

MARXIST STUDY COURSES

Course

**POLITICAL
ECONOMY**

Contents

Imperialism

Supplementary
Illustrative
Material

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Marxist Study Courses

Course 1.

Political Economy

LESSON Xa.

IMPERIALISM

(Supplementary Illustrative Material)



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INTRODUCTORY NOTE

THIS illustrative material is designed to be used with Marxist Study Courses X and XI, on Imperialism. Readers of Lenin's *Imperialism* may, it is hoped, also find it useful. It must be emphasised that this material is gathered from official or recognised trade sources, and is believed to be accurate for the spring of 1933. But changes are going on fast, and statements based on it should not claim to more than this.

Useful sources for further material will be *Stock Exchange Year Book*, for directors and capitalisation details, the weekly *Economist* (especially for trends of capitalism as seen by primarily banking interests) and *Stock Exchange Gazette* (especially for details of companies), *Labour Gazette*, *Board of Trade Journal* and *Statistical Year Book of the League of Nations*. For U.S.A. *The Annalist*, or the *Commercial Chronicle of New York*. On the Labour side, see *Labour Research*, the organ of the Labour Research Department, where much of this material was prepared and which will be glad to answer any further inquiries; the Labour Research Bureau in the U.S.A. also publishes valuable material, and the series of International Pamphlets and the *Labor Fact Book* and the *Labor and Industry* series.

The arrangement of the material is as follows :

Some Combines in the United Kingdom :

- Coal
- Steel
- Shipbuilding
- Shipping
- Textiles
- Gas
- Unilever
- Other Combines
- Oil

- Some American Combines
- Some German Combines
- Some International Agreements
- U.K. Banking : The Big Five
- Banking Links
- Banks and Industry
- Insurance
- World Production
- Sofina

ILLUSTRATIVE MATERIAL

COAL

Although the greatest crop of amalgamations in the British coal industry appeared in the immediate post-war boom, yet many significant mergers have taken place in the last seven or eight years. Since 1926 amalgamations (under 32 schemes) affecting 361 pits normally employing 228,000 miners (i.e. about a quarter of the labour force) have been reported by the Board of Trade under the Mines Act of 1926.

The Coal Mines Reorganisation Committee put forward in 1931-2 many suggestions for amalgamations on a district basis, and reported (*Labour Research*, March 1932) that although in 1930 there were still 1,150 undertakings, working 2,102 mines, yet control of output was fairly concentrated in each district, viz. :

District.	No. of concerns.	Per cent. of local output controlled.
Scotland	6	40
South Wales (steam) ...	7	70
South Wales (anthracite)	1	80
Durham	7	52
West Yorkshire	4	48
Northumberland	4	52
Lancashire	2	37

In effect some thirty concerns control well over half the British coal output.

The Coal Mines Reorganisation Committee has now taken a further step forward under the Mines Act of 1930 and has called up all the owners in Fife, in Cannock and in South Derby and Leicester to form themselves into district units. These three fields have a total output of about 15 million tons a year. The Lancashire and South Wales areas are so integrated that further steps are hardly necessary. But the Committee is having a big fight to get its proposals even considered from a national standpoint.

Amongst the largest coal groups in the various districts are the following :

- (a) *Amalgamated Anthracite Collieries Ltd.* (£11.11 million) in South Wales. This has absorbed since 1927 the majority of the South Welsh anthracite producers and controls the United Anthracite Collieries Ltd., Welsh Anthracite Collieries Ltd., etc. (a total of 16 subsidiaries). It produces roughly 4 million out of the 5 million tons

British anthracite output (or 80 per cent.). A large independent producer in South Wales is Evans and Bevan. Large (but not controlling) interests in the A.A. are held by Guest, Keen and Nettlefolds and the G.K.N. directors (e.g. Sir D. R. Llewellyn).

- (b) *Welsh Associated Collieries Ltd.* (£9.35 million) was formed in 1930 to merge the steam coal properties of Guest, Keen and Nettlefolds Ltd., by whom it is controlled and which had taken over the pre-war Cambrian Combine of Viscount Rhondda. It has 13 subsidiaries and 44 pits including some of the largest pits in South Wales, and an output of some 7½ million tons of coal each year.
- (c) *Powell Duffryn Steam Coal Co. Ltd.* (£8.52 million) expanded rapidly in the period 1925-30. It now controls in South Wales the Rhymney Iron Co. Ltd., etc. (total 31 pits) and has an output of some 8 million tons a year. It owns in Stephenson Clarke and Associated Cos. Ltd., one of the largest coal-handling concerns in the country, which is also interested in pits in Durham (the *Harton Coal Co.*) and in Kent (*Chislet Colliery Ltd.*).
- (d) *Ocean Coal and Wilsons Ltd.* (£7.24 million) is a union of South Welsh coal producers and coal exporters. The group includes United National Collieries Ltd. (£1.58 million), Burnyeat Brown and Co. and Ocean Coal Co. (£2.37 million). The total capacity is 4½ million tons.
- (e) *Manchester Collieries Ltd.* (£5.48 million) was a fusion in March 1929 of 11 concerns in Lancashire (including Bridgewater Collieries Ltd., and Astley and Tyldesley Collieries Ltd.) and produces 20 per cent. of the Lancashire output.
- (f) *The Wigan Coal Corporation Ltd.* represents the reorganisation in 1930 of the pits of the Wigan Coal and Iron group (in Lancashire and Notts) and of the Pearson and Knowles Iron and Coal Co. (in Lancashire). Its output is 3.5 million tons a year. (See *Lancashire Steel Corporation.*)
- (g) *The Staveley Coal and Iron Co. Ltd.* (£3.39 million) has heavy coal interests in Yorkshire and North Derbyshire. The Staveley group includes the Brodsworth, Bullcroft, Rossington, Hickleton, Markham and Yorkshire Main pits.
- (h) *The Sheepbridge Coal and Iron Co. Ltd.* (£1.83 million and 1½ million tons) in the same district runs the Newstead Colliery Co. Ltd. and the Firbeck Main Colliery Co. Ltd. in conjunction with the Staveley group. It is the dominant interest in the:
- (i) *Yorkshire Amalgamated Collieries Ltd.* (£3.76 million) formed in March 1927 to control 5 pits in South Yorkshire (Rossington, Maltby, Denaby and Cadeby, and

Dinnington) with an output of $3\frac{1}{2}$ million tons. These three groups control the bulk of the South Yorkshire output and some of the largest pits in the country. The Sheepbridge-Y.A.C. group covers 7 pits and 5 million tons output; the Staveley group 11 pits with $7\frac{1}{4}$ million tons; and the Sheepbridge-Staveley joint interests 3 pits with 1.4 million tons.

- (j) *The Bolsover Colliery Co. Ltd.* (£4.14 million) has expanded steadily, though not by amalgamations, since 1920 and now produces in North Nottinghamshire 4 million tons a year or 15 per cent. of the county output.
- (k) In Fife, the bulk of the county output (60 per cent.) controlled by the *Fife Coal Co. Ltd.* (£1.64 millions, 4 million tons).
- (l) In by-products, 90 per cent. of the coal briquette trade (a South Welsh monopoly) is controlled by *British Briquettes Ltd.* (£1.96 million), formed in August 1929 to amalgamate the existing South Welsh producers. It is controlled by the Guest, Keen and Nettlefolds combine.

The Coal Mines Act, 1930, Part I, Output and Price Regulation, provided for State pressure to secure "the regulation of the production, supply and sale of coal by owners of coal-mines," and though progress in certain parts has been lukewarm, the pressure on the miners has greatly increased and coal export prices have actually risen in 1932 (16s. 3d. per ton) over 1928 (15s. 7d. per ton).

Between 1928 and 1932 output per manshift (average) increased from 21.28 cwts. to 22.18 cwts. In 1920 it was 14.50 cwts. Meanwhile the average number of shifts worked and wages paid have fallen. (See *Labour Research*, July 1933.)

STEEL

The national production of raw steel is controlled very largely by seven or eight combines, almost all of which are both vertical and horizontal, reaching back to coal, ore and limestone, and out to manufactured steel-products, to engineering and to consumers. They are:

- Dorman, Long & Co. (North-East Coast).
- United Steel Cos. Ltd. (Yorks & Lincs).
- Guest, Keen and Nettlefolds (S. Wales and Lincs).
- British (Guest, Keen and Baldwins) Iron and Steel (S. Wales).
- Baldwins (S. Wales).
- Thomas Firth & John Brown Ltd. (Sheffield).
- English Steel Corporation (Yorks).
- Lancashire Steel Corporation (Lancs).
- Colvilles Ltd. (Scotland).

Some of these are themselves subsidiaries of larger groups.

The British (Guest, Keen and Baldwins) Iron and Steel Co. is owned by Guest, Keen and Nettlefolds and Baldwins. The English Steel Corporation is part of the Vickers-Armstrong group, with which the Lancashire Steel Corporation is also connected. Colvilles is an alliance of James Dunlop and Co. Ltd. and David Colville Ltd., which is owned by the Belfast shipbuilders Harland and Wolff Ltd., which itself is a part of the Royal Mail Shipping combine and in which John Brown and Co. (owners of Thomas Firth and John Brown Ltd.) has a substantial interest. The Guest, Keen and Nettlefolds group operates in Lincolnshire through John Lysaght Ltd.

To-day in the steel industry it is estimated that ten steel combines control 47 per cent. of the pig-iron capacity and 60 per cent. of the steel capacity of Great Britain and that the makers of pig-iron control 70 per cent. of the ore supply and 60 per cent. of the coal and coke supply (*Economist*, Jan. 2nd, 1932).

Below is a brief outline of the main steel units :

- (a) *Dorman, Long and Co. Ltd.* absorbed in 1929 the coal and steel interests of Bolckow, Vaughan and Co. Ltd. The group owns eleven pits in Durham with an output of 3½ million tons of coal a year, 2½ million tons of ironstone, 1½ million tons of pig-iron, and has a total productive capacity of nearly 2 million tons of finished steel per annum, i.e. one-sixth of the national capacity. It is also interested in Kent coal, through a half share in Pearson and Dorman, Long Ltd. (£3·85 million; 1·2 million tons) and in the Upton Colliery Co. Ltd., in Yorkshire; it controls Redpath, Brown and Co. Ltd., and Tees-side Bridge and Engineering Co. It has subsidiaries or heavy interests in South Africa, the Argentine and Australia. (These are largely marketing and assembling organisations, or they handle the heavy side.)
- (b) *The United Steel Companies* (£8·21 million) was a 1919-20 boom flotation, which was reorganised in 1929 by Clarence Hatry and again in the same year by the banks. It covers coal and steel concerns in South Yorkshire and the north-west (including the United Strip and Bar Mills), owning six collieries with about 1½ to 1¾ million tons output. Since 1932 the United Steel Cos. has been allied with *Stewarts and Lloyds Ltd.* (q.v.).
- (c) *Guest, Keen and Nettlefolds* (£14·74 million) runs most of its steel plant through John Lysaght Ltd. and the British (Guest, Keen and Baldwins) Iron and Steel Co. (see later).
- (d) *Baldwins* (£6·03 million) is linked to Guest, Keen and Nettlefolds through the British (Guest, Keen and Baldwins) firm (see later).

- (e) *Thomas Firth and John Brown Ltd.* (£3·52 million) is a subsidiary of *John Brown and Co. Ltd.* (£2·86 million) which has heavy shipbuilding interests on the Clyde (the old Fairfield yards), is interested in *Harland and Wolff Ltd.*, and the *English Electric Co.*, owns the *Trent Iron Co. Ltd.*, produces 2½ million tons of coal a year from its four South Yorkshire pits (including the *Dalton Main Collieries Ltd.*) and has close inter-directorate connections with the *Sheepbridge Coal and Iron* group in the same area.
- (f) *The English Steel Corporation* (£8·73 million) represents the merger of the steel interests of *Vickers and Cammell Laird* and is part of the *Vickers-Armstrong* group (q.v.).
- (g) *The Lancashire Steel Corporation* (£4·26 million) (q.v.) is controlled by the *Securities Management Trust*, a subsidiary of the *Bank of England*.
- (h) *Colvilles Ltd.* (£4·5 million) was formed in 1930 to unite the heavy steel and coal interest of *David Colville Ltd.* (£3·67 million, which is now a holding company owning *Smith and McLean Ltd.*, the *Clyde Alloy Steel Co. Ltd.*, the nine pits and 1 million tons output of *Archibald Russell Ltd.*, and which is itself owned by *Harland and Wolff*) and of *James Dunlop and Co. Ltd.* (£1·08 million : four pits with 400,000 tons output).

Some 80 per cent. of the steel tube trade in Britain lies in the hands of the £6½ million *Stewarts and Lloyds Ltd.*, of the Clyde and the Black Country, which, in addition to a mass of tube subsidiaries, is also interested in iron-ore mining (along with *Baldwins Ltd.*), in coal, iron-making, in zinc, etc., and has interests in Australia and South Africa. Allied to *Stewarts and Lloyds* is the £2·8 million *Tube Investments Ltd.*, of Birmingham, owner of 15 subsidiaries which run mainly to lighter steel tubes. In *Tube Investments* a large shareholding is held by the £4·6 million *Babcock and Wilcox Ltd.*, the largest builders of water-tube-steam boilers in the world with many foreign subsidiaries. Finally, allied also since 1932 to *Stewarts and Lloyds* is the £8 million *United Steel Companies Ltd.* These four units control a total share and loan capital of over £22 million.

GUEST, KEEN AND NETTLEFOLDS

The *Guest, Keen and Nettlefolds* heavy industry group is completely organised both horizontally and vertically and embraces every operation. The centre is the parent firm of *Guest, Keen and Nettlefolds Ltd.* (£10·58 million). The steel-producing subsidiary is *John Lysaght Ltd.* (£5 million) of Scunthorpe, who produce also galvanised sheets, corrugated iron, sheet metal, wire netting, etc. *Nettlefolds Ltd.*, holds an almost complete monopoly of the screw trade in this country.

Another group of subsidiaries at Darlaston are large producers of nuts and bolts. Abroad, the Guest, Keen and Nettlefolds group runs a nut and bolt company in Brazil, screw works at Melbourne, steel and galvanising plant at Newcastle, N.S.W. (to which "it was part of our policy," said the Chairman of G.K.N., "gradually to transfer the bulk of the manufacture of galvanised sheets sold in Australia"), and in Canada, and has interests in Sweden (the Stenman Co., of Eskilstuna). To safeguard its iron ore the group owns the £2 million *Orconera Iron Ore Co.*, in Northern Spain.

In 1929-30 the G.K.N. coal interests were reorganised under its £9.35 million subsidiary *Welsh Associated Collieries Ltd.* (q.v.), while the sale and export of this company's coal is handled by another subsidiary in *Gueret, Llewellyn and Mervett Ltd.* (£2.12 million, with subsidiaries in the Argentine, Brazil, Uruguay, Genoa, Marseilles, Bordeaux, Paris and North Africa). Finally, the patent fuel trade of South Wales is controlled by another G.K.N. branch—*British Briquettes Ltd.* (q.v.)

All told, the G.K.N. group covers over 60 firms with total capital of £40 million and a productive capacity of 2 million tons of steel (=17 per cent. of national capacity) and 10 million tons of coal a year (= 3 per cent. of national capacity). In addition the British (G.K. and B.) Iron and Steel Co. has three subsidiaries and a capitalisation of £5.36 million.

In 1930 the South Welsh heavy steel interests of the two greatest area producers—G.K.N. and Baldwins—were merged, under the encouragement of the Bankers' Industrial Development Co. (subsidiary of the Bank of England) into the *British (Guest, Keen and Baldwins) Iron and Steel Co.*

VICKERS-ARMSTRONG

The greatest steel and engineering combine in Great Britain is that organised round *Vickers-Armstrong Ltd.* This was formed after 1925 by the merging of the interests of *Vickers Ltd.*, *Sir W. G. Armstrong, Whitworth and Co. Ltd.*, and *Cammell Laird and Co. Ltd.*

The armament and naval shipbuilding business is concentrated in £17.46 million *Vickers-Armstrong Ltd.*, with various subsidiaries in England and interests in companies in Japan, Rumania and Spain. General engineering is left to the £15.72 million *Vickers Ltd.*, with interests in aeroplanes, etc. A subsidiary of Vickers is the £6 million *Metropolitan-Cammell Laird Carriage, Wagon and Finance Co.*, which has eleven subsidiaries (including the £900,000 *Leeds Forge Co.*), and which is the greatest railway-wagon building combine in Britain. Steel is produced by the £8.92 million *English Steel Corporation Ltd.* The subsidiaries of the latter include the £1.56 million *Darlington Forge Ltd.*, and the £5.87 shipbuilding *Cammell Laird and Co. Ltd.*

Part of the Vickers group, but controlled through the £6.36 million *Armstrong, Whitworth Securities Corporation* are the £1.5 million *Sir W. G. Armstrong, Whitworth and Co. (Engineers) Ltd.*, and the £435,000 machine tool makers *Craven Bros. (Manchester) Ltd.* In Lancashire, the Corporation is interested in the recent rationalisation of the pits into the *Wigan Coal Corporation Ltd.*, and of steel works into the *Lancashire Steel Corporation* (owners of the *Partington Iron and Steel Co.*). The Partington Company alone has a steel capacity of 400,000 tons per annum. Added to all these are further interests in motor and aircraft production and the *Armstrong-Siddeley Developments Ltd.*

All told, the group, apart from firms in Australia, the Argentine, Italy, Rumania, Japan, Spain, etc., covers 60 direct subsidiaries in every section of the steel and engineering industry with a total share and loan capital of approximately £78 million.

The Vickers Company is one of the biggest armament firms (see *The Secret International*).

SHIPBUILDING

The shipbuilding trade has always been closely associated either with the steel-producers or with the shipowners. Normally the builders have expanded vertically to secure, directly or through subsidiaries, their iron, coal and steel supplies.

A striking example is the Belfast firm of *Harland and Wolff Ltd.* (£11.82 million) which owns the steel of David Colville and Sons Ltd. (q.v.), and the coal of Archibald Russell Ltd. on the Clyde, and which is itself owned by the Royal Mail Shipping group. It owns also :—

A. and J. Inglis Ltd.,
David and William Henderson Ltd.,
Caird and Co. Ltd. etc.

Three firms (Caird, Henderson and Harland and Wolff) have an output capacity of 395,000 tons of shipping and 240,000 i.h.p. marine engineering (see *Fairplay Annual of Shipping Finance*, 1932).

Palmers Shipbuilding and Iron Co. Ltd. (£2.70 million after reorganisation) runs seven subsidiaries (including collieries and housing concerns), and has a maximum annual output of 150,000 tons from its shipyards and 120,000 i.h.p. from its engine works.

Swan, Hunter and Wigham Richardson Ltd., builders on the Tyne (£2.93 million), has many investments in shipping and runs Barclay, Curle and Co., of Glasgow and the Wallsend Slipway and Engineering Co., and has half control of the Glasgow Iron and Steel Co., Ltd. (£600,000 share capital),

and an interest in John G. Kincaid and Co. Ltd., of Greenock. The maximum annual output is:—

	Shipbuilding: tons	Engine Works: i.h.p.
Swan, Hunter ...	150,000	75,000
Barclay, Curle ...	100,000	200,000
Wallsend Slipway	—	346,000
J. G. Kincaid ...	—	137,000
	<hr/>	<hr/>
	250,000	758,000
	<hr/>	<hr/>

Cammell Laird and Co. Ltd., at Birkenhead (£5·87 million) is the shipbuilding unit in the Vickers Armstrong group and has a capacity of 100,000 tons and 450,000 i.h.p.; while the same group also builds at Barrow (Vickers-Armstrong Ltd., with 13 berths) and on the Tyne (Sir W. G. Armstrong, Whitworth and Co. Shipbuilders Ltd.; £0·75 million; 81,000 tons).

John Brown and Co. Ltd. (q.v.) operates through the Clydebank Engineering and Shipbuilding Co.'s yards with a maximum of 90,000 tons and 180,000 i.h.p.

As the maximum output of the British yards is in the neighbourhood of 3 to 3½ million tons, these 5 groups control at least one-third of the yard's capacity.

SHIPPING

Five large groups dominate British shipping. These are the

- Royal Mail Steam Packet Co.
- P. and O. (Peninsular and Oriental).
- Cunard S.S.,
- Furness, Withy and Co.,
- Ellerman group.

The *Royal Mail S.P. Co.* (£15·55 million) controls concerns with a total tonnage of 2½ million gross tons and £91·01 million of capital. Its subsidiaries include the Coast Lines Ltd. (£6·62 million), British and Irish S.P. Co. (£3·0 million), the African Steamship Co. (£4·0 million), Elder Dempster and Co. (£10·48 million), Lamport and Holt (£7·63 million), the Oceanic Steam Navigation Co. (£5·47 million), the Union Castle Line (£7·48 million), the White Star Line (£7·6 million), etc., etc.

The P. and O. firms are:—

	(All in 000's)		
	Ordinary Capital	Preference	Debenture
	£	£	£
Australasian United ...	445	—	294
British India ...	957	2,700	1,657
Wm. Cory and Son... ..	2,850	850	900
Eastern and Australian ...	98	—	—
Federal S.N. Co. ...	500	400	—
General Steam Navigation ...	380	368	22

		(All in 000's)		
		Ordinary Capital	Preference	Debenture
		£	£	£
Hain S.S. Co. ...	...	500	—	—
Khedivial Mail ...	...	100	200	—
New Zealand Shipping ...	...	907	227	—
James Nourse ...	...	160	—	—
Orient Line ...	...	1,041	1,284	—
P. and O. ...	...	4,593	3,040	8,488
Strick Line ...	...	125	125	—
Union S.S. of New Zealand...	...	1,000	2,000	—
Total ...	...	13,655	11,193	11,360

This makes a total of £36 million capital and 2,125,000 gross tons of shipping. The P. and O. and the Royal Mail between them control about one-fifth of the tonnage owned in this country (*Fairplay Annual of Shipping Finance, 1932*, which see also for above table).

The Cunard Steamship Co. Ltd. (£12·49 million) owns all told 916,000 gross tons, including the fleets of:—

- Thos. and John Brocklebank Ltd. (£0·35 million).
- Commonwealth and Dominion Line Ltd. (£2·0 million).
- Anchor Line (Henderson Bros.) Ltd. (£1·88 million).

The group around *Furness, Withy and Co. Ltd.* (£7·5 million) owns 427,000 gross tons and includes:—

- British and Argentine S.N. Co.
- Cairns, Noble and Co.
- Johnston Line Ltd.
- Norfolk and North American S.S. Co.
- Rio Cape Line Ltd.
- Warren Line Ltd.

It also owns Bellamy's Wharf and Dry Dock Co.; and, through the British Maritime Trust Ltd. (£1·2 million) runs a host of shipping and other investments. In addition, the Furness, Withy group is closely allied to Dutch shipbuilding and repairing interests, and to the steel group around the *South Durham Steel and Iron Co.* (£1·54 million), which includes the Cargo Fleet Iron Co. (£1·64 million), (owners of the Ormesby Rolling Mills Ltd., Irchester Ironstone Co. Ltd., and three other subsidiaries), and the Weardale Steel, Coal and Coke Co. Ltd. (£1·01 million, with seven pits and 1 million tons output). The Furness steel interests are also very closely associated with Cochrane and Co., of Middlesbrough (iron masters and coal, and the Easington Coal Co., in Durham (£0·99 million: 1 million tons of coal). In the autumn of 1933, concentration of heavy industry on the North East coast was carried still further by the merger of the South Durham Steel and Iron Co. with the vast Dorman, Long group (*q.v.*).

Fifth of the shipping groups is that owned by the late *Sir John Ellerman* (who had also heavy share interests either directly or through his numerous investment trusts in many of the other four combines). This group owns 715,000 gross tons.

These five groups control, therefore, some 6½ million tons out of the total of 20 million tons owned in Britain.

TEXTILES

COTTON COMBINES

The banks are so deeply involved in cotton finance that they dare not cut their losses by forming reorganised mergers. Of the large cotton combines, one is pre-war, two are post-war boom creations and a fourth is a recent product.

The *Fine Cotton Spinners and Doublers Association Ltd.* (£11·65 million) was formed in 1898, controls almost the whole of fine cotton spinning and runs 48 cotton subsidiaries, a colliery and a French mill; all told it owns 3,140,000 spindles. The *Amalgamated Cotton Mills Trust Ltd.* (£7·61 million) is a 1920 "boom" creation (with Solly Joel, Jimmy White and the newspaper *Berrys* in at the birth) controlling eighteen subsidiaries, including £4·68 million *Horrockses, Crewdson and Co.*, and *John Haslam and Co.*, and now bankrupt lock stock and barrel. The trust runs 1,457,000 spindles and 17,000 looms. The third—a more successful grouping after the war—is £3·30 million *Joshua Hoyle and Son Ltd.* (340,000 spindles and 3,000 looms). Finally appeared in January 1929, under the wing of the Bank of England, the *Lancashire Cotton Corporation*, which at the end of 1931 was capitalised at £9·04 million, owned 106 mills, 9½ million spindles (or 17 per cent. of the total) and 20,000 looms (or one-fortieth of Britain's total).

The four firms have—apart from subsidiaries—a total capitalisation of £31 million, and own over 14 million spindles.

THE TEXTILE FINISHING TRADES

The textile finishing trades furnish some of the earliest and most complete instances of monopoly combines in England. First in time was the *Bradford Dyers' Association Ltd.*, formed in 1898, now covering 32 companies and capitalised at £6·26 millions. Second, formed in 1899, was the *Calico Printers' Association* (£8·57 million) covering 72 firms. Third is the *Woolcombers Ltd.*, of Yorkshire of the same year. This started on an incredible financial basis (*e.g.*, it paid £43,700 for "a business which almost simultaneously suspended payment with a deficiency of £25,000"; (M. E. Hirst: *The Story of Trusts*, p. 160), and had to be reorganised in 1904. Since then, mainly by share bonuses, it has trebled its reorganised capital, which is now £950,000. Fourth in 1900 came the *British Cotton and Wool Dyers* (now £1·39 million

with 26 subsidiaries). Fifth in 1900 was the *Bleachers' Association* (now £8.98 million with 73 subsidiaries).

These five concerns have a total capitalisation of £26.15 million and completely dominate the finishing trades of dyeing, bleaching and printing.

SEWING COTTON

Most outstanding of all successful monopolies has been the Coats' sewing cotton group. This rose to monopoly in 1895-96 when it amalgamated with Clark and Co., and other firms and in 1899 when it acquired its greatest continental rival in Belgium. It set up factories in Russia, France and the U.S.A., and became an international group. In addition it has held for 30 years a dominant voice in the £3.96 million English Sewing Cotton Co. in Lancashire (an amalgamation of 18 concerns), including a French mill, which was formed in 1897. In the U.S.A. the English Sewing Cotton Co. controls the \$19.69 million American Thread Co. (See M. E. Hirst: *The Story of Trusts*, 1913, pp. 162-3). In England its subsidiaries include Clarke and Co. Ltd., Jonas Brooks and Bros. Ltd., James Chadwick and Brothers Ltd., and the United Thread Mills Ltd. Its capital is £20.25 million.

ARTIFICIAL SILK

In artificial silk, some 70 per cent. of the total British production (72 million lbs. in 1932) is produced by *Courtaulds Ltd.* This is capitalised at £32 million. This has attempted to create world alliances, both through technical agreements and share interests. In the U.S.A. it controls the *American Viscose Corporation*, which produces 60 per cent. of the American output. In France it is interested in *La Soie Artificielle de Calais* and in Canada in *Courtaulds (Canada) Ltd.*

The three great European concerns in the industry are the *Snia Viscose* of Italy (£11½ million), the *Glanzstoff* of Germany and the *Aku* (150 million florin) of Holland. Each has its ring of subsidiaries. The *Snia Viscose* runs selling concerns in the U.S.A. and elsewhere; the *Glanzstoff*, in addition to German subsidiaries, has units as far afield as Czechoslovakia, Japan and the U.S.A. (where it runs the *American Bemberg Corporation* and the \$5 million *Glanzstoff Bemberg Corporation*), and it is associated in running a joint subsidiary with the French *Comptoir des Textiles Artificiels*. The *Aku* has subsidiaries in Holland, Germany, U.S.A., and England (including the *British Enka*, the *British Bemberg*, the *British Breda* and the *Breda Visada*).

Early in 1927 *Courtaulds* entered into a "technical and commercial collaboration" agreement with the *Snia Viscose* and the *Glanzstoff*, which blossomed into a 50 per cent. interest in the *Glanzstoff*. Control of the *Snia Viscose* and the

remainder of the *Glanzstoff* capital has passed to *Aku*. The bulk of the European production is therefore controlled by *Courtaulds* and *Aku*.

In England the largest independent unit is the £12·37 million *British Celanese Ltd.*, which runs one subsidiary in Canada in the \$10 million *Canadian Celanese Ltd.*, and another in Canada in the \$31 million *Celanese Corporation of America*.

GAS

The progress of combinations in the gas supply industry has been checked in two directions—by the existence of a large number of municipal enterprises and by the legal monopoly held by the private concerns (a monopoly which limited the acquisition of other undertakings). This latter restriction on investment was removed by the Gas Act of 1933 and there are indications (notably the heavy interest taken by the Gas Light and Coke Co. in a group of Kentish gas concerns controlled by the South Eastern Gas Corporation, in February 1933), that mergers will now proceed rapidly.

In the London area, as a result of a series of purchases by the leading companies over the last 30 years, output is now concentrated in five concerns with a total capitalisation of £56 million. These are :—

			£	
(a)	{	South Metropolitan Gas Co. ...	10·74	million
		South Suburban Gas Co. ...	2·58	„
		Commercial Gas Co. ...	2·56	„
		Gas Light and Coke Co. ...	38·79	„
		Tottenham and District Gas Co. ...	2·10	„

(a) community of interest.

The largest—the Gas Light and Coke Co.—covers 540 sq. miles north of the Thames from Berkshire to Southend-on-Sea. The Tottenham concern, which is linked to the Gas Light and Coke Co., through the directors, covers 60 sq. miles and is now absorbing the Hertfordshire, Hoddesdon and Ware concerns. South of the river, and in the East End, rapid steps have created a complete gas monopoly. The South Metropolitan Gas Co. (52 sq. miles in South London) concluded a union of interests in 1927 with the South Suburban Gas Co. (185 sq. miles, as far out as Tonbridge) and in 1931 with the Commercial Gas Co. Three groups, therefore, control the Metropolitan gas supply.

UNILEVER

Most international of all modern combines is the *Unilever* soap and food combine created in 1929. This controls throughout the world 400 concerns with a total capitalisation

of £200 million. It is based essentially on three groups—the international Lever Soap combine; the international Dutch Margarine combine and the British Multiple Retail stores combine.

The centre of the soap interests is the £66·4 million *Lever Bros. Ltd.*, which controls about 87 per cent. of the British soap production (with 28 subsidiaries), which has soap factories in every part of the world (e.g. Holland, Japan, Australasia and the Belgian Congo), and which is one of the largest producers in the U.S.A. Part of this Lever Group is also the £7·8 million *British Oil and Cake Mills Ltd.*, which controls the major portion of the cattle oil and cake output of Britain. In raw materials it controls through the £17·13 million *United Africa Co.* the two great trading and merchanting firms—the £10·99 million *Niger Co.* and the £7·37 million *African and Eastern Trade Corporation*—who handle most of the vegetable oil output (the basis for soap, candles and margarine) of West Africa and who have 65 subsidiaries.

The Dutch Margarine Trust was created in 1927 by the union of Jurgens and Van den Bergh interests. It now controls about 80 per cent. of the total vegetable oil and margarine production of Europe and Britain, and a large and growing proportion of the soap, cured bacon, candle and condensed milk output. It has factories in almost every European country (Holland, Germany, England, Belgium, France, Hungary, Finland, Czechoslovakia, Switzerland, Norway, Denmark, etc.), in practically all of which it controls or monopolises the margarine and vegetable oil output, and in the Dutch East Indies. In Germany it owns the great *Schicht* chocolate interests. *Anton Jurgens V.F.* is capitalised at 167 million florins, *Jurgens Ltd.* at £5·0 million, and *Van den Berghs Ltd.* at £4·14 million in England, the *Van den Berghs N.V.* at 73 million florins, the *Hollandsche Vereeniging tot Exploitatie Margarine Fabrieken* at 36 million florins, etc.

The British retail interests of Unilever move in two directions. First is a Lever unit—the £2½ million *Mac Fisheries Ltd.*, owners of 19 fishing and fish-handling concerns and of 800 retail fishmongering shops. Second is a Margarine Union unit—the multiple food stores ringed round the £4·23 million *Home and Colonial Stores Ltd.* (including the £1·56 million *Meadow Dairy Co.*, the £2·12 million *Liptons*, the £2·96 million *Maypole Dairy Co.*, etc., and owning some 4,000 shops).

OTHER COMBINES

In other and more miscellaneous trades, combines and mergers have grown to very considerable proportions.

Such is the case in the wire-rope industry, which is dominated by the post-war amalgamation of *British Ropes Ltd.* (£4·25 million; 30 subsidiaries).

In the newspaper trades a large proportion of national newspaper production and national periodical circulation is controlled by :—

- (a) The *Berry* group, covering Allied Newspapers Ltd. with £9·7 million, Amalgamated Press Ltd., with £8·96 million, Kelly's Directories Ltd. with £2·27 million, etc., with 18 papers (national and provincial) ;
- (b) The *Rothermere* group with Associated Newspapers Ltd. (£5·36 million), Daily Mail Trust Ltd. (£3·47 million), Daily Mirror Newspapers Ltd. (£1·75 million), and Sunday Pictorial Newspapers Ltd. (£1·55 million), with 18 national and provincial newspapers and heavy interests in Canadian and Newfoundland woodpulp and ore.
- (c) The *Inveresk Paper Co., Ltd.* (£4·41 million) controlling 13 subsidiary concerns in the British papermaking trade, Provincial Newspapers Ltd. (£2·91 million ; 11 papers), Illustrated Newspapers Ltd. (£3·5 million ; 8 papers), etc.
- (d) The *Starmer* group covering 30 provincial papers.
- (e) The *Odhams* group, which manages the *Daily Herald*, with the T.U.C. General Council ; also a large number of other papers and accessories.

In general printing the period 1920-5 saw the rise of a number of smaller combines, which do not as yet, however, exercise a controlling influence. Such are the McCorquodale group (5 firms), Allied Printers Ltd. (3 firms), Associated Printers Ltd. (4 firms), etc. In publishing the largest grouping is Hutchinson and Co. (Publishers), Ltd. (£0·5 million ; 12 subsidiaries) which also controls the Hutchinson Printing Trust Ltd. (£0·55 million ; 8 firms).

The passenger *motor-car trade* in Britain lies largely in the hands of :—

- Austin Motor Co. Ltd. (£3·36 million).
- Morris Motors Ltd. (£5·0 million).
- Ford Motor Co. Ltd. (£8·54 million).
- Vauxhall Motors Ltd. (£1·07 million).

The Austin has affiliated bodies in France and the U.S.A. ; Morris Motors has a number of subsidiaries in ancillary trades. The Ford Co. is part of the American Ford organisation and the bulk of the shares are American-owned. It is itself the holding concern for the various Ford companies operating in Europe. The Vauxhall is the English subsidiary of the General Motors Corporation of the U.S.A.

In *motor accessories* the dominating firm is Joseph Lucas Ltd. (£1·22 million), running four subsidiaries. A large share-

holder in Joseph Lucas Ltd. is the gigantic Imperial Chemical Industries Ltd. (*q.v.*).

In *gas stoves* Radiation Ltd. (£3·35 million) runs 5 firms and dominates the trade.

In *asbestos* (a material of great importance for fireproof building purposes, brake lining and electrical installation) the largest combine, controlling practically the whole of the trade, is Turner and Newall Ltd. (£6·28 million; 19 subsidiaries). It has half a dozen manufacturing British subsidiaries (e.g. it bought up the Bell group in 1928). It owns mines in the Transvaal. In December 1929 it absorbed the Rhodesian and General Corporation and thereby obtained control of the major part of the superior raw asbestos in the world. The merger, it was stated at the time,

“ would rationalise raw asbestos production in Africa in much the same degree as we have been able to rationalise manufacture and distribution of manufactured asbestos, magnesia and all allied products at home.”

This was immediately followed in December 1929 by the establishment by Turner and Newall of an international cartel, covering Britain, France, Germany, Czechoslovakia, Belgium, Holland, Austria, Spain, Italy, Hungary and Switzerland. This cartel, described as a “ miniature League of Nations,” aimed at organising the export business, at founding new factories in “ neutral ” (i.e. non-cartel) countries and would be “ of material advantage in securing the necessary raw materials on the best terms.”

In *cement*, the Cement Trust was formed originally in 1900 but had a very shaky career before the war owing to the slump in house-building, and foreign competition. After the war, however, prospects looked much rosier for the Associated Portland Cement Co. Ltd. (now capitalised at £9½ million). Horne created in 1928 a rival organisation in the Allied Cement Manufacturers Ltd., but when Horne went bankrupt in 1931 this was bought up by the Associated. To-day the Associated controls about 70 per cent. of the domestic trade in cement and a larger proportion in the export trade.

In *oil and petrol distribution*, two of the great combines (*q.v.* elsewhere) united in 1931 their distributing and marketing firms. The Royal Dutch Shell united with the Anglo-Persian to form the marketing Shell Mex and British Petroleum Ltd., in order “ to eliminate duplication in storage and distributing plant and to avoid unnecessary transport.”

This is part of a world union which makes the two groups “ absolutely identical as regards the organisation of distribution ” in their most important world markets. (See *Economist*, 26-12-31).

In *chemicals*, the controlling force is the Imperial Chemical Industries Ltd. (£77·15 million). This was formed in 1928

by Sir Alfred Mond (Lord Melchett) to merge the old Brunner Mond, British Dyestuffs, Nobel and United Alkali interests. It ranges through the whole gamut of production from lacquers to nitrates, cellulose to explosives, soda to zipp fasteners, gas mantles to leather cloth, copper to radiators, glass to dyestuffs. Its subsidiaries include :—

- British Dyestuffs Corporation (£4.78 million).
- Scottish Agricultural Industries Ltd. (£1.65 million).
- Welsbach Light Co. Ltd. (£0.26 million).
- I.C.I (Fertilizer and Synthetic Products) Ltd. (£7.43 million).
- I.C.I. (Explosives) Ltd. (£4.99 million).
- I.C.I. (Alkali) Ltd. (£14.2 million).
- I.C.I. (General Chemicals) Ltd. (£7.69 million).
- I.C.I. (Metals) Ltd. (£4.92 million).

Along with the Chase Securities Corporation of New York it owns the Finance Co. of Great Britain and America (£2.04 million). It is connected with the \$96 million International Nickel Co., of Canada, the greatest producers of nickel in the world. Along with the De Beers diamond group it owns the African Explosives and Industries Ltd. (£3.5 million), and with the Du Pont de Nemours chemical combine in the U.S.A. runs the Fredk. Crane Chemical Co. The subsidiaries of the I.C.I. number over 80 and have a total capitalisation (including the parent firm) of over £100 million.

In *distribution*, the Drapery Trust Ltd. (£4.4 million) runs 31 drapery and furniture firms, mainly in London and the South, and is itself controlled by Debenhams Ltd. (£10.1 million; 8 subsidiaries). Selfridge and Co., Ltd. (£3.89 million) runs a West End subsidiary in a group of food shops through John Thrifty Ltd., John Best Ltd., and John Quality Ltd., and also 19 drapery firms up and down the country through Selfridge's Provincial Stores (£3.95 million).

OIL

The world production of oil is largely controlled by the :

- Royal Dutch Shell.
- Standard Oil.
- Anglo-Persian Oil.

The Standard Oil produces (mainly in the U.S.A.) about 8 per cent. of the world's output, and the Royal Dutch Shell about 12 per cent., and the Anglo-Persian about 4 per cent. But through their pipe-lines and refineries they control the great bulk of oil marketed.

1. The *Standard Oil Co.* (capitalised at 970 million dollars) runs about fifty subsidiaries throughout the world (storing tanks, pipe-lines, producers, oil-tank steamers, refineries, distributing companies), including wells and

natural gas companies in the U.S.A., refineries in Canada, South America, Europe and the Dutch East Indies. Its tankers total $1\frac{1}{2}$ million tons, and its trunk pipe-lines 3,972 miles. It owns, *inter alia*, the *Creole Petroleum Corporation* (61 million dollars) which owns over $6\frac{1}{2}$ million acres in Venezuela; the *Standard Oil Export Corporation* (77 million dollars), which in turn owns the *Anglo-American Oil Co. Ltd.* (£6.4 million) to act as distributor in Britain. The Anglo-American owns the *Irish-American Oil Co. Ltd.* (£400,000) in Ireland and also *British Mexican Petroleum Co. Ltd.* (£3.7 million)—both refiners and dealers. The latter is interested in the *Redline-Glico Ltd.*

The Standard has also a two-fifths interest in the *Near East Development Co. Ltd.* This has united with other interests to exploit the Iraq oilfields through the £5 million *Iraq Petroleum Co. Ltd.*, whose shares are held by:

Anglo-Persian Oil Co. Ltd. (23.75 per cent.).

Royal-Dutch Shell Group (23.75 per cent.).

French Group (23.75 per cent.).

Near East Development (Standard) (23.75 per cent.).

C.S. Gulbenkian (5 per cent.).

The Standard is a whole group of companies, such as Standard Oil of New Jersey, of Indiana, etc.

2. *The Anglo-Persian Oil Co. Ltd.* was based on the pre-war D'Arcy contracts to exploit the Persian oilfields. It is now capitalised at £29.16 million. In 1914 the British Government acquired a large holding of ordinary shares, now amounting to £7½ million out of the total £13.42 million issued. It has refineries at Abadan (Persia), Llandarcy (S. Wales) and Grangemouth (Scotland) and owns $\frac{3}{4}$ million tons of tankers. Its more important subsidiaries include the *British Tanker Co. Ltd.* (£6.19 million), the *First Exploitation Co. Ltd.* (£1.24 million) and companies in France, Germany, Austria, Sweden, etc., as well as a mass of distributors throughout the Empire.

It is interested in *Steaua Romana (British) Ltd.* (£2 million) which participates with Rumanian and French groups in the Rumanian fields, in firms producing over 800,000 tons of oil a year.

In Scotland it controls the whole of the shale oil industry through the *Scottish Oils Ltd.* (£3.96 million), which was formed in 1919 to acquire control of all the producers (7 companies).

3. In the A.P., a large block of shares is held by the *Burmah Oil Co. Ltd.* (£14.87 million), which produces in Assam and has co-directors with the A.P. It has also a large (but not controlling) shareholding in the *Shell Transport*

and Trading Co. (q.v.). Its other interests include joint ownership with the Tata Iron and Steel Co. of the *Tinplate Co. of India Ltd.*, a half-share in the *Burmah-Shell Oil Storage and Distributing Co. of India Ltd.* (with the Shell) and control of the B.O.C. Anglo-Persian Share Trust (£700,000).

4. The *Shell* group produces some 24 million tons a year from the Dutch East Indies, Sarawak, Egypt, Rumania, Mexico, Venezuela, Trinidad, U.S.A., etc., and is based on :

Shell Transport and Trading Co. Ltd. (£36·12 million).

Royal Dutch Co. for the Working of Petroleum Wells in the East Indies (505 million florins and 40 million dollars).

This union became effected in 1907, the actual operating companies being reorganised as the *Bataafsche Petroleum Mij.* (368 million florins and 25 million dollars) and the *Anglo-Saxon Petroleum Co. Ltd.* (£23·5 million).

Its interests include :

(a) The Mexican Eagle Oil Co. Ltd. (75 million dollars Mexican) with 1·7 million acres in Mexico, an interest acquired in 1919 ;

(b) Asiatic Petroleum Co. Ltd. for marketing (£4 million).

(c) Shell Union Oil Corporation in the U.S.A. (410 million dollars) which runs wells, pipe-lines and refineries (7 subsidiaries) in mid-U.S.A. and California.

The group is also closely associated with the Canadian Eagle Oil Co. Ltd. (55 million dollars), which owns the Eagle Oil Transport Co. Ltd. (£10 million) and has heavy interests in Mexico.

5. The distributing organisations of the Anglo-Persian and the Shell have been united, in England, in the *Shell Mex and B.P. Ltd.* and in Africa and the Near East in the *Consolidated Petroleum Co.* (£2·2 million).
6. For the oil restriction scheme, see elsewhere.

SOME AMERICAN COMBINES

In *steel*, the United States Steel Corporation (\$1,680 million) controls about two-thirds of the American steel trade. It was formed in 1901 and now controls :

“ Iron ore mines in the Lake Superior region and in Alabama ; coal and coke properties in various States ; natural gas and oil properties in Pennsylvania and West Virginia ; manganese properties in Brazil ; railroads (2,150 miles) ; 29 ocean-going steamers with over 600 lake and

river craft ; ore-receiving and forwarding docks at the Lake ports ; and manufacturing plants at 143 works, including 102 blast furnaces, 29 Bessemer converters, 374 open-hearth and electric converters, 583 rolling mills, 87 wire mills, 48 pipe and tube works, 13 bridge and structural plants, 57 galvanising and tinning departments, 26 iron, steel or brass foundries, 11 sulphate of iron plants, etc." (*Stock Exchange Year Book*, 1932)

as well as cement works, electrical plants, shipbuilding yards, limestone quarries, timber, etc. Its subsidiaries include :

Carnegie Steel Co., National Tube Co.
Tennessee Coal, Iron and Railroad Co.
Chicago, Lake Shore and Eastern Railway Co.
American Sheet and Tin Plate Co.
Federal Shipbuilding Co.

In 1902 the number of employees of the combine was 168,000, in 1925 249,000 and in 1932 240,000 (many part-time).

In *steel*, the greatest outsider is Schwab's Bethlehem Steel Corp., which now owns properties valued at over \$500 million. It has a pig-iron capacity of 6½ million tons p.a., a steel capacity of 9½ million tons p.a. (or about one-sixth of the national capacity), and a coal capacity of 12 million tons p.a. It runs railways, ocean and river steamers, limestone quarries, pits, shipbuilding and repair yards, etc., and produces guns, ammunition, steel, bridges, viaducts, buildings, tools, trucks, etc. All told, its subsidiaries number fifty-six and its own capitalisation \$550 million.

In *motors*, the two combines controlling the American motor output are the General Motors Corporation (20 per cent. of output) and the Ford Motor Co. (55 per cent. of output).

The General Motors Corporation (in which the Du Pont de Nemours chemical combine is interested) has reserves and surplus of some 600 million dollars. It has manufacturing overseas, sales and miscellaneous concerns (including assembling and distributing) at Copenhagen, Antwerp, Stockholm, São Paulo, Buenos Aires, Malaga, Alexandria, Montevideo, Melbourne, Warsaw, Osaka, Bombay, etc. In England it acquired control of the Vauxhall Motors of Luton, etc. In Germany it bought 80 per cent. of the Opel works at Russelsheim-on-Main in 1928 for \$30 million (so says Knickerbocker in *Germany—Fascist or Soviet?* p. 192). The Opel had in the three-year period 1929-31 one-quarter of the German motor car sales.

In the U.S.A. the G.M. subsidiaries include *six* manufacturers (including Buick, Cadillac, Oakland and Chevrolet), 13 accessory firms (lights, springs, plugs, bearings, radiators), 7 property concerns, 18 sales companies, body works, metal panel producers, finance (for hire purchase), etc. It joins with the

Standard Oil Co. in the ownership of the Ethyl-Gasoline Corporation.

The Ford Motor Co. of Detroit, which built its first car in 1903, is a thoroughly self-contained unit. It has blast furnaces to smelt its own iron-ore with its own coal; a steel plant, saw mills, locomotive repair shops on its own railroads; a glass factory, and one of the largest casting foundries in the world; it produces coal by-products—benzol and ammonia. It manufactures aeroplanes and runs air lines.

In Europe it is represented by the Ford Motor Co. Ltd. This is both a manufacturing concern (with a capacity at Dagenham of 200,000 cars a year) and a holding company. It owns the bulk of the shares of the Ford European producers in Finland and Italy, at Copenhagen, Antwerp, Rotterdam, Cologne, Barcelona, Stockholm and Istanbul. It controls one-third of the Spanish market and one-sixth of the German trade. In Germany the I.G. dye trust, which manufactures many motor requisites (e.g. nitro-cellulose, oils, lacquers, varnishes, benzol) is a heavy shareholder in the Ford firm.

In *electrical-engineering*, the giant not only of the American trade but also of world industry is the \$225 million General Electric Co. This has a huge variety of investment, power, traction, electrical and wireless concerns throughout the world and is the backbone of the mass of national and international price quota and market agreements which radiate throughout the world's electrical industries. (See BEAMA.)

Already controlling a large proportion of the U.S.A. internal market, it set up in 1923 the \$18 million Canadian General Electric Co. with six manufacturing plants in the Dominion. It owns the \$20 million International General Electric Co., which acts as the holding concern for the G.E.C. subsidiaries and interests in England, France, Germany, Italy, etc. Along with a prominent American rival—the Westinghouse Electric combine—it owns the \$66 million Radio Corporation of the U.S.A. This runs a mass of wireless and broadcasting stations (44 international radio circuits, 15 marine radio stations, 12 U.S.A. broadcasting stations), manufactures electrical and wireless apparatus and has manufacturing and distributing subsidiaries in South America. An acquisition of the Radio Corporation in 1929 was the Victor Talking Machine Co., which is now the largest—and apparently dominating—shareholder in the £6½ million Electric and Musical Instruments Ltd. (which in 1931 united the British and world radio and gramophone interests of the H.M.V. and Columbia combines).

The power and traction subsidiaries of the G.E.C. are controlled through the \$141 million Electric Bond and Share Co. Abroad, this runs the American and Foreign Power Co. (\$524 million) with public utility concerns in eighteen countries. A great expansion of the A.F. and P. activities took place in 1929 with the purchase—at boom prices—of many of the British

foreign investments. It bought up all the holdings in Mexico and Chile—power, light and traction—from Whitehall Electric Investments Ltd. for £13 million; all the Argentine investments of the Atlas Light and Power Co. Ltd. for £9 m.; the electric system of the Shanghai International Settlement for £10.1 m. In the same year it took a half-share in the Tata Hydro-Electric Agencies Ltd. of India along with the Tata Iron and Steel Co.

Other A. and F.P. electric firms work in the Argentine (10 subsidiaries supplying 167 communities, including Cordoba and Tucumen), in Brazil (3 firms and 287 communities, including Pernambuco), in Chile (2 subsidiaries and 36 communities, including Valparaiso and Santiago), in Colombia (26 communities), in Costa Rica (34 communities), in Cuba (207 communities), in Guatemala (11 communities), in Mexico (6 subsidiaries and 116 communities, including Vera Cruz and Puebla), in Panama (8 communities), in Venezuela (9 communities, including Caracas), etc.

At home, the Electric Bond and Share Co. runs the American Light and Power Co. (\$265 m.) with a mass of U.S.A. subsidiaries, serving 1,211 communities, with 3½ million people, with gas, water, electricity, ice, transport, etc.

In Britain the G.E.C. main interest is in the Associated Electrical Industries Ltd., in which it holds about one-third of the capital. The A.E.I., capitalised at £7.1 m., united the interests of some of the largest British electrical engineers (Metropolitan-Vickers, British Thomson-Houston, Ferguson Pailin, Edison Swan Electric, and nine others).

In Germany the G.E.C. is heavily interested in the A.E.G. trust and along with the Siemens-Schuckert group (with whom it has a working agreement) and the British cable-making Siemens, runs the Siemens und Halske A.G.

In the U.S.A. its employees—on normal basis—run to 90,000. Its subsidiaries include the Cooper Hewitt Electric Co., the Edison Electric Appliance Co., Electric Vacuum Cleaner Co., Locke Insulator Corporation, etc., etc.

Other U.S.A. combines worth noting include :

- (a) The *American Cyanamid Co.* (\$30 m.) formed in 1907 and running 18 paint, lacquer, nitrogen, dye, building materials, etc., firms.
- (b) The chemical combine of *E.I. Du Pont De Nemours and Co.* This has been making explosives since 1802 and now runs 60 plants over the U.S.A. for the manufacture of explosives, cellulose, rayon, paints, dyestuffs, transparent paper, glycerine, nitrogen, ethyl, alcohol, films, etc. It has 22 subsidiaries (including some in Canada, explosives in Mexico and South America). It is capitalised at over \$200 m. It has a very large shareholding in the General Motors Corporation (which see) and—along with the I.C.I. in Britain—runs the Frederick Crane Chemical Co.

- (c) The *American Sugar Refining Co.* (\$93 m.) controlling—after its formation in 1891—a large part of the sugar refining plant of the U.S.A. It has refineries, sugar mills, sugar producers (e.g. the \$15 m. Central Cunagua in Cuba), forests, barrel-makers, etc. In 1925 (*Moody's Annual of Investments*) it owned or was interested in 7 out of the 21 cane refineries and in 15 of the 105 beet factories in the U.S.A.
- (d) The *International Harvester Co.* (\$252 m.), formed in 1913, now possesses a very large proportion of the world export trade in agricultural machinery. It produces agricultural machinery of all kinds, tools, implements, binder twine, engines, tractors, motors, sisal, etc. It has manufacturing subsidiaries in U.S.A., Canada, France, Germany and Sweden; selling companies in almost every country in the world; steel works, timber producers, iron ore mines, coal mines and coke works, saw mills, blast furnaces and a sisal plantation (in Cuba), railways, river boats, etc. Its subsidiaries—producing and selling—number 30 in the U.S.A., and 25 abroad.

SOME GERMAN COMBINES

Cartels and combines, already strong in Germany before the war, swung into enormous activity after the war. The heavy industries—coal, iron, steel, shipbuilding, engineering and the electrical industry—were particularly affected. Some of the combines were purely personal and transient, relying for their expansion on the inflation of the mark. Of such was the group created by Hugo Stinnes who :

“ in a vision of industrial imperialism, extended his range of interests in iron and steel and coal mining to important firms located in Central Europe, Italy and Spain ; brought in railways, banks, insurance companies, shipping lines, importing and exporting agencies, hotels and film companies, printing presses and newspapers, forests and paper works, oil wells and refineries, and so elaborated a vast system of connexions and alliances ranging through the whole of German industry and touching on many of the leading industrial countries of the world . . . the vertical combine in one series of industries had swollen into a huge combine covering other combines located in other industries, and no limit appeared to the policy of expansion other than those imposed by economic conditions. A collapse in the market, for example, would have thrown the machine out of action and, through the reduction of earning power, have engendered a financial crisis beyond the power of any single industrialist, even with the resources of Stinnes.” (H. Quigley and R. T. Clark : *Republican Germany, a Political and Economic Study*, 1928, pp. 223-4.)

Other combines and cartels have proved far more permanent than the artificial Stinnes groupings. M. Metzner (in his *Kartelle und Kartellpolitik*) estimated in 1926 that there were no fewer than 1,500 cartels operating in Germany; and Quigley and Clark (loc. cit.) in 1928 distinguish 150 in engineering, textiles and steel, 25 in the wholesale trades "and a wide diffusion in smaller numbers through all other industries, both on the production and distribution sides" (loc. cit., p. 230).

Of the cartels, the most striking are :

The Rhenish-Westphalian Coal Syndicate.
The Potash Syndicate.

and of the combines :

The United Steel Works,
The I.G. Dye Trust.
The A.E.G. Electrical Trust.

The *Rhenish-Westphalian Coal Syndicate*, largely a post-war product, was saved from collapse after the French invasion of the Ruhr in 1923-4 by the German Cartel Act of 1923. This, in effect, legalised the cartel with State support. All coal produced by the members of the Syndicate, i.e. practically all the Western German output, is sold through the Syndicate, which set up selling syndicates and which fixes the price to the consumer, whether household or industrial. The *Potash Syndicate*, largely dominated by the Wintershall concern (producing about 40 per cent. of the output), was formed under the Act of 1919 with, until 1953, the sole right to sell, distribute, export and import potash. Every potash producer was compelled to become a member of the syndicate, which covers 65 companies and 229 mines and factories. "In order to concentrate and cheapen production, working is voluntarily suspended in such number of mines as may be necessary to regulate supply." (*Stock Exchange Year Book*, 1932.) The whole of the industry is supervised by a National Potash Council, with producers, consumers, and workers represented. The output is sold, roughly, one-third inside Germany and two-thirds outside Germany. In the world markets, the Syndicate competes with the British £4·8 million *Borax Union Ltd.* (which has mines and factories in U.S.A., England, France, Austria, Turkey and South America).

The Potash Syndicate was financed largely by American, Dutch and British money—raising £7·1 million by one loan in London, Holland, Switzerland and Sweden in December 1925; £3·6 million by another loan in May 1926 from London, Holland and Switzerland, and another £2·9 million in January 1932 from the same sources. The three foreign loans total £13·6 million.

In 1924 the German and French producers united to rig the markets of the two countries and to stop inter-competition in

Sweden and the U.S.A.—an agreement which was extended to cover all the world in 1925.

The *United Steel Works Trust* (*Vereinigte Stahlwerke*) was formed in 1926 out of the remains of the Stinnes crash. This is the largest iron, steel and coal combine in Europe bearing a total capitalisation of 1,104 million marks and 84 million dollars. It united every aspect of steel-working. It acquired control of the *Rhein-Elbe Union* (which was connected with the electrical *Siemens-Schuckert* group), the *Thyssen* combine with a capacity of 2 million tons of steel a year (billets, bars, blooms and slabs for the foreign market), the steel tubes and plates of the *Gelsenkirchen* works, the forgings of the *Dortmunder Union*, the railway material, bolts and rivets of the *Bochumer Verein*, the wire of the *Stumm* firms, the raw steel of the *Phoenix* works (which was allied with the A.E.G., etc.) and other concerns. The productive capacity of the Trust in 1927-8 (Quigley and Clark, *op. cit.*, p. 249) was 37·2 million tons of coal, 9·2 million tons of coke, 10 million tons of pig iron and 9 million tons of steel, and in September 1927 it employed 198,400 workers. It accounts for 40 per cent. of the national output of steel, 50 per cent. of the pig iron and 25 per cent. of coal. Added to these are controlled steel trusts in Central Germany and in Upper Silesia, ownership of railways and harbours on the Rhine and Ruhr and of the iron-ore deposits of the *Oesterreichisch Alpin Montangesellschaft*. The German Government has a controlling interest.

The German capitalisation of the Corporation is 1,070 million marks (£53 million). Much money was raised in America, e.g. 30 million dollars in June 1926 through Dillon, Read and Co., and the National City Bank of New York; and much internationally, e.g. 36 million marks in July 1926 in Holland, Sweden and Switzerland; 10·8 million dollars in U.S.A. and Holland in August 1927; 30 million dollars in U.S.A., Holland, Sweden, Switzerland and U.S.A. in July 1927; 25 million dollars in January 1926 in U.S.A., Holland and Sweden.

The *Dyestuffs Trust* (the *Interessengemeinschaft Farben-Industrie*) was a 1925 merger of 13 concerns (including the *Badische Anilin und Sodafabrik* and *F. Bayer and Co.*), which has now over 100 subsidiaries at home and abroad. Its range, say Quigley and Clark (*Republican Germany*, p. 252) :

“ In raw materials, it is interested in brown coal, hard coal, sulphur, crude oil, petroleum and textile companies capable of meeting the greater part of its requirements; in heavy chemicals, electro-chemistry and electro-metallurgy, mineral dyes, compressed gas, artificial silk, celluloid, explosives, wood distillation, photographic materials, it has subsidiary and associated firms feeding into the central organisation or controlling special sections of the market.”

It is the only great art-silk manufacturer in Germany outside

the *Glanzstoff* (i.e. Courtaulds) combine and is now producing benzine from coal on a large scale.

Outside Germany, it has obtained a large measure of control over the Western European chemical markets by its market agreements with the Swiss and French producers (the latter dominated by the Kuhlmann concern).

In synthetic nitrates (where it owns the *Norsk* works in Norway) it united with the *Imperial Chemical Industries* of Britain to form the output-limiting and market—allocating cartel of 1931-2.

The third of the great German trusts is that in electrical engineering—the A.E.G. (Allgemeine-Elektrizitäts-Gesellschaft). This is a pre-war product. It is not only an electrical engineering concern; it is closely bound to the great consumers of electrical machinery—shipyards, locomotive engineers, iron and steel works. The great *General Electric Co.* of the U.S.A. took up a heavy—if not dominant—interest in the A.E.G.

The A.E.G. has always been linked with its greatest nominal rival—the *Siemens-Schuckert* group, the two running many firms (e.g. an *Osram* lamp works) jointly. The Siemens-Schuckert combine has always had “very friendly” relations with the *American Westinghouse Co.*, and on the other hand with the £3·6 m. Siemens Bros. cable-making group in England (with whom it jointly runs the Siemens und Halske concern, a concern in which the American General Electric Co. is also interested).

SOME INTERNATIONAL AGREEMENTS

Agreements affecting (a) international production and/or (b) international markets and exports have become fairly common. It is significant that the bulk of these agreements exist in the newer industries (e.g. artificial silk, electrical engineering, non-ferrous metals) and that comparatively few exist in the older export trades (e.g. coal, iron, cotton, woollens).

In *raw steel*, the most important Continental producers (France, Germany, Luxembourg and Belgium) are members of the International Steel Cartel, which regulates output and markets and has a system of fines for excess output; this cartel has been threatened with break-up (owing to the dissatisfaction of the constituent members with the quotas of output allocated) for many years, but still manages to hang together. In *steel rails*, practically all producers (including the British) are in the market-fixing Steel Rail Cartel. In *coal*, various attempts have been made since 1928 to create an international market-allocating agreement, but all have failed.

In *copper*, the American producers, acting through Copper Exports Inc., fixed world prices for some time in 1928-30. With the collapse of this policy, an international agreement on production was reached in 1931-2, restricting output to as low

as 40 per cent., but this seems to have broken down owing to the refusal of the cheap Rhodesian producers to fall completely into line with the dearer U.S.A. mines.

In *synthetic nitrates*, in 1928-9, a year of peak conditions, the total world production of pure nitrogen was 2.1 million tons, while the world consumption was only 1.9 million tons. In 1930 the leading European producers, especially the I.C.I. in England and the I.G. trust in Germany, agreed on the limitation of output and the allocation of markets. In their own home protected markets the producers managed to maintain prices fairly well, but in the "free" markets prices fell by 50 per cent. between 1929 and 1932. Into this European cartel were brought in 1931 the Chilean nitrate producers, who had been recently reorganised by American money and wholesale bribery into one rationalised unit (Cosach). In June 1932 the Chilean producers, however, faced with 2 million tons of stocks on their hands, refused to renew the agreement and, with the Chilean Revolution and the reorganisation of Cosach early in 1933, have smashed the international cartel.

In *sulphate of ammonia*, an agreement was reached in July 1932 amongst the European producers to control prices, to limit exports and to curtail output. (*Times Trade and Engineering Supplement*, January 28th, 1933.)

In *tin*, the majority of world producers agreed in 1931 to restrict output internationally and a central organisation was set up to buy "loose" tin and keep it off the market. This output restriction was legalised by the Governments in the countries producing. The largest unit in the trade (which is financed mainly by British money in Malaya and Nigeria and by America money in Bolivia) is the London Tin Corporation (£2.78 millions: 24 subsidiaries).

In *artificial silk*, the dominating financial position of Courtaulds in European and American production has been followed by an intricate and involved series of marketing agreements in Europe.

In *electric lamps*, the national producers (many of whom are controlled by the American General Electric Co.) usually form a national price-fixing association (as in England, where the Electric Lamp Manufacturers' Association has an elaborate system of trade discounts, fixed prices, and black lists for retail price-cutters) and then form international agreements as to markets (the basis of these agreements being normally the allocation of the home market and of some specified foreign markets to each country).

In *oil*, over-production became acute in 1930-1, partly owing to the increased output from Russia and Rumania, but mainly to the opening up of a new and non-combine field in East Texas. In May 1932, at New York, all the producers (except the Russian) agreed on the principle of restriction of output and in July and December 1932 a further conference at

Paris, representing 80 per cent. of the world output, agreed with the Rumanians to regulate production. The immediate effect of this was an increase of 3d. per gallon in the retail price of petrol in Britain. (*Times Trade and Engineering Supplement*, January 28th, 1933.)

In all these "agreements" there is a constant struggle going on for reallocation of quotas, etc.

U.K. BANKING: THE BIG FIVE

The process whereby the great bulk of banking business in this country has passed into the "Big Five" group can be illustrated by the history of Barclays Bank Ltd. The parent body was the banking firm of Barclay, Bevan, Tritton and Co., prominent amongst the private bankers of the 'forties. In 1896 this fused with nineteen other firms to form the joint stock Barclays Bank. During and after the war, the policy of expansion by amalgamation was vigorously adopted. In 1916 it entered the Midlands and the Yorkshire woollen district by buying up the United Counties Bank Ltd. (itself a smaller merger). In 1918 it acquired the London, Provincial and South-Western Bank Ltd., which had 536 branches, mainly in the London area and in coal and steel South Wales. In 1919 the purchase of the Union Bank of Manchester Ltd. brought Barclays into cotton, and the control of the British Linen Bank Ltd. gave it a heavy footing in all Scottish industries (coal, iron, steel, shipbuilding, textile, agriculture, and fishing). All told, Barclays has figured in forty-one amalgamations.

Abroad, Barclays expanded rapidly after the war. The amalgamation of 1918 with the London, Provincial and South-Western Bank included that concern's interest in the French subsidiary of Cox and Co. (a war-time institution). Later this interest fledged into control and became Barclays Bank (France) Ltd. In 1925 an Italian subsidiary was set up for Italian business—Barclays Bank S.A.I. The exploitation of the Empire has been, however, the greater attraction to Barclays. After transactions covering the Colonial Bank (in the West Indies and West Africa) in 1918 and the Anglo-Egyptian Bank in 1920 (which financed the Egyptian trade) there was set up in 1925-6 Barclays Bank (Dominion, Colonial and Overseas) Ltd. This absorbed the Anglo-Egyptian Bank and also the National Bank of South Africa. Finally, 1929, Barclays moved west to set up Barclays Bank (Canada) Ltd.

Although the Big Five stand nominally in complete independence, there are certain points of contact between many of them that must not be overlooked. All five (with Williams Deacons Bank and the District Bank of Manchester) run the Yorkshire Penny Bank. All are interested, along with the Bank of England and most of the large private banks, in the Bankers Industrial Development Co. Ltd. Lloyds and the National

Provincial unite in the ownership of Lloyds and National Provincial Foreign Banks Ltd.; Lloyds, Westminster, National Provincial and the Standard Bank of South Africa jointly own the Bank of British West Africa. Williams Deacons Bank (a subsidiary of the Royal Bank of Scotland), the Union Bank of Scotland and the Prudential Assurance (which is very closely allied with the small British Mutual Banking Co.) are joint controllers of the British Overseas Bank Ltd.

In Scotland, only four of the banks are independent. The Clydesdale Bank and the North of Scotland Bank are subsidiaries of the Midland; the British Linen Bank of Barclays; the National Bank of Scotland of Lloyds. The Royal Bank of Scotland has retaliated by buying up control of Williams Deacons Bank.

In Ireland, the Free State Banks remain free, but in Ulster the Midland Bank owns the Belfast Banking Co. and the Westminster owns the Ulster Bank.

All told the 174 directors of these six banks have 1,101 other directorates, distributed as follows:

Railways and Canals	...	56	{ including 28 foreign rail-ways.
Other transport	...	26	{ including London Under-ground.
Shipping and shipbuilding		69	{ including 19 of the Furness, Withy group.
Iron, Coal and Steel	...	64	
Engineering...	...	30	
Electrical Engineering	...	9	
Electric power	...	24	
British banks and banking houses	...	55	{ including subsidiaries of the six banks.
Foreign and Overseas Banks		92	do.
Finance and investment	...	178	{ including a Midland Bank subsidiary.
Insurance	...	112	
Textiles	...	35	{ including 18 firms in the English Sewing Cotton combine.
Other	...	351	{ including 57 directorates on the Cables and Wireless combine.
			—
			1,101
			—

It should be noted that owing to some duplication of directorates the 1,101 other directorates do not mean 1,101 other individual companies. Probably about 900 to 1,000 individual concerns are connected.

Some of these bank connexions are worth noting. Three—

Westminster, Lloyds and the Bank of England—are linked with the Cables and Wireless combine. In railways, the L.M.S. is linked to Lloyds, Midland and Bank of England: the G.W.R. to the same three; the Underground combine to Lloyds and the Midland; the L.N.E.R. to the Bank of England, etc. In shipping the P. and O. group is connected with the Westminster, Lloyds, and the Bank of England; Furness, Withy with Barclays; the Cunard with the Midland. In iron, coal and steel, Stanton Ironworks is linked to Westminster and Lloyds; Powell Duffryn to Lloyds and the Bank of England; Pease and Partners to Barclays; Dorman, Long to the Bank of England; Guest, Keen and Nettlefolds to the Midland. In electrical engineering, the Callenders Cable group is linked to Barclays and the Associated Electrical Industries combine to Lloyds. In banking, the National Discount Co., Brown, Shipley and Co. and S. Japhet and Co., are connected with the Westminster; Alexanders Discount Co., Dawnay, Day and Co., Higginson and Co., and Bensons to Lloyds; Morgan, Grenfell and Co., Barings and Hambros to the Bank of England, etc. Amongst foreign banks, the Hong Kong and Shanghai Banking Corporation is linked to the Westminster and the Bank of England; the Bank of Rumania and the Agricultural Bank of Egypt to the Westminster; the Ottoman Bank and the Bank of Australasia to Lloyds and the Bank of England; the Bank of New South Wales to Barclays, etc. In finance and investment, the Tobacco Securities Corporation is linked to the Midland. In insurance, the Alliance Assurance Co. is connected with Lloyds, Barclays, and the Bank of England; the Phoenix with Lloyds and Barclays; the Royal Insurance with Barclays and the Midland; the Royal Exchange with Barclays, etc. In oil, the British Mexican Oil and the V.O.C. are linked with Lloyds; the Shell Oil with Lloyds and the Midland; the Burmah Oil with the Midland; the Anglo-Persian Oil with the Bank of England. Amongst other concerns, Woolcombers are connected with Lloyds; the English Sewing Cotton Co. with the Midland; the Imperial Chemical Industries with Lloyds, Barclays, and the Midland; the General Motors Corporation with the Midland; the Ford Motor Co. with the National Provincial, etc.

BANKING LINKS

National Provincial Bank connected with Cables and Wireless Combine, Anglo-Persian Oil Co., Ford Motors, Imperial Chemical Industries.

Westminster Bank connected with P. and O. (shipping), Hong Kong and Shanghai Banking Corp., Stanton Ironworks, Cables and Wireless Combine, Bryant and May (matches), Hambros Bank.

Lloyds Bank connected with Woolcombers Ltd., *Times* Publishing Co., L.M.S. Railway, Associated Electrical Indus-

OTHER DIRECTORATES OF BANKING DIRECTORS

	No. of Directors	Railways and Canals	Other Transport ¹	Shipping and Shipbuilding	Iron, Coal, Steel	Engineering	Electrical Engineering	Electric Power	British Banks and Discount Houses	Foreign and Overseas Banks	Finance and Investment	Insurance	Textiles	Others	Total
Barclays ...	38	12	2 ⁷	29 ²	7	4	2	2	7	15	20	24	3	37	164
Westminster ...	25	10	3	10	2	1	1	4	6	37 ⁶	29	18	—	65 ¹	186
National Provincial	21	1	—	4	5	8	1	1	6	10	17	17	1	60	131
Midland ...	32	14	14	12	24	5	2	5	14	4	65 ⁴	17	21 ³	62	259
Lloyds ...	33	10	4	3	14	8	3	9	13	16	25	22	10	75 ¹	212
Bank of England ...	25	9	3	11	12	4	—	3	9	10	22	14	—	52 ¹	149
TOTALS ...	174	56 ⁶	26	69	64	30	9	24	55	92	178	112	35	351	1,101

¹ Including 19 firms in the Cables and Wireless Combine.

² Including 19 firms of the Furness, Withy group.

³ Including 18 firms in the English Sewing Cotton combine.

⁴ Including the 32 directorates held by the Midland Bank directors in the Midland Bank Executor and Trustee Co..

⁵ Of which 28 are foreign railways.

⁶ Including the Westminster Foreign Bank.

⁷ Including the London Underground.

tries, G.W.R., P. and O., London Underground Railway Combine, Cables and Wireless Combine, Baird and Dalmellington Ltd., Shell Oil Co., Hudson Bay Co., Imperial Chemical Industries, Powell Duffryn Steam Coal Co., Stanton Ironworks.

Barclays Bank connected with Callenders Cable Co., Pease and Partners, Furness, Withy (shipping), Imperial Chemical Industries, Amalgamated Anthracite, British South Africa Co.

As an instance of the power given by heavy loan interests, Barclays' relations with Dorman, Long may be cited.

Midland Bank connected with Tobacco, Securities Corp., London Underground Combine, Imperial Chemical Industries, Cunard (shipping), G.W.R., L.M.S., Guest, Keen and Nettlefolds, Metropolitan Railway, English Sewing Cotton Co., General Motors Corporation, Burmah Oil Co., British Celanese, Shell Oil Co., Suez Canal.

Bank of England connected with Hong Kong and Shanghai Banking Corp., P. and O., L.M.S., Suez Canal, Cables and Wireless Combine, Central Electricity Board, Morgan, Grenfell and Co., Hambros Bank, G.W.R., Powell Duffryn Steam Coal Co., Lazard Bros., Dorman, Long and Co., Baring Bros., Hudson Bay Co., Anglo-Persian Oil Co., L.N.E.R.

BANKS AND INDUSTRY

Amongst the more important cases in recent years where the banks have become directly involved in industrial expansion or reorganisation have been :

1. The setting up by the Bank of England of the *United Dominions Trust Ltd.* (share capital issued £0·5 million), which controls the United Dominions Trust (Electric) Ltd., and the Continental Guaranty Corporation Ltd. £250,000 of capital was provided by the Bank of England in February 1930. The Trust helps to finance the purchase of plant and machinery by firms in the electrical, motor, engineering, and other trades. At June 1932 the bills receivable and notes totalled £2·8 million.
2. In 1928 control of the steel, shipbuilding and engineering Clyde-side firm of *Wm. Beardmore and Co. Ltd.* (£4·9 million, with seven subsidiaries) passed into the hands of the banks, etc., on financial reorganisation. The banks were Lloyds, the National of Scotland and the Royal of Scotland, while the Treasury also took up a measure of control. One of the voting control committee is Sir J. A. Cooper, representing the Bank of England. The *Manchester Guardian* (Oct. 8th, 1928) said : " The Banks and the Treasury assume absolute control of the business."
3. The connexion between the Bank of England and the *Lancashire Cotton Corporation Ltd.* (which see). The Bank of England appoints 2 of the L.C.C. directors. The L.C.C. issued £2½ million of 6½ per cent. debentures

in March 1931 through the Bankers' Industrial Development Co., and the interest in these debentures was guaranteed by the Sun Insurance Co. for five years.

4. The connexion between the Bank of England and the *Lancashire Steel Corporation Ltd.* (which see). The first directors of this rationalised unit were selected in August 1930 by the Governor of the Bank of England, and £500,000 B shares (with practical voting control) were issued at par to the Securities Management Trust Ltd. The Steel Corporation controls the *Wigan Coal Corporation Ltd.* (which see). This was formed at the same time as the L.S.C. and similarly had its first directors selected by the Governor of the Bank of England.

5. The firms merged in the Lancashire Steel and Wigan Coal groups include :

Wigan Coal and Iron Co. Ltd. (£·81 million).

Moss Hall Coal Co. Ltd.

Wigan Junction Colliery Co. Ltd.

Rylands Bros. Ltd.

Pearson and Knowles Coal and Iron Co. Ltd. (£1 $\frac{3}{4}$ million).

Partington Steel and Iron Co. Ltd. (£2·09 million).

Pearson and Knowles Engineering Co.

and cover 15 collieries with an annual output of 3 $\frac{1}{2}$ million tons, 6 blast furnaces, 184 by-product coke ovens, 12 steel furnaces, foundries, rolling mills, engineering works, brickyards, coal wharves, sales depots, etc.

In December 1932, the *Lancashire Steel Corporation* bought up the wire-making Whitecross Co. Ltd. of Warrington. In connexion with this, a new continuous self-contained wire-rod mill was built, ready for the spring of 1933; the cost (£1 $\frac{3}{4}$ million) is being provided mainly by the B.I.D.

6. The financing by the Bankers' Industrial Development Co. of the new steel plant to be begun by *Stewarts and Lloyds Ltd.* at Corby in 1933. The financing runs to £3·3 million.

7. The pressure exercised by Lloyds Bank in 1928 on the South Welsh coal firms which had fallen deeply into its debt (e.g. the *Great Western Colliery Co.*) to force these concerns into liquidation and/or into amalgamation with the Powell Duffryn Steam Coal Co. The expansion of Powell Duffryn was also financed by a loan of £1 $\frac{1}{2}$ million raised through the private banking house of Higginson and Co.

8. *The Securities Management Trust Ltd.* was formed by the Bank of England in November 1929 with a paid-up

capital of £1,000 and with Montagu Norman as Chairman. It controls the *Lancashire Steel Corporation*, and, through that, the *Wigan Coal Corporation*. It is also interested in the Bankers' Industrial Development Co.

9. *The Bankers' Industrial Development Co. Ltd.* was formed in April 1930. All the big private and joint-stock banks subscribed to its capital, which is £6,000 issued but £6 million nominal. All the B shares are held by the Securities Management Trust Ltd.

INSURANCE

THE PRUDENTIAL

One of the giants of British finance capital is the Prudential Assurance Co. Capitalised at £1·45 million, with funds of no less than £230 million, it has a finger in every British industry. Almost every British company of any importance has the Prudential figuring largely in its ordinary or, more generally, in its preference shareholding lists. It is a highly secretive concern, allowing very little information on its activities to escape.

Its 9 directors hold only 23 other directorates—a small but highly important group. Through them it is connected with the City of London Real Property Co. (£10·25 million), the International Sleeping Car Trust (£5·25 million), the Agricultural Mortgage Corporation (£9·8 million), the Cape Town Gas (£0·3 million) and the Montevideo Gas and Dock Co. (£0·77 million), and the Anglo-Persian Oil Co. (£29·16 million). These six connexions alone represent a capital of £56 million.

The Prudential controls the *British Mutual Banking Co. Ltd.* (capital £120,000: advances £700,000) which has as a subsidiary Alexander Stewart and Son of Dundee (1924) Ltd.

Along with the Union Bank of Scotland and Williams Deacons Bank it owns the *British Overseas Bank Ltd.* (share capital £2 million). It financed the growth of the *chain-store* group of *Marks and Spencer Ltd.* (£3·3 million), though possibly it is no longer interested as a shareholder.

It is a shareholder in the Associated Electrical Industries Ltd., in the Underground Electric Railways of London Ltd., etc. In shipping the *Fairplay Annual of Shipping Finance*, 1932, lists its holdings in three great combines at :

Royal Mail S.P. ...	...	...	£145,000 preference
P. and O....	...	...	£50,000 deferred
Cunard S.S.	...	...	£50,000 ordinary

It has helped to rationalise the clerk by putting half a million into its subsidiary Accounting and Tabulating Corporation of Great Britain Ltd. It had loans outstanding to the Indian Tyre and Rubber Co. of Great Britain before the sale

of the latter to the Dunlop group in 1933. It provided money to a housing estate at Hanger Hill in West London.

It acts as trustee for the debenture holders (a position that normally implies some ownership of debentures and control of policy in numbers of concerns).

Abroad, one of its most interesting links is the *British and German Trust Ltd.* (£2·8 million). This was formed in May 1926, half of the capital being English (the Prudential, Helbert, Wagg and Co. and the Midland Bank) and half German (the Deutsche Bank, the Berlin Handelsgesellschaft and the Prussian State Bank) to finance German industrialists; and at the end of 1932 had £750,000 owing to it by German industrial firms.

The Prudential is also reported to have heavy interests in Austria, Hungary and Poland; in the latter country, through the British Overseas Bank, having curious connections with the sugar-beet industry.

PRUDENTIAL ASSURANCE CO.

OTHER DIRECTORATES OF 9 DIRECTORS

<i>Industry</i>	<i>No.</i>	<i>Including</i>
Foreign Railways	3	
British Banks	3	British Mutual Banking
Overseas Banks	1	British Overseas Bank
Property	1	City of London Real Property
Trust and Investment	3	International Sleeping Car Trusts; Agricultural Mortgage Corp.
Oil	10	Anglo-Persian Oil
Gas and Utilities	2	Cape Town Gas: Montevideo Gas
	—	
	23	
	—	

THE ALLIANCE ASSURANCE

The Alliance Assurance Co. (with £1 million of paid-up capital, and funds and reserves totalling £31 million) represents the older type of insurance interest. Its connections since its formation by the Rothschilds in 1824 have been mainly towards land, railways and finance and comparatively little towards industry. This is indicated by the table on p. 39 of its directorate connexions, showing the 21 head office directors holding 127 other directorates. It is significant that over half the local directors of the Alliance are solicitors or estate agents.

It has touched industry recently with loans to the Branston Artificial Silk Co. Ltd.

ALLIANCE ASSURANCE CO.

A. OTHER DIRECTORATES OF 21 HEAD OFFICE DIRECTORS

<i>Industry.</i>	<i>No.</i>	<i>Including</i>
Railways and Canals ...	4	Northern of France; S.R.;
Foreign Railways ...	3	L.N.E.R.
Other transport ...	1	
Shipping and Docks ...	5	Ellerman group.
Shipbuilding ...	1	
Iron, Coal and Steel ...	1	
Engineering ...	1	
Electricity and Gas ...	1	Gas Light and Coke Co.
British Banks ...	13	Martins; District; M. Samuel and Co.; Barclays; National Provincial; Lloyds; N. M. Rothschild.
Overseas Banks ...	9	Hong Kong and Shanghai; Banque Belge pour l'Etranger; Mercantile of India.
Trust and Investment ...	15	British Electric Traction; Atlas
Insurance ...	2	General and Electric
Property ...	7	
Textiles ...	0	
Other ...	64	50 of Shell Oil group; Uganda Co.; Borneo Co.
	<hr style="width: 20px; margin: 0 auto;"/> 127	

B. OTHER DIRECTORATES OF 95 LOCAL DIRECTORS

<i>Industry.</i>	<i>No.</i>	<i>Including</i>
Railways and Canals ...	2	L.M.S.; G.W.R.
Other transport ...	1	
Shipping and Docks...	1	
Iron, Coal and Steel ...	11	Stewarts and Lloyds; Coltness Iron; Scottish Iron and Steel; Carlton Main Coal.
Engineering ...	3	
Electrical Engineering ...	1	
Electricity, gas and water ...	8	Liverpool Gas.
British Banks ...	10	Commercial of Scotland; Bank of England; Union of Scotland; Barclays; National Provincial; Martins; Williams Deacons.
Overseas Banks ...	0	
Trust and Investment ...	18	Atlas; General and Electric.
Insurance ...	4	
Property Trusts and Building Societies ...	19	Abbey Road Building Society; Halifax Building Society.
Textiles ...	1	
Other (a) ...	103	Borneo Co.
	<hr style="width: 20px; margin: 0 auto;"/> 182	

(a) Mainly partnerships as solicitors

Note.—Partnerships are regarded as directorates. Table B is almost certainly incomplete, as the *Directory of Directors* omits many directorates. Twenty-five of the Local Directors are given as having no other directorates.

WORLD PRODUCTION

The development of production in the leading imperialist powers is shown in the notes which follow :

In *Coal*, world production rose from 182·8 million metric tons in 1865 to 928 million tons in 1905 and to 1,253 million tons in 1913. The total for 1931 was 1,117 million tons. Significant are the relative decline of Great Britain, the enormous advance of the U.S.A. and the relative rise of Japan and India.

WORLD PRODUCTION OF COAL 1865-1931

(In million metric tons)

	1865	1885	1905	1913	1925	1931
Great Britain ...	99·8	194·3	239·9	292·0	247·1	223·7
Russia ...	0·3	4·2	17·1	29·1	17·7	56·0
Germany ...	28·3	73·7	173·7	160·7	163·7	148·3
Belgium ...	11·8	17·4	21·8	22·8	23·1	27·0
France ...	11·8	19·5	36·0	44·6	47·4	50·4
U.S.A. ...	24·8	102·2	351·1	517·1	527·9	397·0
India ...	—	—	7·9	16·4	21·2	20·8
Japan ...	—	—	11·9	21·3	31·5	25·7
World ...	182·1	412·8	928·0	1,253·6	1,241·3	1,117·5

Sources : " *The Coal Resources of the World*," 1913 ; the " *Colliery Year Book*," 1932 ; the " *International Statistical Year-Book*," 1931-2.

World production in 1932 was 1,000 million metric tons.

In *Pig Iron* the world output rose from 18·2 million (gross) tons in 1880 to 77·9 million in 1913. In 1930 it was above the 1913 level but in 1932 at only half the pre-war level. Significant since 1900 are the advance of France and the U.S.A. and the decline of Britain.

WORLD PRODUCTION OF PIG IRON

(In million tons)

Year	U.K.	Germany (a)	France	U.S.A.	Belgium	U.S.S.R. (b)	World Total
1880 ...	7·75	2·43	1·70	3·84	0·68	0·56	18·2
1885 ...	7·42	3·22	1·60	4·04	0·70	0·70	19·3
1890 ...	7·90	4·03	1·93	9·20	0·77	0·89	26·8
1895 ...	7·70	4·69	1·97	9·45	0·82	1·40	28·5
1900 ...	8·96	7·43	2·67	13·79	1·00	2·85	39·8
1905 ...	9·61	9·35	3·02	22·99	1·29	2·66	53·2
1910 ...	10·01	12·89	3·97	27·30	1·82	2·98	64·8
1913 ...	10·26	16·49	5·12	30·97	2·45	4·55	77·9
1920 ...	8·03	6·93	3·38	36·93	1·10	0·11	62·8
1925 ...	6·26	10·01	8·36	36·70	2·50	1·30	75·7
1930 ...	6·2	9·54	9·88	31·75	3·31	5·0	79·2
1932 ...	3·6	3·80	5·45	8·80	2·70	6·2	38·8
1933 (1st half)	1·90	2·34	3·04	4·44	1·41	—	—

(a) Germany and Saar to 1913 ; (b) Russia and Poland to 1913.

Sources : "Statistics of the Iron and Steel Industry," issued by the National Federation of Iron and Steel Manufacturers; and "Coal and Iron Trades Review" for 1932 figures.

In *Steel* the figures are very similar, production being 4·18 million tons in 1880, 75·15 million tons in 1913 and 49·2 million tons in 1932.

WORLD PRODUCTION OF STEEL

(In million tons)

Year	U.K.	Germany (a)	France	Belgium	U.S.A.	U.S.S.R. (b)	World Total
1880 ...	1·29	0·69	0·38	0·13	1·25	0·29	4·18
1885 ...	1·89	1·20	0·55	0·15	1·71	0·19	6·19
1890 ...	3·58	2·10	0·67	0·22	4·28	0·38	12·28
1895 ...	3·26	3·83	0·86	0·45	6·11	0·86	16·65
1900 ...	4·90	6·36	1·54	0·63	10·19	2·16	27·83
1905 ...	5·81	9·51	2·22	1·18	20·02	2·21	44·22
1910 ...	6·37	12·89	3·36	1·91	26·09	3·48	59·33
1913 ...	7·66	17·32	4·61	2·43	31·30	4·75	75·15
1920 ...	9·07	8·40	3·0	1·23	42·13	0·16	71·30
1925 ...	7·39	12·00	7·33	2·51	45·39	1·84	88·93
1930 ...	7·3	11·36	9·33	3·30	40·70	5·8	93·21
1932 ...	5·3	5·65	5·46	2·74	13·45	5·8	49·2
1933 (1st half)	3·2	3·38	3·27	1·45	8·99	—	—

Notes and source as for *Pig Iron*.

In *Shipbuilding* tonnage launched rose from 1¼ million tons in 1895 to a peak of over 5¾ million in 1920, and then dropped in 1932 to the lowest figures since the 'eighties.

SHIPBUILDING

Tonnage launched (In thousand tons)

Year	U.K.	France	Germany	Italy	Japan	U.S.A.	World Total
1895 ...	951	29	88	6	2	85	1,218
1900 ...	1,442	117	204	68	5	333	2,304
1905 ...	1,623	73	255	62	32	303	2,515
1910 ...	1,143	81	159	23	30	331	1,958
1913 ...	1,932	176	465	50	65	276	3,333
1920 ...	2,056	93	n.a.	133	457	2,476	5,862
1925 ...	1,084	76	406	142	56	129	2,193
1930 ...	1,479	101	246	88	151	247	2,889
1932 ...	188	89	81	47	54	144	727
1933 (1st half)	24	21	18	4	26	2	172

Sources : "Lloyd's Register of Shipping."

In *Cotton* the number of spindles in the world rose from 77 million in 1880-4 (with Britain owning 55 per cent.) to 161 million in 1932 (with Britain owning 33 per cent.). Other important factors are a doubling of

the European spindleage between 1881 and 1932, a trebling in the U.S.A. and a twelvefold increase in the East (which in 1932 had 13 per cent. of the world's spindles, against 2 per cent. in 1881-4).

The figures are :

COTTON SPINDLES

(A) 1881-1932

(In millions)

Year	U.K.	Europe (Continent)	U.S.A.	East	World Total
1881-4 ...	41.5	22.1	12.3	1.7	77.6
1890-4 ...	44.9	26.4	15.2	3.4	90.0
1900-4 ...	46.6	33.8	21.4	5.0	106.9
1910-11 ...	56.3	41.0	28.8	6.2	132.3
1913 ...	55.6	43.4	30.6	9.8	142.2
1923 ...	56.6	43.7	37.2	14.6	156.0
1932 ...	51.9	49.5	31.7	21.4	161.0
1933 ...	50.2	49.2	31.3	22.0	159.1

(B) 1913-32 (In thousands)

	1913	1923	1932
Great Britain ...	55,576	56,613	51,908
Russia ...	7,536	7,246	9,200 (estimated)
Germany ...	10,920	9,500	10,233
France ...	7,400	9,600	10,144
U.S.A. ...	30,579	37,225	31,709
India ...	6,400	7,331	9,312
Japan ...	2,250	4,754	7,798
China ...	1,200	2,552	4,285
World Total ...	142,186	155,981	161,016

From "International Master Cotton Spinners' Bulletin."

In *Artificial Silk*, world production has risen from 11,000 metric tons in 1913 to 221,600 tons in 1932. Most significant is the increase in Italy and the U.S.A.

The figures are :

WORLD PRODUCTION OF ARTIFICIAL SILK

(In metric tons)

	1913a	1922b	1925b	1931b
U.S.A. ...	700	11,070	23,500	65,300
Great Britain ...	3,000	6,600	13,500	24,500
Germany ...	3,500	5,000	11,800	27,200
France ...	1,500	2,850	6,500	20,200
Italy ...	150	3,000	13,850	34,600
World Total ...	11,000	35,200	86,000	221,600

Sources : (a) Balfour Committee's "Survey of the Textile Industries" ; (b) "International Statistical Year-Book."

In *Wool* the figures of world output are very difficult to obtain. The figures of values of exports of woollen goods are :

WOOLLEN MANUFACTURES
(In million £)

Year	U.K.	France	Germany	U.S.A.
1880-4	18·5	14·7	11·3	0·07
1890-4	17·4	12·3	10·9	0·04
1900-4	15·8	8·7	11·5	0·13
1909-13	24·6	8·2	12·8	0·17
1923	52·0	20·7	12·1	1·12
1926	43·5	16·4	14·4	0·60

Sources : Figures to 1926 from the Balfour Committee's "Survey of the Textile Industries," p. 173.

Imports of wool have been as below. These figures are from different sources :

IMPORTS OF WOOL
(In million lbs.)

Year	U.K.	France	Germany	U.S.A.
1880a	461	333	149	128
1890a	629	389	283	105
1900a	553	436	304	156
1912-13b	825	655	466	195
1925-6b	812	750	298	338
1931c	856	544 ^d	324	232 ^d

(a) From the "Report on Tariffs," 1905. (b) From "Dawson's Statistical Review of the Wool Trades." (c) From "The World's Wool." (d) In 1930.

Other figures in wool are possibly not strictly comparable, but are worth noting :

Great Britain			U.S.A.		
Year	Spindles (thousands)	Workers (thousands)	Year	Spindles (thousands)	Workers (thousands)
1885	6,145	282·3	1899	3,356	158·2
1890	6,574	301·6	1904	3,910	180·0
1904	6,685	261·8	1909	4,421	203·6
1918	8,023	260·0a	1914	4,925	197·9
			1919	5,191	239·8
			1926	5,113	208·2

(a) in 1921.

Italy		Germany	
Year	Spindles	Year	Spindles
1894	345·6	1912	2,364
1907	489·8	1925	2,499
1913	898·3		
1925	101·5		

Source : Balfour Committee, as above.

In *Copper*, world output rose from 479,000 tons in 1900 to a peak of 1,920,000 tons in 1929. It has since dropped to less than half (largely owing to the restriction of output scheme). The advance of Africa and Canada and the breaking of the old U.S.A. semi-monopoly are worth noting.

WORLD COPPER OUTPUT
(In thousands of long tons)

	1900	1913	1929	1932
Spain	53	35	60	30
Russia	7	25	38	45
Japan... ..	28	66	71	68
Africa... ..	7	23	168	110
Canada	8	34	113	110
South America	34	73	374	165
U.S.A.	263	555	900	235
World Total	479	989	1,920	905

Source : " *Economist*," Feb. 8th, 1933.

The world production of *Petroleum* rose from 56 million metric tons (about 390 million barrels) in 1913 to 190 million tons (approximately 1,700 million barrels) in 1931. Figures are :

PETROLEUM
(In million metric tons)

	1913	1922	1925	1931
U.S.A.	36.2	76.4	104.6	116.6
Mexico	3.8	27.3	17.6	4.9
Venezuela	—	0.3	2.9	17.6
Dutch Indies	—	2.4	3.1	4.7
Persia	—	3.0	4.7	5.8
U.S.S.R.	—	5.0	7.1	22.3
World Total	56.5	120.2	148.4	189.4

Source : " *International Statistical Year-Book*."

The production of *Motors* in various countries has been :

MOTORS
(In thousands)

	U.S.A.	Canada		Gt. Britain
Year	No.	No.	Year	No.
1913	485	18	1913	34
1920	2,227	94		
1923	4,034	146	1922	73

MOTOR CARS
(In thousands)

	1924	1929	1931
U.S.A.	3,603	5,358 ^b	2,390
Canada	135	263	83
Germany	70 ^a	101	72
France	145	248	197
U.K.	132	239	225
World	4,118	6,308	3,049

In 1932, world production fell to 1,970,000, of which U.S.A. 1,371,000, Canada 61,000, and U.K. 247,000. The U.S.S.R. output rose from 1,000 in 1928 to 21,000 in 1931.

(a) In 1925. (b) Plus 335,000 assembled abroad.

From "The U.S. Department of Commerce Year-Book," "The Motor Industry of Great Britain" and the "International Statistical Year-Book."

The production of *Potash* has been :

POTASH
(In thousand metric tons)

	1913	1924	1931
Germany	1,275	998	1,200
France	58	267	390
World	1,350	1,313	1,700

Source as for Wood Pulp.

The production of *Superphosphates of Lime* has been :

SUPERPHOSPHATES OF LIME
(In thousand metric tons)

	1913	1924	1930	1931
France	1,920	2,304	1,987	—
Italy	980	1,242	1,388	802
U.S.A.	3,250	2,948	4,110	2,300
World	11,800	11,540	15,400	9,000

Source as for Potash.

The world production of *Rubber* is concentrated mainly in the East Indies. The figures are :

RUBBER
(In thousand tons)

Year	East Indies and Malaya	Rest of World	Total
1910	10.9	83.0	93.9
1913	53.6	66.5	120.1
1920	305.1	36.9	342.0
1923	380.1	28.6	408.6
1926	582.2	40.3	622.5
1929	829.6	28.1	857.7
1931	774.0	16.0	790.0

From "U.S. Department of Commerce Year-Book" and "International Statistical Year-Book."

, has

b

WOOD PULP

(In thousand metric tons)

	1913	1924	1929	1930
Canada	770	2,206	3,558	3,282
U.S.A.	2,680	3,437 ^a	4,411	—
Germany	1,490	1,307	2,056	2,005
Sweden	1,190	1,696	2,540	2,432
World	8,500	11,780	17,000	16,530

(a) In 1923.

Note: 1913 based on the "Statistical Abstract of Foreign Trade" and the other years on the "International Statistical Year-Book."

These figures show the changes in the relative weights of production in the imperialist world. A new and very significant factor is added to them with the growth of production under socialism, in the Soviet Union. The building up of an iron and steel industry, of tractor, automobile, engineering, modern chemical, modern agricultural machinery, aviation industries, the production of electric power, oil products, coal, and textile goods, with many centres has resulted in

"the complete and irrevocable expulsion of the capitalist elements from industry, and socialist industry has become the sole form of industry in the U.S.S.R. . . . this has resulted in our country being transformed from an agrarian country into an industrial country, for the relative proportion of industrial output to agricultural output has increased from 48 per cent. in the beginning of the Five-Year Plan (1928) to 70 per cent. at the end of the fourth year of the Five-Year Plan (1932) . . . all this has resulted in our being able to fulfil the programme of general industrial output, which was calculated to take five years, to the extent of 93.7 per cent. at the end of four years; in our having increased the volume of industrial output more than *threefold* compared with the pre-war output, and more than *twofold* compared with the output of 1928." (Stalin, *From the First to the Second Five Year Plan*. See also *Stalin Reports to the 17th Congress, C.P.S.U.*)

A NOTE: "SOFINA"

In certain industries, especially transport and electricity, international holding companies (representing financial and industrial interests from every part of the world) have

developed. Typical is the 1,700-million-franc *Sofina* (Société Financière de Transports et d'Enterprises Industrielles) of Brussels. This was formed in 1929 and financed by British, Belgian, French and American concerns and banks to act as a financing and holding company in gas, water, electricity, tramways, etc. It controls, works hand in hand with or is heavily interested in the *Chade* of Madrid (Compañía Hispano-Americana de Electricidad), with electricity and gas concerns in Buenos Aires and the Argentine, and in the *Sidro* (Société Internationale d'Energie Hydro-electrique) of Brussels, which runs the traction, light and power company at Barcelona (Spain) and light and power companies and trams in Mexico City and State. Sofina also runs the electric concern at Rosario (Argentina), the gas and electricity of Lisbon, tramways, electricity and gas at Istanbul (Constantinople), and the Buenos Aires trams (through the Anglo-Argentine Tramways Ltd.). It owns the *Serma* of Brussels, a holding company with many Belgian subsidiaries in the eastern half of the country. Other Sofina interests are the electric company of Bologna (Italy), the tramways at Naples (Italy), electric companies in Paris, the north, south and centre of France, in Algiers, in Italy, and the north, west and east of Belgium. It has a share in the Berlin light and power concern; heavy interests in Ludwig Loewe and Co.'s engineering works at Berlin; in electricity companies in Germany at Esslingen, in Silesia, etc.: in the trams of Bilbao (Spain); in transport and electricity undertakings in Hungary; in the Belgian glass combine (a third part); in Belgian collieries, Dutch and Belgian cement works, Belgian nitrates and chemicals, etc.

[Material based on the Third Annual Report of Sofina, 1932.]

W. F.

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