

siderable expense rather than cut his prices. Any advantages accruing to price-cutting are likely to be only temporary, since after a time other producers also will cut their prices, the eventual result being a reduction in all producers' profit margins. In such cases advertising becomes an alternative to price-cutting. Thus, the aim of advertising is to influence the demand for a commodity so that a greater quantity of it is bought without having to reduce its price.

Advertising can take many forms, though advertising in newspapers, magazines, and trade journals accounts for 60 percent of total expenditure on advertising. Circulars, leaflets, catalogues, or free samples may be distributed. The cinema, commercial radio, and television offer opportunities to the advertiser, and for a long time advertising on street hoardings has been supplemented by increasingly elaborate electric street signs at night. Other forms of advertising include both the exterior and interior of buses, the exterior of traders' and manufacturers' own vans, exhibitions and window displays. A popular method of advertising is the issue of coupons entitling the holder to a temporary reduction in the price of a specified commodity. A recent development has been the sponsoring of sporting activities and other forms of entertainment. Expenditure on advertising has reached enormous proportions in some countries, especially in the United States, where it now exceeds \$10,000 million per annum. Although advertising in Great Britain costs not much more than one-tenth of that sum it is, nevertheless, a serious cost of production, though the amount varies very considerably between different industries, in patent medicines being as high as 65 percent of the total cost.

Selling costs are regarded by economists as one of the causes of imperfect competition, and as competitive advertising is considered as a waste of economic resources which otherwise might be employed on the production of other goods. To the industrial manufacturer advertising is clearly of great advantage as a means of increasing the sale at the expense of his rivals, but from the point of view of the community as a whole it simply leads to a multiplication of economic activity. It is well known that it interferes with the free choice of consumers. Nevertheless, large

numbers of consumers actually prefer to buy goods that are widely advertised. Sometimes advertising is undertaken on behalf of a whole industry (e.g. "Milk has gotta lotta bottle") to stimulate general demand for the product. In an affluent society it may actually create wants of which consumers were previously quite unaware. State prohibition of competitive advertising would be difficult to enforce since it is not possible to make a clear distinction between the two types of advertising, since most advertising contains elements of both kinds in varying degrees.

**Advertising Standards Authority.** An independent body set up in 1962 by all sides of the advertising industry to promote and enforce high standards in advertising as set out in the British Code of Advertising Practice.

**Advice note.** A note informing a person that a certain transaction has been carried out. More particularly it refers to a commercial document despatched by the supplier of a quantity of goods, such as a manufacturer or a wholesaler, to a purchaser informing him of the date on which the listed goods were despatched and of the means of transport employed.

**"Advise fate".** A term used in connection with cheques. If it is required to know whether the drawer of a cheque has a sufficient balance in his current account to meet it the receiving banker may ask for this information, that is, to be advised of the "fate" of the cheque in question.

**AEA.** Abbreviation of Atomic Energy Authority (*q.v.*).

**Aer Lingus.** The airline of the Irish Republic.

**Aeroflot.** The Russian state airline

**AFA.** Designatory initials of an Associate of the Faculty of Actuaries.

**Affiliate.** A firm which is associated with another, generally as its subsidiary.

**Affiliated orders.** A type of friendly society (*q.v.*) such as the Independent Order of Oddfellows, in which small, but independent, local lodges are organised in federations.

**Affluent society.** The high standard of living achieved in many countries in Western Europe and the United States. The term was used by Professor J. K. Galbraith in *The Affluent Society*, a book devoted to a study of the economic and social problems these new conditions have produced. With rising real income of the

mass of people and the virtual abolition of poverty a time arrives when most people can satisfy their basic wants and still have money with which to buy other things. When this stage is reached wants cease to originate with the individual. To maintain a high level of production it is constantly necessary to stimulate — indeed, often actually to create — demand by advertising and other means. Human experience of affluence, he says, is very brief, and the economic ideas still current were developed in a world where most people lived in poverty in conditions of inequality and insecurity. Today production is not primarily concerned to satisfy the real wants of consumers, but to provide employment. Since the standards of many people are not very high much of production is devoted to the satisfaction of trivial wants.

**Afghani.** The currency unit of Afghanistan. One afghani is equal to 100 puls.

**AFL.** Abbreviation of American Federation of Labor (*q.v.*).

**After date.** A term used on a bill of exchange to indicate the date from which the period of the bill is to be calculated.

**After sight.** A term used on a bill of exchange to indicate that the period for the bill is to be calculated from the date on which it is presented to the drawee for acceptance.

**AG.** Abbreviation of Aktiengesellschaft, the German equivalent of limited company. *See also GmbH.*

**Age-distribution of capital.** *See Acceleration principle.*

**Aged Poor, Royal Commission on (1893).** This Commission was set up by Parliament in 1893 to consider what should be done to improve the lot of people who were unable to maintain themselves. Consideration was given to the possibility of granting them old-age pensions (*q.v.*).

**Ageing population.** Since 1890 there has been a gradual increase in the percentage of old people in Great Britain. In 1891 almost half the people in Britain were under the age of 21, whereas by 1975 the number of young people under this age had fallen to 30 percent. In 1891 only 7 percent of the people were over 60 years of age, but by 1970 this percentage had increased to 18. In 1970 there were 6.5 million people over the age of 65. In 1981 there were 7.4 million over the age of 65. There are two main reasons for the in-

crease in the proportion of older people: (a) the fall in the birthrate from 34.2 per thousand in 1880 to 13.0 per thousand in 1974; and (b) the rise in the expectation of life in the twentieth century. *See Population problem.*

**Agency shop.** A type of closed shop permitted under the Industrial Relations Act 1974 (*q.v.*).

**Agent.** In law a person who is given authority by some other person to enter into a contract on his behalf, the authority of the agent being limited to the power given him by his principal. Where the buyer requires to have expert knowledge, as on most of the highly organised produce exchanges, it is usual for the principal — a wholesaler or a manufacturer — to employ an agent or broker who is a specialist buyer of the commodity concerned. Also, where a special procedure has to be followed in the selling of goods as, for example, in a wholesale market where the method of sale is the auction, the seller, usually an import merchant, engages an agent or broker to act on his behalf. A *del credere* agent is one who guarantees payment to his principal for goods sold on his behalf.

**Agents of production.** An alternative term for *factors of production* (*q.v.*).

**Age-specific mortality rate.** A refinement of the crude death rate (*q.v.*) for a country, showing the number of deaths each year per thousand persons in each of the main age groups.

**Aggregates.** Some of the most important modern problems of economics are concerned with aggregates such as the general price level rather than with individual items such as the price of a particular product. To the branch of economic theory dealing with individual prices, wages, saving, etc., the name microeconomics (*q.v.*) has been given. Lord Keynes saw that microeconomics failed to explain the great problem of his own day, which could be considered only in terms of aggregates such as the volume of investment, saving, consumption, employment, the national income, since what is true of the individual is not always true of the community as a whole. Thus, it may be to the interest of the individual to save at a period when it is not so for the community as a whole, as for instance in a time of heavy unemployment. An individual may increase his personal income by a purchase

of (say) £100 of a new issue of government stock, but from the point of view of the community this is simply an increase in Government debt, adding nothing to the real national income. With the increasing interest taken by governments in economic policy greater attention has had to be paid to aggregates since a government of necessity is concerned with the welfare of the whole community and not with particular individuals. Since it accepted responsibility for the maintenance of full employment the British government has had to take an interest in such aggregates as the level of employment, investment, saving, consumption, production, and trade and, because of its concern to check inflation, the level of prices. To the branch of economics devoted to a study of aggregates the name macroeconomics has been given (*q.v.*).

**Agio.** 1. An alternative name for the abstinence theory of interest (*q.v.*). 2. A charge made for exchanging the currency of one country for that of another. When a currency has depreciated, perhaps as a result of inflation, or in the case of coins because they have lost weight due to wear, the agio represents the difference between the nominal and the actual value of the currency.

**Agiotage.** Speculation in foreign exchange or stock exchange securities.

**Agrarian Revolution.** The improvements in farming that took place in England mainly during the second half of the eighteenth century. One of the most important changes was the abolition of the fallow field, the four-course system of crop rotation replacing the former three-field system. Fields previously left fallow were given up to the cultivation of turnips and other root crops, thus providing winter food for cattle and other animals, so that it was no longer necessary to kill off most of them at the onset of winter. As a result fresh meat replaced salted meat in the winter months with beneficial effects on the health of the people. At the same time improved methods of breeding raised the quality of both sheep and cattle. The enclosure of the common lands made for more efficient farming, although it resulted in large numbers of independent yeomen having to accept employment as hired labourers.

**Agreed charges.** At one time British Rail imposed standard charges for the carriage

of goods. In order to enable them to compete more effectively against road operators the Road and Rail Traffic Act of 1933 permitted them to make special terms with individual traders, subject to the approval of the Railway Rates tribunal.

**Agricultural bank.** A bank established to assist agricultural development by granting loans of longer duration than is customary with commercial banks. Each state of Australia has a bank of this type. See also **Agricultural Mortgage Corporation.**

**Agricultural committees, county.** Committees representing landowners, farmers, and farm workers, set up for the purpose of giving advice to farmers on matters of agricultural interest.

**Agricultural fluctuations.** When the demand for a commodity is inclined to be inelastic and when also supply is slow to adjust itself to changes in demand, as is the case with most agricultural products, violent fluctuations in output are liable to occur. Thus, the immediate effect of an increase in demand is a steep rise in price, because in the short run supply is fixed. On account of this high price producers tend to be overoptimistic and expand production by a greater amount than is justified by the increase in demand. Then, when this additional supply comes on to the market the price of the commodity falls steeply, and because this makes producers overpessimistic they reduce production to too great an extent. Again price rises and the whole cycle of fluctuating production is set in motion once again. Such extreme fluctuations in output are most likely to occur with agricultural products because such commodities are most inclined to fulfil the two necessary conditions of inelastic demand and slow responsiveness of supply. See **Cobweb theorem.**

**Agricultural Marketing Act 1931.** An Act which made possible the setting up of a Marketing Board for any agricultural commodity where the producers of a large proportion of its total output were in favour of such a scheme. The Milk Marketing Board was the first to be established.

**Agricultural Mortgage Corporation.** One of a number of finance corporations set up for the purpose of making loans to industry – in this case, agriculture – for longer periods than those for which the

commercial banks lend. It was established under the Agricultural Credits Act 1928, the share capital being provided by the Bank of England and the English commercial or joint-stock banks. The Corporation also initially received from the Ministry of Agriculture and Fisheries a loan equal in amount to its share capital. In addition the Ministry (now the Ministry of Agriculture, Fisheries and Food, or MAFF) has made regular annual contributions towards its working expenses. Further funds are obtained by the issue of debentures which are marketable on the stock exchange. The Corporation serves farmers in England and Wales – for Scottish farmers there is the Scottish Agricultural Securities Corporation – who obtain credit and who through this institution can mortgage their land up to two-thirds of its current value for periods of up to sixty years. The commercial banks act as agents of the Corporation so farmers seeking loans can transact their business through their bank managers.

**Agricultural rates.** By an Act of 1896 local rates on agricultural property were reduced to half, by an Act of 1923 to a quarter, and finally in 1929 complete relief was given. *See also De-rating.*

**Agricultural support subsidies.** Grants made to British farmers for the purchase of fertilisers or lime, for ploughing up grassland, for field drainage, for the rearing of hill sheep and cattle and for a great variety of improvements to farms and farm land. These items together account for about a third of the total subsidy, the remainder being in the form of price supports for cereals, fatstock (cattle, sheep, pigs), wool and potatoes. The aim is to increase both the total output of these commodities and their quality, as proposed in the Agriculture Act 1947 (*q.v.*)

**Agricultural Wages Board.** A body responsible for negotiating the wages of agricultural workers.

**Agriculture Act 1947.** An Act offering British farmers guaranteed prices and assured markets for their products in order to give greater stability of output and prices. The Act states its aim to be to encourage the British farming industry to produce "such part of the nation's food as in the national interest it is desirable to" at "minimum prices consistent with proper remuneration and living conditions for farmers and workers in agriculture, and

with an adequate return on the capital invested". Each year in the Annual Review of Agriculture the government decides the guaranteed prices for such things as milk, potatoes, livestock, etc. The Act also contained provisions for maintaining a high standard of farming in Great Britain, including the dispossession of farmers who failed to reach the required minimum standard of efficiency.

**Agriculture, Annual Review of.** A government statement of the guaranteed prices for certain agricultural products for the ensuing year, published in accordance with the Agriculture Act 1947 (*q.v.*).

**Agriculture, Fisheries and Food, Ministry of (MAFF)** The government department responsible for all matters appertaining to the agricultural and fishing industries and, since 1955, food. It is generally headed by a minister of cabinet rank.

**AIA.** Designatory initials of an Associate of the Institute of Actuaries. *See Actuary.*

**AIAC.** Designatory initials of an associate of the Institute of Company Accountants.

**AIB.** Designatory initials of an Associate of the Institute of Bankers. *See Institute of Bankers.*

**AICS.** Designatory initials of an Associate of the Institute of Chartered Shipbrokers.

**AID.** Abbreviation of Agency for International Development, a US institution established in 1961 to centralise the government's foreign aid programme.

**Aids (or Ancillaries) to trade.** In the study of commerce it is usual to divide commerce into seven or eight main branches – the four branches of trade (retail, wholesale, import, export) and four aids to trade (transport, banking, insurance, and advertising).

**AIMTA.** Designatory initials of an Associate of the Institute of Municipal Treasurers and Accountants *See CIPFA.*

**Air Canada.** The principal international airline of Canada. Canadian Pacific also operates a number of international routes.

**Air France.** The principal French airline.

**Air letter.** Letter form, purchasable at post offices, with impressed stamp for sending by air mail.

**Air mail.** The first air mail service was that between London and Paris, opened in 1919. A year later air mail services to Brussels and Australia were started. At the present day there are air mail services between all the principal countries of the world.

**Air mail transfer.** An alternative means to the bank draft and telegraphic transfer for making a payment abroad.

**Air transport.** The first regular British air service for passengers and mail was inaugurated between London and Paris in 1919. Between the two World Wars development was slow, but after 1945 a huge expansion took place. Air services are now operated between all the important commercial cities of the world. Large countries like the United States have developed extensive internal systems of air transport, but in Great Britain, where distances are relatively short, internal routes are limited to connections between the larger cities and services between the mainland and the outlying islands – the Shetlands, Orkneys, Hebrides, Isle of Man, Channel Islands, and the Scilly Isles. The main British airline is the state-owned British Airways, formed in 1973 by a merger of BEA and BOAC, and at the time of going to press, in the process of being denationalised. In addition there are a number of independent lines, the largest being British Caledonian. The outstanding advantage of air transport is its speed, and its main disadvantage is the high operational cost in relation to the load carried. Nevertheless one of the greatest developments of recent years has been the expansion of freight services and a huge increase in the total load of freight carried. Airlines now compete against both oceangoing liners and railways.

**Air UK.** An independent airline serving many provincial airports in Great Britain as well as the London airports and some in Western Europe.

**Airway letters.** As a result of an agreement between the Post Office and British Airways letters can be accepted at certain airports for conveyance by air.

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**ALA.** Designatory initials of an Associate of the Library Association (*q.v.*)

**Alexanders Discount Plc.** One of the principal public companies carrying on discount business in the London money market, it was founded in 1810

**"A" licences and "B" licences.** Under the Traffic Act 1933 road hauliers were divided into three categories – A, B, and C, the aim being to regulate traffic on the roads. The Transport Act 1968 (*q.v.*)

abolished this licensing system, "A" and "B" licences being replaced by the "O" licence (*q.v.*). See also *Geddes Report* (2).

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**Allen Report (1965).** The report of a Committee appointed in 1963 to consider "the impact of rates on households", it found rates in effect to be an *ad valorem* tax on dwellings and generally regressive.

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**Allonge.** A slip of paper attached to a bill of exchange to provide additional space for endorsements where the reverse side of the bill has already been fully covered. An allonge was often necessary when bills of exchange might pass freely from hand to hand, as at one time in the Manchester district. It is rarely required nowadays.

**Allotment letter.** When a company makes a public offer of shares applicants are informed by means of allotment letters of the number of shares that have been allotted to them. If the issue has been oversubscribed it will be necessary to allot to some applicants fewer shares than they have applied for.

**Allowance system.** The system of supplementing wages out of parish funds, first adopted in 1795 at Speenhamland in Berkshire, and more often known as the Speenhamland System (*q.v.*)

**"All-up" service.** A term used of the practice now adopted by the Post Office of sending all mail to Europe by air if this will ensure earlier delivery than other means of transmission.

**Alpine routes.** The Alps for a long time were an almost insurmountable obstacle to transport, most of the roads over the high passes being closed for long periods in winter. Then railway tunnels were constructed under the Mont Cenis, Simplon, St Gotthard and Arlberg passes. Since 1964 a number of road tunnels have been opened, including the Mont Blanc, Great St Bernard, St Gotthard and the Fréjún tunnels.

**Alternative cost.** An alternative term for opportunity cost (*q.v.*)

**Alternatives.** The basic principle of modern economic theory is that all things are scarce relative to the demand for them. Consequently consumers must choose bet-

ween alternatives, since to have more of one thing necessitates having less of another. The reason why all things are scarce is that the supply of economic resources, that is, the factors of production, is limited, so that a choice has to be made as to how they shall be employed. This choice may be made by consumers through the price mechanism (*q.v.*) in a free economy or by the state in a state-planned economy. Thus economic decisions resolve themselves into choices between alternatives.

**Amalgamation.** When two firms, previously independent, coalesce to form one new business an amalgamation or merger takes place. When this type of merger occurs the old firms completely lose their identity in the new organisation. If two limited companies amalgamate, shares in the old companies will be exchanged for shares in the new company at an agreed ratio. Businesses can expand either by natural growth or by amalgamation. For example, the English commercial banks reached their present size partly by natural expansion – opening new branches – and partly by the amalgamation of banks. When two companies of approximately equal importance amalgamate, the new company may take a name that combines the two old names or they may select an entirely new name. If a very large company amalgamates with a small one the well-known name of the large company will probably be retained, the small company in effect being absorbed by the large. Nowadays mergers of well-known companies are more usually effected through the formation of a holding company, so that the old names with the good will they bear can be retained. There are three main motives for the amalgamation of firms (*a*) to secure economies associated with large scale production, (*b*) to obtain a larger share of the market for a commodity, or (*c*) to obtain greater diversity of products. See **Combine**; **Holding company**.

**AMBIM.** Designatory initials of an Associate Member of the British Institute of Management (*q.v.*).

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**American account.** After the withdrawal of convertibility of sterling in 1947, convertibility was restored in stages. At one period there were three groups of countries, sterling being freely convertible

within each group, with only limited convertibility between the groups. One group comprised the sterling area, the second group being the area of the transferable account, and the third being the area of the American account. The members of the American account were the United States, Canada, and some countries in Central America. See also **Sterling area**; **Transferable account**.

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**American Express.** An American travel agency and bank. (See **Amex Bank**.) It began to issue travellers' cheques in 1891 about the same time as Thomas Cook and Son (*q.v.*) and is now the world leader in this type of business. American Express has linked up with the three largest French commercial banks for the joint issue of French franc travellers' cheques. American Express was also one of the first organisations to issue credit cards. See **Credit card**; **Travellers' cheques**.

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Labor and Congress of Industrial Organizations (AFL-CIO).

**American Loan.** See *Washington Loan Agreement (1945)*.

**American Plan.** Sometimes known as the White Plan after the US Secretary to the Treasury, this international currency scheme was put forward by the US Treasury immediately before the Bretton Woods Conference of 1944. Like the Keynes Plan it aimed at increasing world trade through stable exchange rates and freely convertible currencies. Both Plans favoured the establishment of an international institution such as the International Monetary Fund. See *Bretton Woods Agreement; Keynes Plan*.

**American system.** A system of taxation in which a tariff is the main source of revenue, so called because after securing independence the government of the United States found it difficult to impose direct taxes or excise duties on account of the resentment aroused by British attempts to tax the American colonists.

**Amex bank.** A subsidiary of American Express (*q.v.*) In 1975 it acquired Rothschilds International Bank Ltd.

**AMIEx.** Designatory initials of an associate Member of the Institute of Export (*q.v.*).

**AMInstT.** Designatory initials of an Associate Member of the Institute of Transport (*q.v.*).

**Amortisation.** The provision for the gradual extinction of a debt by means of a sinking fund. A portion of the debt may be repaid at intervals along with the interest. Until recent times this method was adopted for the gradual reduction of the British National Debt. In the case of a wasting asset, such as a mine, a portion of income may be set aside each year to provide a fund to cover the capital depreciation. This practice also is known as amortisation.

**"Amounts differ".** A term used of a cheque, payment of which has been refused because the amounts in words and figures do not agree.

**Amro.** Abbreviation of Amsterdam - Rotterdam Bank (*q.v.*).

**Amsterdam.** The financial centre of the Netherlands.

**Amsterdam - Rotterdam Bank.** Founded in 1871, it is the largest commercial bank in the Netherlands, undertaking slightly over 10 per cent of the total banking business of that country. It has an interest

in the Banque Européenne de Crédit à Moyen Terme, European Banks International (*qq.v.*) and the American European Bank Corporation.

**Amtrak.** A public railroad corporation created in 1971 to operate railway passenger services in the United States. It reduced the number of inter-city passenger services from 300 to 184 (*cf. Conrail*).

**Andes Agreement (1957).** The agreement by which the British owned railways of Argentina were sold to that country.

**Angel.** A former English gold coin first issued in 1465 and worth £0.33 at that time. Gradually its value rose, so that in 1661 it was worth £0.58. During its period of circulation, angelets (half-angels) were also issued, and in 1544 and from 1560 to 1661 quarter-angels.

**Angelet.** A half-angel, a former English coin. See *Angel*.

**Anna.** A former Indian or Pakistani coin equal in value to one-sixteenth of a rupee.

**Annates.** A feudal tax. See *First fruits*.

**Annual Abstract of Statistics.** A publication of the Central Office of Statistics which gives statistics compiled by the Central Office of Statistics on matters of economic importance, such as population, the distribution of labour among different occupations, foreign trade, prices, banking, and finance.

**Annual return.** A limited company must by law supply each year to the Registrar of Companies a summary of its capital and shares, together with an up-to-date list of directors and members, with the number of shares held, the names of those who have ceased to be members since the previous return, a statement showing the indebtedness of the company and a copy of its last balance sheet.

**Annuity.** A sum of money received annually, in one or more instalments, for an agreed period of time. In the case of a *life* annuity payment continues until the death of the person concerned. Such annuities can be purchased from insurance companies and, until 1962, from the government. For over 150 years the British government had sold life annuities to private individuals, but the demand for them declined, mainly owing to better terms being obtainable from insurance companies. Annuities are sometimes arranged for an agreed period of time, when they are said to be *terminable*, or they may even be *perpetual*. Some insurance com-

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panies issue terminable annuities that continue to be paid to the annuitant's dependants until the end of an agreed period if the annuitant dies within that period. Government debt to the Bank of England (*see Bank return*) is in the form of perpetual annuities. An *immediate* annuity is one that commences immediately after it has been purchased, whereas a *deferred* annuity starts at an agreed future date. The cost of an annuity depends in the first place on the rate of interest prevailing at the time of the purchase. In the case of a life annuity the purchase price also depends on the age and sex of the annuitant, the price being higher for women than for men for annuities of equal amount. Some assurance companies now issue annuities linked to unit trusts to provide protection against the falling value of money.

**Antedate.** To date a document earlier than the actual date on which it was drawn up.

**Anticipated prices.** Fluctuations of prices influence consumers' demand. If it is thought that prices are likely to rise this tends to increase demand, but if prices are expected to fall consumers may postpone some of their purchases, so that a decrease in demand occurs. Expected changes in taxes such as value added tax will have the same effect. When planning his output a producer has to take account of what he expects the market price of the commodity to be at the time it will begin to flow on to the market.

**Anticipation.** In a free economy much of production takes place in anticipation of demand, the fact that conditions of demand may change in the interval giving rise to uncertainty (*q.v.*).

**Anti-Corn Law League.** A movement started in Manchester in 1838 and led by John Bright and Richard Cobden. Its aim was to work for the repeal of the Corn Laws, which had been imposed to protect British farmers against foreign competition, but which made bread dear. The movement was supported by northern manufacturers who thought that if bread were cheaper demands for higher wages would be checked. Lower costs to British manufacturers, it was argued, would result in an expansion of exports. The Corn Laws were repealed in 1846, after which the League was disbanded. This was Great Britain's first great step towards free trade.

**Anti-Trust Laws.** A series of Acts passed by the Federal Government of the United States to check and control the formation of trusts (*q.v.*). The first was the Sherman Anti-Trust Act of 1890. Under this Act two trusts – the Standard Oil Company and the Tobacco Trust – were dissolved. Both, however, were reconstituted shortly afterwards in such a way as to keep within the law. In 1914 the Clayton Act was passed to check the development of monopolies by prohibiting the amalgamation of firms producing a large proportion of the total output of a commodity. Though not very successful in achieving their objects these acts indicated the concern of the American Government to check the growth of monopolies.

**Antwerp Diamond Office.** A Belgian government department which supervises imports of diamonds. Antwerp is the principal European centre for cutting and polishing rough stones, mainly imported from London.

**AOB.** Abbreviation of "any other business", as an item on the agenda of a meeting.

**Application for a quotation.** *See Quotation.*

**Applied economics.** The branch of economics devoted to a study of practical problems with the help of the principles and tools of analysis provided by pure economics. *See Economics.*

**Appraiser.** A professional valuer of property. He must be licensed unless already licensed as an auctioneer or estate agent.

**Appreciation.** An increase in the value of (a) of stocks and shares when their prices rise on the stock exchange; (b) of a currency when its value increases in terms of other currencies (*see currency appreciation*); (c) of stocks held by manufacturers and merchants in a period of rising prices.

**Apprenticeship.** The system whereby a young person wishing to learn a trade is employed under the supervision of a skilled worker for an agreed number of years. It had its origin in the Middle Ages when the beginner in a trade had to serve for a period under a master who was a member of the appropriate guild. Before becoming a journeyman and a member of the guild the apprentice had to satisfy the guild of his skill by producing an example of his work, known as his "masterpiece". For a long time the usual period of apprenticeship was seven years. At one time