The coming of Keynes to Wall Street, 1931-1939

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Abstract

While the recent literature has shown an increasing interest in Keynes's investment activity, exploring his dealings in commodity futures and options, in currencies and in British equities on behalf of King's College, as well as his profile as an investor, specific analysis of his investments in US securities is still lacking. Keynes began to trade in the US stock market on a regular basis in late 1931 and continued to do so until the end of his life. He invested mainly in utilities and investment trusts, which he carefully selected. We feel that this aspect of his career as an investor deserves special attention, and is worth investigating for two reasons in particular. Keynes's shift to the US equity market came when it was still very hard to tell when full recovery could be expected. In 1930, he had publicly rebutted the view of his business partner Oswald Falk, whose advice to investors was to abandon British manufacture altogether and buy American shares. Until 1933, in his monthly reports for a Dutch company (Philips), still unpublished, Keynes's outlook on the USA remained negative. Only in February 1934 did Keynes wax optimistic about the USA on account of his growing confidence in the New Deal. His trading behaviour suggests that this confidence was not shaken by the US recession of 1937. In this paper we first trace the evolution of Keynes's opinions on the US economy and his "view" on the US stock market. We then go on to follow the timeline of his investments by sectors, focusing on the companies that Keynes held on to for a longer period, looking for a pattern in his investment behaviour in the US market between 1932 and 1939, before the War and his involvement in the Treasury changed the personal and institutional circumstances of his investment activity.

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1. Introduction

On 13 March 1930, the *Times* newspaper published a letter to the editor written by Keynes under the title "Investments Abroad" (CWK XX: 331-2). The occasion for this letter was a memorandum by Oswald T. Falk, Keynes's friend and business partner, which had provoked "great hostility in the Press", as Keynes himself commented. The reason for the hostility in Britain was obvious. Falk had suggested that British investors dispose of their British shares and reinvest their money in the USA. As Millmow (2012) has reconstructed, and as Keynes knew well, this was not an extemporary view that Falk had superficially delivered to the press. Nor was Falk the only one to believe that British industry had entered into irreversible decline: "It is … full time that we faced up to the question whether, as Mr. Falk thinks, we are at the beginning of a long industrial decline or, as I believe, in the middle of a painful readjustment" (CWK XX: 332).

In March 1930, Keynes had just become "more fashionable again", as he wrote to his wife on 25 November 1929, about his appointment to the Macmillan Committee, which was followed in January 1930 by membership of the Economic Advisory Council. In these circumstances, Falk's antipatriotic opinions were embarrassing for Keynes, who may have felt the need to dissociate himself from them. However, there is no reason to think that Keynes was insincere when he said that the situation of British industry was difficult but not desperate. Indeed, especially after the abandonment of gold standard in 21 September 1931, Keynes appeared rather optimistic as to the future of Britain. By contrast, as Bateman and Dimand (2015) show on the basis of unpublished reports by Keynes to the Philips Company, and as our survey of Keynes's writings confirms, Keynes continued to paint a gloomy picture of the American market well after the end of the Hoover administration in 1933. Nonetheless, in the very same turn of years, while not abandoning the London market as Falk had suggested, Keynes *did* begin to invest in America on quite a large scale.

Keynes's holdings of US securities went on growing in 1933 and 1934, reached a peak around 1936 and, while decreasing afterwards, his US investments still had a place in his portfolio. Consequently, dollar dividends and capital gains were an important source of income during these years.

However, despite the growing interest in Keynes's investments, market strategies and performance over the last few years, no specific study has as yet been dedicated to Keynes's dealings in the USA.

Various reasons may account for this lack of attention to Keynes's US portfolio, including the fact that the available sources are quite abundant but difficult to handle. Another reason is that "Keynes the investor" has only recently become a specific field of study. Moreover, it did not take very much to realise that the field is indeed quite large. The extant literature includes studies of Keynes as a speculator in currencies

(Accominotti and Chambers 2014), commodities (Fantacci, Marcuzzo and Sanfilippo 2010, Cavalli and Cristiano 2012, Foresti and Sanfilippo 2012, Cristiano and Naldi 2014, Marcuzzo and Rosselli 2016), and options (Marcuzzo and Sanfilippo 2016). Others have focused on Keynes's strategies and performance as a stock market investor (Chambers and Dimson 2013; Woods 2013, Cristiano and Marcuzzo 2016), and connected to these are the works on Keynes as an innovator in institutional portfolio management (Chambers and Dimson 2013), the management of King's College portfolio being the best known case study.

Keynes's US dealings are sometimes mentioned in this literature. Wasik (2013), for instance, notes a significant increase in American assets bought by the Provincial insurance company, of which Keynes was a consultant, between 1934 and 1938, as well as the shift to America in King's portfolio managed by Keynes in 1932, as emerges in the works by Chambers, Dimson and Foo (2015); Westall (1992) analyses Keynes's management of the Provincial portfolio, which had a large US share component. On the other hand, none of these scholars has ever done any research into Keynes's own personal investments in America.

According to this literature, in the period covered in this paper Keynes had definitely switched to the kind of market behaviour that is now commonly associated with his maturity as an investor. After a hardly satisfactory experience of investments based on a top-down approach during the 1920s, when Keynes and Falk were convinced that it was possible to anticipate general movements of prices connected to the trade cycle, in the early 1930s Keynes eventually came to the conclusion that this strategy did not work. Recent interpretations converge in locating the switch to a new approach in the early 1930s, when Keynes opted for a bottom up strategy based on the selection of a relative restricted set of assets that Keynes held for relatively long periods, regardless of fluctuations in their book value. The evidence considered in this paper may provide further elements for this interpretation of Keynes's investment philosophy.

In section 2, we trace the evolution of Keynes's view of the US economy, followed by a survey of his opinions on the US stock market in section 3. The evolution of Keynes's outlook on America serves as a foil for the timeline of his investments in America which is presented in section 4. In section 5 we focus on the companies that Keynes traded most, looking for a pattern in his investment behaviour in the US market between 1932 and 1939. In Section 6 we offer some final considerations emerging from our investigation.[1]

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[1] The relevant information on Keynes's investments is scattered throughout many files of Keynes's Papers, kept at King's College, Cambridge (hence force KP, followed by the catalogue reference numbers). They include statements of account sent by the brokers to Keynes (mainly file KP SE/9, and SE/8), notes and computations handwritten by Keynes on dealings and profits on each company across time and correspondence with brokers (mainly file KP SE/2/6), exchanges (published and unpublished) with

2. The American Economy through Keynes's eyeglasses

Keynes made his first trip America in 1917, while negotiating war finance (Moggridge 1992: 275-8). Then, as Skidelsky noted, he "never visited the United States during the 1920s, despite repeated invitations: a striking case of reverse isolationism" (1992: 20). Another, and probably not unrelated, aspect of Keynes's relationship with the States before the 1930s is that he did not predict the 1929 crash, nor did he immediately perceived its consequences (Skidelsky 1992: 338-43). In the event, it was during his trip to America in May and June 1931 that Keynes eventually perceived how deep the American crisis was, especially in the banking sector. During the same weeks, he abandoned the idea that America could lead recovery within the next months or even years. (See Skidelsky 1992: 390 and Moggridge 1992: 520).

Keynes's views on the American economy evolved with the change in the circumstances, as we can see by following the timeline of his statements on the matter.

In December 1930, Keynes believed that "the slump may pass into a depression, accompanied by a sagging price level, which might last for years" (CWK IX: 133). Six months later, he opened his Harris Foundation Lectures delivered at Chicago describing the present economic situation as "the greatest economic catastrophe … of the modern world" (CWK XIII: 343). In July 1931, Keynes saw no chance of a recovery in America, at least within "the next nine months" (quoted in Dimand and Bateman, 2015).

In November, he wrote to the American banker Walter Case[2] that he did not see "any solid reason whatever as yet for expecting a recovery in the U.S.A. in 1932" (CWK XX:

other investors and businessmen, containing views or considerations on specific companies and/or the US markets weekly statements of the Tilton Company (mainly files KP TC/3/4, TC/3/5, TC/4/3 and TC/5), registering the open positions and valuations at each date, and finally Keynes's manuscript ledgers (file KP SE/11/5). Our main source for Keynes's holdings and dealings in dollar securities for the period March 1932 to July 1939 is file SE/9, which contains the statements of dollar account with Buckmaster & Moore (Keynes's main broker). It contains the list of US stocks (companies) in which Keynes invested in chronological order, indication of the type of stock (if common or preferred), the dates of buying and selling operations, although not recorded pairwise, the quantities traded, and, as far as dividends are concerned, a complete account of the sums received at different dates. Unfortunately, the information on the stock prices at which Keynes's made his dealings is not registered, but only the total debit (including taxes) and credit positions for each operation of buying and selling, without no exact indication of the matching between stocks bought and sold. Two other fundamental sources of information are represented by the "Valuations" of his security portfolio (including both British and US) at the end of each year, made by Keynes himself in his ledgers (file KP SE/11/5) and the B&M statements of accounts relating to Keynes's positions at each date, recording the number of shares held for each company, the (market) stock prices (in sterling and in dollar for the US shares) and the total value of the stocks held, always in sterling (for the US shares too) (file KP SE/2/6).

[2] Walter Case was the president and director of Case, Pomeroy & Co., Inc. in New York and Keynes's main financial connection in the USA. Until 1937, when he committed suicide, Case and his business house were for Keynes the favoured source of information and analysis on the American market. On 22 December 1937, *The Times* published an obituary of Case by Keynes, now reproduced in the *Essays in Biography* (CWK X: 326-7).

12). In the notes for a speech at the Political Economy Club also drafted in November 1931 (CWK XXI: 12-16), Keynes expressed moderate optimism about the UK after the abandonment of the gold standard, but there were still two "black spots" at the international level. One was Germany, the other was America: "I see no real sign of break of acute deflationary conditions in U.S.A." (CWK XXI: 15). Again, on 4 December 1931, in another letter to Case:

"I simply cannot imagine what possible event can lift you out of the rut. Doubtless it will be in the nature of some quite unpredictable event… So you must, it seems to me, wait for a miracle – which will doubtless occur in due course" (CWK XXI: 32).

One year later, Keynes was still talking disparagingly about America, but he was beginning to think that the trough had been left behind:

"If only one could forget the United States! Yet even in the hopeless conglomeration the indications suggest that the tide has fitfully turned and that the low points of last summer will not be repeated" (1 January 1933, CWK XXI: 141-2).

Meanwhile, Roosevelt had been elected in November 1932. The new administration started in March. Keynes's first favourable comment on the new course in America came on 4 July 1933, in the aftermath of the London World Economic Conference. In "President Roosevelt is Magnificently Right" (4 July 1933, *Daily Mail*, CWK XXI: 273-77), Keynes commented enthusiastically on Roosevelt's rejection of a scheme of rigid exchange stabilization. However, the decisive point was another. Keynes's opinion of Roosevelt came soon to depend on one factor and, at least for some time, one only, namely, how much Washington was able to expand public expenditure financed by loans. In this respect, a decisive turning point came at the beginning of 1934. Again in the open letter to Roosevelt published in the *New York Times* on 31 December 1933, Keynes was very critical:

"The set-back in American recovery experienced this past Autumn was the predictable consequence of the failure of your Administration to organize any material increase in new loan expenditure during your first six months of office" (CWK XXI: 293).

However, before publishing the same letter in *The Times* on 2 January 1934, Keynes made this important change in the text:

"The latest information suggests that [loan] expenditure is now increasing rapidly. If the substantial increase which first showed itself in November is continued and improved upon in the ensuing months, an unmistakable business improvement will be in full swing before the summer" (CWK XXI: 301).

In the ensuing weeks we find Keynes commenting appreciatively on Roosevelt's reforms (see CWK XXI: 305-12), but he always emphasized that public spending was the vital point. He repeated the same argument in an article published during his journey to the USA in May and June:

"[F]or six months at least, and probably for a year, the measure of recovery to be achieved will mainly depend on the degree of the direct stimulus to production deliberately applied by the Administration. Since I have no belief in the efficacy for this purpose of the price and wage raising activities of N.R.A., this must chiefly mean the pace and volume of the Government's emergency expenditure" (*Times*, 11 June 1934, See CWK XXI: 325). In this article, Keynes made explicit reference to the multiplier, as he also did in a paper read to the American Political Economy Club on 5 June 1934: "I should be extremely surprised if the multiplier in the United States is less than 3, and it is probably appreciably higher" (CWK XIII: 461). The article of 11 June contained further important quantitative information:

"The expenditure of the Civil Works Administration was checked before the expenditure of the Public Works Administration was ready to take its place. Thus the aggregate emergency expenditure is now declining. If it is going to decline to $200,000,000 a month, much of the ground already gained will probably be lost" (CWK XXI: 325).

On the other hand, in a letter to the editor of *The Times* published on 23 June, Keynes estimated the "rate of Government expenditure not covered by taxation" at about $300,000,000 and increasing:

"Admittedly there is at present time some recession in factory output in the United States, due partly to seasonal influences, partly to the falling away of Government expenditure ..., and partly to business optimism in the first quarter of 1934 having encouraged industry ... to provide for a somewhat larger effective demand than is in fact maturing today. But I should doubt if this recession will go very far, since a mere continuance of the present rate of Government loan expenditure should gradually provide more stimulus than has yet been experienced" (CWK XXI: 330).

From then on, Keynes insisted that America could, and ought to, "Spend Its Way into Recovery", as he wrote on Redbook in December (CWK XXI: 334-8). But he always remained sceptical about Roosevelt's determination in pursuing this policy. On 28 March 1935, in a letter to the American Secretary of Agriculture Henry A. Wallace, (CWK XXI: 352-4), he wrote:

"The momentary position on your side looks very discouraging. But ... I am not clear how important a part is being played by time lags which time itself will overcome, and how far the explanation is to be found in the failure of the Administration to spend anywhere near up to its programme; or how far the difficulties are more fundamental" (CWK XXI: 353).

At this stage, Keynes was assuming that the new course in US macroeconomic policy was irreversible and that the mistakes of the past were not going to be repeated. Indeed, the same letter to Wallace seems to suggest that Keynes was expecting the adoption of "more direct methods" of public spending – i.e. direct investments by the state and nationalizations – as the most predictable development in Roosevelt's policy. Meanwhile, his outlook on US policy remained positive throughout 1936, even though he might have worried when the FED began to raise reserve requirements during the second half of the year.

By November 1937 his opinion on Roosevelt's policy had changed. A letter to W.W. Stewart[3] of November 1937 (CWK XXI: 426-29) shows that Keynes's expectations remained largely unfulfilled. In this letter, Keynes strongly criticized Roosevelt. He was not spending enough, and his management of three crucial sectors like housing, railways and public utilities was a failure:

"The present recession ought not to have taken us by surprise, though, in the case of most of us, in fact it has. It has been obvious for some time that the Administration's earlier house building programme was a failure, that the railroads had been made so unremunerative that they could not afford capital expansion, and that the President's attitude to the utilities was preventing normal expansion there, however much needed. This means that the major capital industries were under the weather and the recovery was being carried along mainly on the basis of the automobile industry, increasing consumption as a result of Government expenditure and the momentum which any recovery, once started carries with it. Thus, it should have been obvious that, as soon as the Government began spending less, and as soon as the pace of improvement was somewhat moderated, a setback was entirely inevitable" (14 November 1937, CWK XXI: 427-8).

On 1 February 1938, Keynes wrote a private letter to Roosevelt (CWK XXI: 434-39), criticizing the President for his industrial policy, which Keynes judged ineffective and contradictory. As the experience of the approaching war would once again confirm, Keynes never found it easy to understand, let alone accept, the way the Americans managed their country.

3. Keynes's views on the US Stock Market

As from mid-1932, trusting that the crisis of 1929-1931 was over (and in fact production, profits, and wages had regained their 1929 levels), Keynes began to purchase, for himself, the Provincial and King's, assets which he thought would benefit from the recovery. He continued to buy US securities despite the banking crisis in 1933, although on a smaller scale, but he soon resumed increasingly large-scale dealings in

[3] Walter W. Stewart, a former professor of economics at Amherst College and Economic Adviser to the Bank of England, had long been a partner in Case, Pomeroy and Co. and remained in touch with Keynes after Case's death.

1934, through 1935, 1936 and early 1937. By 1938 he had liquidated a large part of his US investment, which however still bulked large in his portfolio well into 1945, the war and his involvement in the Treasury having changed the circumstances.

As an investor Keynes always took enormous care in collecting information on the investment he made, be it in currencies, commodities and shares; he followed the international scene closely, taking in an astonishing amount of news, statistics and various forms of documentation. While he had first-hand knowledge of the conditions at home, he had to rely more on external advice and sources, when making decisions on American investments, which were also made in his capacity as institutional investor and therefore had to be discussed and approved by others.

Keynes was able to rely on a large network of professionals to evaluate and convey relevant information on the US economy and markets. Many of his contacts are revealed in a letter to Kahn in December 1932 (KP: RFK/13/57/10-3), where Keynes listed the names of the people (many of whom he had met in his previous visit to the US) to whom he had written introduction letters for Kahn, who was going to America on a Rockefeller grant.

His main American professional consultants were associated with Case, Pomeroy and Co, mainly Walter Case, but also Walter Stewart and D.S. Roswell, a former employee who set up a new business firm after Case's death in 1937 and provided the same advisory service.

At home, Keynes discussed investments for King's with Richard Kahn (RFK), who was Second Bursar; Francis Scott, Chairman of the Provincial, was his interlocutor for investments in the company; with Oswald Falk he corresponded on investment policy in general. Finally, with George Recknell he discussed investments for the National Mutual, of which he was also consultant.

While Keynes wrote several post-mortems to justify his investment policy post-factum, it is interesting to see what he had to say *at the time* he was making his investments. Leafing through Keynes correspondence on American matters from 1931 to 1939, we find evidence of his feelings, fears and hopes.

At the outset of his trading activity, Keynes communicated his bullish mood in the usual confident manner to Scott:

"I am at the moment rather strongly of the opinion that shares generally in America are near bed rock and outrageous bargains; indeed, if only one has pluck it is in all probability the chance of a lifetime" (JMK to F.C. Scott, February 1932 ca., quoted in Westall 1992: 367).

His attention focused not so much on common stocks, as on fixed interest securities (KP: BM/1/6), in the form of preferred stocks. The reasons he gave were that:

"preferred stocks which are now hopelessly out of fashion with American investors and heavily depressed below their real value….[some of them] offer today one of those outstanding opportunities which occasionally occur of buying cheap into what is for the time being an irrationally unfashionable market" (JMK to F.C. Scott, 23 November 1933, KP: PC/1/1/245).

His confidence was still high in early 1934, when he reported that although the market was beginning to show inflated prices, "it is still possible to obtain fixed interest stocks to yield 7 per cent of a class which certainly would not yield above 5 per cent in this country" (JMK to F. Scott, 1 February 1934, KP: PC/1/1/306).

Keynes transmitted his euphoric feelings and frenzy of trading activity to Lydia, writing that the "Stock Exchange [is] still so busy that I am rung up to ten or dozen times a day, and that is tiring too – however great fun and I am enjoying life" (JMK to Lydia, 16 November 1934, quoted in Skidelsky 1992: 513). However, a sense that a change of strategy was in need crept into his mind just a few weeks afterwards:

"getting … scared of markets all round. There seems to everyone no possibility of their turning round, and that is always dangerous since everyone gets just a bit over excited under the influence of success and excitement. But, quite likely, my views are a year too soon" (JMK to F.C. Scott, January 1935 quoted in Westall, 1992: 370).

So Keynes started to recommend liquidation of his fixed interest holding (F.C. Scott to JMK, 6 January 1935 KP PC 1/2/256) and to move more extensively into common stocks. This huge investment in America shares lasted well through 1936, when he began to air a more cautious view:

"My feeling is that nothing can really stop improvement in America in the coming months, though, so far as we can see now, it will be prudent to revise one's investments very considerably before the end of the year"(JMK to F.C. Scott 3 December 1936 in CWK XII: 19).

By mid-1937 it was clear that the bubble of inflated asset prices had burst and that he "should make most of the rest of [his] liquidations in USA" (JMK to RFK, 17 July 1937, KP: RFK/13/57/200).

While he was recovering from his illness, which had reduced but not entirely stopped his activities as from May of that year, Keynes took time to consider what had happened, what he had done and whether he could have done differently. He wrote:

"Unfortunately our pessimism has been too well justified, and markets have fallen away too quickly for me to make sales…I should definitely like to see our holdings of Americans reduced before the end of the year" (JMK to F.C Scott, October 1937 ca. quoted in Westall 1992: 372)

"Of course the right time to sell was in the Spring, but that was very difficult to detect. By August it was fairly easy to see the bearish factors, and it was still not too late to sell. But since October that opportunity has passed. And at today's prices I do not see much to be afraid of" (JMK to G. H. Recknell, 16 November 1937, in CWK XII: 28).

At the beginning of next year he was still in two minds as to what was the best course of action:

"In practice I find myself torn between hanging on for a rise in the near future, a fair amount of confidence about the ultimate prospects, and a considerable amount of doubt and hesitation about the intermediate prospects. If only Wall Street would continue for another week or two theretofore, you will, I hope find me liquidating on fair scale" (JMK to RFK, 16 January 1938 in CWK XII: 28).

"If there had been a material recovery in the U.S.A. in January and February, I should have expected a subsequent set-back. If the recovery in business, as distinct from the Stock Exchange, is postponed until March or April, one must, I think, suspend judgment for the present as to the subsequent course of events. For there will have been time for still other factors to come into the picture" (JMK to RFK 28 February 1938 KC/5/7/91-3).

However a "fresh collapse" in Wall Street in March (KP: PC/1/5/38)) pushed him back into action:

"The last week or so has been a time of considerable activity, for I still have a huge American position and the valuations at bid prices for some of the shares bring out grotesque values. The problem has been whether to sell hard or to use the iron ration of unused liquid resources, which I had vowed to keep intact. In the main I sold (some £40,000 to £50,000 securities in the last fortnight which took some selling in these markets) and still have the greater part of my private reserves still in hand and not with the brokers" (JMK to RFK, 29 March 1938 in CWK XII: 28-29).

Nevertheless, his confidence in recovery was not entirely shaken:

"In the case of the United States, the immediate prospect is more obscure. But there is surely a case for patience and fortitude. Both the forces of natural recovery and those of official assistance may take a bit of time to work. But, after reading innumerable reports and statistical analyses of the American position, I can see no reason for expecting a very serious further recession and every reason for believing that things will be a great deal better than they are by the end of the year. I think it would be a disastrous mistake to choose this moment for taking up an ultra-bearish position (JMK to G.H. Recknell, 30 April 1938 in CWK XII: 40).

However, doubts and uncertainty were still haunting him:

"If I sell Americans at this juncture, what am I aiming at? 1. Buying back at substantial profit, 2. Buying back at a loss when the bull market is more clearly established 3. Not buying back at all 4, helping the brokers with their overhead 5. Enjoying the pleasurable sensations of activity. It is only 5 that really appeals to me. 3. Is next best but isn't it too soon for that?" (JMK to RFK, 13 May 1938 in CWK XII: 29)

But Keynes being Keynes, lingering over decisions did not last long and he was soon back in action:

"Up to date I have been taking advantage of the improvement much more to raise the quality than to diminish the quantity [half the sales of common stocks have been reinvested in bonds and preferred]. From now onwards, however, I am inclined not to make replacement purchases, and to make a net reduction on every improvement" (JMK to G.H. Recknell, 23 July 1938 in CWK XII: 46).

Soon afterwards, other and more dramatic events precipitated on the world scene; the war machinery was set in motion and the institutional setting was facing radical change. In May 1939, the Chancellor of the Exchequer made a series of announcements asking private and institutional investors to refrain for the present from making any further investments in the United States, as this would involve the remittance of funds.

Dutifully, Keynes "took steps to discover what the procedure is for selling American Securities thorough the Bank of England" (KP: PC/1/6/150), sensing however that this was going to be a gradual process, having the effect of an immediate downward pressure on price, which Keynes believed was not long-lived: "I would suppose that there may be a considerable collapse in the next few days, but at no distant time one would suppose that the American prices would move sharply upwards" (JMK to FC Scott September 1, 1939 PC/1/6/150-1).

The evidence we have presented here shows how Keynes's views on the American situation and his evaluation of market prospects evolved as circumstances varied greatly from 1931 to 1939. On the whole he remained optimistic about Wall Street, and even during the bleak days of a falling market he remained confident about the long-run opportunities that were still there. There were occasions when he regretted not having sold earlier, especially during the 1937-8 crisis, but in his post-mortems (for King's and the Provincial) he often claimed that in the circumstances "we did better than what most have done". This should be interpreted not as sign of a mind unable to recognize errors of judgements that may have been made, but rather as indicating that Keynes made his choices on long-term rather than short-term considerations, waiting for the basic trends of the fundamental forces to play out. And yet, in a very short span of time – all in all 5 or 6 years – Britain left the Gold standard, America found itself plunged in its worst Depression and implemented a tremendous aggregate demand stimulus, followed by a tight monetary contraction, which brought on a new crisis. On the eve of the Second World War, trading in US shares and commodities was also disrupted by the limitation imposed on dealings in dollars, marking a new phase in Keynes's life as an investor.

4. Timeline of Keynes's US Investments

Before the period considered in this paper, Keynes had already tried some sporadic dealings in US companies between 1911 and 1913 (KP: SE/11/1/3; see also Moggridge 1983 in CWK XII: 3; Wasik 2013: 30-31), and then again from 1925 to 1928). However, none of these attempts ever reached a noteworthy scale (see Moggridge, 1983 in CWK XII: 12, Table 4). It was during the 1930s that Keynes's American dealings grew significantly (see Fig. 1).

According to the "Valuations" of his own portfolio (see fn. 1),[4] Keynes had no American investments at the beginning of 1931 and only 100 shares of *Selected Industries*, an investment trust, on 1 January 1932. On 31 December 1932, total value had grown to a trifle less than 19,000 dollars of *General Motors* (13,000) and investment trusts shares. In the next twelve months, the value of Keynes's dollar assets continued to grow, following the market, reaching about 35,000 dollars by the end of 1933.[5] Meanwhile, Keynes's dealings showed no significant pattern or strategy whatsoever. He held stocks only for short periods, going from a few days to a maximum of 9 months, recording no dividends in his papers.

This is consistent with Keynes's closer relationship with the US market after 1931, and indeed with the views he expressed up to the end of 1933. He had established good connections in the States, and this may well have stimulated a desire to invest on the other side of the Atlantic, but until January 1934 Keynes saw no immediate prospect of recovery in the US economy. On the one hand, US stocks looked like "the chance of a lifetime", as he wrote to Scott in February 1932. On the other, in the September issue of the *Economic Journal* he commented disparagingly on Wall Street volatility: "the paper value of all the railway and public utilities, after having fallen to one tenth of what it had been two years previously, has then proceeded to double itself within five weeks". This was nothing more "than a vivid illustration of the disadvantages of running a country's development and enterprise as a by-product of a casino" (CWK XXI: 121).

Then, by the beginning of 1934, Keynes's growing confidence in the US market was being reflected in a renewed outlook on the US economy and the policy of the new Administration. Supported by a changed mood, Keynes's US investments rose from a bit less than $35,000 on 31 December 1933 to about $248,000 on 31 December 1934

[4] In the period considered here, the pound sterling went through depreciation and instability immediately after the abandonment of the gold standard and up to 1934, when the sterling/dollar exchange remained substantially stable at the value of £0.2=1 USD, until 1939.

[5] The Dow Jones index moved from 59.93 points on 31 December 1932 to 99.90 by 30 December 1933.

in a fairly steady market.[6] In the same span of time, the number of companies held grew from 5 to 34 (See Table 1). In relation to the year 1934 two other elements are worth noting. One is the appearance of dividends in the statements of accounts (KP: SE/9/17-30), which testifies to a general increase in the time-span of Keynes's holdings. The other is a general increase in the number of preferred shares.

In part, Keynes's investment choices during 1934 seem to reflect his "view" of the American market. For sure, they seem consistent with the evolution of his general macroeconomic outlook. The choice of preferred stocks is also consistent with the opinions he was expressing, especially at the beginning of the year. In part, the same choices also seem to reflect his opinions that certain sectors, like public utilities, represented a good opportunity. As shown in Table 2, the quota of this sector in Keynes's portfolio continued to grow after 1934.

This came about gradually. In the picture of Keynes's US investments provided by his own evaluation on 31 December 1934, four sectors stand out: oil, mining, utilities and investment trusts. The larger share went to oil, with five companies for a total value of 61,300 dollars. In fact, however, 60% of Keynes's oil assets value came from one company alone, *United Gas*. At least to some extent, this seems to suggest that Keynes was betting on this company in particular rather than on the sector as a whole.

Keynes's mining shares portfolio was even more polarized. Keynes owned shares of only two companies, and *Homestake* alone covered 45,000 dollars of a total value of 47,000 (in round numbers). By contrast, no champion had yet emerged among the investment trusts and the utilities, even though one company that was to prove very important, *Electric Power and Light*, had just entered the latter set. The sum of the shares of five investment trusts together reached a total value of 37,000 dollars, followed by utilities at about 35,000.

Other sectors in which Keynes invested from 1934 onwards were insurance, the motor industry and a varying set of companies that we have categorised as industrial and consumer goods industries. However, none of these companies ever reached a significant proportion in Keynes's annual valuations. Keynes started from a relatively fair distribution among utilities, investment trusts, railways and oil companies in 1934, and then moved more decidedly towards utilities and investments trusts. Moreover, while he soon allocated the lion's share to *Electric Power and Light* among the utilities, at least in the earlier phase, his investment trusts portfolio remained more differentiated.

By the end of 1934, utilities and investment trusts shares together already represented more than a fourth of Keynes's dollar investments. Meanwhile, Keynes also remained invested on a considerable scale in the mining sector, certainly one of

[6] The Dow Jones index rose from 99.90 on 30 December 1933 to 104.04 on 31 December 1934.

Keynes's favourites, and especially in *Homestake* shares. This latter company alone represented 18% of Keynes's dollar portfolio on 1 January 1935.

In a letter to Scott of 23 May 1935 (KP: PC/1/3/182), Keynes singled out *Homestake* as "my pick" together with *United Gas* and *Electric Power and Light*. Early in 1935, the quota of this latter company was still very low, but the total value of *Homestake* and *United Gas* shares represented almost a third (31%) of Keynes's US investments. Considering that the same portfolio included other 35 companies, this is revealing of Keynes's strategy: while he was enlarging the scope of his dealings, he was not bothering too much about differentiation.

The next valuation that we have, dated 31 December 1935, is also revealing in this respect. While the quota of *Homestake* shares, and the mining sector with it, had fallen significantly, about 50% of Keynes's US portfolio was now made up of the shares of six companies of the utilities sector and seven Investment trusts. Once again, the total number of companies represented (32) was much higher than the sum of utilities and investment trusts (14). Nonetheless, the three companies that Keynes pointed out to Scott in the letter of 22 May accounted for more than a third (36.6%) of all his dollar investments, which had increased in value to almost $775,000. The *United Gas* and *Homestake* shares owned by Keynes were now valued at $82,000 and $72,000 respectively. The value of his *Electric Power and Light* shares had reached $130,000.

One year later, on 31 December 1936, the quota of *Electric Power and Light* shares was 23% of a total value of over $1.35 million, the maximum level ever registered in Keynes's annual valuations. It is also remarkable that almost 70% of this portfolio consisted of utilities and investment trusts shares. Meanwhile, the weight of the mining and oil sectors was decreasing, as was also the case with the railway companies. Another change occurred in the number of preferred shares that Keynes was purchasing, which was also decreasing. Of a total of 33,400 shares bought in 1936, only 4100 were preferred (about 12%). In 1937, of a total of 16,267 shares bought, only 800 were preferred (less than 5%).

As shown in Table 2, from 1936 on Keynes's US portfolio did not change very much in terms of distribution among sectors, but it inevitably changed in value. Due to the recession, the fall of the market,[7] and some liquidation by Keynes, the total value had fallen to about $590,000 by the end of 1937. As we know from Keynes's own *ex post* reconstruction of the events (see above, section 3), he missed the best opportunity to sell during the spring. This might have been the consequence of his illness, which reached its most acute phase in May, but Keynes kept waiting during the summer and early in autumn. Thus, while three quarters of his portfolio remained stably invested in utilities and investment trusts shares, and while the quota of *Electric Power and Light*,

[7] The Dow Jones index was 179.90 on 31 December 1936 and 120,00 on 31 December 1937.

among the utilities, reached 26% of the total value, the prices of many of these assets were halved. At least in terms of dividends, however, Keynes's wait-and-see strategy was paying off. The dividends received by Keynes in 1936 and 1937 amounted to a total sum of $60,392, which represented 58% of the dividends received in the whole period considered here. The number of companies that paid him dividends had increased since the first years of his investment activity in the US market, reaching a total of 40.

In the ensuing years, Keynes never reduced the proportion of utilities and investment trusts shares significantly below 70% at the date of valuation. A change he made was a moderate reduction of the quota of utilities in favour of some more investment trusts. Among the other sectors, we observe an increase in oil shares offset by a reduction in other investments, which fell to very low figures or were completely abandoned. Up to the end of 1939, the quota of *Electric Power and Light* never fell below 18% at the date of valuation, while two new champions emerged among the investment trusts. By the end of 1938, the sum of the values of *General American Investors* and *Tri-Continental shares* absorbed a fourth of Keynes's US asset valuation.

As a result, the number of companies included in Keynes's portfolio at the date of valuations also diminished. After the peak of 37 companies at the end of 1935, the figure fell to 32 during 1936 and 28 in 1937. At the end of 1938, the last valuation that we have for the period before the outbreak of war reports 18 companies for a total value of about 460,000 dollars. Parallel to this, the dividends also dropped to a value of less than $14,000 in 1938, and to a value of $5500 in 1939. In December 1939, the number of companies was more or less the same, but the total value had fallen to 253,436 dollars.[8] Of the 17 companies that remained, four belonged to the utilities sector and another six were investment trusts. Once again, even after the war had begun, the two sectors together represented more the three quarters of the total value.

5. Keynes's 'Pets'

In an oft-quoted passage in a letter to Francis Scott on August 15th, 1934, Keynes presented his golden rule for investment:

"As time goes on, I get more and more convinced that the right method in investment is to put fairly large sums into enterprises which one thinks one knows something about and in the management of which one thoroughly believes" (CWK XII: 57).

And a few years later, he made clearer how many companies he knew "something about" and how many there were in whose management he "thoroughly believed":

[8] Meanwhile, the Dow Jones Index fell only slightly, from 154.76 at the end of 1938 to 150.00 by the end of 1939.

"I myself follow very closely, or think I have some knowledge, of upwards of perhaps 200 investments…Now out of the 200 which one tries to follow more or less, there are probably less than 50 in all classes about which, at any given time, one feels really enthusiastic." (Memorandum for the Provincial Insurance Company, 7 March 1938 in CWK XII: 99).

The total number of companies in which Keynes invested was close on 200,[9] 79 of which were American securities (common, preferred, debentures and bonds).

Keynes also – famously – used to refer to his "pets", a smaller set of shares he was keen on, but it is not always clear which aspects of the companies or shares made him to prefer them. Based on the evolution of his portfolio evaluations in the period 1931-39, we have selected a subset of 22 companies (more or less 1/4 of the total number of companies traded by him in this time-span), whose shares (common and preferred) Keynes held for a period of at least 4 years (See Table 1, **items).

Homestake, the company that took the lion's share of Keynes's investments in the US mining sector, stands out as one of his pets. Keynes's interest in the US mining sector, and gold in particular, always showed a penchant for this company, reflecting Keynes's own specialization in gold mining combined with fresh information on this company provided by Walter Case, as his correspondence shows (See for instance JMK to RFK, August 1937, in KP: RFK/13/57/213-6).

During the 1920s, Keynes had acquired considerable experience in commodity markets, and metals in particular (see Cavalli-Cristiano 2012, Marcuzzo-Sanfilippo 2016, Marcuzzo-Rosselli 2016), which stood him in good stead. His choice in fact fell more specifically on the shares (common) of two companies, *American Metal Company* and *Homestake*, which appear to have been very solid (they were both long-established, having been founded at the end of the 19th century). The former was owned by the Rothschild family, while the latter had been listed in the New York Stock Exchange since 1879 (the first mining stock ever listed) and was one of the largest gold mining businesses in the United States as from the 19th century. In both cases, knowledge of the sector and the solidity of the company seem to have been the decisive factors in Keynes's mind.

There were seven companies in the utilities sector whose shares (mostly preferred) Keynes held for over 4 years, and five of them (*American Power and Light, National Power and Light, International Hydro-Electric System, Electric Power and Light* and *Commonwealth & Southern*) were operating in the production of electric and hydro-electric power. The years of Keynes's holding coincided with the New Deal, when the process of electrification of the country was under way. This came after a period of electric utility mergers and acquisitions, the subsequent rise of a few large holding

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[9] We estimate that Keynes held 128 sterling securities in the period 1931-1939.

companies and their collapse in the Depression. Afterwards, the surviving companies had to reorganize themselves after the Public Utility Holding Company Act mandated dissolving non-contiguous firms with common ownership. The two letters that Keynes sent to Stewart in November 1937 and to Roosevelt on 1 February 1938 suggest that he did not like this legislation.[10] Indeed, the same letters show that the kind of direct intervention that Keynes would have welcomed never materialised in this sector. Nonetheless, Keynes's market choices confirm that he had a substantial confidence in the development of this sector, and that he therefore decided to bet on an increase in the value of the companies operating in it.

This could also explain Keynes's initial holding of Railways[11] on a relatively large scale (*Erie Railroad*[12] and *Chicago Rock Island and Pacific*). On the other hand, Keynes probably felt quite soon that the outlook for the railways was not too good in the United States. Automobile travel had begun to cut into the rail passenger market, and as unemployment increased during the Depression, the net income of the railroads plummeted. Roosevelt promptly launched the Reconstruction Finance Corporation program, which spent hundreds of millions of dollars to pay off railway debts throughout the decade, and Keynes probably saw this as a good opportunity. However, his correspondence in 1937 shows that his hopes did not last for long, and annual valuation of his portfolio confirms it. The quota of this industry was 10% in value by the end of 1934, but it gradually fell to very low figures in the ensuing years.

Keynes's initial large investments in the oil sector might also have reflected the policy of the US government since 1934. During this period, the Roosevelt administration came to the rescue of industry, with a set of regulations setting production levels to match market demand after a fall of prices that had begun with the discovery of a prolific shallow oilfield in East Central Texas in 1931. (Yergin 1991: 240). Keynes's choice fell on two oil companies in particular, *Atlantic Refining* and *United Gas Corporation*. The former, founded and still owned by the Rockefellers, had strong roots in the history of American capitalism. The latter, by contrast, had been founded only recently, by N.C. McGowan. It produced natural gas and oil. Up to 1937 it continued to expand its activities notably, absorbing the assets of five major groups which represented more than forty among power, fuel and utility companies.

An area in which making the right choice was decisive was the investment trusts sector. According to a study carried out in 1938, there were six hundred investment trusts operating in the United States between 1930 and 1936, most of which showed a poor record. Only a very small group of these companies did better than the Investment Trusts and

[10] The Securities Act of 1933, the Securities and Exchange Act of 1934, and the Holding Company Act of 1935.

[11] It is worth noting that also the Investment Trust Pennroad Corporation was in fact linked to the Railways.

[12] Railroad that operated in the North East of the United States.

the Stock index (See Allen 1938: 242). Four of them – *General American Investors, Blue Ridge, Tri-continental, and Atlas Corporation* – are well represented in Keynes's annual valuations. Except in the case of *US and Foreign Securities*, another of Keynes's "pets" among the investment trusts, Keynes usually held common shares of these companies. Typical of Keynes's dealings in this sector is their continuity over time throughout the 1930s. It seems that external factors, such as the general macroeconomic context or the policies implemented by the government, had no great impact on Keynes's choices in this field, and that he was more influenced by the specific characteristics of solidity and performance of these companies. For example, *General American Investors* was a closed-end fund[13] that managed a global portfolio of investments, consisting mainly of US securities**.** It was launched in 1927 under the sponsorship of Lazard Frères and Lehman Brothers. Holding companies such as *United Corporation* (organized by J.P. Morgan) were in fact more similar to Investment Trust insofar as they invested in securities, but they were also involved in the management of Public Utilities companies, such as electric power, gas and fuel.

Turning to the dividends of Keynes's "pet" shares, it appears that only four of them paid no dividends at all in the period in which Keynes held them (*Electric Power and Light, General American Investors, Chicago Corporation and Chicago Rock Island*).

As far as the remaining 18 "pets" are concerned, they all paid dividends – over half of them quite regularly (*American Metal, American Power and Light, Associated Dry Goods, Atlantic Refining, Commonwealth and Southern, Homestake, National Power and Light, Prudential Investors, Tri-Continental* and *United Corporation*). In at least two cases (*Associated Dry Goods* and *Homestake*), dividends were paid very frequently (every month in the case of *Homestake* and every three months in the case of *Associated Dry Goods*); for these two shares also the ratio of dividends per share was high.[14]

The last element to consider is the price pattern of these shares. Except in the case of *Homestake* and *US and Foreign Securities*, we have found no definite upward trend justifying Keynes's selection. Their prices[15] show high volatility, around a trend which was more or less stable in the case of the utilities (except *General Realty*, which showed a substantial downward trend), in the case of Investment Trusts (except for *United Corporation* which was downward) and in the case of *Associated Dry Goods, Atlantic Refining, American Metal and Prudential Investors;* substantially decreasing in the case of Railways*, United Gas and American General Corporation*.

[13] A fund with a fixed number of shares outstanding, which behave more like stock than open-end funds.

[14] In one instance in December 1935, Homestake paid Special Dividends amounting to 3000$ on 150 shares held by Keynes.

[15] According to monthly stock prices taken from the London *Times* and the *New York Times*.

Factors like knowledge of the sector or company, the solidity of the ownership and trust in the management together with size and frequency of dividends may lie behind Keynes's choice to hold on to this small subset of company shares more than the others. This subset, which following Keynes's practice we label his "pets", represented only a quarter of the total number of companies dealt with by him during the period, but at the same time on average accounted for about 3/4 of the value of his portfolio, with the highest values in 1933 and 1938 at above 80% and the lowest in 1934 and 1937 at not less than 60% (see Table 2, last row). These "core investments" may well reflect what he wrote in the *General Theory*, when referring to Wall Street and measures that the government could implement to mitigate "the predominance of speculation over enterprise in the United States":

"The spectacle of modern investment markets has sometimes moved me towards the conclusion that to make the purchase of an investment permanent and indissoluble, like marriage, except by reason of death or other grave cause, might be a useful remedy for our contemporary evils. For this would force the investor to direct his mind to the long-term prospects and to those only" (CWK VII: 160).

6. Conclusions

In this paper we have not addressed the issues of Keynes's short-term and long-term trading strategies and the ensuing question of his portfolio performance, which would have required more extensive study – in scope and depth – than we have conducted here. While we hope to have opened the way for such study in the future, we are confident that some conclusions could be drawn on Keynes's profile as a Wall Street investor on the basis of our findings.

After Great Britain's abandonment of the gold standard on 21 September 1931 we find Keynes, while not pessimistic about the future of British industry and not insincere in his patriotic opposition to Falk's suggestion to leave the London Stock Exchange for Wall Street, following events in America and increasingly engaged in active investment in the US market.

Until the end of 1933, Keynes's macroeconomic outlook on the USA remained decidedly negative. Things changed significantly in January 1934, when the data on the government's loan expenditure in the USA persuaded him that the Roosevelt administration was probably moving in the right direction. On several occasions, Keynes stressed the multiplier effect of the US Government's loan expenditure, expressing the view that US recovery depended not so much on the New Deal reforms that Roosevelt was implementing as on the scale of public expenditure. After Roosevelt's re-election in November 1936, Keynes still had mixed feelings about the prospects of the US economy. He saw no likelihood of another collapse like the one experienced between 1929 and 1933, but he became convinced that the US government was too timid in its management of aggregate demand, with a tendency to abandon expansionary policies all too soon. As time went by, another contradiction that Keynes saw in the US policy was that Roosevelt was also somewhat timid in pursuing a policy of direct investments in strategic sectors, like the railways or public utilities, while at the same time pushing too hard with legislative reforms against monopolistic power, which had the effect of depressing private enterprise.

We have shown that there is quite a striking parallel between the development of his opinions on the American economy, his "view" of Wall Street and the composition of US Shares in his portfolio. His endorsement of the public expenditure policies initiated by Roosevelt, can be seen in terms of the sectors which he believed were likely to benefit from it (such as Public Utilities and Railways); unfortunately, his declared disappointment with the premature abandonment of the expansionary policy which precipitated the 1937 crisis was not accompanied by a timely disinvestment, which caused him severe losses.[16]

Reviewing the subset of companies that he kept longest in his portfolio, we singled out a subset of "pet" shares, whose special features we identified in the solidity of the ownership, confidence in the management, and the size and frequency of dividends.

In conclusion, our findings suggest that Keynes was an informed trader who would still indulge in some short-term speculation, but certainly not on a scale comparable to his trading in the 1920s. As for the switch to the bottom-up strategy based on selection of a relative restricted set of assets to be held for relatively long periods, regardless of fluctuations in their book value, we have certainly found some evidence for it, but we would hesitate to conclude that he totally abandoned consideration of the larger picture and macro outlook of the economy.

Perhaps, however, another aspect of Keynes's life as an investor has a certain relevance, too. When pondering on what was the best next move, Keynes frankly admitted to Kahn that what really appealed to him was:

"Enjoying the pleasurable sensations of activity."

[16] On the whole Keynes made money on Wall Street, if Moggridge's figures are reliable (at least as a rough estimate), but how and when need to be calculated with more precision.

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Fig. 1. Holdings by Sectors in USD at 31 December of each year (Source: our elaboration from Keynes papers)

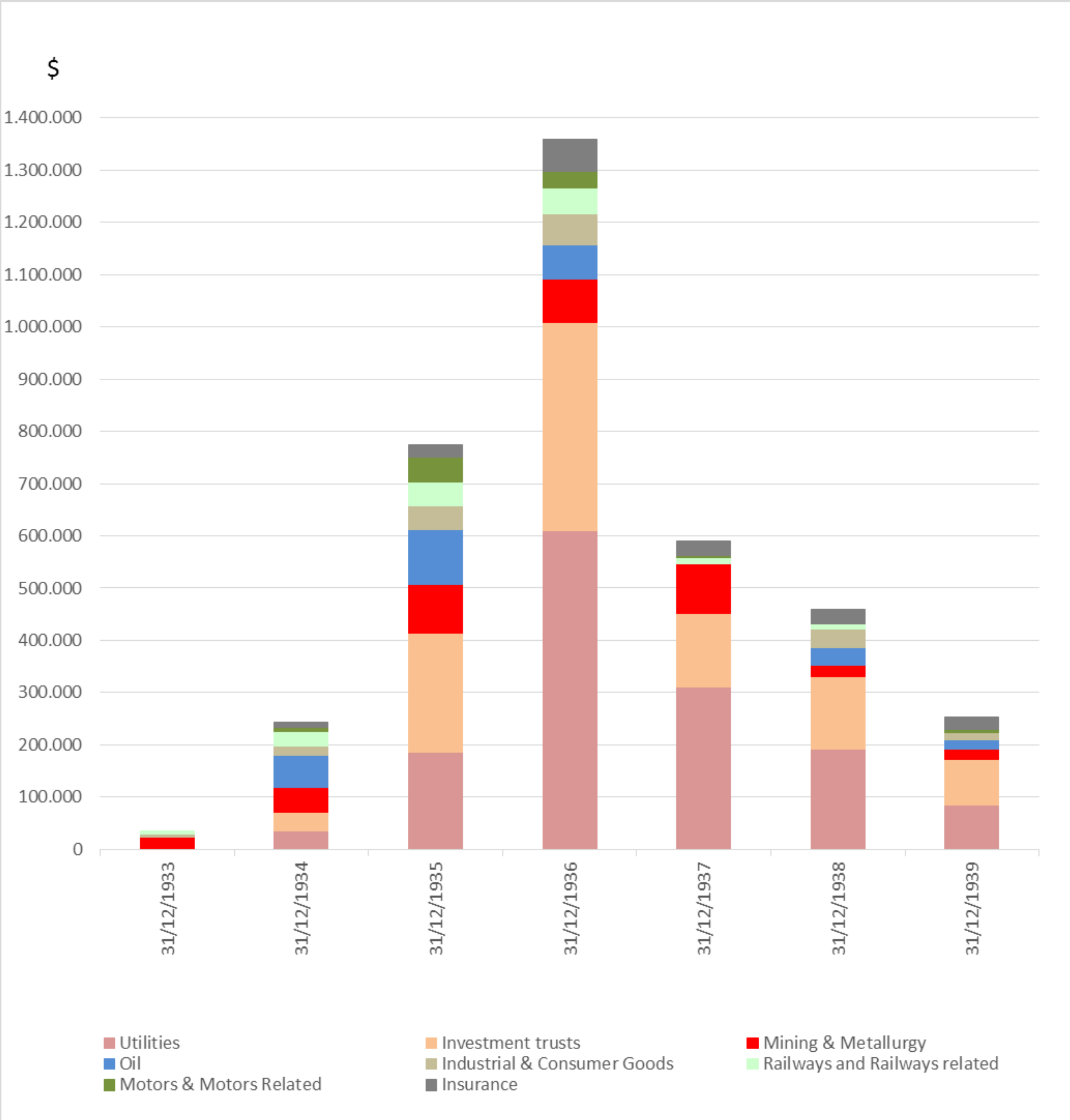

Table 1. Holdings by Companies at 31 December of each year (Source: our elaboration from Keynes papers)

Company	1931	1932	1933	1934	1935	1936	1937	1938	1939
American Cities Power and Light**									
American Gas and Electric Co.									
American General Corporation **									
American Locomotive Co.									
American Metal Co. Ltd. **									
American Power & Light **									
American Radiator and Standard Sanitary Corp.*									
American Smelting*									
American Waterworks & Electric Co.									
American Woolen Co.									
Anaconda Copper Mining									
Associated Dry Goods **									
Atchison Topeka and Santa Fe Railway Co.									
Atlantic Refining Co. **									
Atlas Corporation									
Baldwin Locomotive Works									
Baltimore & Ohio R.R. Co.									
Blue Ridge Corporation									
Brooklyn-Manhattan Transit Corporation									
Carriers & General Corporation									
Central States Electric									
Cerro de Pasco Copper Corporation									
Chesapeake*									
Chicago Corporation **									
Chicago Great Western R.R. Co.									
Chicago Pneumatic Tool Co.									
Chicago Rock Island & Pacific Railway **									
Chrysler Corporation									
Cities Service Co.									
Cliffs Corporation									
Clymax Molybdenum Co.									
Commonwealth & Southern **									
Consolidated Gas Co. of New York									
Continental Oil Co. (Delaware)*									
Dome Mines*									
Electric Bonds & Shares Co.									
Electric Power & Light Corporation **									
Erie Railroad Co. **									
General American Investors **									
General Motors									
General Realty & Utilities**									
Goodrich (B.F.) Co.									
Great Northern Railroad									
Homestake Mining Co.**									
Humble Oil & Refining Co.									
Illinois Central R.R. Co.									
International Carriers Inc.									
International Hydro-Electric System**									
Kreuger and Toll Debs*									
Lehman Corporation									

Louisiana Land & Exploration									
Mohawk Carpet									
National Dairy Product									
National Distillers Products Corporation *									
National Power & Light **									
New Haven Railroad									
New York Central R.R.									
New York, Chicago and St. Louis R.R.									
North American Co.									
Pennroad Corporation **									
People’s Gas Light & Coke *									
Philadelphia Co.									
Prudential Investors Corp.**									
Pure Oil									
Selected Industries									
Shell Union Oil *									
Socony-Vacuum Corporation									
Southern Railway Pfd.									
Standard Oil Co. (Indiana) *									
Texas Corporation*									
Tri-Continental Corporation **									
U.S. & Foreign Securities**									
U.S. Smelting Refining & Mining Co.									
United Corporation (Delaware) **									
United Gas Corporation **									
United States (U.S.) Rubber Co.									
Wabash R.R.									
Wesson Oil & Snowdrift Co.									
White Motor Co.									

*Traded within the year

** Longest holdings (Keynes’s Pets)

Railways and railways related (locomotives)

Utilities

Oil

Investment trusts

Motors and motors related (tyres)

Mining and Metallurgy

Industrial and Consumer goods

Insurance

Table 2. Percentage of Share Holdings in Keynes's Portfolio (Source: our elaboration from Keynes papers)

	1933	**1934**	**1935**	**1936**	**1937**	**1938**	**1939**
Utilities		14.2	22.7	45	49.3	41.4	32.8
Investment Trusts		15.2	28	29	23.7	30.2	34.8
Railways	17	10	5,7	3.6	1.9	2.1	0.4
Mining	69	19.5	12	1.6	1.6	4.8	2.5
Oil		25,3	13.8	4.8	0	7.4	7.5
Industrial and Consumer goods	14	7.5	6	4.5	0	7.6	0.5
Motor		3	6	2.2	0.7	0	0
Insurance		3	3	4.6	4.7	6.1	9.4
'Pets'	83	63	72	76	68	88	74