THE

ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS

[Registered at the G.P.O. as a Newspaper.]

Vol. VII. No. 9. MARCH 2, 1923 Price 1s. Weekly

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THE

ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS.

A Review and Bibliography of Current Publications dealing with Finance, Industry, Commerce, and Social Organisation.

Vol. VII. No. 9. | March 2, 1923. | Price 1s. Weekly

Editorial Offices :

6, JOHN STREET, ADELPHI, LONDON, W.C.2.

Telephone : Regent 4703.

Subscription Rates (Post free, home or abroad)

1 Year - £2 : 12 : 6

6 Months - £1 : 7 : 6

The Publisher will be glad to send specimen copies, free of charge, to any address.

ECONOMIC SURVEY

FRANCE

POLITICAL AND GENERAL

The Position on the Ruhr.

In the course of a statement on foreign affairs recently made to the Foreign Affairs Commission of the Chamber, the Premier, M. Poincaré, supplied the following statistics relating to the occupation of the Ruhr. The occupied territory of the Ruhr has an area of 2,800 sq. km., of which 500 sq. km. only remain outside the occupied zone. The annual output of coal in the former is 90 mill. t., and in the latter 8,000 t. The State mines yield about one-fifth of the total output. The coke furnaces number 14,500, of which the French hold 14,200, capable of producing 80,000 t. a day. The population of the district is $3\frac{1}{2}$ mill., of which 3 mill. are in the occupied area, and includes 500,000 miners, 450,000 working in the occupied area. The majority of the miners are German, but some 80,000 are Poles, and the administrative staff consists of from 1,000 to 1,200 persons. France controls eight-tenths of the output. The French have never thought of working the mines, but confined themselves to exercising supervision over output by their engineers, of which there are 60, mostly French. Some British engineers are expected shortly.

Formerly, there were 40,000 railwaymen in the Ruhr and 120,000 in Rhineland, a staff which was able to ensure a daily service of 580 passenger and 420 goods trains. Up to the present, France had only sent the comparatively small number of 9,640 railwaymen, who have had to overcome the difficulties arising from a different system of working and a peculiar system of signals. Under these conditions it is no matter for surprise that hitherto the French have only been able to run 70 trains a day. The refusal of the German railwaymen to continue their service does more harm to Germany than to the Allies, who chiefly concern themselves with keeping up the service of trains loaded with coal for France, Belgium, and friendly nations. Up to the present 1,026 truckloads of coal and coke have been despatched to France and Belgium. In addition, thousands of barges of coal have been sent to Strasburg and Antwerp. (For general economic conditions in the Ruhr district *cf.* the special article entitled " The Wealth of the Ruhr," The Economic Review, Feb. 16.) (*Journée Industrielle*, Feb. 20.)

The Budget Deficit in the Chamber.

The *Journée Industrielle* (Feb. 21) discusses the prospects of the measures for balancing the Budget, now being debated by the Chamber in the following terms : The Chamber has now entered upon the discussion of the Bills and proposals before it for balancing the Budget. This debate will obviously hinge on the more or less open struggle between the Minister of Finance, M. de Lasteyrie, who favours the imposition of a surcharge of two-tenths on certain taxes subject to amendment or limitation, and the Finance Commission of the Chamber which has declared for the system of *carnets de coupons* or books to be delivered to each taxpayer, in which the amount of all coupons for interest on his investments are to be entered and certified by the official paying such coupons, such books to be produced to the inspector of taxes for the purpose of verification of the total income of the taxpayer from this source.

The debate just beginning is of supreme importance from the national and even the international point of view. On its result will largely depend the solution of all other problems, and its conduct will enable the public to form an appreciation of the competence of the legislative body. Therefore the Government, the Senate and the Chamber are deeply concerned in performing their duties as conscientiously as possible. Intrigues, manœuvres and lobbying of all kinds will seriously increase public distrust. In the battle of the surtax and *carnet de coupons*, the Minister of Finance would probably win, were it not for the approach of the general elections, which renders deputies very shy

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of passing fresh taxation measures or of increasing taxes already existing. For this reason, a considerable section of Parliament is disinclined to touch the present system of taxes, and will compromise by advocating, as a means of meeting the deficit, a stricter supervision of the collection of taxes, or, in other words, an augmentation of the powers and staff of the Revenue Department. It is, therefore, to be expected that after the questions of increased taxation and the *carnet de coupons* have been dealt with, there will be a strong tendency to refer back the bills to the Finance Commission for an examination of the means of strengthening the control over collection of taxes. Very clever from a Parliamentary point of view, this procedure, considers the *Journée Industrielle*, would have serious disadvantages, since it would involve the financial situation in an atmosphere of uncertainty highly prejudicial to France's credit. (As to the adverse effect on the exchange of the procrastination of Parliament in dealing with the deficit, see the paragraph "Fall of the Franc," The Economic Review, Feb. 16, p. 133.) It is at present of the utmost importance to give to foreign nations tangible proof that France is seriously engaged in setting its finances in order. Now, the mere increase of fiscal control will have but the slightest influence, and that a tardy one, on the present position of the Budget, and will avert neither the present problem of current expenditure, the danger of inflation, the depreciation of the currency, nor the rise in prices. And, once these evils are unloosed, it is very doubtful whether this ingenious device will do much to soothe the electors. The country is at heart quite ready to support the Government and Parliament, provided that the latter gives proof of a serious desire to reform abuses and to carry out a sound policy, and not merely a policy inspired by fear of demagogues. It is shocking to see, at such a time, the Chamber incapacitated from carrying out financial reforms by a childish terror of the coming elections.

FINANCE

INTEREST ON GOVERNMENT BONDS.

The Government has raised the interest from Jan. 19 on Treasury and Défense Nationale Bonds, the rate of which will henceforth be: Défense Nationale Bonds 1 year, 5%; 6 months, 4½%; 3 months, 4%; 1 month, 3%. Treasury Bonds: 1 year, 5%; over 6 months, 4¾%; over 3 months, 4½%; over 2 months, 3¾%; 1 month, 3%. This interest is only provisional, and corresponds to the general increase of the rate on money throughout the world. The measure is the subject of adverse criticism in the Press. (*Information Financière*, Feb. 17, 18.)

A LOAN TO POLAND.

The Chamber has passed a Bill authorising the Government to advance to the Polish Government out of the current revenue of the Treasury sums up to the aggregate value of Fr.400 mill. Such advances will be guaranteed, will be redeemable, and will bear interest at the rate of 5%. This authorisation will be supplementary to the authorisation to be accorded for the cession of stores contained in the Finance Act for 1923. (*Information Financière*, Feb. 7.)

JANUARY REVENUE.

The revenue collected from indirect taxes and monopolies during January, is highly satisfactory, as it amounts to Fr.1,512 mill. being 107.8 (7.6%) mill. in excess of estimates, and 188.9 (14%) in excess of revenue for Jan. 1922. The total revenue (direct and indirect taxes) collected during the month amounts to Fr.2,023.6 mill. Of this amount, Fr.476.9 mill. comes from direct taxes, which are made up as follows: Fr.327.5 mill. from the various classes of income-tax and from the land-tax, and Fr.111.5 mill. from the special war profits tax. The sum of Fr.35.2 mill. is derived from the state lands and liquidation of war material.

The yield of Fr.1,512 mill. from indirect taxes and monopolies constitutes a record, being Fr.9.4. mill. higher than the next highest yield (Oct., 1922). The yield from the various classes of indirect taxes is as follows: turnover-tax Fr.230.5 mill., an increase of 18 mill. on the December yield, and of 40.5 mill. on the monthly average for 1922—and is only 2% below the latest estimates. Registration duties Fr.587.7 mill., 14% above the yield of Jan. 1922, and 15% above estimates; other indirect taxes Fr.403-8, 21% above estimates, and 12% above Jan. 1922; Customs duties 182.6 mill., being 19% below estimates, and 18% above Jan 1922. (*Journée Industrielle*, Feb. 16.)

SPECULATION IN SUGAR.

Popular indignation at the abnormally high price of sugar caused by speculation in London and New York has brought about an investigation by the Government. This speculation, producing scarcity and high prices of sugar, has for some time been a subject of unfavourable comment in the press, which assigns it to the following causes:—

Insufficiency of output; the financial combine among the refineries; unrestricted export; the absence of all provision, official or private, for the supply of the French market; the rise in the price on the world's markets in conjunction with the rise of the dollar. It is well known that prohibition of export keeps the price of sugar in France below that of London and New York; and it is also well known that the depreciation of a country's currency exposes the commodities of that country, especially articles of food, to raids by foreigners as has been recently demonstrated in the case of rabbit skins (*cf.* The Economic Review, Feb. 2, p. 93), scrap iron, leather, etc. The present Minister of Agriculture, M. Chéron, has been severely censured by the press for his steady refusal to prohibit the export of sugar, to which is attributed a threefold result; the raising of home prices to the parity of the world's markets; the disappearance from the market of the available supply which has been bought up by foreigners; and the subjugation of home consumption to the speculators of New York and London, supported more or less by those of Paris. The consequence of the Minister of Agriculture's indifference to the needs of home consumption has caused all available stocks to vanish from the market and consequently compelled French consumers to bring back their own sugar at top prices in London and New York. The Government is also criticised for neglecting to ascertain what becomes of the sugar imported into France from Central Europe, at comparatively low prices. In a communication to the press, the Minister has stated, in his defence: (1) that he has had nothing to do with authorising the export of sugar which was made free by Decree of March 11, 1922, and that the figure of 200,000 t.—the amount alleged to have been exported—is fantastic; (2) that export has not influenced prices on the home market: (3) that his policy has doubled the output of beet. To this, his critics reply: (1) that a proposal brought before the Cabinet in December for the prohibition of export, was rejected owing to the strenuous opposition of the Minister; (2) that the annual purchases of American sugar have been made three months earlier this year owing to the premature depletion of the home market; (3) that the increased output of beets is entirely the work of the farmers. Interpellations on this subject have been set down in the Chamber by Socialist deputies. The agitation on this subject has caused a sharp decline in prices on the Paris exchange. (*Journée Industrielle*, Feb. 16, 20, 21.)

TRADE

FOREIGN TRADE IN JANUARY.

The following figures published by the Customs show France's foreign trade for Jan. 1923 compared with the previous January (in millions of francs):—

Value.

	1923.	1922.	Difference in 1923.
Imports.			
Foodstuffs	457.9	345.8	+112.0
Industrial material ...	1,374.2	869.2	+505.0
Manufactured goods ...	312.0	244.4	+ 67.6
	2,144.1	1,459.4	+684.6
Exports.			
Foodstuffs	187.0	132.5	+ 54.4
Industrial material ...	434.7	383.4	+ 51.3
Manufactured goods ...	944.7	864.0	+ 80.7
Postal parcels	129.3	63.4	+ 65.9
	1,695.7	1,443.3	+252.3

It will be seen from the above that while both imports and exports exceed those of Jan. 1922 they show a marked decline in comparison with December. The following table gives the monthly figures during the last half of 1922 as compared with Jan. 1923 (in millions of francs):—

	Imports.	Exports.
July 1922 ...	1,995.7	1,433.0
Aug. „ ...	1,959.7	1,676.3
Sept. „ ...	1,893.1	1,741.0
Oct. „ ...	2,108.8	1,937.4
Nov. „ ...	2,348.2	1,706.4
Dec. „ ...	2,923.2	2,778.9
Jan. 1923 ...	2,144.2	1,695.8

Quantity (in 1,000 tons).

	1923.	1922.	Difference in 1923.
Imports.			
Foodstuffs	376	289	+ 87
Industrial materials ...	3,602	2,986	+ 615
Manufactured goods ...	132	105	+ 26
	4,110	3,380	+ 728
Exports.			
Foodstuffs	87	63	+ 23
Industrial materials ...	1,653	1,356	+ 297
Manufactured goods ...	152	132	+ 19
Postal parcels	2	1	+ 1
	1,894	1,552	+ 340

The valuations in money of imports are as usual based on the declarations of importers checked by the Customs with a view to the levy of the turnover tax and those of exports on the official rates fixed for 1921 by the permanent Customs Board. The following comment on the above returns is made by an economic journal.

The result of the month's trade confirms the impression already formed in industrial circles that the decline of the franc would cause a serious reduction of business. Export figures are the lowest recorded for the past six months. As regards imports, valued according to the declarations of importers, the rise in prices suggests that the actual debit balance as compared with December is higher than a mere comparison of the figures for the two months shows. It has been plain for some time past that the curve of imports follows that of the purchase of foreign coal. Notwithstanding this setback in January, the general position of trade is sound. Foreign trade continues to exceed largely in quantity that of 1913. It should not, however, be overlooked that the continuance of an adverse trade balance, more marked than ever in the past few weeks, constitutes a serious danger to France's credit. This debit balance, which in December had declined to Fr.150 mill., has risen again to Fr.450 mill. Home consumption increases at a greater rate than exports, despite the strenuous efforts made to promote them. The commercial crisis revealed by the January returns has a special character, which does not follow the laws of political economy. It may be described as a crisis due to hesitation. Ordinarily a rise in prices stimulates purchases and quickens industrial activity. But this time the sudden rise in the foreign exchange and in prices has paralysed instead of stimulating production. This is because the sudden rise chiefly affected raw materials, and was the result of speculative operations, more or less transitory, in the franc. Manufacturers, whose bitter experience in 1921 has made them extremely shy of accumulating stocks, are chary of manufacturing, with raw materials standing at prices which they do not deem to be permanent, goods which they might have to sell on a falling market. Thus the present hesitation is really due to a steady confidence in industrial and commercial circles in the ultimate recovery of the franc. This confidence is at present undoubtedly justified, seeing that the rise of the foreign exchange does not correspond to inflation at home, and that the real resources of the country will enable it to a great extent to regain its credit. But it will be less justified later unless serious efforts are made to set the national finances in order and balance the Budget. (*Journée Industrielle*, Feb. 20, 21.)

INDUSTRY

LEASE OF THE ALSACE POTASSIUM MINES.

The Chamber has passed by a large majority the Bill for the lease of the potassium mines of Alsace, the main provisions of which are as follows:—All property rights and interests belonging or attaching to the sequestered potassium mines of Alsace shall be leased for a period of 75 years to a single joint stock company, in which labour shall participate, founded in accordance with French law. The original capital shall be subscribed in the following proportions: 50% by agricultural unions and associations; 5% by victims of the invasion, whether "communes" or private persons settled in the departments of Haut-Rhin, Bas-Rhin, and Moselle; 15% by those departments and the "communes," social insurance societies, and chambers of commerce included therein; 15% by holders of the mining ventures or shares known as "kuxes," held before Nov. 11, 1918, by French subjects or by Alsatians and Lorrainers, who have, ipso facto, resumed French nationality, and 5% by the staff of the company. Shares not taken up by the above-mentioned bodies shall be offered for subscription to the public. The company shall not have power to issue debentures to an amount exceeding 1½ times that of its share capital. The three above-mentioned departments shall take over the rights in the mines owned by the former German province of Alsace-Lorraine, on condition of taking over, pro rata, the loans formerly contracted by that province on the security of the mines. The shares of Fr.100 each shall be registered, and may only be held by French subjects, and bodies domiciled in France. A sale office ("comptoir de vente") shall be formed, of which the said company and all other persons or bodies working the potassium mines at present or in the future shall be members. After deducting from profits debenture interest, and the amount carried to reserve, a cumulative interest being 2% higher than the highest interest paid by the State Rentes, shall be assigned to shares which have not been paid off, and any excess profit shall be divided between the State and the company. The State shall take no share of the excess profits on the capital subscribed by the three departments or by the holders of "kuxes." Otherwise the share of the State shall be from 10% to 50%, according to the amount of excess profits. The prices of products sold abroad shall not exceed those of products sold in France, subject to exceptions allowed by the Minister of Public Works on the advice of the Supreme Councils of Agriculture

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and Mining. No Senator or Deputy shall be a member of the board of the company, or participate in its management. (*Information Financière*, Feb. 23.)

THE OUTPUT OF THE SAAR IN 1922.

The coal output in the Saar field in 1922 was 11.2 mill. t. of coal (10.9 mill. t. from the mines worked by the State), and 263.120 t. of coke. Stocks at the pit's mouth at the end of the year consisted of 215,703 t. of coal and 2,212 t. of coke. The number of miners employed was 72,790. (*Information Financière*, Feb.18.)

SOCIAL AND LABOUR CONDITIONS

COAL STRIKES.

A strike ordered by the National Council of the Communist Federation of Miners throughout the country has proved a failure, and practically terminated on Feb. 21. Owing to the very lukewarm response to the order by the miners—the number of those who came out was estimated by the Minister of Labour at not exceeding 20% on the average—the Council was obliged to order except in the Moselle a general resumption of work. Those taking part in the strike numbered 2,000 out of 50,000 in the Pas de Calais, 25% in the Nord, 25% in the Gard, 75% in the Loire, 10% in the Aveyron. At Carmaux the men remained at work.

In the State mines of the Saar the miners have struck for a rise of Fr.7 a day, and are still out. (*Information Financière*, Feb. 18; *Journée Industrielle*, Feb. 20, 21; *Nord Industriel*, Feb. 17.)

PROPOSED RECIPROCITY LABOUR CONVENTION WITH BELGIUM.

It is reported that a convention affecting more than 250,000 Belgians working in France and a considerable number of French workers in Belgium is under negotiation between France and Belgium. The agreement provides that the wages paid to Belgian workers in France shall be equal to the wages paid to French workers employed on similar work, or, where foreign workers are employed, to the prevailing wage rates. French workers shall be entitled to the same treatment in Belgium.

Complaints which require the intervention of the authorities shall be submitted to the Government in question through the usual diplomatic channels. It is proposed to institute a Labour Department at the respective Ministries of Foreign Affairs.

Workers belonging to one of the two countries and working in the territory of the other, shall enjoy the same rights with regard to old age pensions as nationals of the latter country. The benefits already enjoyed by miners will thus be extended to all workers.

Belgian workers will be entitled to sit on conciliation and arbitration councils in France and French workers to sit on similar councils in Belgium. Workers will not be subject to special taxes other than taxes payable by all foreigners.

It is also proposed to deal with a number of less important matters such as Customs formalities, etc. (*L'Œuvre* and *Journal de Liége*, Jan. 27, 1923, quoted by the *Report of the International Labour Office*, Feb. 9.)

GERMANY

POLITICAL AND GENERAL

Banking Activities in the Ruhr.

The following account of the present activities of the banks in the occupied German areas was supplied to the *Berliner Tageblatt* (Feb. 10), by its special correspondent at Essen :—

Economic life in the Ruhr district was especially disorganised by the seizing by the French of the Reichsbank in Essen. All the employees of the bank stopped work, and the staffs of all the other Essen banks declared their solidarity with that of the Reichsbank. The French, fearing the consequences of a stoppage of the banking system, entered into negotiations and withdrew their troops from the Reichsbank, but kept guard over the latter from close by. The French are in a state of constant anxiety lest the milliards to go towards reparations should be transferred to unoccupied Germany, and are strengthened in their suspicions by the activities of the miners, fetching their wage money. Yet Germany's policy is not to remove money from the occupied areas, but to introduce as much there as possible.

The French have not touched the tills of the Essen Reichsbank, and the Essen banks are striving to maintain normal business as far as possible. French and Belgian money, however, is not changed.

The banks were soon confronted by a great economic task. The continually rising prices of food compelled a number of consumers' associations, desirous of importing large food supplies into the district, but not having sufficient available capital, to raise credit. Food credits were now the order of the day, and action had to be taken quickly. Differences of opinion arose as to the advisability of granting the credits to the wholesale trade or to retailers. Notwithstanding these discussions, the granting of credits proceeded apace. The banks assisted by every means in their power to import food supplies, and granted credits for this purpose to the value of many hundreds of millions of marks. Since money was scarce, the luxury trade was kept short of credit rather than that any hitch should occur in connection with food supplies. The head of one of the largest banks stated that profit-making was a secondary consideration for the time being; the only thought was to carry on.

The efforts of the banks were rendered more difficult still by the stoppage in the postal, telephone and train services, as well as by the demands of such huge organisations as the Coal Syndicate and the Pig-iron Union. Nevertheless, the cash reserves of the banks, necessitated by the tremendous note circulation of to-day, are so great that they are technically almost unmanageable. Some banks have till money consisting of a milliard of marks, which take days to count and tie up in bundles. The other great duty of the banks is concerned with the provision of money for wages. Credits for this purpose will only be required to any great extent if reduced working and export stoppages occur. The banks have, so far as they can, prepared themselves to give wage credits as well as food credits.

The Coal Supply.

The *Berliner Börsen-Zeitung* (Feb. 17) publishes an account of an interview granted by the Reich Coal Controller to the Berlin correspondent of an economic news agency in Essen, in which the former is stated to have given the following opinions regarding conditions in the Ruhr district and unoccupied Germany :—

The industries in unoccupied Germany were, without a doubt, provided with enough coal to last them some considerable time. Their stocks would last for four to six weeks, and they would certainly obtain English coal, which was imported in large quantities in 1922, and of which, notwithstanding unfavourable exchange rate conditions, at least one million tons in February and one-and-a-half million in March might confidently be expected. If this opinion sounded like a contradiction of the statement made by the Controller to the Reparation Commission (he stated that Germany was very poorly supplied with coal) it must be remembered: (a) that since the occupation of the Ruhr the deliveries on account of reparations had ceased; (b) industrial stocks consisted chiefly in English coal; (c) owing to the great rise in coal prices, industries were greatly restricting their requirements. The Controller expressed great optimism with regard to the financial capacity of German industries in connection with the purchase of foreign coal. The exchange had now improved somewhat, and they would certainly be able to meet their liabilities in foreign currency for some time to come.

As regards the substitution in unoccupied territory of lignite, and of hard coal from the other German hard coal mines for the Ruhr hard coal, he drew attention to the fact that the substitution of lignite had been proceeding ever since the Spa Agreement, and works had adapted their firing installations accordingly. Further adaptations could always take place, if necessary. The output of rough lignite, which in 1913 amounted to 7,269,000 t. per month, was now over 12 mill. t., and briquette production had increased from 785,000 t. to about 2.5 mill. t. It was well known that the Ruhr was the principal consumer of its own coal and that the rest of Germany only consumed 42% of the Ruhr output. Half the hard coal requirements of unoccupied Germany would be drawn now from other national sources. The extra shift system had been introduced, and greatly augmented quantities of hard coal were expected from the Waldenburg district, and from German Upper Silesia, Saxony and Upper Bavaria. Some coal was also available from the east and north-east border mines in the Ruhr, which were not occupied. Household supplies were also assured, chiefly with lignite, briquettes and gas coke.

The Controller quashed the fears expressed in the press and in industrial circles of unemployment among the Ruhr miners, brought about by restriction of output caused by super-abundant pit-head stocks. Improvement and repair work in the mines had been much neglected, he said, owing to the necessity, during the war, of forced production. The opportunity to continue this work had now arisen. Although production would suffer thereby, the future gain would be all the greater. He confidently expressed the opinion that Germany would not suffer from a coal catastrophe. He did not think that France had entered the Ruhr because the coal reparation deliveries had not been made in full. France was afraid that after the lapse of the seven years during which, under the Versailles Treaty, she might feed her Lorraine ore industries with Ruhr coke, she would have difficulty in obtaining Ruhr coke. He knew that private negotiations had often taken place between the French heavy industries and the Ruhr mines, but had always failed on account of the exaggerated demands of the French.

Reparation Deliveries of Coal.

The German reparation coal deliveries to France, Belgium and Italy during the first half-year 1922 amounted to 8,157,259 t. of coal, coke and lignite from the Ruhr district, 13,264 t. of lignite from Central Germany, and 454,064 t. of coal and coke from Silesia to Italy, viz. a total of 8,624,587 t. In these amounts the coke deliveries have not been translated into coal. The actual deliveries during the first half-year 1922 to France, Belgium and Italy were 9,892,821 t. Up to Dec. 31, 1921, 37 mill. t. had been delivered, so that the total German deliveries on account of reparations since the Armistice up to the end of June 1922 are 46,892,821 t.

FINANCE

NEW BANK LAWS.

The new law concerning the alteration of the Bank Law and of the law concerning the metal reserves of private banks of issue, which came into force on Feb. 3, decrees that the provision of the Bank Law of Mar. 14, 1875, whereby the notes in circulation belonging to private banks of issue must be covered to the extent of one-third of their value by current German money, Reich bank notes, gold bullion or foreign currencies, is abrogated until Dec. 31, 1923.

The tax-free note quota of private banks of issue is raised as follows:—The Bayerische Notenbank in Munich, to Mk.12 milliard; the Sächsische Bank in Dresden, Mk.6.6 milliard; the Württembergische Notenbank in Stuttgart, Mk.3.9 milliard; the Badische Bank in Mannheim, Mk.3.9 milliard.

Note issues may be made to a total of:—The Bayerische Notenbank, Mk.18 milliard; the Sächsische Bank, Mk.18 milliard; the Württembergische Notenbank, Mk.6.3 milliard; the Badische Bank, Mk.6.3 milliard. (*Berliner Börsen-Zeitung*, Feb. 13.)

GOLD-BACKED CREDITS SCHEME.

The Central Association of German Wholesale Traders has placed before the Ministry of Economics the following proposals for obviating the practice in home trading of invoicing on the basis of a foreign currency:—

1. The Reichsbank declares its readiness to hold gold-backed mark deposits for registered firms in the same way that Reichsbank deposit accounts are now kept in paper marks.
2. Pending more detailed arrangements, these gold-backed mark accounts could be opened by the Reichsbank on payment of gold currency, or bills of exchange, or sums of paper marks calculated at the rate obtaining on the day following the date of payment.
3. These gold-backed mark credits must be transferable from one account to another, and must also be repayable on one day's notice at the rate obtaining on the day following the day of notice.
4. As gold is not quoted on the market, the rate of the gold mark could only be provisionally determined by means of some sound foreign currency, which at present is only the North American.

Following on the introduction of this gold-backed mark system by the Reichsbank, the Government, by amending the existing legislation with regard to bills of exchange, could prohibit, not only as hitherto, payments in foreign currencies in home trade, but also invoicing on the basis of foreign values, since home traders would then be able to cover their currency requirements by means of their gold-backed mark balances. The main advantages of this system would be a quite considerable reduction in the amount of foreign currency hitherto required, for at present every single transaction necessitates the provision of foreign currencies of every nationality. In future this currency acquiring would be transferred to the Reichsbank and the private banks, to which this form of business really belongs, as the Reichsbank and the private banks must naturally have covering for the gold mark obligations they have contracted. Also, a quite valuable saving in the total amount of foreign currency media required would ensue, as the procuring of cover would undoubtedly be more economically effected by the Reichsbank and private banks than by the enormous number of indi-

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vidual firms. The creation of this gold-backed mark business would naturally be followed by similar steps on the part of private banks, if their customers desired it, on terms which would approach very closely those of the Reichsbank. It is of the utmost importance, in whatever circumstances, however, that this gold-backed mark business should not merely be established in the abstract, but that the Reichsbank should stand at its head. Otherwise it is to be feared that private banks will open gold mark accounts on varying terms and that friction will ensue, likewise that the terms offered by the private banks will be considerably less favourable if a standard is not set by the Reichsbank. Since the gold-backed mark would be brought into a fixed relation with the rate of the dollar, the Reichsbank and the private banks would presumably seek their cover chiefly by acquiring dollar securities. There need be no fear that the dollar would rise excessively in price as compared with other foreign currencies. International arbitrage will always adjust this.

Although the *Frankfurter Zeitung* (Feb. 9) agrees that these proposals might help to simplify proceedings on the money market, it draws attention to the fact that this gold-backed mark system of calculation is only a dollar system in disguise, to which latter system the public is already resorting largely. The new proposals, if effected, might only, by intensifying and spreading this system, result in sending up prices in Germany far above the international market prices, as in Austria.

NEW MUNICIPAL LOANS.

The difficulties connected with municipal finances in Germany are visible in the extent to which towns are finding themselves obliged to resort to loan issues. In order to execute its building projects for 1923 the town of Bielefeld has issued a loan to the value of Mk.1 milliard. Gelsenkirchen decided to raise a loan of Mk.176 mill., but has increased the figure to Mk.286 mill. Hagen in Westphalia has decided to raise a loan of Mk.50 mill. through the Bochum Miners' Union, another of Mk.50 mill. through the Münster Landesbank, and one of Mk.400 mill. in bearer shares. Hamm, also in Westphalia, is raising a loan of Mk.150 mill. Remscheid and Solingen are asking for Mk.200 mill. apiece. Ahlen, in Westphalia, has received permission to issue loan shares to the value of Mk.50 mill., redeemable at 10 over par. (*Frankfurter Zeitung*, Feb. 13.)

TRADE

FOREIGN TRADE STATISTICS.

The import values for Dec. 1922, reckoned by multiplying the declared value of the goods imported by a co-efficient obtained from the relative value of the declared to the estimated value, amount to 589.8 mill. gold marks, as against 536.2 mill. in November. In the same way, the export values amount to 423 mill. gold marks, as against 255.2 mill. in November. The increased value of the imports is consequent on a greater import of high-priced goods, such as cotton, flax, hemp, jute, hides and skins, oilseeds and agricultural seed, whereas the import of hard coal and other low-value goods was far smaller, and helped to reduce the import values. Export values were greater on account of the extra iron goods and machinery usually hurried on at the end of the year.

The total import values for 1922 may be estimated at 6.2 milliard gold marks, and total export values at 4 milliard gold marks. The deficit in the commercial balance amounts, therefore, for 1922, to over 2 milliard gold marks. (*Berliner Börsen-Zeitung*, Feb. 12.)

INDUSTRIES

HIGHER COAL PRICES.

The following rises in coal prices per ton came into force on Feb. 8 :—

	Mk.
Ruhr rough bituminous coal	by 36,622
Saxon coal, average price	„ 34,272
Lower Silesian coal	„ 29,804
Aix–Eschweiler	„ 43,046
Aix–Nordstern	„ 48,648
Niedersachsen–Barsinghausen	„ 30,872
Niedersachen–Ibbenbüren	„ 29,240
Rhenish rough lignite	„ 6,497
Rhenish briquettes	„ 22,828
Central German rough lignite	„ 9,166
Central German briquettes	„ 25,395

The rises correspond to the wage increases in the various districts. Excluding tax, etc., Ruhr rough bituminous coal now costs Mk.123,355 per t. instead of Mk.68,411. Its former price, including coal tax, was Mk.92,537. (*Berliner Börsen-Zeitung*, Feb. 9.)

PROGRESS OF LARGE CHEMICAL FIRM.

The yearly report of the A.G. für Chemische Produkte, formerly H. Scheidemandel, Berlin, showed gross profits of Mk.172,647,244, as against Mk.21,296,927 the previous year, and Mk.12,214,849 in 1919–20. Expenses rose from Mk.6,938,757 in 1920–21 to Mk.55,885,056, and taxation and insurance monies from Mk.4,161,593 to Mk.22,065,173. Net profits amounted, therefore, to Mk.94,697,015 as against Mk.10,196,577 in 1920–21 and Mk.4,202,060 in 1919–20. A dividend of 75%, as against 40% and 30% in the last two years, was declared, and Mk.21,522,320 placed to the reserve fund, which, during the last two years, had been nil. The share capital of the company now consists of Mk.75 mill., new shares to the value of Mk.25 mill. having been issued by decision of the general meeting of Sept. 26, 1922, at par, and bearing interest as from the previous October, two old shares entitling the holder to take up one new one. The shares were paid up to the value of 25%, the remainder to be paid up by Mar. 1, 1923. A number of affiliated companies have raised their capital, viz. the Chemische Fabrik Eutritzsch, in Leipzig, from Mk.1 mill. to Mk.10 mill. ; the Chemische Fabrik Ortrand, in Berlin, from Mk.600,000 to Mk.5 mill. ; the F. Drake Co., in Minden, from Mk.300,000 to Mk.3 mill. ; Fattinger and Co., in Berlin, from Mk.20,000 to Mk.2 mill ; Tenner and Co., in Strehla, from Mk.400,000 to Mk.10 mill. ; Anton Weber and Co., in Leipzig, from Mk.150,000 to Mk.10 mill. (*Berliner Börsen-Zeitung*, Feb. 15.)

AGRICULTURE

PRUSSIAN CORN PRODUCTION POLICY CRITICISED.

The *Deutsche Allgemeine Zeitung* (Feb. 16) publishes a protest by Dr. Nikodem Caro, an expert on German and foreign nitrate fertilizer manufacture, against the suggestions which have been made by the Prussian Government for the promotion of corn growing.

The Prussian Government have deposited a Bill which, by the advocation of compulsory measures of an extreme nature, proposes to promote corn production to such an extent that compulsory administration in this connection can be completely dispensed with. Farmers are to be compelled to deliver to the Reich 4½ mill. t. of corn, but instead of receiving cash payment they will be obliged to accept payment in fixed quantities of nitrate fertiliser. These quantities will be larger for voluntary corn deliveries than for compulsory ones. Free trading in home-produced nitrates shall cease and the nitrates shall be surrendered to the Reich Corn Department. This Department shall likewise import 1 mill. t. of Chilian saltpetre.

According to Dr. Caro, the import of Chilian saltpetre has been free of control for some time, but only very small quantities have been imported into Germany. This means either that experts are right, and that under present conditions home agriculture cannot make use of any further quantities of nitrates than they can obtain from home sources, or that Chilian saltpetre is too dear for the home market. If it be true that the 340,000 to 380,000 t. of home-produced pure nitrates suffice for home uses, additional imports will not create additional demands. If, on the other hand, the second supposition be correct, the import of dear foreign saltpetre will only send up the price of the German. If calculations be made on the basis of the present sterling exchange rates it can be shown that the price for the mixed product would exceed the present home price by about 85%. Further, it can be shown that the present conditions under which the farmer has to deliver his corn to the State far below market prices, would only be aggravated under the new scheme, and that at present exchange rates, and supposing the price of the mixed nitrates to be, as calculated, higher than the existing home price, the farmer would receive in nitrate value only about 43% of the market price of corn. From the standpoint of the Nitrate Syndicate this scheme is equally unpromising. It would destroy the laboriously acquired organisation of the Syndicate, which is founded upon the smoothly adjusted relationship between itself and the consumer. The delivery of nitrates to the consumer would have to tally with the delivery of corn by the latter, and would not take into account the difficulties of storage and delivery of the Syndicate; freightage arrangements would be rendered entirely uneconomic. The scheme would certainly hinder nitrate production.

An increase in agricultural production by the augmented use of nitrates can only be achieved if the farmer receives for his product a price ensuring him a fair profit, i.e. the market price. The production of nitrates can only be promoted by liberating the farmer from all compulsory measures and enabling him to utilise greater quantities of nitrate fertilisers. If home nitrate production cannot meet all requirements, it must be encouraged by all possible means, especially by the adequate provision of water power. In the meantime foreign nitrates must be imported and the Reich must take measures to cheapen them. If this is impossible, then they cannot be imported. It is certain that the measures proposed by the Prussian Government will only retard production and raise prices, and will achieve the very contrary to the desired effect.

SOCIAL AND LABOUR CONDITIONS

WAGE MOVEMENTS IN 1922.

The *Korrespondenzblatt* (Feb. 10) gives interesting statistical tables and an account of wage movements in the different districts and industries of Germany during last year. Briefly stated, the average full-time hourly wage of a man, taken from statistics collected from 25 towns (including Berlin) and covering 20 callings, worked out at Mk.331.25 in December, as against Mk.73.72 in September, Mk.23.92 in June, and Mk.14.64 in March, 1922, and Mk.10.44 and Mk.7.20 in December and September 1921, respectively. This tremendous increase will be even exceeded in the present wage movement, brought about by the French action in the Ruhr. Commodity prices have already reached a giddy height, but it is very doubtful if wages can follow in their wake. If the Ruhr be occupied for long, a coal shortage will certainly ensue, with a consequent stoppage of production. Under the pressure of bad unemployment it will be far more difficult than formerly to raise the wage standard. The utmost resisting power will be necessary to prevent the collapse of the workers' unions in this fierce economic struggle brought about by foreign Powers. The fight to restore the standard of life can only be successful if the workers can rely upon strong unions. Above all, the eight-hour day must be retained.

COMMUNICATIONS

THE INLAND WATERWAYS.

The following pictures of the inland waterways within and without the occupied districts of Germany are in striking contrast and speak for themselves:—

1. *The Upper Main, the Danube-Main Canal and the Danube.* A report from Regensburg states that inland shipping on the Rhine, the Main and the Danube has been but little affected this winter. Whereas shipping is usually completely stopped in January by ice, it continued as usual this year, was, in fact, very active. There was always plenty of water in the Upper Main and the Danube, and boats were able to proceed fully laden. The chief cargoes on the Upper Main were timber, and were loaded in Würzburg and Aschaffenburg. On the Danube, too, the chief cargoes were cut and uncut timber, going in great numbers upstream to Passau and Regensburg. A good deal of salt was also carried on the Danube to Austria, Hungary and Yugo-Slavia. Shipping on the Lower Danube, to Bulgaria and Rumania, was stopped on account of the weather. It has rarely been possible to maintain shipping activities on the Danube right through the winter; they usually stopped on Dec. 1. The Lower Danube should be navigable by the middle of February, then shipping can be fully resumed along the entire waterway.

2. *The Main and the Rhine.* Formerly, when the high tides of spring went swirling down into the valleys of the Rhine and the Main, the shores of these rivers resounded with the splash of the endless train of ships, bearing their heavy loads upstream. Now, for several weeks past, shipping has completely ceased on both these waterways. The French policy of force has crippled traffic. The German crews have abandoned their boats and gone to their homes. Since a few days the French will not allow any empty boats to pass from the occupied to the unoccupied district; several boats coming recently from Höchst to Frankfurt, were forcibly detained by the French military. Coal freightage on the Main is only permitted as far as Höchst. All the attempts of the French, so far, to move the expropriated boats with tugs, have failed, by reason of the lack of skilled crews. The Rhine pilots have also left their posts, and no Frenchman has yet dared to brave the treacherous depths and currents with his own steamer. The French sailors have been trying in vain to navigate the abandoned German steam tugs. At Mainz there are whole trains of boats which cannot be tugged either up or down stream for lack of skilled engineers and pilots. Even on the comparatively easy stretch between Mainz and Bingen the French have been unable to move the shipping. Consequent on the railway strikes, trans-shipment traffic in Mainz and Gustavsburg harbours has stopped. The hopes placed by the French on the Dutch have been bitterly deceived. In the first place, the Dutch Rhine shippers would not take advantage of their German comrades; in the second place, the Dutch screw boats which ply, for instance, in the Mainz district, demanded payment in gulden. That is too dear for the French. Under these circumstances there is no question of utilising the Rhine to carry the Ruhr coal on account of reparations. Nor can it come into question until the French cease their policy of force. (*Frankfurter Zeitung*, Feb. 10, 12.)

SWITZERLAND

POLITICAL AND GENERAL

The Commercial Treaty with Italy.

According to the *Journal de Genève* (Jan. 29, Feb. 10), the commercial agreement signed on Jan. 27 with Italy, which comes into force on Feb. 20, is not considered very satisfactory in Swiss industrial circles. This paper says: "The Treaty certainly marks an improvement on the present state of affairs, for now the Swiss export trade is absolutely paralysed by the Italian import dues. But it is useless to conceal the fact that our claims have been met in only a very slight degree. Italy will benefit by a number of important reductions in the Swiss import dues. Lemons, for instance, will only be taxed at Fr.3 instead of Fr.5 per quint., and Italian cheese at Fr.8 instead of Fr.20 per quint. On the other hand, Swiss industrial exports to Italy will be less favourably taxed than her agricultural products, for Italy is endeavouring to protect her metal industry, and will not reduce the rates in this respect. By reason of the reduced Swiss dues on Italian wines, too, wine growers will continue to suffer as they have done since the Spanish agreement. Notwithstanding good yields, Swiss wine growers are faced by full cellars, owing to the large quantities of foregn wines imported."

[The *Neue Zürcher Zeitung* (Jan. 29) gives lists of the mutual tariff reductions in the chief Italian and Swiss import commodities.]

Treatment of Foreign Property.

The Federal Council has passed the Bill relating to the sequestration and compulsory realisation of foreign property. Sequestration or any other measure intended to bring about the realisation of such property cannot be effected if the foreign State in question grants reciprocal rights. This condition applies likewise to moveable property, unless it be a question of fulfilling a pledge. (*Journal de Genève*, Jan. 31.)

FINANCE

MINT STATISTICS.

In the Swiss Financial Yearbook for 1923, Dr. Meyer gives a particularly interesting account of minting activities during 1922, from which the following points are extracted:

The French silver fractional coin to the value of Fr.43.38 mill. withdrawn from Swiss circulation between July and September 1920, together with the Fr.5 pieces of all the States belonging to the Latin Monetary Union, to the value of Fr.225 mill, and the Belgian silver fractional coin to the value of Fr.6.5 mill., withdrawn in February and March 1921, have brought about great alterations in the Swiss currency. According to an agreement made on Dec. 9, 1921, with regard to the utilisation of this withdrawn coinage, French Fr.5 pieces, to the value of about Fr.130 mill., Italian to the value of Fr.30 mill., and Belgian to the value of Fr.6 mill., will be returned to their respective countries for a period of not more than five years from Jan. 15, 1927, and Switzerland will be compensated in Swiss Fr.5 pieces, up to a total sum of Fr.28.6 mill. in gold or bills. The remainder, consisting of Italian Fr.5 pieces to the value of Fr.35.4 mill., Belgian to the value of Fr.29.4 mill., and Greek to the value of Fr.0.9 mill., Switzerland will retain and remint into Swiss money. Switzerland's total coinage quota for silver Fr.5 pieces was fixed at Fr.80 mill. The agreement permits the other Union States to continue circulating Swiss Fr.5 silver pieces, but financial considerations will cause them to return this coinage to Switzerland in order to adjust their debt in respect of their coinage returned by her.

Whereas, on the one hand, a shortage of silver has resulted in Switzerland, and was adjusted by the minting of new fractional silver coinage, to which Fr.5 pieces will be added, an increase in the circulation of gold currency has been effected which has completely altered the Swiss currency situation. During 1921 the American dollar began to fall from the high rate it had attained immediately after the war, and towards the end of 1921 the parity of the Swiss franc exceeded that of the dollar. The cause did not lie in the Swiss economic situation. The high rate of the Swiss franc appears to have resulted in part from American endeavours to lower the rate of the dollar, in part from the preference extended to the Swiss franc by exporters in countries with very depreciated currencies. The result was that it was possible to import gold for minting purposes into Switzerland. Very active business in gold was carried on in this country during 1921. The import of gold bullion had somewhat augmented, but that of gold coinage had assumed unheard-of dimensions. The aim of this gold traffic was re-export to the United States. The gold currency, imported almost exclusively by way of Sweden, was turned into gold bars and exported in this form to America. This import traffic continued right into 1922, but the export of gold fell considerably. During this period gold was introduced into the Swiss circulation. The Federal Mints were not adapted for speedy dealing with large quantities of material. Delay would have rendered minting impossible in Switzerland, on account of the consequent loss of interest. The Nationalbank stepped into the breach, took over from the importing private banks the gold destined for minting, and gave them equivalents from its own gold currency stocks. At the same time, the Nationalbank announced that the minting and placing in circulation of gold in Switzerland was desirable. The gold coinage thus circulated was of old minting, and of various nationalities; that which the Nationalbank took over was newly minted. By the middle of 1922, gold to the value of Fr.150 mill. had been circulated through this procedure. At this date banknotes were in circulation to a value of Fr.905 mill. (Fr.933 mill. in 1920; Fr.268 mill. in 1914); gold to a value of Fr.765 mill. (614 and 280); Fr.5 pieces to a value of Fr.110 mill. (200 and 80); fractional silver coin to a value of Fr.100 mill. (80 and 30); i.e. a total currency of Fr.1,880 mill. (1,827 and 658). If Fr.544 mill. representing gold in the Nationalbank (534 and 180) and Fr.110 mill. representing Fr.5 pieces also held there, i.e., a total currency of Fr.654 mill., be deducted, coinage was actually in circulation in the middle of 1922 to a total value of Fr.1,226 mill. (*Neue Zürcher Zeitung*, Feb. 4.)

STOCK EXCHANGE INDEX NUMBERS.

The index number for Swiss securities, comprising 41 securities with a total capital of Fr.1,438.05 mill., stood at the end of Jan. at 86.4 % of their nominal value, as against 87.3% at the end of Dec., 1922, and 70% at the end of January 1922. (*Frankfurter Zeitung*, Feb. 13.)

CUSTOMS RECEIPTS.

The Swiss Customs receipts for the period Dec. 1 to 31 amounted to Fr.22,585,431, as against Fr.21,572,052 for the corresponding period of 1921, i.e. an increase of Fr.1,013,379. The receipts for the whole of 1922 amounted to Fr.163,979,825, as against Fr.117,069,025, viz. an increase in 1922 of Fr.46,583,729. (*Journal de Genève*, Feb. 10.)

RAILWAY RECEIPTS.

The transport receipts of the Swiss Federal Railways for 1922 amounted to Fr.324.47 mill., as against Fr.331.95 mill. for 1921, showing a decrease of Fr.7.48 mill. for 1922. The total receipts in 1922, including all receipts, showed a decrease amounting to Fr.10.5 mill. This is the result of the great decrease in traffic which set in at the end of 1921. It is noteworthy that goods transport during 1922 brought in Fr.3.79 mill. less than in 1921, although the tonnage carried was greater by 1,107,000 t., and that the extra tonnage conveyed has therefore not sufficed to compensate for the loss resulting on reduced rates. The excess of receipts over expenditure amounted in 1922 to Fr.34.55 mill., instead of Fr.21.04 mill. in 1921, showing a gain of Fr.13.51 mill.

The Swiss Federal Railway Executive have decided to reduce, as from May 1, the increase on the fast luggage and express passenger service rates from 20 to 10%, and the minimum express rates for luggage or parcels from 80 to 60%, and that of goods from 60 to 50%. (*Journal de Genève*, Jan. 23, 28.)

TAXATION OF MILK AND CHEESE EXPORTS.

The Swiss Federal Council have authorised the Federal Department of Public Economy, when the latter issue export permits for fresh milk in quantities exceeding 10 kg. in weight, and for cheese in quantities exceeding 5 kg. in weight, to tax the export of milk at a rate not exceeding 3 cent. per kg., and that of cheese at a rate not exceeding 20 cent. per kg. (*Journal de Genève*, Jan. 31.)

TRADE

EXPORT STATISTICS.

Switzerland exported during the first nine months of 1922 goods to the total value of Fr.1⅓ milliards (*cf.* The Economic Review, Feb. 2, p. 95). If, for the purposes of comparison, the export values during the last quarter of the year be estimated as an average of the first three quarters, the total yearly export values stand at Fr.1⅗ milliards, i.e. about the same as in 1921, and about ⅓ higher than in the normal year 1913. This increased value as against pre-war days is due to increased prices; quantitatively 1922 exports show a considerable decrease on those of 1913. The official Customs statistics do not show the value of exports to individual countries, but if the figures for the various goods exported to each country be examined and account be taken of the variations in present and pre-war prices, results show that export to the U.S.A. was about on a level with that of 1913, while exports to France, Great Britain, Belgium and Spain exceeded those of 1913. Exports to Germany and Switzerland, on the other hand, were smaller. The extent of the figures show, at the same time, that the most important export markets for Switzerland are still in Great Britain, France, Germany and the U.S.A. Exports to the latter country will probably diminish by reason of the new Customs tariff, and it is also to be feared that exports to Germany will suffer a further reduction.

The chief commodities were exported to the following values: *To Germany:* Cotton yarns, Fr.23.5 mill.; cotton fabrics, 34.2; floss silk, 14.8; organsin and trame, 17.4; silk fabrics, 2.8; worsted, 6.7; watches. 7.7; machinery, 2.8; aluminium, 2; cheese, 12.6; *To France:* Machinery, Fr.37.6 mill.; watches, 8.3; electrical apparatus, 4.6; tube joints, 3.7; floss silk, 5.8; silk fabrics, 8.4; cotton yarns and fabrics, 5.2; embroideries, 5; hat-lace, 3; aniline dyes, 9.5; perfumery, 2.5; printing paper, 4.3; boards, 5.3; hides, 3.5; footwear, 2.5; condensed milk, 4.6; cheese, 8.1; *To Italy:* Machinery, Fr.12.5 mill.; watches, 5.7; instruments and apparatus, 1; incandescent lamps, 1.1; aniline dyes, 1.1; cotton fabrics, 2.7; embroideries, 1.2; floss silk, 2.5; leather, 2.3; cattle, 3; cheese, 6.7. *To Great Britain:* Silk fabrics, Fr.74.2 mill.; silk ribbons, 32.2; embroideries, 32; woven goods, 19; artificial silk, 4.1; floss silk, 3; hat-lace, 6.8; machinery, 9.4; watches, 13.4; instruments and apparatus, 2.6; aniline dyes, 10.2; footwear, 9; chocolate, 12.9; condensed milk, 4.5. *To U.S.A.:* watches, Fr.33.1 mill.; aluminium, 5.5; cotton fabrics, 23.9; satin-stitch embroideries, 9.5; embroideries, 12.5; floss silk, 4.7; artificial silk, 2.6; silk fabrics, 3.7; hat-lace, 3.4; woven goods, 2.2; perfumery, 2.2; aniline dyes, 11.4; cheese, 15.3. *To Spain:* Machinery, Fr.10.1 mill.; watches, 5; cotton fabrics, 8.9; silk fabrics, 3.2; artificial silk, 2.6. *To Belgium:* Machinery, Fr.5.6 mill.; instruments, 2.2; watches, 3.2; embroideries, 4.2; silk fabrics, 4.2; silk ribbons, 1.3; aniline dyes, 1.9; cheese, 1.5. (*Neue Zürcher Zeitung*, Feb. 1.)

INDUSTRIES

EMBROIDERY INDUSTRY.

The depression in the various European centres of the embroidery trade is equally felt in Switzerland. It is due to various causes. The impoverishment of numerous countries in Central and Eastern Europe which previously took over considerable quantities of embroidery from Switzerland has exercised extremely unfavourable influence on her exports of this commodity. In 1919, for instance, Germany bought Swiss embroidery for more than 127 million francs, whereas in the three first quarters of 1922 her expenditure for the same article amounted to 1.4 mill. francs only. The same is true of Austria and her new states.

Fashion, too, which now prefers silk, tricotine, etc., for fine lingeries, has limited the demand for embroidered trimmings (ribbons and insertions). It is a remarkable fact, however, that the exports of chain-stitch embroideries for *curtains* in the first nine months of 1922 have not dropped, as compared with the previous year, but, on the other hand, have gone up from 146,600 kg. to 169,300 kg. The value of these exports was close upon 6 mill. francs.

The total exports of embroidery in the first three quarters of 1922 amounted to 2,854,600 kg. with value Fr.122,401,000; hence the final returns for 1922 are likely to be better than those of 1921. Already in January to November, 3,403,000 kg. of embroideries were exported, i.e. nearly 600,000 kg. more than in the whole of 1921. The chief purchasers of Swiss embroideries in the first nine months of 1922 were the following countries: Great Britain (33.0 mill. francs), U.S.A. (22.8), Spain (8.9), France (5.1), Holland (4.8), Canada (4.7), Dutch Indies (4.6), Belgium (4.2), British India (2.9), Sweden (2.7 mill. francs), etc. (*Exportateur Suisse*, Jan.)

THE TIMBER MARKET.

Building activity in Switzerland is at present practically non-existent. Consequently, timber is not in great demand. Yet round wood prices are rising! This applies also to firewood prices, which have leapt up during the last few weeks. No apparent reason for this is forthcoming. The forestry departments and administrations deny any share in the circumstance, although they will not sell at last year's prices. There is no doubt that the year 1921–22 not only witnessed great depression in the general economic life of the country, but was a time of extreme crisis in Swiss forestry. Some forestry administrations were quite unable even to meet their costs of management. The following figures illustrate the course of prices:— According to a forestry department in Aargau the prices of standing timber in 1911–12 were, on an average, Fr.35.30 per cb.m.; in 1921–22 they were Fr.37.93 per cb.m., showing a rise of only Fr.2.63, or 7.5% in the latter year. Wages, however, rose on an average 100%. These conditions, in combination with excessive building activity, especially in agricultural districts, were bound to result in higher prices. It should be noted, however,

Switzerland

that Swiss prices for timber are quite modest when compared with the German ones, and that, for this reason, there can be no question of an import of German timber into Switzerland. Similar conditions rule in Czecho-Slovakia, where the high prices preclude any possibility of timber export. To firewood similar conditions apply; Germany is short of fuel, Czecho-Slovakian fuel is dear. Switzerland only produces about two-thirds of her own timber requirements, and was obliged, during the war, to resort to uneconomic forestry measures, so that various restrictions as regards timber production have had to be introduced since. International timber market prices are therefore, on the whole, applicable to Switzerland. (*Neue Zürcher Zeitung*, Jan. 30.)

THE CHOCOLATE INDUSTRY.

The Swiss chocolate trade gives occupation to 7,500 operatives in 22 factories at the present time. The capital invested in this industry amounts to 120 mill. Swiss francs. In 1921, the home market consumed cocoa and chocolate to the value of Fr.45 mill.; exports were 57.6 mill., but dropped to 19.2 mill. only in the first nine months of 1922. (*Exportateur Suisse*, Jan.)

SOCIAL AND LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS.

Although the unemployment figures at the end of 1922 showed a distinct improvement on those at the end of 1921, in respect of both total and partial unemployment, they were not such as to warrant an optimistic view of the labour situation in the near future. The following table shows the actual figures and the index number representing them, since Dec. 1920, and takes as the standard of comparison the number of unemployed in Dec. 1921, which is represented by 100:—

End of	Total unemployment.		Partial unemployment.		Together.	
	Actual.	Index.	Actual.	Index.	Actual.	Index.
Dec. 1920 ...	17,623	20	47,636	88	65,259	46
June 1921	54,039	61	76,116	141	130,155	91
Dec. 1921 ...	**88,967**	**100**	**53,970**	**100**	**142,937**	**100**
Jan. 1922 ...	96,580	108	49,181	91	145,761	102
Feb. „ ...	99,541	112	46,761	87	146,302	103
Mar. „ ...	89,099	100	40,315	75	129,414	91
April „ ...	80,799	91	39,249	73	120,048	84
May „ ...	71,100	80	34,292	64	105,392	74
June „ ...	59,456	67	30,629	57	90,085	63
July „ ...	52,180	59	28,279	53	80,459	56
Aug. „ ...	51,789	58	25,538	47	77,327	51
Sept. „ ...	49,512	56	23,353	44	72,865	51
Oct. „ ...	48,218	54	21,585	40	69,803	49
Nov. „ ...	51,128	57	21,900	41	73,028	51
Dec. „ ...	**53,463**	**60**	**20,429**	**38**	**73,892**	**52**

Notwithstanding certain unfortunate conclusions to be drawn from the preceding figures, their examination, nevertheless, shows that there were in Switzerland in Dec. 1922, 30,000 fewer totally unemployed and over 30,000 fewer partially unemployed persons than in the previous December. Full unemployment benefit was being received at the latter date by about 21,500 persons as against 47,000 in the previous December, viz. 40% as against 50% of the total employed population. About 14,000, or 26%, were employed on emergency work as against 21% in Dec. 1921. To-day about two-thirds of the working population are receiving State aid in some form or other, as against three-quarters of that population a year ago. The following table shows the division of unemployment over the various national industries:—

Industries.	Total unemployment end Dec.		Partial unemployment end Dec.	
	1921.	1922.	1921.	1922.
1. Food	2,005	1,790	3,902	2,363
2. Clothing and leather ...	2,179	725	2,489	73
3. Building & decorating	14,820	10,319	714	334
4. Timber & glassmaking...	2,759	1,333	434	52
5. Textile	6,409	3,928	16,268	7,852
6. Metals, machinery, electrical	11,809	7,192	18,307	5,236
7. Watchmaking and jewellery	20,403	6,537	7,384	2,478
8. Unskilled labour ...	15,549	12,693	344	622

These figures show the great improvement which has taken place, above all in the textile, metal and machinery, and watchmaking industries, where the State subsidy has worked wonders. The diminution in the number alike of totally and partially unemployed in the clothing and leather industries demonstrates the immense improvement in those industries working for the home markets. An even clearer perspective is obtained of the state of unemployment in the country by an examination of the proportion of unemployed in each industry, as follows:—

Industries.	Total unemployment end Dec.		Partial unemployment end Dec.	
	1921.	1922.	1921.	1922.
	%	%	%	%
Food	2	3.5	7	12
Clothing, leather	2.5	1.5	4.5	—
Building & decorating ...	17	19	1.5	1.5
Timber & glassmaking ...	3	2.5	1	—
Textile	7	7.5	30	38.5
Metals, machinery, electrical	13	13.5	34	26
Watchmaking and jewellery ...	23	12	14	12
Unskilled labour	17.5	24	0.5	3
Other callings	15	16.5	7.5	7
	100	100	100	100

(*Neue Zürcher Zeitung*, Feb. 1.)

COST OF LIVING.

According to the calculations of Dr. Lorenz, the wholesale trade index number for January rose to 175.4. Articles of consumption showed the only drop, from 165 to 163.1; all other groups showed a rise, especially agricultural products, which stood at 168.4 as against 162.4 the previous month. (*Frankfurter Zeitung*, Feb. 13.)

THE BALKANS

POLITICAL AND GENERAL

RECONSTRUCTION OF THE BULGARIAN CABINET.

The *Echo de Bulgarie* (Feb. 13) announces without comment the resignation, accepted by the King, of MM. Daskaloff, Tourlakoff, Thornoff and Manoloff, the respective Ministers of the Interior, Finance, War and Railways. The Premier, M. Stamboliisky, will temporarily take over the portfolio of War, the Minister of Agriculture that of the Interior, the Minister of Justice that of Finance, and the Minister of Public Works that of Railways. The *Echo de Bulgarie* explains this wholesale reconstruction by the necessity for a coalition with other parties, but the Sofia correspondent of the *Journal des Débats* (Feb. 13) bluntly states that the outgoing Ministers had shown opposition to the dictatorship of the Premier. A *Havas* message announces that M. Stamboliisky's position is precarious, not to say hopeless, despite his attempts at reconstruction with the support of the Agrarians, as it is rumoured that half his party has renounced its allegiance to him, and is about to form an alliance with the reactionary party and the Macedonian Terrorist Committee, which is known to be particularly turbulent. The unity of M. Stamboliisky's party would appear to be destroyed. For several months past he has been vigorously attacked by the *bourgeoisie*, many of whose leaders, ex-ministers, he has arraigned before the High Court, a proceeding which was approved by popular referendum last December. But as the opposition continued, the Premier did not hesitate to make overtures to the Communists, a step which alienated the more moderate of his colleagues: hence the present crisis. It remains to be seen how long he will retain office.

FINANCE

THE CURRENCY CRISIS IN RUMANIA.

The chief topic in the Rumanian Press at the present time is the depreciation of the leu, which dominates the whole political, economic and private life of the nation. Its causes are examined by Dr. Schwamet, legal adviser to the Rumanian legation in Vienna, in the *Zagreber Tagblatt* (Feb. 11) as follows: The continuous and sharp fall of the leu, he writes, has threatened during the last few days to assume catastrophic proportions. It seems at first sight an anomaly that the currency of a country with Rumania's vast natural resources in corn, timber, naphtha, mineral mines, wealth only partially developed, which commands the lower Danube, and possesses the best ports on the Black Sea, should be so depreciated on the European markets. Dr. Schwamet dismisses the theory current in certain circles, which attributes the depreciation of the leu to speculation by Paris financiers. Rather should the cause be sought in a concatenation of individual economic circumstances, such as deficient organising capacity in the nation, the disorganisation of the communication system, and, until the advent of the present Government, the unrestricted import of luxury articles, all of which have, apart from the general European situation, produced a disastrous effect upon the leu. On the other hand exports have increased, rising in value from about Lei 5 milliards in 1921 to Lei 8 milliards in 1922, and imports have declined some 30%, so that the trade balance for 1922 shows considerable improvement. Moreover, the foundation of companies and investment of capital have greatly increased in the last two years, rising from Lei 5 milliards in 1921 to Lei 7 milliards in 1922. Taking all these factors into account, it was to be expected that the leu should rise rather than decline. Meanwhile the Government is using every effort to support the leu. The present Finance Minister, M. Vintila Bratianu, has announced the early introduction of a Bill comprising measures to stabilise and raise the value of the leu. This Bill is said to contain the following provisions:—(1) The purchase of lei with foreign currencies; (2) the consolidation and gradual reduction of State loans; (3) consolidation of private commercial debts in foreign countries, with the assistance of the State; (4) a stricter control of dealings in foreign exchange. According to the *Bursa* (Feb. 11) the fall of the leu ceased as abruptly as it had begun, and with the same apparent absence of reason, and it now appears to be steady after having returned to the price at which it was more or less stabilised in the concluding months of 1922. A lengthy speech by the Finance Minister in the Chamber, in reply to an interpellation by M. Madgearu, threw no light on the causes of the depreciation. In fact, the Minister's eulogy of his economic policy and of its alleged results only threw into sharper relief the deplorable position of the Rumanian currency on foreign markets. His only explanation of this phenomenon consisted of the expedient, so dear to Governments, of throwing the blame of the slump on to speculators, in order to divert public attention from their own incompetence. It would be unjust to deny that considerable improvement has taken place in the economic situation of the country during the past three or four years, an improvement mainly attributable to its natural resources. M. Vintila Bratianu has produced a Budget which, although modelled on the budgets of the last forty years, and consequently quite inadequate to post-war conditions and requirements, is, apart from the tinkered-up Budget of 1921, the first since 1915. The highly creditable effort to consolidate the floating debt, now in course of realisation, should also be recorded. The proposed reform of taxation has some merit. But while admitting all this, there still remains the disconcerting fact that the national currency has fallen very low, and is at the mercy of every wind that blows on the world's exchanges. Causes other than speculation must be sought for the slump of the leu, and they are only too obvious. The exchange, which to a nation is what credit is to the individual, depends upon the confidence which that nation inspires. It is useless to extol the great natural resources, actual and potential, of the country, if its economic and financial policy, incoherent, vacillating, weak and inadequate to modern requirements, inspires anything but confidence in foreign countries. And this is the fault to be found with the Rumanian Government, which is without any definite and firmly-established policy of agricultural and industrial production or any fixed Customs policy. Rumania has suffered two violent economic upheavals; firstly, the expropriation and transfer of its chief source of production—land—from one class of owners to another class less well trained; secondly, the annexation of territories in full industrial working order. And the Government has not succeeded in averting the first inevitable economic disturbances due to this state of affairs. Moreover, it is well known abroad that no confidence is to be placed in any administrative measures, Ministerial orders, or even Acts of Parliament, which are all liable to be altered or revoked as soon as promulgated. The Government has contracted abroad floating debts, other than those which it is at present striving to consolidate. On the one hand it can plead with justice that it can only settle them in concert with the other Allied debtors of Great Britain and the United States. On the other hand it has no case for disputing the repeated claims of the American Government for payment of these debts. Here again is another motive for lack of confidence by foreigners.

The Balkans

Last, but not least, there is the debt owed abroad by Rumanian business firms aggregating some Lei 20 milliard, which they cannot decide to settle in some way or another. The Government hesitates, and business firms have committed the mistake of failing to take advantage of improvements in the exchange to discharge these debts. Such are, roughly, the real causes of the want of confidence manifested abroad by the decline of the leu and its violent fluctuations, which have become almost periodical.

In Paris, at the end of January, writes the *Bursa's* correspondent in that city, the leu suddenly fell to 5.70, and in London to 1,000 to the £, whereas the Bulgarian leva remained steady at 10 in Paris, as did the dinar, while the Czecho-Slovak krone actually went up. This authority also rejects speculation as the main cause of depreciation, and more or less repeats the reasons given above. In addition, he announces that the lack of confidence which Rumania inspires abroad is due to its precarious situation from the financial, economic and political points of view, which latter includes the possibility of war with Russia and Hungary. Moreover, it is argued that the depreciation of their exchange has not prevented Polish, Hungarian and Bulgarian merchants from paying their foreign creditors, and consequently the stigma of bad faith attaches to the Rumanian commercial debtor. The correspondent cites a recent public communication by the French Government, stating " that it had made urgent representations to the Rumanian Government for the payment of interest to French holders of Rumanian loans, but without result." The recent embargo placed on deposits held by foreigners in Rumanian banks is another adverse factor. This measure has, however, now been revoked.

DEALINGS IN THE EXCHANGE IN RUMANIA.

The fall of the leu has caused the Finance Minister, in co-operation with the National Bank, to draw up the following Bill for the restriction of dealings in foreign bills and currencies. For the future, foreign bills and currencies can only be dealt in on the Bourse and by certain specially authorised banks, permits for which will be granted under the supervision of certain control offices attached to the Chambers of Commerce. The firms authorised to deal must transact no speculative business and must submit daily to the control office a list of the transactions in the exchange carried out by them. Power is given to the control office and its representatives to inspect the registers of these firms showing such transactions. (*Argus*, Feb. 3, quoted by *Berichte aus den neuen Staaten*, Feb. 9.)

THE REVENUE FROM RUMANIAN MONOPOLIES.

The revenue from State monopolies in Rumania amounted to Lei169.3 mill. in December, and to Lei1,453.6 mill. during the period April 1 to Dec. 31, being an increase of Lei 412.5 mill. compared with the corresponding period of 1921. The yield from the various monopolies for the month and the nine months are as follows (in millions of lei) :—Tobacco, 117.9 and 1,031.5 ; cigarette papers, 17.3, 155.3 ; matches, 13.5, 120.8 ; playing cards, 1.5, 8.6 ; explosives, 5.1, 19.1 ; salt, 13.7, 117.7. (*Argus*, Jan. 19, quoted by *Berichte aus den neuen Staaten*, Jan. 26.)

MONEY TIGHTNESS IN YUGO-SLAVIA.

The most pressing economic question in Yugo-Slavia at the beginning of February was the tightness of money, which is at present prominent in all branches of business, especially in trade. Stagnation of trade is its first result. It has just been announced that several coal mines have had to restrict output appreciably, and it is feared that other industries will follow suit. On the other hand the fluctuations and fall of the currency have produced an upward tendency in the cost of living, which affords opportunity for demands for higher wages. Happily employers and workmen have in a large number of cases come to an agreement on the subject of wages. Possibly clerks in private firms will demand higher salaries owing to the revision of the pay of Government officials, notably in the new territory. Inflation, with the consequent depreciation and rise in prices, is the cause of the tightness of money which compels industrial commercial and banking establishments to continually apply for fresh capital. The introduction of a policy of deflation, announced by the Finance Minister in a letter to the National Bank, recently published, in which no one believed, has come as a surprise. The Minister makes it his first task to restore the currency regardless of the difficulties of the banks. The Belgrade banks, which have already weathered worse crises in the past four years, are adapting themselves to these conditions, although they do not possess the same hoards of foreign bills and currencies and stocks of goods as do the banks and merchants of Zagreb (Agram). These goods will have to be thrown upon the market, and then the tightness of money, which is not apparent among consumers, will disappear. The system of maintaining large stocks of goods is no longer workable, as, according to the signs, a policy of deflation, and of the stabilising of the home purchasing power of the dinar, tending to a levelling up of prices, has to be reckoned with. This deflation policy, in conjunction with measures for the increase of exports with the object of balancing the foreign trade account, and the consequent reduction of imports, will doubtless cause considerable disturbance to business, which will, however, lead to a weeding-out of weak undertakings and to the survival of the productive and financially sound, and in the end will inflict no real and lasting harm on the national industry. There are, of course, many arguments against a policy of deflation, but many more in its favour. Since the war Yugo-Slav industry has made rapid progress, which, however, has been brought to a standstill by the depreciation of the currency, and can only be revived by its restoration. The new deflation policy has produced a favourable effect on dinar quotations during the past few weeks, as it has reduced speculation and the demands of traders to a minimum, and it may be assumed that in the near future this improvement will continue. The demands of the Zagreb banks for an extension of time for the repayment of loans falling due, have been very unfavourably received in Belgrade, where the general impression prevails that their capital has gone in investments in industry out of proportion to the business requirements of the country and in the purchase of bills and currencies at high prices. Financial circles in Belgrade are of opinion that these demands for extension will be rejected by the Finance Minister and the National Bank, seeing that the latter is contemplating a further limitation of credit. (*Zagreber Tagblatt*, Feb. 11, 14.)

NEW TAXES IN GREECE.

A recent decree imposes on capital and on real estate (presumably a levy on capital) a tax on a graduated scale from 3% to 15% on all property exceeding Dr.50,000 in value, payable in five yearly instalments. This tax is estimated to yield 1.5 milliards of drachmæ. It is imposed on foreign companies carrying on business in Greece, but foreign or native capital imported from abroad is exempt.

Another decree increases import and export duties on various commodities.

A tax equal to a quarter of the year's rent of their premises has been imposed on first-class hotels, restaurants, confectioners, dancing saloons, open-air cinemas, and all establishments of a like nature not specified in the Entertainments Tax Act (except theatres and cinemas, entrance to which is subject to a special tariff). This tax only applies to such establishments carrying on business in towns of over 50,000 inhabitants, but it may be extended by Royal Decree to other specified towns and to seaside places and spas. A supplementary tax of 10% is imposed on the gross daily takings of the above establishments in whatsoever form. The status of such establishments (that is the interpretation of the term first-class) is to be decided by the Commission appointed by the Entertainments Tax Act. The tax on dancing saloons is quintupled in the case of balls given in theatres, picture theatres, concert halls, hotels and dancing academies, which do not come under the head of places of entertainment. The tax on balls in first-class hotels is Dr.300, and in other hotels Dr.200. These taxes are reduced by half on establishments in towns of less than 50,000 inhabitants. The tax on theatre tickets has been raised. (*Information Financière*, Feb. 17; *Economiste d'Athènes*, Jan. 28, n.s.)

GREEK BANK DIVIDENDS.

This year the chief banks will pay largely-increased dividends. The National Bank will distribute Dr.1,000 per share, the Bank of Athens Dr.20 to Dr.25 for the second half, and the Commercial Bank Dr.18 free of tax (already announced) for the same period. (*Economiste d'Athènes*, Jan. 28, n.s.)

CONCESSION OF GREEK SPONGE FISHERY.

The Greek Government has granted to an American company the right of fishing for coral and sponges off the coasts of the Morea (Peloponnese), the Government to receive a percentage of the company's gross profits. The agreement contains a covenant that the company shall employ Greek labour. (*Economiste d'Athènes*, Jan. 28, n.s.)

FOREIGN CAPITAL FOR PUBLIC WORKS IN TURKEY.

The Khemalist Government has long adopted a policy of increasing output by the construction of works of public utility. In accordance with this policy it has granted to a French syndicate the construction of a large port and harbour works at Mersina, and has accepted proposals from the American capitalist, Chester, and his syndicate for the construction of a railway line from Mersina to Lake Van Diarbekir and Erzeroum, and of two other lines from Samsoun to Livas and Angora to Erzeroum. To this syndicate has been conceded the privilege of working all mines situated within 20 km. of the railway, and also the construction of two ports on the Black Sea on sites to be fixed by the Turkish Government. The guarantees to be given by the syndicate, which has already floated a company for the execution of these works, consist of a payment of T£50,000 for preliminary work, and a deposit of $20 mill. The concession is to be for 99 years. The Angora Assembly has ratified this agreement, and foreign capital has thus commenced to flow into Turkey. (*Economiste d'Athènes*, Jan. 28, n.s.)

TRADE

RUMANIA'S EXPORTS.

Rumania's debit trade balance, which amounted in each of the years 1919–1920 to some Lei 3.5 milliard, has been greatly reduced in 1921–1922. This result has been achieved by the imposition of import duties and the adoption of other import restrictions. Export, however, is not yet entirely freed from restrictions, such as the limitation of amounts to be exported, high export duties, etc. Nevertheless, export has increased since 1920. Export figures of the principal articles (in quantity) for the last three years are as follows (in 1,000 t.):—Cereals and products, 1922, 1,121; 1921, 1,472; 1920, 926; oil products, 1922, 367; 1921, 362; 1920, 246; timber, 1922, 584; 1921, 158; 1920, 65.

The value of exports for the first 10 months of 1922 was Lei 6,023.4 mill., as against Lei 5,000 mill. in 1921, and Lei 3,433.8 mill. in 1920. The total value of exports for the whole of 1922 may be estimated at Lei 7 milliard. Exports, other than cereals, oil, and timber, in 1922 were: 376,828 head of live stock; 2 million eggs; 5,285 t. wine; and 27,317 t. salt. (*Argus* Jan. 12, quoted by *Berichte aus den neuen Staaten*, Feb. 11.)

INDUSTRY

BULGARIAN TOBACCO.

The results of tobacco growing, one of Bulgaria's leading industries, in (*a*) 1920 (*b*) 1921 (*c*) 1922, were as follows:—

Area sown (decares) (*a*) 395,645, (*b*) 218,742, (*c*) 319,034; output (kg. mill), (*a*) 29.3, (*b*) 15.4, (*c*) 18; exports (kg. mill.) (*a*) 17.5, (*b*) 20.1; home consumption (kg. mill.) (*a*) 3.4, (*b*) 4.2. Exports of Bulgarian tobacco in 1920 and 1921 to the chief importing countries were: Italy, 3.9 and 6.9; Germany, 3.6 and 5.8; Holland, 0.1 and 1.0; United States, 2.1 and 0.05; Czecho-Slovakia, 1.9 and 2.6; Great Britain, 0.9 and 0.09; and Yugo-Slavia (1921 only), 1.4. The same countries imported in 1922, but the figures have not been published. (*Echo de Bulgarie*, Feb. 4.)

SOCIAL AND LABOUR CONDITIONS

RUMANIAN INDEX NUMBERS.

The index numbers of wholesale prices in Rumania during 1922 and in Jan. 1923 on the 20th day of each month given, were as follows: (Aug. 1, 1916 = 100): Food (21 articles), 1922—Jan. 1,858, April 1,850, July 1,866, Oct. 2,043, Dec. 2,207; 1923—Jan. 2,494. Clothing (9), 1922—Jan. 2,077, April 2,520, July 2,814, Oct. 2,931, Dec. 3,120; 1923—Jan. 3,240. Sundries, 1922—Jan. 1,012, April 1,042, July 1,314, Oct. 1,350, Dec. 1,549; 1923—Jan. 1,665. General Index, 1922—Jan. 1,649, April 1,804, July 2,016, Oct. 2,109, Dec. 2,292; 1923—Jan. 2,466. (*Argus*, Jan. 12, Feb. 3, quoted by *Berichte aus den neuen Staaten*, Jan. 26, Feb. 9.)

HOLLAND

POLITICAL AND GENERAL

It is not surprising, seeing how seriously the trade interests of Holland are liable to be affected, that the Franco-Belgian occupation of the Ruhr should continue to bulk largely in the columns of the Dutch Press. Anxiety as to the possible prejudicial effects of that measure, however, has been set at rest by the announcement issued by the Department of Foreign Affairs to the effect that the Netherlands Ministers in Brussels and Paris have received ample assurances from the Belgian and French Ministers of Foreign Affairs that Dutch interests in the Ruhr District, in Rhineland and in the Rhine shipping trade will be fully respected. In this connection the Correspondence Bureau of The Hague denies the correctness of the reports that the Belgian and French authorities were stopping the supplies of Ruhr coal to Holland, and the *Gazette de Hollande* bears witness to the fact that, although here and there a consignment may have been held up, all the coal trains are now arriving according to schedule. On the other hand, goods passing the Dutch frontier in transit to the occupied territory via Dusseldorf are subject to Customs control at that town, while goods landed at Emmerich, Wesel and Duisburg for reshipment or transport by rail are controlled at those ports, consignments landed at Ruhrort for transport by waterways other than the Rhine or by rail being examined at that town and goods carried by the Upper Rhine at Ludwigshafen, the inspection in every case taking place under the supervision of the Inter-Allied Commission.

Reports from Vaals point to an extraordinary development of the traffic at that part of the frontier. Hundreds of motor cars pass through every day conveying fugitives from the occupied district, while the imports of German goods are so enormous that the Custom-house enclosure has assumed the appearance of a market-place. The exports from the occupied territory to other parts of Germany via the frontier stations of South Holland are also on a large scale, while the exports of foodstuffs from Holland to the occupied area are increasing to an extent that is causing serious alarm. The rise of the mark has intensified the goods traffic to an extraordinary degree. The Dutch centres of population along the frontier are being visited by caravans of Germans intent on the purchase of such commodities as margarine, lard, flour, coffee, etc., which they can now buy cheaper in Holland than in Germany. The Government, however, has taken measures to check the influx of German labour, and has stopped the issue of passport permits to bricklayers, carpenters and plasterers in the absence of a formal declaration from a labour exchange that suitable Dutch labour is not available. In every case, too, the passport must bear the name of the employer concerned.

The attention of the Second Chamber has also been directed to the question of the occupation of the Ruhr, M. Troelstra, the leader of the Social Democratic Labour Party, having sought leave to interpellate the Government. The Minister of Foreign Affairs, Jhr. van Karnebeek, however, had already impressed on the Foreign Affairs Committee, the undesirability of any debate taking place, and the President of the Chamber, acting on the suggestion, recommended that leave be refused, on the ground that such a debate would serve neither the interests of Holland nor those of any of the Powers concerned. The Left protested, but although Mr. Troelstra undertook not to raise any question calculated to embarrass the Government and would be quite content that the Ministry should make no reply, the distinctly anti-French tenour of his remarks decided the Chamber to reject his demand by 56 votes to 26. In this connection the *Algemeen Handelsblad* calls attention to the importance of Socialism as an agent in the bringing about of peace, on the admission of no less an authority than M. Edo Fimmen, Secretary of the International Federation of Trade Unions. For the last three years, he says, organised Labour declared that it would use every means, including a general strike and an economic boycott in conformity with the decisions of the Rome Congress, to prevent the occupation of the Ruhr, but when the moment came to act, and German Socialists and the two Moscow Internationales called on the Amsterdam organisation to proclaim the strike, its answer was an emphatic *non possumus* based on the fact that the hostility of Labour in France, Belgium and England towards Germany was so great that any step in that direction would have proved an absolute failure.

FINANCE

JANUARY REVENUE RETURNS.

The monthly returns of revenue have fluctuated considerably since August last. September started the movement with a falling off of Fl.1.75 mill., as compared with the previous month, but the following two months showed a remarkable recovery, the aggregate increase for October and November amounting to no less a sum than Fl.24 mill. The returns for December, on the other hand, were disappointing, showing a shortage of Fl.3.25 mill. But the new year, again, has begun well, the revenue for January being Fl.4.25 mill. in excess of that for the corresponding month of last year. A bald statement of the respective totals, however, would be misleading, for, as the *Gazette de Hollande* (Feb. 21) is careful to point out, nearly 50% of the increase is accounted for by the excise on tobacco, which is a new import: the relative net increase, therefore, is Fl.2.1 mill., which is sufficiently satisfactory. The items which contributed most to the improvement were the Death and Donation Duties, which show an increase of Fl.1.44 mill. as compared with December, and Fl.1.65 as compared with the previous January, and the Income Tax, which has yielded a surplus over the estimate of Fl.2.16 mill. The sugar excise and the excise on distilled liquors, on the other hand, both show a falling off as compared with Jan. 1922, the former of Fl.849,000 and the latter of Fl.655,000; but whereas the returns from the former exceeded the estimate of Fl.493,000, those from the latter were Fl.1.33 mill. below the estimate. Although the Minister of Finance budgeted in anticipation of a slight improvement in foreign trade, the imports so far have disappointed expectations, the revenue being Fl.302,000 below the monthly estimate and Fl.67,800 below the returns for Jan. 1922. The total revenue for the month was Fl.37.6 mill. as against Fl.33.3 mill. for the corresponding period last year, and as compared with an estimated revenue of Fl.33.8 mill.

TRADE

JANUARY TRADE RETURNS.

The Preliminary Report of the Trade returns for January shows imports, exclusive of gold and silver, aggregating Fl.170 mill., and exports amounting only to Fl.91 mill. The corresponding figures for December were Fl.164 mill. and Fl.100 mill., and those for Jan. 1922 Fl.152 and Fl.86 mill. As compared with the December returns, therefore, imports increased to the extent of Fl.6 mill., but there was a fall in exports of Fl.9 mill. Comparing the returns, however, with those for Jan. 1922, both imports and exports show an increase, the former of Fl.21 mill. and the latter of Fl.5 mill. The adverse trade balance for January amounted to Fl.79 mill., as compared with Fl.64 mill. for the previous month.

SPECIAL ARTICLES

THE NEED FOR A TARIFF AND CURRENCY UNION IN CENTRAL EUROPE

From our special Budapest correspondent we have received the following article on the above subject, by Dr. Elemer Hantos, a Secretary of State. After the conclusion of peace, a favourable opportunity for settling the question of Central Europe for a long period was missed. The idea that the only means of saving Central Europe was to be sought in an economic understanding between the component States of the old Dual Monarchy, penetrated first into France, where it took shape in the form of a scheme for a Danube Confederation, but was frustrated by the creation of the Little Entente. The new Slav States aimed at supremacy, and at the creation of a "consolidated Central Europe." The champions of this idea overlooked the fact that without Germany, Austria and Hungary, Central Europe is a mere remnant, and that until the reconstruction of those countries the remainder of Central Europe can have no stability.

The Economic Disadvantages of the Peace Treaty.

Even with the existing partition of Europe, the welfare of the various divisions could have been brought into unity, whereby the rupture of former relations would have been less abrupt and less harsh. To this end various means offered themselves. For certain kinds of goods in general, for those coming from one part of the former united territory to another, or even for the consignment of certain goods from one State to another, exemption from duty or the imposition of a nominal duty could have been ensured. By this means Hungary could have obtained its timber and salt from Slovakia or Transylvania, instead of from Switzerland and Austria; wine from the Italian South Tyrol could have recovered its old markets in Austria and Germany, and Central Europe could have supplied itself with good quality fuel from the now Polish districts of Upper Silesia, instead of being dependent on Saar coal. If Wilson could have obtained acceptance of his fourteen points at the Peace Conference, free trade could have been established between territories formerly united. Thus the peace treaties, unfortunately, ran counter to economic settlement. Instead of establishing economic connections between all the territories of the Dual Monarchy, the treaties, by clause 222 of that of St. Germain and clause 205 of that of Trianon permitted special conventions to be concluded only between the Governments of Austria, Hungary and Czecho-Slovakia, whereby a special Customs system was introduced into Central Europe. Austria, Hungary and Czecho-Slovakia were permitted to make Customs concessions to one another for a period of five years, to which, however, the most favoured nation clause did not apply. This limitation of privileged treatment both as regards territory and time rendered all reunion between the contracting parties impossible. The exclusion of Yugo-Slavia and Rumania from preferential treatment, and the limitation of the treaties to five years were a bar to closer economic relations. It is, moreover, doubtful whether the extension of distinctive tariff advantages to all the Succession States would have achieved economic union. Preferential treatment certainly has the appreciable advantage of leaving things, from the point of international law as they were before, and of allowing each State within the limits of its agreement to do as it pleases. This is certainly the easiest solution, but not an adequate solution at a time when tariff rates offer but a feeble barrier to the various prohibitions and currency difficulties.

The Idea of a Currency Union.

The economic reconstruction of Central Europe must commence by the re-establishment of its currencies in so far as it is still intended to regard money or its equivalent as the standard of the value of goods. Compared with the problem of the currency, commercial and Customs policies play a comparatively unimportant part. The stability and uniformity of currencies would be a more important step towards economic union than the removal of Customs barriers. In order to achieve this object, the writer has already proposed a combine of note issue banks among the Succession States. This scheme is to-day no longer a figment of the imagination. Austria has created an issue bank, partly with foreign assistance; Czecho-Slovakia has also created one out of her own resources; Hungary and Poland will doubtless follow suit. Thus the first step towards a note bank combine has been taken. Agreements concluded between Prague and Belgrade aim at placing as far as possible the dinar on a permanent equality with the stabilised Czecho-Slovak krone. Note should be taken of the possibility of this combination ultimately developing into a monetary union of the States of the Little Entente. Politics and economics are closely intertwined. But geographical are more powerful than political considerations. Even had the Little Entente no reason for coming to a political understanding with the other nations of Central Europe, they are bound by the necessity of coming to an economic arrangement with those nations. A Central European economic union is not a question of sentiment, of temperament, or even of expediency, but a compelling element of self-preservation. The reconstruction which all desire cannot be undertaken by half-measures, such as empty commercial conventions and preferential Customs tariffs, nor accomplished piecemeal. The future of Central Europe lies in an economic union.

The Advantages of Economic Union.

The creation of Customs and economic union in which free trade will be the rule and compensating tariffs the exception is within measurable distance. In the settlement of the Customs union, intermediate tariffs are so drawn up as to form sufficient protection for branches of industry requiring protection, and an effective adjustment of inequalities. Another distinctive feature of the Union is that treaties with outside States, if not absolutely concluded on the basis of a uniform foreign Customs tariff, are concluded by common agreement between the combined States. The conclusion of favourable commercial conventions, the increase and cheapening of output, and the extension of consumption are all aims the importance of which was never so apparent as in the last few years.

THE ECONOMIC SITUATION IN RUSSIA

The following survey of economic conditions in Russia in 1922 is given by Dr. Hans Von Eckhardt, of Hamburg, in the *Oesterreichischer Volkswirt* (Feb. 17):—

The Congress of Russian Councils held in Moscow at the end of last year presents a clear picture of the existing economic situation in Russia. The country drags painfully along from crisis to crisis, and is only too pleased when it succeeds in keeping the machinery of State going at all.

Special Articles

Whereas the "new economic policy" introduced in the spring of 1921 aroused great hopes of a slow but sure economic recovery, the conviction is now brought home that the results of the former system of destruction are too deeply rooted to afford any prospects of being counteracted for many years to come.

THE POSITION OF INDUSTRY.

Especially has industry found itself incapable of reviving and increasing its working capacity. Only now do people appear to realise the great mistakes which were made in attending exclusively to organisation, in indulging in indiscriminate experiments, and in neglecting the increase of output and of working capacity and production. From "dictatorship of organisation" and excessive administrative centralisation, the authorities turned finally to the creation of trusts, and thereby only substituted one form of bureaucratic organisation for another, but neglected to clean and put in order the rusty springs of individual undertakings. It was considered essential to organise, apportion out, and manage the whole national industry, whereas under existing conditions in Russia it was much more important to put individual undertakings on their feet.

There exist at present, to take one example, 23 iron and steel trusts, which include 215 works, employing some 190,900 workmen and 38,800 officials. The earnings of these trusts, combined with 11 private undertakings, were reckoned at 1912 prices, 89.9 mill. gold roubles from January to December 1922, as against 81.7 mill. for the whole of 1921. Earnings have thus increased, but profits have appreciably declined. It was found that the home market was unable to absorb this output without accumulating stocks which would force sales at less than cost price. The consequence was an extraordinary demand for credit from the State, which so embarrassed the latter that it has now been constrained strictly to cut down subsidies and advances. Quite recently the State metal industry was obliged to apply for a fresh credit of 75,000 milliard Soviet roubles, and at the same time to ask for a reduction of taxes. As the State finances are totally unable to meet such demands—the expenditure estimates for the third quarter of 1922 amounted to 200 to 215 mill. gold roubles, as against revenue from taxation of 16 mill.—it is easily understandable that the experiment is now to be made of summarily denationalising all undertakings which cannot exist without subsidies.

DENATIONALISATION OF UNPROFITABLE UNDERTAKINGS.

In accordance with a decision of the Congress of all-Russian Councils, the following decree was issued on Jan. 3, 1923:—"Only those works the products of which have proved remunerative, and which can show net proceeds of not less than 10%, shall remain members of the trusts. All other works shall be denationalised forthwith. Large undertakings administered by the trusts must complete the inventory of their property within the term of two months, and proceed to carry out a reform of their administration as a private undertaking, in the form drawn up by the congress of amalgamated industry."

This decree undoubtedly marks an important step forward; perhaps it will henceforth become possible to reduce the bureaucratic administration and to farm out more works or to convert undertakings in some form or another into private enterprises.

THE FAILURE OF INDUSTRIAL NATIONALISATION.

The great fault common to all forms of industry so far adopted lies in the fact that owing to excessive regulations, control and interference, the interest of the management of works has been crushed, and all useful initiative, keenness on work, sense of responsibility and stimulus to success have been killed. In the disregard of the above factors of economic success lies the failure of the socialist programme and of State management of industrial enterprises. This principle applies both to employers and employed, who are only capable of doing good work when not "maintained," and when they see prospects of carrying on their work in their own way and of bettering their position. But this is just the defect of the Russian system. Wages are lower than formerly, and insufficient for a livelihood, but at least the reintroduction of the system of fixing wages by private agreement and of granting bonuses affords to the individual workman some slight hope of gaining a rise. Whereas under the former Communist system of payment of wages in kind, which theoretically, but not actually, provided a minimum livelihood, the workman took no interest in his work, and the number of wasted hours of work increased to an unprecedented extent.

TRANSPORT.

Together with the severe industrial crisis, the transport question causes keen anxiety to the Soviet Government. As against the 30,000 daily truckloads of goods despatched in 1913, the figures were in 1918 7,500, in 1921 9,500, and in 1922 11,000. The supply of fuel for the railways is totally insufficient, the condition of the railway lines, although slightly improved, is still bad, and the number of locomotives and rolling stock in need of repair is very high.

FINANCE.

The national finances still remain in the utmost confusion, and it almost seems as if the situation were hopeless, unless an external loan can be raised, of which for the present there is not the least prospect. All attempts to stabilise the rouble have so far failed.

TRADE.

Inland trade is continually on the increase, but is suffering from lack of credit and the handicap of the State's organisation. The national trade is distributed as follows: Private enterprise 23%, co-operative societies 12%, State-organised undertakings 65%.

Only in one department, namely foreign trade, have satisfactory results been achieved. Russia's foreign trade has, as regards quantity, increased sixfold in the course of last year. The value of trade imports amounted to 199.8 gold roubles in 1922 as against 158.5 in 1921, but in addition there were imported in 1922 goods to the value of 154.9 mill. gold roubles for the relief of the victims of the famine. Exports amounted to 46.5 mill. gold roubles in 1922 as against 4.4 mill. in 1921.

The bulk of the imports for the relief of victims of the famine came from Germany and the United States. The largest amount of trade imports in 1921 came from Great Britain, which, however, in 1922 had to yield the first place as regards value to Germany. The following table gives the comparative figures of exports to the various countries in 1922 and 1921:—

	Mill. poods.	Gold roubles.	Mill. poods.	Gold roubles.
	1922.		1921.	
Great Britain ...	7,949	11,561	662	730
Germany	3,154	6,193	169	365
Holland	724	318	—	—
Latvia	4,519	7,016	2,578	1,869
Persia	180	1,022	55	64
Poland	580	1,618	—	—
Turkey	2,258	9,223	292	527
Finland	5,255	3,335	—	—
Esthonia	2,181	4,926	79	382
Other countries ...	1,944	1,281	71	483
	28,744	46,493	3,906	4,420

The small amount of exports to the Baltic States, Rumania and Czecho-Slovakia should be noted. The Succession States of the Dual Monarchy have not yet tried to trade with Russia. It is only quite recently that trade between Czecho-Slovakia, Hungary and Russia has increased.

The total import into Russia in 1922 was made up as follows:—Foodstuffs 56.9%, fuel 23%, wooden goods, seeds and machinery 8.7%. The principal articles of export were: flax, timber, scrap iron, mineral oil, benzine, etc. The increase of Russia's exports proves that the Soviet foreign trade committee has concentrated its energies on this department, and has, by the creation of goods for barter, and of payment media, given a fresh impulse to trade. The growth of Russia's foreign trade has succeeded in arousing and stimulating the interest of foreign countries in Russia, and in creating mixed companies such as Otto Wolff, and in granting large concessions such as that recently granted to Krupps.

NOTES ON NEW BOOKS

THE CASE FOR HOME PRODUCTION

Food. By Sir Charles Fielding ("Agricola"). Messrs. Hurst and Blackett Ltd., London. 12/6 net.

After nearly a year of war, and under the stress of the first serious submarine menace, Mr. Asquith formed a Committee, under the chairmanship of Viscount Milner, to ascertain how we could produce food in greater volume. The Committee, on which there were several strong Free Traders, were unanimously in favour of immediately developing British agriculture. In a separate Report, signed by a majority of the Committee, including all its agricultural members, the following sentences occurred:—

"We desire to place on record our opinion that it is necessary and practicable to produce within this country a very large proportion of the foodstuffs and other agricultural products natural to its soil, but now purchased abroad at a cost of nearly £3,000,000 per annum, two-thirds of which are derived from countries outside the British Empire. We believe that this can be done to the physical, social and economic advantage of the country."

Sir Charles Fielding, who during the war was Director-General of Food Production, and who for the past 30 years has visited and studied the details of technical food production in the self-supporting countries, has taken these observations as the text for his book, and from it develops, as Lord Milner says in his foreword, a "powerful statement of the case for Home Production," than which nothing is better calculated to awaken the townsman to all that is at stake for him in the prosperity of the countryman.

The author does not simply state as a fact that by increasing Home Production we can find work for a large portion of the unemployed and at the same time reverse our trade balance abroad, and leave it at that. He shows chapter by chapter, country by country, the way in which he believes this can be done. From this point of view the book is of value to the agriculturist, whether engaged in growing crops or raising stock. His views on increasing the fertility of the soil and improving the grain output are sound and up-to-date. In the matter of increased soil fertility, it is quite clear that our farmers would do well to take a leaf out of Germany's book and examine further the value of the regular and, it is suggested, the rather less sparing use of artificial manures. German experts frankly admit that the enormous extension of their agricultural industry is largely due to their use. During the last thirty years their crops of grain and potatoes have been able to keep pace with the growth of their population. Their production of meat, which is, of course, closely connected with the production of sufficient fodder, has developed in a similarly favourable way.

It is stated, with some truth, that the tractor, while not entirely taking the place of all horses on a farm, is a great economiser of time, labour, and cost, and its advent has shown that the practice of clay farming under the plough is now economically possible where it was before a doubtful problem.

Agricultural education, research, and intelligence play a great part in helping the industry itself and the individual farmers themselves. Sir Charles Fielding suggests the establishment of an organisation competent to note and distribute information as to research and statistics of the agriculture of all important foreign countries. We know only too well that while a new farmer may get some friend or land agent to give him his view as to what he should grow, such advice is generally a mere matter of opinion and is not based on any record of tabulated and scientific advice.

Sir Charles Fielding emphasises his points with copious statistics, and writes with a refreshing enthusiasm and love for his subject.

RECENT PUBLICATIONS

[*The mention of a book under this heading does not preclude its review in a later issue.*—ED.]

The Making of Index Numbers. By Irving Fisher, Professor of Political Economy at Yale. (Published under the auspices of the Pollak Foundation, by the Houghton Mifflin Company, Boston, Mass., $8–50.)

The Third Winter of Unemployment. The results of a study of the unemployment problem, undertaken in August and September 1922, by Major the Hon. J. J. Astor, M.P., Prof. A. L. Bowley, Prof. Henry Clay, Messrs. Robert Grant, W. T. Layton, P. J. Pybus, B. Seebohm Rowntree, Lt.-Col. George Schuster, and by Mr. F. D. Stuart. The book also contains a series of inquiries into unemployment in nine selected localities, which constitute an invaluable contribution to an understanding of the present emergency. (Messrs. P. S. King and Son, Ltd. 6/- net.)

STATISTICAL SECTION

THE TRADE BAROMETER

EXPLANATION

There are obvious objections to the multiplication of Index Numbers ; but THE ECONOMIC REVIEW claims a double justification for adding to the list. In the first place, a weekly index should be of greater practical value than an index which is made up monthly and published in arrear. In the second place there is room for an index number which, instead of covering a wide field for the sake of representing the general level of all commodity prices, sets out to reflect the prevailing tendency of prices as exemplified in a small number of particularly sensitive commodities. The Harvard University Committee of Economic Research has recently shown that in America an index number devised to forecast price movements can safely be based on a small selection of price quotations, provided the commodities chosen are those which most accurately and rapidly reflect the trend of the general price level.

The closeness of the correspondence between movements of THE ECONOMIC REVIEW index and those of the *Economist*, *Statist* and Board of Trade gives some ground for believing that an adequate index for the United Kingdom can be based on a small number of commodity prices, and can therefore be taken weekly instead of monthly. The divergence of our index from the others at the top and bottom of the price cycle perhaps gives ground for hoping (though the point cannot yet be said to be definitely established) that we have chosen constituent elements which will give an earlier indication than the other index numbers of a change in the direction of the movement of prices.

Our index is composed of quotations for the ten following commodities :—

1. Pig iron
2. Tin
3. Coal
4. Linseed oil
5. Cotton
6. Wool
7. Hides
8. Wheat
9. Bacon
10. Sugar

The fact that *relative* commodity price changes may be under present conditions as important as changes in the general level of prices is now gaining more general recognition. In addition to Table I, which shows the movements of our ten commodities in the aggregate, we therefore give in Table II a record of the movements of each of them in relation to the others. For this purpose we have chosen December 30, 1921, as our base, the price of each commodity on that day being represented by 100 (at a time when the index in Table I stood at 150).

TABLE I.

Date	10 Commodities	Bd.of Tde. Monthly Average
1920		
Sept. 3	379.3	
10	379.7	
17	379.4	311.4
24	360.6	
Oct. 1	356.3	
8	346.8	
15	328.6	302.3
22	319.8	
29	315.3	
Nov. 5	310.8	
12	304.6	
19	293.0	286.9
26	283.8	
Dec. 3	272.0	
10	271.2	
17	257.0	263.8
23	253.0	
30	249.8	
1921		
Jan. 7	249.5	
14	244.2	
21	237.6	245.9
28	235.2	
Feb. 4	227.0	
11	227.4	
18	219.1	225.2
25	215.8	
Mar. 4	198.8	
11	197.5	
18	199.0	210.8
25	201.4	
April 1	199.6	
8	191.6	
15	202.8	204.8
22	194.3	

Date	10 Commodities	Bd.of Tde. Monthly Average
April 29	202.2	
May 6	207.2	
12	204.3	
20	197.0	201.7
27	200.5	
June 3	201.9	
10	203.6	
17	201.8	197.7
24	201.6	
July 1	196.4	
8	193.3	
15	194.4	194.1
22	194.8	
29	193.6	
Aug. 5	183.8	
12	178.8	
19	178.1	190.0
26	178.1	
Sept. 2	180.8	
9	183.0	
16	183.4	187.0
23	180.0	
30	176.8	
Oct. 7	172.1	
14	170.2	
21	163.0	180.7
28	159.5	
Nov. 4	158.9	
11	155.0	
18	154.5	172.8
25	157.7	
Dec. 2	153.6	
9	152.1	
16	153.2	167.9
22	150.3	

Date	10 Commodities	Bd.of Tde. Monthly Average
Dec. 30	150.0	
1922		
Jan. 6	148.1	
13	148.7	
20	144.0	164.0
27	141.3	
Feb. 3	142.3	
10	147.0	
17	149.2	161.8
24	149.7	
Mar. 3	148.4	
10	148.4	
17	149.8	159.9
24	149.4	
31	149.8	
Apr. 7	150.3	
14	151.7	
21	154.1	160.1
28	154.6	
May 5	157.8	
12	159.9	
19	162.1	160.4
26	163.3	
June 2	162.9	
9	164.9	
16	163.6	159.7
23	164.8	
30	162.4	
July 7	164.7	
14	165.1	
21	165.8	160.3
28	167.3	
Aug. 4	168.1	
11	165.9	155.8
18	164.0	

Date	10 Commodities	Bd.of Tde Monthly Average
Aug. 25	166.1	
Sept. 1	163.4	
8	160.4	
15	161.2	153.9
22	158.6	
29	158.8	
Oct. 6	159.8	
13	161.2	
20	162.8	155.2
27	165.9	
Nov. 3	170.1	
10	170.1	
17	169.3	157.1
24	168.2	
Dec. 1	167.4	
8	161.5	
15	161.2	155.7
22	162.2	
29	162.6	
1923		
Jan. 5	162.4	
12	162.8	
19	163.2	157.1
26	165.3	
Feb. 2	166.9	
9	168.7	
16	177.2	
23	181.1	

CHART ILLUSTRATING TABLE I.

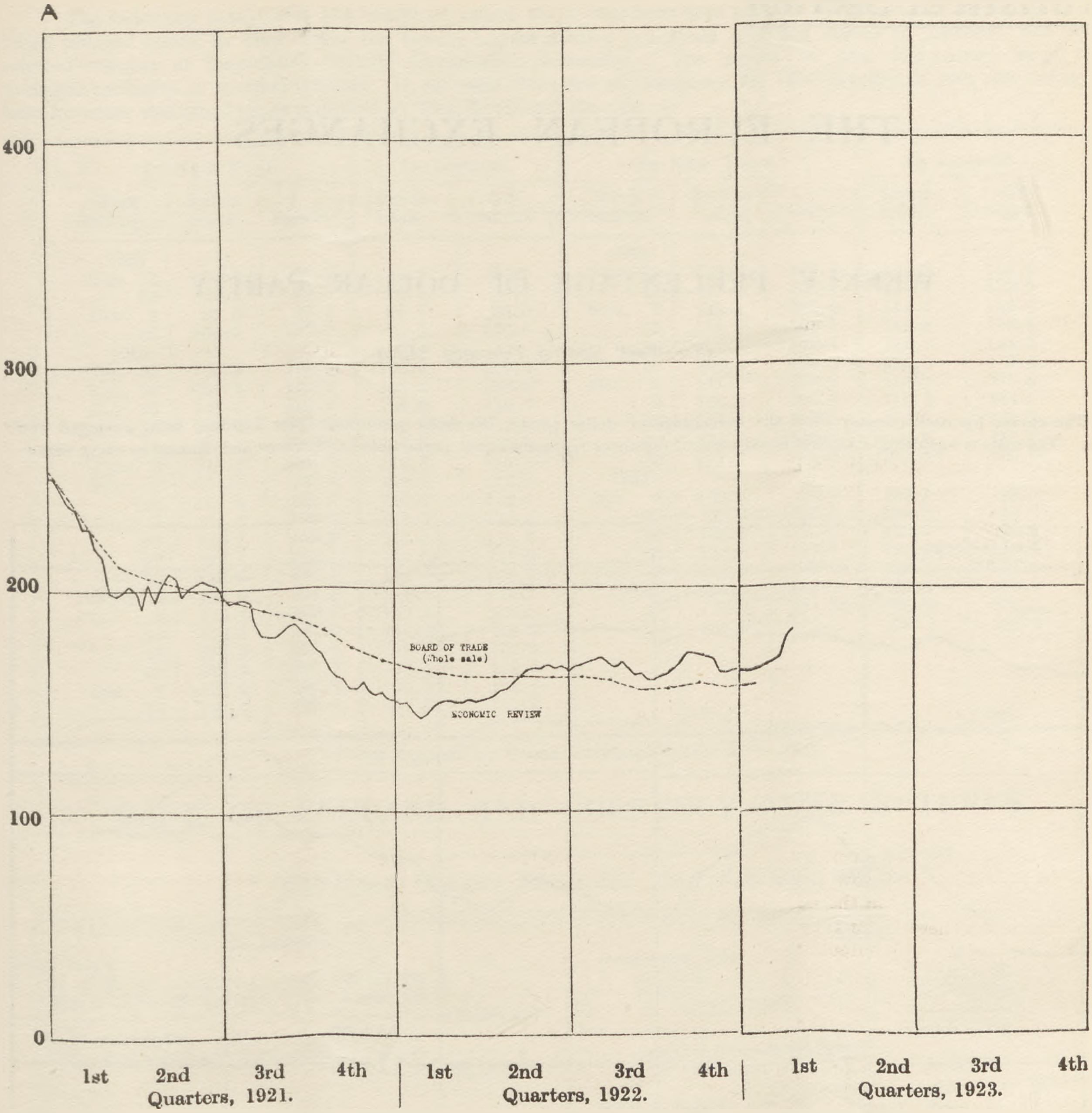


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												1922.
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	99.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
„ 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... „ 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
„ 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... „ 29
1923												1923
Jan. 5 ...	90.1	104.9	91.5	135.1	125.2	122.2	95.7	89.9	89.7	138.5	108.28	... Jan. 5
„ 12 ...	90.1	106.5	93.4	133.3	126.4	122.2	93.5	91.7	89.7	138.5	108.52	... „ 12
„ 19 ...	91.3	106.1	95.3	135.1	132.4	122.2	93.5	91.7	89.7	130.8	108.81	... „ 19
„ 26 ...	92.4	108.9	100.0	136.9	137.0	122.2	97.1	93.3	83.1	130.8	110.17	... „ 26
Feb. 2 ...	96.0	107.8	113.2	138.2	129.2	122.2	95.7	93.3	86.0	130.8	111.28	... Feb. 2
„ 9 ...	97.9	109.6	113.2	147.4	130.5	120.0	95.7	91.7	88.2	130.8	112.50	... „ 9
„ 16 ...	100.5	114.7	105.7	143.9	131.4	120.0	89.1	90.1	89.7	196.2*	118.13	... „ 16
„ 23 ...	105.2	120.8	113.2	145.6	133.7	120.0	89.1	89.3	84.6	205.8	120.73	... „ 23

*Revised Quotation.

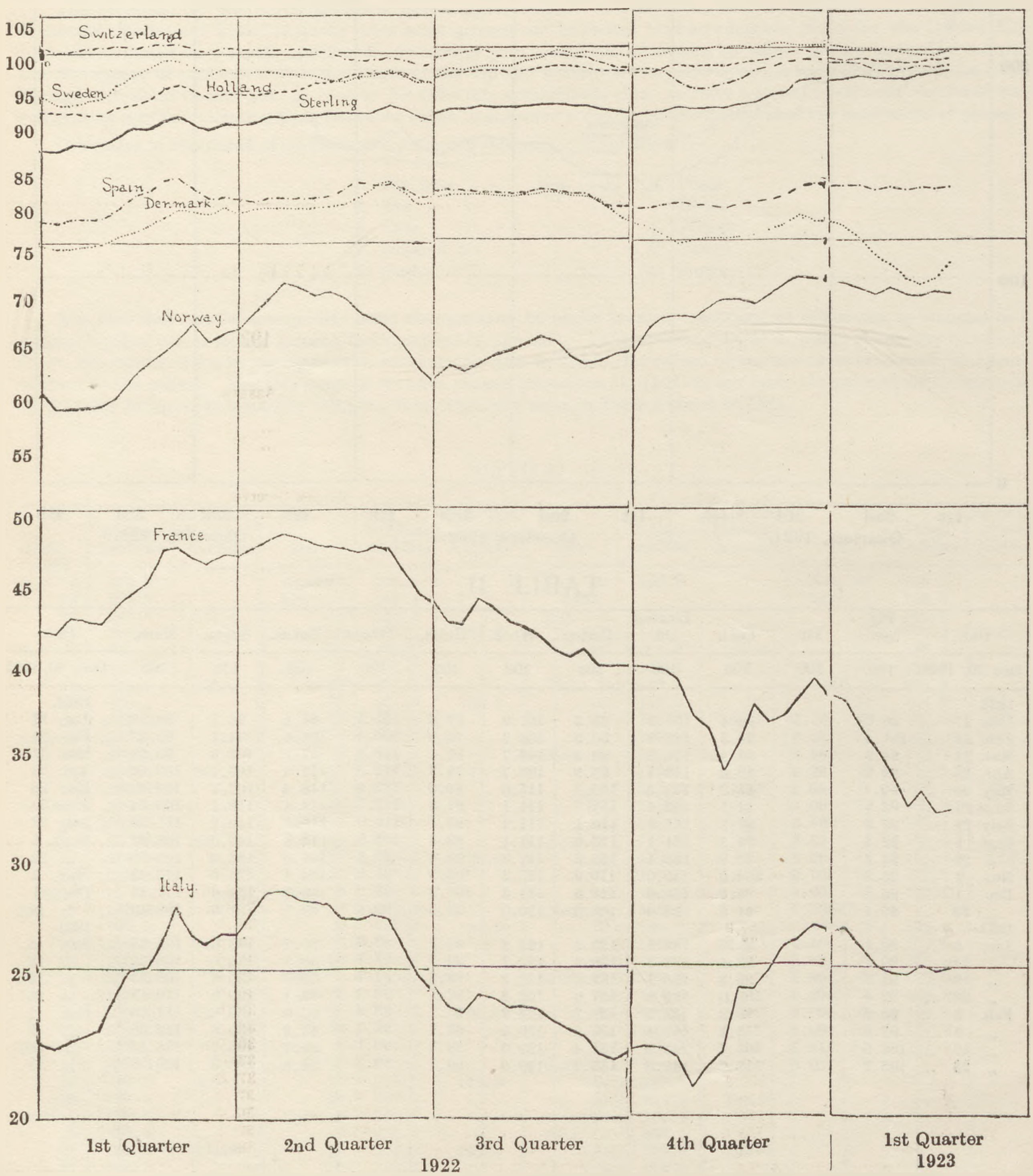
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending February 24th.)

The curves for each country show the percentage of dollar parity, the daily quotations (over London) being averaged every week. The scale is logarithmic, so that equal vertical distances represent equal *proportional* differences and changes in every curve.



SECURITY PRICES.

The following table gives the course of prices for a representative number of industrial stocks and long-dated railroad bonds in New York, for twenty representative industrial ordinary stocks in London, and for a selected number of long-dated British Government securities. The prices of the last-named have been averaged exclusive of accrued interest. In all cases the price at December 30, 1921, is taken as 100, this being the base for other statistical series compiled by THE ECONOMIC REVIEW :—

	In New York.		In London.	
Week ending.	Industrials.	Bonds.*	Industrials.	Gilt-edged.
1921				
Oct. 1	88.4	91.3	104.5	94.4
29	91.1	92.0	91.1	94.4
Dec. 2	97.4	99.4	94.2	96.0
30	100.0	100.0	100.0	100.0
1922				
Jan. 28	100.8	102.1	102.3	104.4
Feb. 25	105.2	100.8	103.6	109.0
Mar. 25	107.4	101.7	102.8	110.7
April 1	109.8	101.5	103.5	112.2
29	114.4	103.1	117.6	116.9
June 3	118.8	102.9	113.5	115.7
July 1	114.5	103.6	110.0	114.7
29	119.4	106.0	112.8	116.7
Aug. 5	119.6	106.0	113.3	116.4
12	119.7	105.5	113.6	116.4
19	122.1	105.7	114.0	116.0
26	123.9	106.9	113.5	115.5
Sept. 2	124.9	106.6	114.1	112.1
9	125.4	106.7	115.6	113.5
16	123.8	107.6	115.2	112.5
23	122.2	107.0	113.5	112.2
30	121.2	105.8	113.2	112.0
Oct. 7	123.9	106.1	113.3	111.7
14	127.6	104.4	114.5	112.3
1922				
Oct. 21	125.7	102.8	114.3	113.0
28	121.7	102.0	114.8	113.0
Nov. 4	122.1	103.4	114.5	113.0
11	118.2	103.1	115.0	113.6
18	117.6	102.4	114.7	114.5
25	114.4	102.0	115.0	115.4
Dec. 2	118.3	102.2	115.7	115.0
9	120.5	102.8	116.2	114.3
16	121.1	103.1	116.1	113.8
23	121.6	102.9	118.3	113.5
30	121.7	102.5	119.5	113.3
1923				
Jan. 6	120.5	102.8	122.1	113.5
13	122.2	102.6	122.3	114.0
20	120.4	102.0	123.3	116.8
27	120.8	101.1	122.2	115.8
Feb. 3	122.5	102.1	122.2	114.8
10	125.4	102.1	122.5	115.1
17	127.3	101.6	123.2	115.6
24	126.8	101.1	126.4	116.2

* Prices supplied by Messrs. Bernhard Scholle & Co., Ltd.

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 22nd February, 1923.

LIABILITIES.

	£	£
Notes Issued.		
B. of E.	145,419,800	
Less those in C.N. Reserve ...	22,450,000	
		122,969,800
C.N. outstanding	277,877,823	
C.N. called in but not yet cancelled	1,505,461	
		279,383,284
		402,353,084

Ratio of Gold to Notes ... 38.0%
" Gold & Silver to Notes 39.7%

ASSETS.

	£	£
Government Debt.		
B. of E.	11,015,100	
C.N.	234,695,859	
	245,710,959	
Less C.N. Investment Reserve Account	11,931,981	
		233,778,978
Other Securities.		
B. of E.		8,734,900
Gold Coin and Bullion.		
B. of E.	125,669,800	
C.N.	27,000,000	
C.N. Balance at B. of E.... ...	169,406	
		152 839,206
Silver Coin		7,000,000
		402,353,084

Summary of Combined Balance Sheets.

January 1922 to date.

Date. End of	B. of E. Notes *less* those in C.N. Reserve.	C.N. outstanding inc. called in but not cancelled.	Total.	Gold.	% of Gold to Notes.	% of Gold & Silver to Notes.
1922 Jan.	125.9	304.3	430.2	155.5	36.1	36.8
Feb.	125.9	298.8	424.7	155.6	36.6	37.3
Mar.	125.9	300.4	425.3	155.6	36.6	37.7
Apr.	126.0	301.3	427.3	155.6	36.4	37.6
May	126.1	298.3	424.4	155.8	36.6	37.8
June	124.9	297.9	422.8	154.8	36.6	38.0
July	122.9	296.4	419.3	152.8	36.4	38.1
Aug.	122.9	293.3	416.2	152.7	36.7	38.4
Sept.	122.9	289.1	412.0	152.8	37.1	38.8
Oct.	122.9	288.0	410.9	152.7	37.2	38.9
Nov.	122.9	287.9	410.8	152.8	37.2	38.9
Dec.	122.9	301.3	424.3	152.8	36.0	37.7
1923 Jan.	123.0	280.3	403.2	152.8	37.9	39.6
Feb. 22	123.0	279.4	402.4	152.8	38.0	39.7

Printed by THE CRYPT HOUSE PRESS, Bell Lane, Gloucester, and Published by the Proprietors at 6, JOHN STREET, ADELPHI, LONDON, W.C.2.