, and here there are many thousands of square miles of hay quite good enough for the same purpose wasted and burnt yearly."

THE coal output of the Union of South Africa for the month of March was far the most valuable ever sold in any single month in the history of the country. The total of coal sold by the four Provinces was little short of a million tons (990,960) and the value at pit's mouth was £375,006. This is a very material increase on the February figures of 779,117 tons and £281,285, and leads one to believe that the incidence of high wages and shortage of output in Europe and America is at last having a very real effect on the Union's coal trade. There is already a very active demand for South African coal in several Continental countries and in South America, in addition to the market which has existed for years in the East and in Egypt. It is understood that the position on the railways in regard to trucks and locomotives available for transporting coal to the coast is improving, and everything seems to point to an expansion of coal mining activities in this country in the near and immediate future. The output of the Natal pits last month was a record and there was an increase of almost 50 per cent. both in tonnage and value. It is, too, important to note that Natal's coal output sold for a higher figure than the Transvaal for the first time, we believe, in the history of coal mining in this country. The Garden Colony, in fact, produced one-half of the entire tonnage of the Union, and it looks as if Natal's production for the current year will amount to at least three million tons.

THE annual report of the Rand Chamber of Mines shows that the output of diamonds last year in the Transvaal Province was 873,961 carats, valued at £2,668,854, as compared with 986,039 carats, valued at £1,717,692 for 1918. 11,674 carats of alluvial diamonds, valued at £160,910, were produced in the Transvaal during the month of April. The number of registered claim-holders was 5,017, and the number of diggers who registered finds was 1,748.

SOUTH WEST AFRICA now possesses some 400,000 cattle and 1,000,000 sheep, and is able to carry 3,000,000 cattle and 10,000,000 to 12,000,000 sheep.

OVERSEA CORRESPONDENTS.

THE EMPIRE REVIEW

AND

JOURNAL OF BRITISH TRADE

VOL. XXXIV. OCTOBER, 1920.

No. 237.

PROBLEMS OF INDUSTRY

Coal Crisis

THE crisis in the mining industry developed in a regrettably normal way, and all the earlier attempts to avert it proved abortive. As time passed, however, not alone the leaders of Labour generally, but even the miners' leaders evinced anxiety to find a way out which would save their faces and preserve and maintain that prestige which the Miners' Federation have always held in the labour movement. This weakening of the leaders' resolution was entirely due to many indisputable proofs of public hostility; the strongest resistance developed to the miners' claim that they should override Parliament and dictate on what terms coal should be sold. Any yielding on this point, it was universally realised, would mean a victory for the would-be wreckers of the Constitution.

The Real Aim

Both sides have published a mass of arguments and statistics, which have probably told no very plain tale to the ordinary member of the public. Future profits in the coal industry are purely speculative, and it is far too early yet to discuss their distribution. The miners' position in this respect was plainly untenable; their real aim—though they made every effort to conceal the fact—was to maintain control indefinitely in the hope that their dominating desire, the syndicalisation of the industry, might be possible, but the public was not to be tricked into supporting that scheme and it paid no heed to the expression of

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a charming, unreal solicitude for its welfare. The 14s. 2d. has to come from somewhere, and that "somewhere" is certain to be the consumers' pocket.

Miners' Wages

The wage demand was a more legitimate subject for the industrial action, although the miners are not badly paid, and there have been many evidences during the summer of their increased prosperity. Their wages, plus the Sankey award, are 175 per cent. higher than in 1914, which leaves 20 per cent. over and above the rise in the cost of living to represent that better standard of life which the Sankey award was partially designed to bestow. Certainly the coal industry is not in a position to grant any increase without the strictest inquiry. When Sir Robert Horne said that the whole situation would be entirely different and the wage question could be reopened if the miners would lend their energies to increasing output, he spoke not alone for the miners but for the whole community. There is no objection to higher wages provided the output warrants the increase, but Mr. Smillie's demand that the rise must come first could not, of course, be considered.

Conduct of Disputes

It is exceedingly regrettable that these disputes should be conducted as they are. Both sides seem to wait for the other to climb down, the threat matures, extensive and expensive counter measures have to be organised, every one is affected and the national credit adversely influenced. It is not until the fatal moment has practically arrived that the firm negotiations as distinct from the preliminary skirmishing for position take place. Disputes should be settled at long range, and the means to do so must be found. The fact that industry is carried on in the midst of a "sort of war" has often been commented upon in these pages. Major strikes, lock-outs, a myriad of little strikes, all these components of the guerilla industrial war have a weakening and depressing effect on the industrial scene. It is ludicrous to suppose that humanity should carry on the ordinary work of supplying its needs in the midst of squabbles, abuse, revolutions, attacks as to the methods of production and distribution of the essential product. It is an extraordinary comment on human sagacity. The rival armies tend to organise more strongly, and skirmishes develop into battles. This riot of folly must end. It is far the most important problem before the nation; surely we require two things—encouragement led from the top and some form of national conference. The antidote to the virus of unrest must be found.

A Serious Threat

A significant comment on the action taken by the miners' leaders is found in the statement made by an American coal expert that a contract has been signed by an English syndicate to purchase 35,000,000 tons of American coal for export to France. He tells us very plainly that the coal situation in this country has given the greatest encouragement to American coal owners. The United States miners have increased output by over twenty-six million tons this year, and the resources of the country will last thousands of years. Furthermore, a circular has recently been sent to all miners in the American fields urging them to increase output and so permanently secure the world's greatest share of the export trade. "Now is our chance. It may never occur again." That is an appeal which might be most appropriately addressed to our own miners. Their prosperity and the prestige they command in the Labour movement is entirely due to the fact that they are employed in one of the greatest wealth-producing enterprises in the world, an enterprise to which the prosperity of Great Britain is mainly due. There may be a very different story to tell both as to the position of that enterprise and the prestige of the men employed therein in another ten years.

A Strike Averted

The other major dispute of the month concerns the Electrical Trade Union. It began with a quarrel between the Union and Messrs. Cammell, Laird & Co., over a foreman working at Penistone. The Union insisted that as he had given up his membership of the E.T.U., he should be dismissed. To enforce this demand, they came out on strike, thus breaking an agreement with the Engineering Employers' Federation that no strike should take place until the question at issue had been peacefully discussed. Although this was a fundamental right, affecting as it did the right to manage, the Engineering Employers' Federation took part in many Conferences with the E.T.U. and other Unions involved. No agreement was reached, and eventually the federated firms posted lock-out notices.

Syndicalism Fails

One of the dominating features of the dispute has been the disapproval of the other Unions of the action of the E.T.U., which resulted in a serious altercation taking place at the Portsmouth Congress on the subject. About the same time the Government appointed a Court of Inquiry, and the members of the E.T.U. in the tube, train and lighting service, in London

and other towns, decided to strike in sympathy. The E.E.F. was adversely criticised in some quarters for its refusal to suspend the lock-out until the Court had reported, but the point at issue was so fundamental that were they to have conceded it the conduct of industry would have become impossible. If we are to syndicalise, let us do it thoroughly, but the public must be first consulted. Such semi-syndicalisation as the E.T.U. attempted to enforce would make the conduct of industry impossible. This firmness was fully justified, for a few days later the E.T.U. withdrew their claim and a peaceful settlement was obtained.

The Balance of Trade

The Board of Trade Journal contains an estimate of this country's probable "Invisible Exports" for 1920, and the total given is £600,000,000. This amount of 600 millions is made up of £120,000,000, as net income for 1920, from investments abroad; of £40,000,000 accruing from mercantile houses, insurance companies, banks and commission houses; but the estimate makes no allowance for money spent by tourists and money taken abroad and brought in by emigrants. The final item—by far the largest—is £440,000,000, and the charges for shipping are the charges for carrying goods and not the divisible profits. The total estimated excess of imports and exports of merchandise, coin and bullion, is £420,000,000, which gives a favourable balance of trade for the year of £180,000,000. It may be asked why there are adverse rates of exchange in face of a favourable trade balance, but it must be remembered that if the above figures were analysed geographically a very large favourable balance would be found between this country and the continent, while an unfavourable balance is found between this country and America. The exchanges can only be rectified by: (a) Increased European exports to America or to this country. (b) Decreased imports from America to Europe or this country. The condition of European exchanges will be restored by increased European production, and the gold standard can be restored, and fluctuation of exchanges will in time keep within the gold export and import limits.

Trade Union Congress

The Trade Union Congress at Portsmouth showed, in the opinion of those best qualified to judge, a distinct move to the left. How far the delegates represent the opinions of their constituents is a perennial subject for partial conjecture, but the delegates themselves are distinctly more revolutionary than ever before. It is an easy and reassuring attitude to adopt that they

are but a handful of boisterous firebrands, deliberately and completely out of touch with the rank and file. It may be so, but such is the solidarity of the movement that the extremer elements—possessing as they do the greatest enterprise and the more trained intelligences—are certain to have a faithful following. Again it is easy, but none too convincing to argue that in any case organised labour is but a section of the community, and the great majority is opposed to extremist schemes.

Vain Resolutions

The Congress represents at least 20,000,000 persons, not far short of half the population, and it is therefore unjustifiable and short-sighted to pay little heed to the attitude of congress delegates. The Agenda was, as usual, overloaded with a preponderance of vast revolutionary projects and an almost complete neglect of those small practical points on which its opinion would have been of much value and influence. For example, within twenty-five minutes resolutions were passed: (1) That all Trade Unionists must aid all other Trade Unionists in any dispute. (2) That the cultivation of all uncultivated land in Great Britain should be made compulsory. That the business of the Congress was not more confused and useless was chiefly due to the able way in which Mr. Thomas conducted the proceedings, although we cannot say that his opening address quite met the situation, while in part it seemed to fan the flame of antipathy to capital, and the influence exercised by the Parliamentary Committee; men of the type of Mr. Bowerman, M.P., and Mr. Clynes, M.P., sane, moderate and realistic, who kept a brake on the wilder elements.

Labour and the Building Trade

The labour situation in the building trade appears more satisfactory. From figures obtained in July we find that only 20,575 men were unemployed at that date while 938,971 was the total of employed. This gives us a percentage of 2.19, but out of the number unemployed 4,737 were seeking work in some other trade, a fact that appreciably lowers the percentage. Comparing these figures with July of last year, when the percentage of unemployment was four, the returns show a gratifying improvement in the situation. In these circumstances it is difficult to see why there should be resistance to dilution of building trades operatives. There is plenty of work to keep them at full pressure for five years, and the trade unions have no need to be so rigidly unaccommodating in their attitude. In the carpentering and bricklaying sections there is only nominal unemployment, and the few unemployed are out for purely personal reasons.

EDITORIAL.

LOST IN THE DESERT

A FRONTIER INCIDENT

THE desert of which I write is part of that vast area of aridity which lies almost like a concentric zone within the great parts of the inhabited world. If one looks at a map of the world one will see that many or most of the countries of the globe which are designated desert are contiguous and form a single area only slightly demarcated into separate entities. This band runs through the north of Africa comprising the Sahara, Egypt, and the Sudan, Arabia, Persia, and the westernmost portions of India, such as Sind and Baluchistan. Throughout there are many features which are common, sand, rock, and stones, a sparse vegetation, absence of great rivers and lakes, rainlessness, and a scanty population of nomadic habits of life. It was in the extreme west of the last named of these countries, immediately where it conjoins with Persia and Afghanistan, that my adventure befell.

Our Encampment

It was the Christmas season, and we were on our way back into India, after spending six months in one of the dreariest regions of the world. When we came out, it was through a desert fiercely hot; the sun was so powerful that we could travel by night alone, pushing off usually about sundown and jogging along on our camels till near the dawn, when we spread our tents and took what rest we could through the heat of the day. Now a change had been wrought indeed, and one could scarcely believe it was the same country which winter had made his own. We were delayed at the outset by a blizzard which converted all the passes and nullahs into roaring waterfalls. Little or no rain had fallen for two years, and it seemed as if all arrears were to be made up in a week. The pass through the mountains which led away from our mud fort back to civilisation was made impracticable for our camels by glissades of hard glassy ice, and was in places so denuded of loose rocks and rubble that ledges were

left like great stairs, which nothing but goats or men could surmount. When we finally got away all went well for two days, and we encamped for the second night under shelter of a great cliff that projected like a headland into the sea of stones and sand. The stars shone out with an intensity I have seen nowhere else, as though they had been the points of thousands of icicles hung from a great vault of ice. The sepoy men lay about under the cliff rolled up in their blankets; the camel-men slept snuggled up against their great beasts; we white men—there were three of us—occupied an old mud bungalow. It was a picturesque sight to see the fires dotted about beneath the cliff, to catch the reflection of them on the swarthy faces of our men, and the vague hump-like shadows of the camels as they lay there patient and immovable in the cold.

The Lost Camel

Before dawn all the camp was roused, packs and saddles were adjusted on the camels, the men fell in, and the whole column moved away. It was freezing hard, and the ground was like iron. We officers had a cup of cocoa each, and then prepared to mount and follow on our camels. We had a riding camel apiece. Unfortunately I could not find mine, and my camel-man had gone on ahead thinking I was following on foot with the column. Owing to the cold I had done a great part of our marches in this way, and I believe I had told him that I would do the first part of the journey on foot again. Be that as it may, my camel had disappeared, and in the dark, while I was hunting for it, the other two officers went on and left me. This was somewhat awkward, as I had delayed so long that it would have been no easy matter to catch up with the column on foot, and I was a little perturbed till I saw one of the batmen, an attenuated gentleman from the Quetta bazaar, in the act of riding away on one of the beasts that carried our cooking stores. I hailed him and bade him halt and take me aboard. To mount a camel is not the work of a minute, or even of two minutes, on a cold morning, and having, as he thought, got going, he wanted a good deal of persuasion to stop and kneel down again.

A Lonely Journey

At last I got up on the seat behind my friend from Quetta and urged him to hurry up and overtake the rest. We had delayed so long that we found ourselves left entirely alone. For something like half-an-hour we padded on under those cold unwinking stars, following what appeared to be a track. Still no sound of our jingling column reached my ears and I began to feel some alarm. The night was so still that the march of men and

certainly the rattle of the tools and machine guns carried on the mules ought to have been audible for a mile or two. I struck matches and, leaning over, tried to make out the track by the feet of our beast. A track of sorts there was; it was very faint, but with the ground so hard I did not expect to see much. I told Ruddhi Khan to push on again, and once more with long strides we went swinging over that terrible plain. In another half-hour the dawn broke. It came like the partial unrolling of a great curtain right ahead of us, showing a long pearly rift bordered by thick clouds. As it grew lighter we came to a halt by common consent and looked about us. We were evidently lost. We were in the centre of a wide plain which rolled away on either side of us to a line of jagged mountain peaks. The plain was covered with scraggy bushes about a foot high, which resembled heaps of herring-bones rather than any known form of vegetation. There was not a soul in sight; not the vestige of a hut or house. The prospect was of immense extent; the plain itself was several miles wide and extended indefinitely in front of us. For all its size, it was a veritable prison. I dare not approach nearer to the mountains; to penetrate into their gloomy passes would have meant certain death after days of hopeless wandering. Their very barrenness and starkness sent a chill through one, for there did not appear to be a single blade of grass on all their slopes and pinnacles.

A Vital Decision

I was now confronted with what I have since felt to be the most vital decision of my life, whether I should go straight on towards the east in the hope of cutting across the route of the column or of overtaking them, or whether I should go back and try and find our late camp with a view to picking up the trail from there. I told myself subconsciously that this was a question in which there must be no muddle-headedness. My life and my companion's undoubtedly hung on it. To go back meant a serious loss of time. And then, if I could not pick up the trail I was worse off than before. Yet after five minutes' cogitation I resolved to go back. I may here interject that it was as well I did so. Had I gone on, I should have been hopelessly lost; the best fate I could have expected would have been to have fallen into the hands of some of those Persian brigands to overawe whom had been one of the occasions of our presence in that neighbourhood. They would have given me short shrift to a certainty, but it would have been quicker than the desert. As a matter of fact, the track I was on led nowhere. It had probably been made by the nomads who drive their goats from nullah to nullah in the hot season. Had I been able to follow

it it would have led to nowhere but the sea coast, though long before I could have reached that I should have been dead.

No Food

I reckoned we had about seven miles to go before reaching our last camp. Once there I resolved, if I could not pick up the trail, to try and get back to our old mud fort where I should at least find the Baluchi levies with whom I could live until I could get a caravan going back into India. I was much disturbed by the promise in the sky of a fresh blizzard. Everywhere it was overspread with a cold leaden pallor. In the far distance rose the great white dome of the Koh-i-Taftan, a peak of 13,000 feet which dominates the land for hundreds of miles around. At that time it was the refuge of a great band of brigands, numbering some 2,000, who terrorised all the country round. I had some fear that some of them might be even now watching me unseen from some of those peaks that bordered the plain. Being hungry I turned to my haversack with a sense of sore misgiving. I had learnt a few lessons in my wanderings, and one was, whatever the seeming needlessness might be, always to carry something in the way of eatables. On this occasion the lesson was a lost one. I had nothing but a few crumbs of gingerbread. The contents of my haversack were some pieces of string, a box of matches, a candle-end, a stump of pencil, and a few pieces of paper. I had also in an inner pocket a pocket revolver and some cartridges. It was very discouraging. It must be hours and hours before I could catch up the column, and I had already a painful ache beneath my waistcoat.

The Powindahs

In the end the three of us drifted back to the old camp, where, to my delight, I found the track of the column plainly marked by the hobnailed boots of our sepoy, and the droppings of the machine-gun mules. They had turned up the entrance of a nullah past which we had ridden. About a mile down the nullah we had our first stroke of luck. We came on an encampment of Powindahs. They were halted along with their camels in the entrance to a small side nullah. They had women and children with them and a number of goats. These people are a curious tribe who do much of the trafficking from Afghanistan into India. They are not Afghans. No people, indeed, could in lineaments be more dissimilar. Whereas the typical Afghan has a hard-cut Hebraic cast of countenance, the Powindah has a flat square face of Mongol type. His complexion, too, is fair and suffused with a rosy blush. It looks almost ridiculous to see a tall, well-grown

man with the fair skin and chubbiness of a baby. Yet such these men are. They are peaceable and kindly folk, and, thanks to the useful functions they perform, are not overmuch bullied by their Afghan countrymen. I explained to the tribe my predicament, and asked them if they could find me a guide for the remainder of the way. They were very unwilling at first, not so much from unfriendliness as from disinclination to detach themselves from their caravan. It is not a country for stragglers. At last I bargained with them to find me one as far as a certain mud fort which I knew lay on our route, and which our column must have passed. From the fort I would easily get one of the Baluchi levies to act as guide until I could catch up with the troops.

My New Guide

Once again we set off, and at a good swinging trot swept on down the track which ran through nullah after nullah in a maze of intricacies. The chikor and sisi (hill partridges) ran in front of us, or often, suddenly scared as we rounded some corner, took flight with a great whir of wings into the hills. The Powindah ran alongside, keeping pace with us without any apparent effort. He kept up a constant chatter all the way.

"Your honour will give me money?" he asked for the hundredth time.

"Yes, yes, have I not told you so?"

"Much money?"

"Surely, much money."

"You will make me a rajah?"

"Yes, a maharajah, if you like."

He had a pair of boots which he carried one in each hand. His naked feet with their curious cherry flush looked uncomfortably cold as he trotted along. I asked why he did not wear the boots. He gave a cunning smile.

"No," said he, "I am not going to wear them out on this hard ground."

The Wild Ass

We emerged from the labyrinth of nullahs amongst the rocks and hills, and came out on the edge of another of those far-stretching plains which are a feature of the country. They are the beds of old lacustrine depressions and often show efflorescence of salt, white as hoar frost. In the far distance, and girding it in all round, rose up the eternal walls of mountain peaks. This region is the home of the famous onager or wild ass, the shiest and fleetest of all wild creatures. Across these plains his vision can range for miles, and at the most distant approach of man he flies like the wind. I had seen their hoof-marks, but only once

had a very distant glimpse of the beasts themselves. The mouths of the big nullahs and passes which break down into these plains are thresholded by "fans" of detritus, borne down by floods. It was at the apex of such a "fan" we emerged. About a mile away on a slight rise of barren ground beyond the edge of the "fan," I saw the fort of which I was in search.

A Disappointment

It stood out as a single isolated building in the blank waste, and I well knew what the inside would be like, a menagerie of all creeping things, scorpions, tarantulas and centipedes and the lesser things on which they batted. Yet never did any building appear so desirable. I paid my guide and sent him back to regain his tribe. Ten minutes later I found my luck was "out" once more. The fort was empty of all human beings save a half-crazed dwarfish fellow supposed to have been left in charge. He told me the others had gone across to the Afghan border to seek one of the *dak* camels which had gone astray after throwing its rider on the sand. I knew the fort to be in charge of a great red-bearded man famous through all Baluchistan on account of his murders. This desperado the Indian Government, with a foresight and wisdom which is hid from philanthropists, had elected to rule, and in that wild region no better choice could have been made. He may have been after the camel, or, the caravan having safely passed the fort and left it behind, he may have thought it an opportune moment for wiping out some border score; but what concerned me was that the guide I counted on would not be forthcoming, and I was sadly disappointed at finding nothing to eat. The crazy idiot, who was not so crazy as he pretended, would give me no help at all. I threatened him with my revolver, but he knew I did not mean it and ignored the weapon.

I Start Again

I had again to make a difficult decision, whether to strike on across the great plain and trust to finding the trail all the way, or go back to the friendly Powindahs. I decided I would go on this time, the more so as the day had cleared and the sun was shining. Before I left, I found hanging in a corner the carcass of a goat, and I insisted on breaking off a couple of ribs and stuffing them into my haversack. I had overcome the pangs of hunger and felt I could go on easily till nightfall, by which time I ought to have reached our camp; but in case of any accidents I resolved to be on the safe side and have the wherewithal to stay ourselves for a little from starvation. The

idiot protested fiercely and even caught my arm and tried to hold it.

For half a mile it was easy to follow the trail; then it crossed a drift of loose sand and sandhills, where it became very indistinct. I got off the camel and made Ruddhi Khan do the same, much to his disgust; but the beast was tired and I was afraid it would break down, for I knew we had a long way still to go. That journey for the column happened, I knew, to be one of the longest, a matter of twenty-eight miles. We had all that to do and in addition we had done another fourteen at our false start. The day wore on and we went on stumbling blindly over long tracks of loose rocks and shingle, over the most disheartening ranges of sandhills where it was all up one hillock and down again to the next, until I began to fear that it was all up with us after all. I remember climbing in desperation to the top of one particular high sandhill to stare out over the vast plain around us. I hoped against hope to see human forms; but there was nothing. The vast plain of sand and stones rolled away naked and barren to the same inevitable wall of mountains, and there did not seem to be so much as a fly crawling on it. I think the very fear of becoming exhausted kept me from exhaustion. In a dreamy way I kept on saying to myself: "We must go on, there must be no giving in." If we were not to make some disastrous mistake every faculty had to be kept on the alert.

Anxious Moments

It is not easy, perhaps, for one not knowing the country to realise how very easily a mistake could be made. The sun had gone in and the sky resumed that depressing monochrome of leaden grey which it had worn in the morning. After a while we got across this great plain and entered again a range of rocky hills. The track zig-zagged up and down through intricate gorges, but though it was hard going it was more clearly defined, and I came on some definite signs that we were without any further doubt on the right trail. My mind relieved of the acute anxiety which had been torturing it all day, I now began to feel the natural exhaustion consequent on our exertions and deprivation of food. I began to look out for the camp, or at least the great plain in which I knew it to be, at the top of every rise, and was very disappointed when I saw each time only another rise of sandy track, limited by the projecting rocks. Evening had set in by the time I first made contact with our column. It was while staggering along up a prolonged slope of sandy ground that I came on first one, then several of our sepoy, lying on the ground utterly done up. Some of them were asleep, some just sat there and stared at me stupidly.

The Camp at Last

I came to the top of the rise ; the ground dipped in front of me and through the portals of the pass showed me one of the great plains to which I have referred. In the midst of it, about a mile and a half away, I saw the camp with the tents and bivouacs run up and the camels wandering about on the outskirts, cropping the dry herring-bone bushes. I was soon there, and was received in an embarrassing silence. When I reflected on the fright I had given them I could not blame them. With the men in the exhausted condition they were it would have been impossible to get up a search party. An Afghan gentleman attached to us for political reasons told me gravely how he had known of whole caravans going astray in those regions and being heard of never again. Truly, while I was engaged in this adventure I had not allowed my mind to dwell on our peril, but for a long while afterwards the recollection of it made me shudder. I suppose there could hardly be a death more awful than that which would overtake one alone and starving in those solitudes. Their drifting sands cover and uncover in the long years countless bones of beasts and men lost to view as irrevocably as those committed to the great deep itself.

ARTHUR WALTHAM HOWLETT.

INDUSTRIAL ACTIVITIES OF SOUTH AFRICA

THE Annual Conference of Manufacturers has recently been held at Capetown. Each year since the inauguration of the Federated Chamber of Industries in 1917 these meetings have become increasingly representative of the industrial activities of South Africa, and at this third annual convention, presided over by Mr. E. G. Saunders, M.L.A., the President of the Chamber, there was an unusually large gathering of leading manufacturers of every province. In an interesting address the Minister of Mines and Industries spoke of the stimulating effect upon industries of the Board of Technical and Scientific Advisers, the indirect protection afforded to industries by expansive freights, and the appointment of an industrial adviser to the Government, which would become an accomplished fact on September 1st. The real significance of the remarkable growth of South African industry which has been witnessed since the commencement of the great war is not to be measured solely by the results brought to light in recent statistics, nor yet by profit and loss accounts and by profit-earning capacity. Invaluable experience has been gained, and seed sown and scattered which is bearing fruit in abundance. Some of the newer ventures have learned to stand firmly upon their feet while older undertakings have gone from strength to strength. Moreover, industrialists have begun to recognise the value of concerted action.

A STATE SERVICE UNIVERSITY.

IT is not generally known that certain naval officers put forward the suggestion that the Naval Staff College, lately instituted at Greenwich, should be established at Camberley, side by side with the Military Staff College. The proposition, however, did not materialise. Either it failed to secure the support of the Admiralty, or it was vetoed by the Treasury on the score of initial expense. In either event, if I may be permitted to say so, there was a lack of imagination on the part of the authority responsible for the rejection of the scheme.

False Economy

Probably I shall be told that it is to the benefit of the country that the Treasury should lack imagination. But even allowing that to be a truism, it is nevertheless the duty of departments, seeking sanction for expenditure on any scheme, to put its advantages to the State so convincingly that even an unromantic Treasury waxes comparatively enthusiastic. And this is the more necessary when, as in the case in question, pre-vision enters into the scheme, than when it is simply a case of immediate and obvious advantage. In this particular instance, certainly, money has been saved, but it has been saved in very much the same manner as an ordinary individual saves a small sum annually by neglecting to take out an insurance policy. For this, in effect, is what the proposal amounted to. Incalculable advantages would accrue from Naval and Military Staff Officers being trained side by side in close liaison. For the present, this close liaison must necessarily be lacking. Unfortunately, however, with the rejection of the naval officers' suggestion there was also killed the germ of an idea which might eventually have proved of the utmost value to the Empire. The idea of training Naval and Military Staff Officers side by side could have been extended to all other departments of State, dealing with Imperial and foreign affairs. In short, a State Service University might eventually have come into being.

Advantages and Characteristics

Let me outline and examine, briefly, the main advantages and characteristics of such an institution. Under our present system, functions of Government and Navy and Army control are practically entirely departmental. Peace administration is carried out, and war is made, in watertight compartments. True, the War Cabinet in war, and the Cabinet in peace, are designed to secure a measure of co-ordination. But no body of this character, however close the intimacy of its members, can perform its duties with a maximum of efficiency, if the departments of State for which they are responsible are comparative strangers to each other, and communication between them slow and cumbrous. Discussions must inevitably tend towards special pleading, the pleaders being briefed by the permanent departmental heads, with the result that the department possessing the best pleader generally carries its point, which again is usually a departmental one.

Close and Constant Liaison

Policy and military considerations must go hand in hand in peace as well as in war. Policy should never be permitted to drag a weary and overworked military machine behind it into the unknown. Neither should a lusty military organisation dictate policy. The Chief of the Imperial General Staff has already warned the country of the dangers attendant on the former. How then can both possibilities best be avoided? It would seem that what is required is close and constant liaison between the departments responsible for Imperial policy and armaments, each with a thorough understanding of the point of view as it presents itself to the others. Problems would then be approached with a full knowledge of facts and full appreciation of the situation. A problem properly stated is already partly solved. Consequently there would be no stirring up of political hornets' nests with departmental sticks.

Process of Evolution

The present system may be fairly likened to a medical faculty in which individual members are trained to deal exclusively with certain parts and functions of the human body without any knowledge of its other parts and functions. Imagine the plight of an unfortunate victim suffering from complications! Each expert called into consultation would have his particular remedy and would attempt to apply it without knowledge as to its ultimate effect on the general health of the patient. A State Service University would fulfil the same functions towards the

Empire as the various colleges of physicians and surgeons fulfil to mankind. Had the germ, referred to above, been allowed to develop, its growth might have progressed somewhat as follows:— To the Naval and Military Staff Colleges would be added the Air Force Staff College. In close proximity an Administrative Services Staff College would be found, to which would be admitted selected students from the Colonial, Foreign and Indian Offices, together with representatives from the Diplomatic, Consular, Colonial and Indian Civil Service. At each college a certain number of vacancies would be set aside for representatives from corresponding services of the Dominions. What a new and broad point of view this alone would give to our coming administrators, admirals and generals! The four colleges would be truly a university of Imperial affairs.

Proposed Curriculum

The curriculum of each college would, of course, consist mainly of the special subjects of their respective students. Certain days would, however, be set aside for lectures by statesmen, distinguished diplomats, and famous administrators on imperial and foreign subjects and policies. These lectures, in addition to those by professors of the various colleges, would be open to all students. Interchange of professors would be a feature. Debates, in which representatives of the different Services expounded and defended their points of view, would play an important part. To the sailor and soldier, perhaps more particularly to the former, these debates would afford most excellent and necessary training. How many cases are there in our history of unfortunate adventures being entered upon largely owing to the sailor or soldier being unable to compete in argument with the politician? A magazine, containing articles contributed by students, would set the seal on an institution which would go far towards inculcating what may be termed an *esprit de gouvernement*. The advantages would not be immediate, but as this spirit percolated through the Government Services as a whole, it would inevitably bring about a thorough understanding of principles, and the action and reaction of policies, together with that spirit of co-operation and sense of proportion which is essential to those charged with maintaining the Empire's welfare. In fact, scientific and, therefore, economical government.

Pitfalls and How to Avoid Them

Admittedly, if not carefully guarded against, there would be a danger of the university fostering a jingo spirit. Further, in place of public servants studying how best to serve the Common-

wealth, a bureaucratic clique concerned in its own aggrandisement might be produced. The basic principle on which naval and military staff officers are trained is that they are the servants, not the masters, of the forces to which they may be attached, though unfortunately this is sometimes forgotten. The life of those studying at the university would, therefore, require to be imbued with the spirit of service.

H. RUNDLE

(Commander R.N. (retired)).

NEW ZEALAND IMMIGRATION

IT seems to me, said the Chairman of the Bank of New Zealand, at the annual meeting of proprietors held at Wellington, that one of the pressing needs of our country at the present time is population. All classes of the community are suffering from lack of labour, and the present production of field and factory could be, with ease, almost doubled if the necessary labour were available. The energetic prosecution of public works in the country is also greatly impeded by the dearth of necessary labour. The natural increase of the population is much too slow to meet the needs of the country. According to the last census—that of 1916—the European population was then 1,099,449. The increase in ten years from 1906, when the number was 888,578, was equivalent to only 23·7 per cent., or an average increase of only 2·37 per cent. per annum. The average annual increase for the twenty years ended in 1916 was 2·81 per cent. This, of course, includes the increase resulting from ordinary immigration during the period. Such an increase is far too small for a country calling for population to win its latent wealth and develop its capabilities. It has not been the policy of former Governments in recent years to give that encouragement to immigration which the needs of the country seem to demand; but I am glad to say that there is every prospect of greater immigration activity on the part of the present Government. Unless some special effort be made, immigrants will undoubtedly be attracted elsewhere and be lost to New Zealand. The Commonwealth Government, it was recently announced, have an immigration campaign in view and intend to adopt extraordinary measures to divert the surplus male and female population of the United Kingdom to Australia. It is to be hoped that the New Zealand Government will be no less aggressive.

TRADE WITH BRAZIL

BEFORE the war a certain school of politicians and economists used to argue as if all the nations of the world had reached the same state of economic development, and traded with each other on equal terms.

Thus, Mr. Norman Angell, in *The Great Illusion*, described the South American republics as nations of common origin and "as like as peas." So crude a generalisation certainly does not apply to Brazil, which was colonised by Portuguese, whereas the others were colonised by Spaniards. Of the population, estimated at more than 24 millions, half are Indians and negroes. There are said to be a million "wild" Indians living in territory not yet properly explored. The southern part of the country, however, is more like Argentine with its white population. (There are only 50,000 Indians in Argentine out of a population of more than 8 millions.) The reason is the same in both cases—immigration of Europeans.

Since the ban on Japanese emigration was removed about a dozen years ago, from 1,000 to 6,000 Japanese have entered Brazil each year.

Trade Figures

Brazil is not a manufacturing country, though small industries have been started. Her trade consists largely of exports of coffee, rubber, hides, tobacco, maté, sugar, cotton, seeds, nuts, and wax. With these she pays for her imported manufactures. The war stimulated cattle-breeding and meat-exporting. In 1909 Brazil's total exports were valued at 63 $\frac{3}{4}$ millions, and her imports at about 36 millions. From that date until the outbreak of war her exports declined whilst her imports increased. By 1913 the exports were less than the imports. Her foreign debt at the end of 1914 was 104 millions, and reached £115,448,198 in 1917. From these facts it will be realised that the financial condition of Brazil was far from satisfactory. But the war put a stop to extravagances, and the balance of trade is now substantially in favour of Brazil.

American Competitors

The U.S.A. was first on the pre-war list of purchasers of Brazilian commodities and Great Britain came second. In imports Great Britain occupied the first place, the value of the goods sold to Brazil being 16 millions. Germany was next with between 11 and 12 millions. As in other South American countries, the U.S.A. was the principal supplier of goods during the war. In 1913 her exports to Brazil were worth more than 51 millions of dollars, in 1914 the total was about 30 millions. In 1918 the amount was more than 66 million dollars. British trade has declined seriously, especially when prices are taken into account. In 1919 the value of British exports to Brazil had decreased to £10,756,629. During the first six months of 1919 U.S.A. exports to Brazil were worth more than 20 millions and imports from Brazil more than 21 millions—four times the British trade for the same period.

Sao-Paulo

The State of Sao-Paulo is one of the most progressive parts of the world. Its prosperity is due to coffee-planting. Three-quarters of the world's total is produced in Brazil. In 1918 the Brazilian supply amounted to 17½ million sacks worth 30½ millions. The value of the coffee exported in 1919 was actually 72 millions, but this figure included stocks of coffee held back through lack of shipping. The price of coffee doubled in 1919. From 1830 to the outbreak of war over a million European emigrants entered Sao-Paulo; of these 700,000 were Italians, the remainder being Spaniards, Portuguese, Germans, and Syrians. Some emigrants are annual visitors during the harvesting of the coffee crop. The principal city—Sao-Paulo—has more than half a million inhabitants and is growing rapidly. Of the total emigration to Brazil 90 per cent. goes to the State of Sao-Paulo. There is little doubt that the expansion of this city will soon bring its population up to the million contained in the capital, Rio de Janeiro. Though the architecture of the place is Italian in style, there is scope for British architects and builders to contract for business premises. This city is 2,500 feet above sea-level, and the climate is healthy for Europeans. The port for shipment of coffee is Santos, fifty miles away, connected by an excellent railway. Santos used to be a plague-spot but is now sanitary.

Cattle-Breeding

In the southern States of Rio Grande do Sul and Santa Catharina are large numbers of German and Polish settlers. On

some of the maps published in Germany this part of Brazil was coloured to represent a German colony. Here the conditions resemble Argentine and Uruguay. Cattle-breeding is the main occupation, with the object of exporting to Europe, and refrigerating plant is erected in these States. There is tremendous scope for development, as it is in recent years that this industry has been taken up, and progress was greatly accelerated by war demands on all food-exporting countries. Brazilian chilled and frozen meat exports, scarcely worth mentioning before the war, increased to 66,450 tons in 1917, and preserved meat amounted to another 25,000 tons.

Other Resources.

Rubber is produced in Pará and along the Amazon, The production varies greatly with the selling price of the commodity, caused by demand and supply. The record was reached in 1912-13 when the production of Amazonian rubber was over 42,000 tons (including 4 to 5,000 tons produced in Bolivia). Owing to the low price of rubber the present outlook is not at all good. Valuable deposits of iron ore exist in the State of Minas-Geraes. A concession has been granted to an English company, but adequate railway facilities are lacking. During the war the exports of manganese ore from this State, which were about 100,000 tons in five years, increased to 600,000 for a like period. The forests are extensive, and exports of timber, which were multiplied by five during the war, may yet make Brazil known as one of the leading timber-exporting countries. In some other directions the war-time production and exports of Brazil were remarkable. Thus from 1913 to 1919 the annual exports of lard increased from 25 tons to 20,000 tons, rice from 50 to 30,000, sugar from nil to 5,000, beans from 7 to 60,000, maize from nil to 3,000, vegetable oils from 80 to 4,000, and oil seeds from 50,000 to 80,000 tons. The cocoa exports were trebled, whilst the exported quantities of mandioca flour were five times as much. Tobacco exports were 50 per cent. higher.

Present Opportunities

British investments in railways amount to £46,710,694, a small figure compared to the £233,999,072 invested in Argentine companies. The enterprise of the Americans, notably Mr. Farquhar, has much to do with railway developments in Brazil. Locomotives are usually from the U.S.A. Too much reliance has been hitherto placed on coffee and rubber exports, the first affected by bad crops, and the second by serious fluctuations in the market price. We have seen the extraordinary war-time

development of other resources. Much more could be done if transport were improved. But financial guarantees to Britain, U.S.A. or France will have to be more satisfactory than in the past if capital is to be sought in these countries. Three lines of merchant ships and some captured German vessels constitute the largest mercantile marine of any South American State. The tonnage is over 300,000. Here is a chance for British ship-builders. The two dreadnoughts, the cruisers and destroyers have been built in England. With the enhanced reputation of our Navy we ought to be able to hold our own in this direction.

Goods required

Amongst goods required the following are worth attention: Railway materials and locomotives. Agricultural machinery, dairy appliances, and refrigerating plant. (French agricultural machinery and implements manufactured by Schneider et Cie. are being introduced by a Commission of Engineers now travelling in the country.) Machinery, materials and equipment for docks and wharves. Plant for flour-mills, bakeries and biscuit factories. Paper-making, book-binding, and printing machinery. Steam laundry plant. Clothing, hats, hosiery and boots. Household silver, brass, copper and other ornaments; earthenware, pottery, glass and enamelled goods. Jewellery, watches and chains, silver-mounted canes, parasols, drugs, perfumes, soaps, disinfectants. Instructive literature, sheet music, gramophones, pianos and piano-players. Cinema films (especially as the U.S.A. is using them for extensive propaganda in South America). Military equipment, including guns, rifles and uniforms (formerly purchased from France and Germany). British traders should keep in mind the chances offered by the unpopularity of the Germans, with whom diplomatic relations were broken in April 1917. A league to support the Allies—*Brazilian Liga pelos Aliados*—was formed during the war. But it must of course be remembered that heavy duties are imposed on almost everything entering Brazil.

When sending catalogues use the book or letter post. The parcel post is usually dearer, and considerable delay is involved at the other end.

DAVID. W. CADDICK.

EMPIRE TRADE NOTES

CANADA

THE estimate prepared by the Canadian Census department at Ottawa places the population of Canada at 8,835,102, and that of the various Provinces as follows:—Ontario, 2,820,909; Quebec, 2,326,528; Alberta, 587,770; British Columbia, 718,660; Manitoba, 618,903; New Brunswick, 368,760; Nova Scotia, 518,761; Prince Edward Island, 93,728; Saskatchewan, 754,090; North-West Territories, 18,481; Yukon, 8,512.

THE Alberta Provincial Government has under consideration plans for the extensive development of the tar and asphalt industry in the province through the establishment of briquetting plants. There are thousands of acres of tar deposits in the Fort McMurray area awaiting development, and the government has given assurance of assistance in transportation to Edmonton. The initial output is expected to be five cars a day, and the plans include also the intention to supply asphalt to municipalities for road and sidewalk construction.

ACCORDING to a report of the Department of Agriculture for the fiscal year 1918–1919 approximately 4,550,000 lbs. of wool were systematically graded and sold co-operatively through the live stock branch.

THE value of dairying throughout Saskatchewan is rapidly becoming a considerable factor in the wealth of the province—every year witnesses an increased number of creameries and cheese factories, and a corresponding increase in the value of their product. That the central part of the province is undergoing the greatest development and demonstrating its ability to produce dairy products, is evidenced by the fact that in four years its dairy industry has increased more than 165 per cent. This has been done in spite of the fact that during the past few years the abnormally high prices which have prevailed for all classes of grain and concentrated foods, and the extreme shortage of labour during the war, have tended to make dairy development very difficult.

THE chief fisheries inspector of Western Canada has announced his intention of having several million young trout deposited in Southern Alberta waters next spring, and every spring subsequently. The number will depend on the capacity of

the hatcheries at Banff. It will also be arranged to have certain streams that are breeding waters for trout closed for a year or more, in order that they may re-stock themselves. A fish run-way will be built at the Louise Bridge Dam.

ASBESTOS twine is used in laboratories to bind together parts of apparatus exposed to fire and strong acids. A number of household articles, and especially kitchen utensils, are made out of asbestos. Fibre felts made out of pure asbestos fibre are used in large quantities for insulating the heat radiating surfaces of automobiles, the insulation of electric service wires, and the manufacture of sadiron holders. Asbestos can be used for all kinds of purposes, for purposes as widely different as cloth, twine and textiles, and solid building material. Indeed, we are always finding some new use for this valuable product of the Province of Quebec.

REFERRING to the efforts which breeders of British Friesian cattle are making to produce a race of 2,000 gallon cows, Dr. G. C. Creelman, the Agent-General for Ontario, writes:—"While President for sixteen years of the Ontario Agricultural College at Guelph, I had the privilege of co-operating with the farmers of Ontario in a similar laudable purpose, and saw many extraordinary results achieved. One of our college cows, some years ago, reached the remarkable figure of 2,500 gallons in one year, making 912 lbs. of butter, while there are many cows in Ontario now that give over 2,500 gallons." Ontario claims a world's record, made in 1919, by the Ontario-bred Holstein cow, Polo Mercena de Kol, which gave 365 gallons of milk, making 200 lbs. of butter, in thirty days.

PROFESSOR BOVING, the seed specialist of British Columbia, after a long series of experiments and extensive investigation, has arrived at the conclusion that Canadian grown seed has stronger germination than that grown farther south. Previously to this, there were not wanting indications that farmers from various parts of the United States had arrived at the same conclusion, not as a result of scientific research, but from long and hard experience. All last winter farmers from the Central American States were purchasing seed for cereal crops from the prairie provinces, and huge quantities left the large shipping points in the West.

THE three prairie provinces of Western Canada produce more than £400,000 worth of fish per annum. Of this substantial output, whitefish, the typical lake fish of the North, accounts for the greatest aggregate in production and revenue, with 12,500,000 lbs. given to the international food market. It is caught in Lakes Superior, Winnipeg, Athabasca, La Plonge, Lesser Slave and a host of smaller waters scattered over the northern area. This territory is literally dotted with inland waters and strung with a network of rivers. On many of these commercial fishing concerns have been established, whilst others offer the same almost limitless possibilities, only awaiting railway service and transportation facilities to develop them.

EXPORT shipments from Saskatchewan to the United States in 1919, as certified by the American Consul's Office, show a great increase over 1918. Last year the total exports amounted to £1,347,200 as compared with one million sterling in the previous year. The largest value was represented in cattle, which numbered 34,527 head, valued at £617,200 as compared with £238,400 in 1918. Horses shipped in 1919 numbered 124 head, valued at £3,200; butter amounted to 536,000 lbs., valued at £50,800, and lumber to the extent of 19,000,000 feet, valued at £149,400.

THE manufacturing of electrical apparatus is one of the newer industries of Canada which is making great progress. The report of the Dominion Bureau of Statistics for 1918 shows that there were sixty-eight plants in operation throughout the Dominion, forty-two being in Ontario, thirteen in Quebec, seven in Manitoba, three in British Columbia, two in Alberta and one in Saskatchewan.

ONE of the richest pieces of silver ore ever found in Ontario—at least since the early days of cobalt—has been sent from Elk Lake, Northern Ontario, to the Royal Museum at Toronto. It consists of a slab $3\frac{1}{2}$ feet wide and is quite one-fourth pure silver. Experts calculate that similar ore would provide 7,000 ounces of silver to the ton. It comes from the Gowganda district.

A PLENTIFUL supply of amber lies scattered about the sand on the shores of Cedar Lake, 80 miles south of The Pas, Manitoba. Recently a visitor took into the town a sackful of pure amber and stated that a canoe could be filled with it in less than an hour. The presence of amber in this region has been known for some time, but until examined for New York and Toronto interests its quantity was unknown.

It is believed that Canada will find a new market for wheat in Japan now that the Russian market, Japan's former base of supply, is seriously interfered with.

THE various egg laying contests being conducted in Canada have now issued a statement showing the production of each hen for the first eight months of the contest ending June 11th, 1920. The highest record in Canada for this period stands to the credit of a pen of single-comb Anconas, with 1,211 eggs, an average of 121 eggs per bird.

THE city analyst at Calgary has received a request from the Hydro-Electric Commission of Toronto to test 100 cars of cement which are being shipped to Ontario from cement works near Calgary. This is the first time in its history that Alberta has been called upon to supply Eastern Canada with cement. In the past cement has been shipped from Eastern Canada to the West.

THE fox farmers of Prince Edward Island are organising a co-operative association. It is believed that this step is necessary for the future success of the fox ranching industry on the island. The principal aims of the new organisation are: (1) co-operation,

with a view to controlling the output of silver fox fur; (2) the proper grading of such fur with a view of marketing as Prince Edward Island fox only the better quality of such fur; (3) advertising the silver fox fur in the best fashion journals and magazines in order to create greater demand for fox furs, especially those of Prince Edward Island. The association proposes spending a large sum this year in advertising.

It is estimated that the sale of fox pelts in Prince Edward Island for the season will reach a total of 5,000 pelts. These range in price from £200 received from silvers down to £2 for the cheapest reds. The average price for silvers will be between £30 and £40, for patches from £4 to £12 and for reds £7 downwards. Fox ranchers are giving up the breeding of the cheaper grades of foxes as their cost of keep and feed is the same as for the others, and in consequence, domesticated reds are becoming rare. It is estimated that 1,500 pups were exported from the Island during the past season to different points, viz., Upper Canada, Manitoba, United States, and to Japan and Norway. An effort is being made to restrict the exportation of live foxes for the protection of the province's industry.

RIVERS Inlet, British Columbia, bids fair to having a record season for the fishermen this year. Already nine canneries there have packed more than 100,000 cases of sockeye salmon. The boats are still bringing in good catches.

IMPORTS into Canada are still increasing. For the twelve months ending May last the value of merchandise imported was £230,200,000. In this total the value of live animals, wood and paper were the most important items. The returns show marked increases in the value of chocolate, motor cars, tobacco, sugar, silks, ribbons, musical instruments, jewellery, furs, books, cotton and wool.

REPORTS from British Columbia state that the present is a record season for the production of eggs in that province. More eggs are being received than in any previous year at this time, and storages are beginning to fill up with very fine quality stock. It is anticipated at present by the trade that sufficient supplies will be secured to meet trade requirements during the coming season. Some of the trade are reported to be looking forward to being able to ship eggs next autumn and winter to Prairie Province points and possibly to more eastern points, and with this business in view sample shipments are now being sent out.

STATISTICS compiled by the Live Stock Branch of Department of Agriculture show an increase in the live stock holdings in Canada in 1919 as compared with 1909, of approximately 2,850,000 cattle, 716,000 sheep and 1,127,000 hogs, while a comparison of the human population for the years indicates an increase for 1919 over 1909 amounting to approximately 2,315,000 persons.

WITH a capital of \$500,000 the Vancouver Island Whaling Company has been formed to carry on whaling on the British

Columbia coast and to manufacture fertiliser from fish offal. Headquarters will be established at Victoria with a plant at Barkley Sound, and returned soldiers will be employed where possible. Active whaling operations will be commenced this summer.

AUSTRALIA

THE Commonwealth Statistician has issued the following figures with regard to the population of Australia. Total population 31st December, 1919, 5,247,019. New South Wales, 2,002,634; Victoria, 1,495,938; Queensland, 735,220; South Australia, 468,194; Western Australia, 331,660; Tasmania, 216,751; Northern Territory, 4,703; Federal Territory, 1,919. As a result of these figures New South Wales is entitled to an additional member in the Federal House of Representatives at the expense of Victoria. The adjustment will possibly not be made until the result of the official census to be taken in April 1921 is made known. This census will include the population of the Northern Territory of Australia, the Federal Territory, Norfolk Island, Papua and late German New Guinea.

AN English company is making preparations for working extensive deposits of graphite in Western Australia. The world's requirements are something like 300,000 tons per annum, and seeing most of the sources of supply are dwindling the enterprise should prove of great value to the State.

THE tobacco-growing industry in Australia, which received a severe set-back during the war, is reviving with phenomenal rapidity in Victoria, New South Wales and Queensland, while the Government of Western Australia proposes to encourage its extension to that State. An expert points out that the gross returns are as high as £100 per acre, and the expenses, including interest on sheds and machinery, do not exceed £25. The tobacco crop at Manilla, now being harvested, promises to be heavier than usual. Irrigation plants on the river have been kept busy owing to drought conditions, but where the crops have been well worked and watered returns are heavy. Most of the leaf is a good sample, and growers expect to receive higher prices than last season.

THE Western Australian Department of Industries has received information that an English wool-manufacturing firm has signified its willingness to invest £350,000 in the establishment of a woollen mill in that State. In making this announcement the Minister said that several inquiries had reached the Department as to the possible openings for the woollen industry, and it seemed to be a question as to who would be first in the field. He added that the Government would be prepared to make a suitable site available, and grant such railway facilities as were required.

COMMENTING on the great opportunities for wheat-growing in Western Australia, Mr. Mitchell, member for the Goulburn Valley in the Victorian Parliament, who has been visiting the sister State, said—"Two things have impressed me, the immense

areas at present unoccupied and the great amount of development still possible in land already taken up. Nothing that can be done to induce men to go on the land and make it produce more should be left undone. The great want of Australia is the application of man-power to the agricultural industry. In war men best served their country by bearing arms; in peace they can do it by increased production." It is estimated that the area under wheat crop in Western Australia this year will be in the neighbourhood of two million acres, which, after making deductions for hay, should mean a yield of eighteen million bushels.

WESTERN Australia has now 214,679,000 acres under pastoral lease, carrying 7,200,000 sheep, and 943,000 head of cattle, besides horses and camels. In addition, under the system of mixed farming, by which the settlers combine stock-raising with wheat-growing, another 2,430,000 sheep are carried. The State's wool-clip of ten years ago was 25,000,000 lbs.; last season it was 43,000,000 lbs. But the financial potentialities of this increase are not dependent upon quantity. The great rise in wool values the world over renders the increased production of greater importance in value than even it is in quantity.

RECENT advices from Western Australia state that in the matter of dried vine fruits the high qualities of soil and climate of that State exhibit themselves as boundlessly as in South Australia or Victoria. To confirm the statement one has only to visit a few of the vineyards along the Middle and Upper Swan River to see the grapes in bearing, the fruit in cases, or upon the drying-racks, or in the factories (co-operatively owned) where the fruit is being graded and cleaned preparatory to being encased for market, both local and overseas. In the way of raisins, lexias, and currants, there is nothing better in the world than comes from the Swan, and in the opinion of the Minister for Agriculture the future holds boundless possibilities for Western Australia's dried fruits, not only in the British markets, but among the teeming millions of the East, in Java, the Straits Settlements, Hong Kong, India, China, and Japan, where there are practically illimitable markets.

A SCHEME originated by the Westralian Farmers, Ltd., for the bulk handling of wheat, involving an expenditure of about one million sterling, is projected in Western Australia. A terminal elevator will be erected at Fremantle, with storage provision at various railway sidings in the country districts; later on, terminal elevators will be set up at other ports. No Government control or interference is contemplated, although it is said that financial assistance has been promised by the Federal Government.

UP to the end of June of this year 11,373 applications for War Service Homes have been approved of by the Repatriation Department. 2,461 houses are in course of erection in the various States, 1,342 being built under contract and the balance by day labour. Houses completed and now occupied by the applicants number 767, while assistance has also been given to complete 56 houses

for returned soldiers. Already existing houses have been purchased on behalf of 5,334 eligible applicants. Mortgages have been lifted on behalf of 1,296 returned soldiers or dependents, and involving advances to the extent of £614,204. Contracts have been let for the erection of a further 341 soldiers' dwellings, and tenders have been called for 660 new dwellings. 2,232 acres of land in the different States have been purchased by the War Service Homes Commission.

NEW ZEALAND

In his interesting and instructive statement at the annual meeting of proprietors of the Bank of New Zealand, Mr. Beauchamp, chairman of the Board of Directors, made some timely observations on the economic and industrial situation in the Dominion. Referring to Labour and Capital he said: "Much of the present bitterness between the two great agencies must be due to misunderstanding or simply blind antagonism, and our unflinching determination should be to dispel these causes by bringing the parties as much as possible together. I do not ignore the stupendous difficulty of the problem, but it must be faced and solved or national disaster is before us. To this end the proposal that the Prime Minister should call a national industrial conference of both employers and employed is surely a step in the right direction. This would at least disclose more clearly root causes and basic differences and open up a possible path to genuine co-operation and industrial concord. In a land like this, so richly endowed by Nature with all that is necessary for solid national comfort and happiness; with a sturdy race of purely British blood and a climate that stimulates energy; it is surely deplorable that industrial antagonisms should so paralyse the hands of industry and stifle the creation of wealth that many have to face want where plenty should be their lot and comfort their heritage. That production in New Zealand has suffered grievously from the causes I have indicated no one can deny.

"At the close of 1919 there were in store 126,722,232 lbs. wool and 2,107,672 cwt. of meat, which, under normal conditions, would nearly all have been exported, and should therefore be credited in the above table, in which case the average for 1915-19 would, in respect to wool, be increased by over 25,000,000 lbs., and would convert the apparent shrinkage into an actual increase. But, even after making all such allowances, the average increases are not encouraging and, unless a great deal more is accomplished, the pinch of 'hard times' will be felt with some severity. The values of our products are declining, and, when the Imperial purchasing scheme terminates, a new set of conditions is bound to arise—a set of conditions that will be full of difficult problems for bankers, business men and producers. Wool, meat, tallow, hides and skins have already receded from the high level reached since the Armistice was signed in 1918.

"The statistical position in respect to most of these products makes it inevitable that prices must go lower. For instance, in

the case of wool, the quantity in hand is far in excess of the consumptive capacity of the available spindles and, even if all the spindles that were in operation prior to the war were in operation now, the weight of wool would be more than could be dealt with in a reasonable time. With the embargo placed on speculation by bankers the world over, spinners are operating only from hand to mouth and they are safe in pursuing such a policy, for the wool is at their call whenever they require it. Meat, too, seems likely to present serious difficulties because of the enormous quantity in store. There is not yet sufficient shipping available to clear the cold stores, and, even if transportation could be arranged, it would not prevent prices from falling. Though some of our products may hold to something like their present values—dairy produce for instance—the general tendency is downwards and, should the decline be anything like 25 per cent., the situation would become one of some seriousness.

“In the six years, 1914–19—the years of war prosperity—the exports aggregated £202,590,695, or an average of £33,765,116 per annum. A drop of 25 per cent. would reduce this to £25,323,837, and bring us down to the level of 1914, when the exports were valued at a little more than twenty-six millions. Such a shrinkage would be immediately reflected in the Treasury Returns and, unless the strictest economy is exercised in every Department of the State, increased taxation would, in that event, seem to be unavoidable. Businesses which have been built up on the basis of inflated prices, and land values that have been rushed upwards on the same basis, would suffer severely in the process of deflation.

“At this particular juncture, the growth of cereals—more especially wheat—is the department of agriculture which demands the most general attention. There is an undoubted shortage in the world's supply at the present time, and the prospects for the future are decidedly gloomy. This Dominion should certainly grow all the wheat required for its own consumption; but for several years it has not been doing so. The area under wheat crop has for some time been steadily declining. Ten years ago, there were 311,000 acres devoted to wheat, and the yield was 8,661,100 bushels. Last season it is estimated that the area under wheat crop was only 141,000 acres, and the estimated crop 4,100,000 bushels. In view of the certain deficiency in the world's supply and the consequent probability of high prices ruling for wheat, it is to be hoped that our farmers will be encouraged to sow wheat liberally, so that at least our domestic needs may be supplied if not a surplus made available for export to some of the countries that are faced with starvation. To encourage this industry, we may reasonably look to the Government to guarantee a remunerative price to producers.

“The buying and selling of land—especially farm land—has proceeded at a rapid rate, and prices of such land, which were thought a year ago to have reached very high figures, have mounted higher and higher. It is no doubt a matter of common knowledge that many of these transactions are carried through

on a very small cash payment, nearly the whole of the purchase money being represented by a mortgage, or a series of mortgages, of which the last vendor holds the latest. The facility with which men possessing little capital have thus been enabled to purchase areas of land much beyond their ability to improve and work, has been a potent factor in putting up the price of land against the buyer who really has adequate means to carry out his undertakings.

"Now, making the fullest allowance for the productivity of the soil and our wonderful climate, I am still of opinion that sooner or later this country will suffer severely through the absurdly high rates at which, to satisfy the earth hunger that is existing, country lands have been changing hands within recent times. It may be argued—in fact, is argued by some people—that buyers are justified in giving such prices when they take into account the returns they have received from the soil during the past five years, and I admit that, in some cases, the results have seemed to warrant the prices paid.

"But, with the existing prospect of dearer money and the certainty of a decline in the purchasing power of the countries that have been devastated by the war, it is neither wise nor prudent to base land values upon the assumption that the late boom prices for our produce are going to continue indefinitely. Many cases have come under our notice where the price recently paid has been double, and in some instances treble, that at which the property had changed hands in 1914. Prices for dairying land have run up to £150 per acre, and we have heard reports that even £200 per acre and more has been paid in some cases. Where the greater part of such purchase-money remains on mortgage, imagine what would be the position of the mortgagor, thus heavily encumbered, in the event of a fall in the price of dairy produce of, say, 25 per cent.

"It may be that a mortgage does not occasion a farmer the same concern as it does a business man, for I know of some farms on which no fewer than five mortgages were current at the same time. Needless to say, that class of security does not commend itself to us. Indeed, with the object of checking speculation, this and other banks in New Zealand are refusing advances to customers to enable them to buy land at these inflated prices unless applicants, by including other property in the security, can make the cover unquestionably ample. It is significant that many shrewd and well-to-do people are to-day taking the utmost advantage of the present land boom to subdivide and realise upon their holdings."

SOUTH AFRICA

MR. CRAWFORD, the chairman of the National Bank of South Africa, owing to illness, was unable to preside at the annual general meeting of shareholders; he had, however, prepared his customary review of the Bank's affairs, and this, together with some

interesting observations on the general financial, economic and commercial position of South Africa, was read to the meeting by Mr. Emrys Evans. We have already referred in a previous number to the steady progress made by the Bank and discussed its more important operations, we shall content ourselves therefore by reproducing Mr. Crawford's more general observations.

Dealing with the question of gold reserves he pointed out: "The year has not been without difficulties, and certainly the most formidable of these has been the maintenance of our gold reserves. All through the War period we made strenuous efforts to keep the Bank's gold reserve up to an adequate standard, but the Imperial Authorities could not see their way to allow us to supply ourselves with sovereigns, except to a limited extent, and the exports of the country could only be financed by depleting our reserves unduly. When the embargo on the export of gold from Britain was removed in August last the price of this commodity immediately jumped to a premium, and has ever since fluctuated severely. At one time the premium reached almost 45 per cent., but stands lower to-day at 23 per cent. It will be understood that under such conditions it has been an expensive matter for the Bank to replenish its reserves. The Union Government is giving the matter its earnest attention, but the subject is one which bristles with difficulties, and in order to cope with the situation it has meanwhile been necessary to increase our exchange rates very materially. On the one hand the gold mines have experienced great benefit from the higher price, but on the other hand the producers of other commodities for export have been severely handicapped by the exchange difficulties with which the banks have been contending. The Exchange and Currency problem has pressed on us very severely during the last few months, and has added enormously to the difficulty of carrying on our everyday business. However, in spite of these troubles, your Directors are able to place before you to-day a balance-sheet showing great expansion, and reflecting the prosperous condition of the country."

The outlook for South Africa was most promising. "Vast areas of Europe, he said, are in turmoil, and the final outcome is obscure. In South Africa, however, prosperity continues to reign, and probably few countries in the world have experienced so little of the terrible consequences of the war. It is very important to us and to all producing countries that the great European nations should recover their financial status. South Africa has such a wealth of raw products to market that it cannot continue to be prosperous and to expand its trade unless countries oversea are able to buy. There are, I think, indications that Europe generally is slowly emerging from the unhappy position created by the war. As with all developing countries, we shall probably experience periods of depression and meet with set-backs from time to time. I am confident, however, that we shall emerge from each of these and be tided onwards to increased prosperity. The country is so rich in raw products that it cannot for long remain depressed, and to convince ourselves of this we have only to examine our past industrial history, which

is a record of vicissitudes, one following the other with kaleidoscopic rapidity. Through all these changes runs, however, a line of advancement. We have, of course, been aided tremendously by our gold and diamonds, and naturally these remain to-day some of our greatest assets. We have others which are expanding into greater importance year by year, and I will allude to these presently."

On the principal industries of the country we find him saying, "The production of gold in the Union for 1919 was valued at £35,390,609 as against £35,758,316 in 1918. It is thus clear that from the point of view of production the industry has practically held its position. The continued increase in cost is, however, a disturbing feature, and but for the premium on gold the consequences would certainly have been serious. It is unfortunate to have to record the closing down of some of our lower grade mines and to foreshadow the probable cessation of operations on the part of others. The increasing cost of working these mines has outweighed the additional revenue obtained from the gold premium. We must not, however, forget that our gold fields are now over thirty years old, and it is natural that some of the older properties should drop out of the producing rank. We must also not overlook that a number of rich mines are in process of being developed and will in due course enter upon the producing stage. I do not argue that these are sufficiently numerous to compensate for the loss of output by reason of the closing down of the older and lower grade propositions, but nevertheless, the new producers will help before long to fill the gap. It is clear, moreover, that other industries now coming into their own will help to make up for our diminishing production of gold. With regard to diamonds, we find again an astonishing increase in the value of the output. In 1918 2,537,360 carats, valued at £7,114,862, were produced, whereas in 1919 the figures were 2,588,017 carats, valued at £11,734,495. In the case of tin, there has been a falling off in the output, only 1,628 tons, valued at £275,111, having been produced, as compared with 2,346 tons, valued at £470,238, the preceding year. The output of copper has continued to seriously decline. In 1919 4,904 tons, to a value of £208,902, were produced, as against 6,823 tons, valued at £358,627, in 1918. The coal output was 10,261,859 tons, valued at £3,430,361, against 10,658,644 tons, valued at £3,483,493, the year before. It may be a little early perhaps to say much about our iron fields, but I am confident that the iron industry opens up immense possibilities, and I hope before very long that we shall see very large iron works established. The iron works in the Pretoria district have scarcely passed the experimental stage but have shown that the strong hopes entertained concerning them should be fulfilled. In 1919 184,740,104 lbs. of wool were exported, representing a value of £17,885,713. The figures for the preceding year were 115,634,498 lbs., valued at £9,689,630. Statistics regarding mohair show that in 1919 16,942,021 lbs. were exported, the value being returned at £1,654,235. The value of the mohair exported was

approximately the same as in 1918 although more than three million lbs. less were exported in 1919 than in the preceding year.

“Last year it was pleasing to be able to record a distinct revival in the ostrich feather industry, and although the figures for 1918 then quoted were not encouraging, it is very satisfactory to observe that the records for 1919 reveal a remarkable increase. Statistics show that 904,611 lbs. were exported to a value of £1,646,014, as against 108,924 lbs., valued at £88,628, in 1918. We shall hope that the resuscitation of the industry is no passing phase, but it is well to remember the fickle market for this luxury, and as I have more than once remarked in the past, farmers should not specialise in ostriches to the entire exclusion of other branches of farming. As to maize, I have no export figures to quote. The 1920 crop in the Union, according to last estimates, will be about 20 per cent. below normal, and it is calculated that the production will amount to round about 10,000,000 bags. The estimated consumption of the Union is 9,500,000 bags, but as these are merely broad estimates it is perhaps unwise to rely upon any considerable surplus for export. Wattle bark in 1919, to a value of £602,182, was exported, as against £287,220, representing the value of bark exported the previous year. The increase is surely a very marked one, and justifies the prediction I made last year to the effect that when shipping facilities were freer the quality of our bark would gain for it a welcome in increasing quantities in the markets of the world. The industry of tanning extraction continues to be prosecuted with success, and is expanding in a healthy manner. I have more than once in the past made reference to the desirability of encouraging tree planting in every possible way. I do not refer in particular to wattle planting, but to afforestation generally. There can be no doubt about the tremendous benefit conferred upon the country by enterprise of this kind, which, moreover, brings within a few years a handsome reward to the people promoting it.

“With regard to the fruit industry, I do not know that our export trade has yet thoroughly set out on the path of progress which we hoped it would follow on relaxation of the shipping restrictions which hampered it during the war. Its future must, however, be a great one. South Africa is situate at no prohibitive distance from the great European markets, and the incidence of our seasons is all in favour of this trade. We hear most favourable accounts of the development of citrus farming in various parts of the country, and with a full measure of shipping facilities it should be possible to expand the export trade in citrus fruit enormously. Fruit culture and the manufacture of preserves must surely be industries capable of very wide development, in view of the demand in the oversea markets for dried fruits of all descriptions and preserves. Cotton growing is attracting a good deal of notice, and I see that in the Rustenburg district alone a million lbs. of cotton were produced. In the Barberton district and also in Natal considerable attention is now being devoted to cotton growing, with encouraging results, and there is no doubt suitable land available for this class of farming in other parts of

the Union—particularly in the Northern Transvaal. In view of the world shortage of cotton and the prospects of profitable prices being maintained for some time to come it seems that more and more attention will be paid to the cultivation of this crop. It will be noted that a cotton factory was recently established in Cape Town, which, like the woollen factories which have recently sprung up, is likely to be a great success. As to tobacco, it is understood that the crop has responded to favourable weather conditions, and that the estimated production is something in the neighbourhood of 8/9,000,000 lbs.

“The ‘Sugar Year’ which ended on 30th April was a favourable one, a yield of 189,173 tons of marketable sugar being recorded. It is interesting to note that the oversea value of sugar has advanced to £90 per ton, and averaged over the whole year the equivalent of 57s. per 100 lbs., whereas the average price obtained by Natal producers during the same period was probably about 25s. per 100 lbs. There is, I understand, some uneasiness with regard to the coming crop owing to the unfavourable weather conditions experienced in May. We have had pleasure on the last few occasions upon which we have met in welcoming the advent of a new export trade for South Africa in regard to the export of beef, and I see that during 1919 some 285,367 quarters were exported. It is understood that the quality continues to please the London market, although at times our meat suffers a little by comparison with some of that sent forward by longer established competitors. There is, however, no reason why the trade should not be steadily developed, and why cattle ranching should not become a more and more important section of the farming industry. We have vast areas of suitable land with much of which little is being done at the present time. We have markets awaiting us, and, I believe, we have the class of farmer who will, in good time, make the most of these tremendous possibilities. Industrially the country continues to move forward in a very gratifying manner. The latest statistics show that the factories of the Union produce annually goods to a value of nearly £61,000,000, and it is estimated that in the last four years the output of manufactured goods in the Union has increased by roughly 50 per cent. These figures, it should perhaps be emphasised, refer only to manufactured goods, and do not take into account the output of the mines. During the last four years 2,000 additional factories have come into existence, and to-day there are nearly 6,000 factories operating, giving employment to 134,000 hands, and paying annually twelve and a quarter million sterling in wages. The capital invested exceeds £35,000,000, and the factories consume raw and semi-manufactured material to an estimated value of £34,000,000 per annum. Over 300 different classes of manufactured goods are produced. Approximately 40 per cent. of the output of these factories is composed of manufactured articles of food and drink, and it is pleasing to know that this Union of ours is to-day practically self-supporting so far as the real necessities of life are concerned. This healthy position has, no doubt, been

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induced to a great extent by the protection against overseas competition, brought about by the lack of shipping facilities during the war period, but the opportunity seems to have been seized, and many of the new industries have certainly come to stay.

“The export trade in purely South African products amounted in 1919 to over £48,000,000, excluding the gold output, and this, it is interesting to see, represents an increase of 74 per cent. over similar exports during 1913. The country's total exports in 1919 were over £52,000,000, excluding raw gold. The value of imports for the year was £52,397,000, and when to the export figures is added the value of the raw gold exported, namely, £35,000,000, there is a notable balance in favour of the Union. All this is most encouraging and augurs well for our future. Prior to the War imports and exports almost balanced, but during the War period exports have altogether outrun imports owing to the shortage of shipping tonnage and arrested production in the belligerent countries. Consequently credit balances have been piled up overseas. However, from the fact that our production and our export trade have so increased it may be safely argued that our imports will be stimulated. A great deal of machinery will be required by our industries, and many classes of manufactured goods which we cannot as yet produce are already badly wanted and will assuredly be imported freely as soon as shipping permits. As the balance of trade is thus rectified we can hope for a gradual improvement in the exchange situation. To fulfil our industrial destiny we shall require increased manhood power. More population of the right type would enable us to do far more than we can expect to achieve with the limited operative forces available to-day. In common with most parts of the world, we have had our industrial disputes. All of us, perhaps, have had to alter our attitude of mind, and to bring our ideas into tune with present-day sentiments. The world's mode of thought is changing, and the mind of man is becoming more receptive of new industrial teachings. Both sides to industrial dissensions are, I think, coming to grasp the fact that the key-note should be co-operation between employer and employee, and recognition of the mutual dependence of capital and labour. With this spirit abroad, and a determination to increase production, there need be no fear for our future.”

These very interesting observations concluded with a friendly criticism on the findings of the Royal Commission on Decimal Coinage. “Once again I should like to refer to a reform for the adoption of which I have for some long time been an advocate, and the merits of which I have been wont to plead on several occasions such as this. I mean the system of decimal coinage, and the metric system of weights and measures. You are aware that the Royal Commission which has been enquiring into the question recently pronounced against the adoption of decimal coinage. I am not convinced that the objections expressed in the Report are vital, or that the question has been settled once for all by the Commission. However, the matter must apparently be dropped for the time being.”

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PROBLEMS OF INDUSTRY

The Coal Strike

THE hope that a coal strike would be avoided did not materialise, and we find ourselves faced with one of the most disastrous battles in our industrial history. Never had strikers so slender a case to support their action. A further addition of 2s. a shift had practically been conceded by the Government, but with the proviso, and rightly so, that the increase in wages must be earned by increase in output. The datum line proposal would have given the men the 2s. they asked provided only they exerted themselves a little harder. In fact, all that was required of them in return for the concession was to produce the same amount of coal as in the January quarter of the current year. And in this connection one cannot lay too much stress on the point that it was admitted by Mr. Smillie that the men were capable of a much larger output than was now being given. Moreover, the annual output anticipated by Mr. Justice Sankey was 250,000,000 tons, 2,000,000 tons in excess of what the Government asked from the miners in return for the extra 2s.

Datum Line

It is commonly said that had the ballot papers informed the miners that the refusal of the datum line meant an immediate strike the result would have been very different to what it was. This may or may not be, but one cannot help thinking that the use of the expression datum line was a little unfortunate. The average miner had never before heard of a datum line, and started

with a prejudice against the term. Again, it initiated an entirely new principle in British industry, that of payment by collective results, and the difficulties and anomalies of that principle, as may be easily imagined, gave many opportunities to the extremists of using those difficulties and anomalies in support of the unsound views they are daily prêaching from every street corner.

Effects of Strike

It is too early yet to arrive at any definite conclusion as to the effect of the strike. But we do know and the miners know that hundreds of thousands of men in other industries must be unemployed against their will, for a coal strike immediately reacts violently and comprehensively over the whole industrial field, and that countries in Europe which are trembling on the verge of disruption, to whom British coal is one of the most vital necessities for their recovery, will have their recuperation delayed for a long time. Moreover the very fund from which the miners demanded that their increase should be paid will be irretrievably dissipated. Near the end of the negotiations a realisation of some of these considerations was strongly influencing the miners' executive, but the men were out of hand and refused to respond to any further suggestions of mediation even though made by the leaders they had themselves elected to represent them.

The Industrial Outlook

No time could have been more unfortunate for a coal strike than the present. Already many industries are sharply depressed; unemployment is rapidly increasing; short time is becoming more and more common; orders fewer and farther between. Europe has recovered far more slowly and far less satisfactorily than was hoped. Consequently she has provided a feeble and uncertain market for British goods, and the exchange position has been a potent irritant. At home something like a general economy wave swept through the country; there has been a general abstention from purchase, and for all but absolute necessities a steadily diminishing demand. Many causes have been in operation to produce that high cost of commodities, which the public refuse to stand. Punitive taxation (the Excess Profits Duty in itself has done great harm), high wages and perpetual industrial unrest have combined to send production costs soaring. British manufacturers have missed many orders because they were unable to give a firm promise as to eventual cost, or date of delivery, apart from the fact that they were often underbid by foreign competitors. But those foreign competitors could make a firm offer, so their contracts were accepted.

The International Situation

While there is not the slightest doubt that labour unrest at home has been a very fertile cause of the period of depression through which industry is passing, a greater and more fundamental cause is the failure of large areas of Europe to make the expected recovery from the effects of the war. Germany is only just beginning to recover her productive power; Austria is moribund; Russia is beyond the pale; Poland is spending a vast sum of money, not a penny of which she can afford, in the pursuit of imperialistic policy; and all the new small States are nervous, bellicose and "reconstructing" lethargically. The inevitable effect of all this has been to deny to British manufacturers markets which they had every reason to expect would by now be open to them. Not only so, but as in the case of Germany there are peculiar problems which make the question of trading difficult and complex. To be a market for our goods Germany must be in a position to sell to us, and selling in the case of many commodities must mean under-selling. The rate of exchange makes it possible for her to undercut heavily British manufacturers in the same field; yet at the same time it is of the utmost necessity to the general trading community to re-establish intimate and extensive trade relations with former enemy States.

Legislation Wanted

We see, therefore, emerging a sharp divergence between the interest of the trading community as a whole, and the interest of certain members of that community. The problem must be the subject of ingenious adjustment, which will at one and the same time foster the interests of the majority and safeguard threatened units. It is impossible to imagine this country becoming really prosperous again until that prosperity is shared by the rest of Europe. We are seeing only too clearly the fundamental distinction between "demand" and "effective demand;" and we see in consequence such startling and in a sense ludicrous paradoxes as a badly-shod Europe, and great unemployment in the British boot industry. In spite of the terrific problems which the Government has to face, any one of which would have been sufficient in the old days to have occupied the best part of a session, it must give immediate attention to its trade policy, and introduce legislation so long demanded by a perplexed and nervous trading community.

An Extending Movement

The growth of the great strike, which implies a direct menace to the community and often revolutionary in intent, is forcing

every country to devise protective measures. It is seen that in major industrial conflicts the result must be to imperil the very lives of innocent persons. A general strike, if prolonged for an appreciable period, must mean starvation. One finds, therefore, all over the world a new and significant development—that of voluntary organisations intended to safeguard the lives of the community in times of industrial war. The first example of this was seen in Canada during the Winnipeg strike in the spring of 1919, when the inhabitants of that area formed an association for carrying on essential services. The idea rapidly spread. France has now developed an organisation of the same kind, as also have Denmark and Roumania, while in the United States of America it is actually proposed to open training camps for the purpose of giving instruction to volunteers in the working of essential public services. We saw the germ of this in England during the railway strike, and had the coal strike continued the movement would certainly have entered upon a much wider sphere of activity.

Arbitration

No sane person desires to see developments on these lines, for the more perfectly mobilised the rivals in an industrial dispute, the more closely does the peril of civil war loom up. The strikers may have perfect right on their side, yet that is no justification for imperilling the safety of "non-combatants," and it is inevitable that every community will organise its own protective measures. The chief lesson to be learnt from this movement is one for Trades Union leaders. The strike is a great weapon because it is so powerful, but it will no longer be powerful if the rest of the community has learned to organise an antidote; for in that case the element of surprise will be of no value, and the rest of the public, if organised, can always outlast, and ultimately compel the surrender of any striking section. The strike is universally considered by sensible persons to be an anachronism. It will become not merely an anachronism but a farce if it has no chance of success. There is a far better way of meeting the case—that of arbitration; and if counter mobilisation is to be avoided, ending, as it must one day, in civil strife, arbitration cannot fail to become the one and only method of settling industrial disputes.

Local Taxation

The rates must now unfortunately be considered one of the problems of industry, for they exercise a detrimental effect on the industrial prosperity of the country in more than one way. The working man in a large town, whose rent bill is 10s. a week, has

now a rate bill of 6s. He therefore finds still another argument impelling him to demand an increase in wages. Yet rate increases, amongst other causes, prevent industry paying such increases; not only is the direct burden on each concern very heavy, but high rates mean shortage of capital, which cramps the development of industrial enterprise. The expenditure upon Local Government is estimated at £350,000,000 for the year, of which £200,000,000 at least will have to be raised in rates, as compared with 82½ millions in the year before the war. This has come as a great and unexpected shock to the community, and the irritation and indignation is very great. There was much grumbling at the rates in pre-war days, but the ratepayer protested little, and invariably paid up. Now he is in a different mood, and Parliament will have to reckon with the closest scrutiny being devoted to any legislation imposing further burdens on the rates. In all parts of the country ratepayers are giving their attention to the framing of constructive proposals for diminishing these burdens.

A Necessary Reform

There is general agreement that when a Bill is before Parliament affecting local expenditure an estimate of the cost to local rates and to the National Exchequer should be presented with the Bill; that when the National Budget is considered by Parliament, a local government budget should also be presented, thus giving a far truer picture of the total National Expenditure. If possible, the operation of certain Acts of Parliament affecting local expenditure should be suspended for a few years, and no new measures involving rate expenditure should be passed by Parliament unless of the gravest urgency. Traders and manufacturers are already burdened by the Excess Profits Duty, hampered by industrial unrest, and crippled by lack of markets. But if we are ever to get back to a satisfactory state of affairs, they must give their attention also to local expenditure, and make their influence felt in the effort to achieve economy and lower rates.

National Accounts

No doubt the coal strike will have a great and detrimental effect on the nation's balance-sheet; until that disaster occurred the outlook was quite favourable. When the returns for the half year were published they gave proof that the Chancellor's expectations were being realised. It must be remembered that the revenue for the first half of the year is always much smaller than that for the second half. For one reason because new taxes are seldom fully in operation during the first half, and the bulk of

the income-tax is collected in the last half of the year. It will be remembered that the Chancellor estimated his revenue for the year at £1,418,300,000. The total revenue for the half year amounted to £618,300,000, roughly 43 per cent. of the total estimated revenue for the year. Last year the return for the first half was a little less than 34 per cent. of the total. However, it should not be considered that the estimated revenue is going to be greatly higher than was expected, for last year the bulk of the proceeds from the Disposals Board sales came in during the last half year. This year more than half the miscellaneous revenue has been already collected. The actual tax revenue, £429,800,000 for the half year, is 41 per cent. of the estimated total, as compared with 39 per cent. last year. This is satisfactory.

Excess Profits Tax

Many critics drew a wrong conclusion from the published figures of the receipts from Excess Profits Duty for the first half of the year. These receipts showed a decline of £20,500,000, from which figure the critics argued that the tax was not producing the revenue expected by the Chancellor. This is inaccurate, for the Chancellor had himself budgeted for a decrease of £70,000,000 during the year. The increase in the rate from 40 to 60 per cent. has very little effect on this year's revenue, and will nearly all come into next year's account. The expenditure for the half year £541,700,000 is 46 per cent. of the total expected. Last year it was just under 45 per cent. for the same period. It is possible therefore that expenditure is going to be rather higher than was anticipated.

Co-operative Losses

Critics of the prevailing industrial system have been apt to smile upon the Wholesale Co-operative Society as an oasis in the desert, a brilliant promise of future achievement. The industrial ventures of the C.W.S. are the nearest approach we have in Britain to the methods favoured by extremists, for the directors are, or at any rate have been, working men, and the capital they use is subscribed by the co-operative societies by a vote of its members. In the happy days which are to come, when industrial efficiency has so increased and multiplied that every citizen, by a greatly reduced expenditure of effort, will live a life of luxury, the increased efficiency will be directly traceable to the generous and high-minded methods adopted by the C.W.S. It is the more remarkable that in these feckless days the report of the C.W.S. for the half year ending June 30th shows a loss of £132,288 for the half year's trading. Slump in the soap business

accounts for £27,773. Smokes are £11,236 down, margarine £18,623, jam £7,897, and lard £5,069. Unkindest cut of all, the colliery at Shilbottle, which the society purchased some time ago from the Duke of Northumberland, has lost money to the extent of £11,848.

Management and Success

Of the special circumstances of this case we have no knowledge, but the incontrovertible fact remains that a system, which extremists advocate because it will be more efficient than the capitalist, is unable to keep its chin above water. This is no indictment of co-operation in industry: far from it. There will be no peace in industry till workers and employers both see good reason why they should quit sparring and work together; and it is idle to suppose that, after fifty years of education and the vote, workers will put their hearts into anything in which they have no interest and over which they have no control. This truth can no longer be neglected; but the failure of the C.W.S. brings home the companion truth with a smack like a Nasmyth hammer, and it is this. No amount of goodwill among the employees can dispense with individual management or balance inefficient management. Business success, and consequently national prosperity, can only be obtained by a system which puts the best men at the helm. Power means responsibility, and no man is going to shoulder responsibility for nothing when he would be far happier without it. Even Lenin found that he was forced to reinstate the capitalist managers and to pay them a wage which made it worth their while to stay. Whatever the facts may be, we are justified in assuming that the C.W.S. deficit is due to indifferent direction. First-rate direction can be had—at a price. If the C.W.S. are not paying the salaries which will attract the brains of the high order required they will have to draw in their horns. Extremists may say what they like, but a man who can turn a deficit of £132,000 a half year into a surplus for the year is cheap at fifty pounds a day.

EDITORIAL.

INDIA AND THE PROPOSED REFORMS

There are in India to-day only eighteen million who are literate. Three hundred million can neither read nor write. Unless we educate these, the situation we are initiating is heading straight for disaster on a colossal scale.

THE words printed above put the India problem in a nutshell. With three hundred million people who can neither read nor write, how can you have a responsible electorate?

Let us see what the authors of the Reforms say about the matter. "The immense mass of the people of India are poor, ignorant and helpless, far beyond the standards of Europe, and there runs through Indian Society a series of cleavages of race, religion and caste of which we must take due heed." Further on in their report is the following note. "The Secretary of State and the Viceroy are anxious that Parliament, in spite of its other preoccupations, should be enabled to take a real and conscientious interest in India," and they conclude by saying "their proposals are meant to provide for a period of transition and should be judged in that light. But they can only benefit by reasoned criticism."

Reasoned criticism can only come from a fuller understanding of the problem than the majority of the English people at present possess. It is important to be able to answer the extremists in England and India who glibly say that England has exploited India for her own benefit. Nothing could be further from the truth, and I propose very briefly to point out what England has done for her Indian Empire since it came under the Crown in 1858, and then examine how the problem will affect the European Services, the European Commercial and Planting Community, the Domiciled European and the Anglo-Indian.

Communications

The first thing required to make a country prosperous is communications. We have built railways from Cape Comorin to Peshawur, from Calcutta to Bombay, Rangoon to Mandalay—in all some forty thousand miles. Practically no township, however

small, but is in touch with a railway. In a country like India, railways are not sufficient, so, besides the magnificent Grand Trunk Road from Calcutta to Peshawur, we have made thousands of miles of village roads in the plains and bridle paths in the hills. By an excellent system of communications the peasant is able to sell his grain, cotton and other crops to the merchants without leaving his home. But it is not from the commercial side alone that our communications policy must be judged. Railways have enabled the various peoples of India to get in touch and know each other; to perform religious pilgrimages they could not otherwise have attempted; and have tended more than anything else to break down the barriers of caste. Railways know no caste, and, therefore, are a constant visible sign of the equality of man.

Irrigation

Another matter of importance to a country like India is irrigation. This question has been a burning one since the days of Akbar, and even earlier. We have taken it up on no small scale, and, from repairing the ancient water storage tanks in the Madras Presidency to carrying out canal projects in the North, we have practically insured our Indian Empire against famine. By our canal policy in Northern India we have converted miles of bare desert, where before only a prickly shrub grew, into fields of wheat. Not only have we changed the face of the country, but also the condition of the peasantry whom we have enabled "to get rich beyond the dreams of avarice." Leaving the overcrowded village for new lands they have had plenty of scope to show their capabilities—not only has our policy led to the prosperity of the peasantry but financially has more than justified itself to the Indian Government.

Administration

As regards the security of life and property, our criminal and civil administration in India is the simplest and most effective in the world. An American missionary once remarked to me—with regard to the way in which we ruled India—that he was lost in admiration of it, that no other nation in the world could rule India as we did, and he added (he was in charge of a big boys' school) that he was trying to train his boys to be good citizens of the Empire. Certainly no other nation would have given India the freedom of thought, word and action we have done. Our criminal and civil administration begin in the village, the first being represented by the village watchman, the servant of the village nominally, and in reality more often than not of the village headman; the other by a paid Government servant—the village accountant.

Village Watchman

The village watchman, often an illiterate person of no caste, is not only the first man on the spot in all cases of crime that occur in the village—from a theft to a murder—but the registrar of births and deaths, the collector of supplies when required, and also of babies to be vaccinated when the official arrives. Having reached the spot in a criminal case, his next duty is to report to the headman, and then go to the nearest police post and report to the police, whom he has to help in their inquiry by collecting witnesses and helping to obtain evidence. The police take up the inquiry, and, supposing it to be a murder and that they are successful, send the case to the magistrate, who, if there is sufficient evidence, sends it to the sessions judge, who, sitting with assessors, if the evidence proves reliable, convicts. The accused can then appeal to the Chief Court of the Province against his conviction, and from thence to the Lieutenant-Governor of the Province, the Viceroy of India, and in very rare cases to the Secretary of State for India. So the chain goes from the unpaid village watchman to the Secretary of State!

Village Accountant

The civil administration starts with the village accountant, who, under supervision, keeps the village land boundaries—in this work he calls in the aid of the village watchman again. From the village accountant, the civil chain goes through the Settlement Officer, the Settlement Commissioner, Chief Court of the Province, to the Privy Council. It will be a bad day for India if the extremists try to eliminate the village as the starting point of their administration and fail to uphold as far as possible the patriarchal instincts of the people.

Health

Our Sanitary and Medical Departments have done much to insure the survival not only of the fittest, but also of the weakling, with the result, possibly, that the race has suffered in physique. Our medical system is so thorough that scarcely a village throughout the length and breadth of the land is beyond easy reach of medical help when required. Each district has its civil surgeon, till lately, of course, always a European, who has been responsible for a series of hospitals throughout the district situated at the headquarters of the Tehsil or subdivisional headquarters, where an Indian subordinate magistrate is always posted. Each of these hospitals is in charge of a duly qualified Indian medical man, competent to prescribe for the usual maladies of the village folk of the neighbourhood. These hospitals are periodically inspected by the civil surgeon of the districts, and so the whole

medical work of the district is kept in touch with headquarters. The sanitary authorities look after vaccination, drainage systems, plague serums, and generally deal with any epidemic that occurs, both departments working together to make as efficient a medical and sanitary system as can well be imagined.

Education

I now come to education. What if our education has been entirely secular? Could it have been anything else in such a country? The Charter of 1858 laid it down that we were not to interfere with the religious beliefs of the people, so we could not teach the Christian religion. Had we attempted to teach each boy the religion of his forbears, it would have ended in confusion worse confounded. While politically we were wise to eschew all attempts at religious teaching, practically the result has been that we have upset the faith of the Hindu and caused the parents to complain because our teaching has undermined their authority. The mistake of our educational system has been that the youths have expected on passing examinations to get Government employment, and so the real end of education has been lost sight of. Our educational system has been just as thorough as the rest of our work in India. As a matter of fact, it is, no doubt, in some degree due to our generous system of education that a portion of the unrest has come about. We have failed to give that practical knowledge that would have shown the Indian youth that his education could be made useful in the calling his fathers had always followed.

District Magistrates

Besides these brief details it is necessary to note that the administration of a district rests primarily with the District Magistrate. He is theoretically responsible for everything in his district, but naturally has to depend on his Superintendent of Police to look after the police administration, his subordinate magistrates to do their duty, and the civil surgeon for all the medical work of the district. On no other possible system could he work, and in the result it leaves little, if anything, to be desired.

British Policy

The Charter of 1858 stated as follows: "We declare it to be our Royal Will and pleasure that none be in any wise favoured, none be molested or disquieted by reason of their religious faith or observances but that all shall alike enjoy the equal and impartial protection of the Law." And it added that all, of whatever race or creed, were to be freely and impartially admitted

to such offices in Her Majesty's Service as they were qualified to hold. No question has ever arisen with regard to the first point, whatever grounds for disappointment may be urged by the extremists with regard to the second.

In 1877, that astute and far-seeing statesman, Disraeli, instigated perhaps by the touch of East in his blood, conceived the idea of making her late Majesty, Queen Victoria, Empress of India, thus creating a direct link between the peoples of India and their ruler—a link that to an Eastern people was of the greatest significance as bringing them in direct touch with their ruler. The next ten years were more or less difficult for India, but in 1882 the salaries of the upper grades of the Indian subordinate service were improved, and the British and Indian Governments declared it to be their intention to allow a constantly increasing share of the government of the country to be open to Indians. In 1884 it was declared that (1) No distinction be made between European and Indian District Magistrates or Sessions Judges: (2) That European British subjects when brought to trial before a District Magistrate or Sessions Judge should have the right to claim trial by jury. In this year, the Indian National (*sic*) Congress held its first meeting. In 1887, during the Viceroyalty of Lord Dufferin, service under the Government was thrown open to Indians to a greater extent than ever before. In 1909 came the Morley-Minto proposals, and in August, 1917, the momentous declaration of the Secretary of State from which have grown the present Reforms.

To those who complain that the progress in associating Indians with ourselves in the government of the country has been slow, we would point out that the history of India from 1858 to the present date has been a stormy one, with constant unavoidable small frontier wars, two wars with Afghanistan, and one with Burma. Moreover, we have had to fight famine and pestilence, and by degrees build up the prosperity of the country. Also we must not forget that the East naturally moves slowly! As a nation, therefore, we have nothing to be ashamed of in our past rule in India.

The Future

What of the future? Probably the future holds for us far graver problems than we have yet had to face, but that will only increase our determination to overcome them. India has always called for our best men to serve her, and in the old days there was a certain amount of romance about service in the gorgeous East. To-day the romance is wanting and we shall require our super-men to serve the Indian Empire—men of infinite patience, consummate tact, and imperturbable temper—men who will go

out realising that they cannot hope to fathom the Indian mentality, and, therefore, while being freely accessible to the Indians, must at the same time hold themselves somewhat aloof and not allow themselves to become orientalised. But it will not all be difficult going, and our officers will be able to feel that they are working out for their nation the greatest experiment in Empire building that has ever been attempted.

Public Services

I cannot do better than quote here what the authors of the Report themselves say on the question of the Public Services. "Having done what they can to remove causes of complaint, they intend to secure the Public Servants of India in the legitimate exercise of their functions and the enjoyment of rights and privileges guaranteed or implied in their appointment." The next section of society is the Commercial Community. It is British capital that has built up the prosperity of India, and if, by any chance, the extremists were to drive that capital out of India, the results would be disastrous. It is a curious fact that, for the most part, the Hindu has done little in the way of starting great works or doing anything to exploit the resources of his country. As a private money-lender the Hindu has been and is successful in amassing wealth, but when he tries to run a bank or a company he does not appear to appeal to his own countrymen. The Parsi, on the other hand, has started mills and iron works, and amassed considerable wealth thereby. The Mahomedan has practically done nothing.

The Planting Community

If we consider the Planting Community, we find the Indian planter almost non-existent, and where he does exist the machinery is dirty and the garden or factory generally looks ill-kept and neglected. On the Stock Exchange, the Hindu figures, no doubt, and he is a bold and often successful gambler; but for solid worth there are few Indians who are inspired by the wish, while benefiting themselves, to open up and improve their country. The Indian business man's outlook, for the most part, has been personal and selfish. There are, of course, exceptions, but in the mass this is a fair criticism. The authors of the Reforms say: "The Secretary of State and the Viceroy look to British commerce in India to play a greater part in Indian life and to identify itself with the interests of India. They expect Indian politicians to remember the benefits it has conferred, and to abstain from differentiating to its prejudice. They propose to keep power to protect all industries from prejudiced attack." I have every confidence that the British Commercial Community and

the Planting Community will find that, in practice, the Reforms will affect them but very slightly, and it is only, perhaps, where the Planting Community is somewhat isolated and scattered that any trouble is likely to arise.

Domiciled Europeans

The domiciled Europeans are of two classes—the retired officer who has made India his home from choice, and the man whose forefathers fought in the Mutiny and the Sikh Wars and either from choice or necessity settled in the country. It is the latter class alone that the Reforms are likely to affect at all. Unable to send their sons to England to be educated, the domiciled Europeans can only join the Provincial Services in India, and these have few openings to attract really capable men. This class will probably have to look to trade and other means of livelihood than Government Service, and some sort of co-operation amongst them seems advisable if they are to compete successfully with the European on the one hand and the Indian on the other.

The "Anglo-Indian" has, for the most part, never had a very enviable position—while considering himself superior to the Indian, he has not been looked upon as an equal by the European. His case is rather a hard one, and he does not, for the most part, try to help himself by showing that determination to succeed that is necessary to persons placed in his rather unfortunate position. Only those who have been brought up out of the country have, as a rule, made good. I am glad to see that the authors say of this class that "they hold that Government must acknowledge and have power to discharge its obligation to see that their interests are not prejudicially affected."

I have, of necessity, dealt very briefly with this question of how the problem will affect the European and "Anglo-Indian" communities, for it is largely "in the lap of the gods." I believe, however, that, while at present—and possibly for ever—what Rudyard Kipling says will remain true, that

"East is East, and West is West,
And never the two shall meet,"

the East will awake to the fact that it cannot do without the West, and the West, realising what it has done for the East, will determine to continue its task until such time as the East has become a combined nation, and of its own free will has joined the Commonwealth of Nations that forms and will for ever form the British Empire.

ANGLO-INDIAN.

NEW ZEALAND INDUSTRIES

III*

DAIRYING

THE export of pastoral products from New Zealand has, from various causes, increased steadily since the beginning of the century. Of these causes the chief is the establishment of cool storage chambers and freezing rooms on ocean-going ships, which enables meat, butter, and cheese, to be landed in the English docks absolutely unspoiled by its 1,200 mile journey across the world. The frozen meat industry has been dealt with in an earlier article, but the rapid growth of the dairy industry is worthy of consideration.

Cause of Development

It had attained some importance in the later nineties, but was completely overshadowed in succeeding years by the mineral exports, owing to a series of mining booms in different parts of the country. With the help of modern appliances, such as milking machines and separators, and the building of up-to-date creameries, butter and cheese factories, it has come into its own again. In 1916, owing to the great demand of older countries, deprived of their usual sources of supply, for foodstuffs, a record pastoral export was reached. A noticeable feature of this recent development is the increase in cheese export. The New Zealander does not make cheese such an important item of diet as the Englishman does, so formerly very little was made on the farms; dairy work being usually confined to butter-making for domestic use or exchange for other articles from the local store-keeper. But during the great war the value of cheese as a foodstuff was recognised. It is an excellent substitute for meat, and its compressed nourishment provided the troops on active service with no inconsiderable part of their "staying power."

* For I and II see September issue.

Life on a Dairy Farm

The chief centre of the New Zealand dairying industry is the province of Taranaki, on the West Coast of the North Island. It was, when the first settlers arrived in the colony, completely covered by thick bush, and the labour involved in clearing this forest, as well as the heavy nature of its clay soil, caused farmers to neglect it for a time. But later it was found that this rich soil provided splendid pasture for dairy herds, and large tracts were speedily cleared, while creameries and butter factories sprang up over the country-side. Life on a dairy farm is not all roses by any means, the workers must rise early to deliver the milk at the creamery, which usually closes to suppliers about 8 a.m. Hired labour being expensive, the members of the family are often obliged to help in the milking, but on many large farms the milking machines save much human labour. Substantial monthly milk cheques, however, are no small compensation for these toils, and there is an opportunity for a pleasant holiday in the winter-time, when the creameries are usually closed down for two months. The factory butter has practically superseded the dairy-made article on the market, and of course is the only kind exported.

Great Cheese Export

The returns for the years ending April 30, 1919 and 1920, respectively, show a decrease in the butter export, but an increase of nearly three million pounds value in the cheese export. The cheese factories close for several months in the winter, so that the farmer who supplies them has opportunity to carry on other work, and this advantage, together with the profits obtainable, have made the industry highly popular. It has evidently established itself permanently in New Zealand, though the special war necessities are no longer existent. The excellence of the exported article is acknowledged all over the world from the Western seaboard of America to the remotest part of England, Scotland, and Ireland.

English Grasses

New Zealand soil is essentially suitable for English grasses, and, since the winter season is mild and sunny in most localities, there is usually growth even during the colder months. When the bush and fern are cleared off grass seed is sown at once, and the resultant crops support large dairy herds without additional food of any kind. In Australia English grasses do not thrive so well, and the native grasses produce a much smaller amount of feed. The returns of acreage in sown grasses show that the acreage in New Zealand is greater than that of the whole of

Australia and Tasmania together, though the former country is only about one-thirtieth of the total area of the Australian States. It is reckoned that the average productiveness of grass-land in New Zealand is about nine times as great as that of Australia. In addition to these artificially sown pastures there are nearly 16,000,000, acres in tussock or native grass belonging to occupied lands which are suitable for stock-feeding.

IV

FRUIT-GROWING

The climate of New Zealand is temperate and sunny, yet it shows a remarkable difference of temperature between the North and the South. The Auckland province experiences a good deal of moist heat, so that it produces semi-tropical fruits such as oranges, lemons, and guavas, besides some fine crops of outdoor grapes. In the South Island apples are grown in large quantities on the slopes of Central Otago (a southern province) where falls of snow during the winter are frequent, and hard frosts occur almost nightly from June to September.

Apples

The Nelson province, situated, as it is, in the centre of the Dominion, on the northern coast of the South Island, possesses remarkable climatic advantages. Though the nights are cool and usually frosty in winter, its generous allowance of sunshine allows fruits of all kinds to ripen. Acres of land, which were unsuitable for another crop, are now planted with fine apple orchards, and the export of this fruit, under improved conditions of cool storage, both on land and sea, bids fair to become an important part of the Dominion trade.

Other Fruits

In addition, oranges and lemons grow in many sheltered localities, and large raspberry gardens provide material for canning works, which also preserve peaches, apricots, plums and all the various varieties of small fruit which do not thrive in the warmer northern climate. It is only a few years since the pulping and canning industry was introduced into the province, but it has already been most successful, having supplied a long-felt want for the preservation and export of soft fruits. One of the suburbs of Nelson city is the headquarters of tomato growing in the Dominion. Large crops are grown in the winter and early spring under glass, but thousands are planted out of doors in the late spring and early summer, and come rapidly to perfection. For

about five months of the year this wholesome and pleasant fruit may be obtained in large quantities at low prices.

It is not too much to say that fruit-growing has many attractions. It involves very little heavy manual labour, and such work as pruning, picking, grading and packing may be carried out to a large extent by women. A comfortable income may be obtained from a small holding, and there is very little waste to lessen the profits, for second grade fruit and even windfalls may be utilised for jams and jellies. It is an occupation much to be recommended for returned soldiers who are slightly incapacitated.

Helpful Agencies

The Department of Agriculture does much to assist the fruit farmer. It supplies plans and specifications for the building and equipment of cool stores and canning factories, while by the Fruit-Preserving Industry Act, 1913, a sum up to £25,000 may be advanced during any year for the assistance of the fruit-growing industry. The Orchard-tax Act, 1916, provides for the levying of a tax of 1s. per acre on commercial orchards (with a minimum of 2s. 6d.), the proceeds of which are paid to the New Zealand Fruit-growers' Federation (Ltd.), to be expended in aid of the industry. This Association of influential fruit-growers meets periodically in Conferences held in various centres, where matters of interest, such as prices, methods of packing and preserving, spraying for blights and diseases, etc., are dealt with. The Orchard Instructors attached to the Agricultural Department give practical demonstrations of up-to-date methods of all these operations, while attention is also paid to scientific and practical fruit culture in the Secondary and Technical Schools of the Dominion.

The Cawthron Institute

The Cawthron Institute near Nelson, recently established under the will of the late Mr. Thomas Cawthron, a wealthy and philanthropic local resident, will include this subject in its large and varied curriculum. This establishment holds a unique position in the world's educational institutions. It may perhaps be best described as a "Technical, Scientific, and Agricultural University College." A commission of famous professors, drawn from all parts of the world, has planned out the sphere of its activities, some of them have accepted positions on its staff, and it is hoped and expected that it will become one of the world's centres for research and learning.

J. M. COULTER.

EMPIRE TRADE NOTES

CANADA

CANADA last year produced 3,334,660 barrels of apples valued at £4,879,242; Nova Scotia, Ontario and British Columbia were the chief producers. The Okanagan United Growers' Association has started a subsidiary company this year which will make use of all the inferior fruit, particularly apples. They intend manufacturing large quantities of cider and fruit juices of various flavours. The apple cider business is as yet in its infancy in Canada.

THE western provinces of Canada are generally considered as forming a purely agricultural area and in the course of land settlement, increased cultivation and bumper yields, the progress of this region in industry and manufacture is often lost sight of. Nevertheless, the West is making phenomenal strides in manufacture, and each week sees recorded the establishment of new industrial concerns in the progressive towns of the western provinces. An indication of this progress which the West holds in common with the rest of the Dominion is the remarkable increase in the membership of the Canadian Manufacturers' Association. The Dominion membership, which in 1910 numbered 2,600, now totals more than 4,100.

A NEW Canadian industry has been established at Deseronto, Ontario, by the Quinte Chemical Company, Limited, who have undertaken the manufacture of juniper oil and cedar oil. Juniper oil is produced from the berry of the juniper bush, a shrub widely distributed throughout Canada from the Great Lakes to the Rockies and beyond them.

TEN tons of flax fibre and 400 lbs. of hemp fibre, an experimental crop from one acre sown in Beausejour, Manitoba, have been sent to Holland for manufacture. The provincial department of agriculture maintain that the soil is particularly adapted for the production of this fibre, and grown in proper rotation with coarse grains, will prove very profitable to the farmer.

PLANS are in progress for the establishment of a paper mill in Southern Saskatchewan, to be erected at a cost of £200,000. It is proposed to utilise the thousands of tons of waste straw in that province for the manufacture of paper. This will be the second straw paper plant to be established in Canada. Close proximity to an adequate supply of cheap coal is one of the essentials in the establishment of such a plant, and it is believed the lignite fields of

Southern Saskatchewan offer the necessary fuel requirements. Hitherto the straw has been burned, there having been difficulties, now overcome, in converting it into paper.

A FARMER who raised eleven acres of alfalfa seed on his irrigated farm north of Brooks, Alberta, last year, has published a statement of his earnings, having disposed of all his seed. His gross return was over £1,309 off the field, or £120 per acre. He produced 7,700 lbs. This is claimed to be the greatest financial return per acre of any farm in the west of Canada.

BEE keeping is in a prosperous condition in Ontario, and is encouraged by the Government, who maintain a staff of experts to assist bee-keepers and to combat bee diseases wherever these may appear. The Provincial Government's apiarist estimates that there are 300,000 hives of bees in Ontario, and that the annual yield of honey is about 5,000 tons.

AN example of the success to be achieved in the poultry business is that of a farmer who purchased 22 acres near Chilliwack, British Columbia, a few years ago and is now netting \$3,000 a year profit, shipping 1,200 eggs per month. Another experienced poultry raiser has 10,200 eggs now hatching in a giant incubator, specialising in baby chicks for the market.

LUMBERMEN of Northern Maine expect to cut and bring out to the mills this season about 1,000,000,000 feet of timber and pulp wood which will constitute a record for the Maine cut.

FOUR steamers from the seal fisheries have arrived at St. John's, Newfoundland, with a catch totalling 20,456 seals. Four more vessels are expected shortly and it is expected that the aggregate catch will be about 40,000 seals.

A HERD of 24 pure bred Holstein cattle from the prize herds of British Columbia are being shipped to Australia for the stockmen of that country. An exporter, who took a herd to Tahiti last autumn and then proceeded to Australia, found a great demand for Canadian Holsteins there and believes this initial shipment to be the beginning of an increasing export to that country in Canadian pure bred Holsteins.

A SYNDICATE of English capitalists has acquired rights on two and a half sections of land about 30 miles north of Calgary and will commence exploitation of the deposits of sodium sulphate as soon as machinery can be installed. The deposits are about 4 feet deep. The plant will be installed in units costing from \$10,000 to \$15,000 each with a capacity of 500 tons per month.

THE demand for agricultural machinery in Western Canada this spring was unprecedented. The greater part of this machinery was for seeding, which indicates that farmers were putting in large crops.

THE total value of forest production in British Columbia for the year 1919 will, it is estimated, work out at not less than £12,400,000. Water-borne shipments of lumber show an advance

over the preceding year of 17,000,000 feet, while the value of pulp and paper sold increased from £2,123,450 in 1917 to £2,510,851 last year.

NEW markets for the potato crop of Alberta have been opened up by the shipment of a carload of potatoes consigned from Edmonton to San Francisco. This practically constitutes the first consignment of the kind ever sent from Edmonton to the Pacific Coast, and is a recognition of the quality of the produce grown in the province.

THE reputed discovery of potash on Vancouver Island is a subject of intense interest to Canada. Previous to the war, Germany produced annually 7,800,000 tons of potassium salts, which occur in that country in a form so easily mined that other countries, whose deposits were contained in rock foundations, were unable to compete with the German trade. Germany therefore, held the world monopoly, deriving an annual income of six millions sterling from the product. The quantity taken by Canada in 1913 was 5,200 tons. It is known that there are vast deposits containing as much as 16 per cent. of potassium occurring in Eastern Canada and the Rocky Mountains. The definite discovery of such Canadian deposits, under conditions which would enable potassium salts to be mined and placed on the market at a price to compete with the European supply, would revolutionise the fertiliser problem of the whole American continent, and indeed, of the British Empire, and confirmation is eagerly awaited.

IT is proposed to encourage the smelting and refining, within the province, of ores produced in British Columbia. A company will be promoted, capitalised at two millions sterling, for the purpose of erecting smelters for treating copper, silver, lead, and zinc ores, producing the refined metals for the market and the establishment of a commercial iron and steel plant.

COAL mining operations will shortly be commenced at the new coal field near Lampman, Saskatchewan. This field is being developed by the Farmers' Coal Mining Company, Limited, a company owned and operated by the farmers of the districts. The shaft has already been sunk to a depth of 170 feet and the coal bed lies at a depth of 210 feet. This coal is of high grade. When fully developed the mine will have a capacity of 1,000 tons a day. This will not be for some time, however, as it will be necessary to do a large amount of work in channelling and tunnelling away from the shaft before maximum capacity can be reached. In the meantime work is being rushed to completion and coal will be brought to the surface within the next month.

THE report of the Ontario Provincial Bureau of Mines shows that the value of the output for 1919 was the highest ever recorded—amounting to £4,140,201, or nearly £400,000 more than the previous year. More than half the total is made up of asbestos.

THE Dominion Seed Commissioner states that British seed
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houses have entered into contracts with seed growers on Vancouver Island to undertake the cultivation of 10 acres of sweet peas for seed. The British seed houses are supplying the seed which represents the very newest and rarest varieties. It is further stated that the quality of the Vancouver Island seed is so superior that an unlimited number of contracts could be made by responsible growers.

SEVEN bird sanctuaries have been established in Alberta. They are in the neighbourhood of Many Islands Lake, Birch Lake, Padowki Lake, Buffalo Lake, Miquelon Lake, Ministik Lake, Lac La Biche. The idea is to protect the chief breeding areas of wild birds and so to insure the various species against extinction.

THE steamship *Margaret Coughlan* has been launched from the Coughlan yards, and has the distinction of being the first steel vessel ever built in Vancouver by Vancouver interests to sail from the home port. The ship, which is an 8,800 deadweight ton freighter, was built to the order of the Western Canada Steamships, Limited. She is taking a full cargo of lumber to England.

SETTLEMENT on an unprecedented scale is taking place in all the irrigated districts of Southern Alberta. In the immediate vicinity of Patricia, a new town on the Canadian Pacific Railway, 7,000 acres of irrigated land have been put into crop. There are also 5,000 head of cattle in the district. Most of the settlers are Americans, and all the ploughing is being done by tractor exclusively.

A NEW industry under process of organisation in Canada is the Western Match Company. Buildings have been secured at Neepawa, Manitoba, where the manufacture and distribution of matches for Western Canada will be carried on. An output of 100 cases per day is expected. The manufacturing process to be used is known as the "New Square Match System." The match splints can be cut from green lumber, thus eliminating a large investment in lumber set aside for seasoning.

IN consequence of the abnormally large export trade—which resulted in acute shortage for local demand—aldermen of Vancouver City Council are asking the provincial Minister of Agriculture to obtain a survey of the 1920 potato crop, and having done this, to take up the matter with the Canadian Dominion authorities with a view to putting an embargo on export until local demands have been fully satisfied and guaranteed.

MORE than 600 tons of strawberries were harvested in the districts of Gorden Head and Keating, on Vancouver Island, during the season of 1919, and these sold for about £42,550. Under careful cultivation strawberries are producing from £100 to £140 gross per acre, and the total area devoted to last season's crop was about 400 acres. This district it is believed holds the record for production per acre in Canada. Last year's production represents a mere tithe of what the island is expected to produce—

for this fruit thrives there and the market for strawberries is larger than for any other fruit. Cannerymen from Western Canada also contract for strawberry pulp. With a climate softened to a degree that at times approximates the semi-tropic by the Japanese current, this region seems destined to become one of the greatest fruit producers of the Dominion.

ONE of the leading creamery men in Central Alberta estimates that the production of butter in that Province will in all probability reach 12,000,000 lbs. this year. In view of the scarcity of feed which prevailed in some parts of the Province during the winter and the very late spring, this is rather a remarkable achievement, inasmuch as the entire production for 1919 was only 11,000,000 lbs. Last year Edmonton produced more butter than any other city in Canada.

THE Port Arthur Shipbuilding Company have received an additional contract from the Dominion Government to build another boat. This makes the third vessel they have in hand for the Government.

A HERD of ninety-two elk have arrived at Edmonton, Alberta, from Yellowstone Park, Montana, bound for Jasper Park. This is a consignment of a large number purchased by the Dominion Parks Department from the United States. Two hundred of these animals are already located at the Banff Park.

THE manager of the Prince of Wales' ranch near Calgary has gone east to superintend the unloading of thoroughbred horses to arrive shortly to stock the ranch. Whilst they are being introduced primarily for breeding purposes, several will probably be seen on western race tracks this summer.

A FLOW of gas, estimated at 6,000,000 feet per day, is reported to have been struck at Grattan coulee, eight miles from Wainwright, Alberta.

GOLD has been discovered on Snake Creek, twenty miles south of Calgary. Prospectors have been flocking to the locality and many miles of claims have been staked. A sample analysed by the Calgary city chemist assayed, it is stated, \$18.50 to the cubic yard of sand.

SHEDS with a storage capacity of 10,000 tons, to be extended to handle 20,000 tons, have been secured at Winnipeg to store coal shipped from Drumhelier, Alberta. This is the first time coal from the Drumhelier mines have been stored in Winnipeg.

THE Algoma Steel Corporation will proceed with the construction of their new mill for the manufacture of the larger sizes of structural steel. This will mean an expenditure of six million dollars, and increase the capacity of the steel plant by about 500,000 tons per year.

ARRANGEMENTS have been made by the Canadian Co-operative Wool Growers, Limited, for the assembling of the wool of Manitoba and Saskatchewan in two warehouses at Portage la

Prairie and Regina. It is expected that 900,000 lbs. of wool will be collected this season and then shipped to Weston, Ontario, for grading.

THE Saskatchewan Co-operative Elevator Company have purchased twenty acres of land outside the city limits on which a million dollar elevator and flour mill will be constructed. Construction will be of reinforced concrete of the most modern type. It is believed that in a few years most of Canada's wheat will be milled in the west and exported as flour.

THE output of mines in the province of Alberta was 3,043,940 tons up to the end of June this year, compared with 2,068,907 tons for the corresponding period last year. The government of Alberta has backed up the efforts of the coal operators of the province this summer in their efforts to develop the summer trade in coal, and the result is seen in a 50 per cent. increase in exportations. Operators state also that there has been more coal marketed in the same period than in any corresponding period in the history of coal production in Alberta. It is estimated that 15 per cent. of the world's coal supply is in the province of Alberta. It is a semi-anthracite or high-carbon bituminous coal.

AT the Horticultural Department of the Manitoba Agricultural College this season, excellent crops of vegetables, berries and other fruits have been harvested. The outstanding feature in the Agricultural College orchard is the large quantity of plums. A number of the trees have many of their branches propped up as they are so heavily laden with fruit. The principal varieties of plums grown here are as yet un-named. These represent a number of years of selective work done with the wild plum.

THE annual report of the Provincial Department of Agriculture shows an increase of 26,000 acres in grain and 48,000 acres of fodder crops over the previous year. Of 22,610,000 acres suitable for agriculture, only 2,800,000 are occupied and only 500,000 are under cultivation.

THE bottling of salmon, an entirely new industry, has been taken up by a party of men, headed by a returned soldier, at Cloose, British Columbia. Jars similar to those used in preserving fruit will be utilised. This has long been followed in private households with great success but has not before been attempted on a commercial scale.

THE British Columbia Government created a Department of Industries in 1919 for the purpose of aiding and developing industries and manufactories. In a recent report, the Department shows that 1920 has been a very busy period. The total of loans authorised by the department since its inception now exceeds £200,000. As an indication of the wide field covered by the department, loans range from £20 advanced to the Provincial Arts and Industrial Institute of British Columbia to assist in the creation of a weaving industry, to a loan of £40,000 to a company

which is developing a certain industry, and many other concerns in which returned men are interested have been helped. The industries which have been aided will have a total investment of £445,712 in the province when their development work is concluded. To secure such a large investment is a splendid result in itself, but in addition to that these industries will employ over 1,200 workers as soon as they get into full working order.

THREE great harbour projects will be well under way at Vancouver City by the end of the month. The Ballantyne Pier, to cost at completion about five million dollars, is to be started at once, the harbour authorities announce. The large dry dock, to cost at least three and a half millions, will be commenced before the end of the month, and steel and concrete work on the four million dollar Canadian Pacific Railway pier will also see an early commencement on the completed excavation.

COPPER and nickel reported running in lodes of from 100 to 140 feet have, it is stated, been discovered in the Lac du Bonnet, Quebec, mining district. The Dominion Government has sent a survey party to make a report on the whole field.

FINANCIAL men in Eastern Canada have organised a \$500,000 corporation for the purpose of developing the Estevan, Saskatchewan, lignite fields. Six hundred and thirty acres have been secured at Roche Pierce Portal, Saskatchewan.

THE Government of India has ordered 4,000,000 feet of creosoted British Columbia ties. These will be forwarded on the first Canadian Government Merchant Marine ship, on the new British Columbia-India service which will be in operation before the end of the year.

IN the Province of Saskatchewan during the last four years the amount of wool consigned to the co-operative branch of the Provincial Department of Agriculture increased from 179 consignments, weighing 69,704 lbs., for which the average price realised was 17 $\frac{3}{4}$ cents, to 916 consignments, weighing 394,068 lbs. at an average price of 61 $\frac{1}{2}$ cents per lb.

A FOUR-YEAR-OLD Ayrshire cow, owned by the University of British Columbia, has just completed a year's milk production test and established a Canadian record. She is the first of her class to produce in excess of 16,000 lbs. of milk in a year, her production being 16,208 lbs. A companion of this cow has just established the Ayrshire four-year-old record for butter and fat production.

PROFESSOR McLENNAN, who was sent to Canada recently by the British Admiralty, has reported that Alberta alone can supply over 10,000,000 cubic feet of helium annually, and other parts of the Empire another 2,000,000 cubic feet. This quantity he estimates is sufficient to maintain a considerable number of airships that cannot be brought down by airplane attack in the usual manner. Helium is a rare element, with a lifting power

second only to hydrogen, and is non-inflammable. It can also be obtained in generous quantities in New Brunswick.

IN 1914, thirteen mills for retting and scutching flax were in operation in Canada; at present there are sixty-four, all in Ontario and Quebec. The most important development has taken place in Western Ontario. In 1919 there were 2,400 tons produced worth five million dollars, or with the seed six million dollars. This does not include the flax seed grown in the Canadian West, where up to the present time flax straw has not been utilised. It has now been demonstrated that in Canada a fibre of most desirable quality can be grown.

A RECENT Canadian Order-in-Council provides for the withdrawal from sale lease, or settlement of approximately 55,000 acres of land along the Athabasca River in Alberta. This action has been taken in consequence of representations having been made to the Department of the Interior, that as a result of the investigation and research which has recently been undertaken "it is confidently expected that a successful process will shortly be evolved for the extraction from the tar sands of the Athabasca River of oil, bituminous and other hydro-carbons in commercial quantity.

FOUR nuggets of gold were found recently on a homestead not 40 miles from Winnipeg, which started a miniature gold rush to the locality. Twelve claims were staked out in one day and farmers left their fields to look for gold. This is not the first find of gold in the district, for less than a year ago nuggets were found which resulted in the staking of claims at the time which have since been abandoned. Gold-bearing quartz, running in a vein of 215 feet in width and consistently rich in gold, is reported from a claim in the Rice Lake District, Manitoba. Nearly 100 claims have been staked in the Bull Dog Lake District, the immediate vicinity in which the find is claimed to have been made.

A NEW industry, which will employ a large number of people, is being started at Kelowna, British Columbia, for the preserving of flaked fruit. This will be of enormous advantage to the fruit growers of the district in the disposal of their crops in the event of a glut.

A GREAT pulp and paper-making plant will probably be established at Prince George, British Columbia. Immense stands of spruce and balsam near that city have been examined during the summer. As a result of the shortage of newsprint and the resultant increase in price, the pulp and paper industry is receiving a great impetus. The enormous stretches of big timber throughout British Columbia offer a great inducement to the paper manufacturers, and it is proposed to erect several plants in different parts of the province.

THE waters of the Jasper Dominion Park have again been stocked from the hatchery of Banff, Alberta, operated by the

fisheries branch, Department of Marine and Fisheries. Rainbow trout have been placed in Patricia Lake to the number of 10,000, Hibernia Lake 5,000 and Marjorie Lake 5,000. Salmon trout were also placed in Pyramid Lake to the number of 24,300.

AUSTRALIA

DURING the progress of repatriation of Australian soldiers in the United Kingdom, 100 men were selected for training and special experiments on irrigation areas in the United States prior to returning to their own country. These men, who have now completed up to twelve months' special training, are returning to Australia, and are full of eagerness to start on irrigation farms of their own, being convinced that the conditions obtaining in Australian irrigation areas are equal to those anywhere in the world. The experience they gained in America should be a valuable asset to settlers on irrigation areas generally in Australia. The returned men speak with intense appreciation of their experience on the ranches and in the orchards in various parts of the United States.

AFTER many vicissitudes in the tobacco industry, growers in New South Wales are making a success of tobacco-growing. Improvements in the process of curing have opened up new avenues for the disposal of their products. In this industry, again, valuable information was given by ex-soldiers who journeyed through America on their return to Australia. The tobacco manufacturers in Australia are encouraging the production of Australian tobacco. Recently a farmer in the Tamworth district purchased a farm for £5,000 and received from the buyer £4,000 for his first crop.

WITHIN the next few months 100 skilled artisans will be leaving England to commence operations at Lysaghts, Ltd., Nail and Wire Works, Newcastle, New South Wales. With their families, the total number of persons to sail will be approximately 500, and it is anticipated that the works, when in full swing as a result of this labour, will employ a large percentage of unskilled workers to supplement the efforts of the skilled artisans. The firm are building houses in anticipation of these newcomers.

AMONG the many organised enterprises in which returned soldiers are taking part, one of the most interesting is a floating "fish cannery" which is being run by a syndicate of Australian ex-Service men on the coast of Western Australia. It includes three fishing smacks and a steamer, or "mother-ship," on which the tins are prepared from the tin-plate stage. The smacks work within a ten-mile radius of the steamer, and when they have completed their catch the fish are transferred to the steamer, on which the canning process is at once proceeded with, so that the fish caught in the morning is packed in sealed tins by the afternoon of the same day and ready for marketing. This young

enterprise has been so successful that it is proposed to considerably extend its plant and operations.

A DESPATCH from Port Hedland, Western Australia, relating to the Vice-regal and Ministerial visit to the North-West territory of the State, records a boom in kangaroo skins as a result of the high prices for skins and furs throughout the world. The despatch states that at Carnarvon reports were circulated of men who made as much as £7 a day shooting kangaroos for their skins. At Onslow two blackfellows were said to have bought motor-cars with the proceeds of their skill. Two white settlers who were introduced to the Governor admitted having made £1,000 each in the previous six months from the sale of kangaroo skins. There were other men in the town who said they earned £2 a day during four months of the year and £1 a day during the remainder of the year. As a result of the boom most of the floating population in the townships are engaged in hunting kangaroos.

THE Governor of Western Australia, in delivering the Vice-Regal speech at the opening of the State Parliament, said the prospects of the coming harvest in Western Australia were exceptionally bright. There was a large increase in the area under crop, and good progress had been made in the work of settling soldiers on the land. Upwards of 5,500 applications had been received by the Government of the State and already over 3,000 men had been settled.

THE Forests Department of Western Australia announces that exclusive rights to collect certain shrubs over a large area of the Eastern goldfields of that State have been granted to a Coolgardie resident who has been carrying out experiments in tanning in that district. These experiments are said to have demonstrated that a valuable material, suitable for such leathers as are used in the manufacture of felt hats, can be produced from these shrubs. As far as the enterprise has gone it is in the purely experimental stage.

THE Mines Department of Western Australia learns that a returned soldier prospector has discovered a large body of oil shale within the boundaries of the East Kimberley Goldfield. The finder has applied for a prospecting area of 3,000 acres and a "reward claim."

THE Governor of Western Australia, who has been touring the North West Territory, visited there the State's largest copper mine, owned by the Pilbarra Copper Fields, Limited, fifty miles east of Roeburne. The mine is a very old one, having been discovered as far back as 1886, but it was not until 1906, when the Whim Creek Copper Mine, Limited, took over the property, and Mr. H. R. Sleeman, the General Manager, arrived from England to control operations, that the lode was extensively worked. According to a report received by the Agent-General for Western Australia, £200,000 has been spent in developing the mine; 160,000 tons of ore have been mined and 65,000 tons of rich ore

have been exported. The present output is about 10,000 tons per month, but Mr. Sleeman informed the visitors that at least one million tons of ore have yet to be treated, and if labour and water difficulties can be overcome and improved shipping facilities given it will be possible to increase the output tenfold.

SOUTH AFRICA

THE last return issued by the Government Department of Mines shows that the gold "premium" has greatly stimulated activity amongst small mine workers in various parts of the country. Whereas the Transvaal Chamber of Mines gives returns in respect of only 45 gold mining concerns, the statistics issued by the Union Department of Mines shows that there were 79 large mines producing gold during March in the Transvaal, and 11 small mines, of which 10 were in the Transvaal and one in Natal, making a total of 90 producing gold mines for the whole Union. The output of the small mines was only 551 oz. Old tailings and reduction sites yielded 395 oz. and eight alluvial diggers produced 89 oz.

DEALING with the industrial development of South Africa in his Budget speech, Mr. Burton makes the following interesting observations:—"During these four years under review no fewer than 2,000 new factories came into being. And to-day the position is that there are 6,000 factories in the Union, employing 134,000 hands, and paying annually 12½ millions sterling in wages. These factories, including site, plant and machinery represent invested capital to the value of over £35,000,000. They consume annually raw and semi-manufactured materials to the value of £34,000,000, and produce over 300 different classes of manufactured goods. As a matter of fact we are advancing to a point of being largely self-supporting in all the essential necessaries of life, and although our economic position to-day is due to a material extent to the special protection which has existed and has assisted our factories, still it is impossible to avoid seeing that after having made allowance for everything else for which allowance should be made, there is no disputing it that in a large number of cases factories which otherwise we might have thought were not suitable and which might be stigmatised as bastard industries, are displaying themselves as quite natural to the conditions of the country. There are numerous outstanding industries which I might quote. There are things like jam-making, cement, tobacco and so forth, and on the whole we may well say that our experience in the last four or five years has shown fully that we are well equipped, that we are thoroughly adequately equipped with the materials of the primary, the raw class, and all that was necessary were vigorous attempts for development."

DURING 1919 the tonnage of goods traffic on the Natal

section of the South African Railways rose by 20 per cent., and during the same period Durban harbour dealt with 668,000 tons of goods.

It is stated officially that grain elevators are to be erected at Durban and Cape Town capable, between them, of dealing with 576,000 tons of maize per annum, and 71 country elevators capable of dealing with 800,000 tons per annum.

THE High Commissioner for the Union of South Africa has been informed that from July 1st the following goods will be assessed for duty at the rate of 15 per cent. ad valorem on entering the Union of South Africa:—Cotton and/or woollen piece goods; cotton and woollen hosiery; hats and caps; apparel not otherwise specified, being articles for human body made up for immediate use; not being merely for adornment nor made up or containing silk, or imitation silk, not including furs and muffs. Manufacturers must disclose on their invoices the composition of such articles.

WITH a view to encouraging the nation in agriculture, the Transkeian Territories General Council proposes shortly to inaugurate a cotton ginning plant at Butterworth. The climate suits the cultivation of the cotton plant admirably, but hitherto the difficulty has been in the disposal of small parcels of cotton. When the ginning plant has been put in operation the disability will be overcome, as the Council will be in a position to purchase all the cotton produced in the Territories.

THE value of coal produced at pit's mouth in Natal continues to increase, and although the May output of the Natal collieries was, in point of tonnage, 16,000 tons below the record output of 306,506 tons produced in respect of March of this year, the value of the Colony's output in May at £181,400 is the highest ever recorded. The price, which has exhibited a progressive increase for some months past, was 12s. 5·85*d.* per ton, which is 6*d.* a ton higher than it has ever previously been sold at. These figures clearly show that the demand for Natal coal is increasing, and that given adequate transport facilities the export and bunker trades, which have been steadily increasing for months past, could be made to assume tremendous dimensions. There is a continuous and unsatisfied demand for Natal coal by steamers at Durban. Within a few months the new deviations should greatly assist the transit of coal to the coast, and there is considered to be every reason for a further substantial increase in the Natal output. The Transvaal output for May was 590,504 tons, valued at £168,825, or 5s. 8·62*d.* per ton at pit's mouth, and the production of the whole Union was 957,221 tons or £372,372.

It is now estimated that the South African maize crop surplus will be from 500,000 to 1,000,000 bags of 200 lbs. This will be available for export. As soon as local demands have been met it is anticipated that the prohibition which has been imposed will be removed.

IN the first quarter of this year 129,275 lbs. of ostrich feathers, valued at £350,720, were imported into the United Kingdom from South Africa against 174,014 lbs., valued at £489,750, in the corresponding three months of 1913.

DURING the five months ended 31st May 34,648 quarters of beef were inspected and exported from the Union of South Africa as compared with 285,367 quarters last year, 123,354 quarters in 1918, 309,214 quarters in 1917, and 115,992 quarters in 1916.

THE yield of South African cotton from the Rustenberg district is expected to be considerably heavier than that of last season, whilst in Nyasaland the crops are shaping well, and efforts are being made to increase the acreage.

IT is not generally known that the wild jute of South Africa, *hibiscus cannibinus*, grows as a weed in many parts of the Union, and that a small company has been floated to test and develop the industry. This is being done near Hector Spruit, and reports of the crop are very encouraging. Should this industry develop it opens out large possibilities, and ultimately may be in a position to supply all the jute goods required by the Union in addition to providing employment for a large white and black population. It is also interesting to note that this weed was introduced from South Africa to India, and to-day forms a considerable proportion of the jute goods produced there.

ONE of the features of the past year has been the steady rise in the value of farm property in some parts of the Union. The matter is discussed in the annual report for 1919 of the Land and Agricultural Bank, wherein it is pointed out that the main contributory cause to this rise has been the high prices obtainable for farm products and stock. This might lead one to conclude (the report proceeds) that the rise is only temporary, and that when prices become normal the value of land will drop. It is, however, generally thought that the value of land in the Union will continue to appreciate. Compared with other countries, land is still obtainable in the Union cheap, and this, with the increasing population, up-to-date methods of farming, and State encouragement, will doubtless attract the right class of farmer to the land.

SINCE the Union, £8,400,000 has been spent on the construction of new railways, aggregating 2,477 miles, an increase in the total mileage equivalent to 36 per cent. This is a good record, considering that for five years construction has been more or less at a standstill owing to the world-wide shortage of railway material. An interesting fact is that, in two countries only—Western Australia and Queensland—there are more miles of railways in relation to population than there are in proportion to the white population of the Union. Western Australia has 89 inhabitants per mile of railway; Queensland has 130; the Union of South Africa comes next with 147; South Australia has 196; Canada 200; Argentina 238; Victoria 343; and New South

Wales 402. Including natives, the Union of South Africa has one mile of railway to every 666 inhabitants, which is considerably more mileage in relation to population than most countries possess.

MUCH interest is being evinced in the mineral prospects of the South-West African Protectorate, quite apart from the diamond fields of that territory. We hear of recent extensive discoveries of cassiterite and other base metals, and it is perhaps significant that a prominent engineer associated with one of the leading mining houses has just left for the locality in which several important discoveries have recently been made.

A NEW industry is about to be started at Vereeniging by a milling company, who will manufacture from the raw material derived from high grade maize such things as cornflour, special starch, dextrans, gums, corn oil, both crude and refined, cattle food, rubber substitutes, breakfast foods, and special products to be used in the brewing industry. These products are at present imported from Europe and Australia where they are produced from corn or maize grown in South Africa. An initial expenditure of £250,000 will be involved, and the plant to be installed in the first instance will be capable of meeting all the demands of the South African market. It is hoped ultimately to absorb 20,000 bushels of maize per day, which is equivalent to the country's export for 1919-1920.

COTTON-growing in South Africa is making rapid headway, and it is anticipated that the crop will be considerably larger than that of last year, which totalled approximately 460 bales. Several farmers are allotting fairly large areas for the purpose of cotton-growing, and one farmer, who has now 200 acres under cultivation, expects to plant 1,000 acres next season. Cotton-growing is being attempted in the Midlands of Natal, and the prospects of the industry are said to be encouraging.

OVERSEA CORRESPONDENTS.

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THE EMPIRE REVIEW

AND

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PROBLEMS OF INDUSTRY

After the Strike

A PERIOD of comparative industrial peace has succeeded the settlement of the coal strike, but it would be unwise to regard the future with undue optimism. We must not forget the fact that it was a settlement on a minority vote; there was actually a majority against the terms. Of the miners' leaders some of the more prominent among the moderates have been practically forced out of the Federation, and South Wales is as violent a storm centre as ever. There the men believe it was they who forced the battle and won a victory over the Government, and they do not hesitate to put forward the view that should any attempt be made to reduce their wages the battle will be renewed. Everything depends on the negotiations next spring, when the Wages Board is to be set up. These negotiations will be difficult and delicate. For if the miners are to be paid their present wages, to say nothing of any increase, the industry must be in a financial position to pay them.

Pitfalls Ahead

In this connection it is well to face the position and prepare for any emergency. The world production of coal to-day is already equal to the output for 1914, and in the United States it is growing rapidly. Owing to the increased use of war fuel, and the lesson in economy taught by the shortage during the War, the demand is certain to be less in the future than the past. This can mean but one thing, a fall in the world's price, and when that

comes, as come it will, a problem of great difficulty will confront this country, for the only way to pay the present rate of wages will be a sharp rise in the price of home-consumed coal for domestic and industrial purposes. The consumer has recently shown all the world over that he also can strike, and he will almost certainly fight, probably by means of a boycott, any increase in the price of coal, while industry cannot afford to pay more than it is doing at the present time. The question of a reduction in wages will sooner or later have to be faced, and when that day arrives industrial trouble, with all it involves, will be upon us again.

National Economy

In the House of Commons there would seem to be a collective demand for economy, but as question time shows an individual demand for additional expenditure very often manifests itself. The Government are at last becoming alive to the danger of spending and resolutely refuse these individual demands on the public purse; they have even dropped quite a number of clauses in the Health Bill on the ground of saving money, notwithstanding the opposition of those critics who at times had been most voluble about extravagance. The way of the economiser is hard, he makes as many enemies by his parsimony as by his prodigality. Mr. McKenna, a former Chancellor of the Exchequer, maintains that our present high prices are the result of Government extravagance, which makes high taxation essential, restricts savings, compels traders to borrow to pay their taxes, and increases purchasing power without increasing the value of commodities. Certainly the Excess Profits Duty has done great harm, but as any attempt to find a substitute is assailed by the business community for obvious reasons, and, as Mr. Chamberlain is constantly telling us that it brings in a great deal of money to the Exchequer, it would appear that the only way to abolish it is to reduce expenditure.

World Peace

But how is it to be done? Strict rationing of departments by the Treasury is being constantly suggested. Plausible, but it implies dictation of policy by the Treasury, for it is policy which causes expenditure not departmental extravagance. It may be satisfactory and spectacular to decimate the ranks of the Civil Service, but action of this kind makes little difference to the Budget. Nor is the Government's record so bad as their critics make out. For example; they reduced the bread subsidy at rather a dangerous moment purely from motives of economy. One is forced then to the conclusion that the core of the problem lies in armaments, not

alone armaments that directly concern this country but in world armaments. Yet every nation seems as keen as ever in indulging in wars and rumours of wars. National and international economy can only come if the world is at peace. The secret of economy is to be found at Geneva, and people who say the League of Nations is against nature and refuse to give it support must cease to grumble about Government extravagance. A world wedded to peace and refusing to contemplate divorce can achieve economy. A world wedded to war, must resign itself to E.P.D. and its unpalatable colleagues.

The Floating Debt

The Brussels Conference laid down as one of the cardinal remedies for the present state of Europe that the Great Powers should reduce their floating debt as much as possible. This has led to a renewal of the agitation for reducing the floating debt in this country. Consisting as it does largely of creation of credit which increases the purchasing power of the community without increasing the value of the commodities, the floating debt certainly is a contributory cause of high prices. At the same time every pound used to cancel the floating debt is the destruction of a pound of purchasing power, and this process must be carried out with the greatest caution and expert direction, otherwise it would result in the complete collapse of wholesale prices, commercial and industrial stagnation and a dangerously high unemployment rate.

Financial Experts

The present is therefore a dangerous moment in which to advocate reduction. The commercial world is finding the greatest difficulty in getting credit, and the community should not allow itself to be hustled into attempting such a policy, merely because "financial experts" advocate it. In the past some of these financial experts have shown none too much regard for the interests of the commercial and industrial community. The floating debt has risen by 6 millions in the financial period of April 1st to October 23rd. The funded debt, on the other hand, has been reduced approximately 106 millions. In addition nearly 16 million has been paid into depreciation account, which in a sense is equivalent to a further debt reduction. Another event to be reckoned with is the repayment of the Anglo-French Loan to the United States, the British portion of which, at the present rate of exchange, amounted to 58 millions. But for this repayment a substantial further reduction might have been effected in the floating debt.

The Riddle of Exchange

Of the problems which the War has bequeathed to industry the foreign exchange is at once the most perplexing and the most pressing. Uninstructed public opinion on the Continent is unanimous in blaming this country for the condition of the exchange between England and the belligerent nations of Europe. A deal of mischief has been made between us and our allies by casual references to *le pound sterling qui monte* and similar observations. In point of fact, the only people who reap any benefit from the abnormal condition of the exchange are British tourists on the Continent, who are delighted to find that the pound is worth fifty francs, and spend their small change like water.

Effect on Commerce

British commerce, on the contrary, is finding the state of the exchange an almost insuperable obstacle to export trade. It must be remembered that 25 francs goes about as far in France to-day as £1 goes in England, so that an article which costs 10s. to produce here can be produced for 12.50 francs in France. But we cannot export this same article to France for less than the exchange value of 10s., which is about 25 francs, and are consequently at a fatal disadvantage compared with French or Belgian produce, which can be sold over there, without any superiority in management or workmanship, at half our price. This in a nutshell is how the exchange hits England, yet England is blamed for profiteering in the pound. The reverse side of the problem is no less disconcerting. Other countries can by means of the exchange import to this country goods at a price with which British industry cannot hope to compete. The only result of taking full advantage of this favourable opportunity would be to buy all our goods abroad, at the expense of our home industries. That way means unemployment and industrial bankruptcy. The problem is indeed knotty, and a full grasp of its fundamentals is the essential first step to its solution.

A Labour Reverse

Last year Labour achieved great, but now we know fallacious progress in its attempt to get a controlling voice in the local government of the country. It redoubled its efforts this year, and its spokesmen expressed the greatest confidence in the result. On November 1st began the elections for 328 municipal boroughs in England and Wales. In 246 large towns the figures show that 1,354 Unionists, Liberals and Independents were elected, while only 287 Labour candidates were returned out of a total of 1,253. The general result must be written down as a great reverse for Labour. It shows beyond all dispute that after a year's experience

of Labour rule, the majority of the people in this country will have nothing to do with it.

A Lesson and a Warning

The people have been impressed neither with Labour's moral nor intellectual qualities. Labour has shown favouritism to its friends and imposed a rigid boycott on its so-called enemies, to whom it has been extremely unjust. Labour orators are ever loudly condemning the corruption of other parties, but they have outdistanced all other parties in that department of Government. Labour has made no attempt to benefit the community as a whole, its one idea has been to hasten on the Socialist era, by crude and costly experiments in municipalisation, from which it has had to be rescued by Government departments. Its representatives have spent the ratepayers' money lavishly and unproductively, and like most enthusiastic amateurs have deeply resented any criticism from experts. Consequently, the general floating body of electors, pledged to no party, have come to the conclusion that to vote for a Labour candidate means to vote for a person who thinks only in class terms, who will spend money recklessly in support of a creed which the great mass of the community is not prepared to accept. Labour has put back its own clock by at least a decade, and if in the remote future a Labour Government should come into power, we trust it will take to heart the lesson of the November elections.

Key Industries and Dumping

It is a fact not sufficiently recognised, that our key industries are not really protected at all by legislation of the anti-dumping order. The principle of all anti-dumping regulations is to prevent any country from selling produce in this country at a price below the cost of production plus a fair rate for carriage. This principle was fair enough before the war when exchanges were at par, but to-day the line it draws is far too low to be of any use to our struggling key industries. These industries are struggling now, because they are industries which the commercial genius of the German General Staff had, with the aid of State subsidies, captured before the war. Dyes, magnetos, optical glass, can none of them hope to-day to compete with German competition if Germany is to be allowed to sell its goods in England at the cost of production plus the carriage, because the rate of exchange permits Germany, even without infringing anti-dumping regulations, to sell its goods to us at a ridiculously cheap rate.

Government Action necessary

The country must be aroused to a sense of the danger. We cannot again afford to be dependent upon external sources for so

many products essential to our national safety. And it is not as if the goods were of the kind from whose production England is naturally handicapped. There is no question of subsidising cotton plantations or vineyards or tea gardens here. The only reason why our key industries were lost to Germany before the war was that, other things being equal, a self-supporting concern cannot compete with a State subsidised competitor who can afford to sell below cost of production. Germany may not be dumping now, but she is profiting by her dumping tactics in the past. The anti-dumping regulations that would have ensured to British enterprise a fair field before the war do not go far enough to-day. On this point education is both urgent and necessary. Any solution which may commend itself to expert opinion can only hope to be accepted by the country if public opinion is instructed in the facts of the case. The Government should therefore lose no time in placing the position clearly before the people. This is not a matter of party politics, it is a matter of commercial necessity, and is put forward here as much in the interest of the working classes as in that of the manufacturer.

Expenditure and Social Reforms

Thirty-nine nations in turn placed before the Brussels Conference statements of their financial position, the gravity of which may be gathered from the knowledge that three out of every four of the countries directly represented and eleven out of twelve of the European countries anticipated a Budget deficit in the current year. In the opinion of the Conference public opinion is largely responsible for these deficits, seeing that fresh expenditure is constantly being pressed on every Government, "largely on palliatives that aggravate the very evils against which it is directed." We in this country are heavy sufferers from this cause, and critics of the Coalition spending policy welcome the recommendation "that the first step is to bring public opinion in every country to realise the essential facts of the situation and particularly the need for re-establishing public finances on a sound basis as a preliminary to the execution of those social reforms which the world demands."

EDITORIAL.

STABILISATION OF INTER-EMPIRE EXCHANGES*

AN EMPIRE-BANK AND A COMMON BASIS FOR CURRENCY

I

INTRODUCTORY REMARKS

THE main cause of the disorganisation of the Imperial exchanges, which is becoming more and more pronounced, is due to the fact that, in the absence of gold, there is now no connecting link between the different parts of the Empire. My proposal provides a common basis for the currency, aided by an extension of the clearing-house system so as to embrace the Empire, through the setting up of an Empire Bank, which would hold the balances of the some 125 banks in the Empire.

It is an essential part of the scheme that a line should be drawn beyond which existing currencies in the Empire should not be allowed to go except with a backing of Imperial notes. Indeed, provision is made for this line of local credit currency to be lowered as time goes on, by giving the banks the option to exchange the currency for Imperial interest-bearing bonds. Apart from advancing on these bonds—a factor which at the present stage need not be taken into account—the only way credit or currency could be obtained from the Empire Bank would be through the discount of self-liquidating bills of exchange, drawn against an actual shipment of commodities and marked accordingly, which bills, thereafter, would form the basis for the Empire's currency. Given certain practical safeguards, we can obtain in these commodity bills of exchange an instrument "as good as gold."

The banks would have three top lines on the assets side of

* While readily acceding to the Editor's request to send him a contribution on the Stabilisation of Inter-Empire Exchanges, I am bound to say that the substance of my paper is a reproduction of the address given by me at the recent Congress of Chambers of Commerce of the British Empire at Toronto and of my subsequent letter to the *Times* on the same subject.—J. F. D.

their balance-sheets, which would be equally liquid, viz., Cash in hand; Balance at the Empire Bank; Holding of eligible bills of exchange. The relative liquid strength of each bank would be indicated by the total of these three headings, compared with the bank's liabilities. It is probably not necessary, nor is it in accordance with British methods, that there should be a legal fixed percentage of these liquid assets; but it is necessary that there be, let us say, a monthly publication of the figures, showing the percentages. Either through public opinion or in some other way the percentage of these combined liquid assets would require to be higher than the percentage of cash to liabilities which is regarded as prudent to-day. As the eligible bills of exchange are interest-bearing, this higher percentage would involve no hardship on the banks.

In these articles I shall endeavour to show how, apart from the movement of currency, all transactions in the Empire would resolve into some bank being debited and some bank being credited in the books of some office of the Empire Bank, and how that bank could effect transfers at par between its offices—again by a debit and a credit. All inter-Empire trade would be settled by a bank of the exporting country being credited and a bank of the importing country being debited in the books of the Empire Bank. An export to a foreign country also means a credit, and an import from a foreign country a debit, with the Empire Bank, the one being set off against the other through the foreign exchanges. The corrective factor would be the "balance of the clearing-house," which would be "in favour" or "against" any country in the Empire according to whether its exports or imports were in the ascendancy. An excess of imports would weaken the liquid position of the banks in the importing country, and therefore the base for that country's credit, in a way similar to an export of gold under a free gold system. On the other hand, it would strengthen the position of the banks in a country exporting on balance and be tantamount to an import of gold to that country.

But there would be a further check, so far as the Empire's foreign trade is concerned, in the foreign exchanges. Here the Empire must be taken as a whole. An excess of imports from a foreign country would lower the exchange with that country, and tend to check imports and stimulate exports the Empire over, and therefore to that extent in any part of the Empire whose excess of imports was made up of foreign commodities from that foreign country. This would operate in addition to the check caused by the excess imports having weakened the position of the banks in the country owing to the balance in the Empire clearing-house being against them.

With the Empire away from a gold basis, and not likely to be in a position to return to it for many years to come, what is the alternative? Is each part of the Empire to struggle on in an isolated position, allowing its exchanges, not only with foreign countries, but with other parts of the Empire, to fluctuate wildly and often with wide and impossible margins, hampering production and trade? Or is the Empire to enter into a partnership, with a common basis for the currency, and an extension of the clearing-house system, such as the Empire Bank scheme would provide, thus producing order out of what is rapidly approaching chaos and stimulating production and trade the Empire over?

With regard to the "sovereign rights" of the Dominions, it might be arranged for nominal retention of the right to inflate under conditions which would in effect prevent the rights being exercised so long as the partnership continued.

An Imperial Conference of the best talent in the Empire to examine carefully this question of an Empire currency is, I submit, urgently called for, and judging by the interest and receptivity shown by Canada, where I was privileged to meet and discuss the subject with statesmen, bankers, merchants, and economists, one is very hopeful that a workable scheme would be evolved.

II

WANTED: A CONSTRUCTIVE POLICY

It would seem almost superfluous to emphasise the importance of increasing the production and interchange of commodities, but in the discussions about inflation and deflation, and there have been many, there is, I think, a tendency to obscure the fact that fundamentally the production of commodities is more important than the credit instruments. Not that the credit machinery is by any means unimportant; only its main function must be to aid production. The destruction and diversion of commodities caused by the war have been on such a colossal scale that it is necessary to concentrate absolutely on production (of course, of the right kind of commodities) and as far as possible to allow nothing to interfere with it. The great work of reconstruction that lies ahead of us is one calling for all our energies, much sacrifice and great care. But it cannot be conducted successfully under negative conditions. It is necessary to have a positive and distinctly constructive policy, and in shaping that policy we have to bear in mind that fundamentally currency or credit is not the master but the servant of commerce.

Our Negative Policy

There is a fear that the negative policy of deflation in Great Britain, probably necessary up to a point, may be carried so far as to become dangerous and even defeat its ends. It is claimed by the supporters of the Treasury policy that we have now two deflating factors hard at work. One is extremely heavy taxation. In the consequent diminution of purchasing power which such taxation must yet entail, we have an important, and many may think a sufficient, instrument for deflation. But if in addition to this burden of taxation we have to work under a calculated policy of currency and credit restriction carried out to its logical conclusion, we are rather reminded of the methods of the Pharaohs: "There shall no straw be given you, yet shall ye deliver the tale of the bricks."

Effects of Contraction

Further, it is a policy likely to defeat its ends, and even prevent certain natural methods of deflation from becoming operative. An important factor in causing inflation was the credit created by the banks for the Government for war expenditure—in other words for purposes of destruction, which is a very different thing in its effects from credit granted for purposes of production. Of this credit there was still in force in Great Britain at the end of December some £400,000,000, represented by the increase in the banks' investments since the beginning of the war. This is in the main apart from their holding in Treasury Bills, which is not separately stated. In the ordinary course banks would have sold and so largely reduced such a heavy holding of Government securities, which was not of their seeking. But they have been unable to do so to any great extent owing to monetary conditions produced by the contraction policy. Sales to the public would have reduced deposits, and so effected a real deflation. Similarly with the banks' holdings of Treasury Bills, the funding of which has also been prevented.

Cunliffe Committee Report

Presumably the British Treasury is carrying out the recommendations of that negative document—the Report of the Cunliffe Currency Committee. Throughout the argument in the first part of that Report there runs the idea that the movement of gold, out and in, would, if not immediately then very soon, be again effective, and that we would before long be again on a gold basis. In the second part of the Report reference is also made to "re-establishing at an early date a free market for gold in London." Now if we could feel reasonably sure that in a comparatively short

time an effective gold standard could be restored, there would be something to be said for the Treasury policy, although it might still be open to criticism by reason of its severity. But is there any likelihood of such a consummation?

Debt to United States

There is a factor looming ahead to which the Cunliffe Committee did not give sufficient, if indeed they gave any, consideration. At any rate, it is not even mentioned in the Report. It is Britain's debt to the United States Government. In round figures this comes to some £860,000,000. But the debt is a dollar debt, and the sterling equivalent here given is calculated at the par of exchange, and to the extent that the exchange is below par the sterling which we shall have to provide for principal and interest will be correspondingly greater. So far no interest on any of the debt to the United States Government has been paid, although, aided by the gold received from the joint stock banks (a non-recurring factor), dollars have been already provided to pay off our share of the Anglo-French Loan. Of course our further debts to the United States public, amounting to some £100,000,000, must also be met at their respective maturities. But some day—and the sooner the better—arrangements must be made to pay not only the interest but by instalments the principal of this Government debt. On the improbable assumption that conditions soon became so favourable that the American Exchange approached gold parity, would our Government's purchases of dollars in connection with the repayment of the debt not continually tend to send it down again? In fact, speculators would operate for a fall in anticipation. They would argue: "The exchange cannot go much higher, whereas the fall may be considerable." From whence then would come the gold relief?

"Invisible Exports"

But there are further adverse influences to be considered. Of late a good deal of attention has been given to what is known as our "invisible exports." While any estimate of what these may come to cannot be other than of doubtful reliability, there is, so far as the United States is concerned, an important adverse influence already at work which as time goes on may become increasingly felt. It is the natural and growing tendency of the United States to rely more and more upon their own resources. We will find this acting in shipping and insurance for example. America has also bought back a large portion of her securities held in Great Britain, with the consequent great diminution in her sterling payments for interest. On the other hand, for a

time her visitors to our shores will doubtless increase, and possibly also the money they spend. But in order to liquidate the debt our reliance must be mainly in production—in the balance of exports over imports, and it is here that the present policy is again likely to defeat itself.

Production Handicapped

Onerous taxation plus a calculated policy of dear money and a restriction of currency and credit, is a combination which seems bound to interfere with production. Under these conditions one again asks the question: How is the gold standard to be restored and kept effective? Still more, how can the gold standard become effective within any reasonable time during which, in the hope of gold relief then, it might have been worth while to stand up to and endeavour to bear our double burden of onerous taxation and currency and credit restriction. Is it not obvious that for the Treasury to go on acting on the recommendations of the Cunliffe Committee Report is the pursuance of only half a policy—the deflation end without any reasonable prospect of gold relief. The dangers, too, are obvious, and a reconsideration of the position is required.

III

EMPIRE CO-OPERATION NEEDED

Fortunately Great Britain is still a solvent State, but to remain solvent we must brace ourselves and boldly face the situation created by this huge debt to America. The debt must be reduced to such a figure that there can be no reasonable doubt of our ability to meet the annual payments for principal and interest before an effective gold standard is even in sight. It is a much more important question than the payment of our internal debt, which is merely to ourselves. The situation created by the debt to America should be brought prominently before the people of Britain, both capitalists and wage-earners. The co-operation of both classes is more than ever necessary if we are to get clear. But one of the objects of this article is to suggest that not merely is the co-operation of the peoples of the United Kingdom needed, but the co-operation of the whole British Empire as well.

While the debt itself must ultimately be borne by the British taxpayer, much might be done with the Empire's co-operation to lighten greatly the sterling equivalent of the burden and aid us in producing the necessary dollars. I, therefore, suggest whether the time has not come for the Government of the Mother Country to

take counsel with the different Governments of the Empire to see whether some plan cannot be devised to bring the British Empire closer together in the production and interchange of goods. The result would doubtless be that not only would the payment of the debt to America be facilitated, but there would be such a stimulus given to production and interchange as would mutually benefit both the Empire as a whole and the world at large. When war broke out the Empire sprang to arms in the closest co-operation. In the great work of reconstruction there is an urgent need for the Empire to come into close economic co-operation. And then having put our own house in order, we will be better able to render assistance to others less fortunately situated.

Inter-Empire Exchanges

It may be permitted to recall what this debt to America really represents. It is no debt of dishonour, but of the highest honour. It represents part of the price Britain has paid for her freedom, yet not for ours only, but for that of the Empire as well, indeed, for that of the world. And so in asking for the co-operation of the Empire in helping us to repay this debt, we feel we are asking for something that will not readily be withheld.

On looking around the Empire to-day we, however, see a situation which is far from conducive to co-operation. Instead of co-operation there is disorganisation. The exchanges of India and the Dominions are more or less detached both from the mother country and from each other. Transactions are restricted all round, and great uncertainty prevails. All this uncertainty is reflected in the prices of the imports and exports of the whole Empire. It also prevents the free flow of capital between the different parts of the Empire. Now, unlike the Exchanges of the world, the rectification of which will prove extremely difficult, it is anyhow within the power of the British Empire to put our inter-Empire exchanges right, and that with no undue delay. But to do so we must come together in a united effort and have a clear and a positive policy.

J. F. DARLING.

(To be continued.)

BRITISH DYES

DEVELOPMENT AND RELATIONSHIP TO THE TEXTILE INDUSTRY

IN presenting my case to the readers of *The Empire Review*, let me say that I start with two assumptions:—(1) that the national safety in case of future war demands that we should develop our dye-making industry; (2) that the measure which it is understood the Government will shortly introduce will take the form as in the Anti-Dumping Bill of Licensing and Prohibition.

British Dye-Makers

The principal maker of British dyes is the British Dye-stuffs Corporation. It has an authorised capital of ten millions, of which the Government are shareholders (I believe somewhere to the extent of about two millions), the rest being held by users of dyes and the general public. There are also a number of smaller makers, but none of any particular importance with one exception, the Alizarine Dye Manufacturing Company, to which I shall refer later. Previous to the incorporation of British dye-stuffs, which is a combination of British dye-makers, better known as Reid, Holliday and Company, and Messrs. Levinstein, Ltd., the board of management included a number of practical men among the dye-users. On incorporation these men, with one exception, did not join the directorate, the reasons for which there is no need for me to go into here, but their retirement was, in my opinion, a very regrettable fact for the management of British dye-stuffs. Now British dye-stuffs is the greatest factor in our consideration of the future of the dye industry in this country. At the present time they are producing about 20,000 tons per annum, whereas the total imported tonnage of German dyes in 1913 was only 18,000 tons. They employ over 8,000 employees, they have erected huge works in Yorkshire, and have in the course of erection very large extensions in the Blackley branch in my division. They are, without doubt, in a position

to manufacture a very large proportion of the bulk quantity dyes generally used. They are also gradually adding to their knowledge and experience, and producing the finer grades of dyes.

Foreign Competition

But there is no question but that they are still a very long way off being in a position to compete with the German and Swiss dye-maker. We must bear in mind that the German and Swiss had forty years' start, that the German had concentrated his efforts deliberately to secure the world's business in dyes. During the war the Swiss, who had the nucleus of the dye-making industry and the knowledge and experience, seized their opportunity and enormously developed their output, but I would not suggest that all dyes coming from Switzerland are made in that country. Also we must not lose sight of the fact that the production of dyes does not merely depend on theoretical knowledge or laboratory quantities. Practical experience has enormous bearing on the successful and satisfactory production of dyes in bulk quantities as required for trade. This experience can only be attained by years of habit and practice. Then again, the improvements and extended sphere of dye-making is dependent upon the highly-trained research chemist. Germany possesses an enormous group of such men. Switzerland also has them in quality, even though not in equal quantity as Germany, whereas our research chemists before the war were very limited in number, and those with a knowledge of dye-making were only a fraction of that number. These chemists cannot be trained in a year, or even in a few years. There must be a constant supply passing through our college laboratories, and even then it is only a select few who prove themselves able to assist in developing the industry.

Effect of Sankey Judgment

At the present time British dyers are in an undoubtedly difficult position. They were just beginning to feel their feet, and whilst they could in no way claim to be filling all the requirements of trade, yet they were encouraged to put forward their best efforts by the knowledge that the market was at their disposal, but since the Sankey Judgment in December, 1919, there has been free importation of German dyes, and they have keenly felt the rapidly growing competition of their rivals. I believe to-day it is a fact that Germany is delivering to this country about 40 per cent. of the amount of dyes which she sent here in 1913, whilst at the same time Switzerland is sending a very much larger quantity than she did in that year. There-

fore, whatever decision the Government may come to, it is of the utmost importance that it should be dealt with at once. Any lengthy delay might easily prove fatal to the British dye-maker, so fatal that he might have gone too far to recover.

German Organisation

There is also, apart from the actual production of dyes, the German organisation which, before the war, was the most perfect throughout the world. They had their agencies wherever there was any use for their dyes; should any of their delivery of dyes show difficulties in the working by the user, the German organisation was so perfect that they could at once send an expert to show the dye user exactly where he was going wrong, and put him on the right track; even so far afield as South India, in the Madura district, after a complaint reached them the expert was on the spot almost immediately. Such an organisation as this is not built up all at once. This organisation is now being rehabilitated and is daily growing more oppressive for the British dye-maker. It has been stated that the Germans to-day are in a difficult position owing to the upset of their organisation during the war, and are therefore concentrating their efforts on the more general dyes which are used in bulk quantities, and ignoring the finer dyes and more specialised classes. My own information leads me to believe that this is not the case, in fact the Germans are rapidly recovering their position of being able to fill all the requirements of British dye-users.

The Dye User

Now let us look at the "consumer" or "dye user's" point of view. The users of dyes are spread over very many trades—cotton, wool, silk, leather, paint, printing, and even into our confectionery trades. I am limiting my observations, however, to the actual information I have obtained from the cotton textile users. The cotton industry is the largest industry in the country; its oversea trade, taking the Board of Trade figures for 1919, is now roughly of the value of £120,000,000 per annum in dyed cotton goods alone. I had a calculation given me by a prominent member of one of the associations to the effect that two million pounds worth of dyes represented an output of two hundred million pounds worth of finished cloth. It is evident, therefore, that we must be sure that whatever we do to protect the dye industry it is of equal importance, in fact, so far as the economic position of this country is concerned, of far greater importance, that we should do nothing to damage the textile industry.

Two Principal Groups

This industry is divided into various groups. Let us take the two principal groups, one of which is represented by the Bradford Dyers Association, the other by the Calico Printers Association. These huge combines, each in their own section, are thoroughly representative of, and do the greater portion of, the trade they represent. In the case of the Calico Printers Federation they represent 97 per cent. of the entire production of calico printing in this country. The calico printers, as the name implies, are printers of cloth, and the design itself may incorporate any number of colours. I have an example before me of a printed calico showing five effects of colouring; looking at it one might say there were half-a-dozen different colours used in its production. As a matter of fact, there are twenty-six colours used in the production of the five tonings. Also in these colours, many of them are not bulk quantity colours, such as used by the Bradford dyers, they are specialised colours, and this class of colour is being added to, year by year, by the research chemists of Germany and Switzerland. At the present time our research chemists have not been able to produce all the known colours in existence, how can we, therefore, expect to be improving or bringing out new colouring matter? So that it will be a long while before we can reach the point, not only of catching up with the German and Swiss maker, but of keeping level with him when we have caught him up. There is one shade of blue which runs through all these five sets of colours. It follows that if this shade cannot be obtained, not one of the sets can be produced. This recently happened, and as a result several printing machines had to lie idle for a considerable time, as this blue is not manufactured in this country.

Calico Printers

The calico printers would also be placed in a very difficult position were a licensing system adopted, from the fact that they produce their designs, show them to their customers, and book their orders, six to nine months before the contract to deliver. What would their position be if they produced a design, and then when they came to manufacture six or nine months later, if only one colour in the design—and as I have just shown, one colour may be of the utmost importance—were to be on the prohibited list? My readers will readily see the position would be an impossible one, the customer would lose all confidence, and the next time he was buying would certainly look in other directions. The calico printers employ 25,000 persons, and if we take their families into consideration, must reach a much larger figure, directly dependent upon this trade. It is certain that the

calico printing industry could not exist to-day without foreign supplies.

British Alizarine Company

So important are these specialised absolutely fast dyes to the textile trade that some years ago there was formed a co-operative company, known as the British Alizarine Company, which produces a very fast class of dye covering a wide range of the finer colours. The calico printers themselves invested £109,000 in this undertaking, and the company has proved eminently successful under energetic and experienced management, and without any protection of any sort they have practically succeeded in holding this market against the Germans, and they are at present building large works near Manchester, in place of those blown up at Silvertown during the war.

Synthetic Indigo

The Bradford Dyers Association use dyes in greater bulk because they are dyers of the whole piece. All the cloth they turn out is of one colour throughout, and the British dye-maker would doubtless very rapidly be able to reach their requirements. Also the range of colours they require, whilst extensive, is nothing like so extensive as that of the calico printers, so that the difficulties obtaining under any restriction of imported dyes, whilst existing for the piece-goods dyer, would not in his case be quite so acute, and I have found that whilst averse to it, he was a little less disturbed at the idea of the limitation of imported dyes. At the same time, it is quite certain that the British dye-makers are not able to fill his requirements for every colour, nor for absolutely fast to light and washing colours upon which he has built up a world trade. Certainly, in one very important colour, synthetic indigo, the British dye-maker has reached the point practically of perfection, and all credit is due to Dr. Levinstein for what he has done in this direction. During the war, within eight weeks of starting on bare boards, he produced synthetic indigo, and to-day, I believe, is supplying the bulk of that colour used in this country.

State Support

The whole group of the dye users are agreed upon two points : that the British dye-makers cannot develop or extend their business in a manner that would be satisfactory to the user or that would enable the dye-maker to be of particular service in time of war, unless the dye-making industry receives some form of State support. The users of dyes are also agreed that either of the methods proposed up to now—tariffs or licensing—must of

necessity place upon them difficulties in their securing of the dyes they require and therefore difficulties in their trading. Some users favour tariffs, as by such methods they would still be able, even though at a higher price, to secure the foreign dyes absolutely necessary to their requirements. Other users prefer licensing, considering that by this means they will be able to obtain those dyes which British dye-makers are not able to supply at the rock bottom price from the foreigner, whilst ensuring the British dye-maker of a sale for those colours he is able to manufacture. I believe all sections of user would prefer some form of subsidy, so that they might be empowered to import what colours they wished, and only take the British colours when the same could be offered to them on equal terms as they could obtain them from the foreigner. But they appear all to have the idea that the Government will not listen to the question of subsidy. Such, briefly, is the position of two of the largest sections of the textile industry.

The Government Bill

Now as to what effect the proposed Government Bill, which I am assuming will take the form of a licensing Bill, will have upon this industry, as I have already mentioned, even those who have least fear of it would much prefer that it should not come into operation, but such sections of the trade as the calico printers and skein silk dyers and yarn dyers, who require many specialities in the way of colour, view the possible introduction of this Bill with alarm. The idea under the Bill is, I understand, to be some form of issuing licenses for the importation of these colours, which the British dye-maker is not able to produce, and absolute prohibition of such colours as he is able to produce. If this is the form the Bill should take—and I cannot see what other form is possible, and I know the view held throughout the textile industry is that it will be in this form—what is the position of the dye-user? He is to be compelled to purchase such dyes as the British dye-maker can produce, although he may himself consider, in fact, he may know, that they are not answering his purpose so well as the imported dye. And what is his position in buying those colours under license which the British maker cannot produce?

Licensing and Prohibition

There is the certainty that there will be extensive delays in securing licenses which will be most harmful and damaging to his business, apart from the irritation which every business man has in having to place his business matters for the judgment of a government official. Also, is it proposed that this licensing and

prohibition is to apply to Swiss manufacturers as well as German, if so, is it not extremely unfair to the Swiss manufacturer, seeing it was only by his energies and efforts that we were able to carry on our textile industry at all during the war? Further, are we for one moment to suppose that the German and Swiss dye-maker will accept such a position, whereby we say "we will take such and such dyes from you as will suit our purpose, but as we can produce them ourselves we shall discontinue them one by one?" Can we for one moment think that he will acquiesce? Will he rather not turn round and say, "No, if you are only prepared to take my highest class specialities which you cannot produce yourselves, I will retain these for my own textile manufactures." Here we at once see an added danger to the situation. Then again, how can this Bill deal with the question of prices? To-day the British price for sulphur black is 1s. 7d. per lb. The German price is 1s. 2d., the quality being equal. Is it proposed to issue a license for the importation of the German sulphur black? If so, the British dye-maker cannot continue to produce this colour. Or, on the other hand, is it the intention to prohibit the importation of this dye because the British dye-maker can produce it? If so, the British textile manufacturer is placed in the position that he might find it difficult to compete with foreign textile manufacturers. This is seen already in the fact that France, including Alsace, which is a large colour printing district, is now admitting British grey cloth free of duty, so that the French in Alsace, who have the full use of German and Swiss dyes, can print it and re-export it in its printed state without any payment of duty, and there is no question but that the merchant (and unfortunately a very large number of the merchants in this country are of alien extraction), and in any case, whether alien or British, they are not in business for philanthropy, will send his grey cloth to France, have it printed, and sent direct on to his overseas client. Licensing or prohibition would also lead to innumerable technical arguments between the government department and the home consumer on a highly complex subject, and whilst this arguing is going on business would be stopped.

A Bureaucratic Department

Bureaucratic government, we are always being told and always expressing in the House of Commons, must be checked. This would be establishing a new bureaucratic department of the very worst possible type, one which would have the very worst possible effect upon the economic state of this country. During the war we had an advisory committee on the restriction of imports, which, as it was managed by business men, might have

been supposed to work at any rate as well as such a committee could work, for the interests of trade, but what did Lord Emmott, Chairman of the Advisory Committee, say? He said on resigning from the chair of the Advisory Committee on the Restriction of Imports, that he had been told by his friends that he was courageous, but for himself he had no hesitation in saying that no action of his official life ever required less courage. He knew from his experience in the war trade department that it was impossible to conduct a licensing system fairly.

The Only Way

Now I would venture to suggest what I think to be the only way by which we can develop our British dye industries without interfering with the progress of our equally important trade industries. I dismiss at once licensing and prohibition. By subsidies we might do something, but not the customary form of subsidy. A protective tariff is out of the question. What I suggest is a combination of the two—tariff and bounty—in this form; that a small tariff should be put upon all imported dyes, limited, say to 10 per cent., not in any way with a view of checking the importation or of assisting the British manufacturer in his development, because at the present rate of exchange it would mean 100 per cent. tariff to do this. I merely propose a 10 per cent. tariff which will be actually paid by the user, to provide a fund that would go some way towards assisting the dye-maker. Let us bear in mind that we must be careful not to create or give an impression to the general public that we are creating a monopoly for the benefit of any one section of the community. Also we must have in front of us that the object in view is to get the user to buy British dyes, because they suit him and not to force him to have to buy dyes which may be inferior, or at a higher price, for we shall never build up our British dye industry on such lines. Therefore I suggest the tariff as mentioned, subject to which importations of dyes are to be absolutely without restriction. The British dye maker is already in the position of being able to compete on level terms in a good number of the more general dyes, and as whatever restrictions are put upon imported dyes, it has been laid down already that they are not to extend beyond ten years. Therefore I propose that the British dye-maker should receive from the State any additional financial support that is necessary to enable him to develop. For what justice is there in throwing the whole burden of our national security upon one or a few sections of the people as represented by the textile trade? The lines on which the British dye-maker should, I suggest, develop, must be that he proceed without regard to making a profit to produce one by one or group by

group, the dyes that are required, and as the British dye-maker claims that he can in a limited period reach the level of the German dye-maker, each year will see a reduction in the number of the dyes he is unable to produce, also a continually decreasing loss on his balance-sheet. So we may anticipate that at the end of a very short period the liability of the State should end.

Further Suggestions

As to how the State should accept the liability, I suggest that they should buy in, which they can do at very much below par to-day (though I do not suggest they take this advantage), all the outstanding shares of the British Dye-stuffs Corporation, with the exception of those shares in the hands of actual consumers, and who at present hold a very large amount of the capital of British Dye-stuffs, Ltd. I would also suggest that, as more capital is likely to be required for British dye-stuffs, at an early date, that the Government might with all justice approach these large combines, and put it to them in the form of a bargain, that if the State is prepared to grant free importation, the combines representing the bulk of users must take a proportionate amount of the new capital. I feel confident that such a proposal would receive every consideration from the consumers. There may be some slight difficulty in dealing with the few independent smaller dye-makers, but I do not view this with much fear, as they could receive grants out of the fund provided by the 10 per cent. tariff. Also I have sufficient confidence in the energy and initiative of the individual to believe that he would be the first to meet open competition and not the last, and as the British Dye-stuffs Corporation would be in part State-supported, I propose that all the knowledge they gain should be placed openly at the disposal of the individual dyemaker. Further, the Board of Directors of the Dye-stuffs Corporation should be formed in the main from men nominated by the consumers, and these men should dominate the Board. I am confident that the development of the dye-making industry should be dependent solely upon practical men, whose interest it would be to develop the industry, not merely because of their investment in the property upon which they would be receiving no dividends until the British dye-making industry was able to hold its own, but also because they are fully aware of the advisability of having their dyes produced at home. It is not that they do not acknowledge the national need, it is not that they are not sufficiently patriotic to desire to see British trade developed, that they ask for free imports, it is only because without free imports of dyes, until at any rate British dye-makers are fully competent, they see British trade facing difficulties almost impossible to surmount.

HAROLD BRIGGS.

BRITISH INDUSTRIES AND PROTECTIVE MEASURES

POSITION OF THE ELECTRIC LAMP TRADE

HOLDING as I do so high an opinion of the importance of the electrical industry in relation to the prosperity of other industries, I should like to see the whole electrical engineering industry included in the Key Industries Bill. From the point of view of capital invested and the number of people employed, from the effect on the industrial life of the whole country and Empire, and also from the standpoint of national defence, this industry stands second to no other as regards the necessity for protection. Conditions prevailing before the war have sapped the strength of that new industry and its weakness, compared with the strength of the American or German electrical industry, has cast a reflection on the whole British industrial life. But I think I know something of the mentality of the country, and am afraid my suggestion, however justified, might be too bold and might not prove practical politics at the present moment. I will therefore content myself with putting the case for one speciality alone, the importance of which is not generally understood and about which a great deal of misunderstanding exists—I refer to electric lamps.

Position in 1914

Great anxiety existed at the outbreak of the war in the minds of the Admiralty, War Office and other Government departments as to the possibility of keeping the lamp industry going. I have no hesitation in stating that, but for the enterprise of the company with which I am connected, we should have been in a most deplorable and dangerous position. The war cut us off from Germany, the attitude of America was not known, and through our enterprise alone was it possible to produce the bulbs, caps, tungsten wire and every type of lamp from British raw materials by British workers. At the request of the Government departments we even assisted our competitors to the best of our ability. The pressure for lamps of every kind for the Navy, for dockyards,

for railway stations, and for the War Office was something tremendous; not only were our stocks depleted immediately, but orders for millions of lamps poured in upon us from these Government departments whose requirements were beyond our conception. It was discovered that special types of most essential lamps had never been made in this country which were sold to the Admiralty as British-made by merchants posing as manufacturers, and only by superhuman effort, combined with luck, did we succeed in solving problems at breakneck speed which we have never even had the chance of studying before the war. The lamp industry was very small at the time in this country, producing 25 millions against 100 millions produced by Germany and 110 millions by America.

Evolution and Research

The history of the lamp industry during the war proves how essential it was to the welfare of the country. We lent our experts to Government departments; we sold 75 per cent. of our output at times to Government departments at prices fixed by them, and only 25 per cent. was supplied to the public; at some periods the Government took the whole output and nothing was left for private consumers. In order to meet the most pressing demands, we had to stop making any but standard lamps for the public; on the other hand, we had not only to produce for the Government every kind of lamp which had been developed, but it was essential to go into research and develop a number of types required for warfare, of which I will only enumerate a few.

Types of Lamps Developed

Infantry Signalling Lamps.—Small lamps of intense brilliancy capable of projecting a beam of light used as a signal from front line trenches. Hundreds of thousands of these were required at short notice. The extraordinary accuracy of dimensions necessary involved many entirely new problems in lamp manufacture.

Sound Ranging Apparatus.—Used for locating and recording electrically the situation of enemy guns far distant. This invention involved the use of lamps of a type hitherto unknown.

Lamps for use in Altitude Indicators of Aeroplanes.

Lamps used as Searchlights on Aeroplanes for Landing in the Dark.—These lamps had to be produced of quite abnormal efficiency so that they could be worked on the necessarily limited size battery that could be carried on an aeroplane.

Lamps for Illuminating the various Instruments carried on Aeroplanes and Ships.—These lamps were necessary for reading instruments on our own aeroplanes and yet had to be invisible from

other aeroplanes. Entirely new problems in lamp manufacture had to be solved before these were successfully produced.

Naval Signalling Lamps.—To enable the necessary speed to be attained, still another fresh problem hitherto unknown in lamp manufacture had to be solved, viz. nigrescence, i.e. the speed at which a filament incandesces and cools which entirely governs the speed of Morse light signals.

Admiralty Blue Lamps.—Designed to produce just sufficient light to enable the necessary operation in navigation, gun loading, etc., to be carried out, the light to be invisible from other ships only a short distance away. Glass bulbs for these lamps had to be individually tested with a spectroscope before use. Problems involved great research into natural colour glass manufacture.

Beacon Lights for Airship Sheds.—Visible to navigators of airships at long distances and yet invisible to people in the vicinity of the airshed, through danger of spying.

Wireless Valves

I now come to thermionic or wireless valves used for submarine and airship detection. For all forms of electrical signalling these valves are completely revolutionising wireless telegraphy and have rendered possible wireless telephony. With their use the range of a given wireless set is increased hundreds of times. By their use wireless signals have recently been sent direct to Australia, and speech, viz. wireless telephony, has taken place between Ireland and America. Their use in ordinary telephony enables reduction to be made in line wires, in the proportion of 300 lbs. weight to 40 lbs. weight per mile, whilst rendering speech as clear as if the speakers were in the same room. I am confident in due course they will revolutionise even power transmission. The symptoms are visible to-day, but as during the war only special types were required, such as for "submarine killing," research work has only been concentrated on other features quite recently. The valve industry must be based on the lamp industry—it cannot exist without it.

Competition

This strenuous work of supplying the Empire with lamps and valves such as indicated, was carried on for five years in our works, during a period when building was impossible, when no steel was available for repairing machinery, much less for constructing and installing new machinery which had been invented or designed. During that same period the Americans increased their output from 110 to 200 million; the Germans

kept up their output until the shortage of coal temporarily disabled them from producing these huge quantities, as they had to shut down certain glass works. On the other hand, a comparatively small Dutch firm before the war, increased its output since from probably four or five million per annum to forty million per annum. To show the importance which the Germans gave to this industry, let me here state that three of the biggest firms, namely the A.E.G., Siemens and German Osram, combined and their factories will produce a minimum of 100 million per annum. They have also installed factories in Sweden, Switzerland, Czecho-Slovakia and Spain, which are working to-day, and are potential competitors. Immediately after the outbreak of war, we realised that if Great Britain is not to be squeezed out of the electrical business, it must bring its lamp industry to a dignified height and, collectively, we hope to produce from sixty to seventy millions.

British Enterprise

My own company has spent several hundred thousand pounds in increasing its lamp works (buildings). In order to save time, we have ordered from America some £240,000 worth of machinery for lamp-making and automatic glass-blowing and tube works. We are spending another £250,000 in glass works: all contracts have been placed both for machinery and building, but nothing is as yet finished owing to conditions prevailing which I need not here describe. We are hoping to be responsible for anything from thirty to forty million lamps. In addition, we have spent £150,000 on building and equipment for a Research Laboratory and committed ourselves to a minimum annual expenditure of about £40,000—for the present, mainly for the lamp industry. If all these buildings were ready and all the machinery installed, it would take us some years to train labour for the various operations required in connection with the new machinery. Until that labour is trained, it is hopeless for us to attempt to compete with those great foreign concerns who were less handicapped during the war. Whilst we made reduced profits during the war, they themselves made immensely bigger profits, which they used for depreciation of plant and buildings that probably cost them only one-third of what we have to pay to-day.

Protection or Ruin

Unless, therefore, we receive protection for the lamp industry in the shape of prohibition of lamp importation for good or, anyhow, for a number of years, it will spell ruin to those firms who, from a spirit of national need, have made these sacrifices. It will throw out of employment some 20,000 skilled British workers, and, as lamps are practically the only visible symbols of the

electrical industry in the markets of the world, a death-blow will be dealt to the entire electrical industry.

I myself may not be the best judge of what would happen from a defence point of view if lamps were not available; all I remember is the pressing need of the Government departments at the outbreak of the war to obtain lamps and, if the men who were then responsible for the supplies of lamps can be found, I have not the slightest doubt that they can put up a better case than I have done for the value of lamps for the safety of our ships and shores.

HUGO HIRST

AUSTRALIA AND BRITISH GOODS

ALTHOUGH there is a sentiment in favour of British goods, based on the fact of British goods being the best value for the price paid, it is well to bear in mind the deep-rooted conviction of many Australians that the British manufacturer is intensely conservative, unenterprising, generally out of date, and rapidly losing his hold on the world's markets. These allegations are directed against the manufacturer rather than the merchant, and particularly against manufacturers connected with the machinery (including electrical), motor-car, small tools, hardware and allied trades. The accusation of want of enterprise usually arises from the apparent reluctance of the British manufacturer to increase his output to cope with increasing business, and an alleged indifference to the special requirements of the Australian trade. Australia's views in regard to British manufacturers may be largely based on ignorance of all the facts, and attributable to some extent to the British habit of self-depreciation and criticism, yet it is worth taking them seriously into account unless harm is to be done to British trade. Possibly the fault is largely traceable to the inadequate scientific commercial organisation in the average British manufacturer's business. Most raw materials are found in Australia, and the gradual development of Australian manufactures is a factor to be reckoned with by British manufacturers and traders. Assuming the continued development and prosperity of Australia, the effect on British trade for many years to come should be a change in the character of the goods imported rather than a decrease in the value of the trade. Under normal conditions there is every prospect of a gradually increasing value of imports into Australia from the United Kingdom. Apart from manufactured foodstuffs, clothing and apparel, the principal developments in Australia are in connection with woollen goods, shipbuilding, iron and steel, leather, leather goods and boots. Woollen goods, shipbuilding and iron and steel are dealt with in separate sections.

EMPIRE TRADE NOTES

CANADA

THE Duke of Devonshire, who delivered the inaugural address before the Royal Canadian Institute at Toronto, pointed out that only a relatively small portion of the Dominion was now served by railways, and that there was every reason to believe that the vast regions stretching beyond the Arctic Circle possessed possibilities of the highest value. He deplored the appalling waste of these natural resources. The United States had still enormous natural resources, but so also had Canada, and these latter were as yet almost wholly untouched. If scientific research could be applied to the development of those resources, in ten years the developed wealth of the country would be increased some 300-fold, making the public debt an exceedingly easy burden for the Dominion, and rendering it possible to pay it off in a few years.

CANADA'S 1920 wheat crop breaks all record of yields, other cereal crops also show a great increase. The official estimate for the whole of Canada is:—Wheat, 289,498,000 bushels, against 193,260,400 bushels last year. Oats, 556,719,000 bushels, against 394,387,000. Barley, 64,257,000 bushels, against 56,389,400. Rye, 12,915,000 bushels, against 10,207,400. Flaxseed, 11,090,000 bushels, against 5,472,800. The estimate of the total production in the three prairie provinces (Manitoba, Saskatchewan and Alberta), one of the greatest grain producing areas in the world, with the corresponding totals for 1919 is:—Wheat, 260,157,000 bushels (165,544,300), oats, 359,289,000 bushels (235,580,000), barley, 43,763,000 bushels (36,682,000), rye, 9,820,000 bushels (7,262,000), flaxseed, 10,817,000 bushels (5,232,000).

THE Minister of Marine for Canada states that the export trade from British Columbia is only in its infancy. The Government are at present running ships from Vancouver to Australia and New Zealand and also to the United Kingdom. These ships so far have had no difficulty in obtaining large cargoes both ways. The Canadian Merchant Marine will operate a line to India from November 1st. They have also under consideration running ships from British Columbia ports to West Africa, to South America and the West Indies. When all their ships, now building, are completed, the Government will have

sixteen in commission of 120,000 net tonnage which will be operated from British Columbia ports.

THE making of boots and shoes in Canada was introduced as early as 1667—the shoe industry, therefore, is not only one of Canada's oldest manufactures, but has always been, as it is to-day, one of the most important. To-day Canadian factories are supplying 95 per cent. of the shoe requirements of the country. The high quality of Canadian footwear is universally recognised and has made the industry the sixth in importance in the Dominion with a value which is increasing every year.

BRITISH capitalists who have recently been investigating conditions in the Columbia Valley, British Columbia, have purchased 56,000 acres of land there for ranching purposes and have taken an option on an additional 8,000 acres. The land will be heavily stocked with cattle and horses next spring.

CANADA at the present time leads the world in asbestos production, and the place which the province of Ontario occupies in the world as a source of supply for nickel is closely approximated by Quebec in the matter of asbestos. To-day Quebec's deposits of asbestos are estimated to supply between 85 and 90 per cent. of the world's consumption.

THE number of dairy factories in operation in Canada in 1919 was 3,343, comprising 1,043 creameries, 1,835 cheese factories, 422 combined butter and cheese factories and 23 condensed milk factories. The total value of the products of dairy factories throughout the Dominion in 1919 was £26,730,698, an increase of £5,260,528 compared with the year 1918. This year will show a further increase.

AUSTRALIA

THE avowed policy of the Commonwealth Government is rigid economy in every way, the encouragement of production and manufactures, and measures for the increase of population. Whilst these things are essential for the prosperity and development of the country (for it must be remembered that Australia, with an area larger than that of the United States and a population of 5,150,000, is very largely an undeveloped country), the outstanding necessity of the time is a better understanding between so-called "Labour" and "Capital." The view is held by many thinkers in Australia that there is an urgent necessity for some sort of educational campaign, amongst employers as to their individual and national responsibilities, and amongst the workers as to the true facts governing production, the necessity for legitimate self-discipline, the essential but largely unrecognised factor of high organising ability required for any successful manufacturing industry, and generally the true direction in which their efforts should be made for improvement of conditions. There is so much to be done in Australia, under most favourable natural conditions, that there is ample work for an increasing population

for generations to come, and work that should lead to prosperity and contentment for all.

THE co-operative movement continues to extend and develop, and is receiving active Government support through the Commonwealth Bureau of Commerce and Industry. The farmers' co-operative movement aims at the control of the whole Australian pastoral and agricultural production, the elimination of intermediaries, the control of the distribution and sale of surplus products overseas, the purchase direct from overseas manufacturers of all machinery, appliances and stores that cannot be produced locally.

STEPS have been taken for the settlement by immigrants of an estate of 60,000 acres recently acquired by the Government of Western Australia from private owners for this purpose. The purchased area, which originally formed part of the Peel Estate, comprising a total of 241,000 acres, consisted of two blocks of 30,000 acres each, which had been sub-divided by the trustees of the estate into agricultural holdings. The Government purchased the whole of the sub-divided area at 8s. per acre, with the exception of a few sub-divisions which had already passed into private hands before the Government appeared upon the scene.

THE vast possibilities of the Kimberley country (North-West Australia) are attracting the attention of investors and pastoralists in the Eastern States of the Commonwealth. Several have already secured properties there, and now Mr. Kidman is to be added to the list. While in London recently he met the owner of several big pastoral properties "up north" and asked him what he would accept for one of his properties. The reply was £90,000, and a cheque was promptly forthcoming for this sum.

THE attention of the New South Wales Government has been drawn to a new process of preserving meat intended for exportation. The interests most concerned in this new process are asking for parliamentary consent to the use of sulphur dioxide for meat preservation and the Government are carefully considering the matter. The cost of treating the meat is estimated at 3d per cwt.

SOUTH AFRICA

THE position of Rhodesia from the point of view both of its present stage of development and of its future outlook has greatly improved. Nor is the improved outlook likely to be transient. While the territory is richly endowed with mineral wealth, its future must in great measure depend upon the products of its land, and for these, in the present circumstances of the world, there appears to be an assured hope of a constantly growing demand at prices which should be extremely profitable. So far as can be foreseen, there is little prospect for many years to come of any serious or permanent fall in food prices to a level which will cause the growing of staple products of Rhodesia to become unprofitable.

THE NATIONAL BANK OF SOUTH AFRICA, LTD.

Registered in the Transvaal (with which are incorporated the Bank of Africa, Limited, and the Natal Bank, Limited).

Bankers to the Government of the Union of South Africa in the Transvaal, Natal, and Orange Free State.

Bankers to the Imperial Government in South Africa.

Authorized Capital - - - - - £4,000,000
Capital Subscribed and Paid-up - - - £2,965,000
Capital and Reserve - - - - - £4,215,000

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D. CUNNINGHAM, *Manager.*

REMARKABLE successes were achieved by the South African exhibits at the Dairy Show held at the Agricultural Hall, Islington. In the classes for colonial cheese and bacon Union firms secured first, second and third prizes. Gold medals were also obtained for eggs and chilled poultry and for the best oversea exhibit. Mr. Canham, the South African Trade Commissioner, and his staff have repeated the success they achieved at the Royal Agricultural Society's Show at Darlington last June, and the recognition of their efforts by the award of the gold medal to the South African exhibit at Islington has been well earned.

"NATALITE," South Africa's substitute for petrol, was first commercially manufactured three years ago, and after difficulties in regard to packages and denaturants had been overcome, the demand grew considerably. The efficiency has been enormously increased by the introduction of a new denaturant, and the manufacturers are now endeavouring to cope with the demand by installing additional plant to largely increase their output. "Natalite" has proved its utility and can be reckoned as a factor in the motor fuel trade.

SINCE the outbreak of war the public of South Africa have awakened to a fuller realisation of the immense value of the sugar industry in Natal and Zululand. While European countries experienced a long-drawn-out sugar shortage and had to resort to rationing, South Africa has enjoyed the inestimable benefit of an abundance of sugar at less than half the price ruling on the world's markets. Apart from this special claim to public recognition, the industry ranks as one of the principal rural industries of South Africa, providing an output in 1919 of 180,000 tons of sugar, valued at nearly five millions sterling. The long-sought export stage has at length been reached, and of the past season's crop approximately 13,000 tons have been shipped overseas. The consumption of sugar in the Union has increased during the year by approximately 25,000 tons, of which the jam and fruit-preserving industries absorbed a large proportion.

REPRESENTATIVES of the South African railways and of the coal industry met at Durban recently and discussed the means of increasing the tonnage to be carried. The Natal system and railways undertook to increase the tonnage by 50,000 per month during the remainder of the year and a further 50,000 tons monthly after January. The Natal output in August decreased by 4,000 tons, and it was announced that on September 11th, thirty-six steamers in Durban were requiring over 100,000 tons.

THE attention of the Department of Industries has been drawn to the possibility of utilising *Eucalyptus saligna* timber for paper-making, and a sample has been despatched to England for the purposes of a test. The tree grows quickly, reaching maturity in from seven to eight years. At present the timber is used in South Africa mainly for the manufacture of fruit boxes.

OVERSEA CORRESPONDENTS.



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