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ECONOMIC SURVEY

FRANCE

POLITICAL AND GENERAL

A SURVEY OF ECONOMIC CONDITIONS.

A recrudescence of optimism in business has been noticeable of late. The hesitation which was so pronounced about the middle of February is beginning to disappear, and, in spite of the rise in prices, the section of trade and industry which works for the chief branches of consumption is obtaining an increase of orders. This recovery, after the anxiety prevalent during the early weeks of the occupation of the Ruhr, must be attributed to the following causes: A comparative stabilisation of the exchange, requirements of the spring season, and finally the slight improvement of the public finances under the influence of increased revenue. There is no doubt that if Parliament decides to pass the Budget within measurable time without upsetting the country by fresh taxation, and if the Ruhr operations lead to a practical settlement of Franco-German relations, a period of comparative prosperity may be anticipated, the only possible drawback being the effect of the rise in the franc on stocks of goods and material, but since 1920 manufacturers and traders have been chary of accumulating stocks. This cautious conduct explains the extreme elasticity of the market which enables buyers and sellers to ease off or accelerate their operations according to circumstances.

The best cause for optimism lies in stimulating consumption. The recent crisis gave rise to the fear that customers would settle down to the habit of permanent economy. However, once the period during which the expectation of a fall of prices kept down purchases, was passed, customers began to spend again as in normal times. This result can be seen in the case of sugar, the increased consumption of which re-acted on prices.

One fact bears testimony to the increase of business, namely, the increased yield from taxation. If only there were a sufficiency of coal and coke the country would be enjoying remarkable pros-

perity. Agriculture as a whole has made appreciable progress during the past five or six years. Those engaged in it spend more and are better clothed and fed. Industry on its side has woken up. France, by working its important iron deposits to the utmost, is in a position to become a great industrial country. Private initiative, supported by the local councils, is rapidly organising the utilisation of water-power. Districts now considered poor will be transformed. Small local industries which were dying of inanition have begun to revive. Their cost of production will be reduced, output increased, and deficiency of labour remedied. Electricity is destined to revolutionise the country districts.

The textile industry is in full prosperity, held back only by the excessive rise in the price of raw material. The chemical industry is reported to have made an unexpected advance. Even shipbuilding yards are receiving orders.

The price of coal and pig iron has risen too much in some cases.

In every case high prices are most marked at home, owing to the depreciation of the exchange, which, however, favours export. (*Journée Industrielle*, Mar. 6; *Information Financière*, Mar. 9.)

FINANCE

RECONSTRUCTION LOAN IN THE NORD.

Reference has already been made to the reconstruction loan to be issued this year by the department of the Nord, the second richest in France (cf. *THE ECONOMIC REVIEW*, Feb. 23, p. 55). Particulars of the loan have now been made public and are as follows: issue of 282,440 bonds (Fr.500 each) at 470, redeemable at par in 30 years bearing interest at 6%, free of taxes present and future. Taking into account the issue price and redemption premium the actual yield of the Bonds which are secured by the guarantee of the department and the State is 6.70%. (*Rentier*, Feb. 27.)

France

RAILWAY ISSUES IN 1922.

The new railway financial system has now been working for a full year. The appreciable increase of earnings under this system has strongly appealed to the public. On Dec. 22, 1922 (*sic*) the companies were authorised by the Chamber to borrow Fr.5,191 mill. (of which 288 mill. were allocated to the Alsace and Lorraine railways, and 30 mill. to the Ceintures). The five principal railways had thus power to borrow 4,873 mill. In 1921 was invested the record sum of Fr.2,958 mill. in railways. In 1922, this figure was greatly exceeded, the number of bonds and debentures sold by the companies amounting to 2,464.9 mill. An analysis of the figures supplied by the companies suggests the following reflections: that subscription to debentures of the companies in no way corresponds to their share in the common fund; that the number of investors in each individual company remain practically unchanged and continue to support that particular company and consist probably of inhabitants of the districts served by each company; during the crisis of 1922, despite the issue of Treasury and Défense Nationale Bonds and of Crédit National Debentures the railway companies had no difficulty in obtaining 2.5 milliards. The report of the Banque de France estimated the amount of the issue of French railway debentures abroad at Fr.53 mill., a sum which it deemed likely to be of considerable benefit to the exchange. The total amount of issues of bonds by each several company during the year was as follows (in millions of francs): Est 208.8; Paris-Lyon 260.3; Midi 357.8; Nord 614.5; Orleans 933.5; total 2,464.9. The various classes of debentures sold by the companies during the year amounted in the aggregate (in millions of francs) to: 3% debenture bonds 518.7; 2½% 3.1; 4% 44.6; 5% 112.7; 6% 1,144.8; 6% bonds 640. The 6% debentures were apportioned among the companies, the average price in francs being given in brackets, and the total proceeds (in millions of francs) as follows: Est (415.34) 48.6; Paris-Lyon (411.4) 12.3; Midi (406.9) 64.9; Midi 1921 class (4,241) 34.1; Midi American series (381.6) 18.8; Midi British series (833.7) 125.1; Nord (416.21) 79.9; Nord British series (819.3) 214.8; Orleans (419) 369.9; Orleans American series (371.6) 2; Orleans British series (883.7) 83.4; Orleans Swiss series (1001.4) 100.1. (*Rentier*, Feb. 27.)

GOVERNMENT LOANS AND THE RATE OF INTEREST.

M. André Liesse in the *Economiste Français* (Feb. 24), discusses the rate of interest in connection with Government loans.

The Chamber of Deputies, he writes, has passed a Bill authorising the issue and renewal of short-dated Treasury Bonds amounting in all to Fr.13 milliards, 5 milliards being in respect of the renewal of the 6% Treasury Bonds issued in 1921, and 8 milliards for reconstruction purposes debited to the recoverable expenses account for the current year. A further 3 milliards would have been required had the Finance Minister contemplated meeting the deficit by loan, but inspired by a laudable if tardy zeal the Chamber is seeking the means of balancing the Budget by normal methods. Meanwhile a brief consideration of the conditions of the money market, to which the State is one of the largest applicants, in order to meet current expenditure, may not be out of place. The question of consolidation loans may be left out of account, as it has been rejected by the Minister of Finance owing to the high rate of interest. This decision is based on the hypothesis that the rate of interest will drop at a more or less early date. It is therefore necessary to have recourse to short dated loans in the hope of cheaper

money in the near future. This expectant method was adopted by M. Doumer in 1921 in the issue of the 6% two year bonds, for the renewal of which the Minister has just demanded the authority of Parliament. This loan, therefore, will continue to be a short-dated loan until consolidation or redemption. The Minister therefore need not concern himself with its repayment for three or four years. With the Défense Nationale Bonds he possesses a much more elastic instrument, which offers real advantages on the condition of using it with an eye on the fluctuations of the money market. It constitutes a loan from one month to a year with intermediate dates of payment at the option of the vendor. By these means the Government, by watching the State of the market, is able to vary the rate of interest on the Bonds. It is thus in the position of a bank receiving deposits for periods of from one month to a year. Thus investors in these Bonds can obtain their capital at any time on demand. The holders of Défense Nationale Bonds thus possess a kind of current account which enables them to carry on financial operations.

These short term lenders to the State are divided into two main classes, those who use the Bonds as an investment and those who only invest in them temporarily, and it is to the interest of the Minister of Finance to keep both classes, especially the latter. There is no need to dwell on the disadvantages of the erroneous theory that he can reduce the rate of interest on the Bonds at discretion and so claim to become the arbiter of the money market. He made the experiment last year by reducing the rate of interest by Decree of Feb. 25, but he was probably influenced by the low carry-over rates on the Bourse. M. de Lasteyrie has just raised the rate of interest on the Bonds, disregarding the advice of the Finance Commission of the Chamber to reduce it. Certain members of the Commission seem to be obsessed with a fixed idea, and allege as a reason for reduction the saving of Fr.225 mill., but the Minister is better able to judge the effects of measures taken by him. It would cause no surprise to learn that the reduction of interest last March had caused a serious drop in the amount of monthly subscriptions to the Bonds. These varied during 1919 and 1920 between 1.5 and 2 milliards, and as a result of the reduction of interest probably fell below one milliard in 1922. The Minister, in deciding to postpone the issue of a consolidation loan, has doubtless been guided by observation of the condition of the money market.

The Government, by the frequency and importance of its calls on the money market, contributes to the raising of the rate of interest or at least to maintaining them at their old level. Another factor in raising rates is the imposition of taxes which, by diminishing income restricts savings and consequently the supply of capital. It is mainly to the policy adopted since the commencement of the debate on the Finance Bill of hunting down and persecuting the taxpayer that is due the increased rate of interest. A careful study of the money market reveals a tendency towards the maintenance of the situation caused by the dangerous policy above referred to. The rate of interest does not decline, and it should, moreover, be noted that the amount of capital issues has dropped considerably during 1922 compared with the previous year. The total amount of capital issued in 1921, including trading companies, railway companies, municipalities, departments, colonies, the Crédit National, associations of victims of the invasion, and finally the State exceeded 39 milliards, whereas in 1922 it only reached 25.5 milliards. State loans amounted to 23 milliards in 1921, and to 9 milliards in 1922. It is true that loans issued for reconstruction purposes rose from 5.4 milliards in 1921 to 10 milliards in 1922.

A glance at the quotations of the 6% bonds of the leading industrial companies, shows, with few exceptions, that the actual yield varies from 6.25% to 6.75%. Even the terms of issue by the Crédit National have

been modified in order to attract subscribers. The last loan issued was a lottery loan.

The present situation will rapidly improve as soon as the occupation of the Ruhr shall have achieved its purpose. But this result must not be prejudiced by undue delay in passing the Budget and by a suicidal policy of inflation.

TRADE

FOREIGN TRADE IN JANUARY.

The main items of foreign trade during January have already appeared in a previous number (see *THE ECONOMIC REVIEW*, Mar. 2, p. 179), but figures showing trade with various countries may be of interest. They are as follows (in millions of francs, figures for January 1922 being given in brackets):—Imports: from Great Britain, 354.7 (245.6); Belgium and Luxemburg, 139.1 (110.6); United States, 461.8 (191.2); Germany, 94.2 (99.3); French Colonies, 154.2 (167.3), of which Algeria 57.3 (66.9), Tunis, 21 (17.5); Indo-China, 19 (23.7); total imports for the month, 2,144.2 (1,459.5). Exports: to Belgium and Luxemburg, 346.3 (322); Great Britain, 274.2 (297.2); United States, 165.2 (123.9); Germany, 122.9 (105.7); French Colonies, 241 (177.8), of which Algeria 98.8 (83.4); Morocco, 47.6 (34); Indo-China, 27.7 (15.8); Tunis, 24.1 (17.6); total exports, 1,695.7 (1,443.3). (*Journée Industrielle*.)

MEETING OF PRESIDENTS OF CHAMBERS OF COMMERCE.

At the recent meeting of Presidents of the Chambers of Commerce of France the following resolutions were passed: for propaganda in favour of the Colonies; for the continuance of summer time; for a return to the old system of licences with an appropriate coefficient of increase; for the development of the transmission of exchange prices by wireless; for an adequate representation of manufacturers and traders on the board of the post, telegraph and telephone service; for the passing of the Dessein Bill on the suppression of fraudulent imitation of goods; for the execution by the State from next year onwards of the terms of the agreement of Dec. 29, 1920, concluded between the Minister of Finance and the Bank of France (for the reduction of the loan by the Bank of France to the State by annual payments of two milliard francs); for a simplification of the procedure for the taxation of war profits; for the rejection of an ad valorem Customs duty of Fr.0.20% against the application to certain services of the Chambers of Commerce of a supplemental war profits tax; against the Bill for the increase of all taxes by 20%; for the revision of the stamp duty on consignment notes in the terms specified in the resolution. M. Roger, President of the Chamber of Commerce of Paris, was elected President of the Association. (*Nord Industriel*.)

EXHIBITIONS AND FAIRS.

A special feature of the Lyons spring fair, which is being held this month, is the exhibition of silk and cognate industries (dyeing, etc.), organised by the Association of Lyons silk manufacturers. Visitors to the fair are numerous, and the increased number of Belgian visitors and exhibitors, owing to their exclusion from the Leipzig fair and the difficulties encountered by Belgians on trading in Germany is marked. The People's Foreign Trade Commission of the Soviet Republic, representing the Union of all the Soviet Republics, has a section at the fair, and is advertising its participation widely. Poland and Latvia, which in Riga possesses the principal transit port to Russia, also have stands, and Yugo-Slavia will be represented at the fair for the first time. Although, by reason of the uncertainty of the markets and the fluctuations of prices, metallurgy and engineering expect to do less business than in former years, the other industries,

it is anticipated, will be little affected, and a slight all round increase of exhibits is apparent.

A perambulating exhibition of Canadian products carried through France by train has been organised with the assistance of the Chambers of Commerce and the municipalities, and will take place next May. Lectures and cinematographic representations will be held at each stopping place. The French Government has applied to the Chamber for a grant of Fr.4 mill. to meet the expenses of the exhibition. A French perambulating fair on similar lines was held in Canada in 1921, setting out from Montreal on Sept.1 for a journey of 65 days during which it covered 12,000 km.

The Bordeaux fair, June 15 to 30, will be specially devoted to the French colonies. Indo-China will be represented by a pagoda; the gallery for Algeria and Tunis will take the form of an Arab palace; that of West Africa a bungalow; and Moroccan products will be exhibited in a native bazaar. (*Journée Industrielle*; *Information Financière*.)

INDUSTRIES

COAL OUTPUT AND TRADE IN JANUARY.

The output of coal and coal products in the Northern District during January, compared with the previous December, was as follows (in 1,000 t.):—

	January, 1923.			December, 1922.		
	Coal.	Briquettes.	Coke.	Coal.	Briquettes.	Coke.
West of Field ...	728	19	38	689	19	35
*Pas de Calais ...	406	28	9	354	25	3
*Nord ...	432	98	30	379	92	27
	1,566	145	77	1,422	136	65

* Victims of the invasion.

The percentage of output compared with the monthly average of 1913 is 76.

The trade in coal and products for the whole of France in January compared with December 1922 (in brackets) is as follows (in 1,000 t.):—

Coal.—Imports, 1,687 (2,176); exports, 211 (310); amount at the disposal of home consumption, 4,746 (4,607).

Coke.—Output, 132 (113); imports, 453 (541); exports, 29 (22); amount at disposal of home consumption (exclusive of the production of the coke furnaces of iron foundries, 506 (622).

Briquettes.—Output, 293 (227); imports, 104 (117); exports, 27 (17); amount at the disposal of home consumption (exclusive of that of works independent of the coal mines), 370 (377). (*Nord Industriel*, Mar. 3; *Information Financière*, Mar. 9.)

COMMUNICATIONS

TRAFFIC IN THE PORTS.

Traffic in the French ports during 1922 shows a marked improvement as compared with the previous year. During the year arrivals amounted to 54,824 vessels with an aggregate of 44,257,574 t. displacement. The amount of goods carried imports and exports combined aggregated 37,114,655 t., of which 30,086,371 imports and 7,028,284 exports, an increase of over 10 mill. t., or 37%, compared with 1921. It should, however, not be forgotten that during 1921 the trade crisis was at its height and that it included the British coalminers' strike of four months' duration, almost entirely cutting off coal imports from Great Britain. As regards the amount of goods passing through individual ports, imports and exports combined, Rouen, thanks to its status of chief coal port, stands first with 7,861,749 t., followed by Marseilles with 5,824,785 t., Havre with 4,034,883 t., Bordeaux with 3,441,850 t., and Dunkirk with 2,663,114 tons. (*Journal de la Marine Marchande*.)

GERMANY

POLITICAL AND GENERAL

DR. BECKER ON ECONOMIC POSITION.

Dr. Becker, Minister for Economic Affairs, has had to reply, in the Budget Committee of the Reichstag, to a number of awkward questions. He stated that the Import and Export Department at Ems was controlled solely by the French authorities, and was chiefly used for commercial espionage. He had warned the trade circles concerned against consulting this department, and it was luckily not being made use of.—Negotiations were still proceeding regarding the Swiss currency difficulties of the German life assurance companies. Further negotiations with Switzerland concerning the Swiss gold-mortgages on German property would probably be resumed on March 12.—The question of gold-backed accounts for industries and trades was under discussion.—In reply to a question on the effect of the occupation of the Ruhr district, the Minister stated that iron and coal production in the occupied area was proceeding satisfactorily except where the works had restricted production of their own accord because their stocks were so large. The occupation had naturally caused great unrest among the Ruhr miners, which was not favourable to the coal output. The coal and iron were being utilised within the district as much as possible, but very large stocks were accumulating. The manufacturing industries in the Ruhr were of course suffering the most from the railway stoppages, but they had no lack of raw material. Certain difficulties had resulted in unoccupied Germany from the embargoes placed on the coal and iron transported. Luckily foreign coal supplies were proving a sufficient substitute. It was very satisfactory to find that the foreign exchange rate was favourable to these imports. English coal was cheaper than the German to-day. The import of pig-iron, rolling-mill products and other semi-manufactures from other States—France and Belgium excepted—had been facilitated by Customs measures. Import was also to be facilitated by freightage reductions. The coal and pig-iron supply in the unoccupied area was also sufficient, owing to the presence of large stocks. Credit arrangements had been made in the occupied area to prevent difficulties in connection with payment for wages and goods. The French had not yet succeeded in conveying coal and coke to any great extent over the French frontier. During the first three weeks of the occupation they had exported 53,000 t., a quantity which formerly they would have received from Germany in a day. France was therefore suffering from a shortage of coal and coke, such as even Germany had scarcely experienced during the war.

Dealing with the question of price decreases, Dr. Becker conceded that goods made from foreign raw material had risen in price fairly rapidly, but said that steps were now being taken towards a systematic decrease in prices. The price of goods depended in the first place on the price of coal; this, in turn, was influenced by iron prices, timber prices and miners' wages. Iron prices had recently been lowered, but timber prices had risen, and foreign timber had had to be imported in large quantities, as it actually worked out cheaper than home supplies. If miners' wages could be kept at their present level, a very important step in the solution of the price problem would have been made. Looking at the cost of living index to-day, a further rise in wages did not seem unjustifiable; on the other hand, prices were just beginning to give. If bread prices rose, an increased wage might be

unavoidable. In order to avoid this, he was of opinion that the price of bread should, if possible, be kept at its former level.

In reply to a question concerning the contract made in 1919 between the Badische-Anilin und Sodafabrik and the French Government, Dr. Becker made the definite statement that in so far as the Ministry of Economic Affairs was concerned, the Government was ignorant of the contract. (See THE ECONOMIC REVIEW, Mar. 9, p. 203.) (*Frankfurter Zeitung*, Mar. 1.)

FINANCE

REVENUE EXCEEDS ESTIMATES.

The revenue from taxes and Customs from April 1, 1922, to Jan. 31, 1923, considerably exceeded the estimates.

Property and transport taxes yielded Mk.404.3 milliard as against Mk.218.6 milliard estimated. The yield from income tax was Mk.240.8 milliard instead of the Mk.92 milliard estimated. Non-recurring taxes yielded Mk.405.9 milliard instead of Mk.218.6 milliard. Customs dues and consumption tax, Mk.201.3 milliard compared with Mk.177.4 milliard estimated. The coal tax produced Mk.111.2 milliard, the export tax, Mk.94 milliard, instead of the Mk.25.3 milliard estimated. The total revenue for the period under survey amounted to Mk.701.3 milliard, compared with Mk.63.5 milliard in 1922 and with an estimated revenue of Mk.421.5 milliard. The yield of the Forced Loan was Mk.8.5 milliard. (*Deutsche Allgemeine Zeitung*, Mar. 1.)

LOAN LIABILITIES.

The yearly memorial dealing with the loan liabilities of Germany, which has just been laid before the Reichstag, deals with the period up to the end of September 1922. During this period was instituted the Forced Loan, which combined with a tax on incomes the benefit of a redeemable loan. Subscriptions up to Sept. 30, 1922, amounted to about Mk.2,664,633,000. On Dec. 29, 1921, Premium Savings Loan of 1919 was redeemed to the extent of Mk.40 mill. Taking into account a similar amount redeemed the previous year and the current buying and selling activities, which resulted in surplus purchase to the extent of Mk. 26,772,000, the amount of loan in circulation amounted to Mk.3,522,180,000, as against an original issue of Mk.3,628,952,000. Premium Loan to the value of Mk.396,610,000 remained on the hands of the Reich. War Loan indebtedness stood as follows on the date in question:—

	In Mk. (1,000.)		
	5% Reich Loan.	5% Treasury Bills.	4% Treasury Bills.
Issue	88,578,759	2,576,112	10,234,763
Taken in payment of new loans	3,669,898	16,747	453,250
Issue remaining	84,908,861	2,559,365	9,781,513
<i>Expenditure.</i>			
Repurchases to support the Mark	11,775,847	22,849	608,029
Other purchases	12,192	2	4,134
Redemption of matured Treasury Bills	—	2,267,122	110,569
Acceptances on taxes	22,909,388	107,722	2,141,880
Acceptances on Army goods	4,013,828	11,773	388,625
Acceptances in respect of insured persons	112,459	—	—
Donations, etc.	99	2	41
Total expenditure	38,823,813	2,409,756	3,253,278
Debt remaining	46,085,048	149,609	3,253,278

The total sum representing loan credits amounted at the beginning of the period under survey to Mk.353,789,135,298, and was swelled by further credits to Mk.710,358,808,323. This sum was reduced by various outgoings to Mk.682,791,023,352 at the end of the period. The total issues in respect of loan credits amounted at the end of September 1922, to—

	Mk. (1,000.)		Mk. (1,000.)
5% Loan ...	46,153,781	5% Treasury Bills	149,609
4% " ...	1,155,164	4½% " "	6,528,236
3½% " ...	1,973,371	Premium Loan ...	3,522,180
3% " ...	1,674,987	Non-interest-bearing Treasury Bills	450,898,247

making a total of Mk.512,055,574,450. (*Deutsche Allgemeine Zeitung*, Feb. 22.)

THE GOLD LOAN.

Subscriptions to the new Gold Loan may be made between Mar. 12 and 24. The closing date is not yet definitely fixed. Details of the loan are now available. It will be issued at par, against foreign bills or currency which include the dollar, the £ sterling, the Swiss franc, the Dutch gulden, the Swedish, Norwegian and Danish krone, the Argentine peso, the Spanish peseta, and the Japanese yen. The latest payment date will be April 14; on earlier payments a corresponding compensation will be made. The loan will be repayable on May 16, 1926, at 120, either in cheques on New York or in gold. The bills will be made out for 5, 10, 20, 50 and 100 dollars. Bills for 1 dollar will, notwithstanding previous reports, not be issued. The bills handed over in payment of the loan will not be subject to the tax on the sale of bills. (*Berliner Börsen-Zeitung*, Mar. 4.)

A most searching criticism of the decision of the Reichsbank to require the payment for the Gold Loan in foreign currencies is contained in *Plutus* (Mar. 1). The writer gives various plausible reasons for thinking that the ends in view, viz. the obtaining of hoarded bills of exchange and the appreciation of the mark exchange, are very likely to be frustrated.

Assuming, says he, that the banks will keep their promise to the Finance Minister, and will produce from their reserves the necessary bills to cover the 25 mill. dollars worth—100 mill. gold marks—of Loan which they are taking up unconditionally, is it probable that industrial and trade circles, etc., which intend to subscribe, will hand over the bills in their possession? Is it not more likely that they will try to sell these bills on the open market? The reply to this question is closely connected with the valuation which will be placed on the Loan. In all likelihood it will be considered quite a safe security. It may, however, be thought a good investment and yet not quite as good as foreign currency. Possibly traders and industrials may prefer, while investing a part of their capital in this sound security, to retain their existing foreign currency supplies and, in order to obtain Loan, purchase yet further supplies of bills for the purpose. If that should occur, the Loan will not ease the money market in respect of foreign currency, but will, on the contrary, burden it still more. It may even happen that the foreign currency thrown on the market for purposes of intervention by the Reichsbank will be purchased by Loan subscribers, and thus the Reichsbank will receive back its own bills. Nor must it be forgotten that at the time when the Loan is on sale the Reichsbank cannot exercise too great a pressure on the rate of exchange, or the result of the Loan subscription will be endangered.

If, therefore, it is already very doubtful whether in this way the narrower purpose of the Loan, namely, to facilitate intervention in support of the mark, can be achieved, this purpose is quite frustrated by the high percentage of borrowing permitted on the Loan. The Loan may be pawned up to 80% of its value. That is supposed to be a particularly attractive feature of the investment, but it implies an extraordinarily increased possibility of inflation. If loaning may be effected not only, as was formerly customary, by the Reichsbank

alone, within the limits of its capital exclusive of note issues, but by the Reichsdarlehnskasse with Loan Bank notes, which are made a reason for further note issues by the Reichsbank, such immense additional purchasing power will be created that the home purchasing power of the mark will be still further undermined. Naturally, if the mark falls, the rate of the Gold Loan, which is quoted in paper marks, must rise. It will be excellent business, therefore, to buy Gold Loan, to borrow paper marks on the security of this Loan, and later to repay the depreciated paper money and recover the Loan from deposit. What is so extraordinary is that in official circles the futility, now, of prohibiting loaning on bills of exchange, appears to have passed unnoticed. One cannot, it is true, borrow money now on foreign currency; but one can borrow on the Gold Loan, which is only a substitute for foreign currency, and one can thus at any time procure the foreign bills one requires. Economically speaking, it comes to the same thing, and in this respect the Gold Loan can only be considered a "shot in the air"; in other words, it frustrates any intervention activities on the part of the Reichsbank. When, also, it is realised that the Loan bears interest at 6%, i.e. that as the mark depreciates, the interest amount increases, and that Lombard loans can be obtained for a fixed rate of interest in paper marks, calculated in relation to the discount rate of the Reichsbank—12% at the time of writing—there is no doubt that no cheaper possibility of procuring money for every purpose exists than by holding Gold Loan. Just for this reason the Loan will probably be very well subscribed to, and will be very successful later on the market. The success of the Loan will, however, be accompanied by the failure of all endeavours to regulate the foreign exchange rates. A Gold Loan pawnable to the extent of 80%, with a discount rate standing at 12%, simply means the death of the mark.

It is also very questionable whether a gold-interest of 6% should have been fixed. Not that the rate of interest is in itself too high. The original plan was to fix the rate at 4% and make the security free of the taxes on income and property. That amounted to the same thing as the 6% Loan of to-day, which is taxable. Apart from the fact that it is psychologically more valuable to guarantee freedom from taxation rather than a high rate of interest, is it not unwise to fix a higher rate of interest than it is intended to offer, later on, on a loan for foreign reparation purposes?

Notwithstanding many scruples, the Loan will be useful in that it will give to the general public and to the man who can only save on a small scale, an opportunity for investment which he did not possess before. Since banks and loan establishments will also have an opportunity to invest their capital securely, the loan will also, in this way, enable their customers to open gold-backed deposit accounts.

NEW BANKING ISSUES.

The Deutsche Bank has decided to ask at its general meeting on Mar. 20 permission to raise its capital to Mk.1,500 mill. by the issue of new shares to the value of Mk.700 mill. Old shareholders will only be offered new shares to the value of Mk.200 mill., at the rate of four old shares to one new one. Shares to the value of Mk.100 mill. will be offered for public subscription, and the remainder, to the value of Mk.400 mill., to be paid up to the extent of 25%, will be taken over by a friendly undertaking.

Plutus (Mar. 1) states that this announcement has not met with the expected response on the market. On the contrary the rate of Deutsche Bank shares fell from 27,500 on the day of the announcement, Feb. 19, to 20,000 on Mar. 1.

The bank last raised its capital in May 1922, from Mk.400 mill. to Mk.800 mill., but it did not greatly affect the market, as shares to the value of Mk.300 mill. were offered in exchange for shares of the Deutsche

Germany

Petroleum A.G., and only shares to the value of Mk.100 mill. were offered to the shareholders.

The Bayerische Vereinsbank which, as is well known, has contracted a business connection with the well-known Berlin banking firm, Mendelssohn and Co., has sanctioned, at its general meeting, the raising of its capital from Mk.375 mill. to Mk.870 mill.

Fully paid-up shares to the value of Mk.255 mill. and shares to the value of Mk.240 mill., to be paid up to the extent of 25%, will be issued. The fully paid-up shares will be taken over by a syndicate under the direction of Mendelssohn and Co. Of these, shares to the value of Mk.152.5 mill. will be offered to old shareholders in the proportion of two old to one new one. The remainder, to the value of Mk.102.5 mill., must be disposed of by the firm. The shares to the value of Mk.240 mill., will be taken up by a friendly concern. (*Deutsche Allgemeine Zeitung*, Mar. 3.)

A NATIONAL BANK FOR HESSE.

The Government have placed before the Hessian Landtag a proposal to establish a national banking institution, to be called the Hessische Landesbank, with its head office in Darmstadt, or to participate in its foundation with legally-established public institutions in Hesse or with Hessian savings banks.

The Government propose that the original capital of the bank shall be a sum equivalent to the value of 20,000 cb.m. of carpentering timber, and not less than Mk.500 mill. The value of the timber is to be estimated according to the average price obtained in 1923 for its carpentering timber by the Hessian Forestry Administration. The bank directorate will be appointed by the Finance Ministry and will work under it. The bank officials will be State officials. The State, together with the bank, will assume liabilities up to a sum corresponding to the value of 50,000 cb.m. of carpentering timber and 50,000 cb.m. of firewood. If possible an amalgamation will take place with the Hessische Landes-Hypothekenbank in Darmstadt by acquiring the shares in this institution which are not in the hands of the State.

The Hessian forests comprise about 72,000 hectares of land, producing about 400,000 cb.m. of timber a year. (*Frankfurter Zeitung*, Feb. 24.)

TRADE

FOREIGN TRADE IN JANUARY.

According to provisional official statistics imports rose from 43.3 mill. d.ctr. in December to 47.3 mill. in January. Exports, on the other hand, fell from 17.6 mill. d.ctr. in December to 13.1 mill. in January. December is not really a good month for comparison, as exports are always swollen then by the finishing of end-of-year goods. The same unfortunate increase in imports and fall in exports is visible, however, in a comparison of January 1923, with the monthly statistics of 1922. As regards individual products, imports of hard coal were much higher in January than the average of 1922 (18.7 mill. d.ctr. as against 10.5 mill.), exports were much lower (0.9 mill. d.ctr. as against 4.2 mill.). Imports of lignite, building and carpentering timber, iron and iron alloys were much higher than in December; those of oil seed, agricultural seed and iron ores were considerably smaller. The import of food commodities was also greater on the whole. The additional imports of rye (+1 mill. d.ctr.) are especially noteworthy. The import of finished goods was smaller throughout the line. This applied especially to textiles and iron goods, and was probably due in part to the Ruhr occupation. The fall in exports applied chiefly to textiles, oilcakes, building and carpentering timber, hard coal and other fuel, cement, lime, iron semi-manufactures and nearly all finished goods. (*Vossische Zeitung*, Feb. 27.)

LEIPZIG FAIR.

The reports on the opening of the Leipzig Spring Fair speak of lower prices in many quarters, but of very cautious buying so far. The special correspondent of the *Vossische Zeitung* (Mar. 6) states that except to the textile and technical section, admittances were not great. No one is buying and a general fall of prices is anticipated, on account of the great money scarcity, which is compelling even large firms to mark their goods under cost. In the book section only luxury editions are in favour. Scarcely any trade is being done in toys, as prices are higher than on the international market. The Russian section is showing house decorations. The turnover is good. The Russians are selling on the dollar basis. The chief buyers are Germany, England and America. The unwillingness to buy is especially noticeable in the precious metal, watch and jewellery sections, where prices are high. The lack of metal ornamentation on jewellery is striking, and a good many substitutes for precious metals are in use, platinite instead of platinum, for instance, and bone instead of ivory. Large foreign contracts were made in watches and alarm clocks. Foreign countries say that the high prices do not prevent them from buying, they look for quality. This is a very satisfactory proof of the fact that Germany can conquer the world markets, not by underbidding, but by well-made goods.

The general impression given on the second day of the Fair was that business was not as successful as had been expected. Herr Kraft, the Austrian Minister of Commerce, has come to Leipzig to visit the Fair and to discuss trade questions of importance with the leading German economists.

AGRICULTURE

PRUSSIAN PROPERTY LAW.

Since Feb. 10 a new law is in force in Prussia concerning the disposal of landed property. With the exception of agricultural or horticultural land and of land the house-duty on which would be less than Mk.500, or the area of which does not exceed 100 sq. m., all disposals of landed property must receive the consent of the municipal board or the district council. This law does not apply to the judicial landed affairs of public bodies or between near relations. It will remain in force until July 1, 1926.

Control over municipal property markets is thus established, chiefly in order to prevent landed property from becoming an article of commercial exchange, to prevent speculation and housing shortage or the intentional stoppage of industrial activity, and also to guard against the possible non-payment of rates and taxes when property changes hands. The *Frankfurter Zeitung* (Feb. 26) approves of the intention of the law but raises doubts as to the benefits which will accrue from the manner of its propounding. House owners may, it says, find themselves in a most difficult position if permission to sell is refused. The original Bill provided for purchase rights by the municipality if permission to sell was refused. That would not have been of much practical value, unless the purchase right had, in that case, been made compulsory. The law now provides for a committee, half of which must consist of landowners, and which will assist the municipal board or district council and may alter a negative decision. It is to be hoped that hardships will be avoided by this means, but there is no doubt that this arrangement, and indeed the entire law, is a doubtful experiment, probably tried too late.

CATTLE MARKET STATISTICS.

In comparison with the two preceding months the supply of the German livestock markets in December 1922 was considerably smaller. The decrease was 26% on the November figures and 30% on the October

figures in respect of cattle, and 29% and 39% in respect of sheep. The supply on the thirty-six chief livestock markets in Germany in December 1922 was as follows (the second figure given in each case represents the supply in November 1922; the third figure that in December 1921):—Cattle, 121,273—164,814—121,725; calves, 71,557—66,688—90,159; pigs, 174,027—172,445—218,606; sheep, 76,252—107,446—112,127. In comparison with the same period of 1913, the December 1922 figures show a surplus supply of 14% for cattle and of 7% for sheep; the supply of calves, on the other hand, was smaller by 28% and of pigs by as much as 66%.

For the whole of 1922 the supply of the thirty-six chief German livestock markets was:—Cattle,

1,502,030; calves, 1,074,635; pigs, 2,451,832; sheep, 1,022,399. In comparison with 1921 the supply of cattle, calves and pigs was greater. For the thirty-five chief German markets (i.e. without Stettin, which did not figure in the report till Feb. 1, 1921) the cattle supply increased by 4.9%, calves by 8.6%, and pigs by 26%. The sheep supply showed a fall of 7.9%. Compared with 1913 the 1922 supply (also without Stettin) was smaller by 12% for calves, 5.4% for sheep, and 58% for pigs. Cattle alone showed an increase of 12% on the 1913 figures. This increase is only numerical, however, and is quite done away with by the poor weight of most of the animals now. This circumstance is all the more deplorable in the case of the greatly-decreased pig supply. (*Wirtschaft und Statistik.*)

HOLLAND

POLITICAL AND GENERAL

It is understood that the Netherlands Government has lodged a complaint with the Reparations Commission to the effect that the occupation of the Ruhr was interfering with the delivery of coal which Germany had contracted to supply under an agreement which had received the approval of that Commission. The terms of the agreement were embodied in a Convention signed on the 11th of May 1920, and provided for monthly deliveries of not less than 90,000 t. This Convention was approved in July of the same year. In reply to their representations, the Government have been invited to send representatives to consult with the Commission on the subject. On the other hand, the *Gazette de Hollande* points out that the occupation of the Ruhr is not wholly to blame for the failure of the German Government to fulfil their obligations, as for a considerable period prior to the advance of the French and Belgian troops there had been a serious exodus of miners from the coal districts, and in particular from the Wurm district, into Holland. This had gravely affected the output from the German mines in the Aix-la-Chapelle area, and must have contributed in no small measure to the shortage in the supplies, seeing that the number of miners involved is stated at approximately 6,000.

The *Gazette de Hollande* also cautions its readers against the many false reports circulated by inspired agents with regard to the conduct of the French troops of occupation, whom they accuse of plundering the civilian population under their control, and cites as unimpeachable testimony to the correct and dignified attitude of the French troops the evidence of the special correspondent of the *Algemeen Handelsblad*, who bears witness to the unruffled good temper of the troops under very difficult conditions, in the midst of a population that is manifestly hostile. Further, the recent occupation of Wesel and Emmerich is attributed to the fact that the Transport Commissary of the Dusseldorf Chamber of Commerce had openly boasted that means had been found to secure an outlet for manufactured and semi-manufactured goods from the occupied territory into unoccupied Germany through these two centres, whence they were consigned to fictitious addresses in Holland for re-consignment via Hamburg and Bremen. The transport of prohibited goods, especially metallic, which had thus been effected is said to have been considerable.

The most striking political event lately recorded by the Press is the passing by the Second Chamber

of a Bill in favour of the abolition of summer time at the instance of the agricultural interest. M. Braat, a member of the Agrarian Party, introduced the measure, and the general tendency of the debate was to show that the advantages of summer time were outweighed by the disadvantages. The Government did not intervene in the discussion, and the Bill was passed by 49 votes to 35.

FINANCE

APPRECIATION OF THE FLORIN.

The current year finds the Dutch florin in a strong position on the foreign exchanges, where it ranks with gold, notwithstanding the fact that the Nederlandsche Bank has not yet begun to put the gold coinage again into circulation. The explanation is to be found in a study of the metallic cover in relation to the paper currency. This is best shown in the following table:—

Date.	Paper circulation in Fl. (mill.)	Metallic cover in (Fl. mill.)
1914, June 27	306.2	170.0
1915, March 27	459.1	291.2
1916, March 25	588.4	515.2
1917, March 31	745.6	597.4
1918, March 30	889.7	729.5
1919, March 29	679.1	1,011.2
1920, March 27	644.6	1,013.3
1921, March 29	637.7	1,036.8
1922, March 27	611.8	959.6
1922, Dec. 30	590.9	968.1

NEW ISSUES IN 1922.

The latest issue of the *Monthly Review* of the Rotterdamsche Bankvereiniging devotes an exhaustive article to a survey of the new issues during the past year, the extent of which, it says, "enables one, of course, to draw very far-reaching conclusions regarding the general economic activities, although this cannot, any more than any other isolated figure, wholly comprise the manifold aspect of the economic life." But the figures given relating to new capital issues, it is argued, show in how large a measure such inferences are possible, whether one takes into account the absolute value of the issues or the different totals attaching to the various groups of securities—bonds, shares, securities of public corporations and private companies, and so forth. Taking the aggregate value of the issues, a marked decline is recorded, from Fl.1,168,873,000 in 1920 to Fl.472,869,000 in 1921 and to Fl.435,574,000 in 1922. These figures illustrate clearly the end of the boom and the beginning of the crisis, the following stagnation in industry and trade, and the period of depression.

Holland

An analysis of the new issues gives the following results :—

	Fl.
Home and Foreign Government Loans...	235,000,320
Provincial and Municipal Loans ...	68,179,238
Banks and Credit Institutions ...	5,880,000
Mortgage Banks	665,000
Industrial Companies	26,797,500
Colonial and Export Companies ...	3,250,000
Shipping Companies	9,600,000
Tobacco Companies	1,500,000
Miscellaneous Companies	6,492,750
Railways	72,300,000
Tramways	5,909,200

There were no new issues in respect of Mining, Oil, Rubber or Tea Companies, neither were there any new Lottery issues. On further examination, it is seen that the decline in private issues has been accentuated, which represent no more than 30.4% of the total, as compared with 45.2% in 1921 and 82.4% in 1920. Another tendency to which attention is drawn is the growing issue of loans yielding a fixed rate of interest in preference to share issues, the latter having declined from 11.6% to 2.4%. The issues connected with trade, industry, shipping, the production of raw materials and the manufacture of colonial articles are almost at a complete standstill, the demand for new capital being extremely small, which shows the influence of the crisis. "The general impression produced by this account of a special branch of Holland's economic and banking activity," the Report concludes, "can hardly be called satisfactory, but the same is true of economic activity generally in 1922, and the new capital issues are therefore a faithful reflection of the general situation."

LABOUR CONDITIONS

THE EIGHT HOUR DAY.

Attention continues to be directed to the prevalent dissatisfaction with respect to the operation of the Eight hour Clause of the Labour Act, more particularly for the moment in the textile industry. In reply to a demand for an extension of the working hours in this industry, the Minister of Labour in the Second Chamber stated that no decision had been arrived at with regard to a general regulation, but in certain factories workers over sixteen years of age would be allowed to work nine and a half hours a day and fifty-three per week for a period of from three to six months. This would enable the manufacturers in question to complete certain orders at a reduced cost of production. The unfortunate position of the textile industry in Holland was due to the falling off in orders due to the high price of the goods, and it would be necessary to remedy this by extending the hours of work and so reducing the costs of production. In competing countries the working hours were not longer, but there were other conditions which weighed heavily against Dutch competition. These included comparatively lower wages as a result of a depreciation of the currency, as in Germany and Belgium; cheap labour, as in Japan and British India; lower cost of coal and transport, as in England and North America. In addition to which, there were the high import duties ruling in various countries. In conclusion, M. Aalberse gave it as his opinion that it would be a mistake to seek compensation for these disadvantages in a reduction of wages, which would inevitably bring them down to a level that would entail worse consequences for the workman than were likely to result from an extension of the working hours.

SPAIN & PORTUGAL

POLITICAL AND GENERAL

SPAIN: THE POLITICAL SITUATION.

The High Commissioner for Morocco appointed by the present Government, Sr. Villanueva, the first civilian to be appointed to the post, being unable through ill-health to take up his functions, is replaced by Sr. Silvela, Minister of Marine, also a civilian, and a follower of the present Premier, the Marquis de Alhucemas.

According to a Press critic, the present Government offers no guarantee for the settlement of the Morocco question, for the economic and financial reconstruction so necessary to the welfare of the country—the railway reorganisation attempted by more than one Government during the past three years shows small prospects of accomplishment—or for the solution of social problems, and moreover it is rent by internal dissensions calculated to lead to its disruption. Economic reconstruction remains at the stage, and the Finance Minister seems in no hurry to reorganise the national finance.

Affairs in Morocco remain very threatening, and the Moors are awaiting rifle in hand further attempts at pacification, which, according to certain military critics, are likely to lead to fresh disaster. According to the same Press critic there is a total lack of understanding between rulers and ruled, and this general condition of distrust in the future has reacted on business, so that with the exception of speculation the money market is stagnant, and all securities, even Government stocks, are down. At the end of February railway shares were active on anticipation of increased dividends.

FINANCE

SPAIN: BUDGET RETURNS.

The following returns of revenue and expenditure for the first seven months of the current financial year (April 1 to Oct. 31) have just been published by the State Accountancy Department :—

Revenue.—The yield from revenue actually collected during the period, including revenue outstanding from previous years (Pes.48.2 mill.) amounted to Pes.1,712.7 mill. as compared with estimates of Pes.1,526.5 mill. and revenue for 1921 of Pes.1,906.3 mill., and for 1920 of Pes.1,370.2 mill. The yield from various sources as compared with estimates was as follows (in millions of Pesetas) :—

	Collected.	Estimated.
Direct taxation	426.3	548.6
Indirect taxation	529.0	599.8
Monopolies, etc.	260.2	333.9
State Property—Income	14.3	13.5
" Sales	10.5	0.2
Treasury ways and means ...	520.5	30.3
	<hr/> 1,761.0	<hr/> 1,526.5

The item of Pes.520.5 mill. Treasury ways and means includes Pes.500 mill., the proceeds of Treasury bonds, so that the actual revenue from taxation monopolies, etc., is reduced to Pes.1,261 mill., or Pes.265 mill. less than the estimate.

After making similar reductions for the two previous years, actual revenue is reduced to Pes.1,237 mill. for 1921 and Pes.1,070 mill. for 1920. As will be seen from the above table, the yield from direct taxes (—122.3), indirect (—70.8) and monopolies (—73.8) are all below estimate. The slight increase in net yield as

compared with the two previous years is by no means commensurate with the national needs, and offers no prospect of avoiding further loans to meet the deficit.

Expenditure.—Total expenditure for the seven months (exclusive of expenditure due in respect of previous years) amounted to Pes.1,356.7 mill., being Pes.419 mill. below estimate. Expenditure on Morocco amounted to Pes.233.6 mill., compared with Pes.207.4 mill. for 1921 and Pes.95.3 mill. for 1920. Total expenditure (inclusive of that incurred during previous years) amounted to Pes.1,553 mill. compared with Pes.1,637.2 mill. for 1921 and Pes.1,317 mill. for 1920. (*España Económica y Financiera.*)

The January revenue returns have now also been published, and show a yield of Pes.204.4 mill. for the month, as against Pes.188.3 mill. for January 1922, an increase in favour of January 1923 of Pes.16.1 mill. The total yield for the first 10 months of the financial year (April 1 to Jan. 31) is Pes.1,910.7 mill. as against Pes.1,772.7 mill. for the corresponding period of the previous financial year, an increase of Pes.146.9 mill. (*Epoca*, Mar. 3.)

SPAIN'S FINANCIAL POSITION.

Although, comments *España Económica y Financiera*, the official returns hitherto published do not reveal the exact position of the public finances, yet, owing to the continuous voting of supplementary estimates, and of special expenditure estimates, which since the passing of the Finance Bill amount to Pes.100 mill., it is clear that it has been necessary to raise loans to meet the initial deficit, the latest consisting of Pes.500 mill. by the issue of Treasury Bonds. It is common knowledge that the situation of the Treasury leaves much to be desired, and that it will be increasingly difficult to make further calls on the national capital, such as may be necessary in the near future, since the business life of the nation is seriously affected by the position of the national finances and is in serious danger of immediate collapse. Thus it is unanimously agreed that financial reform cannot be further postponed if collapse is to be avoided. In these circumstances the new Minister of Finance, Sr. Pedregal, who has been in office over two months, should have already laid before the Cabinet a complete scheme for setting the national finances in order, and have drawn up his estimates with a view to the utmost possible reduction of expenditure, and have compelled the other departments to do likewise. The example of Italy, where the Mussolini Government, within a month of taking office, has drastically cut down public expenditure, reduced the number of Government officials, and introduced a complete scheme of economic reform, ought to be followed in Spain, where, however, nothing has been or is being done.

NEW COMPANIES IN 1922.

The following figures of the new companies founded in 1922, supplied by *España Económica y Financiera*, although, on the admission of that review, somewhat deficient, may convey a fairly accurate estimate of the amount of capital thus raised. The number of companies founded in each class (shown in brackets) and the amount of capital raised, is as follows (in millions of Pesetas): Agricultural (1) 0.8; food (5) 6.4; banking (2) 27; commercial (9) 2.7; building (2) 2; electricity (82) 13.4; mines (5) 1; shipping (5) 2.6; chemicals (5) 23.2; textiles (8) 8.2; transport (5) 21.8; metallurgy (1) 0.2; various (23) 35; total number of companies, 73; total capital subscribed during the year, 145.5. Last year records the lowest number of companies floated during the decade. The numbers of companies founded (in brackets) and the amount of capital raised (in millions of Pesetas) in each year during the last 10 years are as follows:—1913 (98), 121; 1914 (114), 109; 1915 (120), 45; 1916 (217), 219;

1917 (270), 209; 1918 (366), 446; 1919 (324), 295; 1920 (228), 547; 1921 (127), 263; 1922 (73), 145.

Up to 1914 a considerable number of foreign companies were founded in the country, but from 1915 to 1917 no foreign companies were founded at all, and although in 1918 several foreign banks were opened, this increase may be considered transitory, as many of those opened in that year have since disappeared. If the lack of foreign companies was made good by the foundation of native companies there would be little reason to regret their absence, but as, unfortunately, no increase of business foundations by Spaniards is recorded, the withdrawal of foreign companies is to be deplored, since they at least stimulate the development of the natural resources of the country. In 1919 many firms were formed into companies for the purpose of evading payment of the industrial tax, and subsequently they were formed with a capital little in excess of Pes.500,000 in order to be in a favourable position with regard to the profits tax. Last year many companies were reconverted into private firms in each case with an eye on taxation. This circumstance, together with trade depression, is one of the main causes of the small number of companies founded in 1922. The two provinces in which the bulk of the companies were founded were as usual Vizcaya and Barcelona.

RISE IN SPANISH INDUSTRIAL SHARES.

A marked rise is noted in all Spanish industrial shares since the beginning of the year on all the country's stock exchanges, especially on the Bilbao exchange. To take the three leading industrial companies, the prices of their shares rose as follows between the beginning of January and the end of February:—Altos Hornos from Pes.90 to Pes.113; Explosivos from Pes.296 to Pes.323; Felgueras from Pes.39 to Pes.61.

International events, notably the occupation of the Ruhr, have without doubt influenced many of these securities, notably Altos Hornos, by removing important rivals of those companies, and so increasing their orders. As regards Explosivos, rumours are on foot of a coming increase of capital for the purposes of fresh business now being undertaken or about to be undertaken by this concern. This is a matter for some surprise, as it very recently increased its capital by Pes.30 mill. when it absorbed the business of the General de Industria y Comercio. The Felgueras are profiting by the course of the coal market. Without accepting all the reasons given for this rise, it need not be attributed solely to speculation. (*España Económica y Financiera*, Feb. 24.)

INTEREST ON BANK ACCOUNTS.

In order to limit the granting by the banks of excessive rates of interest on current and deposit accounts in order to attract customers, the Supreme Banking Council has fixed the following limits for such rates of interest to be paid by all banks which are members of the Commission of private banks, to take effect as from July 1: current accounts at sight, 2.50%; deposits at 8 days, 3%; one month, 3.50%; six months, 4%; one year, 4.50%; Savings Banks, 3.50%. (*España Económica y Financiera.*)

PORTUGAL: FINANCIAL CONDITIONS IN FEBRUARY.

The lack of specie reacted on business during February and discounting was very scanty. The export of wine was not very extensive; many shiploads sent to London were hard to place on the market. It is to be hoped that after the payment of dividends about to fall due current coin will be more abundant, and that general business will thus be stimulated.

Fluctuations in the exchange hitherto frequent were less marked during the month, owing to the comparative absence of both sellers and buyers. For nearly a month the London exchange has remained steady at 2 $\frac{5}{16}$, and

Spain and Portugal

with any slight demand for paper fell to 2½. At the end of the month, whether owing to slackness of business or to the rumour that the Finance Commission was favourable to an internal issue of a loan, prices stood still and maintained an expectant attitude. The internal loan cannot in any way affect the exchange unless it is largely subscribed abroad; but the sale of foreign securities for investment in the loan is quite possible, should the terms of issue prove favourable.

The considerable increase of the note circulation has largely contributed to the unfavourable position of the exchange, from which there seems small chance of escape.

There has been little change in the position of the stock market during the month. Business has been limited by the shortage of cash, which has not only rendered discount difficult to obtain, but has sent up quotations. The new taxes, by curtailing the yield on stocks at fixed interest have caused quotations of these stocks to fall. Home Government stocks remained steady, but the rise in the foreign loan is explained by the depreciation of the exchange and by the large demand. The first series rose during the month from Esc.558 to Esc.627, and the third from Esc.600 to Esc.670. Bank shares showed little change, the increased dividends having already been discounted. The Tobacco Company's shares were strong, rising from Esc.996 to Esc.1,300. The Board of the Company has been authorised to increase its capital by Esc.36 mill. The sales of the Company continue to increase, having during the first seven months of the financial year reached 2,321,342 kg. to the value of Esc.37,853,460, exceeding by 408,637 kg. in weight and Esc.7,413,509 in value those of the corresponding period of the preceding year. The stocks of the Companhia des Caminhos de Ferro Portuguezes were also strong. Textiles have been very strong on the good dividends distributed by the Companies. (*Commercio do Porto*, Mar. 1.)

APPLICATION OF THE TAX ON SALES IN PORTUGAL.

Regulations for the application of the new taxes have recently been issued. Those affecting the tax on sales or turnover tax are given here as of most interest to the foreigner. Exemptions provided for in the Act only apply to products scheduled by the Government, General Commission of Supply, or Municipal and District Councils, but not to those scheduled by civil governors and administrators. Sales and other business transactions conducted in foreign currencies must be entered in escudos in books kept for the purpose, having been for this purpose converted into escudos at the current rate of exchange for the day on which such sale or business was concluded, or at the rate of exchange (if any) agreed between seller and buyer. In the case of goods exported on consignment the value shall be calculated according to the current market rate. The supplementary tax referred to in clauses 7 and 8 is considered an import tax and is payable each time that Customs duties are levied. It is not, however, subject to the surtax of 75%, regulation No. 4 of those issued on Dec. 26, 1922, thus being revoked.

The export of goods of every nature and kind abroad or to the colonies, is deemed to be a sale, and such goods are therefore subject to the tax, which will be paid on the market price of such goods on the date of export. When the amount of the tax, after having been agreed by the State and the taxpayer, shall not have been paid within the time fixed, it shall be collected forcibly and shall bear interest from the termination of the period fixed for payment. (*Commercio do Porto*, Mar. 3.)

INDUSTRIES

THE SPANISH QUICKSILVER MINES.

The returns published by the Board of the Government quicksilver mines of Almaden, show the value of the quicksilver sold during the last quarter of 1922 to be as follows:—October, Pes.329,740; November, Pes.345,676; December, Pes.111,425; total for the quarter, Pes. 795,842. The value of the sales in January was Pes.3,304,599. Between Jan. 1, 1912, and Dec. 31, 1921, the term of the lease of the mines by the Spanish Government to Rothschilds of London, the latter sold 297,464 flasks of quicksilver (34,507 kg. to the flask), the maximum price per flask being £25 in 1920, and the minimum £6 10s. in 1914. During the term of the concession Rothschilds paid the Spanish Government £3,628,552 4s. 3d. (*España Económica y Financiera*, Feb. 24.)

REVIVAL OF THE BILBAO IRON TRADE.

The export of iron ore from Bilbao, which had seriously declined at the end of 1921, and continued depressed during 1922, is showing signs of revival.

The amount exported during January was 124,753 t., a figure which was not reached in any similar period all through last year. The total output for the twelve months ended Dec. 31 last was 2,075,404 t., and the exports for the period totalled 1,141,776 t., of which 881,834 t. was shipped to British ports, 182,260 t. to Rotterdam, and 51,348 t. to Belgium, 22,333 t. being destined for the Spanish markets. The shipments for the whole of 1921 amounted to only 514,186 t. The present stock of ore at Bilbao amounts to 1,922,800 t. (*Report of the Anglo-South American Bank*, Feb. 24.)

SOCIAL AND LABOUR CONDITIONS

SPAIN: AN ANTI-PROFITEERING MEASURE.

A recent Decree for the cheapening of food contains the following provisions:—

A central Board and provincial boards shall be created for the purpose of regulating the prices of articles of food of first necessity and of articles of consumption indispensable to existence. In fixing the profits of the middleman and retailer regard will be had to cost of production, the net profit of manufacturer or producer, transport, and municipal dues. The Central Board of Supply shall consist of the Civil Governor of Madrid, the sub-directors of Public Works and Agriculture and representatives of the Ministries of the Interior, Finance and Labour, the Chambers of Commerce, Industry and Agriculture, the Stock Breeders' Association, of consumers in general and of workmen. The Central Board shall proceed at once to the drafting of the regulations for giving effect to the Decree, and in particular shall determine the articles to be controlled. The Provincial Boards shall be presided over by the Civil Governor of the Province. Appeals against the ordinances of the provincial boards be to the Central Board and against those of the latter to the Minister of Public Works, Commerce, Industry and Agriculture. Breaches of orders fixing prices shall be punishable with fines of from Pes.100 to Pes.5,000, closing of the business of the person committing the breach, and the application of the Penal Code where applicable. The proceeds of the fines shall go, as to 50% thereof to the informer, and as to 50% thereof to defraying the general cost of the Boards. (*España Económica y Financiera*.)

SWITZERLAND

POLITICAL AND GENERAL

THE ZONE AND RUHR QUESTIONS.

The result of the cantonal voting on the all-important zone question was apparently a foregone conclusion in Switzerland. Nevertheless, now that the country has decided against the French proposal to remove the Customs frontier to the political boundaries between the two countries, the details in connection with the vote results in the various cantons seem to have aroused a good deal of astonishment and not inconsiderable ill-feeling between various political bodies in the country.

The result of the voting in the Canton of Geneva, the Canton which would be most directly affected by any change of the present system of Customs, has perhaps caused the greatest surprise, the negative majority not being nearly so great as was expected, notwithstanding the strength there of the Socialist Party.

The French, of course, accuse German propaganda of influencing the vote against the French proposals in the German-speaking districts, and impute the entire result of the voting to German-Swiss political opinion against the Ruhr occupation. This is severally denied in Switzerland, but all the same very mixed feelings are discernible in the Press, and, for the moment, the economic value of the decision is lost sight of amid the political nervousness. Has this question divided Switzerland, and are disastrous effects on national harmony to be feared?

The optimistic tone adopted by some papers in regard to the neighbourly attitude France may be expected to take in future negotiations on the same subject does not seem to carry much weight in wider circles.

That French action in the Ruhr is not generally regarded with approval in Switzerland, is true. There are, however, other grounds than purely nationalistic ones. Much concern is being expressed in Swiss business circles regarding the effect on Swiss transit and trade to the north and to and from Germany. Switzerland's dependence on unhampered conditions for export trade, chiefly by reason of her geographical situation, is a known fact. Her most important path is along the German bank of the Rhine. The French declaration that German exports, especially coal exports, to Switzerland, should not be impeded, was followed by the occupation of Offenburg and the stoppage of traffic on the Baden-Rhine line. This stoppage came about not through strikes by the German railwaymen, but through direct French orders. The embargo is doubtless a source of great inconvenience to Germany, but she still has other lines of communication with South Germany. These lines do not suffice, however, to take the Swiss traffic. The Stuttgart line, in particular, can no longer deal with Swiss goods. This blockading of the main goods line between Germany and Switzerland has resulted in a congestion of all the other available transit routes, and has affected Swiss trading with all the Northern countries. France says that Switzerland can use the French side of the Rhine. Naturally this will be done as far as is practicable, but at present Germany cannot be reached by way of Strassbourg, and transit to the north—except to Belgium—by this route is very indirect and dear. It must also be mentioned that since France took over this line its efficiency has decreased and it would never be able to cope with the Swiss and Italian through traffic. It is very extraordinary that Swiss business circles

have not made more energetic protest against the detriment caused to their trade by the Ruhr proceedings, and that the Federal Railways have also, so far, pursued such a passive policy. (*Journal de Genève* and *Neue Zürcher Zeitung*.)

FINANCE

PROVISIONAL BUDGET ESTIMATE.

A provisional estimate of Federal revenue and expenditure in 1922, shows a deficit of Fr.84 mill. instead of the original Fr.99.4 mill. estimated. The total expenditure is lower than the estimates by about Fr.20 mill., but as the total revenue of Fr.417 mill. is less than the estimates by Fr. 5 mill., the actual deficit is Fr.15 mill. less than was estimated. Credits were granted during the year to the extent of Fr.34 mill., so that the final balance should work out at about Fr.50 mill. more on the credit side than was estimated. (*Neue Zürcher Zeitung*, Feb. 15.)

FEDERAL RAILWAY RECEIPTS.

The total receipts of the Federal Railways in January amounted to Fr. 25.13 mill., exceeding by Fr.2.08 mill. the receipts in January 1922. Costs of working amounted to Fr.23.78 mill. The surplus amounts, therefore, to Fr.1.36 mill., as against a surplus of Fr.5.79 mill. in January 1922. (*Journal de Genève*, Feb. 22.)

TRADE

IMPORT CONCESSIONS.

As from Feb. 20, 1923, the import restrictions on apples, pears and plums, loose or in bags, and loose fertilisers, are removed. General import permits are granted as from Feb. 20, (a) on all frontiers for peat litter; (b) on the Italian and French frontiers for: standard fruit trees, espalier fruit trees, berry fruit bushes, rose trees, without root sods; pictures, framed or unframed; worked statuary bodies; painted glass; finished bronze articles other than fabrics; travelling requisites of all kinds; statuary made of base metal other than cast-iron or zinc.

General import permits are granted, as from Feb. 26 on all frontiers for: rough building and carpentering timber; soft wood; veneers of all kinds; fibres for paper making, mechanically prepared, wet or dry; rags (first-stuff); fibres for paper-making, chemically prepared cellulose (dry or wet), except sulphite cellulose; one-colour printing, writing, note or drawing-paper containing wood pulp to the extent of 45 to 55 gm. per sq.m.; ruled paper, cardboard and pasteboard; gloves; silk stockings; wire nails, wood-working machines weighing 10,000 kg. or more; round bar-iron up to 30 mm.; rolled wire in coils between 5 and 13 mm.; flat and rectangular iron up to 30 mm.; section iron up to 30 mm.; thin plate, 1 to 3 mm.

INDUSTRY

GENERAL SURVEY OF 1922.

Details contained in the Annual report of the Eidgenössische Bank in Zürich, regarding conditions in various Swiss trades and industries in 1922 show to what extent this country has suffered owing to her high rate of exchange. The acute economic crisis affected industries which had previously withstood it. This applied in particular to agriculture. The prices of milk and milk products, which had been kept artificially high up to the end of 1921, had at last to adapt themselves to international market prices. Had

Switzerland

the Federation not intervened with financial aid, far-reaching catastrophe would have been unavoidable. As it was, losses were great. The silk industry has an unsatisfactory year behind it; exports sank considerably, and became more and more concentrated towards England. The rise in the price of raw materials was detrimental to both fabric and ribbon weaving, as correspondingly higher sale prices were not achievable. The situation in the cotton industry was similar. Coarse and coloured weaving looms were quite busy, but business in fine yarns and fabrics became steadily worse, and even in embroideries sales were not good. The last named industry suffered from the depreciation in value of the large stocks in hand and from the poor export trade with countries having a very depreciated currency. The Federation had to grant subsidies to this industry. The engineering industry suffered from lack of employment, and the electrical industry was chiefly busy with home orders, those in connection with the electrification of the Federal Railways compensating somewhat for the lack of export orders. The acute crisis in the watch industry continued. Financial support from the Federation assisted export trade, but financial results continued to be unfavourable on account of the steady drop in export values. The footwear industry is one of the few which showed considerable improvement in the second half of the year. The wool industry, also, experienced considerable activity on account of the steadily-rising prices of raw material throughout the year; sale prices could not, however, be accommodated to costs. The food industries suffered severely from the depreciation in value of stock in hand as well as from exchange difficulties, and export markets were much narrowed. Owing to improved activity in various industries—although the causes of this were often only temporary—unemployment figures showed a considerable decrease at the end of the year. (*Frankfurter Zeitung*, Feb. 25.) (See *THE ECONOMIC REVIEW*, Mar. 2, p. 186.)

COMMUNICATIONS

SPEEDING UP RAILWAY ELECTRIFICATION.

In view of the proposals to be submitted shortly to the Federal Councils for speeding up the work of electrification of the Federal Railways, the programme of which was sanctioned in 1918, Herr Schrafl, the general manager, has addressed a meeting of the Press, and has given an account of the proposals, from which the following points have been extracted:—In August 1918, the Federal Railway Council sanctioned the programme whereby the electrification of the lines was to be effected in a period of thirty years. When the proposals for the 1919 work were discussed an application was made to execute the work in ten or fifteen instead of thirty years. Although the desirability of this course was acknowledged by the Council, financial conditions at that time were not favourable, and the suggestion was thought premature. Now, however, the position is different. In the first place, more experience has been gained in the realm of electric traction, and secondly, money can now be borrowed at more favourable rates, wages are lower than in 1920, and costs of material are also lower. In the building-trade, a skilled worker only gets 140 rappen per hour to-day, as against Rp.175 in 1920 (Rp.60 in 1913); a skilled worker in the engineering trade gets Rp.130 instead of 190 (72 in 1913); unskilled engineering labour costs Rp.105 as against 155 in 1920 (55 in 1913). Hard coal is Fr.60 instead of Fr.220 per t. (Fr. 30 in 1913); cement costs Fr.8 instead of Fr.11.5 (Fr. 4.2 in 1913) per 100 kg.; copper wire costs Fr.160 instead of Fr.270 (Fr. 180 in 1913) per 100 k.g.; electrical locomotives cost Fr.6 instead of Fr.8.7 (Fr.2 in 1913) per kg., etc.

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Emergency work of all kinds has been instituted to aid unemployment. The suggestion that the electrification programme should be speeded up in order further to benefit the country in this respect, is justified from all standpoints. At present, electric traction is proceeding on 383 km. of line. According to the 1910 plan, another 1,117 km. of line were to be electrified by 1933, besides the 29 km. between Zug and Zürich, which will be finished at the end of this month. By 1933, therefore, the Federal Railway line would have been electrified to a total of 1529 km.; and would, apart from the cost of strengthening and rebuilding bridges, have cost Fr.750 mill., in which sum rolling-stock would have figured to the extent of Fr.230 mill. At the end of 1922, expenditure had already been incurred to the value of about Fr.300 mill., of which Fr.75 mill. had gone on rolling-stock. Between now and 1933, therefore, Fr. 450 mill. of capital would have been required apart from expenditure on bridges. The intention now is to complete the work by 1928 [here follows a list of the dates at which the various sections of the line would be completed (a) according to the original plan, (b) according to the latest proposals]. A total of about 400 electrical locomotives and motor coaches will be required on the 1,529 km. of line electrified. Looking at the scheme from an economic standpoint, it can be stated that as soon as the extent of traffic equals that of 1913, the electrical traction will cost no more than steam traction, reckoning that coal costs Fr.60 per t. delivered at the Swiss frontier. This figure is reckoned on the basis of 5% interest to be paid on the capital. Should this interest be only 4%, the cost of electrical traction would compare with a steam traction (coal) cost of Fr.52 per t. Of the Fr.450 mill. to be spent in the next six years, about 25% would have to be spent on procuring material from abroad, and about 75% would go in wages and

salaries, general costs, interest money, etc., within the country. When the electrification is completed, and if traffic is on the same dimensions as 1913, there will be a saving in the import of foreign coal of about 530,000 t. As the Federal Railway will be obliged, under this scheme, to spend Fr.215 mill. five years sooner than they would have had to do, and as the electrification of the Gotthard line cost Fr.60 mill.

more than it would do to-day, it cannot be considered unjustifiable if they find it necessary to ask for a loan of Fr.60 mill. Indeed, it might be asked if it would not be better to make the sum still larger, in view of the burdens they have borne during and since the war. (N.B. Arrangements with regard to the issue of the loan are still being negotiated.) (*Neue Zürcher Zeitung*, Feb. 21.)

CENTRAL EUROPE

POLITICAL AND GENERAL

THE LATE DR. ALOIS RASCHIN.

The following obituary notice on Dr. Alois Raschin, Czecho-Slovakia's Finance Minister, who on Feb. 18 succumbed to a wound inflicted at the beginning of January by an assassin, appears in the *Gazette de Prague*, Feb. 20 :—

By the death of Dr. Alois Raschin, Czecho-Slovakia has lost one of her outstanding statesmen and patriots. After President Masaryk and M. Benes, the Foreign Minister, Dr. Raschin was the best known of this country's politicians abroad—his financial theories and their successful application to this country having attracted wide attention, especially in America and England. Only last week the London *Economist* devoted a lengthy article to Dr. Raschin's volume on *The Finance Policy of Czecho-Slovakia*. A man of iron will and amazing energy, his fight with Death for the last six weeks would assuredly have succeeded if the odds of a mortal wound had not been all too great.

He was a great patriot and suffered more than once under the old Austrian régime for his dauntless fidelity to the Czech cause; while finally in 1915 he was sentenced to death by the Vienna Courts—a sentence afterwards commuted. But he was no mere phrasemonger. He has left his country the heritage of "works that live after him," and the reputation of a character fearless indefatigable in the pursuit of what he regarded as right and for the good of his fellow-countrymen.

A review in the *Neue Freie Presse* (Jan. 31) of his book *Finanz und Wirtschaftspolitik der Czecho-Slovakei* (German edition by Düncker und Hamblot, Munich and Leipzig; English edition by the Clarendon Press, Oxford; Czech edition by the Prazska Acciova Tiskarna, Prague), supplements the notice by the *Gazette de Prague* with the following information :—

Dr. Raschin was the first Finance Minister of the Czecho-Slovak Republic, an office which he resumed on the formation of the present Government, and must undoubtedly be regarded as the founder and inspirer of Czecho-Slovakia's financial policy. Although when a member of the Austrian Parliament he had regularly spoken on taxation questions he was not generally known as a financial expert. Great, therefore, was the general surprise when he undertook with a sure grasp the organisation of Czecho-Slovakia's finances, and carried through a scheme, the existence of which no one had suspected. In the work quoted above, Dr. Raschin describes the situation with which he had to deal, namely, on the one hand, a country endowed with great natural resources, a surplus output, and a determination on the part of the people to found an independent nation even at the cost of heavy sacrifices. On the other hand, he found the terrible results of the war, exhausted supplies, an industry founded for war purposes, an enormous note circulation practically uncovered, high prices and wages, a heavy national debt the exact amount of which was not

precisely fixed, and a total absence of administrative organisation since the administrative authorities were in Vienna. When the Carnegie Trust decided in 1921 to devote a volume of its publications on the world war and its consequences to the Czecho-Slovak currency, it was was to Dr. Raschin that it applied.

FINANCE

AUSTRIA'S FIRST RECONSTRUCTION BUDGET.

On Feb. 20, the Government introduced a new Finance Bill for the year 1923, in substitution for the Finance Bill submitted to the National Council on Nov. 6 last, under pressure from the Council of the League of Nations. This Bill, by reason of the subsequent modification of the exchange, the decline in the cost of living and the passing of the Reconstruction Act, which opens possibilities of increased savings and revenue, is no longer applicable to the altered conditions.

The new Bill is based on the mid-November index number, the dollar rate of Kr.72,000, and increased economy and revenue under the Reconstruction Act. Comparison of the new estimates with those of last year has become impossible, as conditions have completely changed. A comparison of the new Budget with the old, will, however, give an idea of the extent of the retrenchment and reform effected. Both Budgets are divided into three sections: a, general departmental expenditure and revenue; b, monopolies; c, State undertakings. The figures given in the following table represent milliards of kronen.

		Second Budget.	First Budget.	Difference in second
<i>A—General Estimates—</i>				
Expenditure ... ..	...	6,251	7,019	— 768
Revenue ... ..	...	4,665	3,269	+ 1,395
Deficit ... ..	...	1,586	3,750	— 2,164
<i>B—Monopolies—</i>				
Earnings ... ..	...	1,309	1,278	+ 30
Less taxes ... ..	...	53	101	— 47
Balance ... ..	...	1,256	1,177	+ 77
<i>C—State undertakings—</i>				
Loss ... ..	...	1,362	1,576	— 214
Taxes ... ..	...	781	868	— 87
Total ... ..	...	2,143	2,445	— 301
Profit shown ... ..	...	124	142	— 18
Net debit balance ... ..	...	2,019	2,303	— 283
Net deficit... ..	...	2,350	5,293	— 2,943

It will be seen from the above that the total deficit has been reduced by 2,943 milliards or 55.6%, a result due chiefly to the reduced deficit in the general estimates amounting to 57.9%. The balance of monopolies and undertakings shows an improvement of 50.5%, due mainly to reduction of wages and pensions. In the first Bill these were estimated at Kr.7,487 milliards, and in the second at 5,755 milliards a reduction of Kr.1729 milliards. Owing to the reduction of the index numbers, official salaries show in the second Bill, an automatic falling off of 12.4%. By January

Central Europe

the staff of State officials has been reduced by 2,500, and by July 1, 1923 a further reduction of 25,000 will have taken place, a further economy is effected by the improved currency which in the first Bill was estimated at Kr. 75,000 to the dollar, and in the second at 72,000, a saving of 218 milliards. Gross expenditure of 8.45 billions, of which 6.25 billions are in respect of departmental expenditure, is only covered by revenue to the extent of 74.7%.

The National Debt of the Austrian Empire amounted at the beginning of the year to Kr.6.19 billions, of which the share of the Austrian Republic was 1.5 billions. The Republic's own debt was 14 billions, making in all 15.5 billion kronen. Austria's share in the pre-war debt of the former Empire increased by 1.4 billions in 1922, and its own debt by 13 billions, partly owing to the issue of notes and the forced loan, partly to the depreciation of the currency, and partly to further advances by foreign countries. Expenditure on interest and sinking fund on the National Debt for 1923 is estimated at Kr.735 milliards, owing to the decision of the Reparations Commission to the huge drop in the currency and to the projected redemption of the war loan at 12 milliards. The railway debt does not appear as a State debt, but is carried to the Federal Railways Account. Included in the Federal Debt is the internal gold loan of 130 mill. gold kronen. The estimates of costs and interest on the debt, include all foreign loans with the exception of interest on the relief credits, it being assumed that payment of this interest will be deferred. In comparison with the first Budget Bill the second Bill shows an increase of expenditure in respect of the National Debt of Kr.67.7 milliards. (*Neue Freie Presse*, Feb. 21.)

THE PROVISIONAL RELIEF LOAN TO AUSTRIA.

The announcement is made of the opening of subscriptions in London to the share of the interim loan for the relief of Austria of £3.5 mill. to be advanced in Great Britain, has appeared in the British Press. Negotiations in Paris for the advance of Fr.60 mill. as the French share by a banking combine headed by the Banque de Paris French et des Pays Baves have been concluded and subscription was opened on March 1.

The contributions of the various countries to this loan of £3,500,000 are Great Britain £1,800,000, France 800,000, Belgium 400,000, Holland 150,000, Switzerland 200,000, and the three Scandinavian countries 150,000. (*Neue Freie Presse*, Feb. 16, 25.)

TRADE

CZECHO-SLOVAKIA'S FOREIGN TRADE IN 1922

Official import figures just published for the past year show that imports into the country were some 826,000 t. less than the preceding year. The total amount of foreign trade was as follows in millions of t., the 1921 figures being given in brackets: exports 9.4 (9.7), imports 3.1 (3.9).

Though these figures refer only to weight—statistics of values are not yet available—it is evident that the industrial crisis which set in at the end of the summer of 1922 has not had an effect upon exports and imports to the extent assumed in many quarters. The trade balance indeed, as far as weight is concerned, is even more favourable than was that of 1921. The decline in import is practically accounted for by the drop in three items. The import of coal and timber fell by over 430,000 t., that of grain and cereals by 350,000 t. and that of minerals by 270,000 t. Other declines compared with 1921 took place in cotton and textiles, chemicals, mineral oils, machinery, beverages, earthenware and porcelain. On the other hand, there were increased imports in iron, fruit and vegetables, salt, fats, rubber, dyes, common metals. There was a

decline in imports from Germany, Austria, U.S.A., Hungary, Great Britain, Yugo-Slavia, Rumania, and an increase in those from Italy, France, Holland, Poland, Belgium, and Switzerland. The imports from U.S.A. and Great Britain were, in tons: United States 225,912 (377,741); Great Britain 48,490 (97,934). (For the year's exports see THE ECONOMIC REVIEW, Feb. 23, p. 164). (*Gazette de Prague*, Feb. 14.)

THE PRAGUE FAIR.

The Czecho-Slovak Republic, which represents three quarters of the whole industry of the former Austro-Hungarian Monarchy produces under normal conditions, four times more than its population of 13½ millions consumes. In fact 90% of all products known abroad before the war under the famous mark "Made in Austria" originated in the territories now constituting the Czecho-Slovak Republic. It is therefore not surprising to learn that the Prague Fair, which provides an unrivalled opportunity for meeting foreign buyers, should have the wholehearted support of all Czecho-Slovak Commercial Enterprises. Over 2,500 leading Czecho-Slovak firms are regularly represented at the Prague Fair. Their products are conveniently classified in the following 17 groups:

(1) Building materials; (2) metallurgy; (3) electrotechnics, mechanics, and optics; (4) wood; (5) textiles; (6) clothing; (7) fancy goods; (8) leather; (9) art objects; (10) glass, china, and fine pottery; (11) toys; (12) foodstuffs; (13) printing paper, etc.; (14) jewellery, gold and silver articles; (15) musical instruments; (16) chemicals and sanitary articles; (17) sport requisites.

Special attention may perhaps be directed to the following exhibits which can be supplied by Czecho-Slovakia in better quality and at lower prices than by any other country, owing to the natural resources of Czecho-Slovakia:—

Glass, china, earthenware, jablonec (gablonz) ware, leather, boots and gloves, wood pulp, cellulose, paper, wood, furniture industry, toys, brushes, sugar, foodstuffs, preserves, malt, hops, Pilsen beer, enamel ware, buttons of various materials and small articles, textile industries, chemicals.

Special advantages are granted to foreign exhibitors and visitors such as 33% reduction of fares on all Czecho-Slovak railroads, free service of interpreters, convenient accommodation, etc. Foreign samples are admitted free of duty and profit by a 50% reduction on all Czecho-Slovak railways. In case that it would seem too expensive for a foreign exhibitor to take part personally in the exhibition, the management of the Prague Fair will take care to find a reliable person with technical knowledge of goods to represent him during the Fair. The next Fair is planned for March 11-18, 1923, and will be the sixth in the number of Fairs which are regularly organised twice a year in Prague. The average number of exhibitors at the preceding Fairs amounted to 2,200 and that of visitors to 100,000.

HUNGARY'S FOREIGN TRADE IN 1922.

Our Budapest correspondent gives the following account of Hungary's foreign trade for 1922 (in millions of quintals, the 1921 figures being given in brackets): Imports 33.5 (22.5); exports 10.4 (8.4). The percentage of imports and exports from and to the chief countries was: imports, Rumania 36 (14 in 1921), Czecho-Slovakia 25 (52), Germany 10, Austria 7, Yugo-Slavia 4, other countries 16; exports Austria 38 (57 in 1921), Yugo-Slavia 36 (6), Czecho-Slovakia 13 (27), Germany 5, Rumania 4. The chief imports were (in millions of quintals): timber 16.7, coal 6, iron ore 1.4, briquettes 1.3, salt 1, textiles 0.3, glass 0.1, and sugar for consumption 0.08 and exports included: coal 2.7 (to Yugo-Slavia for reparations), flour 1.6 (1.3 in 1921), wine 0.85, fruit, vegetables and plants 0.45 and 247,751 head of livestock.

SPECIAL ARTICLES

WORKMEN'S COUNCILS IN VARIOUS COUNTRIES

M. Antoine de Tarlé, in the *Revue des Deux Mondes* (Feb. 15), deals with workmen's councils in factories. Since industry has existed on a large scale, he writes, workmen have desired to raise themselves from the position of wage earners to that of partners with the capitalist, as was openly stated by the deputy Corbon, a former workman, in the French Parliament in 1848. But during the past seventy years this idea has been almost entirely abandoned, in proportion as manual labourers acquired other advantages such as the right of union and association, special protection and numerous State interventions in their favour. Thanks to the economic disturbance arising from the war, the idea once more came to the front and made rapid progress in all countries under the names of participation of labour in management, of control by the unions, or of the régime of Councils. Control or participation in management must of necessity lead to the representation of labour either in the form of Councils composed exclusively of workmen claiming to treat with the management of the undertaking as between equals, or of joint councils (*conseils paritaires*), on which workmen sitting side by side with the employers discuss business on an equal footing.

Further, mention has been made of industrial democracy, that is to say the government of the factory with the consent of the governed. Just as the political revolution of 1789 subordinated the absolute power of the sovereign to the control of the nation, so, announce the labour leaders, we desire an economic and social revolution, which will substitute for the absolute authority of the factory owner a system in which the workmen shall be represented side by side with capital and shall have the same rights. How can control be refused to the workman over production of which he is the vital factor. It is idle to insist on an exposition of this theory which has become to some extent, traditional, but it is important to draw distinctions and give definitions on the subject of participation in management. It should be made clear whether it is a question of rules for the workshop, wages, methods of work, discipline, apprenticeship, or commercial or financial management of the undertaking. This brief enumeration of the questions involved shows that there are several degrees in the control claimed.

RUSSIA'S EXPERIMENT.

In Russia extreme measures were adopted straightaway. Lenin's idea was to place the management of undertakings in the hands of the workmen, and the provisional Government already started this movement by creating workmen's councils, with strictly limited powers, it is true, but which strove to take the management of the factory out of the hands of the owner. The decrees on labour control published on Nov. 27, 1917, legalised what had hitherto been the isolated action of certain associations. This decree provided for the compulsory creation of workmen's committees of control, and extended their authority to production, sales, fixing of cost prices, and to financial management.

The responsibility of the owners of the undertaking thus became reduced to supplying funds for running the business. This led to the complete disorganisation of production and to the raising of cost prices to an unprecedented rate. With the object of putting an end to this disorder, the Supreme Council of National Economics then created centralising organisations, the duties of which were to regulate and co-ordinate the activities of private enterprises. Management by labour was substituted for control by labour and took the form of an administration centralised to excess. Finally, in June 1918, the general nationalisation of all undertakings was decided. The object of this measure, however, was not so much to facilitate the dictatorship of the working class as to snatch Russian industries from the hands of the Germans into which they had fallen by the treaty of Brest-Litovsk. State monopolies alone were exempt from the provisions of this ordinance.

By the end of 1919, some four thousand undertakings, that is to say the majority of the large and medium sized industries of the country had become nationalised, a circumstance which rendered it impossible to tolerate any counter action, with the result that labour control became reduced to the functions of auditor without any right of interference with the orders of the central power. The right to give orders was reserved exclusively to the management, consisting of experts. It became clear that the committees, even with their action thus restricted, hampered the proper working of the undertakings. "The workshop committee," writes a contemporary, "is in too close relation with the hands, and its members intent only on keeping their office, made all sorts of concessions to the men and decided all disputes in their favour. It is generally incapable of considering the public interest, and whenever it does, it may be safely predicted that its days are numbered." Consequently the workshop committees will be suppressed, and a manager will be placed at the head of each factory. Thus the workmen are in the same position, as under the capitalist régime. But Russian industry will be long before it recovers from the ruin into which it was plunged in a few months by the anarchic rule of the workmen's councils. Lenin himself

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Special Articles

freely admits the causes of the almost complete stoppage of production, that is to say, lack of stimulus, responsibility and leadership.

CLAIMS OF THE GENERAL CONFEDERATION OF LABOUR IN FRANCE.

This example has, it appears, served as an object lesson. However favourable the C.G.T. (Confédération Générale du Travail) was to control by labour, it had to bow to the evidence. It was a member of the economic labour council of this institution, M. Max Hirsch, who adduced the most overwhelming evidence against the results of workmen's councils and of labour control in Russia. But instead of admitting that these results were inevitable, attempts are made to explain away the failure of the Russian Communists on the plea that they were not sufficiently prepared to deal with the new system. Acting on a plan drawn up by the C.G.T., the national committee of the Metal Workers' Federation, addressed to the Association of Metal and Mining Industries a long letter in which questions of unemployment, wages, hours of work, were promiscuously mingled in order to arrive at the conclusion that it was necessary to deprive employers of their exclusive privilege and to set up labour control. The circular addressed to the unions on the occasion of labour day, 1921, defined their purpose in the following terms: "The workmen, resolved to work and to produce the absolute condition of a general improvement of their welfare, will, by their demonstration in the form of a twenty-four-hour strike, demand more substantial rights, more effective powers of control and management, and more equitable and suitable conditions."

The programme of the Metal Workers' Federation as set out in the above mentioned letter to the Association of Metal and Mining Industries is as follows: The employers' organisation must recognise the workshop or factory committees appointed without any restraint by such of the staff as are members of trade unions, and the staff shall be responsible only to the labour organisation to which each member respectively belongs. These commissions shall be endowed with powers to enforce observance of all laws for the protection of workmen, such as working hours, sanitation, rights of unions, etc., and to examine all disciplinary measures taken against individual workmen which may only be applied subject to the approval of the committees. During periods of unemployment the management must, in conjunction with the committees, arrange either to form a fund, reduce working hours or select the workmen to be kept on. The committees will thus obtain knowledge of the order in which applicants for work are enrolled on the books of the establishment, and be in a position to see that justice is maintained in the order of engaging workmen. Finally, conditions of wages once fixed, the committees will be in a better position both to provide for their maintenance and to allow such exceptions as are regarded as inevitable.

The association replied to these claims one by one. Firstly, inasmuch as the unemployment crisis arose from a conjunction of general economic conditions which affected the whole world, the action exercised on it by the committees would be nil. Secondly, the claim that the committees should enforce observance of laws for the protection of labour was inadmissible, as no special class of citizens could claim to usurp the functions of the State. Finally, notwithstanding any precautions taken by the Federation to distinguish between the proposed committees and those which have proved so disastrous to Russia, the former would, in spite of themselves be led to set up in the factories those Soviets which the Communists desire to impose by violence.

In its rejoinder, the Federation invoked the rights of the democracy which, it argued, should prevail in industrial establishments as in political life, an argu-

ment which scarcely comes well from an association belonging to the C.G.T., which itself limits the exercise of the sovereignty of the people to the small minority represented by members of labour unions. In this connection there have been violent dissensions among the various constituent elements of the C.G.T., as to the import of the campaign in favour of workmen's councils. The leaders of the Metal Workers' Federation have been violently attacked by the extremists for having desired to obtain their objects by methods of reform instead of by revolution, and M. Merrheim in the *Peuple* reviles M. Cachin for compounding these committees, which can only be founded on the ruins of the employers' privileges, with the system of shop stewards organised during the war by the co-operation of all the enemies of the unions.

In March, the Federation returned to the attack, and submitted to its affiliated unions for their opinion, a preliminary scheme for the organisation of the control of factories by the trade unions. This document confirms the principle that these committees must be the instruments of the unions. They are to bear the name of "Trade Union Committees for the control and observance of labour agreements." The mandate of their members shall cease automatically on the termination of their membership of the unions either by resignation or expulsion. The import of this clause is easy to discern. Should any member of a committee decline to act as instructed by his union, the latter has only to strike him off the list of its members, for him to cease ipso facto, to be a member of the committee. These precautions are due to the antagonism which at times existed between the unions and the shop stewards created in 1917 in establishments working for war purposes.

The Committees will be called upon to supervise the observance and execution of legal provisions or agreements concluded by collective contract, and shall send a monthly report to the union to which they belong of all breaches of such laws and contracts committed in their factory. The union will forward this report to the employer.

A more dangerous part of their duties is their intervention in the engagement and discharge of workmen, and their conversion into disciplinary councils to which may be added as assessors representatives of the employers and the men. No penalty may be enforced without the approval of this council. Any one who knows the spirit of comradeship among workmen, will perceive the partiality of the rulings of the committees.

It may be noted, in conclusion, that this scheme does not go far enough for the Metal Workers' Union of Paris, which acclaims the institution of the committees as a victory for revolution, but demands that the committees shall control purchases of raw material and the manufacture and sale of products.

THE FAILURE OF THE COUNCILS IN ITALY.

After the seizure of the factories by the workmen in 1920, the Giolitti Government, by Decree of Dec. 19, 1920, forced the control of the trade unions upon factory owners by appointing a joint committee of employers and employed to draw up a draft Bill on the subject. The views of the two parties clashed from the outset. The labour representatives claimed that control should be entirely in the hands of the unions, and that it should extend to the business and financial management of industry. The employers on the other hand resolutely opposed this claim and agreed only to accept for each branch of industry, the appointment of a mixed committee of control, in which employers and employed should be equally represented, the delegates being appointed by the respective organisations of their own particular trades. The State would appoint a delegate to the committee as representative of the community. The employers agreed that these committees should consider economic and financial questions affecting industry, customs duties, transport rates, home and foreign markets, prices, loans and taxes. Finally,

they were in favour of appointing a general industrial council, in order to co-ordinate the work of the various control committees. But this scheme did not satisfy the Italian Labour Confederation, which insisted on granting to the representatives of wage earners the right to sit on the boards of all joint stock companies with the power of controlling the formation, increase, and reduction of capital, contracts, financial operations and technical work. In the end, the mixed commission was quite unable to draw up a united scheme or to effect any agreement or compromise between the conflicting parties. The Government then introduced a Bill to appoint for each branch of industry a control committee consisting of six representatives of labour and three representatives elected by employers. The Bill expressly states that the control of industry by workmen, for which it provides, aims at placing the workmen in a position to learn the conditions of the industrial market at improving, within the limits allowed by the work of each undertaking, the technical training and moral and material conditions of the workmen, at ensuring proper observance of the laws for the protection of workmen, at suggesting possible improvements of production and at improving

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relations between employers and employed. This bill was strenuously opposed by the manufacturers, who saw in it the germ of new labour disputes and of further disturbance.

(To be concluded.)

NOTES ON NEW BOOKS

ALASKA'S VALUE.

The Northward Course of Empire. By Vilhjalmur Stefansson. (Harrap and Co., 7s. 6d. net.)

Dr. E. W. Nelson, Chief of the United States Biological Survey, in an introduction to this book pays a tribute to the value of Mr. Stefansson's recent journey across the polar pack, "living off the country," and his contributions to geography and many other branches of science. Dr. Nelson asserts that the most valuable contribution of Mr. Stefansson is his appreciation that far northern lands are not the dread, icy deserts of the popular belief, but are possessed of a variety of resources and are available for occupation by civilised man.

In other words, Mr. Stefansson challenges our preconceived notions about the Arctic. He states that the great northern regions are not uninhabitable, that at their coldest they are no colder than many countries now inhabited by agricultural peoples, and that any first of July in Fort Yukon, Alaska (North of the Arctic circle) is likely to be hotter than in New York or Paris. We have no means of confirming the statements of the writer, other than by studying his series of comparisons, which carry with them a certain amount of conviction, but there can be no doubting that the American nation in acquiring Alaska have either accidentally or with uncanny foresight obtained a territory of unusual value.

How America became the possessors of Alaska makes an interesting story. When the Civil War came to an end in 1867, the side which eventually triumphed had been more consistently supported by Russia than by any other great European power. It became, so we are told, necessary to translate that gratitude into substantial terms and the Americans carried out what was for the time a large "but otherwise quite ordinary political transaction," by purchasing Alaska for \$7,200,000. When it is remembered that in 1918 of the many resources of Alaska under cultivation the sale of "canned sock-eye" salmon realised twenty-two million dollars, giving in one year a return more than three times the original purchase price of the territory, the "slipping the coin" by Secretary Seward seems to have been good business.

Apparently the salmon with this curious name represent only the beginning of the realisation by the United States of the accidental or vaguely designed wisdom of "Seward's Folly," for it is contended that other food products will soon exceed in value the fisheries of

Alaska. Seattle, one of the biggest American cities, is already being supplied by the market gardens of Alaska, and the American Department of Agriculture estimate that within fifteen years the output of Alaskan reindeer at present prices per pound will be worth from 45 to 60 million dollars a year.

Mr. Stefansson gets very enthusiastic over reindeer meat. "There will be," he says, "no difficulty in introducing reindeer meat into the United States or into any civilised country on the score of prejudice . . . It (Alaska) is going to become the greatest meat producing area of the world and eventually the only area where meat is produced on a large scale." Such a statement is rather bewildering. Within the last month we have reviewed two books in these columns one of which contended that South America was bound, more or less permanently, to come to the assistance of England in the matter of meat-production, and the other by Sir Charles Fielding, with whom we are inclined to agree, that England could, if she put her back into it, make herself in time independent of foreign meat.

[In his interesting and original book, Mr. Stefansson makes out a very good case for the future prosperity of Alaska, but we doubt if the sweeping assertion quoted above will prove to be true.]

RECENT PUBLICATIONS

Estates in 1921. An interesting leaflet has been issued by the National Mutual Life Assurance Society, which contains a diagram of figures extracted from official records with the object of showing the vast proportion of small estates and the importance of adequate life assurance.

Cross Currents in Europe To-day. By Charles A. Beard. This book has grown out of a series of eight lectures delivered in 1922 at Dartmouth College. It deals, among other things, with the economic problems growing out of the peace, and concludes with a discussion of the United States as a world power in the new order of things. (Messrs. George G. Harrap & Co., Ltd., 7s. 6d. net.)

The Capital Levy Explained. By Hugh Dalton, Cassel Reader in Commerce in the University of London. A handy text-book on the subject written by an economist who fought a constituency at the last General Election. It shows the practical working of the levy, meets objections to it, and makes concrete proposals. (The Labour Publishing Company Ltd., 38, Great Ormond Street. 1s.)

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	157.6*
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		9	188.2	
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				

*The Board of Trade Index Number for February was not known in time for entry on the Chart opposite.

CHART ILLUSTRATING TABLE I

A

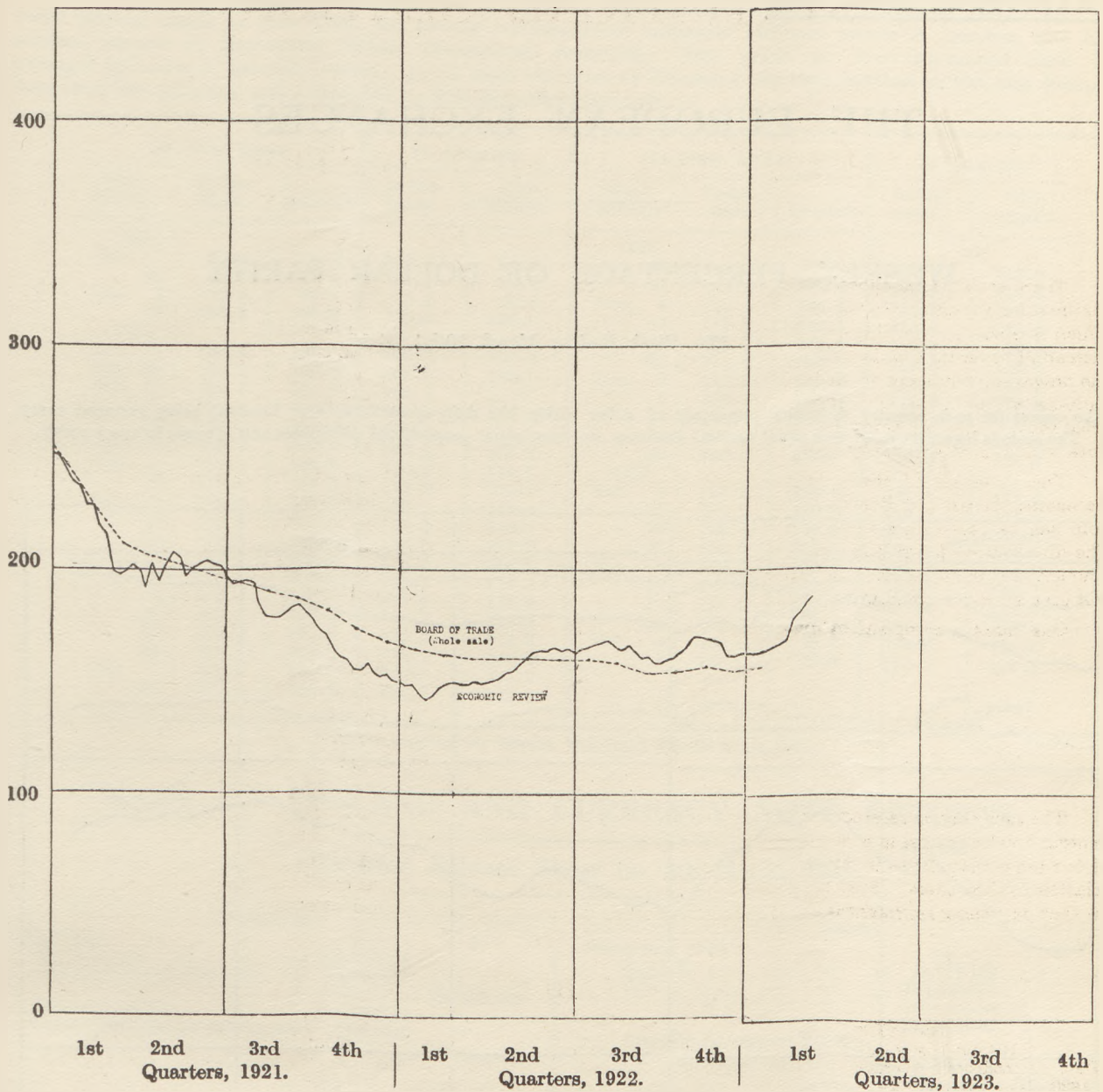


TABLE II.

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	134.8	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	111.23	... 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
" 9 ...	110.8	130.9	132.1	143.9	139.3	124.4	92.8	89.3	79.4	211.5	125.44	... " 9

*Revised Quotation.

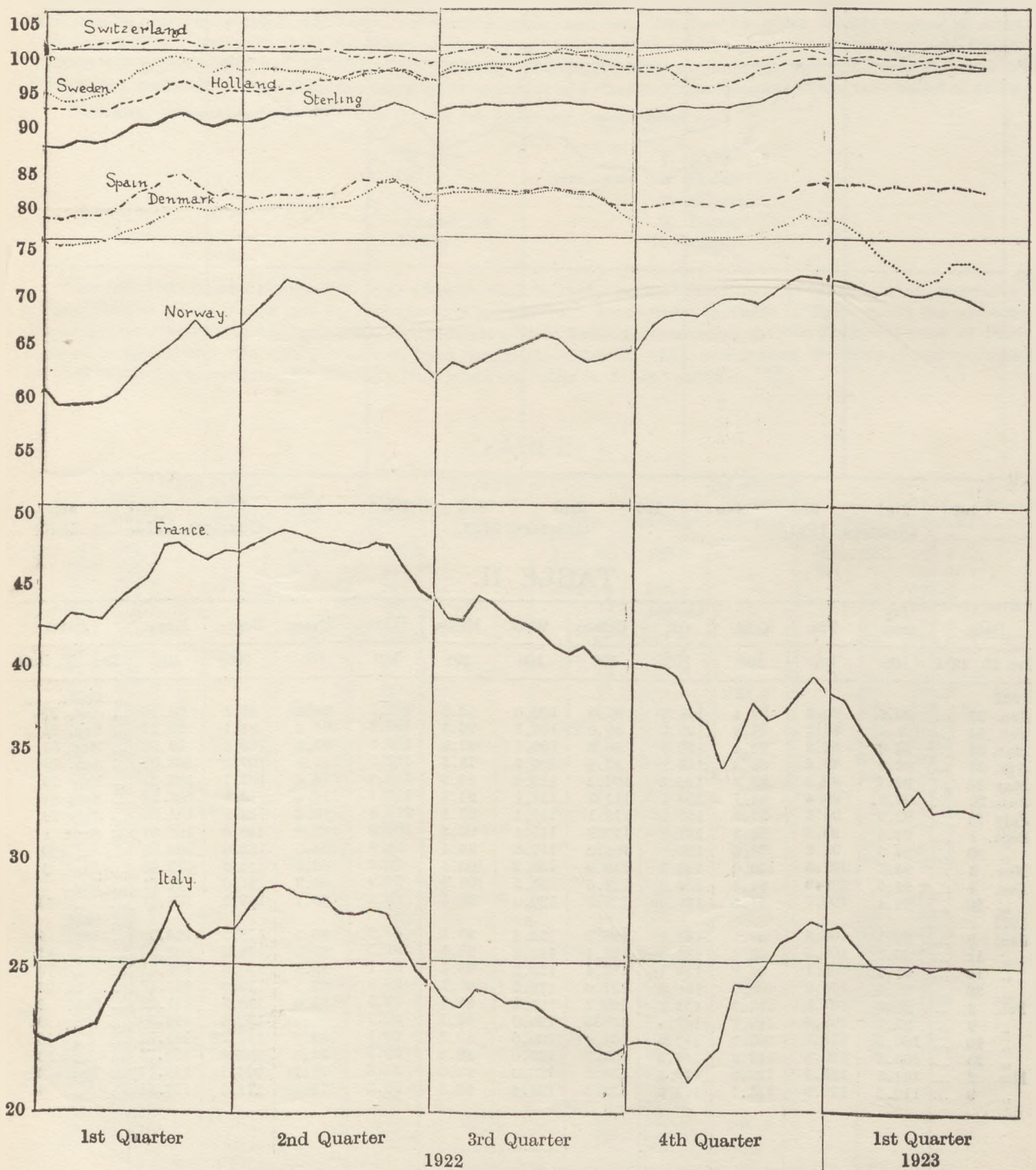
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending March 10th.)

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
Dec. 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	10	128.0	99.5	128.9	116.5
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 8th March, 1923.

LIABILITIES.			ASSETS.		
	£	£		£	£
<i>Notes Issued.</i>			<i>Government Debt.</i>		
B. of E. ...	145,427,805		B. of E. ...	11,015,100	
Less those in C.N. Reserve ...	22,450,000		C.N. ...	236,450,805	
		122,977,805			
C.N. outstanding ...	279,656,052			247,465,905	
C.N. called in but not yet cancelled ...	1,500,040		Less C.N. Investment Reserve Account ...	11,904,796	235,561,109
		281,156,092			
			<i>Other Securities.</i>		
			B. of E. ...		8,734,900
			<i>Gold Coin and Bullion.</i>		
			B. of E. ...	125,877,805	
			C.N. ...	27,000,000	
			C.N. Balance at B. of E....	160,083	152,837,888
			<i>Silver Coin</i> ...		7,000,000
					404,133,897
		404,133,897			

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
Mar. 8 ...	123.0	281.2	404.1	152.8	37.8	39.5

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