

cial houses in London watch the fluctuations with extraordinary keenness, and make some of their profits out of adjustments and movements of money, with percentages of profit so small as to look scarcely worth attention to the uninstructed layman. British Dominions, having strong and well-organised banks, have generally escaped those fluctuations by the adoption of conventional rates of exchange. But the rates must have a close relation to the London rates."

It was impossible to discuss intelligently the effect of a State Bank on rates of exchange, added the banker, without knowing something of the organisation and scope of the suggested institution. A State bank, acting independently of the private banks might choose to cut down its own profits by doing exchange work slightly below the current rates. But the benefit to the commercial community would not be large, since the profit of the bank was only one of the factors governing exchange. The State bank would not be able to operate independently of the London money market. If a State bank handled all payments in connection with the export of New Zealand produce, it would undoubtedly accumulate very large credits in London and might be able to reduce exchange rates. It was well known that some business houses saved money by arranging exchange between themselves. If A, a New Zealand exporter, had sold produce worth £10,000 in London and had the money to his credit there; and if B, doing business in New Zealand, wished to pay for £10,000 worth of British goods for export to the Dominion, it was possible for A and B to arrange matters between themselves and save exchange. B. could pay A £10,000 in New Zealand and take over the £10,000 held by A in London. But it would hardly be suggested that a State bank would handle all the payments, and failing that, it would be in much the same position as the other banks.

It is thought in financial circles here that the effort of the British and American bankers to adjust exchange rates will be successful, though some time may elapse before the pre-war position is fully restored. The Americans are getting an advantage under present conditions, but they realise that if the conditions continue the other nations will be forced to cease buying American goods. A strong effort will be made to prevent this occurring.

Not So Well Off.

Labour Leader's Warning.

Speaking on "Industrial Fallacies" at Leeds recently, Mr. W. A. Appleton, Secretary of the General Federation of Trade Unions, said one misapprehension was that high wages necessarily meant a high standard of comfort. Millions were getting twice as much in nominal wages, and yet were not living as comfortably as before the war. Another misapprehension was that idleness made for happiness. If people who were striving for more leisure were only doing so in order that they might do nothing, he was sure they were not going to be any happier. It was the exercise of thought and creative capacity that afforded the highest happiness. He was afraid we were getting into trouble by imagining that shorter hours necessarily meant less unemployment. The

effect would be seriously to increase the cost of production and the selling price in overseas markets.

He feared they were making the mistake of assuming that the grievances of the minority were more important than the welfare of the majority. They were having lightning strikes, which were stopping production and holding up the whole country. We were running after will-o'-the-wisps, and later on we would have to pay for the foolishness that had kept us more or less idle for the past three months. These occupations were to-day combining to compel the rest of the workers to pay additions to their wages. He wanted the miners, the railwaymen and the transport workers to have a good time, but they should realise that every penny put upon the community handicapped the other fellow. He wanted working people to get back to the old truth—"In the sweat of thy face shalt thou eat bread."

Elephants as Lumber Jacks.

The elephants are our chief standby in Siam and without them teak could not be worked, as it grows in such inaccessible places that no hauling machine could be brought near the trees, says a writer in "Asia." Elephants can climb like cats. It is marvellous to see them pick their way up and down steep slopes, but sometimes they lose their foothold. One of our elephants fell down a steep river bank last year, hit her head against a rock and broke her neck. The work of the elephants consists in climbing up to the fallen trees and pushing or rolling them down hill to a spot where it is level enough for dragging chains to be attached. Then they drag the logs down to the nearest floating creek, often six or seven miles away. An elephant can handle from fifty to seventy logs per season, which lasts from about June 1 till the end of February. Then it becomes too hot for them to work, and they go into rest camps until the next rains. The elephants do their best work in floating streams, working the timber with the current, releasing logs from jams and rolling the stranded logs back into the water. The elephant drivers have a special "elephant" language which the nials understand—a special elephant vocabulary with such terms as "Push sideways," "Roll," "Pull out," "Stop," "Lift your chains."

It is very interesting and exciting to watch the elephant at work in high water. They are magnificent swimmers. When they swim from bank to bank, herding the logs that require their special attention, you see nothing of them except the tips of their trunks through which they breathe, and the mahouts, or drivers, who are generally in water up to their waists. If a big stack or jam breaks suddenly where elephants are working, they know the danger of being overtaken. They trumpet and clear off to either bank or swim downstream as fast as they can go. I once saw an elephant working at the head of a jam slip off a rock into deep water and get swept under the stack. We all believed that he was a goner, but every now and then we were surprised to see his trunk come up through the logs, suck in a long breath and disappear. The trunk would reappear each time further downstream. He finally emerged at the foot of the jam, very much blown.