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ECONOMIC SURVEY

FRANCE

POLITICAL AND GENERAL

THE NEW PRESIDENT OF THE SENATE.

Owing to ill-health, M. Léon Bourgeois has resigned the office of President of the Senate, and that body has elected in his place, M. Gaston Doumergue, Radical-Socialist, President of the Foreign Affairs Commission of the Senate, and of the party of *Republicains de Gauche* of the Senate. M. Doumergue was Premier in 1913.

SUMMER TIME.

As the Act of March 14, 1922, only established summer-time for that year, the Government has now obtained the President's signature to a Bill for the purpose of making it permanent. Under the terms of the Bill the time will be put forward one hour from the last Saturday in March until the first Saturday in October. The Government, however, reserves to itself the right, by agreement with neighbouring nations, notably Great Britain, to postpone the first-mentioned date until the third Saturday of April, and to advance the second to the third Saturday of September. In parishes demanding it, the prefects will fix school hours in accordance with local custom, and with the interests of the rural population. The same consideration will govern the settlement of the hours of opening and closing markets and fairs. The confederation of manufacturers and traders have passed a resolution demanding the speedy passing of the Bill. (*Information Financière*, Feb. 25.)

ANTI-PATRIOTIC PROPAGANDA.

MM. Maurice Barrès and Desiré Ferry have set down a Bill in Parliament to punish with fine and imprisonment anybody accepting promises or offers, bribes, gifts or rewards of whatsoever nature or kind, from agents of a foreign power for issuing publications of any kind of a nature to injure French interests. The *Exportateur Français* (Feb. 20), which has long called attention to the anti-French

propaganda carried on by certain so-called French journals, notably by a certain economic review owned by two sons of a German naturalised in France, which carries on an insidious campaign with the object of injuring French commerce and industry, heartily welcomes the Bill and regrets that the Government cannot afford to maintain an international police which would keep it informed of the intrigues whereby unscrupulous persons attempt to embarrass its actions. The *Exportateur Français* makes reference to foreign countries which maintain publications in France, the evident object of which is to supply her foreign enemies with arguments calculated to prejudice her position (military and financial) abroad.

THE CARNET DE COUPONS.

In view of the controversy now raging in Parliament on the proposed introduction of the system of *carnet de coupons* as a means of checking evasions of income tax (*cf.* THE ECONOMIC REVIEW, March 2) and in view of the frequency with which the term occurs in the French Press, the following brief explanation of the system given by the *Exportateur Français* (Feb. 20) may prove of interest: Every person holding income-bearing bonds must, should the system be introduced, be provided by the State with a book countersigned by the Inspector of Taxes for the District in which he resides, which he must produce each time he receives interest on his stocks or shares. When the coupon is presented for payment the person or institution making the payment must enter the number assigned to it by the Revenue Department in the *carnet de coupons*, which must be produced by the holder to the Inspector of Taxes on demand. As there are many small investors in France, farmers, shopkeepers, etc., who possess small amounts of various kinds of State securities, Rentes, Défense Nationale Bonds, and the like, the interest on which is payable at least half-yearly or even oftener, the trouble and confusion involved will be enormous and may

France

probably have the effect of deterring the small investor from investing in public loans. The estimated yield to the Treasury from this system, originally Fr.1,200 mill., according to the reporter of the Finance Commission of the Chamber, has now dwindled to Fr.700 mill.

SOCIAL AND LABOUR CONDITIONS

INCREASE OF MINERS' WAGES.

At a conference between the representatives of the mine owners and miners' unions of Anzin, the Nord, and Pas-de-Calais, the former agreed to restore, as from Feb. 16, the rate of wages obtaining on Jan. 1, 1922, which had been reduced during last year. This means an increase on the existing rate of Fr.3.25 for adults and a corresponding rise in the wages of women and children. The demand of the men (which had already been put forward in December) was based on the recently increased cost of living, supported by the contention that the depreciation of the franc had created such a disparity between the prices of French and British coal as to render the former easily saleable. (*Nord Industriel*, Feb. 24.)

THE COST OF LIVING AND WAGES.

The Ministry of Labour has just published the index numbers of cost of living in January for the various districts, there being no general monthly index for the whole of France. The index numbers are the following (1914=100); Dijon general 288, food 328; Chartres 313 and 318; Clermont-Ferrand 333, 298; Epinal 312, 337; Digne 334, 378; Chalon-sur-Saône 343, 354; Grenoble 356, 340; Alençoin 316, 381; Mézières 381, 362; Saint Etienne 344, 423. The numbers of 13 commodities in Paris, show the following increases as compared with 1914; November 197%, December 205%, January 1923, 200%. (*Information Financière*, Feb. 28.)

The *Bulletin de la Société des Etudes Economiques* discusses the increased cost of living in January in the following terms: Some consternation has been caused in the Press by the increase of wholesale prices in January. It was immediately assumed that the cost of living had increased and a rise in wages was talked of. It appears, however, that this alarm signal is premature. That a rise in the cost of living may eventually occur is quite probable, but at present the subject ought to be judged in its proper proportion. The lowest index number (the average price for 1901-10=100) was 354.2 in February 1922. In January 1923, 447.3 was recorded. But the maximum number of 670.2 in January 1920, is very far from having been reached. Thus the rise from February 1922 to January 1923, although appreciable, is only equal to one quarter of the decline between April 1920 and February 1922. Now the index numbers based on the average price for the years 1901-10, the official basis of calculation, are 15% lower than they would be had the 1913 prices been taken as the basis; on an average the wholesale prices are not four times higher than in 1913. But all these considerations scarcely affect the question since wholesale and cost of living prices are quite distinct. In order to arrive at cost of living, retail prices should be ascertained. It is impossible to estimate to what extent and within what period of time wholesale prices react upon retail prices.

Retail prices therefore, should alone be considered. The quarterly index of retail prices of food for the whole of France (1913 prices=100) steadily declined from 443 in the fourth quarter of 1920 to 307 in the third

quarter of 1922. From the third to the fourth quarter of 1922 it only reacted to the extent of two points, i.e. it rose to 309. Thus a rise of two points as against a fall of 134, was the extent of the increase of food prices at the end of 1922. It has been argued that more accurate results could be obtained by monthly, instead of quarterly, index numbers. There is no monthly index for the whole of France, but there is for Paris and certain districts. The minimum monthly index of retail prices for Paris of 289 was reached in August 1922; then it reacted to 297 in November, to 305 in December, and to 309 in January 1923, an increase of about 7%. But in November 1920, the index was 426, so that it had declined by 32% in August 1922, and 27% in January 1923.

But to pass from retail food prices to the general expense of living, it will be found that the recent rise is very slight. The figures for Paris (1913=100) are: maximum 370, minimum 289 last, index 300, decline in respect of the minimum 21.9%, decline in respect of present price 18.9%. The maximum, minimum and latest indices for other centres are: Marseilles 450, 310, 322; Dijon 378, 263, 288; Grenoble 439, 338, 347; Saint Etienne 404, 334, 344; Moulins 397, 310, 319; Nancy 389, 277, 300; Lyons 316, 247, 264; Rouen 376, 295, 307. It will thus be seen that the recent rise is but slight and the decline since 1920 may be calculated at 20%.

This situation does not seem to justify an increase of wages, since the decline of the latter has not been greater than the decline of the cost of living. In 1920 the rise in wages in relation to the pre-war standard on the whole practically kept pace with the cost of living, since that period wages have declined less rapidly than cost of living, which had fallen by the middle of 1922 by about 25%, whereas the results of researches published by M. Dugé de Bernonville in the *Bulletin de la Statistique Generale*, October 1922, show that the rate of the decline in wages appeared to be between 10 and 20%, according to trade and locality. The decline in cost of living is now 20%, so that it will be seen that the decline in wages is still inferior. But even assuming that the increase of wages compared with the pre-war period was less than that of the cost of living it would be a serious mistake automatically to raise the former to the level of the latter. It will be remembered what has been the consequence since the war of artificially raising, contrary to the necessities of the situation, the rate of wages in proportion to the cost of living. It has been proved throughout the world that the rise in wages has produced an immediate rise in the price of all commodities and consequently in the cost of living, which immediately gave occasion for a further increase of wages and thus a vicious circle was established. Rise in prices, speculation, inflation, such was the chain of experiences from 1917 to 1920, terminating in unemployment in the latter year. (*Journée Industrielle*.)

EMPLOYMENT EXCHANGES.

The report on grants to public employment exchanges in 1921, which has recently been published, confirms the information already published in the *Industrial and Labour Information* on the activities of these exchanges.

Supplementary information contained in the report concerning the cost of the exchanges is summarised as follows: Total expenditure on unemployment in 1919-20-21 was as follows (in millions of francs); 1919 2.4, 1920 3.4, 1921 4.2, of which grants from the State amounted to 0.9, 1.2, and 1.5 in the same years. The average cost per head was 2.9, 3.3, and 4.

The activities of the employment exchanges increased considerably in 1922 as a result of the revival of industry. The total number of vacancies filled during the year was 1,277,000 as compared with 1,073,000 in 1921, an increase of over 200,000. Of the total number of vacancies filled, 646,921 (548,411) were permanent and 630,955 (527,039) "temporary," i.e. involving work which was to last for not more than a week. The temporary vacancies were principally demands for dock labour at the Marseilles, Havre and Nantes exchanges. Of the total number of workers placed, 1,005,000 (837,341) were men and 272,000 (236,109) women. The total also includes 7,761 (5,335) apprentices.

The following were the occupations in which the largest numbers of vacancies were filled (the figures in brackets refer to 1,921); unskilled labour (including dockers) 581,000 (491,000); commerce and food industries 172,000 (130,000) agriculture 107,000 (70,000) domestic service 98,000 (95,000) building 85,000 (76,000).

Attention should be drawn to the increased use of the departmental exchanges for the placing of agricultural labour: the number of agricultural labourers for whom situations were found was: 1918, 24,000; 1919, 35,000; 1920, 51,000; 1921, 70,000; 1922, 107,000.

During the year a very large number of vacancies were filled involving change of residence for the worker. The total number of these inter-local appointments was 238,400 (144,500). Of this number, 202,300 (117,700) involved removal within the Department and 36,100 (26,800) outside the Department.

The number of foreign workers for whom situations were found by the departmental exchanges in 1922 was 58,800 compared with 20,595 in 1921. To these figures must be added the figures of the special offices for foreign labour which include a central office in Paris and depôts and offices in a certain number of towns near the frontier and in the interior. Work was found by these offices for 117,000 foreign workers as compared with 36,000 in 1921. The increase is sufficiently explained by the revival of industry and by the shortage of skilled French labour in various industries. The foreign workmen employed were chiefly of the following nationalities: Italian 54,000 (10,000 in 1921); Poles 31,000 (12,000); Spaniards 9,000 (4,000); Portuguese 8,000 (nil). These foreign workers were apportioned among the following industries: building and excavating 40,000; coal and iron mines 30,000, unskilled labour 16,000, agriculture 13,000, miscellaneous 15,000. (*Bulletin du Marché du Travail*, Oct., Nov., Dec., and Feb. 2; quoted by the *Report of the International Labour Office*, Feb. 9, 25.)

BELGIUM

POLITICAL AND GENERAL

With the exception of a few neo-Activist papers of the ultra-Flamingant type, the official organ of the Socialist Party, the *Peuple*, is practically alone in its opposition to the national policy with regard to Germany. The leaders of the Party, however, are not in agreement. Even M. Vandervelde, its chief, speaks in halting terms. His great speech at Charleroi ended on an apologetic note: if only France and Belgium would declare that their sole object was to obtain the necessary reparations for their devastated regions a great step would have been taken towards solving the problem of reparations and that of the pacification of Europe. But, as the *Gazette* (Feb. 28) aptly points out, neither France nor Belgium can have anything to do with any such declaration, for there is nothing that entitles any other country to suppose that they have any other aims. "It appears to us," it adds, "that if only the Germans would adopt the simple plan of paying up, the settlement of these two problems would be a great deal further advanced." M. Vandervelde's old colleague in the Socialist section of the late Coalition Government, M. Jules Destree, however, is more outspoken. "Some of my friends," he writes in the *Journal de Charleroi*, "are involved in a campaign against the occupation of the Ruhr. Like them, had I had a deciding voice, I would have wished with all my heart that the idea had been abandoned. But, now that it is an accomplished fact, with all my heart I hope it will succeed, and neither shall I do anything, say anything, or write anything that might encourage the Germans to resist or to increase the difficulties and risks of the operation. . . . I have a right to my opinion without being open to the charge of unfaithfulness to my party, nor am I alone in my way of thinking; and it would be a ridiculous and intolerable exaggeration of party spirit to attempt to suppress this liberty of opinion." The report in the *Peuple* (March 1) of the "great" Socialist demonstration, held in the *Maison du Peuple* at Brussels on the previous evening as a protest against the occupation of the Ruhr, is still more symptomatic of the apathy of the movement. The pro-

ceedings fell surprisingly flat; the speeches elicited cheers only four times, accompanied in one instance with marked manifestations of disapproval; and only the Communist intervention in the flood of oratory succeeded in infusing any life into the discussion. Liberalism, however, is solid in its support of the Government, and cheered to the echo the great speech of the Minister of National Defence at the meeting of the Liberal Federation in Brussels on Feb. 19. "Now that, through the fault of our former enemies," said the Minister, "we have been compelled to adopt, in conjunction with France, the grave measures you all know of, the Liberal Party as one man support the Government, which is resolutely determined to vindicate to the bitter end the rights that have been given them by the Treaty of Peace." (*Indépendance Belge*, Feb. 20.)

There are, according to all the best information, unquestionable signs that the German resistance is weakening. In various places the workmen are applying to the French authorities for engagements, while generally the traders are beginning to complain of the terrorism exercised by the German Nationalists. On the other hand, the German authorities are trying to raise difficulties between the British Army of Occupation and the French and Belgian authorities. The French, says the *Gazette* (Feb. 28), recently seized Mk.12.8 milliards on the Berlin-Cologne railway, a portion of which at any rate appears to have been destined for the payment of the British troops. These, unlike the French ones, had hitherto always been paid by cheque, and the consignment was double the amount due. These suspicious circumstances seemed to justify the seizure, and further investigation established the fact that Mk.6.8 milliards were for delivery to various branches of the Reichsbank outside the Cologne zone, probably for the maintenance of the strikes. The incident, however, is being amicably disposed of by the French and British authorities. On the other hand, the *Soir* (March 1) draws attention to the very serious labour difficulties the coal magnates of the Ruhr are creating for themselves in their blind attempt to "sabotage" the Allied occupation. A miner, who formerly earned some Mk.60,000 a week, is now being paid Mk.150,000, or,

Belgium

in terms of Belgian currency, about Fr.25 a day, although only a month ago the masters were obstinately rejecting the workers' claim to increased wages, which, by the way, the *Soir* points out, would kill German competition in normal circumstances. They are now faced with this dilemma: either the coal magnates were paying their men starvation wages previously, which now they are able to raise by nearly 200% in spite of increased difficulties; or else they were possessed of huge reserve funds as the result of fantastic profits, which ought to have been taxed by the Government, thus contributing towards the reparations, and so making the occupation unnecessary.

FINANCE

BELGIUM'S HEROIC EFFORT TOWARDS RECOVERY.

In the course of the debate on the financial situation in the Chamber, M. Van Overbergh, taking to task the foreign critics of Belgian finance, pointed out that the burden of taxation cheerfully shouldered by the country should silence these detractors. This taxation, which amounted to Fr.361 mill. in 1913, had been increased to Fr.466 mill. in 1919, to Fr.1,011 mill. in 1920, to Fr.1,459 mill. in 1921, to Fr.1,725 mill. in 1922, and to Fr.2,550 mill. in 1923. The only fact to be regretted was that the national defence should absorb so many millions: the fault was not theirs, but he thought there might be found room for improvement in that direction.

The Premier, M. Theunis, pointed out that the country was paying off the National Debt at the rate of Fr.650 mill. per annum. With regard to reparations, they were in a peculiar position. When Germany in 1873 obtained the five milliards fine imposed on France she was not only reimbursed the whole cost of the war, but obtained a substantial profit besides. When the Armistice was arranged in 1918 it was understood that Germany should pay all the costs of the war. Belgium had visions of the whole of her war debt being liquidated, and she was left to face the future with nothing to rely on but her credit. Her paper currency was debased, and the Government had to take over the seven and a half milliards of marks the invaders had left in circulation. As a result, they had now to meet an expenditure of Fr.400 to Fr.450 mill. directly due to the war. The German indebtedness was a doubtful asset, and they were now compelled to bear the entire burden of putting their finances in order, with the distant hope of Germany turning from her dishonest ways and eventually discharging her liabilities. But that apparently was not Germany's intention. To take an example of her bad faith: in 1922 the German Government collected Mk. 88 milliards from duties and taxation, of which Mk.22 were handed over to the railways and Mk.18 devoted to reducing the prices of foodstuffs. No less than Mk.40 milliards, therefore, were returned to the taxpayer, enabling them to forward their dumping policy towards Belgium. The Government, however, and the country were doing their duty in respect of finance loyally and courageously, thus showing an example to which the conduct of Germany presented a painful contrast. (*Soir*, Mar. 1.)

SOCIAL AND LABOUR CONDITIONS

ATTACK ON THE EIGHT HOUR DAY.

Recently the Comité Central Industriel devoted a plenary meeting to the consideration of the working of the Eight Hour Day Act, and published in its *Bulletin* the following summary of the conclusions come to by the manufacturers:—

“Experience over a period of more than one year has shown that the rigid enforcement of the principle of the eight hour day, to which our chief competitors are not subject, has given rise to the following results: (1) General inadequacy of production and the necessity of importing increasing quantities of fuel, and particularly of coal; (2) Steady exodus of skilled workers, who have to be replaced by foreign workers inferior to them in output; (3) Increase in cost of production, giving rise to a decrease in volume of exports, and consequently a decrease in the amount of foreign currency at our disposal; (4) A steady depreciation of the Belgian franc, due to the decrease in our export trade, and giving rise in turn to an increase in the cost of living. These obvious signs of economic instability are fraught with danger and are naturally a source of anxiety. It is urgently necessary for the authorities to take immediate steps to remedy this state of affairs. The Committee has decided to communicate a statement to this effect to the Government and to the Press.”

In January, the Liège Chamber of Commerce passed a resolution urging Parliament to proceed without delay to the discussion of the Bill suspending the application of the Eight Hour Day Act. Enquiries at Charleroi, according to the *Nord Industriel* (Feb. 10), showed that the average number of hours worked in one factory did not exceed 46 per week. In another, employing 73 hands, there was a loss of 9,791 hours in 303 working days, while in a third factory over a period of thirteen months there was a loss of 111,110 hours, or 9.24% of the 1,313,641 hours that could possibly have been worked legally under the Act. As a rule, when the men were asked to make up for the time lost to the small extent even allowed by law, they refused, alleging that “what was lost could not be recovered.”

On Feb. 14, a deputation from the Comité Central Industriel requested M. Theunis, the Prime Minister, and M. Moyersoen, Minister of Industry and Labour, in view of the shortage of coal and coke, to allow certain exemptions from the operation of the Eight Hour Act in mines producing coking coal, so as to enable the industry to make up for the shortage, and on the same day M. Housiaux introduced a Bill in the Chamber providing for a temporary suspension of certain sections of the Act of June 14, 1921. The deputation met with little encouragement, the Premier confining his reply to a promise to consult the Cabinet, while the debate in the Chamber was adjourned after members of the Extreme Left and certain democratic elements of the Right had notified their resolve to give the Bill their most strenuous opposition in the sections. M. Vandervelde described the measure as a defiance and a provocation of the working classes, in answer to whom the *Neptune* (Feb. 13) points out that every day tens of thousands of working men cross the frontier into France, travelling considerable distances to and fro, for the privilege of working nine and ten hours a day at a slightly higher wage. This is a solid fact more eloquent than any flight of Socialistic oratory.

GERMANY

POLITICAL AND GENERAL

PRICE CONTROL MEASURES.

It is evident that whatever are Germany's difficulties with regard to foreign trade transactions on account of the unprecedented figure to which the value of her currency has sunk, her troubles in the regulation of home prices are no less. The improvement latterly in the value of the mark has resulted, not in a fall of prices on the home markets, but in a further rise. The press is full of reasons for this circumstance. That the position is serious is shown by the efforts in official quarters to combat the ever-growing army of profiteers and illicit traders.

The Legal Committee of the Reichstag has now adopted the proposal for the Emergency Regulations whereby profiteering and illicit trading are punishable by imprisonment or a heavy fine, and the Government have been empowered to draw up regulations in conformity with the agreed measures. The Government will be able to extend the powers of the Profiteer Tribunals and to order the resumption of trials, notwithstanding the verdict of the Tribunals. It will be punishable to export, without an official permit, any article declared by the Ministry of Economic Affairs to be a necessary of life, and punishment may amount to five years' penal servitude. Illicit trading, especially in articles declared to be necessities of life, will be punishable by a fine of not less than Mk.100,000, and by penal servitude which may amount to fifteen years. (*Deutsche Allgemeine Zeitung*, Feb. 21.)

The police service occupied with the combating of profiteering and illicit trading reports that food commodities are the chief seat of high prices. So much comes from abroad, and is regulated in price according to the rate of the dollar. As German firms are no longer able to acquire large stocks of goods from abroad, the large stocks of foreign food commodities belong to foreign firms resident in Germany. The German firms can only cover their requirements day by day, and must continually study the course of the exchange. It is yet another step from the wholesaler to the retailer, and it, therefore, takes some time for prices to regulate themselves all along the line. Lard is the commodity most dealt in, and after that, butter. It also takes some days to regulate the prices throughout of cattle—which is fed with foreign fodder—and meat. According to the official home index figure, goods in stock may be regulated in price in accordance with the depreciation in the internal value of the mark, but not its external depreciation. Anyone who has, for instance, bought a pair of shoes for Mk.20,000 when the official home index number was 450 and the rate of the dollar Mk.6,000, may, if the official home index stands at 900 (double) and the dollar at Mk.18,000 (treble) only sell the shoes at double the purchase price, viz. at Mk.40,000. This figure, to include all costs, including wages, freightage and net profit, may be raised to Mk.48,000, whereas, calculated, contrary to the law, according to the rate of the dollar, the shoes would fetch about Mk.72,000. Illicit trading, which was so frequent during the war, has almost disappeared, for only bread and sugar are still rationed to-day, and illicit traders have therefore but little scope for their activities. Middlemen, on the other hand, exist in larger numbers than ever, but profiteering, as a result of passing goods through too many intermediary hands between the producer and

consumer, is heavily punished. Profiteering in restaurants and the like is far more difficult to ascertain. They can always justify the variations in their prices by reference to differences in costs, and their high prices are frequently the fault of the customers who frequent them. Nevertheless, it is intended to take steps against these offenders by publishing in the press monthly official lists of hotel keepers, etc., whose licences have been withdrawn on account of profiteering. (*Deutsche Allgemeine Zeitung*, Feb. 22.)

Under the signature "Dr. E. St.," the *Vossische Zeitung* (Feb. 22) publishes a criticism in conjunction with a reproduction of the circular sent by the Ministry for Economic Affairs to the chief organisations in industry, trade and handicrafts, as well as to consumers' associations, in which their attention is drawn to the necessity for reducing prices in accordance with the enhanced value of the mark, on pain of severe penalties. The writer says, "The contents of the circular are very acceptable on the whole, but two important facts must be recalled. First, that when the dollar rose to such heights at the beginning of the Ruhr occupation, the doubling of railway goods tariffs as from March 1 was announced. The public do not understand why, since the value of the mark has now appreciated, the charges for goods carriage on the railways should continue to increase, and why, now that the action in support of the mark has been successfully carried out, these charges should not be reduced. Secondly, there have, notwithstanding the improvement in the mark, been unavoidable reasons for an increase in coal prices. There have, however, been no unavoidable reasons for adding to the burden of these higher prices by increasing the coal tax by 40 per cent. From the very foundations of production, all efforts to reduce prices are thereby rendered difficult and well-nigh futile."

THE SYNTHETIC AMMONIA AGREEMENT.

A great outcry has been raised in the Reichstag by the Communists in connection with the coming ratification by the French Government of the Agreement concluded in 1919 between France and the Badische Anilin-und Sodafabrik, whereby a factory is to be erected in France for the manufacture of nitrates on the Bosch-Haber process. The Communists insist that the agreement is merely an international capitalist move, that Germany is being betrayed, and that France has secured secrets which she will employ, not in the manufacture of fertilisers, but for war purposes. Dr. Moldenhauer (German People's Party) defended the factory against the accusations levelled at it. The Badische Anilin-und Sodafabrik have, as a matter of fact, now made a public statement of the various reasons for which they were driven to conclude the agreement. In the first place, the German synthetic ammonia industry was rendered powerless when the Versailles Treaty removed its patent rights. Competitive industries had since sprung up in America and England, in consequence, and France, whose officers and experts had occupied the Oppau factory during the long months of the Armistice period, had not only acquired the patents but knowledge of the entire working of the factory. Under the circumstances, the conclusion of an agreement whereby a factory should be erected on French soil for the working of the Bosch-Haber process, must be considered very fortunate. It meant that the Oppau factory had continued to work undisturbed for German fertiliser require-

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ments for the last three years. The factory concluded the agreement with France in 1919 without any idea of profit making, but solely and alone to free the factory from the grip of the enemy.

The *Frankfurter Zeitung* is of the opinion that the agitation in this connection is quite unwarranted and that it is foolish to see in an agreement concluded three years ago, when the political atmosphere was entirely different, any connection with the present action in the Ruhr. The disposal of patent rights and technical processes to foreign countries, says this paper, is nothing unusual; it often happened before the war. Injury to German economic life could only result if, without such an agreement, there had arisen the possibility of creating a monopoly in nitrate production in Germany, and of building up a large export trade with this commodity. This could never have happened, for foreign countries would never have countenanced it; nor would they have had to, for there are many other processes for the production of nitrogen from the air; in France, for instance, the calcium nitrate process. (*Frankfurter Zeitung*, Feb. 16, 17.)

FINANCE

THE GOLD LOAN.

An agreement has been reached, between the Ministry of Finance and the banks, concerning the share to be taken by the latter in placing on the home market a loan in gold-backed Treasury Bonds to the value of gold Mk.200 mill. A syndicate will be formed which will offer for public subscription \$50 mill. in three-year Treasury Bonds guaranteed by the Reichsbank, payment for which may be made in bills or foreign currency. The syndicate will take up half the loan unconditionally, the other half on commission. The bonds will be bearer bonds. Probably some of them will be one-dollar bonds. (*Berliner Börsen-Zeitung*, Feb. 21.)

The floating of this loan, says the *Vossische Zeitung* (Feb. 21) is the best proof of the seriousness of endeavours in German economic and financial circles to support all measures to stop the increasing depreciation of the mark at home and abroad. The taking up by the banking world of these bonds to a value of \$25 mill. is most patriotic, as they may themselves have to produce the amount of these bonds, which, at the rate of to-day, would be 500 milliard paper marks. They could naturally only assume such an obligation either because they had a sufficient available supply of bills or because they could be sure of receiving them from the industrial and commercial circles which they served. The purpose of the loan is, undoubtedly, to acquire for productive purposes, i.e. to hand over to the Reichsbank, the large quantities of foreign currency media which are to-day circulating privately in more or less unproductive fashion. The Reichsbank will employ them either to finance imports or to intervene again on the money market. The question now is, will the German public be willing to give up their supplies of foreign currency, and also, is the equivalent which they will receive sufficient to justify such a resolution on practical and business grounds? It is certain that the retention of bills is to-day a very great risk, now that the Reichsbank has ordered loaning on them to cease. Their retention is only advisable if they are shortly required for financing imports. In all other cases they represent an investment which runs considerable exchange risks, bears no interest and cannot be liquidated, an investment which one would only resort to if there were no other possibility of protecting one's capital and eventual liquid means against depreciation. This possibility is now afforded by the Reich Treasury bonds. They bear interest, they are available for loan raising, they can be rediscounted

and they are as well protected against depreciation as foreign currency media. The public will therefore probably take to them, and will of necessity do so since increasing tightness on the money market is making it ever more necessary to have liquid funds. The security for the bonds lies in the guarantee of the Reichsbank, which holds gold stocks to five times the value of this issue. Moreover, the public will realise that the German banking world has given practical proof of its faith in the security of the loan. The fact that the new Treasury bonds are quoted in dollars and can only be subscribed in bills should not prevent the public from seeing in the loan a parallel effort to all those for calculating on the basis of a stable mark which have been made with some success both privately and officially. It is very possible that this issue of easily convertible, short-termed securities, may be the means of overcoming the difficulties which have hitherto stood in the way of short-termed financial and credit activities on a sound basis. It was quite to be expected that after the deliberations in the Ministry of Finance a number of private banks would try to institute a gold-backed deposit and current account system for limited circles. The new Treasury bonds should afford a good stimulus to such business, for which, in combination with private gold-backed credits, it should form an excellent cover. The market quotation for the bonds will soon give practical proof of the confidence of the public. Theoretically, this quotation should follow that of the dollar, should even be higher than the dollar, as its financial capacity will be far greater than that of bills of exchange. The only problem is whether it will be possible to extract from the public bills to the value of gold Mk.200 mill. If this experiment succeeds, the market for the new securities will be far greater than that for foreign bills, since they will interest wide circles of people for whom the procuring of foreign currency was prohibited either by the Bills of Exchange Regulations or on moral grounds.

THE BERLIN RYE BANK.

The prospectus of the 5% rye securities of the Rye Bank in Berlin (see THE ECONOMIC REVIEW, Feb. 2, p. 90) is now to hand, and details are published in the *Frankfurter Zeitung* (Feb. 23). The securities are for a total value of 52,000 ctr. of rye, and consist of 26,000 one ctr., 3,120 five ctr., and 1,040 ten ctr. certificates. Interest is payable every Jan. 1 and July 1, and will take the form of 2½, 12½ and 25 lbs. of rye respectively. Payment on the January voucher will be made in accordance with the average price of rye between the previous Oct. 15 and Nov. 14; that on the July voucher in accordance with the average price between the previous March 15 and April 14. These dates will also apply in case of redemption or sale. The prospectus also states that the Bank was founded on Sept. 19, 1922, as a joint-stock company with a capital of Mk.6 mill., which has meanwhile been raised to Mk.100 mill., of which 25% has been paid up. In addition to nearly all the rural general utility settlement societies, the shareholders comprise the Free State of Mecklenburg-Schwerin, Mecklenburg-Strelitz and Oldenburg, the Landwirtschaftliche - Zentraldarlehnskasse, the Deutsche Girozentrale, and the Neuland A.-G. (a founder). The rye securities will serve as loans on the registration of land debits, and will be payable in accordance with the rye price, either in cash or, with the consent of the borrower, by the certificates themselves. They will be redeemable, either on the open market or at latest in 50 years' time.

The *Frankfurter Zeitung* takes rather a sceptical view of the ultimate value of these securities, and raises a number of questions—why, for instance, such new-fangled ventures should have been placed on the market in such a hurry, instead of giving them, as it were, a trial period, as with other new ventures. The prospectus may just satisfy the Bourse regulations, but it

only shows a bank balance of Mk.1.66 mill. besides the still unpaid share capital. Nor is there any statistical account of the activities of the bank hitherto; it is not possible to ascertain whether, in view of the recent great rise in rye values, the bank made any profits when extending loans. Nor can the amount of the loans hitherto extended be ascertained, nor their rate of interest, nor the many other details usually published by a normal mortgage bank. It would be very interesting to know to what extent loans have been granted on land cultivated under the old system, and to what extent on that worked on improved methods. Information as to how the necessary redemption sums are to be procured would also be of interest. Lastly, it must be noted that the chief attraction to the holder of rye loan lies in the security against further currency depreciation, and for this reason it found ready subscribers and will find many more. Great caution should be exercised, however, for this attraction, together with the desire for security, may both disappear if the mark should be stabilised.

STOCK EXCHANGE INDICES.

The *Frankfurter Zeitung* (Feb. 17) index number for stock and share values sank to 963,965 on Feb. 16 from 1,567,265 on Feb. 9; that of the gold price of stocks sank from 1,277,500 to 772,100. The index number representing home loans sank from 8,538 to 6,607, and that representing foreign loan values from 286,500 to 204,000. The fall in the values of home loans was in part due to the cessation of purchasing from abroad, in part to the realisations brought about by money shortage.

PROPERTY TAX AND FORCED LOAN ASSESSMENTS.

At the first reading on Feb. 16 of the Bill to fix the incidence of the tax on property and of the Forced Loan, the Tax Committee of the Reichstag accepted the recommendations of the sub-committee, but reserved their final decision for the second reading. The proposals include the raising of the tax-free limit for property tax proposed by the Government from Mk.200,000 to Mk.400,000. Taxation will be made on the following scale: for the first Mk. 1 mill. or part of 1 mill., 1 per mille.; up to Mk.2 mill., 1.5 per mille.; up to Mk.3 mill., 2; up to Mk.4 mill., 3; up to Mk.8 mill., 4; up to Mk.16 mill., 5; up to Mk.28 mill., 6; up to Mk.40 mill., 7; up to Mk.60 mill., 8; up to Mk.100 mill., 9; over Mk.100 mill., 10 per mille.

The law concerning the Forced Loan is altered as follows: The subscription price in July 1922 to be 94%; August, 96%; September, 98%; Oct. 1, 1922, to Mar. 31, 1923, 100% of the nominal value. The price of loan purchased after Mar. 31, 1923, will be increased by 10% every month. Any loan purchased for cash before Aug. 31, 1922, will count as double in reckoning the final amount of loan to be subscribed to. The assessment rates in respect of the Forced Loan will be: 1% on the first Mk.400,000 of income; 2% on the next Mk.600,000; 4% on the next Mk.1 mill.; 6% on the next Mk.1 mill.; 8% on the next Mk.1 mill.; 10% on all higher amounts.

The first assessments of property tax will include an additional tax of 300% on securities, and of 200% on other property. Exceptions from this additional tax will be made in the case of built-on house property, building land, home securities bearing a fixed rate of interest in marks, home mortgages and annuities calculated in marks, and any other property which, by decree of the Finance Minister, is realisable at the rate of the day.

The tax-free limit of the succession tax is also raised from Mk.200,000 to Mk.400,000, and the rates of the tax likewise raised by from 10% to 50%, according to scale. (*Frankfurter Zeitung*, Feb. 18.)

FOREIGN SECURITY HOLDINGS.

Wirtschaft und Statistik (Jan. 31) estimates the present foreign security holdings of Germany as follows:

	Nominal value in gold Mk. 1 mill.
Foreign securities registered with the Reichsbank on Aug. 23, 1916	16,248
<i>Withdrawals—</i>	
1. Estimated withdrawals in 1916-19	6,180
2. Securities taken by the Reich and sold to procure foreign currency, 1917-19	832
3. Securities deposited abroad before August, 1916, and expropriated	3,877
4. Securities handed over under the Peace Treaty	792
5. Estimated amount of securities withdrawn between April, 1919, and end of 1922	1,000
6. Unsecured Austro-Hungarian pre-war debts as in August, 1916	1,400
Total withdrawals	14,091
Remaining in German hands	2,157

The present holdings consist for the most part of Russian securities, Austro-Hungarian guaranteed State Loan, dividend warrants and company debentures, Turkish, Rumanian and other similarly depreciated State securities, on a great number of which German holders no longer receive any interest.

INDUSTRY

COAL SITUATION OFFICIALLY DESCRIBED.

The German coal situation in 1922 was fully described on Feb. 16 at a meeting of the Reich Coal Council in Berlin. The speaker stated that in 1922 the output of *hard coal* had amounted to scarcely 130 mill. t. as against 136 mill. t. in 1921, 131 mill. t. in 1920, and 154.3 mill. t. in 1913. The decrease of over 6 mill. t. in 1922 on the previous year was due solely to the loss of East Upper Silesia. Since the fixing of the new boundary, about 13 mill. t. of hard coal had apparently been produced in East Upper Silesia, of which about 900,000 t. per month represented the loss to German home consumption. Germany had not even imported this quantity, for from June to December 1922 only about 3.25 mill. t., or 550,000 t. per month, had reached Germany from East Upper Silesia, and its price was for the most part considerably higher than that of the German Upper Silesian coal. Even the greater outputs in 1922 of most of the German coal mines had not compensated for the loss of this Silesian coal.

The chief Ruhr mines, including those on the left bank of the Rhine, had increased their output in 1922 to over 96 mill. t., viz. 2.5 mill. t. or 2.75% more than in 1921. This was due in part to an increase in the mine staffs, but chiefly to the systematic working of overtime by the miners. The enemy action in the Ruhr had of course resulted in a great falling-off of output there. The January output would probably be about 25% or 30% lower. Since Feb. 1 matters had been made still worse by the stoppage of coal export to unoccupied Germany. Only a very few of the Ruhr mines—those in the neighbourhood of Hamm—were unaffected by this measure.

Some statistics issued by the Dortmund Mines Department gave a good idea of the variations in the output capacity of the Ruhr miners since 1913. The capacity of a getter per shift was 1.862 t. in 1913, 1.500 t. in 1920, 1.566 t. in 1921, 1.601 t. in the first quarter of 1922, 1.618 t. in the second quarter, and 1.596 t. in the third quarter. The capacity, taking all underground workers, was, per shift, 1.183 t. in 1913, 0.831 t. in 1920, 0.808 t. in 1921, 0.822 t. in the first quarter of 1922, 0.828 t. in the second quarter, and 0.813 t. in the third quarter. These figures applied to the utilisable output, viz. rough output minus washing and sorting. They showed that, taking into account the shorter shift by 1½ hours in 1913, the output capacity of a getter for a seven-hour shift was 0.063 t. greater in the third quarter

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of 1922 than the average of 1913; the increase was slightly greater even in the second and third quarters of 1922. Similarly, taking the capacity of all underground workers, a decrease of 0.161 t. was visible.

Of the other German hard coal districts, the Lower Silesian output had shown the most favourable figures. With a mine staff only about 5% bigger than in 1921, output in 1922 had augmented by about 17% over that of the year before, and had, between August and November inclusive, even exceeded the monthly output of 1913 by several points. Things were not nearly so good in the Saxon hard coal fields, especially in the last few months. The output of the Aix district was distinctly suffering badly from the strong inclination of its getters to migrate to the neighbouring Dutch mines, and it was very difficult to procure substitutes. Since the division of the province, the West Upper Silesian coal output had made a steady upward progress, which had not been so good, however, during the last few weeks.

Although great progress was registered in the German lignite output, it did not compensate in full for the loss of the Upper Silesian hard coal already mentioned. The 1922 lignite output amounted to about 137 mill. t. as against about 123 mill. t. in 1921 (viz. an increase of 11.4%), and 87 mill. t. in 1913 (+56%). It was noteworthy that the mine staffs decreased from about 164,000 in 1921 to under 160,000 on an average in the first ten months of 1922 (-3%). The working capacity of the industry had therefore augmented considerably. The average monthly figures for 1921 of about 11.3 mill. t. of hard coal and 10.3 mill. t. of lignite, were therefore practically reversed in 1922. Quantitatively speaking, then, Germany had changed from a hard coal producing to a lignite producing country. Lignite briquette production had also improved considerably. The 1922 figure was about 29.5 mill. t. compared with about 28.25 mill. t. in 1921 (+4.4%), and was likewise about 3.4 higher than in 1913, without, however, being able to meet the great demand. The total output figure for the year, reckoning every ton of lignite as 2/9ths of a ton of hard coal, amounted to about 158.5 mill. t., and was smaller than the 1913 output for the same area of Germany (the East Upper Silesian output was deducted) by nearly 16 mill. t. If from this 158.5 mill. t. the 12% representing the consumption of the mines themselves be deducted, there remained for the satisfaction of home requirements about 139.5 mill. t. The 1913 coal requirements of the present German area had, after careful calculation, been estimated at 12,366,000 t. per month for the first five months of the year, and for the remaining seven months—reckoning without East Upper Silesia—at 11,856,000 t., viz. a total demand of 145 mill. t. Between the 1913 demand and the 1922 available supply there was therefore a deficit of nearly 6 mill. t. This deficit could only be greater in ensuing years, since during five months of 1922 the whole of Upper Silesia was German.

These figures served to place in the correct light the ingenious statements published in the French Press, which asserted that the German coal supply during the first eight months of 1922 had been at least as good as in 1913. They must also, having regard to the fact that the deliveries on account of reparations are not included, prevent any feeling of astonishment that Germany could not, in the past year, cover her requirement with home-produced coal more satisfactorily. Of the public undertakings, the State railways were only able to maintain working by large imports of English coal. This applied also to gas, electricity and water-works. Industries, with certain exceptions, chiefly in the East, had been insufficiently supplied with fuel. The supply of household coal was particularly poor in the summer and autumn, and not much foreign fuel was available for household purposes. The high prices here were very detrimental to consumers; lignite briquettes reached a price eight hundred times higher

than the pre-war price, and hard coal about eleven hundred times higher. Unfortunately the consequences were beginning to show in the effect on public health. In this connection it was noteworthy that since 1920 the official sale price at the pitheads had, reckoning in dollars, scarcely ever exceeded the pre-war price, and had occasionally been lower. The high cost of fuel had, on the other hand, assisted in economising its use.

Germany's foreign coal trade in 1922 had consisted chiefly in imports. From July to October they had amounted to the colossal monthly figures of 2.3 to 2.4 mill. t., but sank to rather less than two-thirds of those figures in November and December on account of the unprecedented fall of the mark. Imports during the second half of the year amounted to about 12.4 mill. t., of which at least two-thirds came from countries with a high rate of exchange, from England, Holland, Belgium, the Saar and Czecho-Slovakia, the rest from Upper Silesia. The total value of the imports was about 175 milliard paper marks, or about 256 mill. gold marks. Imports from England alone consisted of 6.4 mill. t. to a total value of 107.5 milliard paper marks. Leaving on one side the deliveries on account of reparations, coal exports during the second half of the year amounted to only 1.3 mill. t. to a value of 27.5 milliard paper marks or 23.5 mill. gold marks. The occupation of the Ruhr had affected most favourably the home coal supplies. Far larger quantities of Ruhr coal had been exported to the unoccupied districts than formerly. Export from certain Ruhr mines outside the occupied area was still possible, the other mines in Germany were doing their utmost to augment production, and imports of foreign coal would be increased. There was every prospect that the German coal supply would be sufficient to withstand the injury intended by the enemy.

Dr. Becker, Minister for Economic Affairs, in a speech exhorting his countrymen to stand firm, said that coal would never be got out of the mines with bayonets. (*Frankfurter Zeitung*, Feb. 17.)

THE IRON MARKET IN JANUARY.

The confidence with which the Rhenish-Westphalian iron industry had looked forward to business in the new year was soon destroyed by the political events early in January. The catastrophic fall of the mark had perforce to be followed by a rise in wages. This, in turn, brought about further considerable increases in the price of iron and steel goods. The Pig-Iron Union decided only to regulate prices twice a month. They also made various new conditions in regard to payment for goods, and for the purpose of facilitating trade with the occupied districts they instituted a branch office at Hanover. Prices of pig-iron products were raised on Jan. 10 by 15.93%, beginning with bar iron, and the additional charges on the overprice list fixed in August 1922, were raised from 900% to 1,500%. Higher coal prices necessitated still higher iron prices after Jan. 12. Bar-iron, which had just been raised by Mk.43,000 to Mk.313,000, now rose to Mk.355,000. Fresh increases are now under consideration. The prices of rolling-mill goods also rose considerably in the middle of January, the rises amounting to 14.37% on Jan. 17, 41.88% on Jan. 21, and 49.31% on Jan. 31. Siemens-Martin commercial goods followed suit; bar-iron, for instance, rose from Mk.25,000 to Mk.35,000 on Jan. 17, and to Mk.100,000 on Jan. 24; other products rose correspondingly.

Notwithstanding the occupation of the Ruhr, it was possible to continue work at the mines and works fairly smoothly throughout January, as material of all kinds was plentifully supplied, and transport was good. The action of the French and the Belgians has led to embargoes on the German side. One of the chief of these has been the resolve of the Association of German Iron and Steel Manufacturers to stop importing from these countries the large supplies of minette and other ores and iron goods which went chiefly to South

Germany. The Rhenish-Westphalian works will profit by the extra demand which will come to them. During this period the Rhenish-Westphalian Coal Syndicate moved its headquarters from Essen to Hamburg. Home demand was lively, so was the demand from abroad, but difficulties were experienced here owing to the active Belgian competition. Ore supplies were irregular, and working was difficult owing to the shortage of certain kinds of ores. The lack of Siegerland ores and hematite was particularly noticeable, and even some of the Siegerland works had to purchase foreign ores. Wages rose on Jan. 1 and again on Jan. 12. In the Siegerland district they averaged at these dates Mk.665 and Mk.950 per man per shift. Ore prices here and in the Lahn-Dill district, rose in consequence. On the foreign market, large quantities of North African ores were dealt in. The average Swedish freightage rates for ore were: Oxelösund—German North Sea ports, Swedish Kr.3½ to 3¾; Narvik—German North Sea ports, Norwegian Kr.6½ to 6¾; Narvik—Rotterdam, Norwegian Kr.7. The average freightage charge on the Rhine from Rotterdam to the Ruhr ports was about Fl.0.60 per 1,000 kg. inclusive of tugging fee. On the manganese ore market, demand was greater than supply and prices were firm. On the scrap-iron market the demand fell off and prices rose from about Mk.160,000 to about Mk.350,000 in the third week of the month. Pig-iron was so scarce that large quantities had to be imported. Semi-manufactures were extraordinarily difficult to procure. The permanent way material works

were fully occupied on State orders and did not pay much attention to foreign orders. Nevertheless great competition existed on the international market, chiefly directed against Belgium. Prices were at one time, in consequence, fairly low, but have risen again. Mine rails are dearer too. Section iron was much in demand, but on account of the political situation the works had to exercise caution in accepting fresh orders. The output and consignment of railway rolling stock was still unsatisfactory, although orders were rather better than in December. A few large foreign contracts were made. The demand for bar-iron was lively and foreign business was satisfactory. Home trade in thin sheet looked up noticeably, probably because, on account of the Ruhr occupation, a shortage is expected; but on the foreign market great caution was visible on the part of both buyers and sellers. The home demand for heavy plate, which had been poor, was rather better; the foreign demand was quite good and the works are now much busier. The demand for wrought-iron tubes was about twice as great as in December. The price of gas and boiler tubes was raised three times during the month. The demand for cast-iron tubes was still poor, and although some large orders came from abroad, prices were not high. Since the Ruhr occupation an extraordinary stagnation on this market is sensible. Wire products were much in demand, especially from abroad, and prices show a strong upward tendency. (*Berliner Börsen-Zeitung*, Feb. 11.)

ITALY

FINANCE

THE NATIONAL DEBT.

PUBLIC FINANCE.

The following review of the State finances during the last financial year appears in *Prospective Economie*, the economic year book edited by Professor Mortara:—

EXPENDITURE AND REVENUE.

Actual State expenditure has risen progressively from L.2.7 milliards in 1913-14, the last pre-war year to 36.2 milliards in 1920-21 and revenue from 2.5 to 18.8 milliards. The deficits were (in millions of lire), 1913-14, 164, 1914-15, 2,835, 1915-16, 6,891, 1916-17, 12,250, 1917-18, 17,766, 1918-1919, 22,770, 1919-20, 7,886, 1920-21 17,409. To the last deficit must be added a further 9 milliards being the difference between expenses incurred, but not paid at the end of the financial year 1920-21 (the last financial year for which exact figures are forthcoming) and revenue still outstanding at the same date. The aggregate deficits from 1914-15 to 1920-21, amount to L.97 milliards.

As already stated, no official figures for 1921-22 have as yet been published, but according to information received, the deficit will amount to some L.8.2 milliards, and the estimated deficit for 1922-23 to about 5 or 6 milliards. These last two deficits include in part the difference already mentioned between unpaid expenses and outstanding revenue, therefore they cannot be added offhand to the sum of 97 milliards already reckoned. Taking into account the probable deficits of coming financial years the aggregate deficits in war and post-war years may be estimated ultimately at L.120 milliards at least. and at present at between 10.5 and 110 milliards. In 1921-22 actual expenditure will have amounted to some L.26, and revenue to about 18 milliards; 1922-23 expenditure may be estimated at L.23, and revenue at L.18 milliards.

In order to meet the deficits, the Government has been obliged to borrow extensively.

At a rough estimate it has borrowed about 35 milliards of paper lire abroad and 65 milliards at home; the fluctuations of the various classes of the national debt appear in the table given below, which, however, gives the nominal value of the loans issued which in the case of internal loans is higher and of external loans lower than the sum actually received.

The following figures show the value of each class of loan on Sept. 30 of 1922 and Oct. 31 of each of the four preceding years (in millions of lire, gold for foreign and paper for internal loans:—

Loans.	1918.	1919.	1920.	1921.	1922.
Consolidated redeemable Aug. 1, 1914	13,638	13,638	13,439	13,394	13,338
Subsequent to Aug. 1, 1914 (exclusive of Treasury Bonds)	14,737	14,859	35,450	35,956	36,027
Long dated Treasury Bonds (number of years) ...	3,052	6,745	4,570	5,699	7,499
Ordinary Treasury Bonds	9,240	15,961	10,740	21,926	25,385
State note circulation	2,046	2,272	2,269	2,267	2,267
Bank note circulation on State account	7,094	10,696	10,940	8,554	8,066
Deposit and loan fund	340	660	572	627	415
Total interna loans	50,147	64,831	77,980	88,423	92,997
Foreign loans	13,851	19,984	20,594	20,964	21,811

Since the end of Sept., 1922, at which date the internal loans aggregated nearly 93 milliards, 2 milliards of 7-year bonds have been issued and other debts have been slightly increased; thus at the end of the year the total internal loan probably exceeded L.95 milliards.

The annual Budget is charged with L.2.3 milliards in respect of interest on the consolidated and redeem-

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able loans and 0.6 milliards for interest on the 9.5 milliards long dated Treasury Bonds. Moreover, the Treasury has to face the possibility that large numbers of holders of the bonds will prefer redemption to renewal or to conversion into a perpetual loan.

Interest on the 25 milliards of ordinary bonds constitutes an annual charge on the Budget of 1.2 milliards, to which is added the serious danger of heavy payments for redemption at a possibly early date.

A revival of industrial activity which would call upon capital for investment in industrial shares; a period of business depression which would force people to employ their savings in the satisfaction of their immediate necessities; political events of a character to cause want of confidence in the solvency of the State, are all circumstances which might lead to demands for large repayments of short dated bonds, and to very few applications for renewal. It is imperative that the State should relieve itself of this danger by converting the greatest possible part of its floating debt into perpetual loans. The bank note circulation on account of the State which nearly attained 11 milliards at the end of 1920 has been gradually reduced to 8 milliards and may possibly undergo further reduction in the near future. In the gradually dwindling increases of the aggregate internal debt may be discerned a steady improvement of the Budget.

The foreign debt was contracted chiefly during the war and immediately after the armistice. Italy's chief creditor is Great Britain, which has lent about £515 mill. Then comes the United States with a claim of \$1.648 mill.

Interest on the British Loan is still running, and will increase it in the course of 1923 by £26 mill. or Lire 2,380 mill. The accumulated interest on the loan from the United States amounts to some L.1,638 more, making the total accumulated interest on loans over 4 milliards. Payment of these large sums, in the present financial state of the Budget, is clearly impossible, and when it is remembered that even in the most prosperous times, the credit balance of Italy's foreign trade has never exceeded 200 mill. gold lire, it is also economically impossible. Even were Italy in enjoyment of pre-war conditions she could perhaps at great sacrifice pay 200 millions of gold lire or 800 mill. of paper lire that is barely one fifth of the interest which she owes. But, unfortunately, Italy is far from being in the same position as before the war. As regards her foreign trade, the exclusion of Italian goods from certain markets by restrictive tariffs, the impoverishment of others, restrictions on emigration to America, the decline of the number of foreign visitors, have reduced the credit side of the account, while the increased import of foodstuffs has swollen the debit side. Italy has great difficulty in balancing her foreign trade account, and can be under no illusion as to the possibility of being able to pay interest on her foreign debts. Much less can she pay the debts themselves even by means of the cession to her creditors of her share of reparations which would only cover about half the debt. Italy's moral inability to pay these debts is tacitly recognised in Lord Balfour's note of Aug. 1, 1922, to the debtor States. The Italian Government has never gone so far as to demand a complete cancellation of these debts, but the recent statements by Signor Mussolini at the London Conference seem to point to the intention of making a formal request for cancellation. At the end of 1922 the debt to foreign countries amounted to L.22 milliards, gold or 88 milliards paper.

The huge increase of the internal loan inflicts greater harm on the country than at first sight appears. With very few exceptions the amounts raised go to meet the current needs of the nation, and are not invested in productive enterprises. The Deposit and Loan Fund, into which are paid the deposits in the Post Office

Savings Banks converts them for the most part into national loan bonds. The private savings banks and other provident institutions and insurance companies do the like. Even independent banking institutions hold treasury bonds to the value of milliards of lire.

The increase of the national savings is more apparent than real. Between June 30, 1914 and June 30, 1922, savings deposits on current or interest bearing deposit accounts and with ordinary banks and savings banks public or private rose from L.2.8 to 28 milliards. Of this increase of 25 milliards some 15 milliard have been converted into Government securities, and perhaps a milliard more has vanished in similar fashion by investment in loans to other public departments.

CAPITAL ISSUES.

During the month of January, 104 joint stock companies were founded with a capital of L.41.7 mill. and 80 companies increased capital, the aggregate increase amounting to L.302.2 mill. Thus the total capital raised during the month amounted to L.343.9 mill. Capital reductions (23 companies) amounted to L.66.6 mill. and the capital of companies which went into liquidation (30) totalled L.32.6 mill., making the aggregate capital withdrawn L.99.2 mill. which gives a net balance of new capital of L.244.7 mill. (*Berichte aus den neuen Staaten*, Feb. 19; *Exportateur Français*, Feb. 20.)

THE INLAND SPIRIT TAX.

The tax on the manufacture of spirit and the corresponding additional customs duty on foreign spirit has been increased by L.200 per hl. This increase is not applicable to alcohol used in making vinegar, perfumery, or for scientific or medical purposes. (*Exportateur Français*, Feb. 20.)

BANKRUPTCIES IN 1922.

The number of bankruptcies in Italy during 1922 was 3,556, being 1,863 (54.4%) in North Italy, 985 (27.7%) in Central Italy, 457 (12.9%) in the South, 48 (1%) in the new provinces, and 203 (5.7%) in the islands. (*Berichte aus den neuen Staaten*, Feb. 19.)

SOCIAL AND LABOUR CONDITIONS

COST OF LIVING IN NOVEMBER.

The index number of the eight chief articles of food (bread, Italian paste, rice, beef, oil, bacon, potatoes and milk) in Rome in November last was 418.7 compared with 419.3 in October, and 476.8 in November 1921; the index number of the cost of living of a working-class family composed of two grown-up persons and three children, was: Food 477.4, general 438.9 in November, as against 482 and 444 in October and 458.5 and 422.5 in November 1921; the index number of the cost of living of a middle-class family, consisting of the same number of persons was: Food 515.2, general 372.6 in November, as against 523.8 and 375.4 in October and 507 and 363.8 in November 1921. The decline shown in November is the first since April of last year. (*Bolletino del Ufficio Comunale del Lavoro di Roma*, November.)

UNEMPLOYMENT.

The Minister of Labour and Social Welfare has recently published the results of a special enquiry instituted in order to ascertain the effects of the industrial crisis on unemployment in small, medium and large-scale industry respectively.

A comparison was made between the situation in July 1920, a period of great industrial activity, November 1921, a period of serious economic depression, and July 1922, when the crisis had decreased somewhat, and certain branches of industry were even working satisfactorily.

Industries were classified as small, medium and large scale, on the basis of the organisation either of labour or of technical methods in each of the undertakings in question.

The enquiry covered 10,677 undertakings employing 975,119 workers. Generally speaking, the results of the enquiry show that large-scale industries were much more seriously affected by the crisis than small and medium-scale industries. In large-scale industries the number of workers employed had decreased by 14% in November 1921, while in medium industries the decrease was only 6%, and in small industries only 5%.

In July 1922 the situation in large-scale industries showed a substantial improvement, as the number of workers employed was only 10% less than in July 1920. In small and medium industries, on the other hand, the situation had remained stationary, and in the former there was even a change for the worse, as the number of workers employed was 9% less than in 1920, instead of only 5% as in November 1921.

In almost all districts small industries suffered least from the crisis. Venetia, Abruzzi, Campagna and Sardinia were exceptions.

The number of unemployed at the end of December was: Totally unemployed 381,968, compared with 354,238 in November and 541,779 in December 1921; in receipt of relief 63,562, 69,300 in November, and 116,200 in December 1921; on short time 42,558, 43,041 in November and 128,662 in December 1921, making the number of unemployed total and short time 424,526, 396,378 and 720,441 in the above-mentioned months. (*Report of International Labour Office, Feb. 9.*)

COMPULSORY EMPLOYMENT OF DISABLED SOLDIERS.

According to the Act of Aug. 21, 1921, introduced by Signor Labriola, ex-Minister of Labour, public departments and private undertakings are compelled to employ a certain proportion of disabled ex-service men.

The Act provides that every employer who employs more than 10 men as wage-earning or salaried workers, shall be bound to employ one man disabled in the war for every 20 men or fraction of 20 greater than 10. Any employer who, at the date of the promulgation of the Act, has not in his employment the number of disabled men which he is bound to engage under the Act, must conform to this obligation when engaging new staff, and, in any case, within not more than six months in the case of wage-earning employees and 12 months in the case of salaried employees from the day on which the Act came into force.

As the Act was promulgated on Oct. 3, 1921, employers had, therefore, to employ the requisite number of wage-earning employees by April 1922, and of salaried employees by October 1922. On these dates, a certain number of employers had not complied with the provisions of the Act, and the Provincial Committees for unemployment and the placing of labour had a somewhat delicate task to fulfil.

The numbers of vacancies and of disabled ex-service men who had found employment on April 18, 1922, are as follows: Situations vacant under the provisions of the Act, 33,517; number of situations actually offered by employers, 29,136; number of disabled ex-service men who have received employment, 25,870; number of situations still considered vacant under the Act, 7,647; number of remaining situations offered by employers, 3,266; number of disabled ex-service men still unemployed, 7,441. The apparent contradiction between the number of statutory vacant situations, the number of those offered and the number of disabled soldiers still out of work is due partly to the fact that the kind of work offered by the employers was not suited to the qualifications offered by disabled men out of employment, and partly because the unemployed disabled men did not live in the district where the employment was offered. In order to remove this

latter difficulty, the National Office for Employment Exchanges issued a circular to the Provincial Committees dated Sept. 25, 1922, instructing them to organise the placing of labour on an inter-regional basis. The circular points out that, even if inter-regional placing of labour does not give satisfactory results, employers are, nevertheless, compelled to conform to the provisions of the Act and to engage the requisite number of disabled men.

The employment of disabled soldiers naturally varies according to occupation. As may be expected, the greatest number of applications come from unskilled workers. On Dec. 1, 1922, 2,863 applications had been made for 122 vacancies; then come agricultural labourers, fishermen and gamekeepers, with 1,099 applications for 55 vacancies, and mineral industries, road construction and building, with 923 applications for 683 vacancies. (*Report of the International Labour Office, Feb. 9.*)

EMIGRATION.

The Italian Press reports that the Government is negotiating with the United States Government with a view to an amendment of the American Act restricting immigration so as to permit of an increase in the present very low quota fixed for Italian immigrants.

According to a communication of the General Emigration Department the total number of emigrants from Italy in 1922 was about 260,000. The chief countries of emigration were: France (about 70,000), United States (42,075) and Brazil (about 12,000).

Several schemes for the settlement of emigrants in foreign countries are under consideration by the Emigration Department, particularly with regard to Canada, Brazil, Mexico and Venezuela. It is estimated that in 1923 the total number of emigrants will be about 300,000.

It is reported that the Italian Government has purchased a site at Naples for the purpose of building hostels for emigrants. Negotiations are also in progress at Genoa with a view to the construction of hostels for emigrants as provided in the Emigration Act of 1901. (*Press Communication of the Emigration Department, Economista d'Italia, Jan. 25, 1923; Il Sole, Jan. 23, 1923.*)

THE CO-OPERATIVE MOVEMENT.

A Congress of ex-Service Men's Co-operative Societies for Production and Labour was held at Genoa from Dec. 17-19, 1922. It was attended by representatives of more than 300 co-operative societies.

One of the most important items on the agenda was the question of the revision of legislation regarding co-operative societies. A resolution was adopted demanding special facilities with regard to the institution of co-operative societies, increased participation of representatives of co-operative societies in the work of Government advisory committees with a view to supervising the working of these committees, and special facilities for enabling productive co-operative societies to tender for State contracts.

The Congress passed a resolution recommending that the National Institute for Credit and Co-operation should encourage, in particular, co-operative societies of agricultural workers and fishermen, and that a representative of the Federation of ex-Service Men's Co-operative Societies should be appointed to the Board of Management of the Institute.

According to a report submitted to the Congress concerning public works, agricultural improvements and co-operation in Southern Italy, it is in Southern Italy that ex-Service Men's co-operative societies have developed most extensively. A special bank has been founded, the *Banco per la cooperazione meridionale*, with a capital of L.2.5 mill. subscribed by co-operative societies in Southern Italy. This bank will undertake all credit operations with co-operative societies and

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agriculturists directly. It intends to give special credit facilities to emigrants and to exporters of agricultural products.

A resolution was adopted approving the institution of a National Federation of ex-Service Men's Co-operative Societies for Production and Labour. The main objects of the Federation will be to protect the interests of co-operative societies, to assist societies in technical and administrative questions, to secure public contracts and facilitate the execution of all public works undertaken by co-operative societies, to supervise the transfer of labour from one district to another, and to effect the exchange of machinery, tools, etc.

A report submitted to the Congress concerning the present situation of co-operative societies for production and labour stated that several societies have taken steps to provide vocational training for their members. In Mantua, for example, courses of instruction have been organised in the use of agricultural machinery, farriery, cattle breeding, etc.

The report also stated that in 1922 the co-operative societies in Genoa secured tenders for road-making, railway construction and building to a total value of about L.7.0 mill. In twelve provinces co-operative societies for production and labour, distributive societies, and agricultural societies have united to form provincial federations.

Speaking at Rome on Jan. 16, 1923, on the occasion of the inauguration of the University courses on agrarian mutual benefit societies and co-operation instituted under the auspices of Signori Luigi Luzzatti, Signori Gay, Under-Secretary of State for Labour and Social Welfare, made the following statement:—

“The aim of the Fascisti party with regard to the co-operative movement is to abolish the system of favouritism enjoyed by certain co-operative societies. State intervention and State grants, if carried too far, tend to kill the spirit of initiative and the desire for progress. Co-operation should be a school of moral training; there should be free competition between co-operative societies and other economic institutions, for this will ensure the development of co-operative

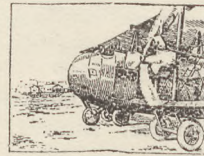
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societies organised on a sound basis. The Government will support the Rome Co-operative University because all labour and social tendencies are represented in it.” (*Communication Report of the International Labour Office*, Feb. 9; *Cooperazione*, Jan. 1.)

NORTHERN EUROPE

FINANCE

LATVIA: INTRODUCTION OF GOLD CURRENCY.

According to information received from Riga by the *Berliner Börsen-Zeitung* (Feb. 10), the introduction of a gold currency in Latvia has been officially decided upon, but it will take some time to place on the market. The Latvian Government have ordered from a Swiss firm bronze and nickel coinage to the value of 10 million Lat., viz. 500 million Latvian roubles, which are on the point of delivery. The amount of the gold currency to be coined is unrestricted, as everyone will have a right to demand the receipt of gold coin in exchange for bullion. Small change is also to be coined, but in quantities restricted to 10 Lat. per inhabitant, i.e. 15 mill. Lat. for a population of 1.5 mill. inhabitants. Some of this small change will be placed on the market in February and a corresponding quantity of paper money withdrawn. It will consist of 1, 2, 5, 10, 20 and 50 Centime pieces and 1 Lat. pieces, corresponding to Latvian roubles 0.50, 1, 2.5, 5, 10, 25 and 50. It will be divided into standard coinage, i.e. coinage with a metal content equal to its face value, and token coinage, viz. silver, nickel, bronze, iron, and china coinage, and paper money, with a metal content less than their face value, and which will thus offer no inducement for hoarding. The different values of gold and other coinage are seen

in the following comparison: 10 Russian gold roubles = 110 Latvian roubles or 26 Lat.; 10 Russian silver roubles in 1 and ½ R. pieces = 920 Latvian R. or 18 Lat. 40 Cent.; 10 Russian small change coins = 410 Latvian R. or 8 Lat. 20 Cent.

EXISTING CREDIT ESTABLISHMENTS.

There are at present in Latvia 199 credit establishments and one branch establishment of a foreign banking house. The former establishments are divided as follows: 1 bank of issue, 1 agrarian bank, 3 communal banks, 1 co-operative communal bank, 9 joint-stock banks, 3 mortgage banks, 24 mutual credit societies, 6 communal savings-banks, 149 savings and loan banks, 1 branch establishment and 1 Lombard bank.

Of the pre-war banks, 124 savings and credit banks, 22 municipal savings banks, 2 communal commercial banks and 1 mutual credit society have not resumed operations. (*Berliner Börsen-Zeitung*, Feb. 10.)

RUSSIAN COMMUNICATIONS ESTIMATES.

The estimates of the Communications Commission for the financial year Oct. 1, 1922, to Sept. 30, 1923, put income at 332.7 mill. gold roubles and expenditure at 639.3 mill., leaving a deficit of 306.7 mill. The chief items of expenditure are: railways 338.4 mill., river navigation 66.2 mill., upkeep of waterways 19.2 mill. and ports

11.4 mill., new buildings and repairs to premises 80.8 mill., repairs to locomotives 10.6 mill., and construction of new locomotives 7 mill. The deficit on the working of railways, 130 mill. gold roubles, and the shortage of rolling stock, have given rise to the proposal to stop the working of the less important lines of the so-called third class, consisting of 22,000 km., for a period of three years, which, however, has been rejected by the State Commission. (*Ost-Express Telegram*, Feb. 9.)

TRADE

ESTHONIA'S FOREIGN TRADE.

According to information supplied by the Central Statistical Office, Esthonia's imports during October 1922 amounted to 1,457,000 poods, to the value of Est. Mk.523.5 mill., and exports to 2,094,000 poods, valued at Mk.383.2 mill. The debit balance, therefore, totals some Mk.140 mill. The chief importers are: Germany, Mk.300 mill. (60%); Great Britain, Mk.76 mill.; Latvia, Mk.32 mill.; Danzig, Mk.32 mill.; Finland, Mk.28 mill.; Russia, Mk.5.1 mill. The exports were distributed among the following countries: Great Britain, Mk.132.5 mill.; Germany, Mk.57 mill.; Sweden, Mk.51 mill.; Finland, Mk.43.2 mill.; Denmark, Mk.22 mill.; Belgium, Mk.22 mill. The value of exports to Russia was Mk.7.4 mill. The chief export articles were: Planks 55 mill., props 28 mill., veneerings and chair seats 48 mill., flax 37 mill., cotton goods 31.2 mill., cement 28 mill., paper 12 mill., potatoes 23 mill., butter 36 mill. Imports show a decline as against September of Mk.180 mill. and exports of Mk.45 mill. Very noticeable is the decline of exports to Russia, which fell from Mk.84.3 mill. in September to Mk.7.4 in October. These figures reveal the adverse effect of the Finno-Russian commercial convention on Esthonia's trade with Russia. The high Russian import duties have crippled Esthonia's trade with that country. For the first ten months of 1922 imports amounted in value to Mk.4,556.2 mill., and exports to Mk.3,173.8 mill., leaving a debit balance of Est. Mk.842.7 mill. (*Revaler Bote*.)

INDUSTRY

LATVIAN INDUSTRY.

During 1922 the Industrial Department of the Ministry of Finance granted 267 concessions for the opening of industries as against 151 in 1921. These are, for the most part, small industries employing in all 2,500 hands and disposing of electric-power of 2,737 h.p. Concessions granted during 1922 were apportioned among the various industries as follows (the figures for 1921 are given in brackets): Textiles, 25 (11); paper and printing, 25 (3); wood-working factories, 15 (22); metal works, 17 (30); minerals, 3 (5); the preparation of animal products, 25 (24); food and articles of consumption, 100 (14); chemicals, 56 (42); unclassified, 1 (0). Of those industries opened in 1922, 125 were quite small, employing no more than 272 hands among them; the rest employed 3,228 hands and all the water-power. Counting the business previously opened, the number of industries now at work in Latvia are as follows:—

Industry.	No. of Undertakings.	No. of hands.	H.P.
Textile	139	3,712	2,908
Paper and printing	120	3,457	5,488
Wood-working by machinery	284	4,869	8,280
Metal works... ..	178	6,052	15,508
Minerals	48	1,735	705
Preparation of animal products	69	1,249	1,897
Food and articles of consumption	825	5,068	16,508
Chemicals	84	1,304	2,773
Miscellaneous	104	3,435	19,925
Total on Jan. 1, 1923 ...	1,851	30,871	73,104

(*Revaler Bote*, Jan. 22.)

PROGRESS OF LITHUANIAN INDUSTRY.

During last year 23 factories and large industrial enterprises were founded in various towns of Lithuania, consisting chiefly of manufactures of wooden goods, glass, starch, jam, matches, tobacco, textiles and flax products; in addition to these, numerous tile works have sprung up. These enterprises have been largely founded with foreign capital. The British firm of Flemming has founded near Kovno an up-to-date food-preserving and canning factory, constructing its own tins, which works principally for the export of meat to Great Britain. A joint Danish-Lithuanian joint-stock company is working an important furniture factory. The Colmar firm, Alphonse Shick, has established a spirit, liqueur and brandy distillery at Kovno, which at present sells 10,000 bottles a week in Lithuania. To give an idea of its importance it may be mentioned that it was recently insured for \$35,000. (*Revaler Bote*, Feb. 9.)

RUSSIAN INDUSTRY PAST AND PRESENT.

A recent publication of the Statistical Department, cited in *Isvestija*, supplies the following information as to the position of Russian industry before the war and at the present time. In 1912 the whole of Russia (exclusive of Siberia and Turkestan) possessed 13,775 industrial works, employing some two million hands, but of these the territory subsequently detached from Russia possessed 6,196 works, employing 407,000 hands, so that the country has lost one-third of its factories, one-sixth of its workmen, and one-fifth in value of its industrial output. The chief loss is in the textile industry, 50% of the workers in which are in Poland and Latvia. Russia's industrial production in 1920, compared with 1912, was 13 to 15%. In 1921, however, the value of finished products had risen from 517 mill. to 585 mill. roubles, but on the other hand the value of semi-manufactures declined still further during that year by reason of the famine. The industries which suffered most were metallurgy (reduced to 4% of its former output), food, wood, worked-up minerals, cotton and silk. In other branches of industry the decline during the revolution was less marked. The cloth and linen industries declined 35%, leather 25%, naphtha production 35%. On the other hand the output of peat far exceeded that of pre-war years. According to the report of the Statistical Office, the decline in output is due not only to the reduced yield of individual workers, but also to shorter working hours, interruption of work, shortage of raw material and fuel. With the triumph of the new economic policy, the productive capacity of individual workmen has increased. The decline in the supply of the population keeps pace with the decline of output. It is characteristic that the output of objects in daily use has fallen in comparison with that of other articles. The output of the most necessary articles of consumption formed 58% of the total industrial pre-war output, fell at the revolution to 50%, and now represents only 13% of the pre-war production. The output of sugar has fallen still more; that of spirits and beer had entirely ceased, but shows signs of revival. These beverages formerly took second place among food products as regards consumption per head of the population. On the other hand the output of tobacco is maintained, while that of tea and coffee substitutes, like peat, has actually increased in comparison with pre-war days. (*Revaler Bote*, Feb. 13.)

THE METAL INDUSTRY OF SOUTH RUSSIA.

After the depression of the past months, South Russia's metal industry began in November to show some signs of revival. Thanks to a steady influx of fresh workmen and of experienced pickers, the output of the coal mines owned by the combined trusts shows a marked increase, and the November yield of 4,353,000 poods exceeded that of October by 30%, an increase

Northern Europe

which benefited exclusively the metallurgical industry, of which the consumption of coal for each of the two months was steadily maintained at 1.7 mill. poods. During November seven works in the district produced 513,500 poods of cast iron, 492,000 of steel, and 454,700 of rolled iron. Owing to shortage of coke, the two blast furnaces at present at work in South Russia could not produce to the full extent of their capacity. Nevertheless, a great increase in the output of Martin steel has to be recorded, as has also an increase of semi-products from rolled iron and of finished products of the same material, which in November showed an increase of 80% with an output of 454,700 poods. In addition, individual factories manufacture special products, such as nails, wire, iron pipes, and various cast-iron products. Further development of the production of steel is hampered by serious difficulties, quite apart from lack of fuel, which, however, is the chief obstacle. It is, therefore, quite within the bounds of possibility that, owing to the shortage of fuel, certain works may be soon obliged to close down. In any case there is no immediate prospect of a recovery of South Russia's metal industry, of which there has been some talk. (*Revaler Bote*, Jan. 30.)

RUSSIAN COAL.

The Central Coal Board has laid down a programme for the output during the financial year 1922-23 of 431 mill. poods of coal gross and 313 net. During the first quarter of the year (October-December), however, this programme could not be carried out, owing to lack of money. In fact, only 83 mill. out of the estimated 117 mill. poods were extracted. It is hoped, however, owing to the increase of workmen, to extract 94 mill. poods during the second quarter (January-March 1923). The stocks on Jan. 1 are estimated at 15.3 mill. poods of coal and 49.4 mill. of anthracite, making a total of 64.7 mill. poods. Coal may be despatched to the amount of 68 mill. poods during the January-March quarter, which would leave a stock on April 1 of 62.4 mill. poods. To the mines under the control of the central coal administration should be added those dependent on the "Yougostal" and "Khmougol," the aggregate yield from which is estimated at 16.3 mill. poods. The Donetz fields will probably be able to dispose of 63 mill. poods of coal of good quality, 13.5 mill. of poor coal, and 3 mill. poods of dust. (*Information Financière*, Feb. 14.)

COMMUNICATIONS

INTERNATIONAL TRAFFIC WITH RUSSIA.

As a result of protracted railway conferences in Berlin, and after negotiations lasting about a year and a half, between Germany, Russia, Esthonia, Latvia and Lithuania, agreements have been reached which should lead to greatly improved traffic and transport facilities between Germany and the North of Europe. Two great railway company associations have been formed, the one being German-Lithuanian-Latvian-Esthonian, for traffic between Germany and the Baltic States; the other, German-Lithuanian-Russian, for traffic connections with Russia by way of Lithuania and Esthonia.

The Railway Directorate in Königsberg will stand at the head of the German-Lithuanian-Russian Association. The line will run through Königsberg and fifteen East Prussian stations, including Eydtkuhnen and Insterburg on the German side, and through the stations on the Moscow-Baltic and the Petrograd-North West Russia railways on the Russian side. Through passenger tickets will not be issued yet between the German and Russian stations, on account of currency difficulties. Through tickets are obtainable on the German side as far as Eydtkuhnen, and on the Russian side from Wirballen. Traffic will be opened in May 1923.

The Supreme Directorate of the Latvian Railways will stand at the head of the German-Lithuanian-Latvian-Esthonian Association. The line will run through Königsberg and fifteen East Prussian stations on the German side; through Kovno, Wirballen and fourteen other Lithuanian stations; through Riga and twelve other Latvian stations, through Reval, Dorpat, Narva and seven other Esthonian stations. Through goods and passenger traffic between Germany and the three Baltic States will go through Deutsch-Eylan, Elbing, Eydtkuhnen, Insterburg, Königsberg, Marienburg and Tilsit; Wirballen, Kovno and seven other Lithuanian stations; Riga, Libau, and eleven other Latvian stations; Reval, Dorpat and three other Esthonian stations. Through traffic on these lines will be opened in March 1923. The great difficulty in connection with this traffic is that Poland has hitherto exhibited more desire for sabotage than for promoting traffic relationship with Germany and the Baltic States and has, therefore been left out of the negotiations. (*Berliner Tageblatt*, Feb. 23.)

Of interest in connection with the above agreements is a description in the *Deutsche Uebersee-Zeitung* (Feb. 18) of the Russian traffic and trade difficulties and the measures being taken to overcome them. The article starts with a description of the maritime trade of Königsberg before the war, and its importance to Russia. Königsberg became the second largest Baltic port. About three-quarters of its sea-borne exports came from Russia, and of herrings alone over 400,000 casks a year went through this port to Russia. On account of the traffic difficulties in the Russian interior the maritime traffic of Königsberg only reached in 1921 about half that of pre-war days. Though tonnage increased greatly in 1922, it was nothing like that before the war, and it consisted chiefly of exports. Railway traffic difficulties towards the East and South-east are by no means overcome. Although at every conference it was agreed that it was uneconomic to send by rail bulk goods which were easier to convey by waterway, and that the unloading of goods on frontiers was uneconomic, political factors have so often won the day over economic ones. Rafting on the Memel, for instance, is still impossible, because Lithuania and Poland are not on neighbourly terms. The decision of the Versailles Treaty regarding the internationalisation of the Memel waters, and that of the recent Conference of Ambassadors, obliging Lithuania to execute the clauses of the Treaty regarding the facilitation of traffic on the Njemen, have not been adhered to as they should have been. The State Railways have done much to promote traffic. German waggons have been lent to help Lithuania organise her goods traffic, and German waggons carry Polish and Russian timber to East Prussia. With German assistance, the goods wagon traffic through Prostken increased from under 600 waggons in May 1921, to over 6,600 in September 1922; the November figure was only 2,760, but it had reached 6,000 again in December. Poland has placed the same difficulties as on the Memel, in the way of railway traffic between Kovno and Wilna, and traffic to Petrograd and Moscow has to go round by way of Riga. On February 1, through international transport traffic was established between East Prussia, Lithuania and Poland. And in February also, direct rail communication is to be established between Königsberg and Esthonia via Lithuania and Latvia. Negotiations are proceeding for the purpose of extending this traffic to Russia, and the negotiations proceeding in Dresden for permitting transit traffic through Poland to Russia should also bear fruit. The People's Commissariat for the Posts and Telegraphs is at present busy with a Bill for establishing direct telegraphic communication with Germany; and the provision of a Berlin-Moscow line as well as a Königsberg-Petrograd cable.

Air traffic is being rapidly promoted in Russia, also great projects are on foot to form an international company for the exploitation of the Northern seas.

SPECIAL ARTICLES

THE EIGHT HOUR DAY IN GERMANY

Dr. Berger, Oberregierungsrat of Berlin, contributes to the *Oesterreichische Volkswirtschaft* (Feb. 3) the following article on the eight hour day as practised in Germany:—

The Washington agreement of 1919 for the universal application of the eight hour day to industry, including mining, but excluding trade and agriculture, has borne little fruit, seeing that, in the three years which have elapsed, it has been ratified by five countries only, namely Greece, Rumania, Bulgaria, India and Czecho-Slovakia, the only really industrial country to do so. Moreover, Great Britain has clearly announced that it cannot accept the agreement in its present form. At all the international labour conferences held in Geneva have repeated complaints been raised of the neglect to ratify the agreement, and this circumstance has already brought about attempts to seek to amend schemes of international agreements, so that its original, not altogether well considered, form should not prejudice its development.

THE PRACTICE IN GERMANY.

As a matter of fact, the eight hour day, quite independently of the Washington scheme, and indeed to some extent in direct contradiction to it, was adopted in many more countries than ratified the agreement. Thus in Germany two so-called demobilisation ordinances (Nov. 23, 1918, amended by order of Dec. 7 1918, and Mar. 18, 1919) applied, immediately after the revolution, the eight hour to industry, commerce, technical workers and clerks. These ordinances introduced the eight hour day "as the rule for all adult industrial workers, male and female, and for specified classes of clerks." The enactments include workmen in the industrial branches of agriculture, but not agricultural labourers and officials, domestic servants, chemists' assistants, and clerks in positions of authority. Rests are not included. On Saturdays and the eve of festivals, work may be curtailed, and the time lost distributed over the other working days. Exceptions in special cases are allowed. Clerks, shop assistants, etc., may during 20 days in the year, at the choice of the employer, be kept at work for 10 hours a day, but not later than 10 p.m. Overtime may, within certain limits by special labour contract and under clearly defined conditions, be allowed by permission of the authorities. State supervision is exercised by inspectors of industry.

On the above basis the eight hour day is practised to-day in Germany. In 1920 overtime permits were granted to only 116,000 persons out of 7 mill. workmen employed in the 300,000 works under Government control, and it is estimated that for the whole year the average overtime per workman did not exceed one hour. On the other hand in many industries, notably in the mines, the working week was less than 48 hours, apart from short time work due to the unfavourable condition of the market.

UNSETTLED STATE OF THE QUESTION.

The ordinances above referred to, and the legal position based thereon, are only provisional. The Government is meanwhile engaged on the preparation of draft bills which will legally regulate the whole question as regards both workmen and employers. On this subject and in connection with the political and economic situation of the whole Reich the fight for the eight-hour day has again broken out all along the whole line. This time, however, the employers and employed have not shown a united front, the one against

and the other for the system, but on both sides there are dissentient minorities, and expert opinion is completely divided. Neither can it be affirmed that the struggle is being conducted on quite objective principles. It must be observed that the problem has been to some extent unfairly stated. For instance the dispute over the suitability and necessity of the eight hour day was confounded with the question as to how far, if at all, conditions at present existing in Germany and likely to arise in the near future, are adapted to restrictions of labour. It was also not universally understood that the problem has three aspects, the economic-political, the socio-political, and the politico-psychological.

THE THREE SIDES TO THE QUESTION.

The economic-political side of the problem lies in the question whether the introduction of the eight hour day is compatible with the complete development of economic possibilities, that is to say, to the highest possible output and profits, especially in the long run and having regard to the human aspect of economics. This question of human economics at once brings us to the socio-political side of the problem, with which the economic side stands so far in conjunction that a measure of economic prosperity is essential to the conduct of a social policy. The socio-political problem, as such, depends on the question whether the eight-hour day is required for the maintenance of labour power and of the social classes upon which labour power depends, and whether it is essential to the physical, mental and moral upkeep and development of the working community. The politico-psychological side must be examined in two ways, from the point of view of internal and external politics. As regards the first, the question arises if a practical abolition of the eight hour day after decades of political struggle is worthy of consideration; and as to the second the question is to what extent the pressure of reparation obligations and the need of increased output will work against the eight hour day, and how far discontent in international labour circles at its abandonment will tell in its favour.

EXPERT OPINIONS.

The Socio-Political Committee which drafted the report of the National Economic Council on the Industrial Working Day Bill took the opinions of a number of experts selected from all classes of business life and from all political parties on the following questions:—

1. Do you think that, in view of the special situation produced by the war and its consequences, the German nation can continue to exist with a maximum working day of eight hours? On what economic facts do you base your reply whether in the affirmative or in the negative?

2. What particular circumstance can you cite in support of your opinion as regards your own particular trade or industry?

The individual opinions do not deal with the problem exhaustively, and they are naturally influenced by the economic and political surroundings of their authors. Nevertheless the views expressed convey on the whole a comprehensive impression. The opinions obtained by the Committee were the following:—

Herr Gothein, an ex-Minister of the Reich, dealt with the regulation of working hours in the mines—which, as is well known, even including overtime, do not amount to eight hours a day—and its effects. This authority considered that the deficient output of coal and coke hampers the supply of the necessary fuel to industry and by reducing the delivery of phosphates and nitrogen for the manufacture of artificial fertilisers threatens the people's food supply. Any further

Special Articles

reduction of output will seriously restrict Germany's capacity of competing with foreign countries. To increase production is absolutely essential. Working hours in the mines must therefore be increased to eight at least. Where the work is arduous, this limit should, as a general rule, not be exceeded.

Herr Leipart, President of the General German Labour Confederation, took the view that conclusions as to the extent of the reduction of output due to the introduction of the eight-hour day were based on erroneous premises. Already in 1907 in the timber trade, 20.7% of the men were then working eight hours, and 40.2% nine hours and more, and in 1914 only 30% were working more than nine hours. Arguments used at the time in favour of the reduction of working hours were the same as to-day, but the fears expressed had proved unfounded. There was no question of a hard and fast application of the system. Overtime was admitted both in enactments and in labour contracts. To the question as to whether the nation could continue to exist under the system of the eight hour day he replied decidedly in the affirmative. Exceptions must certainly be maintained. Existing difficulties could be disposed of by means of cordial agreements.

Dr. Bosch, of the Bosch Works, Stuttgart, engineer, affirmed that in 1904 he had introduced the eight hour day with highly satisfactory results, and deemed a working day of this length to be amply sufficient. In his experience a longer working day caused the yield from work to fall off. He deemed the eight hour day to be absolutely essential in high-class mechanical work, but here he referred to piece work. In the case of certain classes of labour, such as carpenters and masons, longer hours might be introduced; but it would be decidedly better to improve the system of work in these not too well managed industries.

Herr Bucher, Geheimrat (member of the Association of German Industries), declared that the debit trade balance could only be wiped out by increased production. This aim need not necessarily be attained by extension of working hours alone, but by a better yield from labour and improved methods. There was no hard and fast rule, but each industry must be judged on its merits. He considered the regulation of overtime pay by private contract as the best solution of the difficulty. Under this procedure the exception proved the rule, with the result that a legal settlement of the eight-hour day was without object.

Herr Baltrush, member of the Committee of the German Confederation of Industrial Unions (Christian Labour Unions), was of opinion that the country could continue to exist under the system of the eight hour day, but that in order to accomplish this it was necessary that employers should so organise their business as to avoid waste, and that employed should give the utmost of their working capacity.

Professor Herkner expressed agreement with the views of Dr. Bosch.

Herr Wissell, an ex-Minister, considered that a sudden increase of working hours would meet with such resistance from the working classes as appreciably to reduce the yield from labour. It made all the difference whether a man worked more than eight hours voluntarily or on compulsion.

CONSIDERATION OF THE ABOVE OPINIONS.

The opinions of the experts, which filled 80 columns of the Government's *Labour Gazette*, take relatively little account of the political side (both as regards home and foreign politics) of the question as it affects Germany at the present time, and it could scarcely be otherwise, as this aspect of the question has not now the same importance as in the immediate past. Meanwhile, in conjunction with reconstruction and the reparations question, the idea of increased production has become more and more prominent. On the side of the work-

men, the increase of working hours, considered from this point of view, has been described as indispensable.

In this connection the declarations of the representatives of the four leading Labour Associations made to the Minister of Labour, on Nov. 4, merit mention. The representatives of industrial labour declared that the one-sided treatment of the whole question on the part of the employers had necessitated a clear statement of their own position. They emphatically denied that the increase of production was solely a question of hours of work. It was rather determined by other factors of the most conflicting kind.

The existing policy of "cartells" and trusts was actually prejudicial to the employment of productive forces and to the standard of living of the German people. It was much to be deplored that the technical possibilities of increased production were not sufficiently employed. The trade unions were convinced that for the increase of production no departure from the principle of the eight hour day was necessary. On this ground the labour unions were fully prepared to co-operate in a simultaneous application of all other measures to increase production in employment of working hours for the utmost yield possible, and in their adaptation to peculiar needs of the business community arising from time and circumstances. The trade unions desired that the impending labour legislation should be based on principle on the eight hour day, subject to exceptions in special cases, and for the rest to leave it to labour contracts to deal with special cases in the interests of the community. In this connection the unions deemed a simultaneous discussion and revision of the Hours of Labour Act, the Wages Act, the Labour Arbitration Act, and the Adjustment Order essential.

HAMBURG SHIPPING STATISTICS

Hamburg's maritime shipping traffic has increased by about 40% during the last year, and is now only about 8% behind its pre-war figure. This is shown clearly in the following table of arrivals and clearings:—

	Arrivals.		Clearings.	
	No. of ships.	n.r.t.	No. of ships.	n.r.t.
1913 ...	15,073	14,185,000	16,627	14,439,000
1920 ...	4,808	4,486,000	5,096	4,353,000
1921 ...	8,401	9,421,000	9,842	9,443,000
1922 ...	10,787	12,979,000	12,782	13,303,000

During some months traffic was even greater than in 1913. That the total traffic in 1922 was less than in 1913 is chiefly due, first, to the severe ice conditions during the first few months of the year, secondly, to the engineers' strike, which paralysed most of the German shipping traffic during July. As regards the distribution of the shipping over the various nationalities, the tonnage of all nations except the Swedish, Portuguese and Italian, has augmented. The first place in Hamburg's maritime traffic is, similarly to last year, occupied by the British flag, which flew over about 34% of the incoming shipping. In 1913 Great Britain took the second place with 29%. Next comes home shipping, which has risen from 20% in 1921, to 27% in 1922. This increase is noteworthy and shows in what way the German mercantile fleet is slowly building up its tonnage and is contributing to the outgoing traffic of Hamburg. That the average tonnage capacity of German shipping has augmented from 425 n.r.t. in 1921 to 663 n.r.t. in 1922 is a proof of the increased traffic of large ships. Before the war the German flag flew over nearly two-thirds of the total maritime shipping of Hamburg. Holland takes the third place in the shipping traffic of 1922 with 11%, and the U.S.A. the fourth with 10%. It is interesting to study the figures of the total shipping plying between Hamburg and European ports and between Hamburg and ports outside Europe. In 1913 the total arrivals from European ports amounted to 12,853 ships with a total tonnage of 7,220,000 n.r.t.; the 1922 figures were 8,880 ships with a total tonnage of

6,085,000 n.r.t. In 1913 the total arrivals from non-European ports were 2,220 ships with a total tonnage of 6,965,000 n.r.t.; the 1922 figures were 1,907 ships with a total tonnage of 6,894,000 n.r.t. The clearings to European ports totalled 14,775 ships with a total tonnage of 8,394,000 n.r.t. in 1913, and 11,068 ships with a total tonnage of 7,223,000 n.r.t. in 1922. The clearings to non-European ports totalled 1,852 ships with a total tonnage of 6,045,000 n.r.t. in 1913, and 1,714 ships with a total tonnage of 6,080,000 n.r.t. in 1922. These figures show that traffic with non-European ports has almost reached its pre-war figure, but traffic with European ports still lags behind the 1913 level. It is especially noteworthy that traffic between Hamburg and the other German ports is far smaller than formerly. Shipping to and from Great Britain, too, although it increased noticeably during the last year, is a long way behind its pre-war level. Connections with the Northern States, on the other hand, have improved. As regards the general increase during 1922 of traffic to the non-European countries, more shipping is plying between Hamburg and Canada, the U.S.A., Argentina, the East Indies, China and Japan, than before the war; but traffic to the West Indies, Brazil and West and East Africa is far smaller.

The following table compares the total arrivals, in tonnage, of Hamburg shipping, with those of shipping at Antwerp and Rotterdam:—

	Hamburg.	Antwerp.	Rotterdam.
	n.r.t.	n.r.t.	n.r.t.
1897 ...	6,700,000	5,600,000	5,400,000
1910 ...	12,600,000	11,400,000	10,800,000
1913 ...	14,200,000	12,700,000	12,000,000
1920 ...	4,537,331	9,230,087	7,609,777
1921 ...	9,572,821	11,033,125	10,262,694
1922 ...	13,005,089	12,775,955	12,262,694

These figures show that during the past year Hamburg has recovered her place as the foremost Continental port. (*Wirtschaftsdienst*, Feb. 2.)

WESTMINSTER BANK LIMITED.

The Resolution to change the long title of the London County Westminster and Parr's Bank Limited to Westminster Bank Limited, took effect as from the 1st inst. In conformity with the action of its parent institution the London County Westminster and Parr's Foreign Bank Limited will change its name to Westminster Foreign Bank Limited as soon as the necessary formalities have been carried through.

NOTES ON NEW BOOKS

UNEMPLOYMENT

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. Seebom Rowntree, Lt.-Col. George Schuster, and Mr. F. D. Stuart. (Messrs. P. S. King and Son, Ltd. 6/- net).

In order to supplement the information given in official returns and to assist to a fuller realisation of what the present unemployment depression actually means in the private and public life of the country, the group, whose names are given above and who include persons of diverse economic experience with differing political opinions, instituted in August and September of last year, a series of inquiries into unemployment in nine selected localities. These local investigations were undertaken by investigators independently at Birmingham, Burnley, Cardiff, Glasgow, Manchester, Middlesbrough, Sheffield, Stoke-on-Trent, and Woolwich. It is clear, therefore, that the large measure of agreement in the impressions they present is quite spontaneous and must be attributed to the similarity of conditions in the various localities. It has, consequently, not been thought necessary or desirable to print the local reports in full, but the group have prefixed to them a general survey of great merit on unemployment which summarises the results of their investigation into the problem so far as they have gone, and this, together with the local reports, which give a complete local picture of unemployment and illustrate the work of the various schemes for relieving it, constitute an invaluable contribution to an understanding of the present emergency.

While the detailed reports of the investigators in the nine localities make most interesting reading, their value is merely to show the features in the situation common to the whole country, and, in reflecting the abnormal extent of the depression and the effects of the relief measures that are national in their scope, supplement the available official information.

But it is in the general survey that the most valuable section of the book lies. Here are set forth the anomalies in the existing treatment of the problem and certain neglected aspects that the detailed survey has revealed. No attempt has been made to formulate a policy, but the influence of the disturbed political conditions of

Europe, the uncertainty of the financial future, and the importance of distinguishing between the temporary and permanent effects of the war, are adequately treated.

The group suggest that before any localised relief is given a local survey and inquiry should be made, and in the light of such inquiry the different localities classified as—

(a) suffering from ordinary trade depression and likely to recover with the recovery of trade; for these the general national provision already in force should suffice;

(b) suffering from trade depression but also from unemployment due to some lasting change in economic conditions.

It is clear that with regard to the sub-division (b) it is no solution to go on maintaining the unemployed by relief and relief works indefinitely in a place in which there is no likelihood of their ever again finding employment at their former occupation. This point, we are glad to say, is particularly stressed by the group, who observe "Whatever the solution, whether assisted migration or assistance in the establishment of new industries, the extent to which this problem is an element in the unemployment situation needs study; for if it is an element, the existing public provision for unemployment takes no account of it."

RECENT PUBLICATIONS.

Selling Expenses and their Control, a study in the Retail Distribution of Clothing, by the North-Western University School of Commerce, Bureau of Business Research, in co-operation with the National Association of Retail Clothiers. (Prentice-Hall, Inc., New York.)

This study has been undertaken for two purposes. First, to find what it costs to sell clothing in stores operating as independent units, and secondly, to find the principles governing these costs and the methods by which they may be controlled. This analysis, which is of a most exhaustive character, has led to the conclusion that the relations of selling expense to sales and to total operating expense are governed by conditions which, to a large degree, are subject to effective merchandising control; that they vary according to clearly defined principles; and that these principles can be stated and the conditions of expense distribution under them measured.

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 | 6. Wool |
| 2. Tin | 7. Hides |
| 3. Coal | 8. Wheat |
| 4. Linseed oil | 9. Bacon |
| 5. Cotton | 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 1920	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average
Sept. 3	379.3		April 29	202.2		Dec. 30	150.0		Aug. 25	166.1	
10	379.7		May 6	207.2		1922			Sept. 1	163.4	
17	379.4	311.4	12	204.3		Jan. 6	148.1		8	160.4	
24	360.6		20	197.0	201.7	13	148.7		15	161.2	153.9
Oct. 1	356.3		27	200.5		20	144.0	164.0	22	158.6	
8	346.8		June 3	201.9		27	141.3		29	158.8	
15	328.6	302.3	10	203.6		Feb. 3	142.3		Oct. 6	159.8	
22	319.8		17	201.8	197.7	10	147.0		13	161.2	
29	315.3		24	201.6		17	149.2	161.8	20	162.8	155.2
Nov. 5	310.8		July 1	196.4		24	149.7		27	165.9	
12	304.6		8	193.3		Mar. 3	148.4		Nov. 3	170.1	
19	293.0	286.9	15	194.4	194.1	10	148.4		10	170.1	
26	283.8		22	194.8		17	149.8	159.9	17	169.3	157.1
Dec. 3	272.0		29	193.6		24	149.4		24	168.2	
10	271.2		Aug. 5	183.8		31	149.8		Dec. 1	167.4	
17	257.0	263.8	12	178.8		Apr. 7	150.3		8	161.5	
23	253.0		19	178.1	190.0	14	151.7		15	161.2	155.7
30	249.8		26	178.1		21	154.1	160.1	22	162.2	
1921			Sept. 2	180.8		28	154.6		29	162.6	
Jan. 7	249.5		9	183.0		May 5	157.8		1923		
14	244.2		16	183.4	187.0	12	159.9		Jan. 5	162.4	
21	237.6	245.9	23	180.0		19	162.1	160.4	12	162.8	
28	235.2		30	176.8		26	163.3		19	163.2	157.1
Feb. 4	227.0		Oct. 7	172.1		June 2	162.9		26	165.3	
11	227.4		14	170.2		9	164.9		Feb. 2	166.9	
18	219.1	225.2	21	163.0	180.7	16	163.6	159.7	9	168.7	
25	215.8		28	159.5		23	164.8		16	177.2	
Mar. 4	198.8		Nov. 4	158.9		30	162.4		23	181.1	
11	197.5		11	155.0		July 7	164.7		Mar. 2	184.8	
18	199.0	210.8	18	154.5	172.8	14	165.1				
25	201.4		25	157.7		21	165.8	160.3			
April 1	199.6		Dec. 2	153.6		28	167.3				
8	191.6		9	152.1		Aug. 4	168.1				
15	202.8	204.8	16	153.2	167.9	11	165.9	155.8			
22	194.3		22	150.3		18	164.0				

CHART ILLUSTRATING TABLE I

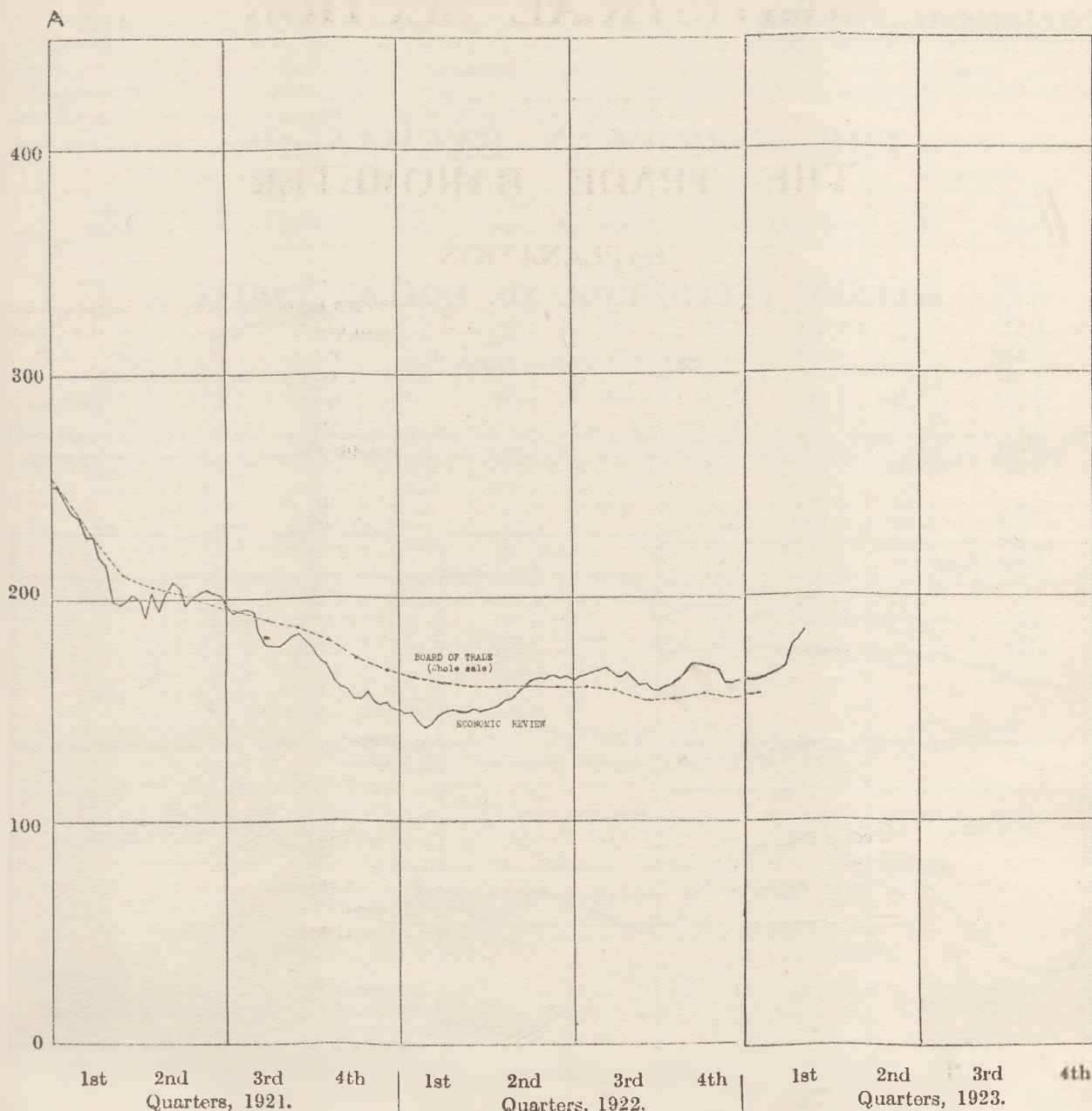


TABLE II.

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
Mar. 2 ...	108.5	125.4	128.3	147.4	135.1	120.0	92.0	88.6	78.7	207.7	123.17	... Mar. 2

*Revised Quotation.

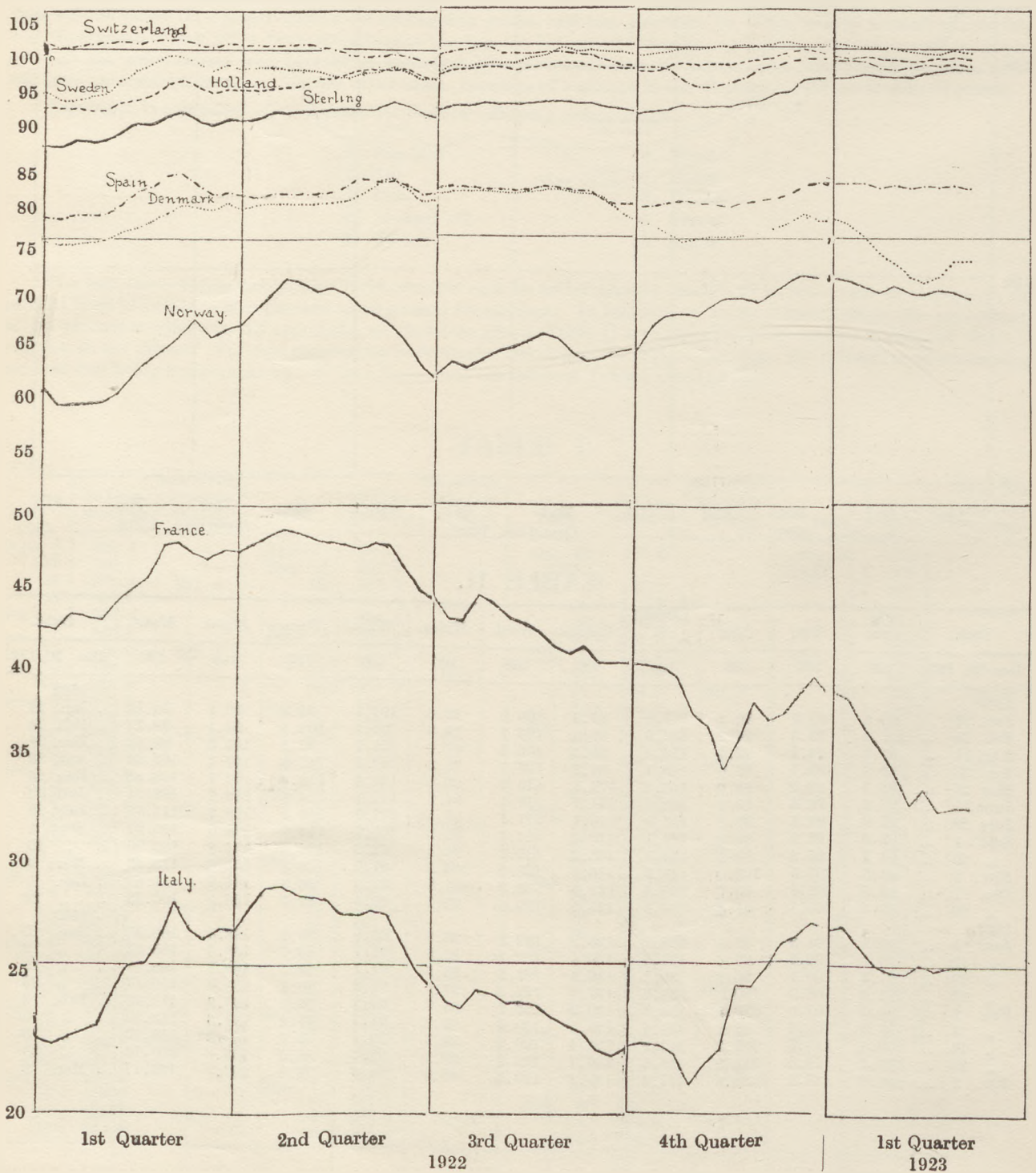
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending March 3rd.)

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.		IN NEW YORK.			IN LONDON.	
Week ending.	Indus-trials.	Bonds.*	Indus-trials.	Gilt-edged.	Week ending.	Indus-trials.	Bonds.*	Indus-trials.	Gilt-edged.
1921					1922				
Oct. 1	88.4	91.3	104.5	94.4	Oct. 21	125.7	102.8	114.3	113.0
29	91.1	92.0	91.1	94.4	28	121.7	102.0	114.8	113.0
Dcc. 2	97.4	99.4	94.2	96.0	Nov. 4	122.1	103.4	114.5	113.0
30	100.0	100.0	100.0	100.0	11	118.2	103.1	115.0	113.6
1922					18	117.6	102.4	114.7	114.5
Jan. 28	100.8	102.1	102.3	104.4	25	114.4	102.0	115.0	115.4
Feb. 25	105.2	100.8	103.6	109.0	Dec. 2	118.3	102.2	115.7	115.0
Mar. 25	107.4	101.7	102.8	110.7	9	120.5	102.8	116.2	114.3
April 1	109.8	101.5	103.5	112.2	16	121.1	103.1	116.1	113.8
29	114.4	103.1	117.6	116.9	23	121.6	102.9	118.3	113.5
June 3	118.8	102.9	113.5	115.7	30	121.7	102.5	119.5	113.3
July 1	114.5	103.6	110.0	114.7	1923				
29	119.4	106.0	112.8	116.7	Jan. 6	120.5	102.8	122.1	113.5
Aug. 5	119.6	106.0	113.3	116.4	13	122.2	102.6	122.3	114.0
12	119.7	105.5	113.6	116.4	20	120.4	102.0	123.3	116.8
19	122.1	105.7	114.0	116.0	27	120.8	101.1	122.2	115.8
26	123.9	106.9	113.5	115.5	Feb. 3	122.5	102.1	122.2	114.8
Sept. 2	124.9	106.6	114.1	112.1	10	125.4	102.1	122.5	115.1
9	125.4	106.7	115.6	113.5	17	127.3	101.6	123.2	115.6
16	123.8	107.6	115.2	112.5	24	126.8	101.1	126.4	116.2
23	122.2	107.0	113.5	112.2	Mar. 3	128.6	99.8	129.5	116.3
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					

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

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 1st March, 1923.

LIABILITIES.				ASSETS.			
Notes Issued.	£	£		Government Debt.	£	£	
B. of E.	145,425,945			B. of E.	11,015,100		
Less those in C.N. Reserve	22,450,000			C.N.	234,165,251		
		122,975,945				245,180,351	
C.N. outstanding	277,597,451			Less C.N. Investment Reserve			
C.N. called in but not yet cancelled	1,503,213			Account	11,735,651		233,444,700
		279,100,664					
				Other Securities.			
				B. of E.			8,734,900
				Gold Coin and Bullion.			
				B. of E.	125,675,945		
				C.N.	27,000,000		
				C.N. Balance at B. of E....	221,064		152,897,009
Ratio of Gold to Notes	38.0%						
„ Gold & Silver to Notes	39.7%			Silver Coin			7,000,000
		402,076,609					402,076,609

Summary of Combined Balance Sheets.

January 1922 to date.

Date.	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.	123.0	279.1	402.1	152.9	38.0	39.7

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